

Breakthrough for LOGSTOR's Energy Efficiency technologies in China

The LOGSTOR Group signs a five-year agreement valued at more than DKK 3 billion with the city of Harbin, a city of approx. 10 million inhabitants in the northeastern part of China

LOGSTOR is to increase the energy efficiency in the city of Harbin by replacing and expanding its existing district heating networks. More than 2,000 km of pre-insulated pipes are expected to be installed over a five year period, and LOGSTOR will build a new state-of-the-art manufacturing facility in Harbin employing more than 200 people. The first installations are expected to be carried out during 2011. To meet this requirement, LOGSTOR's facilities in Harbin are scheduled to become operational in first half of 2011. LOGSTOR's new and unique mobile spray technology enables the quick production set-up.

With its 10 million inhabitants, Harbin is the tenth largest city in China and the capital of the Heilongjiang Province in the northeast. Located in one of the fastest growing regions in the world, the city of Harbin serves as a key political, economic and scientific hub in this Chinese region. The city of Harbin works actively to position itself as a leader within environmentally friendly heating and to improve its energy efficiency, where heating and cooling of residential and commercial buildings constitute a large share of its energy consumption. Therefore, the city's government has decided to replace as well as extend large parts of the district heating distribution network and bring it to the highest possible standard.

The scheme is a result of China's recent five-year plan, under which the overall energy efficiency is to be significantly improved. By using LOGSTOR's state-of-the-art technologies, energy efficiency in existing transmission systems is expected to increase by at least 30%, while at the same time reducing CO2 emissions by the same amount. As evident in planning and long-term investments, Chinese authorities at all levels dedicate strong focus and political resolve to counter environmental and energy efficiency issues.

"This opportunity is very exciting for LOGSTOR as we are expanding our market scope significantly by entering the Chinese District Heating and Cooling market. The potential for LOGSTOR's products and technologies in China is huge. We are capable of delivering technologies that can significantly assist China in reaching its ambitious energy saving targets. The Harbin contract will serve as our district energy starting point in China", LOGSTOR's CEO Mr. Preben Tolstrup explains.

As a world leader in pre-insulated pipe systems for transporting energy, LOGSTOR provides the most sought-after energy technology solutions. The unique properties of LOGSTOR's pre-insulated pipe systems provide very large efficiency gains by minimizing the heat loss during distribution through the district heating networks.

LOGSTOR has been present in the Asian region since 2003 with its subsidiary company Logstor Insulation Co (Wuxi) Ltd., located in Wuxi west of Shanghai, manufacturing pre-insulated pipe systems for marine applications. During 2009 and 2010 LOGSTOR has intensified its efforts to expand and strengthen its foothold in this fast growing region and its commitment to the region is among other things manifested by its newly established subsidiary LOGSTOR Green Technology Co. Ltd. in the city of Lang Fang located just east of Beijing.

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About LOGSTOR

LOGSTOR is the world's leading manufacturer of pre-insulated pipes for energy-efficient transportation of gases and liquids for district energy (district heating and cooling, solar, marine and industrial purposes) and oil and gas. LOGSTOR invented the pre-insulated pipe system technology and has delivered more than 160,000 km of pre-insulated pipes to date. LOGSTOR provides products which make a considerable contribution to reductions in CO2 emissions and improved energy efficiency.

Today, LOGSTOR is an international group headquartered in Løgstør, Denmark with subsidiaries in Sweden, Finland, Germany, Poland, the Netherlands, France, Italy, Austria, Switzerland, Lithuania, Russia, Romania and China. A network of 30 agents and LOGSTOR's 14 sales offices support the group's sales activities.

LOGSTOR supplies customers in approximately 50 countries and sells its pipe systems in markets where energy savings and CO2 reductions affect customers' choice of how they heat or cool residential and commercial property and how oil, gas and other liquids are most efficiently transported.

The LOGSTOR group has approximately 1,250 employees worldwide. Production is carried out in the group's 10 factories situated in Denmark, Sweden, Finland, Poland, Romania, China, and in its two joint venture locations Dubai and the Republic of Korea.

LOGSTOR is owned by Montagu Private Equity.

Visit www.logstor.com for further information.

About Montagu Private Equity

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The primary investment focus of Montagu is on management buyout transactions and companies that operate in stable niche markets with a transaction value ranging from €100 million to €1 billion.

The firm has an extensive network of contacts and offers its portfolio companies capital, financial expertise and strategic assistance in order to unleash their full development and growth potential.

Montagu has over €3.5 billion of funds and assets under management.

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