



Growing the Energy Star Program

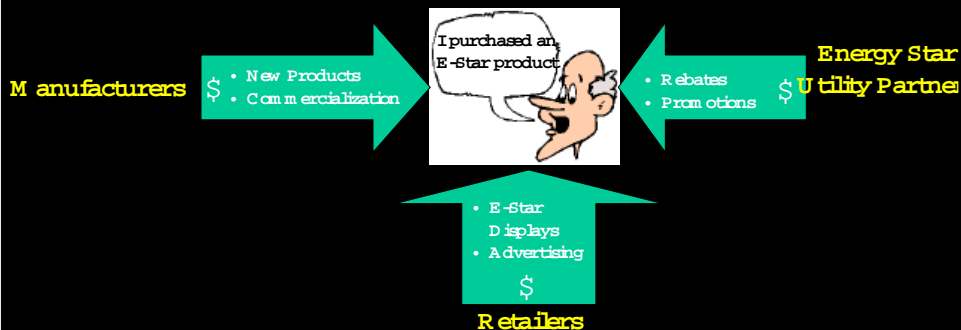


Jerry Rose
GM - Dishwasher & Laundry



Common Objective

- Leverage combined resources to drive increased penetration of Energy Star products



Win, win for all involved!!



Energy Star Appliance Penetration

<u>Product</u>	<u>Total Industry Units (000)</u>	<u>Energy Star Units (000)</u>	<u>Energy Star Penetration</u>
Built-In Dishwashers	6,050	2,950	49%
Portable Dishwashers	160	20	13%
SxS Refrigerators	3,200	1,500	46%
Other Refrigerators	6,600	950	14%
Washers	7,750	1,050	14%
Room Air Conditioners	6,150	1,150	19%
Total	29,910	7,620	25%

Source: AHAM

Great progress... lots of room to grow!



Keys to Energy Star Growth

- Strong Energy Star product offerings
 - Manufacturers... Product innovation and E-Star expansion
 - Retailers/Distributors... Excellent floor displays and promotional support
- Improved execution of collaborative programs
- Increased builder participation

Grow E-Star penetration to 50%!



New Product Innovation

- Over \$1 Billion invested by GE since 2000!
- GE investing \$200 million + per year 2003 - 2005
- Key driver in our product development is energy efficiency ... Energy Star
- Over \$20m per year in commercialization costs to drive Energy Star sales



GE committed to Energy Star efforts



Key to Improved Collaborative Execution

- A adequate lead time to support planning, promotional and communication process

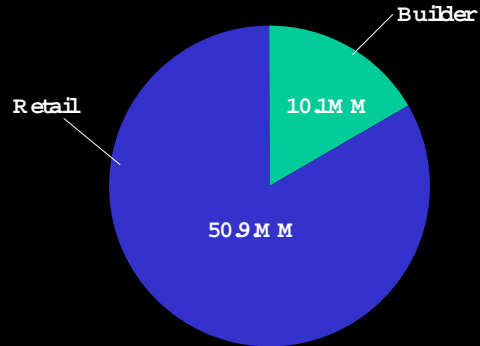
Key Tasks	Jan	Feb	Mar	Apr	May	June	July
Promotion plans/event confirmed	●	●					
Promotional support materials developed		●	●				
Customer communication		●	●				
Support materials printed			●	●			
Customer advertising/floor displays planned		●			●		
Sales training conducted					●	●	
Support material delivered					●	●	
Promotion/event begins							★

6 month lead time required for effective execution



Increasing Builder Participation ... Why Does it Matter?

Appliance Industry - Total Units



Builder Channel 17% of industry... over 10M M units!



Appliance Selection Process Key Influencers

- Home buyer target market
 - First time
 - Step-up
 - Luxury
 - Empty nester
- Competitive environment
- Home price range

Numerous factors impact builder's appliance selection



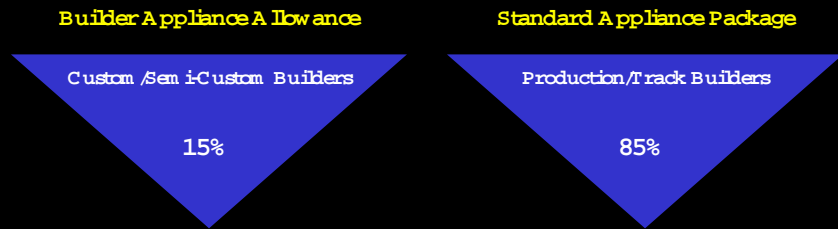
Appliance Selection Process

Builder Type	% Total Builders
Marketing-Oriented Builders <ul style="list-style-type: none"> Focused on selling homes quicker Motivated by products/ideas that generate sales 	10%
Finance-Oriented Builders <ul style="list-style-type: none"> Focused on costs and profitability Motivated by products that cut costs and increase home profitability 	15%
Production-Oriented Builders <ul style="list-style-type: none"> Focused on building homes efficiently, on-time and complaint free Motivated by products that improve production 	75%

Understanding a builder's motivation is critical to success



Appliance Selection Process



- Home buyer chooses appliances
 - Retailer or distributor of their choice
 - Retailer or distributor chosen by builder

- Model homes
- Design center
- Option upgrade packages

Home buyer influences selection

Builder influences selection



Appliance Selection Process Key Buying Cues

Builder

- On-time delivery
- After-sales service
- Knowledgeable sales support
- Acceptable brand name
- Competitive pricing

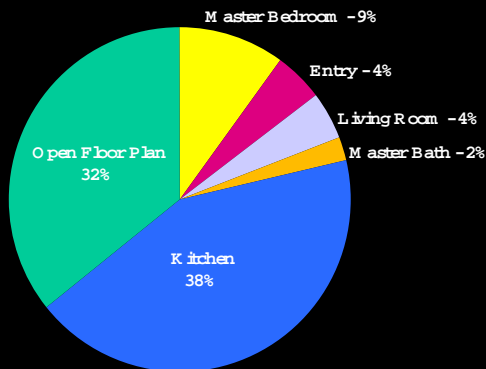
Home Buyer

- Appearance
- Quality
- Flexibility
- Capacity
- Performance
- Energy efficiency

*Builder focused on service/cost...
Home buyer focused on product benefits*



Appliance Selection Process...
What Makes The Biggest Impression In A Home?



Source: Professional Builder New Home Survey

Kitchen drives overall impression of a home



**What's Needed To Drive Higher Builder
Inclusion Of Energy Star Appliances?**

1. Strong product offerings of Energy Star products by manufacturers, retailers and builder distributors
2. High impact marketing and merchandising materials
3. Builder-friendly solution to Energy Star incentive funds

Focused, consistent program will drive success



New Construction Incentives

- Where offered, incentives need to be directed to the builder and offered for longer durations (one year)
- Redemption process must be simple, non-labor intensive
- A process handled directly with manufacturer/retailer would be optimum ... take the builder out of the process

***Make it compelling and easy for
builders to use Energy Star products***

HIGH EFFICIENCY APPLIANCE & LIGHTING PROGRAM



The High Efficiency Appliance and Lighting Program offers incentives for builders to install and offer high efficiency dishwashers, clothes washers and lighting fixtures. Whether you build single-family or multi-family housing, you may qualify for cash incentives when you install ENERGY STAR® qualified dishwashers, clothes washers and lighting fixtures. Another option is to offer homebuyers a direct consumer rebate when they purchase a qualified dishwasher or clothes washer through your design center.

BUILDER APPLIANCE INCENTIVES

Builders that install ENERGY STAR qualified appliances in new homes can receive the incentives listed in the table at right.

APPLIANCE	INCENTIVE (Wholesale)
Dishwasher	\$35.00/unit
Clothes Washer	\$50.00/unit

BUILDER LIGHTING INCENTIVES

Builders that install ENERGY STAR qualified lighting fixtures—in addition to those fixtures required by Title 24—can qualify for the following incentives:

HOUSING TYPE	INDOOR FIXTURES REQ.	OUTDOOR FIXTURES REQ.	INCENTIVE
Lighting Fixtures (Single-Family)	3	2	\$75.00/home
Lighting Fixtures (Multi-Family)	2	1	\$45.00/home

HOMEBUYER REBATES

Builders can offer homebuyers a rebate to upgrade their dishwasher and clothes washer through builder-sponsored design centers.

APPLIANCE	REBATE (Retail)
Dishwasher	\$50.00/unit
Clothes Washer	\$75.00/unit

Homebuyers who purchase ENERGY STAR qualified dishwashers and/or clothes washers can qualify for the rebates listed in the table above.



APPLICATION FORM

COMPLETE AND RETURN TO:
 D&R International, Ltd.
 High Efficiency Appliance and Lighting Program
 10174 Old Grove Road, Suite 200
 San Diego, CA 92131
 Phone: (858) 527-0450
 Fax: (858) 527-0449
 E-mail: info@buildingabrighterfuture.com
 www.BuildingaBrighterFuture.com



PROGRAM ADMINISTRATIVE USE ONLY

Application Date _____ Application # _____ Invoice/P.O.P. Submitted
 Confirmation Date _____ Inspection Date _____ Payment Date _____

BUILDER/DEVELOPER INFORMATION

Builder/Developer Name _____
 Builder Mailing Address _____ City _____ State _____ Zip _____
 Contact Name _____ Title _____
 Phone _____ Fax _____ E-mail _____ Builder Web site _____
 TAX STATUS: Corp. Non-Corp. Exempt _____
Example Reason: _____ Federal Tax ID or SSN _____

INSTALLED APPLIANCES <small>(check all that apply)</small>	NUMBER INSTALLED	BRAND	MODEL NUMBER	INCENTIVE LEVEL	TOTAL REBATE AMOUNT	INTERNAL USE ONLY
<input type="checkbox"/> Dishwasher				\$35.00		
<input type="checkbox"/> Clothes Washer				\$50.00		
<input type="checkbox"/> Lighting Fixtures (Single-Family)				\$75.00		
<input type="checkbox"/> Lighting Fixtures (Multi-Family)				\$45.00		
Total Rebate Application Amount:					\$ _____	

PROJECT INFORMATION

Project Name/Location _____ Est. Start Date _____ Est. Completion Date _____
 Property Address _____ City _____ State _____ Zip _____ Project Web site _____
 RESIDENTIAL UNITS: Single-Family _____ Multi-Family _____ Number of Model Units in Project _____
 DESIGN CENTER PARTICIPATION
 Sales Agent Training _____ Design Center Address _____ City _____ State _____ Zip _____
 Design Center Sales Training _____ Design Center/Options Manager Contact _____ Title _____

Under this agreement, Applicant agrees to comply with the terms and conditions of the D&R International High Efficiency Appliance and Lighting Program Terms and Conditions, which are on the reverse side of this application. Applicant agrees to install indicated appliances and fixtures no later than December 31, 2005, and that funds are distributed on a first-come, first-served basis.

D&R International Authorized Signature _____ Date _____
 Applicant Authorized Signature _____ Title _____ Date _____



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Thanks for listening and

thank you

for your ongoing support/partnership!

G row ing E ne rgy Star together!