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Dear Business Partners,

We are pleased to welcome you to the first edition of the Master Climate Solutions Newsletter. We believe it will provide general information as to what is currently going on within our company.

Master Climate Solutions Group has grown to be a well-known manufacturer of climate control products inside and outside Europe. Our well-developed distribution network is ready to supply Master products almost all over the world. Over the past 12 months, we have introduced lots of changes to improve our services as well as to secure our leading position on the European heaters and dehumidifiers market.

This newsletter focuses on our current projects, goals and business opportunities. It aims to bring you up to speed on our new products, our agreement with the Ramirent Group as well as the forthcoming activities.

Master Climate Solutions Team

MASTER CLIMATE SOLUTIONS – A TRUSTWORTHY PARTNER IN BUSINESS DEVELOPMENT PLANS AND PERSPECTIVES

The last two years for the MCS Group were a time of deep changes and making new plans for the future. For our Clients, the most visible part of this change was the new company name and image. The name DESA, which we have used up to 2010, was replaced by Master Climate Solutions as a characteristic of further development plans of the corporation.



Master Climate Solutions company has been operating on the European market for over 20 years. At first, the Master equipment was imported from the United States by the Desa Europe company, situated in Rotterdam. When in 2000 a new Master heater factory in Pastrengo near Verona (Italy) was opened, a period of rapid development for the company has begun. The present company MCS Central Europe, at that time known as Desa Poland, has dynamically expanded a well constructed distribution network both in Poland and in other European countries. The factory in Italy began introducing more and more new oil and gas heaters into the market. Soon, new divisions were opened in Russia and in China in order to meet the expectations of these markets and at the same time expand into new areas.

Today, the MCS Group boasts four extremely dynamic divisions: in Italy, Poland, Russia and China. Its products are well known throughout the world for their high quality and usability in many branches of industry, construction business and farming. Along with the new company image, the product offer was adjusted to present a more readable and adequate assortment for our Clients. All Master equipment was divided into four groups: mobile heaters, stationary heaters, dehumidifiers and ventilators as well as coolers. At the same time, the assortment is constantly expanded by new air processing equipment and adjusted accordingly to the growing market demands.

Further changes in the company were related to the unification of communication between various divisions and the customers. We do our utmost so that each order as well as all valid information are processed and delivered to the client as soon as possible. The logistics center in Poland near Poznań supplies the equipment to all Eastern European and Central European countries. Our manufacturing facilities for electric

heaters as well as high output indirect oil heaters of the AIR BUS series. The Polish MCS division also houses a spare part warehouse, allowing for quickly and easy access for all the business partners. The manufacturing facility in Italy makes for the Group's design and manufacturing center for gas and oil heaters. A number of production lines is adjusted to manufacture a specific model, supplying the specific equipment for the entire MCS Group. The warehouse of goods to be delivered to Northern and Southern Europe and other continents is also located here.

Years hard at work to improve equipment quality and broaden the assortment have brought about a dynamic increase in the popularity of the Master brand in Europe. Presently, it is an undisputed leader on the mobile air heater market. However, the company does not limit itself to domestic market and actively develops distribution networks for faraway foreign markets where the equipment grows in popularity. Master equipment has been successfully introduced to China and other Asian markets, New Zealand and Republic of South Africa. Such success we owe exclusively to the ability to match our offer to the exact demands of the target market.

We ceaselessly strive to increase our manufacturing potential and efficiency. Year after year we manufacture an increased number of equipment, taking into account the situation in specific areas of our operation. An efficient order receipt system allows us to clearly ascertain the demand for our products and to supply them as scheduled. All our achievements to date are undoubtedly the common success of our highly qualified employees and vendors, who dutifully take care that the demands of our customers worldwide are satisfied. Thanks to them, we can offer a fully professional product as well as the highest quality pre- and post-sale service.

MCS WELCOMES ALCEDO INVESTMENTS FUND A NEW SHAREHOLDER

Alcedo_{sgr}

In the middle of September, top MCS Group managers increased the amount of their share participation, and are proud to welcome Alcedo Investment Fund as a new shareholder. At the same time, Atlantis Capital Investment Fund has resigned from being a participant. After a successful deal that allowed MCS to continue its growth and strengthen its market position, Atlantis had to leave due to a new fundraising campaign.

The new shareholder is one of the leading growth capital Italian Investment Funds. Since 1985, the Alcedo Team is located in Treviso, in the dynamic heart of the industrial North East of Italy. As an investor, Alcedo is strongly integrated in the Italian industrial community, and for more than 20 years has delivered a stunning performance with very limited use of the debt leverage. The company is a shareholder in different lead-

er companies, all located in Italy. MCS Group is actively working to increase its presence in the worldwide markets. With a new shareholder, further plans are being made to continue the successful development of the Group.

MCS'S NEW-LOOK IN GLOBAL WEB

www.mcsworld.com

Late May 2011 a new Master Climate Solutions Group website has launched, at the same time this constitutes a new development of our company strategy regarding our online presence. The website address www.mcsworld.com contains a corporate version of the website in English, but it will also be available for the majority of the users in Europe and Asia in their native languages.

The new website features a calm yet determined design, highlighting the new company image as well as its international character. The main goal of the website is to provide quick and easy access to product information, their usage as well as interesting news regarding the life of the corporation and its partners. The website is aimed both at the end customers but also the business partners in constant collaboration with the various MCS Group divisions. The variety of content is targeted at various kinds of users seeking information about different kinds of Master equipment.

The new website look emphasizes clarity, functionality and simplicity. The central part of the website contains the most attractive elements to grab the user's attention such as, the most recent news and videos. Easy navigation and comfort was also a priority, the user can easily browse for wanted information via a clearly designed menu. Every product is shown including detailed description, schematics and additional information regarding actual use. Additionally, some of the materials, such as the most recent catalogs and manuals are available for download. A special section for partners is dedicated to regular MCS Group customers. It contains detailed information regarding the equipment, its construction and servicing, as well as training materials and other useful applications.

Along with building our new website, we began intensive advertising campaigns on the Internet. All language versions of the website are optimized for the two most popular search engines: Google and Yandex, for specific European markets. At the same time, we began collaboration with numerous web



portals, social networking sites and B2B catalogs in Europe and in Asia, to promote the Master brand in the global network. The e-marketing activities are to increase the competitive advantage of the Master brand and at the same time secure its position as a leader in the e-society as well.

VENTILATION MASTERFULLY DONE NEW RANGE

The introduction of Master ventilators to the market was a large success for the entire MCS Group. The demand for this equipment easily outgrew our expectations, which has mobilized us even more to expand our selection and present a more attractive offer.

As early as this year we have already proposed a number of new models to allow for greater usability of the devices. Ventilators are used wherever the existing ventilation system is inadequate, or additional air circulation is required. The devices may assist both existing air conditioning and heating systems. Most of the time, they are used in industrial facilities, storage halls or during construction works. They also speed up the process of dehumidification of rooms and buildings.

Presently, three ventilator models are available at MCS. Two of which, BL 6800 and CD 5000, are used particularly in construction and repair works. The first model allows to connect a flexible hose of nearly 8m, allowing to transport the air for longer distances. The CD 5000 model, due to its construction, is mostly used for dehumidification of floors and carpets. It is also useful for drying flooded buildings.

In an attempt to anticipate our customers' demands, we introduced two new axial fan models. The DF 30P model was really well received, so we introduced a new, smaller DF 20P model dedicated for smaller surfaces, as well as the MF 30P model with an increased air flow. The main feature of the MF

30P is the broad and at the same time short range of air flow, as opposed to the two other devices, which feature a narrower and longer air flow range. In case of the DF 20P model, it is possible to fix the device to the walls or ceiling. Such model diversity allows to choose the most applicable solution as needed.

All Master ventilators are manufactured with high quality and product functionality in mind. We did our utmost to provide resistant and durable devices, which are at the same time easy and comfortable to use. We expect them to make a permanent addition to our assortment for the next few years.



XL-5 - THE NEW INFRARED HEATER NEW SOLUTIONS FOR SMALLER NEEDS

In response to market forces, Master Climate Solutions have extended their range of oil fired infrared heaters, and introduce the new XL-5 (17 kW) to complement the existing XL-9 (43 kW). It is an exciting new addition to the high performance range of oil fired heaters marketed under the Master brand name, well known across Europe for value, quality and performance.

Infrared heaters have had a wide appeal to many end-users since their introduction, becoming one of the most effective and efficient forms of heating. Owing to their method of operation, these heaters do not heat the air, but radiate heat towards the target area or object, so that 100% of the heat produced is used effectively, nothing wasted. Another important advantage is that because the heat is radiated rather than blown, no dust is sucked into the heater and blown into the atmosphere, an important consideration in some applications.

The XL-9 (43 kW) has become a best seller in the UK, Italy, France and Spain where it is used extensively in the manufacture, construction, logistics and farming industries. It is also used in semi-open areas, such as exhibition marquees, outdoor events and concerts, film sets and photo shoots. In applications where the output of the XL-9 would be too powerful, the XL-5 offers the perfect solution, with all the advan-

tages of the bigger model, but with a smaller heat output.

Detailed information on the Master XL-5, and all the other heaters in the Master oil, gas and electric ranges can be found at www.mcsworld.com



RAMIRENT AND MCS SIGN FRAMEWORK AGREEMENT A NEW CHALLENGE IN RENTAL MARKET

With the new heating season, Master equipment shall hit the shelves of the most well known construction equipment rental network in Europe. This year in June MCS Group has signed a framework agreement with Ramirent Group, whereby Master heaters and dehumidifiers were incorporated as part of the goods offered, alongside the most prominent brands such as Bosch, Honda, JCB, Hilti and others.



Ramirent Group is a European leading rental network specializing in construction equipment and scaffoldings. During more than 50 years of operation the company has earned a strong position in Northern and Central Europe by offering their customers the best service standard possible. Top quality of the offered equipment, customer satisfaction and professional service come first at Ramirent.

Strong presence of Ramirent Group in the construction markets along with a large group of customers belies the strong market position of the corporation. Incorporating Master equipment as part of the product assortment is a highly prestigious event of utmost strategic importance.

- The beginning of collaboration with the Ramirent Group is a sign of trust by our Scandinavian partners to MCS and an acknowledgement of the quality of Master devices and equipment. I think it gives us a chance to reach new professional customers, especially in the countries, where our market presence is less prominent than in Central and Eastern Europe – says Grzegorz Kruk, MCS Group export manager – Rental houses test construction equipment extensively, collaboration with Ramirent is also an opportunity to receive valuable feedback from this market, allowing us to further the development of the Master product palette.

Purchasing of construction machinery and equipment at Ramirent is coordinated by teams of experts, who select the equipment fleet according to Group standard criteria. In order to assure maximum client satisfaction and safety, only the top quality products from trusted suppliers are offered.

- MCS has got a wide range of products that regularly undergo technical development. The MCS products operate reliably in the challenging environment of our rental market. The few

warranty cases are handled in a flexible way and the suitable spare parts supply is ensured - says Gabor Molnar, Ramirent Fleet Manager for Central Europe.

Selecting Master equipment is in line with the strategy which is used by Ramirent to date. As Mr. Molnar explains further, climate control belongs to Ramirent's Power and Heating product group which is one of their fastest developing product area. As everywhere in their offers, Ramirent is looking for the possibility to supply its customers with Dynamic Rental Solutions, which does not only mean simple equipment rental, but also a close cooperation with the clients in solving their problems in a systematic way. When operating in such a challenging market long terms cooperation is getting more and more important.

Taking into account the nearest future, Ramirent experts focus on a dynamic development of the heater and dehumidifier market. In the recent years there has been an increased interest in indirect oil heaters and dehumidifiers that have become round-the year products.

-The market of the heaters and dehumidifiers is a growing and important market for Ramirent. – Mr. Gabor Molnar concludes - That's why we trust in a developing cooperation with MCS on the basis that MCS will be able to maintain the good quality and competitive prices.

Ramirent Group is listed on NASDAQ OMX Helsinki Ltd. The company currently employs over three thousand people in 13 Northern, Central and Eastern European countries. The many years of experience on the construction equipment rental market is acknowledged by top experts. The agreement signed in June brings new challenges for MCS, but also new perspectives of growth in new areas of operation.

MASTER HEATERS ASSIST MONGOLIA IN THE CONSTRUCTION OF THE BIGGEST INDUSTRIAL COMPLEX IN ASIA

The Jiangsu Jiangdu Construction Group Co. Ltd. acts as a partner of the Mongolian Government in a copper mining project and has chosen Master heaters to assist them in their construction works. The strong, durable structure and excellent mobility of Master devices meet all the contractor's specifications to work in the unforgiving climate of the Mongolian deserts.



The Oyu Tolgoi gold and copper mining project is located in south Gobi region, Mongolia. The deposits were discovered in 2001 and the mine is currently under construction, scheduled to begin the extraction in 2013. The expected copper production level is 450 000 tonnes per year. The Mongolian Government aims to expand its economy by developing this huge industrial complex into one of the wealthiest in Asia. Since China is currently the biggest trade partner for Mongolia, the presence of Chinese investors in the Oyu Tolgoi mining project is very strong.

Our customer, Jiangsu Jiangdu Construction Group Co. Ltd., is one of the largest construction companies in China. With lots of prestigious awards, it is well established as a professional and trustworthy business partner. At the beginning of 2010, it has signed a 46 million USD contract with Mongolia Oyu Tolgoi Co., Ltd. The project started on 6th July, 2010 and will be finished by 28th December, 2011, as per the agreement. Jiangdu Construction's chief responsibility is the concrete construction works of K320 Mining in Mongolia, this includes civil engineering, steel structure and building construction as well as the installation of electric machinery.

Jiangdu Construction decided to use Master heaters to help them accomplish the projects. The extreme continental climate in Mongolia with long, cold winters and short summers means the average temperatures in January are as low as minus 30oC. Mongolia is also a subject to occasional harsh winters known as "zud". Such weather conditions make it very hard to complete any kind of construction work for most of the year. As our customer says, Master heaters are a perfect choice due to their mobility, fast temperature raising and easy maintenance. In Gobi desert they can be used at any time and in any conditions.

The builders mostly use the high output indirect oil heaters as well as the BV 290 heater models. They are used to heat up the space inside the working area. Since construction works are situated on a huge space, hot air is distributed via flexible hoses which transport the heat even over long distances.

Thanks to high performance and durability of Master heaters, construction work can very often be continued despite the adverse weather conditions. The mining complex construction in Mongolia constitutes an important test for both the contractor and the machines used there. We firmly believe that Master heaters are up to the challenge.



MASTER CLIMATE SOLUTIONS EXHIBITS:

SAIE Salone Internazionale dell Edilizia

05th-08th October, 2011

Bologna, Italy

Beijing International Construction Machinery Exhibition & Seminar

18th – 21st October, 2011

Beijing, China

The Showman's Show 2011

19th-20th October, 2011

Newberry Showground Berkshire, UK

The 18th China Agriculture Fair

5th – 9th November, 2011

Yangling City Shanxi Province, China

MITEX 2011

08th-11th November, 2011

Moscow, Russia

Climate World 2012

12th -15th March 2012

Moscow, Russia

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