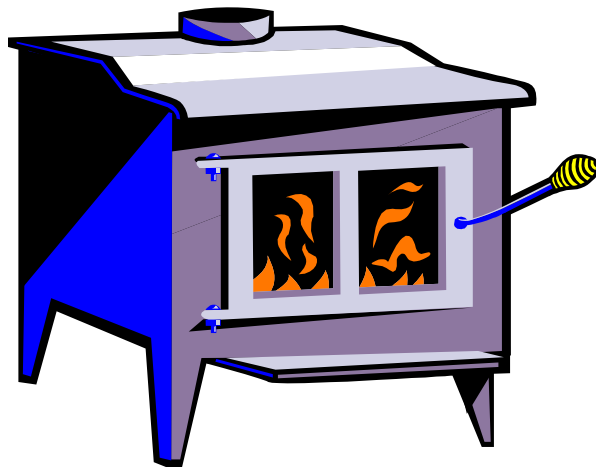


Pellet Fuels Institute Membership Meeting

Wednesday, March 18, 2009

Don Johnson, *HPBA Director of Market
Research*



Agenda

- **Set the stage – detail current status of the pellet industry**
 - **Hearth appliance shipment statistics**
 - **Pellet appliance shipment trends**
 - **Select HPBA Manufacturer Rep survey results**
 - **Questions??**

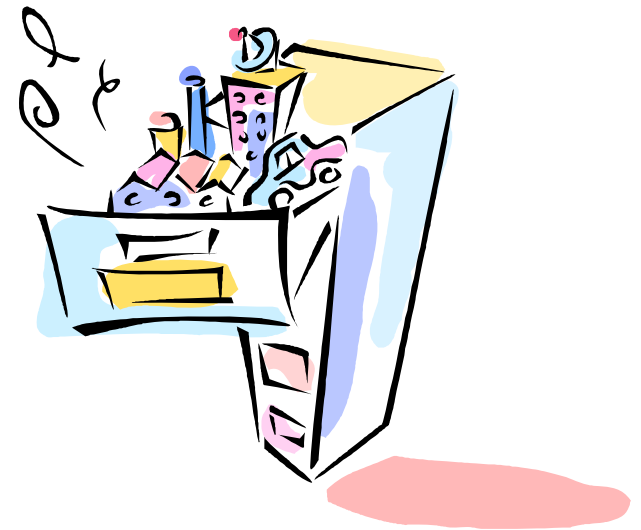


“Top of the Line” Hearth Industry Statistics

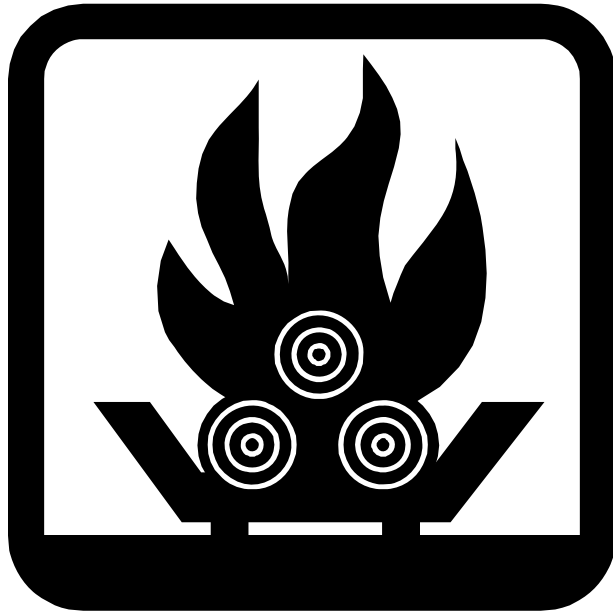


“Top of the Line” Hearth Statistics

- Data released at HPBExpo
- Posted on web site shortly after HPBExpo



U.S. Hearth Appliance Shipments in 2008

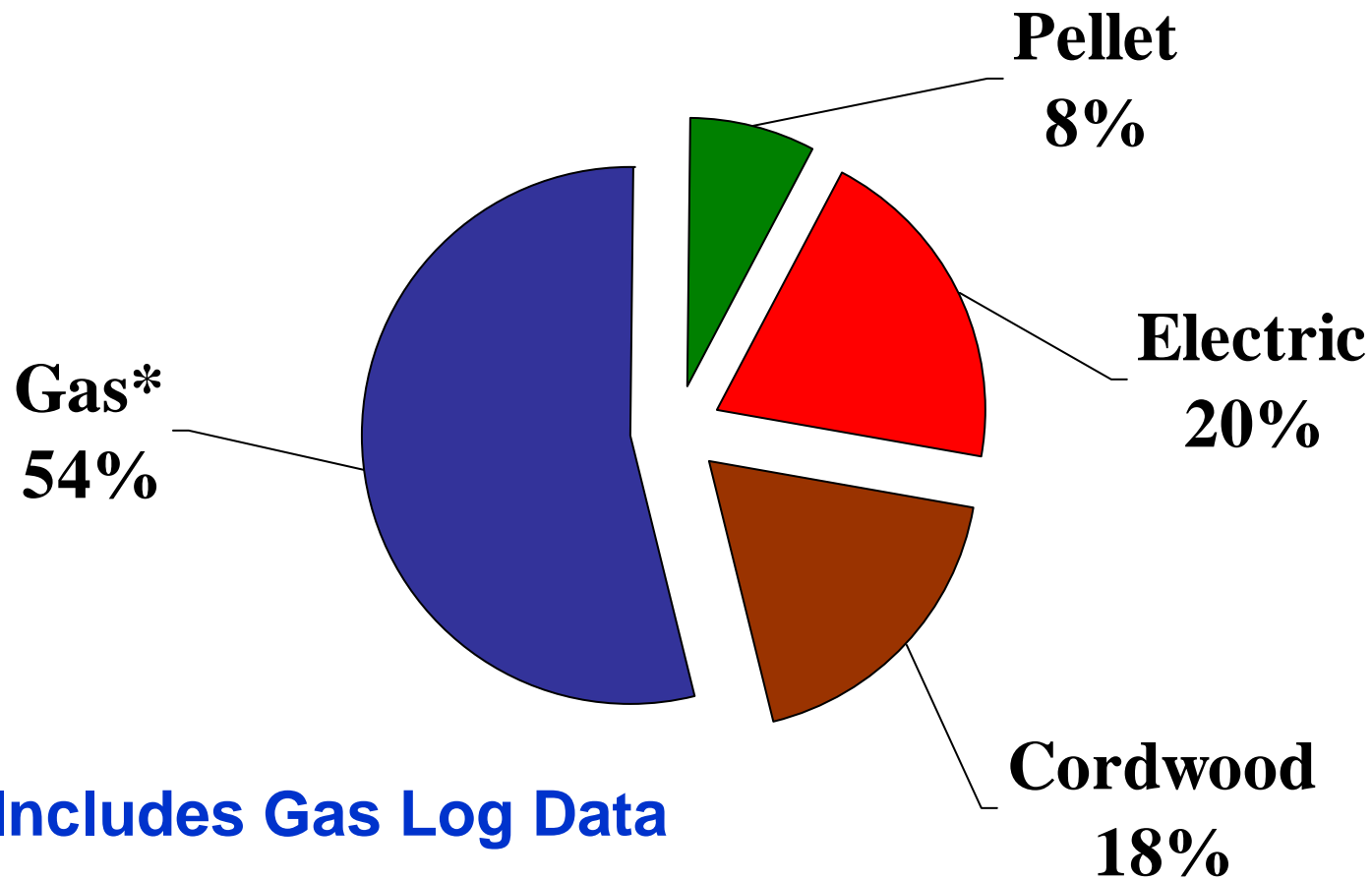


- Cordwood – 345,735
 - Gas* – 1,017,078
 - Pellet – 141,211
- Electric (N.A.) – 378,250
- **TOTAL – 1,882,274**

*Includes Gas Log Estimated Data (452,500)

Note: Gas Log and Electric Data Estimated and Vetted

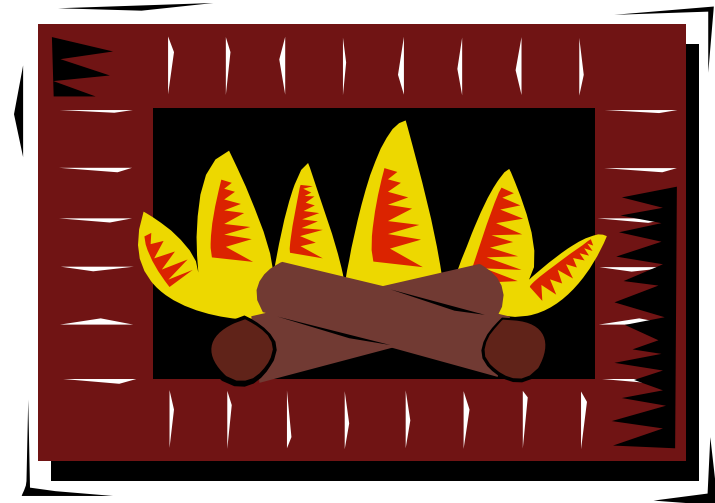
Hearth Appliance Shipments by Type of Fuel -- 2008



Between 2007 and 2008 . . .

- **Cordwood** appliance shipments **decreased 5%**
 - From 362,243 to 345,735
- **Gas** appliance shipments **decreased 33%**
 - From 1,513,364 to 1,017,078
- **Electric** appliance shipments **decreased 15%**
 - From 445,000 to 378,250
- **Pellet** appliance shipments **increased 161%**
 - From 54,032 to 141,211

**Overall, industry
decreased 21%
between 2007
and 2008**



Since 1998 . . .

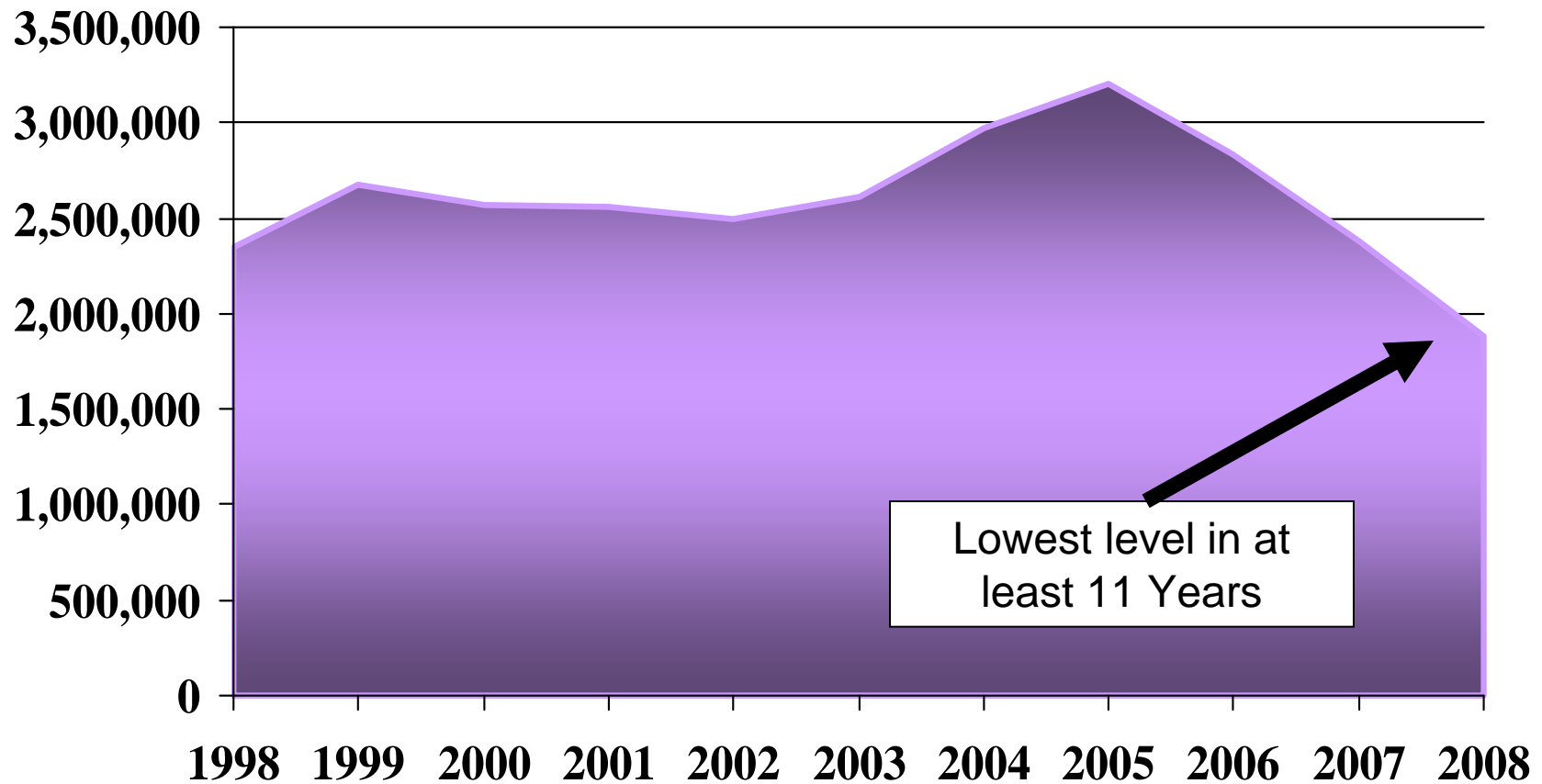
- **Cordwood** appliance shipments **decreased 47%**
 - From 652,500 to 345,735
- **Gas** appliance shipments **decreased 37%**
 - From 1,611,750 to 1,017,078
- **Electric** appliance shipments **increased 657%**
 - From 50,000 to 378,250
- **Pellet** appliance shipments **increased 315%**
 - From 34,000 to 141,211

**Overall, industry
decreased 20%
between 1998
and 2008**



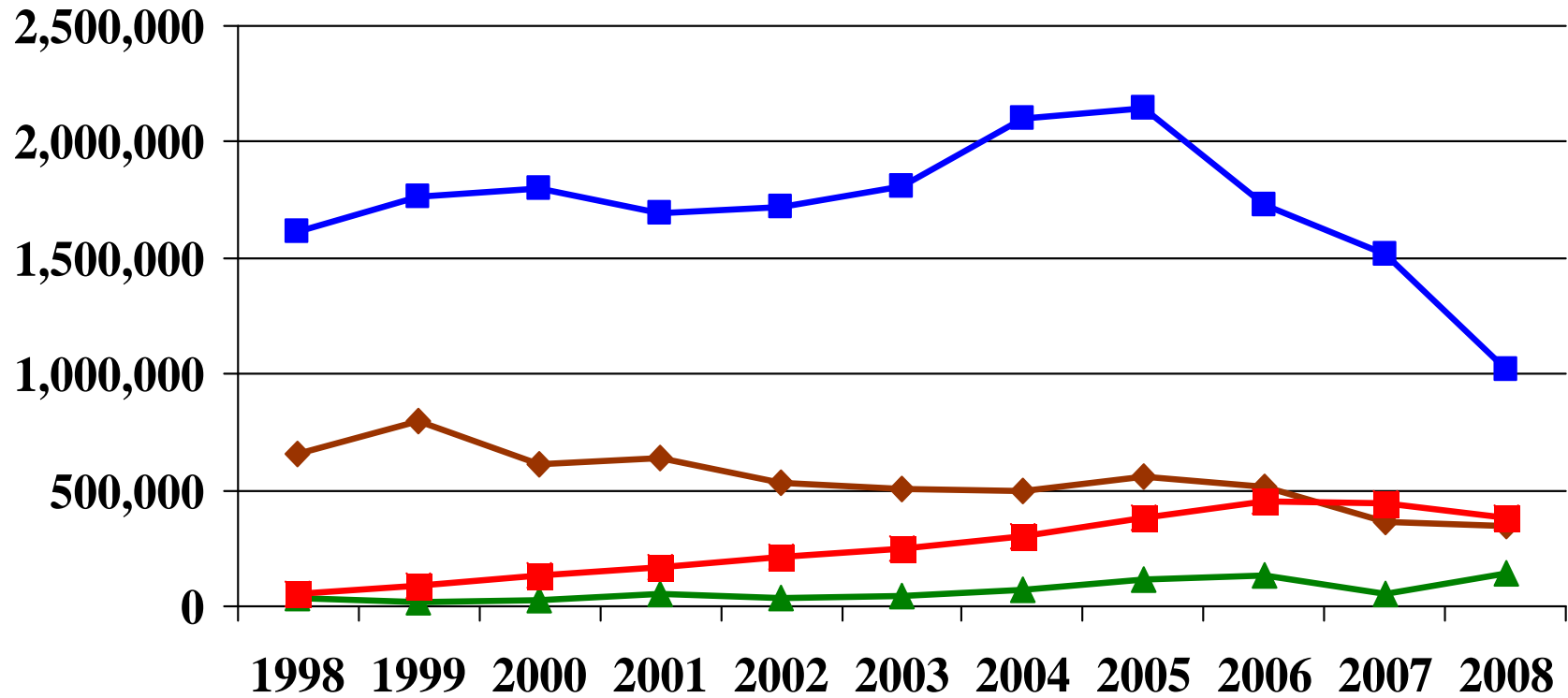
Total U.S. Hearth Appliance Shipments

1998--2008



Hearth Appliance Shipments

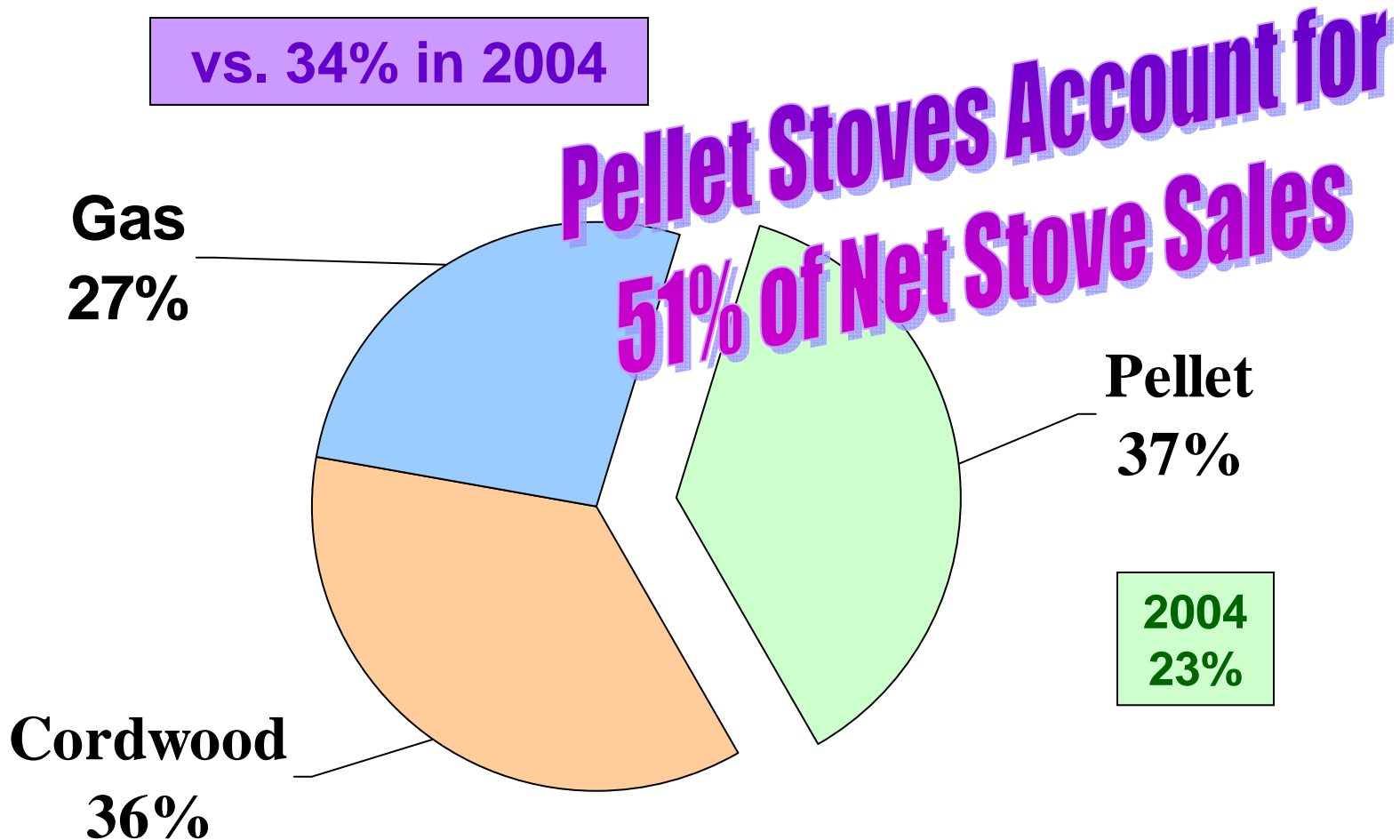
1998--2008



—◆— Cordwood —■— Gas —▲— Pellet —■— Electric

Freestanding Stove Appliance Shipments by Type of Fuel -- **2005**

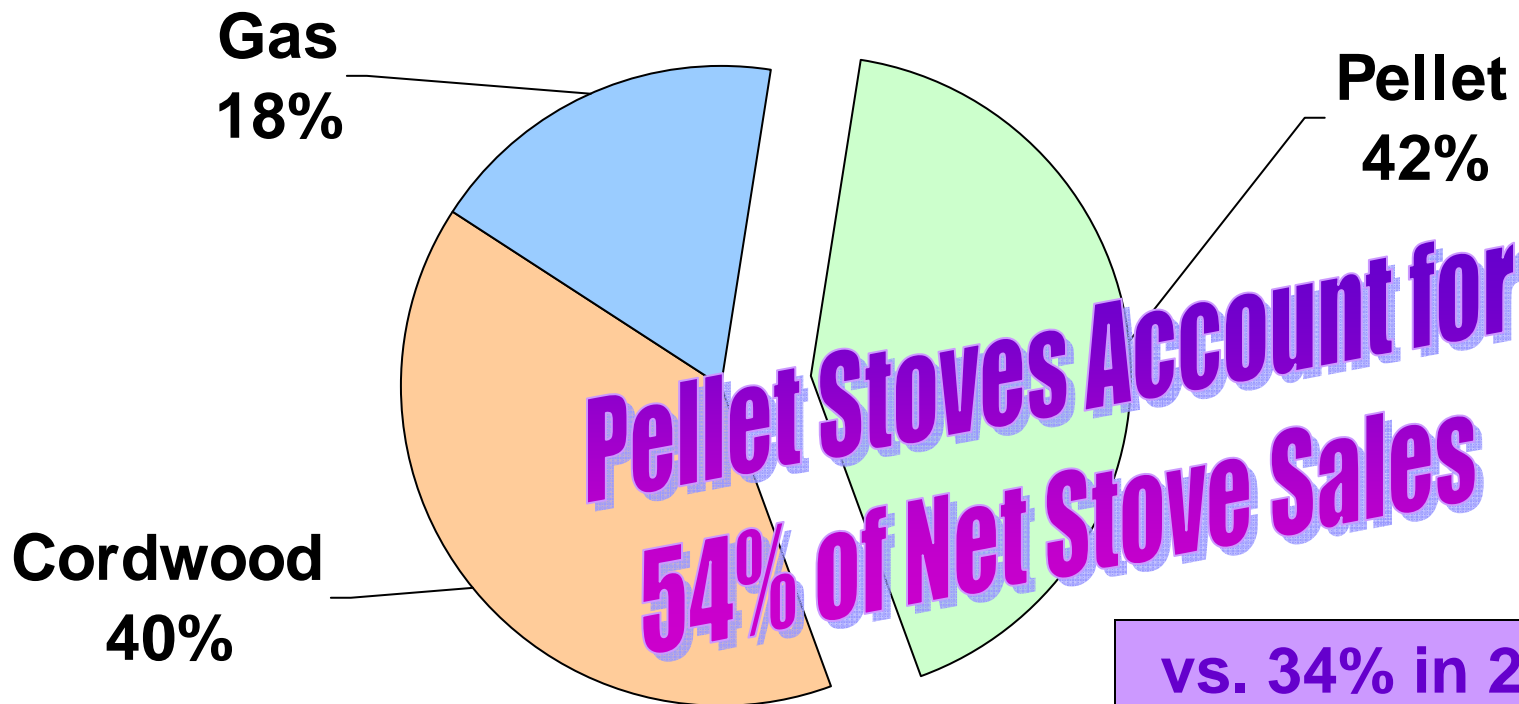
vs. 34% in 2004



Freestanding Stove Appliance

Shipments by Type of Fuel -- 2006

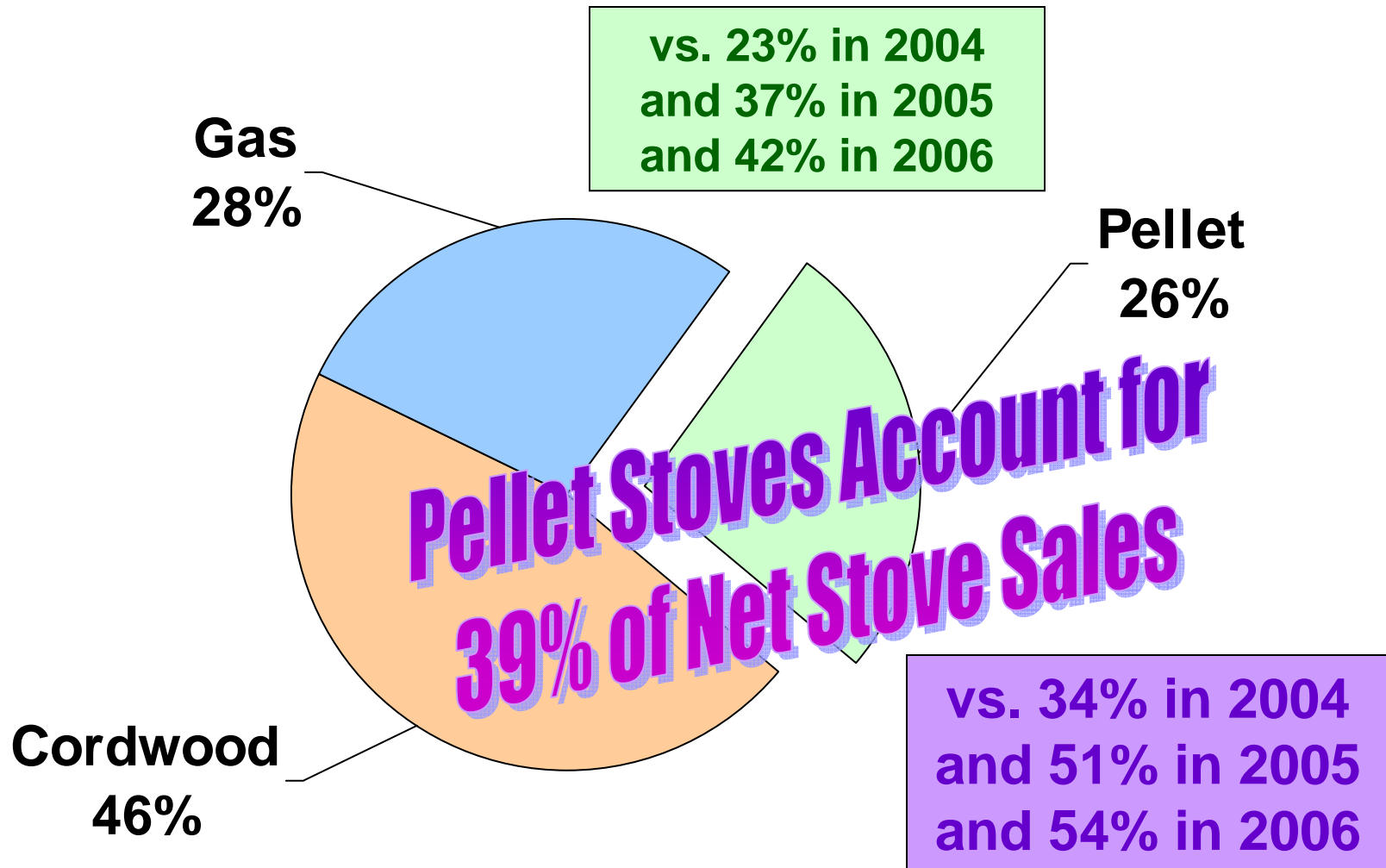
vs. 23% in 2004
and 37% in 2005



vs. 34% in 2004
and 51% in 2005

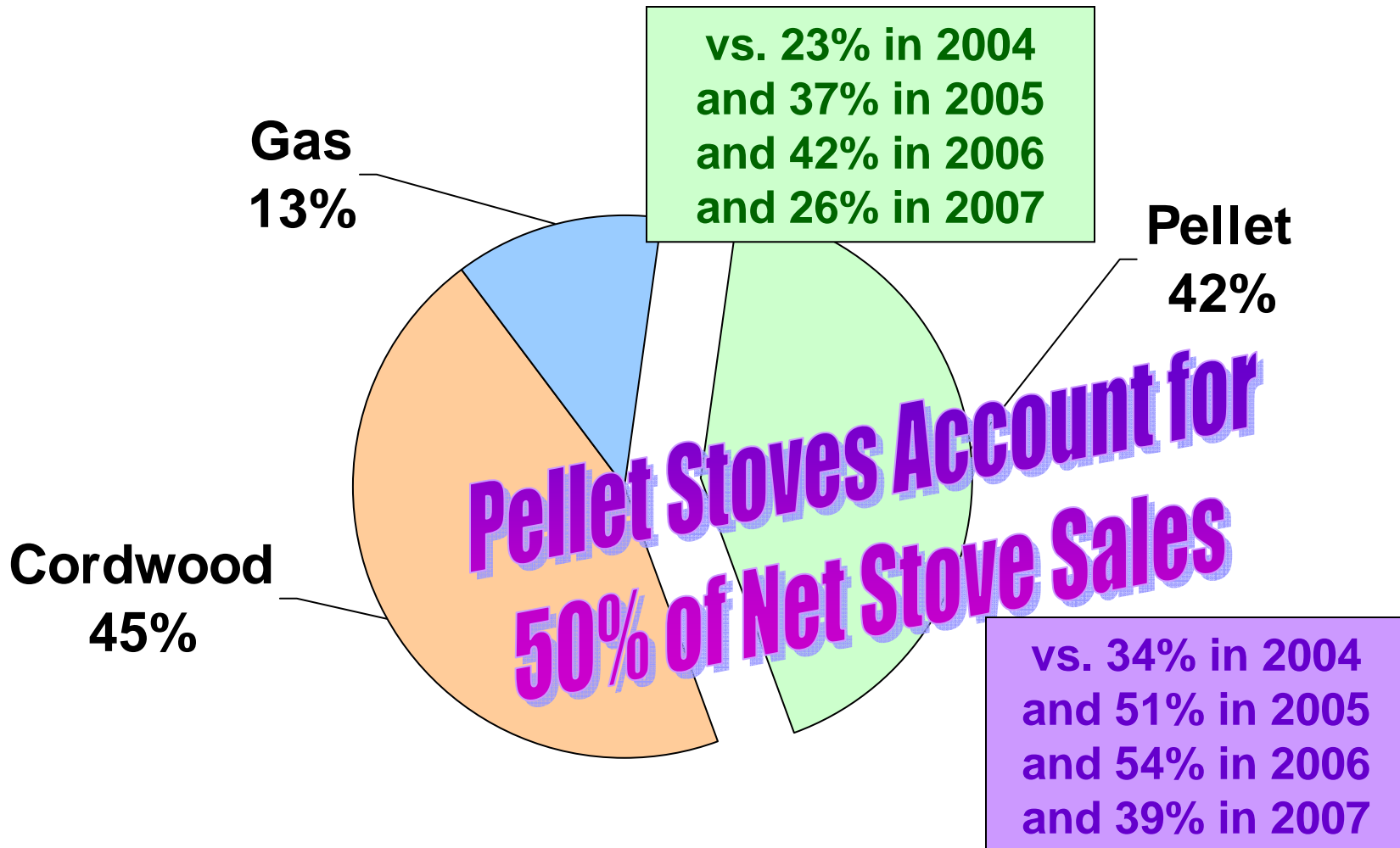
Freestanding Stove Appliance

Shipments by Type of Fuel -- 2007

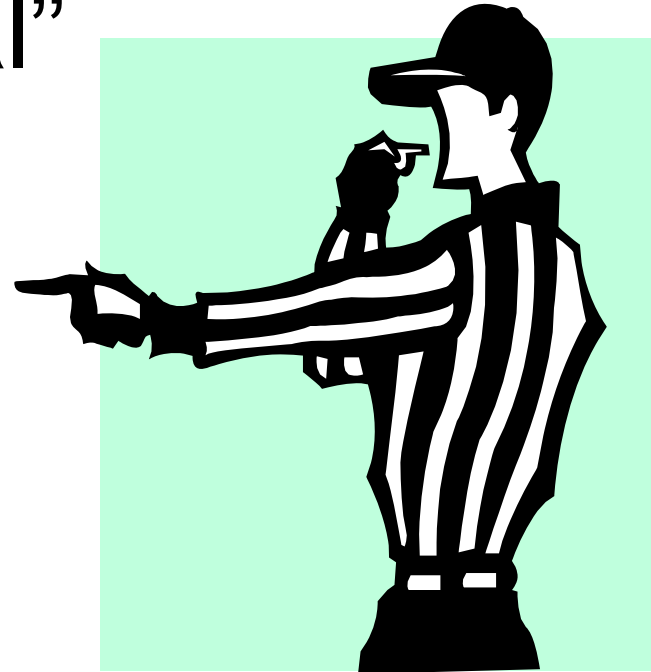


Freestanding Stove Appliance

Shipments by Type of Fuel -- 2008



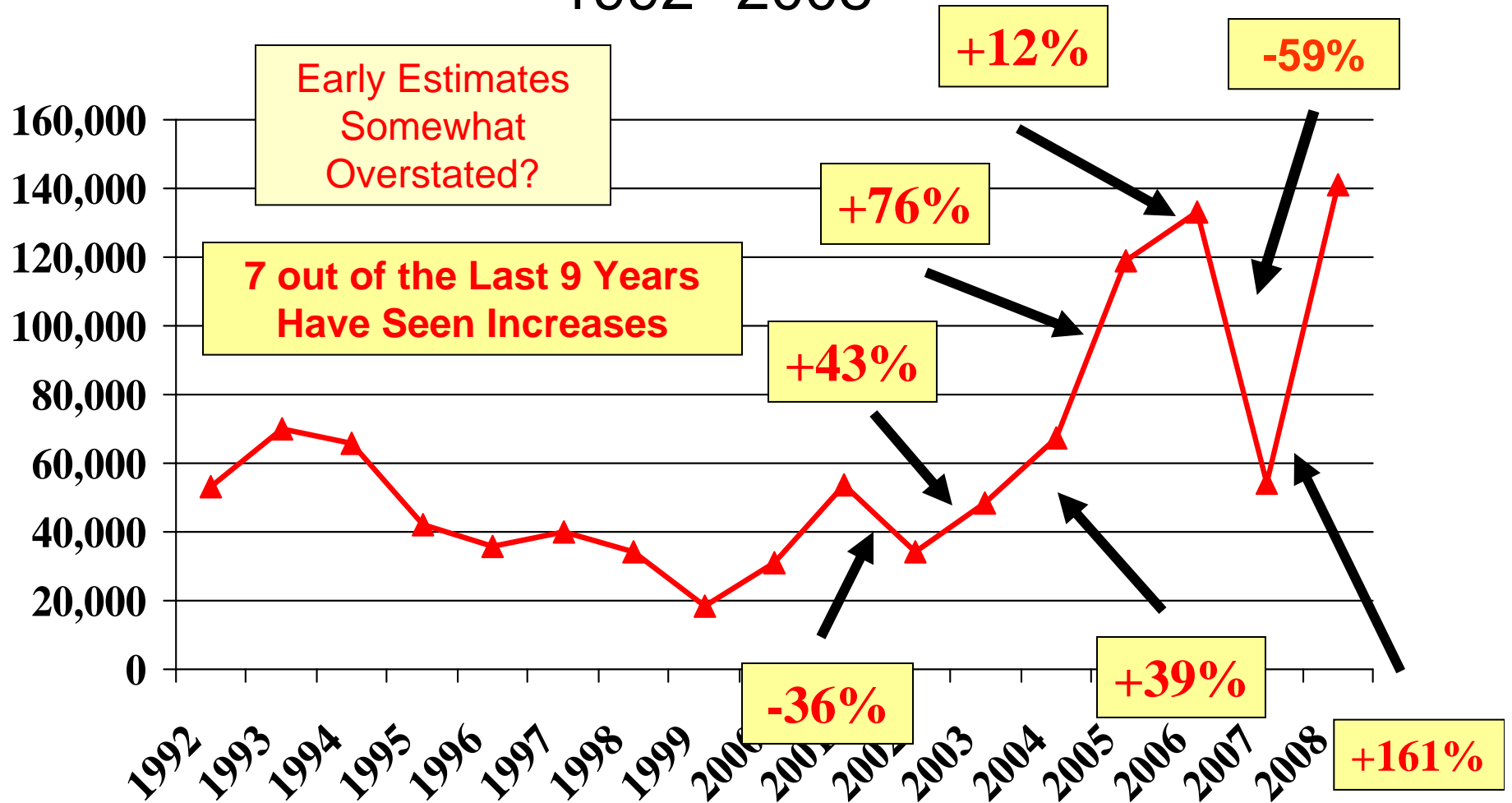
Those are “The Official”
HPBA numbers



But the industry has been
producing “unofficial” pellet stove
shipment estimates since 1992

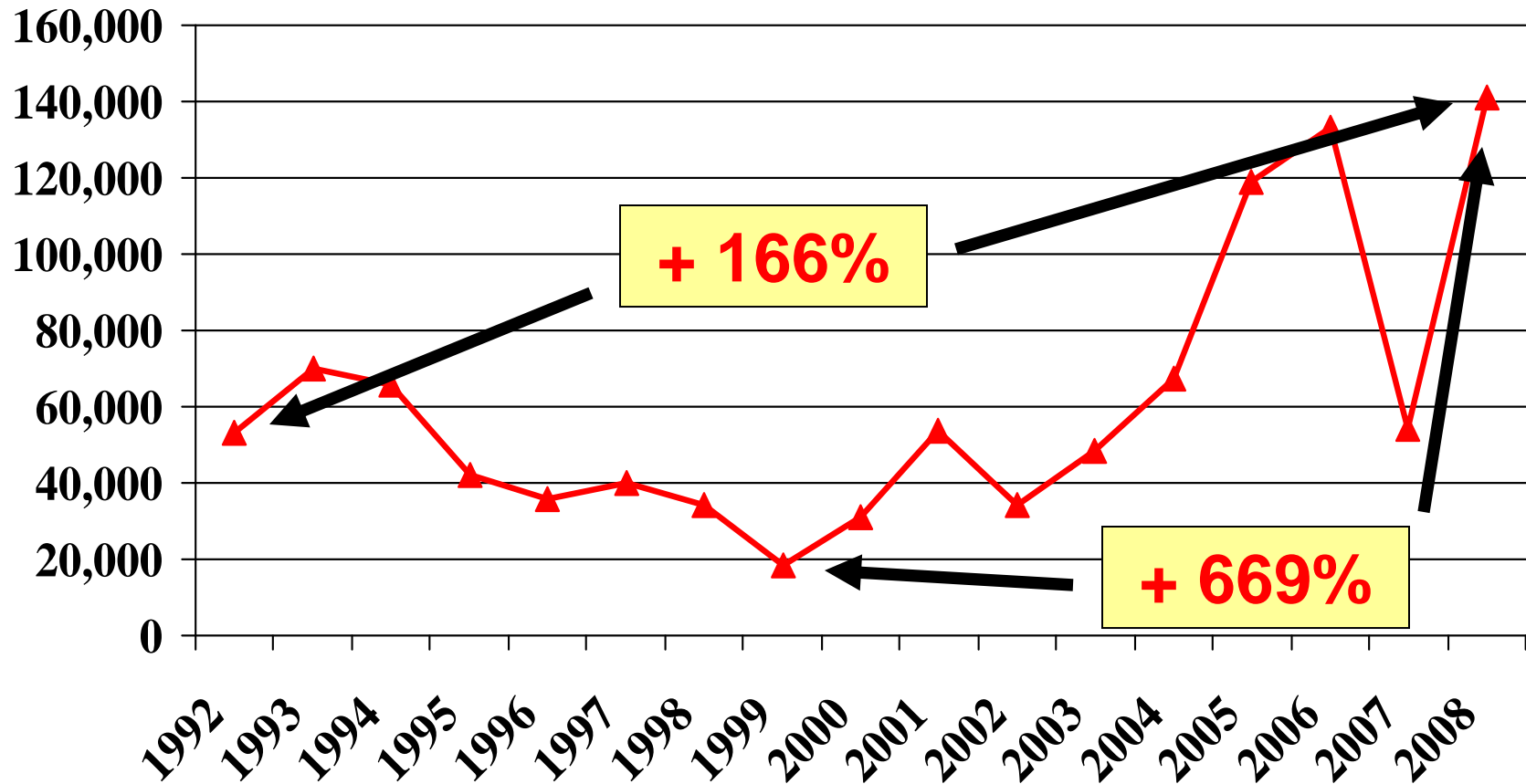
Pellet Appliance Shipments

1992--2008



Pellet Appliance Shipments

1992--2008

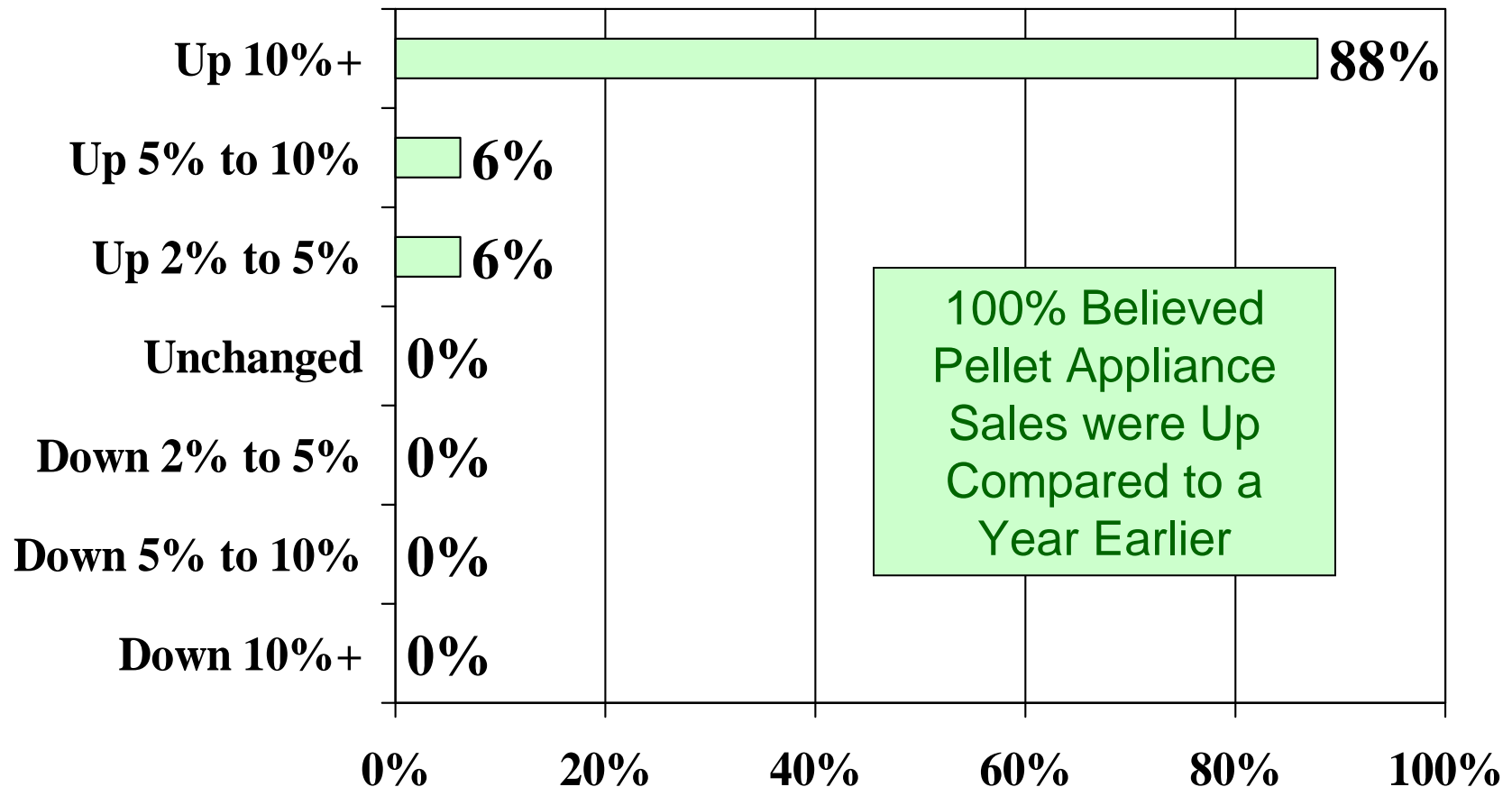


HPBA Manufacturers' Rep Survey

- Conducted quarterly since June 2000 (35 quarters)
- FAXED to approximately 100-110 HPBA Manufacturing Reps
- Response rates range from 25% to 50%
- “Leading indicator” for industry



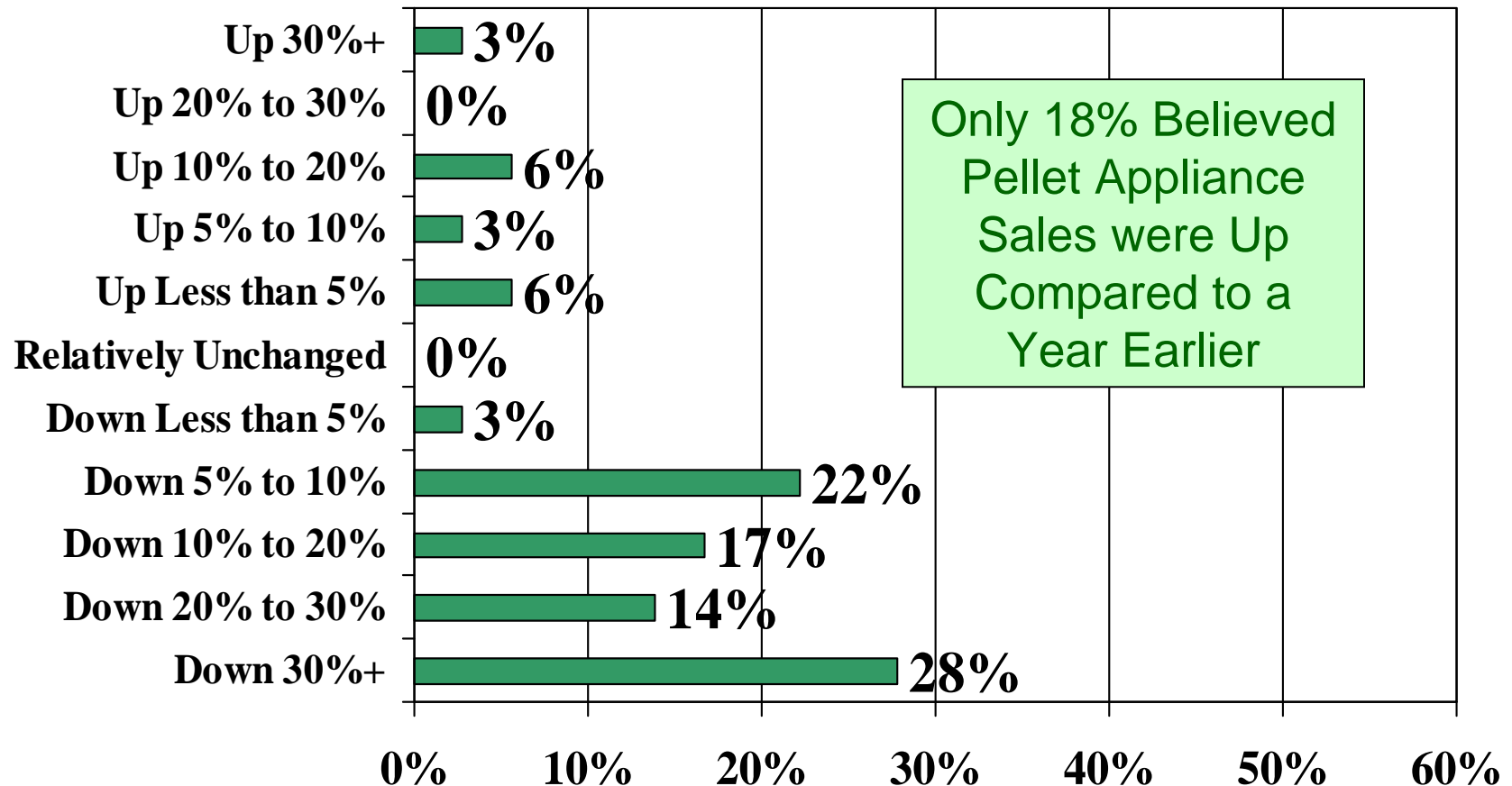
Sales of Pellet Appliances Compared to a Year Ago*



January 2006

*Of those respondents who rep pellet appliances

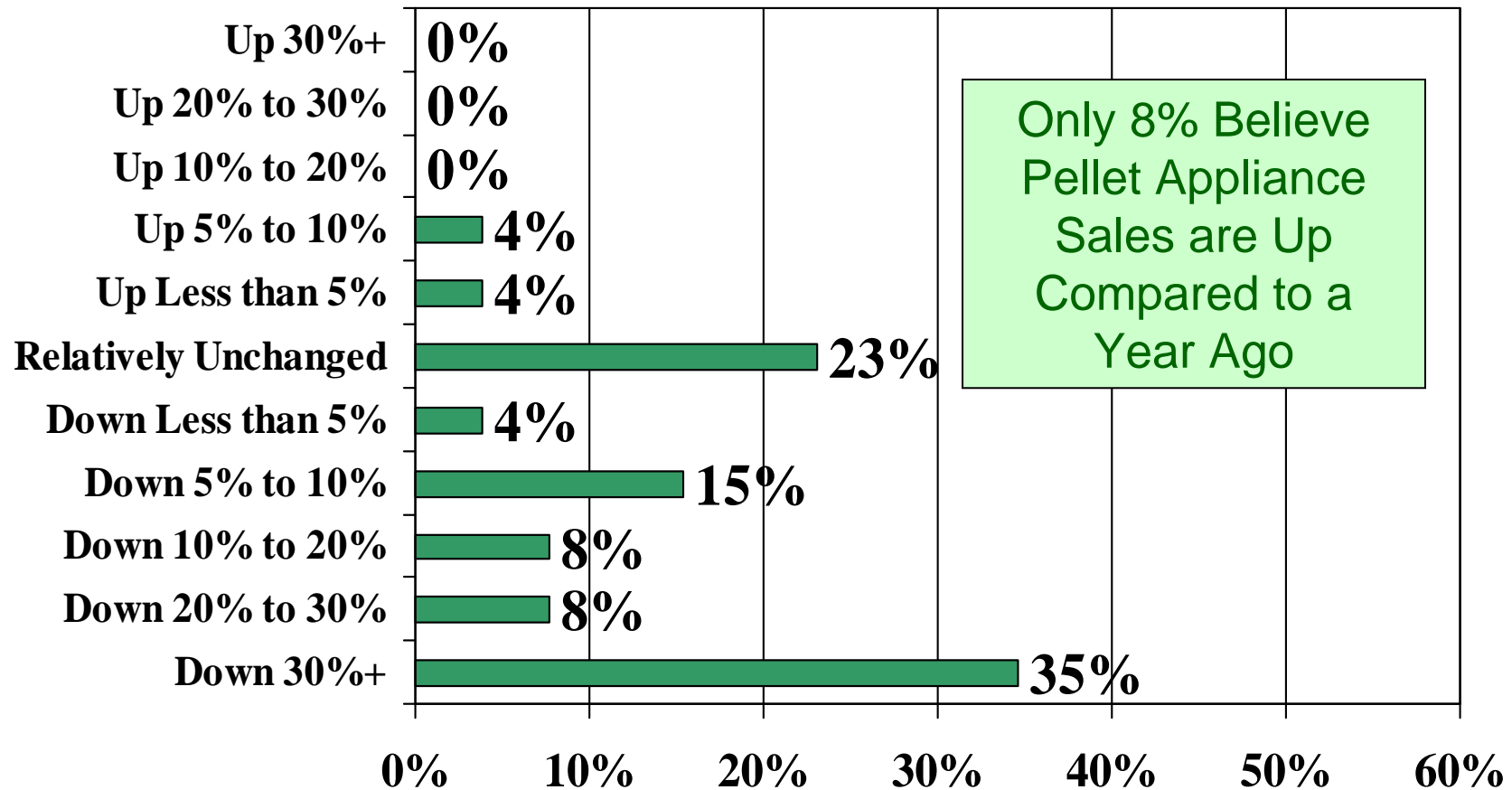
Sales of Pellet Appliances Compared to a Year Ago*



January 2007

*Of those respondents who rep cordwood appliances

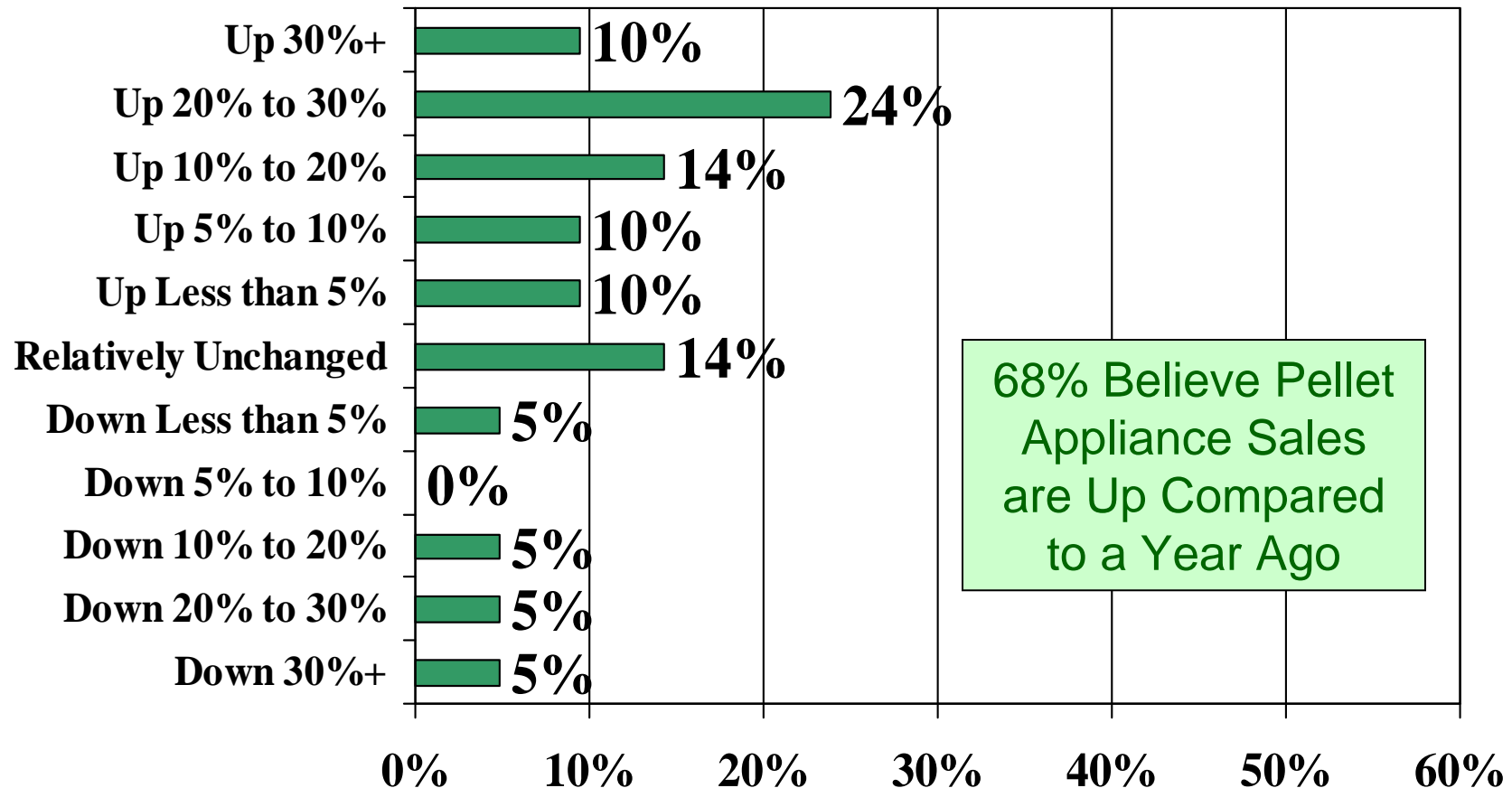
Sales of Pellet Appliances Compared to a Year Ago*



January 2008

*Of those respondents who rep cordwood appliances

Sales of Pellet Appliances Compared to a Year Ago*

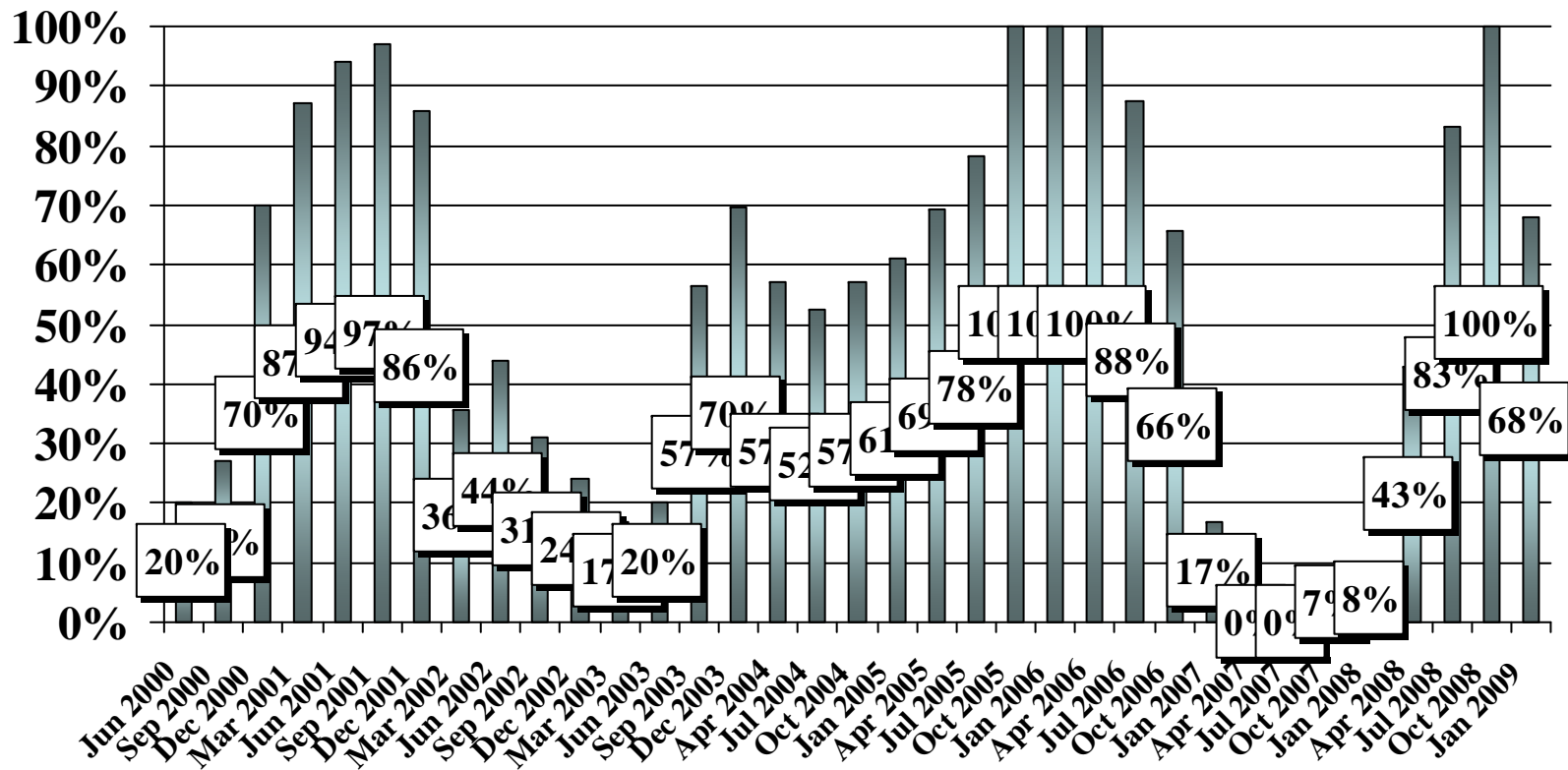


January 2009

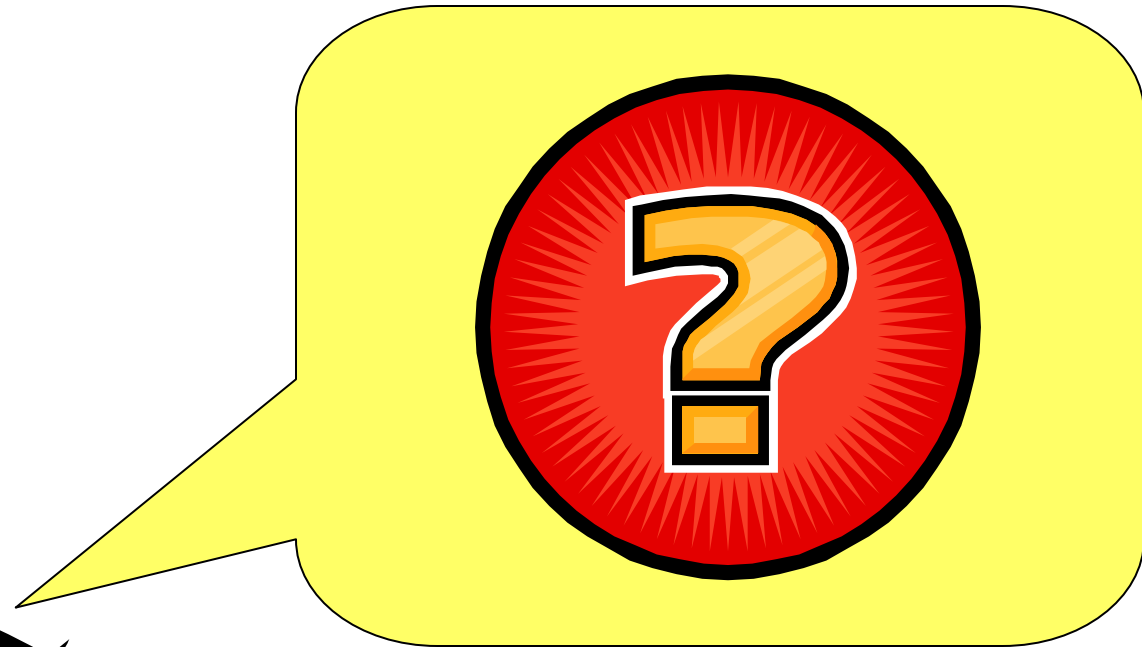
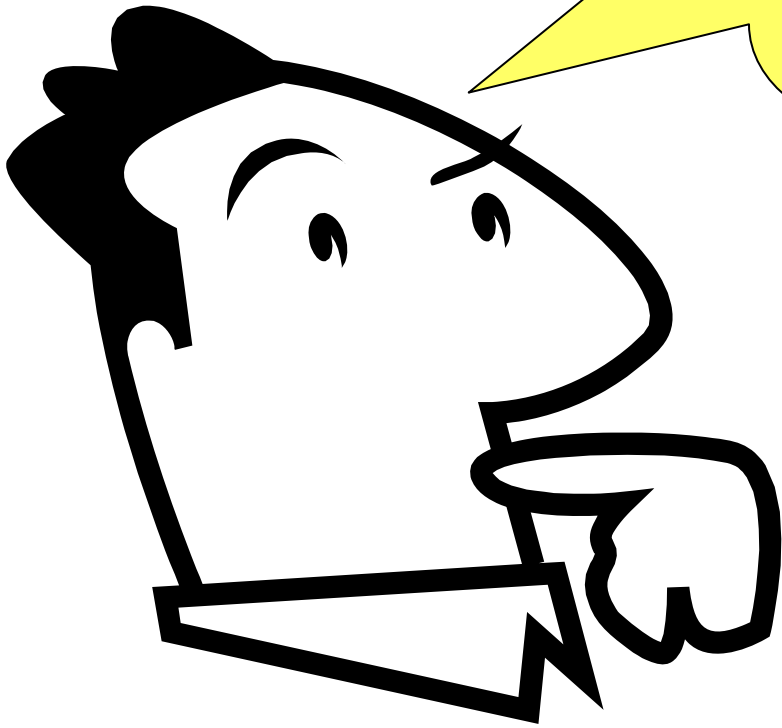
*Of those respondents who rep cordwood appliances

% of Reps Who Feel Pellet Appliance Sales are Up Compared to a Year Ago

Quarterly--June 2000 through January 2009



Measurement Scale Changed April 2006



Questions?

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