



VIKING YACHT LOOKS TO THE FUTURE WITH COGENERATION



Viking has always been a driving force of its own destiny. Between vertical manufacturing integration which allows us to produce 90 percent of everything found aboard a Viking right here in our New Gretna facility and satellite facilities for service like the Viking Yacht Service Center and the Viking International Yacht Center in Riviera Beach, Florida, we are always looking for the next best way to provide more value to our customers. This philosophy also resulted in new subsidiaries, Palm Beach Towers and Atlantic Marine Electronics, which enabled us to make our yachts turnkey ready for their owners at delivery time. In the course of nearly 50 years of uninterrupted manufacturing, Viking also strived to be a better neighbor to our local community. From providing free flu shots in our health services department for area residents to building

our own waste water treatment plant, Viking is out in front of the big picture. To reduce our styrene emissions, a by-product of fiberglass manufacturing, we have switched to closed molding and resin infused construction techniques. To help reduce our factory overhead, we added a 225 kilowatt solar project to our expanding list of environmental solutions.

Our latest project currently underway in this area of development is the construction of a cogeneration power system. Cogeneration is a process that utilizes a micro-turbine similar to a small jet engine to transform a fuel source into heat and electrical energy. The program gained traction a couple of years ago when we switched to natural gas for heating the plant after some 25 years of using #2



fuel oil. Prior to this time natural gas was unavailable at our location.

Viking's cogeneration project is ambitious but when it goes online in late August, a series of six Capstone C65 micro-turbines will begin extracting heat and producing electricity for our plant needs. Exhaust heat from the micro-turbines will then be used to make hot water for heating and chilled water for air conditioning using an absorption chiller. Each micro-turbine develops 65 kilowatts for a combined total of 390 kilowatts, which will supply us with ample energy for many of our needs.

Using the micro-turbines we anticipate reducing our overall heating, cooling and electrical utility expenses by 25 percent, which should slash our current electricity bills by 40 percent or more. The micro-turbines can generate up to 50

percent of our current usage, which is welcome news since it also will reduce our exposure to volatile electricity market pricing. Natural gas supplies and pricing are expected to be more stable. And of course, the use of natural gas to run the micro-turbines helps to reduce greenhouse gas emissions. We expect this capital investment will be paid for itself in less than five years.

On your next visit to the Viking plant be sure to leave some time to look at our micro-turbine facility. We are fond of showing how we build our Viking yachts, and this reinvestment in our future to reduce overhead utility costs is an integral component of our major plan and further substantiates our ongoing and relentless commitment to build a better boat everyday. ♪