

Press Release 5/2007

Weakening demand in third quarter 2007

Gränichen, Switzerland, October 29, 2007 – Zehnder Group, with international operations in the indoor climate sector, reported lower sales than expected in the third quarter of the year. The main reason for this is weaker demand for radiators, which account for just under 85 percent of the Group's total sales. Given this declining demand, management considers it necessary to lower the forecast figures.

Contrary to expectations, the demand for radiators declined in the third quarter in the Group's main markets – France, Germany and Italy. Apart from a few exceptions, other West European markets and also China show a similar development. Conversely, the positive trend in sales of comfort ventilation systems and ventilation equipment continued in the third quarter. Above-average growth continued, particularly in Germany and in Switzerland.

Management does not believe that there will be a reversal of the down trend in the demand for radiators in the fourth quarter of 2007 and hence – not including acquisitions – it expects sales of these products to be below the record result in 2006. It should be borne in mind that the noticeably mild winter impacted very positively on radiator sales last year.

Based on results so far and the most recent extrapolations, management now expects consolidated sales growth of 3-4 percent (earlier estimate: 6-8 percent) and net profit of up to 15 percent below 2006 (earlier estimate: 6-8 percent up on 2006).

Next date to note

January 22, 2008

Announcement of total sales for 2007

For further information please contact

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We would like to point out that because of the short-term nature of our operations the Group's order backlog tends to be low and that, as a rule, there are only a few weeks between receipt of an order and shipment. Thus actual developments can differ from the expectations expressed in this report.

Company profile

Zehnder Group provides a healthy indoor climate.

Zehnder Group develops, manufactures and sells radiators and comfort ventilation systems. The products are marketed under various well-established brands. Zehnder Group is a market leader in the sectors in which it is active.

Zehnder Group's main sales area is Europe. It also has operations in China and North America. Its products are manufactured in modern facilities in Europe and overseas. Zehnder Group has some 3,000 employees worldwide.

Its bearer shares (valor 235 293) are listed on the Swiss Exchange SWX. The unlisted registered shares are held by members of the Zehnder family and persons closely associated with them.

Zehnder Group – a synonym for beautiful heat and comfort©.