

## Press Release 1/2009

### Steady organic growth, special circumstances impacted negatively on earnings

**Gränichen, Switzerland, January 23, 2009. – Zehnder Group, with international operations in the indoor climate sector (radiators and comfort ventilation systems), reported total sales of EUR 454 million for the financial year 2008 (not audited; EUR 444 million in 2007), an increase of approximately 2 percent. Organically and with exchange rates at the prior year's level, the increase would have been 7 percent.**

In 2008 Zehnder Group successfully implemented major strategic measures. The Group focused even more strongly on the niche markets for high-end and customized design steel radiators, whilst the sector for energy-efficient ventilation systems was expanded further through organic growth as well as through acquisitions.

In the first six months of the year, the Group sold its Italian production company for aluminum radiators – Faral S.p.A., and acquired a British and a Swiss company – Greenwood Air Management and Cesavent AG respectively. In the second half of the year a further small production plant and a sales company were sold to an industrial purchaser. The operations of these two companies, both domiciled in France, focused on the aluminum radiator market.

### Growth slower in second half of year

Compared to the first six months of 2008 and despite the global economic crisis, Zehnder Group grew by 6 percent in the second six months. This reflects the basic business pattern of the past few years, where the second half of the year has always tended to be stronger. Compared to 2007, overall organic and exchange-rate adjusted growth slowed down (10 percent in the first six months, 7 percent for the entire year).

Year on year, there was 5 percent organic, exchange-rate adjusted growth for radiators and 17 percent for comfort ventilation in Europe. On account of the Olympics, sales in China were up substantially in the first half but, as expected, sales volume fell noticeably in the second half of the year. However, overall growth in the AsiaAmerica region reached some 9 percent.

Through organic growth and the acquisitions made, comfort ventilation increased its share of total sales to some 23 percent (2007: 15 percent) and has now passed the EUR 100 million mark.

In three of the Group's four largest markets (France, Germany and Switzerland) sales were up on the prior year; acquisition adjusted, they were slightly under the prior year's level in the U.K.

Exchange rate developments, particularly the GBP and the USD against the EUR reduced sales growth by approximately 2 percent.

### Result impacted negatively by extraordinary expense

Management confirms its estimate that operating EBIT before extraordinary expenses will be slightly higher than in 2007.

As reported earlier, the divestment of the Group's Italian production company for aluminum radiators led to an extraordinary, largely non-cash charge of just under EUR 19 million, which negatively impacted the result for 2008 substantially.

However, the strong operating results more than compensated for the net loss in the first six months of 2008. Given the extraordinary expense incurred, the positive result for the year is clearly lower than for 2007 (EUR 26 million).

### **Cautious forecast for 2009**

It is extremely difficult to make a forecast for the current business year. Management assumes that the overall economic environment will continue to impact negatively on the Zehnder Group. Consequently, some sales decline is anticipated, though at the present time it is not possible to be more precise.

### **Dates to note**

Press release on results for 2008	April 3, 2009 (before 07.00)
Publication of annual report 2008 on website	April 3, 2009 (before 07.00)
Press conference on financial statements 2008	April 3, 2009 in Zurich (10.30)
Meeting for financial analysts	April 3, 2009 in Zurich (13.00)
General Meeting of Shareholders	May 27, 2009 in Suhr, Aargau

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This document is published in German, French and English. The German version is binding.

### **Company profile**

*Zehnder Group focuses on providing 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 figures among the market leaders in the sectors in which it is active.*

*Its main sales area is Europe. Additionally, Zehnder Group has operations in China and North America. Its products are manufactured in modern facilities in Europe and overseas. Zehnder Group has more than 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 a healthy and energy-efficient indoor climate®**