

Press Release 1/2010

Clearly improved result with moderate drop in sales

Gränichen, Switzerland, 26 January 2010 – Zehnder Group, with international operations in the indoor climate sector (radiators and ventilation systems), reported total sales of EUR 437 million for fiscal 2009 (unaudited; EUR 454 million in 2008), a decrease of just under 4 %. Organically and with exchange rates at the prior year's level, total sales fell by 3 %. Profitability improved noticeably.

Stable sales development in the last six months

Zehnder Group's business volume stabilized in the second half of the year. The organic and exchange-rate adjusted drop against the prior year was cut from 5 % in the first six months to 3 % in the second half of the year. All Group segments contributed to this stabilization.

The year-on-year decrease in the Radiators Europe segment was 6 % (first six months 7 %). Particularly France and Germany, the Group's main markets, remained firm. The Radiators Europe segment's share of total Group sales is now 65 % (2008: 68 %). Overall, given its leading market position and a range of new products, the Group's market share increased further.

Although the new private construction sector – which is of major importance for the Group's ventilation business – declined overall, Zehnder Group enhanced its position in this sector. Growth picked up somewhat in the second half of the year and reached 12 % for the entire year (11 % for the first six months). The share of total sales rose to 26 % (2008: 23 %). The Group's heat recovery devices, which showed more than average sales growth, contributed substantially to this very satisfactory development.

The decline in the United States and China (22 % in the first six months) stabilized and amounted to 10 % each for the entire year.

Zehnder Group's total sales for 2009 reached EUR 437 million. Of this the Radiators Europe segment generated EUR 284 million, the Ventilation Europe segment EUR 114 million, the USA region EUR 24 million and China EUR 15 million.

Clearly enhanced profitability

In 2008 management had already begun to introduce major strategic measures to increase profitability sustainably. In 2009 these were consistently implemented further. Through merging various locations and companies the Group's sales and production structure was optimized further. Zehnder Group's strong position in products, systems and service allowed it to increase prices in a number of markets. Cyclical lower raw material costs also had a temporary positive impact on margins.

Thanks to these measures and good business development in both November and December the result will be around the top of the range already communicated: EBIT in the region of EUR 40 million and consolidated net income of some EUR 30 million.

Cautious forecast for 2010

As announced at the end of 2009, management assumes that sales will still decline in 2010 because of the late cyclical nature of the Group's business; an upturn cannot be expected before 2011. At the present time it is not possible to make a reliable forecast with regard to the sales and procurement markets.

Dates to note:

Press release on results for 2009	30 March 2010 (before 07.00)
Publication of annual report 2009 on website	30 March 2010 (before 07.00)
Press conference meeting for financial analysts	30 March 2010
General Meeting of Shareholders	19 May 2010 in Suhr, Aargau

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Company profile

Zehnder Group focuses on providing a healthy indoor climate.

Zehnder Group develops, manufactures and sells radiators and 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 some 2,900 employees worldwide.

Its bearer shares (security number 235 293) are listed on SIX Swiss Exchange. 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®