

Shareholder Information 3/2007

Gränichen/Switzerland, August 22, 2007

Ladies and Gentlemen

It gives us great pleasure to present this summary of business development during the first six months of 2007.

Zehnder Group, with international operations in the indoor climate sector, reported increased sales of 6 percent reaching a total of EUR 209.3 million (first half of 2006: EUR 197.3 million) for the first 6 months of 2007 and net income of EUR 11.3 million (first half of 2006: EUR 11.5 million). In local currencies sales were also up 6 percent.

Business development differed in the Group's various markets and types of product:

In the first six months of 2007 there was above-average growth in the Group's markets in Eastern Europe, in the U.K., in the United States, in Belgium and in Austria. Conversely, France (the Group's most important market), Italy (third largest market) and the Iberian Peninsula reported lower sales. The decrease in these countries is attributable to lower sales of aluminum radiators.

In Germany (second largest market) the entire heating industry operated in an unfavorable environment; the number of apartments given building approval fell by fifty percent in the first three months of the year. Inevitably, our German sales companies were also affected by such adverse conditions, yet they managed to improve their sales slightly compared to the prior year.

Comfort ventilation and ventilation equipment were the main contributors to the Group's growth. Particularly in Switzerland and Germany the Group reported above-average growth rates.

Various other factors make a comparison of the first six months of 2006 and 2007 problematic. The atypical early delivery of aluminum radiators, which characterized the first half of 2006, did not occur. Moreover, the sales of the Group's newly acquired companies are included for the first time in total sales for the first six months of 2007.

Without the impact of the aluminum radiators and of new acquisitions, sales for the first six months would have risen by 4 percent, which is more or less in line with expectations.

Earnings before interest and taxes (EBIT) fell by 9 percent because of increased product development costs, onetime consulting fees in connection with acquisitions, and higher

material costs. However, with higher financial earnings and slightly lower taxes, the decrease of net income (- 2 percent) was less noticeable than that of EBIT.

In the first six months of 2007 Zehnder Group took over the entire capital of the Swedish Freshman AB company and the British trading company Bisque Group Limited.

Freshman AB produces air filters and air purification units. In 2006, the company reported sales of just under EUR 5 million. Freshman AB was included in the consolidation matrix as of January 1, 2007.

Bisque Group Limited sells radiators in the U.K. via various channels. In its past financial year (as at end August 2006) the company reported sales in excess of GBP 15 million. The Bisque Group's balance sheet was first consolidated as at June 30, 2007.

The goodwill attributable to these new acquisitions was directly netted with equity.

Consolidated key figures ¹ for the first half of 2007 (not audited)

in EUR million	first 6 months 2007	first 6 months 2006	change in %
Sales revenues, net	209.3	197.3	+ 6 %
Total income	222.0	205.5	
Earnings before interest and taxes (EBIT)	13.8	15.1	- 9 %
<i>EBIT margin in percent</i>	<i>6.6 %</i>	<i>7.6 %</i>	
Income before taxes	14.6	15.5	
Net income ²	11.3	11.5	- 2 %
	June 30, 2007	Dec. 31, 2006	
Current assets	254.7	256.3	
Fixed assets	129.7	124.9	
Current liabilities	125.3	100.3	
Long-term liabilities	69.2	66.7	
Equity capital (EQ) ²	189.9	214.2	
<i>EQ in percent of total assets</i>	<i>49 %</i>	<i>56 %</i>	
Total assets	384.4	381.2	

¹ in accordance with Swiss GAAP FER 12

² including minority interests

Share capital Zehnder Group AG (in CHF million)	29.4	29.4
Number of bearer shares (CHF 100 par value)	243,900	243,900
Number of registered shares (CHF 20 par value)	247,500	247,500

We would like to point out that because of the short-term nature of our business, seasonal and other factors could impact strongly on the result for the second half of the year. Thus the figures shown for the first six months are not a suitable basis for extrapolating the result for the entire year.

Moreover, we would like to point out that the forecast made in this report is based on assumptions and that the actual result for the second half can differ from the expectations expressed.

Company profile

Zehnder Group provides a healthy indoor climate. It 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[®]