

Press Release 1/2013

2012 Business Year: Stable sales in a difficult economic environment

Gränichen, Switzerland, 18 January 2013 – Zehnder Group, with international operations in the indoor climate sector (radiators and ventilation) reported sales of EUR 524 million, an increase of 2%, for the 2012 business year (unaudited, EUR 515 million in 2011). The radiator segment accounted for 67% (2011 68%) of this total and the ventilation business for 33% (2011 32%). Organically and foreign exchange adjusted, sales revenues remained the same as in 2011. Management anticipates that with poor growth in sales and higher advance expenses for future growth and improved efficiency, the operating profit and net income will be 20% lower than in 2011. Results for 2012 and the annual report will be published on 22 March 2013.

Sales

Due to the continued slowdown of the markets in the second half of the year, the 3% sales growth achieved in the first half could not be maintained. This resulted in full-year sales revenue of EUR 524 million, 2% higher than in 2011. EUR 350 million of Group sales is attributable to the radiator business (compared with the previous year +0%, in local currencies and organically -1%) and EUR 174 million is attributable to the ventilation business (+4%, in local currencies +3%). With 33% of Group sales in the reporting year, ventilation has contributed one more percentage point compared with 2011.

In Europe, radiator sales dropped by 1% (in local currencies and organically -2%) to EUR 305 million. Particularly in Germany, sales did not meet expectations and the decline in Italy and Spain accelerated further. The sales revenue for the ventilation segment in Europe was EUR 165 million, 7% higher than in 2011 (in local currencies +6%). Growth was slowed particularly by developments in Switzerland and the Netherlands. In North America, overall sales increased by 6% to EUR 29 million (-2% in local currencies). In China, sales decreased by 5% to EUR 25 million (-14% in local currency) due to a decline in the number of major projects for radiators, brought about by the marked slowdown in the Chinese construction sector.

Net income for the year

Operating profit (EBIT) as well as net income for the entire year is likely to be around 20% lower than in 2011 due to lower sales growth and the increased advanced expenses for the expansion of sales, marketing and IT. This should allow us to achieve an operating margin of roughly 8% and a correspondingly lower net income.

Outlook for 2013

Management estimates that market conditions will remain very difficult in the new year. The macroeconomic environment has effectively worsened in all relevant markets. This is also reflected in the sales growth figures for the last two months of the reporting year. On this basis, Zehnder Group predicts zero growth for the radiator segment in Europe. The ventilation busi-

ness will continue to grow but presumably once again at a slightly slower rate. Similarly, Management does not expect any significant improvement in North America and China and estimates low single-digit growth for 2013. Due to high overhead costs in sales, innovation and the ERP system (SAP), it is anticipated that the operating profit margin will be moderately lower than in 2012. Major investments in production facilities and buildings are also planned for the new year in an effort to strengthen Zehnder Group's competitive position in the long term.

Next dates to note

Press release on results for 2012	22 March 2013 (07.00 a.m.)
Publication of annual report 2012 on website	22 March 2013 (07.00 a.m.)
Press conference and meeting for financial analysts	22 March 2013 in Zurich
General Meeting of Shareholders 2013	23 April 2013 in Suhr, Switzerland
Six-month report 2013	16 August 2013

For more information

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You can find this information about Zehnder Group and more at www.zehndergroup.com.
This press release 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 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 3,400 employees worldwide.

Its bearer shares (valor 13 255 733) are listed on the SIX Swiss Exchange. The unlisted registered shares are held by members of the Zehnder family and persons closely associated with them.

Zehnder Group – always around you