

Press release 3/2009

Sales down 5 % in the first four months – optimizing production capacities

Gränichen, Switzerland, 3 June 2009 – Zehnder Group, with international operations in the indoor climate sector (radiators and comfort ventilation), reported a 5 % drop in sales compared to the first 4 months of 2008. This relatively moderate decline so far will become more pronounced during the course of the year as Zehnder Group's business is late-cyclical. Production capacities and sales organisations will be streamlined further to enhance profitability.

In the first 4 months sales reached EUR 136 million, down 5 % compared to the first 4 months of the prior year. The organic and currency-adjusted decline was also 5 %, although this varied according to business segment. In the comfort ventilation segment, sales were up 8 %. Conversely, sales in the radiator segment were down 9 % and in the AsiaAmerica segment 7 %. The effects of the recession on sales development were still relatively moderate because Zehnder Group's business is late-cyclical. Sales in the past few months were largely generated through customer projects launched before the crisis started.

Consequently, management expects sales decline to become more pronounced in the next few months. However, it is very difficult to make a forecast for the entire year because sales development in the period from early summer to late autumn impacts decisively on Zehnder Group's business development. The short-term nature of the Group's business make a forecast on sales development all the harder.

In 2008 various steps were taken to enhance long-term profitability. Thus Zehnder Group sold two production plants and one sales company for aluminium radiators in Italy and France. These measures were also triggered by the Group's strategy of focusing on its high-end niche markets: steel radiators and energy-efficient ventilation systems.

Since the middle of 2008, production, marketing and administration capacities in the radiator segment have continually been adjusted for the ongoing decline in demand. Redundancies have been kept to a minimum through introducing short-time work and cutting back on temporary staff. Since end 2008, the total number of employees has been adjusted downwards by about 4 % reaching a total of just under 2,900 at end April 2009.

Currently, Zehnder Group is launching further decisive measures to streamline production capacities and thus improve competitiveness sustainably.

In Germany, production of semi-finished products is being transferred from Riegel to the Group's main facility in Lahr, some 30 kilometres away. This will lead to a noticeable improvement of efficiency in the production of steel radiators. Zehnder Group is investing some EUR 7 million in the infrastructure and technology in Lahr. This is a clear commitment to Germany as a production location. No jobs will be lost through this merger. The property in Riegel is to be divested.

In China, production in Tianjin will cease and the operations will be integrated into the Beijing facility. Thus the numerous synergies can be fully exploited.

The production plants in France will be more closely synchronised and also optimised with production in Switzerland. As a result, various competences and product lines will be transferred.

The sales organisations will also be streamlined. In the U.K., Belgium and Switzerland various companies were merged and placed under one operational management per country. This reorganization is ongoing.

The Group will continue to invest substantial resources in the development of energy-efficient components and systems. Zehnder Group will further enhance its position as the technology leader in the comfort ventilation and customised steel radiator segments.

Management assumes that the economic environment will only pick up noticeably in 2011 at the earliest. However, management is also convinced that given its leading market position and the measures launched, Zehnder Group will not only weather the crisis but will come out of it stronger than ever.

For further information please contact:

Dominik Berchtold

Member of the Executive Committee, Chief Financial Officer

Zehnder Group AG, CH-5722 Gränichen

Phone +41 62 855 1526; dominik.berchtold@zehndergroup.com

Next dates to note:

Six-month results

21 August 2009

Announcement of sales for 2009

26 January 2010

This and other information is available on our website www.zehndergroup.com.

This press release is available in German, French and English. The German version is binding.

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. Its main sales area is Europe. However, Zehnder Group also 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 (valor 235 293) are listed on the Swiss Exchange SIX. 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®