

## Growth in all Divisions and Regions

- Ziehl-Abegg posts record sales of 358 million euros in 2011
- Drive division picks up speed with "Ziehl-Abegg Automotive GmbH"



The Künzelsau industrial company Ziehl-Abegg increased sales by 15 percent to 358 m euros in 2011. At the same time, the number of employees at the fan and drive manufacturer climbed to about 3100 (from 2800 in the previous year). This was announced by the company during the preliminary 2011 financial statement.

The single largest investment in 2011, to the tune of 3.5 million euros, was starting the expansion of the factory in Marcali (Hungary). A double-digit million sum was invested to improve the machine fleet in Schöntal-Bieringen and in the

Gewerbepark Hohenlohe (an industrial park) on the A6 motorway. During the current year 2012 new factory construction was started in the industrial park for 13 m euros. One main additional focus will be the market launch of a Ziehl-Abegg manufactured electric drive for commercial vehicles in the road transport sector.

Ziehl-Abegg has now definitively made up for the drop in sales associated with the 2009 economic crisis. "The renewed clear sales growth is virtually the linear continuation of the pre-crisis growth" Chairman of the Board Peter Fenkl is pleased to announce, "along with the affirmation of our long-term staffing policy" adds Chief Financial Officer Achim Curd Räggle. After all, Ziehl-Abegg held onto the core workforce even during the crisis year in order to be able to cope with the expected over-proportional boom.

### Global production and service network

The south German industrial company is using the growth phase to build up and expand production worldwide. "We assemble and manufacture where our customers are located" explains Chief Technology Officer Norbert Schuster. He takes Ziehl-Abegg USA in North Carolina as an example. Relocation into new shop-floor areas was undertaken in the fourth quarter of 2011 to facilitate welding work along with assembly. "If an air-conditioner manufacturer wants to have something changed at short notice we can't tell him we need to send his fan back to Germany" Schuster elucidates. But an increase in the number of production sites also means stocking more individual parts worldwide. "That ties up additional capital" says CFO Räggle.

Ziehl-Abegg also invested in employees, the machine fleet and in building structures in 2011. At the Hungarian Marcali location in the supply plant for four Hohenlohe factories, a factory expansion (3.5 m euros) was concluded during the current year 2012. Fenkl explains "with the semi-finished products from Hungary we are securing highly qualified jobs in south Germany". Investments were also made at a high level for training the employees.

### Germany: growth engine in Europe

The growth in Asia, Australia and America confirms the trend toward a global manufacturing and service network. Despite the difficult impacts from the natural and nuclear catastrophe in Japan, double-digit sales growth was experienced in Asia. In Europe, the sales in Germany have grown more than the European average despite relatively high market saturation. Countries like Spain, Portugal and Greece in particular, continue to suffer under structural, political and economic problems, all of which also affect the fan industry.

In 2011, ventilation technology accounted for a good 86 percent of the revenue while drive technology contributed nearly 14 percent to sales. That corresponds roughly to the preceding year's share.

### Perspective

"During the past three years we have been delighted with consistent double-digit growth in incoming orders" states Chairman Fenkl. So following the consolidation of the economic situation in the fourth quarter he is also keenly anticipating how the economy will develop in 2012. The company director is not expecting a significantly noticeable revival until around the end of the second quarter.

Fenkl believes "we always have to fight harder for success than before". The revenue picture is dampened because rising raw material prices cannot be passed on to the customers in full. For

instance, Ziehl-Abegg needs large quantities of "rare earth materials" in motor construction. China levying export duties and export quotas on raw materials has additionally aggravated the global situation on the raw materials markets.

One additional impulse in the fan business which can already be felt will be brought about by the new material ZAMid. Ziehl-Abegg provides fan wheels made from this composite material which are lighter and quieter, and in addition, consume less energy during operation.

### **Ziehl-Abegg Automotive GmbH**

This year Ziehl-Abegg will be launching an electric drive for commercial vehicles into the market. Since the Board of Directors and the Supervisory Board foresee a precipitous development of electromobility, the drive technology activities in this business segment have been placed in a new company: Ziehl-Abegg Automotive GmbH. "That clearly communicates the entry into a new business segment" explains Managing Director Peter Fenzl, who also acts as the Chairman of the Board of Ziehl-Abegg AG. The company headquarters is in Künzelsau. Manufacturing will start now in Künzelsau and starting from 2013 will mostly take place in the planned new construction on the A6 motorway. Details of the drive and the market launch will be announced at a later time.

"Ziehl-Abegg AG has always striven to improve that which is tried and tested and to introduce new products" says Fenzl. In addition, the resolution to tackle the fan business along with traditional motor construction was a very good decision. "The excellent development in ventilation technology has decisively shaped our company's growth". Since the wheel hub drive from Ziehl-Abegg is already undergoing field trials in several bus lines in Holland and Sweden, the Künzelsau company will be starting with a product that is already ready for the market.

### **About Ziehl-Abegg**

Ziehl-Abegg (Künzelsau, Baden-Württemberg, Germany) is one of the internationally leading companies in the ventilation and drive technology sector with matching control technology. Examples of application areas are heating and refrigeration plants along with clean room and agricultural technology. Already back in the 50's, Ziehl-Abegg laid the basis for modern ventilation drives which are still the state of the art worldwide (external rotor motors). Another sector is electric motors, which provide the drive in elevators and medical applications (computer tomography), in deep-sea underwater vehicles and in modern motor buses.

The high-tech company impresses with its high degree of vertical integration. Ziehl-Abegg provides 1,700 employees with jobs in Southern-German production plants. Globally, more than 3,100 employees work for the company. They are distributed globally among 8 production facilities and 7 assembly sites along with 29 sales locations. Approximately 30,000 different products are sold in more than 100 countries. The sales amount to a good 355 million euros. Two-thirds of the sales were achieved in the export market.

Emil Ziehl founded the company in 1910 in Berlin as a manufacturer of electric motors. After the Second World War, the company headquarters was relocated to Southern Germany. Ziehl-Abegg AG is not quoted on the stock market and is family owned. For more information please visit [www.ziehl-abegg.com](http://www.ziehl-abegg.com).

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