



Green products provide a tailwind Fan specialist grows by 33%, creates 900 new jobs

Mulfingen, Stuttgart, 10 May 2011

In the first year after the worldwide economic crisis, the ebm-papst Group attained the largest turnover in its corporate history. The world's leading manufacturer of fans and motors finished out the fiscal year ended 31 March 2011 with sales revenue of 1.311 billion EUR (+ 33%). In the previous year, the Group's turnover had seen only a slight decrease of 6.6% due to the worldwide economic crisis. In the current 2011/12 fiscal year, the technology company, which is focused on energy-efficient products, expects an increase in turnover of just under 7% to 1.4 billion EUR.

Hans-Jochen Beilke, Chairman of the Board of Managing Directors of the ebm-papst Group, remarks: "We have succeeded in further expanding our leading market position in the field of energy saving fans and drives.

The reasons for this include our continued high expenditures in research and development, even during the year of the crisis. The decision we made years ago in favour of energy-efficient products that conserve resources is paying off." The real amount of energy that has been saved with ebm-papst products in the last five years corresponds to the current annual power output of two large power plants.

Growth in all main industries, ebm-papst relies consistently on broad diversification

In the fiscal year just ended, all eight main industries in which ebm-papst is active showed significant growth. Particularly strong growth was seen in the areas of ventilation and air-conditioning technology (+52%) and mechanical and plant engineering (+46%). These are followed by the business sectors of automotive/traffic (+36%) refrigeration technology (+32%),

IT/telecommunications (+25%) and heating engineering (+17%). In the household appliance industry, the company attained a +9% growth rate.

Significant growth was again seen in the area of renewable energies and condensing boiler technology, which grew 35% to 165 million EUR.

The broad diversification across industries – which was also a stabilising factor during the global economic crisis – remains the focus of the fan specialist.

International business at a consistently high level

The share of turnover earned by the company outside Germany grew by 72% compared to the previous year, by just under one percentage point. In its home market of Germany, ebm-papst had a turnover of 367 million EUR (previous year: 286 million EUR / + 28.3%). Sales revenues in Europe (other than Germany) increased by 27% to 564 million EUR. The ebm-papst Ireland sales subsidiary was the only one to buck the trend by continuing to show the weak

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Page 1 of 4



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numbers of past years. After an assessment of market conditions, the company separated from the subsidiary by means of a management buyout. In Asia, turnover grew by just under 51% to 223 million EUR. On the American continent, turnover was increased by 45% over the previous year, by 157 million EUR.

Number of employees

At the fiscal year-end, the fan specialist employed a staff of 11,118 worldwide. This means an increase of 8.7% over the previous year. In Germany, the number of employees grew by 257 to 5,338 (+5.1%); outside Germany, it grew by 635 to 5,780 (+12.3%).

All ebm-papst locations in Germany achieve record numbers

ebm-papst Mulfingen, the location of the corporate headquarters, earned a turnover of 699 million EUR, a new record. Growth in turnover was approximately 40.9% (previous year: 496 million EUR). The number of employees increased by 207 to 2,802.

ebm-papst St. Georgen also earned the best turnover in its corporate history. The subsidiary in Germany's Black Forest region, with its production plant in Herbolzheim, had encountered difficulties during the global economic crisis. After implementing reorganisation measures, the location now grew by 47.2% to 293 million EUR (previous year: 199 million EUR). ebm-papst St. Georgen employed a staff of 1,493 at the end of the fiscal year (previous year: 1,464).

ebm-papst Landshut, the Group's Bavarian subsidiary, also earned record sales. The location generated 232 million EUR, a 13.2% increase in turnover over the previous year's level of 205 million EUR. The number of employees increased by 21 to 1,043 (previous year: 1,022).

A partial acquisition in the gas valve area will strengthen the heating technology business in the future, and is an important step towards growing into the role of system supplier.

Resource conservation and material efficiency – central topics in the research and development area

Investments in research and development at the German locations of Mulfingen, St. Georgen and Landshut continued at a high level of 61 million EUR (+17.3% over the previous year). Currently, the percentage of new products of the Group, which employs more than 550 R&D engineers and technicians, is over 47%. Says Beilke: "Thus almost every other product in the market is less than five years old."

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Page 2 of 4



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For the first time, the technological leader in energy-efficient green products featured fans made from biomaterials at the Hannover Messe 2011 trade fair. This world first, made of innovative wood-based composite materials, meets all requirements of industry. Functions such as antibacterial or easy-to-clean coatings are also possible. Explains Beilke: "We are working continuously to reduce dependence on scarce raw materials such as crude oil. This ensures our future for the long term." With this development, ebm-papst sets a new milestone in the area of environmental protection and resource conservation. For the company, continuous further development of its products is also an appropriate means of fighting unauthorised reproductions and brand piracy.

High investments for the future

In the last year, the ebm-papst Group invested some 75 million EUR in fixed assets. This corresponds to an increase of 50% over the previous year (50 million EUR). The investment share at the German locations remained at a high level of 63.2 million EUR (+50.1%).

Intelligent safeguards against currency exchange fluctuations provide a competitive advantage.

Securing capital and managing risk are complex issues. For this reason, ebm-papst has established a global treasury management that has central responsibility for the Group and provides intelligent safeguarding of global payment flows in some 25 currencies. Says Managing Director of Finance Hans Peter Fuchs: "The volatility of currencies remains high, even if not to the extent of the past two years. The euro alone gained over 20% against the US dollar in less than a year. Smart safeguards against currency exchange fluctuations improve our assurance in planning and enable competitive advantages."

Vocational training and professional development

The field of vocational training and professional development is of central importance for ebm-papst. The proportion of trainees in Germany remained at a consistent level of over 5% and all trainees were hired. ebm-papst has decided to adapt the internship positions and courses of study for secondary school graduates to the increasing demand. The program for secondary school graduates will be doubled at the beginning of the 2012 training year. This is the company's response to the G8 and G9 classes that will complete their schooling simultaneously in 2012. Twice as many school-leavers as normal will be competing on the labour market and for places in higher education.

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Page 3 of 4



Green products provide a tailwind Fan specialist grows by 33%, creates 900 new jobs

On the way to 2 billion in sales.

For the new fiscal year 2011/2012, the ebm-papst group expects an increase in sales of just under 7% to 1.4 billion EUR. ebm-papst expects significant double-digit growth impulses in Asia (particularly China) and the USA. From an industry standpoint, the fan specialist is planning for double-digit percentage growth in the areas of environmental technology, heating and refrigeration technology and the household appliance industry. It is not yet possible to predict the extent to which that catastrophe in Japan will affect sales plans. Currently, all semiconductors that ebm-papst needs for its energy-efficient fans are still available. The technological leader will continue its research and development activities at a high level of some 65 million EUR. Development is focused on innovations in the resource conservation and energy efficiency area. ebm-papst's objective is for 15% of its product portfolio to employ sustainable biomaterials by 2015. The newly developed "biomaterial fan," which has potential for millions in sales, is the first large step in this direction.

To make further development of fans in the growth markets in close co-ordination with customers faster and more efficient, ebm-papst is expanding its development activities in China. In coming months, plans call for some 30 engineers to be hired to expand the existing Chinese team of developers. In fixed assets, ebm-papst worldwide will invest a record sum of some 105 million EUR (+40%), of which 84.3 million EUR (+33%) will go to the German locations alone. Outside Germany, the largest proportion of foreign investments will go to China. Here, ebm-papst will increase its production for the region dramatically.

Under the central corporate strategy known as "GreenTech," ebm-papst has consistently been transforming from a manufacturer of energy-efficient fans and motors to a comprehensively green organisation. In the current fiscal year, some 20 sustainability measures are planned. These include, for example, connecting the Mulfingen location to a biogas plant, expanding the "energy scouts" project for trainees and optimising all heating, ventilation and climate control systems.

About ebm-papst The ebm-papst Group is the world's leading manufacturer of fans and motors, and is a pacemaker for ultra-efficient EC technology. In the last fiscal year 10/11, the company generated turnover of over 1.3 billion EUR. ebm-papst employs over 11,000 people at 17 production facilities (including Germany, China and the USA) and 57 sales locations worldwide. Fans and motors of the global market leader are represented in many industries, including ventilation, air-conditioning and refrigeration technology, household appliances, heating engineering, in IT/telecommunications as well as applications in automotive and commercial vehicle engineering.

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Page 4 of 4