

May 5, 2008: Billion EUR in sales expanded, 60 new products ready to start production

With a record sum of 85.1 million EUR (+45.2%) invested just in ebm-papst's German locations last fiscal year, ebm-papst is geared towards future growth.

The greatest single amount of 15 million EUR was invested in the construction of the new plant in Mulfingen-Hollenbach. Since November 2007, large, particularly energy-efficient fans with blade diameters of up to one meter have been produced in the new plant. In fiscal 2007/2008, which ended on March 31, 2008, the world's leading manufacturer of motors and fans achieved the billion mark with a turnover of 1.076 billion EUR. In the prior fiscal year, ebm-papst had surpassed the billion mark for the first time with a turnover of 1.046 billion EUR.

With regard to the completed fiscal year, "the ebm-papst group showed 3% slower growth this year than previous recent years" said Hans-Jochen Beilke, Chairman of the Board of Managing Directors of ebm-papst. "The reasons for this are an 11% drop in the IT/telecommunications market segment due to the weak dollar, and the considerable downturn of the global heating engineering market-in particular, the pellet industry", explained Beilke. Developments in the area of ventilation, air-conditioning and refrigeration technology, on the other hand, were positive. With ebm-papst's leading market position in the area of high-efficiency EC fans, this business sector was able to see a significant increase of 15%. "With timely and continuous developments in the area of high-efficiency EC fans and motors, ebm-papst built a strong position for itself. This gives us an excellent future outlook", stated Beilke. Turnover in the areas of mechanical engineering/finishing equipment and automotive engineering also saw positive development, each with increases of 14%.

The export share of the fan specialists remained the same at 71%, and is now at 764 million EUR. In Asia, which has proven once again a locomotive of growth, turnover increased 18% to 161 million EUR. ebm-papst is further expanding its sales network in this region.

Compared to the 06/07 fiscal year, in which over 1,000 new jobs were created, the number of new employees grew in conformity with the growth in turnover by 91 to a total of 9,898 employees worldwide. As before, the majority of employees-currently 5,182-works at German locations. Due to the current exchange rate trend, the ebm-papst group plans to increase value creation in the dollar area for the current fiscal year. This is to be achieved both by increasing procurement activities and by expanding production sites in India and the USA.

Research and development received heavy investment again. Expenditures increased by 16.3 percent to 54.8 million EUR. At the end of the last fiscal year, the Development department had 508 highly qualified employees (+6.1%) in Mulfingen, St. Georgen and Landshut, Germany.

At ebm-papst's location in Mulfingen, intelligent production distributions within the ebm-papst group enabled turnover to remain constant at 460 million EUR. In the previous fiscal year, the location in the Hohenlohe region enabled a short-term increase in capacity for a 25.5% growth in turnover. The distribution of sales-nearly 30 percent domestic, 70 percent foreign-remained unchanged. The number of employees increased slightly to 2,538 (+1.4%). Research and development expenditures increased by 15% to 24.2 million EUR. The market expansion of the large EC fans was a resounding success. Important customers were won in the area of the new AC series.

In Fiscal 07/08, the 1,630 employees at ebm-papst St. Georgen attained a turnover of 264 million EUR. The subsidiary experienced especially high growth in the automotive and drive engineering market segments. Turnover was able to increase here by 19.3% to 95 million EUR. The seven production starts alone will provide for significant growth in the auto industry in the new fiscal year as well. Due to the weak dollar, this wizard of innovation, located in the Black Forest, could not increase net sales in the "compact fans" segment last fiscal year. At 169 million EUR, the turnover is just under that of the previous year. There is great optimism of once again generating growth in this segment through the development of the new "S-Force" generation of compact fans. Expenditures for research and development increased by 21.6 percent to 24.2 million EUR. ebm-papst St. Georgen increased its investments considerably, from 3.8 to 23.9 million EUR. One of them was the purchase of a production building in Herbolzheim to serve as extra space for expanding the automotive and drive engineering business.

With 12.7 million EUR (+ 67%), the investments at ebm-papst Landshut reached a new record level. Money was invested primarily in new processing equipment and in the construction of an Innovation Center for research and development. The subsidiary's expenditures in the research and development area were increased by 3.2 % to 6.4 million EUR.

A total of 966 employees earned a turnover of 195 million EUR, which is unchanged from the previous year. This can be attributed to the weakness of the heating engineering market served by that location. Developments in the area of energy saving EC technology are also very positive in Landshut. The share was able to be increased further in the last fiscal year, and now stands at 56%.

Acquiring a stake in Argus Vision, a company that specializes in development of electronic controls, makes it possible for ebm-papst strategically to expand in the field of electronically controlled gas condensing boilers.

Hans-Jochen Beilke, the Managing Director responsible for the entire ebm-papst group, looks to the future with optimism. "The fiscal year 08/09 has 'Year of innovations' as its motto." Altogether 60 new products are ready for market launch. Significantly growing demand is expected in particular for high-efficiency EC fans. This assessment is supported by the now global awareness that our energy reserves are limited. "Through early and continuous development in this area, ebm-papst is equipped for the future. For the current year we are counting on a 6.3% growth in turnover within the group," said Beilke

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