

Hinwil, March 23, 2015, 07:00 a.m.

## Press release of the Belimo Group

### Again solid growth and increased net income

The Belimo Group had a successful 2014. Sales rose in Swiss francs by 4.5 percent to CHF 493.9 million. Adjusted for currencies, the growth rate was 6.6 percent. In the second half-year, the Americas and Asia/Pacific performed particularly well, while growth in Europe slowed.

Belimo posted operating income (EBIT) of CHF 81.3 million and an operating margin of 16.5 percent. Net income totaled CHF 67.2 million, which equates to CHF 109.52 per share. Return on equity (ROE) was 22.2 percent and return on invested capital (ROIC) 23.4 percent. Cash flow from operating activities rose by 5.0 percent to CHF 74.1 million.

The new production, logistics and administration building in Danbury (CT, USA) became operational on schedule. In Hinwil, Belimo started the construction for the logistics building expansion. Because of these two important investments, free cash flow fell by 46.9 percent to CHF 18.5 million, while cash and cash equivalents dropped 11.6 percent to CHF 92.3 million.

The Board of Directors proposes a dividend of CHF 65 per share to the Annual General Meeting on Monday, April 20, 2015.

#### Regional development:

**Europe.** Sales in the European market region grew by 4.3 percent, or 5.0 percent on a currency-adjusted basis. Growth contribution was strong in the United Arab Emirates, France, Switzerland and Poland. The slowdown in the second half-year is primarily due to Austria and the Ukraine. The low price of oil caused a downturn in investments in alternative heating systems in Austria. Growth was strong for water applications in Europe thanks to new product solutions for zone applications and for hydraulic balancing of plants.

**Americas.** Sales in the Americas market region grew by 4.6 percent, or 8.3 percent on a currency-adjusted basis. Belimo recorded solid growth in all markets, with strong performance in the second half-year in particular. Projects such as the new office building "Rufus 2.0" in downtown Seattle (WA, USA) and the LEED Platinum Project "Torre Cosmopolitan" in Tijuana (Mexico) helped drive growth. Air applications saw solid growth thanks to the OEM business, which was made up primarily of air damper actuators.

**Asia/Pacific.** Sales in the Asia/Pacific market region grew by 5.1 percent, or 9.3 percent on a currency-adjusted basis. Belimo posted good growth in Australia and the Philippines thanks to major projects, including the "Governor Phillip Tower" in Sydney. South Korea, Malaysia and Singapore were below expectations, as was the contracting business in China.

### Net sales by region

in CHF 1,000	2014	%	Growth in local currencies in %	2013	%
Europe	270,359	55	5.0	259,303	55
Americas	170,914	35	8.3	163,461	35
Asia/Pacific	52,646	10	9.3	50,095	10
<b>Group</b>	<b>493,919</b>	<b>100</b>	<b>6.6</b>	<b>472,859</b>	<b>100</b>

### Net sales by application

in CHF 1,000	2014	%	Growth in local currencies in %	2013	%
Air	299,330	61	6.1	287,584	61
Water	194,589	39	7.4	185,275	39
<b>Total</b>	<b>493,919</b>	<b>100</b>	<b>6.6</b>	<b>472,859</b>	<b>100</b>

**Innovation.** A major portion of the variable volumetric flow controllers were equipped with the wireless technology near field communication. Before the device is connected to electricity, all the key settings can be made with the convenience of a smartphone app. Belimo Energy Valves™ and electronic pressure-independent valves were given small diameters and a safety function. The largely redeveloped product range of fire protection actuators provides additional security in case of fire with a new, patented locking function. At the new Belimo building in Danbury (CT, USA) a much larger water laboratory was built, providing a very good infrastructure for developing valves and conducting quality control.

**Outlook.** The uncertainties in Eastern Europe and the drop in income from the oil and gas business are leading to noticeable cuts in investments in key regions. The strong economy and the increase in spending on construction should carry on in the United States. Despite the lower energy costs, investments in building automation and energy efficiency are likely to continue unabated. In Asia/Pacific there are potentials in China and India in particular, as spending on infrastructure in these countries continues. High growth rates are also expected for Indonesia and Thailand.

Belimo will see continued growth with new product ranges in fire protection and zone applications. Innovative customer solutions are being designed based on technological developments such as the Internet of Things.

The strong Swiss franc, as a consequence of the discontinuation of the minimum exchange rate against the Euro, has a major impact on Belimo's sales and profitability. Based on the selected scenario (EUR/CHF 1.05, USD/CHF 0.95) and the budgeted growth in sales volume, Belimo expects sales in Swiss francs to be at about the same level as in previous year, with a 2.0-2.5 percentage point decrease in EBIT margin. The goal is to maintain the successful growth strategy. Current investment projects will deliver the expansion of the logistics capacity needed to maintain growth, and work is continuing on optimizing procurement and production processes. The new logistics building in Hinwil will become operational in 2015, which will improve process efficiency in manufacturing and distribution.

In mid-year Dr. Jacques Sanche will hand over responsibility as CEO to Lars van der Haegen, head of Americas. This succession will help support Belimo's continuity of sustainable development.

## Key figures of the Belimo Group for the 2014 financial year

in CHF 1,000 (unless indicated otherwise)	2014	2013	Change in %
Net sales	<b>493,919</b>	472,859	4.5
Operating income (EBIT) in percent of net sales	<b>81,250</b> 16.5%	81,318 17.2%	-0.1
Net income in percent of net sales	<b>67,193</b> 13.6%	62,609 13.2%	7.3
Cash flow from operating activities in percent of net sales	<b>74,080</b> 15.0%	70,574 14.9%	5.0
Free cash flow in percent of net sales	<b>18,546</b> 3.8%	34,921 7.4%	-46.9
Earnings per share, in CHF	<b>109.52</b>	102.57	6.8
Dividend per share, in CHF	<b>65*</b>	65	0.0
Investments	<b>55,141</b>	36,676	50.3
Research and development in percent of net sales	<b>32,415</b> 6.6%	30,573 6.5%	6.0
Number of employees at December 31 (FTE's)	<b>1,388</b>	1,314	5.6

\* Proposal to the Annual General Meeting on April 20, 2015.

*The Belimo Group is a leading global manufacturer of innovative electrical actuator solutions and valve systems for heating, ventilation and air-conditioning systems. The Group generated sales of CHF 494 million in 2014 and employs close to 1450 people. Information about the company and its products is available on the Internet at [www.belimo.com/investorrelations](http://www.belimo.com/investorrelations).*

*The shares of BELIMO Holding AG have been traded on the SIX Swiss Exchange since 1995 (BEAN).*

*There will be a media information session on the 2014 financial statements at the WIDDER HOTEL in Zurich today, starting at 10:00 a.m.*

[Link to Annual Report 2014](#)

<b>Contact</b>	Beat Trutmann, CFO	Phone +41 43 843 62 65
<b>Agenda</b>	Media information session/ Publication of 2014 Annual Report	March 23, 2015
	Annual General Meeting 2015	April 20, 2015
	Semiannual Report 2015	August 4, 2015
	Publication of 2015 preliminary results	February 10, 2016
	Media information session/ Publication of 2015 Annual Report	March 21, 2016
	Annual General Meeting 2016	April 25, 2016