



Marked increase of Belimo sales and profits

New corporate structure - growth thanks to new fields of business and expansion abroad

The Belimo group of companies, the world's leader in the area of damper actuation in ventilation and air-conditioning systems, again markedly increased sales and earnings in 1997. Consolidated sales rose by 17.9 percent to CHF 148 million, consolidated profit by 42.8 percent to CHF 15.3 million. Currency-adjusted, consolidated sales were 10.3 percent higher than in the previous year, while earnings before interest and taxes (EBIT) of the group increased by 40 percent over the previous year, to CHF 25.2 million. The cash flow in 1997 amounted to CHF 21.7 million. All national companies of the Belimo group achieved positive results in the year under review. The board of directors proposes to the General Assembly that the dividend be increased by CHF 1 to CHF 10 per share and a special dividend of CHF 7 per share be distributed on the occasion of the ten-millionth actuator.

In 1997, the Belimo group sold 12 percent more damper actuators for ventilation and air-conditioning systems worldwide than in the previous year. It thus strengthened its position as the leading supplier on the world market. In the summer of 1997, Belimo celebrated the production of its 10 millionth actuator.

Increasing importance of the USA

In a matter of 10 years, Belimo has become the clear market leader in North America. 1997 sales (in local currency) increased by 19 percent to CHF 56 million. To further improve its position in the North American market, Belimo transferred part of its production to the USA. In November 1997, Belimo began the successful assembly in Danbury, Connecticut, the head-quarters of the US Belimo company. Asia, with 5 percent of sales, is currently a further growth market. In the fall of 1997, Belimo incorporated its first Asian subsidiary in Hong Kong. The corporation now has a strong bridgehead for the quick entry into the dynamically growing markets of Southeast Asia. Long-term, Belimo expects high growth rates in China and the tiger states.

In its main market in Europe, Belimo has attained a size in its traditional field of business that further sales increases will primarily have to be achieved by expanding its markets. From this point of view, the currency-adjusted sales increase of 6.5 percent is particularly commendable. The growing degree of motorization of fire dampers has made an essential contribution to this positive result.

Expanded range of activities: Valve actuators, window ventilation and mixing actuators

In addition to its core competence, namely electric damper actuators for positioning dampers in ventilation and air-conditioning systems, Belimo wants to expand into closely related business areas. This is why it will also offer valve actuators in the area of heating, ventilation, and air-conditioning. To supplement its activities, Belimo took over Lineg Ltd. with domicile in Bassins/VD effective end of 1997. Lineg was incorporated in 1994 and develops, produces, and sells electrical actuators for hydro-control elements, so-called mixing valve actuators which are being used in the area of hot and cold water controls in heating systems. Belimo is also becoming active in the promising market of window ventilation. In the year under review, Belimo invested CHF 7.7 million (up 20 percent over the previous year) in research and development. Based on its solid financial ground, Belimo will continue to expand its research and development activities in the coming years. This will enable Belimo to safeguard its innovation lead long-term and also provides the foundation for healthy growth. Belimo expects sales increases of about 11 percent yearly throughout the next five years, or 8 percent for air damper actuators and about 25 percent for valve positioning actuators. In the area of window positioning actuators, Belimo expects to double sales every year after the launch.

Reorganization to get closer to the customer

Belimo plans to reorganize its top management effective mid-1998 to take into account the growing size of the Belimo group and plans for future growth. By introducing this new structure, Belimo will get even closer to its markets and will thus meet the requirements of flexibility and optimal customer orientation. In future, the group management will be made up of the business units Europe, the Americas, and Asia. This shows that Belimo attributes special importance to sales which are currently still regionally organized. Group services - finance is the fourth business unit. Group management (the Executive Committee) will be made up of the managers of the four new business units. The Belimo group of companies is represented in more than 40 countries worldwide and employs a staff of about 420 persons, 280 of them in Switzerland.