

## **PRESS KIT 2009**

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## PRESENTATION

### PROFILE

**Ariston Thermo Group** is the world's partner in energy efficient comfort.

One of the world's leading companies in heating, **Ariston Thermo Group** offers a complete range of heating and hot water products, systems and services designed to provide the maximum degree of comfort with the minimum use of energy.

### GROUP SYNTHESIS

**Ariston Thermo Group** is the most global company in the heating sector with over 80% of its turnover coming from outside Italy.

In 2008 the turnover reached **€ 1.2 billion**, producing **6.5 million products** in its **19 factories** in **10 countries**.

**Ariston Thermo Group** has **6,800 employees**, **40 companies** in **26 countries** and a distribution in **over 150 countries**.

It has a **leading position in three market sectors** (water heating, central heating and air conditioning, components), offering a **complete range of products, systems and services** (wall-hung and floor-standing boilers, water heaters, solar systems, heat pumps, air conditioners, burners, pre-post sales services, components) mainly under the brands Ariston, Chaffoteaux, Elco, Cuenod and Thermowatt.

## PHILOSOPHY AND VALUES

### *Francesco Merloni – Chairman*

#### What drives us

- INTEGRITY** <Over 75 years ago Aristide Merloni started his business in the Marche region of Italy. He wanted to create opportunities for work, to provide an alternative for the many young Italians forced to abandon their families and homes in the search for jobs abroad.
- PEOPLE**
- PERFORMANCE** His philosophy was summed up in a statement he made in 1967 and which remains the ethical foundation of our company: *“There is no value in any industrial enterprise unless there is also commitment to social progress.”*>
- FLEXIBILITY**
- IMPROVEMENT**

#### **Social responsibility is at the heart of what we do**

<Whichever location we operate in we are committed to maintaining the same conditions and the same work environment. We collaborate with local institutions to help us better understand local needs and support the community in any way we can>.

#### **Family commitment**

<Almost 75% of our shares are owned by the Merloni family. This enables us to take a long-term view and an entrepreneurial approach to opportunities, always working in close cooperation with our team of managers. We are convinced that being a family-owned business grants us the possibility of creating a unified culture, facilitating lines of communication, enabling faster decision-making and maintaining our commitment to social responsibility>.

## GOALS AND PRIORITIES

### **Paolo Merloni - CEO**

#### **A new name and a new organisation**

<The year 2008 was an important one for our company. We decided to change our name from MTS Group to Ariston Thermo Group and re-organized the company into three, more market-focused, divisions: Thermic Comfort, Burners and Components>.

#### **Committed to renewables**

<We created a new European centre of competence for solar thermal in central Italy. We supplied a sophisticated 7,500 m<sup>2</sup> solar system for the Beijing Olympics.

We continued to invest in the development of a comprehensive portfolio of renewable energy solutions>.

#### **Challenges and opportunities**

<These are challenging times for economies and companies. However, I believe that our core strengths will help us through. We are able to leverage our product range and our global markets to give us the flexibility to respond to fluctuations in demand.

We also retain a strong competitive edge by being a family-owned business with a solid financial structure and efficient operations>.

#### **Investing in our brands**

<We are strong in Europe and in key developing markets such as China, India and Vietnam. We will continue to invest in our brands in the belief that strong brands are the key to success in a global marketplace>.

#### **Aims for the future**

<We will continue to focus on new product innovations. We will also add value to our customer relationships through further improvements in distribution and service. Our objective is to be one of the global leaders in the heating sector>.

## STRUCTURE

### THE THREE DIVISIONS OF ARISTON THERMO GROUP

- **Thermic Comfort**
- **Burners**
- **Components**

Although closely connected, our three divisions address the needs of different markets. They have their own management and brand portfolios to ensure that they are close to their markets.

The **Thermic Comfort Division** is our largest business. Its brands deliver energy efficient heating and hot water products and services for domestic and commercial users around the world.

Our **Burners and Components Divisions** deal in specialised products which they sell to other manufacturers and professionals in related sectors.

### MANAGEMENT

**Aldo Bisio**  
Group M D and Thermic Comfort

**Alessandro Capucci**  
Human Resources

**Fausto Fioroni**  
Components

**Paolo Marinovich**  
Burners

**Giorgio Scalon**  
Strategic Marketing

**Euro Trapani**  
Finance

## 2008 KEY FIGURES

### ARISTON THERMO GROUP KEY FIGURES 2008

- 1.2 billion euro total sales
- 6.5 million products per year (plus 35 million components)
- 46 million euro R&D and investment
- 6,800 employees
- 250 people in R&D

### SALES BY DIVISION

- Thermic Comfort 89%
- Burners 6%
- Components 5%

### SALES BY REGION

- Italy 14%
- Asia 13%
- West Europe 49%
- East Europe 19%
- Other 5%

### HEAD COUNT BY REGION

- Italy 27%
- Asia 27%
- West Europe 38%
- East Europe 7%
- Other 1%

## WORLDWIDE PRESENCE

### WORLDWIDE PRESENCE

- 19 production sites in 10 countries
- 40 companies in 26 countries
- Distribution in over 150 countries

The understanding of local needs has made **Ariston Thermo Group** the world's partner in energy efficient comfort.

As well as a strong position in European markets **Ariston Thermo Group** has a leading position in key emerging markets.

As early entrants into these markets **Ariston Thermo Group** has succeeded in establishing deep roots and high brand awareness.

**Ariston Thermo Group** is firm believer in collaboration with local partners. They provide with the insights the Group need into prevailing cultural habits, climate and housing conditions to supply the optimum degree of energy efficient comfort to any user in any environment.

## HISTORY

The growth of **Ariston Thermo Group** has been driven by innovation and an ambition to exploit new trends and markets

- 1930** Founded in Italy in 1930  
Aristide Merloni founds Industrie Merloni in the Marche region of Italy and starts production of weighing machines
- 1960's** Production of electric water heaters  
Ariston brand launched
- 1970's** Under the name MTS the company becomes Italian leader in water heaters
- 1980's** Already European market leader in water heaters, MTS enters the heating sector and commences production of boilers
- 1990's** Subsidiaries set up in Eastern Europe and Asia  
World leader in water heating and a key player in heating  
Acquisition of Racold, largest water heating company in India  
First wholly-owned factory opened in China
- 2001** Acquisition of long-established European companies Chaffoteaux, Elco, Cuenod and Rendamax
- 2005** Factory built in St. Petersburg, Russia and acquisition of Ecoflam, a leader in heating systems in Italy
- 2006** Acquisition of Termogamma, experts in heat pump renewable heating technology
- 2008** European centre of competence for solar thermal energy opened in central Italy
- 2009** Renamed Ariston Thermo Group the company is now a world leader in the heating industry with a complete range of products, systems and services

## THE FUTURE OF ENERGY EFFICIENT COMFORT

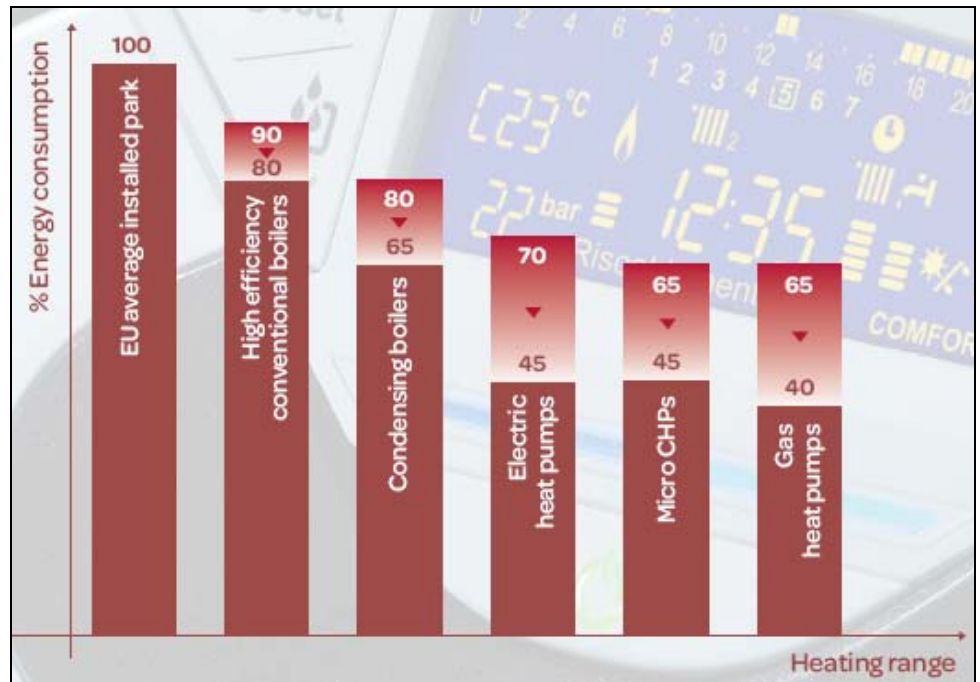
**SYNERGY BETWEEN DELIVERING COMFORT AND SAVING ENERGY** In Europe the requirement for heat and hot water represents a third of final energy consumption. User demand and government legislation are driving a need for greater energy efficiency.

**Ariston Thermo Group** consider energy efficiency as a synergy between optimum comfort, savings to the user and benefits to the environment.

**THE SOLUTION FOR ANY SITUATION** Our portfolio today is wide enough to get the best possible energy efficiency and comfort in every scenario, from retrofit installations, where existing system and building constraints play a key role, to first installations in new buildings, with the greater opportunities they offer.

**THE IMPORTANCE OF INTEGRATED SYSTEMS** All new products are designed to be components of integrated systems where every part works together to optimize efficiency. Although the future lies in renewable energy sources, there are great benefits to be gained from hybrid systems which combine traditional and renewable elements.

- 3 OBJECTIVES**
- Improve the efficiency of traditional products like boilers and water heaters
  - Continue developing new solutions using renewable energies like solar thermal and electric heat pumps
  - Invest in new projects for the systems of the future like micro co-generation and gas heat pumps



**Boilers**

Our comprehensive range of advanced condensing boilers for retrofit installations and new homes deliver up to 35% energy savings. In combination with intelligent controls an additional 10% energy saving is achievable

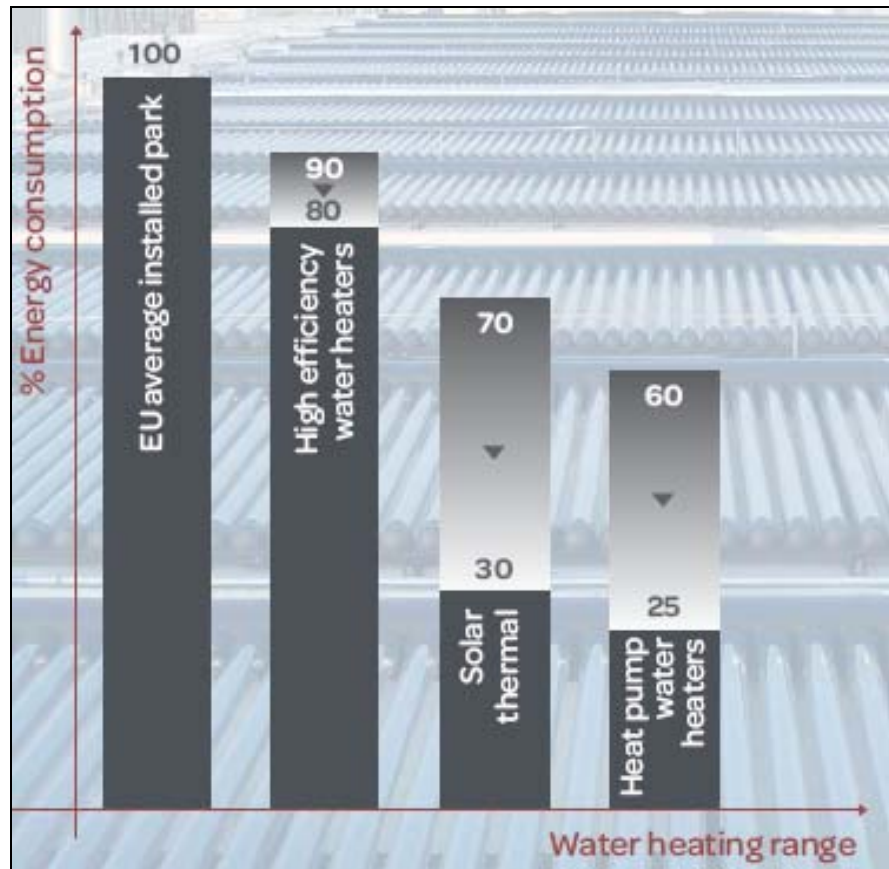
**Heat pumps**

In addition to a complete range of electric heat pumps we are developing gas absorption heat pumps. Heat pumps transfer energy from the environment at zero cost and with zero emissions, resulting in up to 55% energy and CO2 savings

**Micro co-generation systems (CHP)**

At the forefront of our R&D activities are micro co-generation systems using solid oxide fuel cells or Stirling engines. They produce electric energy and heat at the same time in the exact locations where they are needed.

**WATER HEATING** *A complete range of energy saving products*



**Water heaters**

Our latest electric and gas water heaters use sophisticated controls and technical innovations to significantly increase efficiency and deliver up to 20% energy savings

**Solar thermal**

Our wide range of solar thermal solutions caters to worldwide market demand. Capturing renewable energy from the sun they deliver up to 70% of hot water needs and up to 15% of heating needs

**Heat pump water heaters**

We integrate heat pump technology within our water heaters to deliver high efficiency solutions for dedicated applications

## THERMIC COMFORT DIVISION

**Three leading brands and a comprehensive range of heating and water heating products, systems and services: Ariston, Elco and Chaffoteaux.**

**TOTAL ENERGY  
EFFICIENT  
COMFORT FROM  
THE WORLD'S  
WIDEST RANGE OF  
HOME HEATING  
AND WATER  
HEATING  
PRODUCTS.**



The Ariston brand provides a range of reliable, easy to use and energy efficient products. They offer users control over every part of their home, anywhere, anytime.

That's why we call Ariston "**The heart of your home**"

Ariston products are designed to meet the needs of modern lifestyles. In addition to a wide offer of intelligent boilers, water heaters and air conditioners we have introduced an integrated range of solar systems and heat pump water heaters which enable users to access the very latest renewable energy.

As well as saving energy and maximising comfort, Ariston's smart Italian design means products look good in any setting.

The Ariston products are distributed worldwide with a presence in over 150 countries. With Ariston, everyone can enjoy a more Energy efficient home.

**PREMIUM  
HEATING  
SOLUTIONS  
BACKED BY FIRST  
CLASS SERVICE**



ELCO combines high quality consulting, products, systems and services in a comprehensive offer that precisely meets customers' needs.

Whether they are installers, specifiers, planners, architects, operators or manufacturers of prefabricated houses, every ELCO customer enjoys individual advice on the most appropriate and energy efficient solution.

They can choose from a wide range of condensing units, burners, solar systems, heat pumps and solid fuel boilers for domestic and commercial use. All the elements are simple to install and designed to work together as an integrated system.

ELCO is backed by the best after-sales assistance in the industry.

From start-up advice and maintenance to online monitoring, we provide 24 hour, 365 days a year technical service to ensure that our customers' heating systems function reliably and efficiently.

**THE REFERENCE  
BRAND FOR  
PROFESSIONALS**



**Ariston Thermo Group's** aim is to consolidate Chaffoteaux's reputation as the No.1 choice of professionals in France and in other leading markets.

Chaffoteaux provides installers and contractors with high performance, energy efficient heating systems that are easy to sell, easy to install and easy to maintain. Chaffoteaux support them with extensive training, and we offer amongst the best pre-sales and after-sales service in the sector.

With the latest renewable energy and low-consumption products, the fastest-growing areas of the market can now be catered for by Chaffoteaux installers. Becoming the favourite brand of professionals will also make us a firm favourite with their customers.

### **Thermic Comfort Division's range**

<b>BOILERS</b>	Residential & commercial Wall hung & floor standing Conventional & condensing Gas & oil
<b>WATER HEATERS</b>	Storage & instantaneous Electric & gas
<b>SOLAR THERMAL</b>	Collectors: vacuum tubes & flat plate Solar water heaters Systems: residential & commercial
<b>HEAT PUMPS</b>	Space heating & water heating Air to water & water to water
<b>AIR CONDITIONERS</b>	Residential & light commercial Commercial & industrial
<b>BURNERS</b>	Residential Commercial Industrial
<b>SERVICES</b>	For professionals For consumers
<b>SYSTEM COMPONENTS</b>	Controls: on/off room regulation, climatic thermoregulation & remote management Cylinders: storage, single coil, double coils, interstice Hydraulic accessories

## BURNERS DIVISION

**CUTTING-EDGE  
COMBUSTION AT  
THE HEART OF  
YOUR SYSTEM**

The **Elco**, **Cuenod** and **Ecoflam** brands offer quality and precision where it counts - in the combustion process.



**Ecoflam**

Together, they provide a comprehensive range of burners for the most demanding conditions around the world.

Ariston Thermo Group's industrial burners offer the highest performance and the widest choice available.

Robust design and construction give total operating reliability.

Advanced power output controls, variable flame geometry and the flexibility to exploit liquid and gaseous waste make the burners easily adaptable to any application.

Elco, Cuenod and Ecoflam burners are constantly updated to reduce Energy consumption, NOx emissions and noise levels.

Ariston Thermo Group keeps dedicated sales and customer support network fully up to date to provide fast pre-sales and after-sales field service to installers and users.

Start-up advice, maintenance and spare parts supply are available worldwide.

## COMPONENTS DIVISION

**THE NO.1  
MANUFACTURER  
OF ELECTRIC  
HEATING  
ELEMENTS AND  
THERMOSTATS**

Thermowatt elements are widely used in household appliances throughout the world.

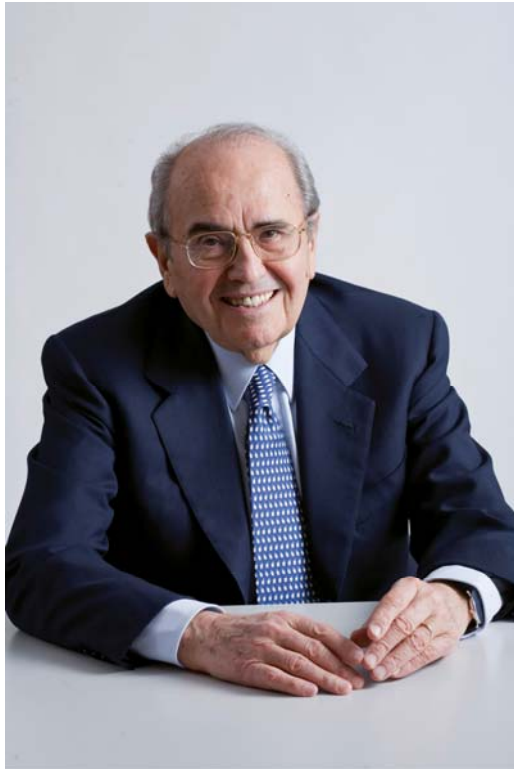


Thermowatt is the first company of its kind in Europe to be certified to ISO 9001. It is a tribute to the high quality of our materials and production, our rigorous commitment to safety and the expertise of our personnel.

Thermowatt works alongside the technicians of manufacturing companies during the entire design phase to ensure the end product meets the manufacturer's and consumer's needs.

The quality of our products and the reliability of our service have made us the partner of choice for 250 home appliance manufacturers in more than 90 countries.

Francesco Merloni - Chairman



Paolo Merloni – CEO



Ariston Thermo Group – Headquarters – Fabriano

