

Secop GmbH sets new market standard for refrigeration compressors

- **Energy-efficient XV compressor wins large scale customers – production running**
- **Important milestone in the takeover of ACC Austria – completion of transaction expected last quarter 2013**

Flensburg, September 16th 2013 – Secop GmbH is underlining its innovation leadership in advanced compressor technologies with the market introduction of a new compressor platform for energy-efficient refrigeration appliances. In addition, the company is passing an important milestone in the takeover of the main assets of Austrian compressor manufacturer ACC Austria GmbH: within the framework of the approval process in anti-trust law, the referral procedure brought before the European Commission has been concluded. The transaction, which is expected to be concluded in the last quarter of 2013, will position Secop as an important independent European manufacturer of refrigeration compressors.

Production of Secop's highly energy-efficient compressors of the new XV platform has recently commenced. Secop GmbH has already concluded long-term supply contracts for this innovative generation of electronically controlled compressors incorporating variable speed motors ("variable speed") with two large German manufacturers of household refrigeration appliances. Numerous other manufacturers have already indicated their interest in also obtaining XV compressors in the future. Compared with an efficient standard compressor ("fixed speed"), the XV enables additional energy savings in the region of 30 %. The XV also impresses in terms of purchase criteria such as noise levels, size or weight: with only 32 decibels at the optimal operation point it is very quiet, while the revolutionary reduced height of only 100 mm allows refrigerator manufacturers to increase the available cooling volume. This construction also delivers significant weight savings of around 50 % compared with standard compressors. The associated lower material and raw material consumption improves the competitive position and generates positive effects throughout the entire logistics processes.

With these remarkable performance characteristics the XV allows manufacturers of domestic appliances to raise the energy efficiency class of a refrigerator equipped with a high efficiency standard compressor, without any further changes, from "A++" to the highest "A+++" category. Regulatory requirements are putting ever more stress on the theme of energy efficiency, since cooling and air conditioning applications already consume up to 20 % of global energy needs. This was demonstrated not least by the presence of numerous new refrigerator models belonging to the highest energy efficiency class "A+++" at the world's leading electronics fair IFA in Berlin, which ended last week. The issue of energy efficiency in household refrigerators played a leading role at the IFA.

Secop CEO Mogens Sørholm is proud of the development of his company: "The market introduction of our new technology is further proof of the innovative potential of German SMEs ("Mittelstand" companies). Secop is addressing the global megatrends of energy efficiency and cooling." Not only consumers and commercial users, but also legislators have a great interest in energy efficient solutions. From the year 2014, EU regulations only permit domestic refrigerators with an energy efficiency class above "A". According to current reports this means that the market share of highly efficient refrigeration units of energy efficiency

classes "A++" and "A+++" should rise from around 5 % in the year 2007 to around 30 % in the year 2015.

Within the XV platform Secop is developing "variable speed compressors" that always operate at the optimal point for varying environmental conditions. Compared with the most efficient standard compressors, this allows additional energy savings of up to 30 %. The XV compressors include new concepts for pump and motor technologies, base on a different utilization of materials and are produced by an entirely new and unique manufacturing process. The compressor is one of the most decisive components for the energy performance of a refrigeration unit.

Secop GmbH plans to strengthen its market position in the "household" business area with the takeover, agreed in April 2013, of the main assets of ACC Austria GmbH (Fürstenfeld, Austria). ACC Austria has a product range and customer base complementary to those of Secop GmbH. The production site of ACC Austria is among the most modern and highly automated in Europe. In the course of the takeover, synergies will also be tapped, particularly in the procurement areas as well as with regard to the product platforms. With the end of the referral procedures, in which any qualified member state could have exercised its veto option, the takeover should be registered with the Commission, initiating an investigation by the European Commission in terms of merger control legislation. Secop expects the resulting decision for the last quarter of 2013.

In connection with this transaction and to finance further growth, Secop GmbH is currently investigating several financing options which could include, among other options, the issue of bonds.

About Secop GmbH

Based in Flensburg, Secop GmbH develops and sells hermetic refrigeration compressors. Secop is active in the complementary business areas "light commercial" (compressors for bottle coolers, glass door refrigerators, supermarket chests and marketing refrigerators), "household" (compressors for domestic refrigerators and freezers) and "mobile cooling" (compressors for e.g. truck refrigerators, vehicle mini-bars, spot coolers or battery powered cooling). A continuous technology transfer takes place between the business areas, allowing the market potential of innovations like the XV generation to be leveraged across all segments.

The direct customers of Secop GmbH include Bosch-Siemens-Hausgeräte and Liebherr, while corporations such as Audi, Coca-Cola and Nestlé rank among the indirect clients. Secop also offers its customers product innovations as well as supporting consultancy and development services with regard to the application and use of compressors. The company is part of the internationally active Secop Group with an industrial history of around 60 years, which currently employs around 950 employees at the main European sites in Flensburg and Zlaté Moravce (Slovakia). Secop GmbH has its roots in the Danfoss Group. With the takeover of the main assets of ACC Austria GmbH, Secop GmbH intends to further extend its product portfolio in the "household" business area, and consolidate its position in international competition.

Further information on the company can be found at www.secop.com.