

Date: 17th December 2014

Volution Group plc - Trading Update

Volution Group plc (“Volution” or the “Group”, LSE: FAN) a leading supplier of ventilation products to the residential construction market, and in advance of the Group’s Annual General Meeting to be held at 11:00 a.m. today, reports on current trading.

The Group is comprised of the Ventilation Group – serving the UK, Nordic and German markets – and the OEM division, which trades under the Torin-Sifan brand.

Trading performance

Performance in the first quarter of our financial year has been in line with our expectations. We continue to see good levels of growth in our UK and Nordic Ventilation businesses, together with increasing demand for our higher value-added fans and systems. As described on 23rd October 2014, with our FY2014 results, overall sales in Germany declined, however, we have remedial actions in hand. In OEM (Torin-Sifan), sales of boiler spares have remained soft as a result of the unseasonably mild start to the winter. Group margins have continued to improve as a result of a more favourable product mix and price increases in the Ventilation Group, compensating the modestly lower overall organic revenue growth.

On a constant currency basis, Group revenue increased by 14.1% compared to the same period last year. On a reported basis, Group revenues increased by 11.0% to £33.1 million, after allowing for an adverse currency translation effect caused by the weakening of the Swedish Krone.

Organic revenue growth on a constant currency basis was positive at 1.0% (-1.1% lower on a reported basis), which comprised of 3.2% (0.6% on a reported basis) growth from our Ventilation Group and a contraction of 9.7% within our OEM division (-9.7% on a reported basis).

Within UK Ventilation, we saw strong growth in gross sales¹ for the New Build Residential systems sector of 15% partly as a result of the increased penetration of central system ventilation for use in new housing applications. This sector continues to be buoyed by regular project wins examples of which we announced earlier this year for “Saffron Square” and “One The Elephant.”

Financial position

Our financial position remains strong with continuing cash generation, resulting in a small reduction in net debt since the FY2014 year end.

Ronnie George, Group Chief Executive, commented:

“The Group has continued to perform well, with increased demand for our products and the benefit of the profitable acquisitions that we made in the prior year. We are taking action to address the temporary softness in Germany where we have appointed additional sales agents to help improve our sales effort, whilst in the OEM division we are developing our product offering to make us less dependent on boiler spares.

We continue to pursue attractive acquisition opportunities in the ventilation sector, and our expectations for continued overall growth at attractive margins in FY2015 remain unchanged.”

-Ends-

Enquiries:**Volution Group plc**

Ronnie George, Chief Executive Officer +44 (0) 1293 441501

Ian Dew, Chief Financial Officer +44 (0) 1293 441536

Brunswick +44 (0) 20 7404 5959

volution@brunswickgroup.com

Craig Breheny, Simone Selzer, Chris Buscombe

Notes to Editors

1. Gross sales are stated before deduction of rebates and settlement discounts.
2. In this update, and going forward, Organic growth is calculated as a like-for-like measure of business performance, calculated at constant currency to eliminate translation effects on consolidation. It includes the growth of recent acquisitions over the like-for-like performance of the acquired business in our ownership, in the corresponding period since acquisition, expressed as a percentage of prior year reported revenue.
3. Volution Group plc (LSE: FAN) is a leading supplier of ventilation products to the residential construction market in the UK, Sweden and Germany.

The Group sold approximately 20 million ventilation products and accessories in the financial year ended 31 July 2014. It consists of five key brands, focused primarily on the UK, Swedish and German ventilation markets - Vent-Axia, Manrose, Fresh, PAX and inVENTer - and operates through two divisions: the Ventilation Group, which principally supplies ventilation products for residential construction applications in the UK, Sweden and Germany and ventilation products for commercial construction applications in the UK; and OEM (Torin-Sifan), which supplies motors, fans and blowers to OEMs of heating and ventilation products for both residential and commercial construction applications in Europe.

For more information, please go to: <http://www.volutiongroupplc.com/>

Cautionary statement regarding forward-looking statements

Certain statements made in this announcement may be forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of known and unknown risks and uncertainties that may cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.