



PRESS RELEASE

Franke Artemis Holding AG
Franke-Strasse 2
CH-4663 Aarburg
Switzerland

Telephone +41 62 787 3131
www.franke.com

From Natascha Widmer
Telephone +41 62 787 3869
Fax +41 62 787 3037
E-mail natascha.widmer@franke.com

25.08.2010

Franke Artemis Group half year result 2010: sales subdued; improved earnings, liquidity and equity

The **Franke Artemis Group** generated net sales of CHF 1,198.7 million in the first half year 2010, which represents a fall of 0.2% over the previous year. Organic growth was overshadowed by negative currency fluctuations.

The Groups' profitability has improved substantially over the previous year; the second quarter in particular showed a significant increase.

The balance sheet totalled CHF 2,799.4 million, the Group has continued to improve its liquidity and the equity ratio amounted to 52.1%.

Net sales at the **Franke Kitchen Systems Group** (sinks, extractor hoods, fittings, hobs, ovens etc.) rose by 6.3% to CHF 766.2 million compared to the previous year. Buoyant sales in Italy, Turkey, Egypt, Canada, Brazil, China and South Africa contributed to the sales increase.

By contrast, demand in Northern Europe, particularly in Germany, the UK, Poland and Scandinavia is still subdued. Profitability improved significantly. Consolidation projects, structural adjustments and the construction of a new plant in India have top priority at present. The workforce shrank from an average of 8,188 employees in the first half year 2009 to 7,568 employees in the first half year 2010 and totalled 7,575 employees as of 30.06.2010. Investments amounted to CHF 17.5 million. Franke increased its majority participation in Franke Kitchen Systems Egypt S.A.E. to 95% by acquiring an additional 25% shares. The prospects for the second half year are positive.

Sales at the **Franke Commercial Systems Group** (Franke Foodservice Systems, Franke Washroom Systems, Franke Coffee Systems, Franke Beverage Systems, and Industrial Engineering) fell overall compared to the previous year. The drop in sales was mainly due to a strong comparable period in the previous year, which benefited from a single large order (coffee machine rollout for McDonald's in the USA). This was compounded by adverse currency movements. The workforce shrank from an average of 3,047 employees in the first half year 2009 to 2,812 employees in the first half year 2010 and totalled 2,809 employees as of 30.06.2010. Investments amounted to CHF



9.4 million. A 50% stake in TSI Technology LLC (USA) was acquired in March 2010. The order book has improved considerably. We expect a higher business volume for the second half year compared to the first half year.

The **Franke Artemis Real Estate Group** business developed positively. The various real estate projects are on schedule and the participations in real estate companies are also in line with expectations.

All the industrial participations in the **Franke Artemis Asset Management Group** (formerly Franke Artemis Industrial Participations) showed an encouraging trend with higher market values than in the previous year. The participation in Forbo Holding AG was reduced to 25.0%; the participation in Rieter Holding AG was increased to 11.5%.

*The **Franke Artemis Group** manages an extensive real estate portfolio (**Franke Artemis Real Estate Group**) in Switzerland and abroad and holds various strategic participations in Swiss listed companies (**Franke Artemis Asset Management Group**). Industrial activities include the Franke Kitchen Systems Group and the Franke Commercial Systems Group. The **Franke Kitchen Systems Group** is the world-leading provider of kitchen systems (sinks, extractor hoods, fittings, hobs, ovens etc.). The **Franke Commercial Systems Group** includes Franke Foodservice Systems (kitchen systems and services for quick-service restaurants), Franke Washroom Systems (washroom and sanitary systems in the public and semi-public sectors), Franke Coffee Systems with a wide range of superautomatic, professional and semi-professional coffee machines, Franke Beverage Systems (beverage containers) and industrial engineering. The Franke Artemis Group employs around 10,500 staff worldwide and is established in over 40 countries with about 70 subsidiaries. The Franke Artemis Group generated consolidated sales of CHF 2.4 billion in 2009.*

Natascha Widmer, Franke Artemis Group, Corporate Communications

Tel. +41 62 787 38 69 / +41 79 771 90 73

natascha.widmer@franke.com

www.franke.com