

Franke Expansion in China and the Philippines

After successfully acquiring the remaining shares of its partner in 1999, Franke (Heshan) Kitchen Equipment Co. Ltd., Heshan City/China developed positively. For this reason, Franke Holding AG decided to expand the production facility, which manufactures kitchens for quick service restaurants as well as sinks. At the same time last year, Franke Contract Group Philippines, Inc. was established.

In order to keep up with the business development in China as well as the increased export activities into the neighboring countries, the production capacities had to expand to cover the increasing demands on Kitchen Systems and Contract Group. The enlargement of the manufacturing area amounted to approximately 5000 qm and was completed on time. The investment totaled altogether 7.5 million USD. The number of employees increased from 150 to 235 persons.

Franke Contract Group Philippines Inc. was established at the same time in autumn 2000. The new Franke Contract Group company, located in Makati City, will produce kitchen equipment for quick service restaurants. At present, the manufacturing plant is under construction and costs will amount to approximately 3 million USD. Start up of the line is planned for March 2001. For Franke's second largest division, Contract Group, this foundation is a strategically important step; the fast growing demand in the Eastern Asia region made necessary a manufacturing plant in the Philippines, an area that is very centrally located. In terms of

faster market penetration, a strong sales structure is set up now not only on the Philippines, but also in the neighboring states.

The Franke Group today is globally active with 60 companies and approximately 5,500 employees worldwide. In addition to the Kitchen Systems division (sinks, fixtures and fittings, ovens, cooking hobs, extractor hoods, etc.), Franke is also successful in the Contract Group division (producer/service provider for quick service restaurant chains) and Beverage Containers (drink tanks for the beer and soft drink industry, containers for the chemical and pharmaceutical industry). All three are global leaders in their fields.

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