

MEDIA RELEASE**Marked Upturn in Sales and Earnings at Franke**

Aarburg, Switzerland, 28 March 2006 – The Franke Group increased its net sales by +20.3% to CHF 1,959.0 million in 2005, with double-digit growth rates in all core activities. The market positions were further strengthened by organic growth and several acquisitions.

Total Sales

Consolidated sales reached CHF 1,959.0 million in 2005. Compared to the previous year's total of CHF 1,628.0 million, this represented an increase of +CHF 331.0 million or +20.3%.

In local currency, sales increased by +19.1%. The positive impact of the exchange rate related principally to a higher EUR and USD conversion rate compared to the previous year.

Organic sales growth of the Group was +6.2%, and growth from acquisitions was +14.8%. Changes due to the exchange rate were at +1.2%. Net sales were reduced by 1.9% through divestments.

The acquisitions made in 2005 such as the Italian Faber Group, the South African Water Heating Systems companies Supa Heat Geysers (Pty.) Ltd. and The Geyser Company (Pty.) Ltd. and the German company AquaRotter GmbH were fully consolidated within the Group according to

IFRS as of the date of the acquisition (mostly in the second half of the year).

Group Divisions

The Group's sales growth by division / activity was as follows:

Division/Activity	2004	2005	Δ in %
Franke Kitchen Systems ¹⁾	1,067.5	1,353.9	+26.8
Franke Foodservice Systems ²⁾	325.8	360.9	+10.8
Franke Coffee Systems ³⁾	92.3	106.9	+15.8
Beverage Containers	86.2	90.2	+4.6
Other Activities ⁴⁾	56.2	47.1	-16.1
Total	1,628.0	1,959.0	+20.3

¹⁾ sinks, fittings, extractor hoods, hobs, ovens, etc. and washroom and sanitary systems), ²⁾ systems and services for quick service restaurants, ³⁾ superautomatic, professional and semi professional coffee machines, ⁴⁾ industrial engineering

Double-digit growth rates were achieved in all core businesses. The other activities were below the previous year.

Regions

Growth by sales region was as follows:

Sales region	2004	%	2005	%	Δ in %
EU25	867.6	53.3	1,021.3	52.1	+17.7
North America	445.1	27.3	528.9	27.0	+18.8
Switzerland	80.1	4.9	74.1	3.8	-7.5
Other countries	235.2	14.5	334.7	17.1	+42.3
Total	1,628.0	100	1,959.0	100	+20.3

Earnings Position

The earnings position continued to improve. Substantial increases in EBIT, cash flow, and net results were achieved.

Changes in the Balance Sheet Position

Because of the high level of investments and the total of assets acquired in the year 2005 the consolidated balance sheet total improved ahead of net sales (net sales of the newly acquired companies were only consolidated partially). There was an increase in equity in absolute figures generated. The equity ratio has declined, i.e. equity in comparison to the balance sheet has declined in percentage terms.

Human Resources

The average headcount of the Franke Group in 2005 was 7,040, representing an average increase of +1,295. The headcount as at 31.12.2005 was 8,451, which represents a year on year increase of +2,729. The increase is primarily due to acquisitions. Operational organic growth amounted to an increase of +274 employees (+4.8%).

Investments

In the year under review, total investments were CHF 264.8 million (CHF 171.1 million in the previous year). Investments for operational assets amounted to CHF 107.2 million and investments in acquisitions amounted to CHF 157.6 million.

Prospects

The international economic outlook in 2005 is brighter than in 2004. A further economic upturn in Europe and Asia is anticipated in 2006, whereas in the USA interest rates may have a restraining influence. Franke is confident of again achieving the goals set in 2006. The principal operational

goal is the complete and profitable integration of the acquisitions made in 2005.

Note

The detailed 2005 business results will be presented at the annual press conference in Zurich on **30 May 2006 from 8.30 a.m.** Please advise Natascha Widmer at Franke Corporate Communications if you wish to attend.

***Franke** is a global supplier of products, services and customised solutions in the household and catering food preparation sectors, broadly defined. The Franke Group, headquartered in Aarburg, Switzerland, is firmly established with 84 subsidiaries in 41 countries, and has approximately 8,500 employees worldwide. The two divisions **Franke Kitchen Systems** (sinks, fittings, extractor hoods, hobs, ovens, and washroom and sanitary systems) and **Franke Foodservice Systems** (production and services for fast food restaurants) are the global market leaders in their respective segments, with exports to over 100 countries. Further activities of the Franke Group include **Franke Coffee Systems** with a wide range of superautomatic, professional and semi-professional coffee machines and industrial engineering and beverage technology. Franke generated consolidated sales of CHF 1'959.0 million in 2005.*

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