

**MEDIA RELEASE****Franke acquires Defy Appliances Limited in South Africa**

**Aarburg, Switzerland, 9 July 2007 - Franke has signed an agreement for the purchase of Defy Appliances Limited. Defy is the largest manufacturer and distributor of major appliances in South Africa.**

An agreement has been signed by Franke Holding AG and Defy Appliances Limited for the purchase of the Defy business by Franke. Defy is South Africa's leading manufacturer, importer and distributor of cooking, laundry, refrigeration and air conditioning appliances with local production facilities in Durban, East London and Ladysmith. Furthermore, Defy has a national sales organization with nine sales offices throughout South Africa and five more sales offices in Sub-Saharan African countries.

The Group has a history of 100 years and achieved good results in 2006 with growth continuing in 2007. Defy sales reached 2,332.5 million South African Rand by the end of March 2007 (fiscal year) which corresponds to approximately CHF 406 million. Defy employs more than 3'000 people with more than 600 employees in sales and service.

The Defy brand has a high market share in South Africa. Defy brand values are closely in line with Franke standards (high quality, modern, reliable). Defy products are sold in the South African Customs Union, a number of Sub-Saharan Af-

rican countries and the Indian Ocean islands. Defy is jointly owned by Standard Bank Private Equity (a division of the The Standard Bank of South Africa Limited), Ayavuna Women's Investments (Pty) Ltd and the management of Defy.

The Defy acquisition represents a further major strategic investment in Southern Africa by the Franke Group and will strengthen the position of the leading supplier of kitchen systems. The acquisition will offer various synergy options.

Franke is a privately owned Swiss company with subsidiaries in 42 countries. In South Africa, Franke is the owner of both Franke Kitchen Systems (Pty) Ltd in Durban which manufactures and distributes Franke kitchenware products, and Franke Water Heating Systems (Pty) Ltd in Midrand which manufactures and distributes hot water geysers in South Africa. Furthermore, Franke entered into a Joint Venture with Dawn Group in South Africa (African Swiss Trading Company) to develop further African markets.

The transaction is subject to regulatory approvals. The closing of the transaction is expected during the third quarter of 2007.

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***Franke** is a global supplier of products, services and customized solutions in the household and catering food preparation sectors, broadly defined. The **Franke Group**, headquartered in Aarburg, Switzerland, is firmly established with 82 subsidiaries in 42 countries, and has approximately 9,000 employees worldwide. The two divisions **Franke Kitchen Systems** (sinks, extractor hoods, tabs, hobs, ovens) and **Franke Foodservice Systems** (systems and services for quick service restaurants) are the global market*

*leaders in their respective segments, with exports to over 100 countries. Further activities of the Franke Group include **Franke Washroom Systems** (washroom and sanitary systems for public and semi-public use), **Franke Coffee Systems** with a wide range of super automatic, professional and semi-professional coffee machines, **Franke Beverage Systems** as well as industrial engineering. Franke generated consolidated sales of CHF 2,440.1 million in 2006.*

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