

**PRESS RELEASE**

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**Artemis Group and Franke Group 2012: stable organic growth for the entire group with varying growth dynamics in the individual divisions and regions**

- **Sales of the Artemis Group rose by +12.3% to CHF 2,465.5 million**
- **5.3 organic growth achieved**
- **EBIT increased by +32.7% to CHF 130.9 million**
- **Michael Pieper CEO and owner of the Artemis Group: “The Group’s diversification is paying off.”**

**The Artemis Group continued on its growth path in 2012. After a growth rate of 5.9% in 2011, the Group again recorded solid organic growth of 5.3% in 2012 and improved its profitability.**

Net sales for the Artemis Group stood at 2,466 million Swiss francs in 2012. This represents a nominal growth rate of 12.3% in Swiss francs, whereas currency effects contributed 0.8% and net acquisitions effects were 6.2%. Part of the acquisition effect is attributable to the consolidation of the Feintool Group, which was included 12 months in 2012 and just 9 months in 2011. The remainder of this effect is based on the acquisitions made by Feintool and Franke in 2012.

The profitability of the Artemis Group improved compared to last year. EBIT rose over the previous year from CHF 98.6 million to CHF 130.9 million. Profit after tax was CHF 116.4 million (previous year: CHF 99.6 million, excluding discontinued operations). The total investments of the Artemis Group amounted to CHF 209.0 million. With a headcount of 10,515 at year end, the Artemis Group was employing 795 persons more than at the end of 2011. The Group also increased its equity ratio from 49.6 to 52.7% and continues to operate on a strong financial basis. Michael Pieper CEO and owner of the Artemis Group

comments: "Our diversification has helped us to keep the Artemis Group on course for solid growth in a difficult environment and to offset fluctuations in the global markets. We are sticking to this strategy."

### **Business development of the Franke Group 2012: double-digit growth rates in individual divisions and an increase in EBIT from CHF 84.0 million to CHF 114.0 million**

Whereas the activities of the Franke Group in Asia and America performed outstandingly well and achieved double-digit organic growth, those divisions that do business in the construction-related sector and in the Mediterranean countries experienced some difficulties in maintaining their level of sales and profitability of the previous year and holding their ground in these very difficult market conditions.

In 2012 the Franke Group achieved sales of CHF 2,012.4 million, signifying an increase of 6.2% over the previous year. Organic growth at 5.5% was slightly below the level of the previous year (5.9%). EBIT went up from CHF 84.0 million to CHF 114.0 million compared to the previous year and investments totalled CHF 91.9 million.

Alexander Zschokke, CEO of the Franke Group since 1.1.2013, comments: "We have started a number of initiatives in order to achieve sustainable profitable growth again in all our divisions. The positive developments in the first months of the current year confirm the appropriateness of our measures. The order book of the Franke Group has increased by a massive 13.4% since the beginning of the year."

### **Business development of the Artemis Real Estate Group 2012: 10% growth in rental income, new construction projects started; major increase of stake in Espace Real Estate AG**

The **Artemis Real Estate Group** holds and manages its own (non-commercial) real estate portfolio. The main player is Franke Immobilien AG, Aarburg. Rental yields grew by 10% in 2012. Various construction projects, for example in Beromünster, Henschiken and Hallwil, with over 30 apartments respectively were started. Further projects are in the pipeline.

In 2012 our stake in Espace Real Estate AG, Biel, held through Franke Immobilien AG, increased from 17.3% to 26.1%, making Franke Immobilien AG the largest shareholder of this real estate company. Franke Immobilien AG also holds a 30% stake in Evostate AG, Zürich. Both Espace Real Estate AG and Evostate AG performed well in 2012.

Significant real property in Romania, Poland and the USA completes the portfolio of the Group.

### **Business development of the Artemis Asset Management Group 2012: rise in fair value of portfolio**

The **Artemis Asset Management Group** mainly holds investments in international companies quoted on the Swiss Stock Exchange. The stake in Forbo International AG increased from 26% to approx. 28% within the framework of the share buyback program. The investment in Autoneum Holding AG rose from 14.1% to 20.1% in the course of 2012. During the year under review a further investment of 12.5% was finally acquired in Precious Woods Central America with teak plantations in Costa Rica and Nicaragua. The total investment in Precious Woods Central America now stands at 50%.

All investments performed satisfactorily during 2012. The market value of the portfolio rose over the previous year as a result of increased share prices and further investments.

### **Business development of the Feintool Group 2012**

In 2012 Feintool achieved sales of CHF 427 million, which is equivalent to an increase of 15.2% over the previous year and organic growth of 6.7%. Profitability also improved compared to the previous year. The financial year was characterised by groundbreaking initiatives such as the acquisition of Herzing + Schroth, Germany, reorganisation in the USA, the opening of a new factory in China, the purchase of the third production site in Japan and further substantial investments in the production sector.

### **Outlook for 2013**

The order book of the Franke Group has significantly increased by 13.4% since the beginning of the year. The Franke Group nevertheless does not expect the economic situation in the Mediterranean area to improve in the short term in 2013. Franke continues to expect difficult market conditions for the activities in the building supplies industry. Franke will consequently focus on improving its profitability, increase its brand awareness and enhance its product portfolio. A first step in this direction was made with the purchase of the long-established Swiss company KWC (closing will take place on 1 June). In addition Franke will continue to invest in Asia and America and use the opportunities there. Franke expects those activities that performed very well in 2012 to show solid growth and increased profitability in 2013 as well.

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*The Artemis Group includes the **Franke Group**, the **Artemis Real Estate Group** (real estate portfolio in Switzerland and abroad), the **Artemis Asset Management Group** (various strategic participations in international companies listed on the Swiss stock exchange) and has a majority stake in the **Feintool Group** (the world leader in fine blanking technology).*

*The Artemis Group employs around 10,500 people worldwide and generated consolidated sales of close to CHF 2.5 billion in 2012.*

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