

PRESS RELEASE

Artemis Holding AG
Franke-Strasse 2
Postfach 229
4663 Aarburg
Switzerland

Telephone +41 62 787 31 31
www.artemis-holding.com

August 30, 2016

Artemis Group: Strong growth in sales and earnings in the first half of 2016

- Considerable sales growth of 10.9% to CHF 1,341 million
- Great improvement in EBIT result of 108.5% to CHF 90.5 million thanks to growth in sales and optimized cost basis
- Gratifying increase in results of practically all Artemis Group activities
- Continued positive development in sales and earnings anticipated for 2016

In the first half of 2016 the **Artemis Group** generated consolidated net sales of CHF 1,341 million with its Franke Group, Artemis Real Estate Group, Feintool Group and Artemis Asset Management Group activities – recording an increase of CHF 131.3 million or 10.9% over the same period in the prior year. This represents an organic growth of +10.6%. Positive currency effects totaled 2.0%. Acquisitions/disinvestments resulted in a net sales reduction of 1.7%.

Following a comparatively weak prior year – marked by the decision of the Swiss National Bank to abolish the lower limit for the euro, and the resulting strong Swiss franc – the EBIT increased from CHF 43.4 million to CHF 90.5 million, representing an increase of CHF 47.1 million (108.5%). The rise in the EBIT was based in particular on a considerable increase in sales and a lower cost base. The latter is the result of a significant increase in efficiency, resulting among other things from the successful restructuring efforts of the prior year.

Despite the loss of substantial gains on disposals in the prior year, profit after tax increased for the Artemis Group. The investments made by the Artemis Group so far have amounted to CHF 199.3 million, as opposed to CHF 77.4 million for the comparison period. The acquisition of 25% of Duravit AG, an important manufacturer of designer baths and wellness systems with headquarters in Germany, in the

spring of 2016 accounted for a substantial share of this investment. With 11,099 employees as of June 30, 2016, the headcount was 148 lower than in the first half of 2015.

Thanks primarily to pronounced dynamics which began in the second half of 2015, the **Franke Group** achieved an organic growth of 12.7%. The Franke Foodservice Systems and Franke Coffee Systems divisions in particular made above-average contributions to the sales growth with 19.7% and 31.5% respectively. The largest division in the Group, Franke Kitchen Systems, continued its positive growth trend and experienced an organic growth of 9.0% during the first six months of this year. Franke Water Systems recorded a slight organic growth in the amount of 0.5%.

The **Artemis Real Estate Group** also experienced positive development in the first half of 2016 – this despite low rental income due to repeated lowering of the reference interest rate. The earnings of the Real Estate Group declined only slightly by 0.9% in comparison with the same period in the prior year. The year-end outlook appears positive for the Group: Three new construction projects with a total of 186 apartments will be ready for occupancy in the 4th quarter of 2016 and can be handed over to the tenants as planned. The current rental level of these new construction projects is a gratifying 95%. In addition, the Artemis Real Estate Group further increased its interest as the largest shareholder in Espace Real Estate Holding AG by one percentage point to a total of 30.2% during the first half of 2016 as part of an increase in capital stock.

In the first half of the business year 2016, **Feintool** continued its positive development and was supported by a strong organic growth. Sales growth was 14.3% (organic growth +9.8%), EBIT increased by 45.9% to CHF 21.4 million and net profit also encouragingly increased by 87.6% to CHF 13.9 million.

The stakes in the companies Forbo, AFG Arbonia-Forster, Autoneum, Adval Tech, Rieter, Blefa and Novelteak of the **Artemis Asset Management Group** developed positively in the first six months of the ongoing business year. Supported by favorable business development, the share prices all of these stakes experienced further increases. The portfolio remained unchanged in the first half of 2016.

Outlook for 2016

The Artemis Group is able to look back over a successful first half of 2016 and is cautiously optimistic for the second half of the year. In view of the present uncertainties regarding worldwide future economic development, particularly in Southern Europe and Asia, the Group finds itself confronted with numerous challenges. This situation is made more difficult by volatile raw materials prices and currency exchange rates and by the possible risks arising from political instabilities. In view of the challenging framework conditions, the Artemis Group will be steadfast in continuing to increase its performance and competitive capability further during the present business year – and is therefore confident that it will achieve a considerable increase in its sales and earnings results for the year 2016 as a whole.

The Artemis Group at a glance

in CHF million	1st half of 2016	1st half of 2015
Net sales	1,340.5	1,209.3
- Change as a %	+10.9	-10.8
- Organic growth as a %	+10.6	-2.2
EBIT	90.5	43.4
- Change as a %	+108.5	-46.6
- as a % of net sales	6.8	3.6
Total investments	199.3	77.4
Equity	2,146.0	1,887.3
- as a % of total assets	58.6	56.7
Headcount as of June 30.	11,099	11,247

The Artemis Group includes the **Franke Group**, the **Artemis Real Estate Group** (real estate portfolio in Switzerland and abroad), a majority holding in the **Feintool Group** (world market leader in fineblanking technology) and the **Artemis Asset Management Group** (various strategic shareholdings in international companies listed on the Swiss stock market and in private companies). The Artemis Group has about 11,000 people worldwide. In 2015, the Group generated consolidated sales of over CHF 2.5 billion in 2015.

Contact

Gabriele Hepp
 Head of Communications
 Artemis Holding AG

T +41 62 787 3358
 M +41 79 108 3225
 E gabriele.hepp@franke.com