

MEDIA RELEASE**Franke completes construction of logistics centers in Germany and Austria and expands production in Poland**

Aarburg, Switzerland, July 29, 2002 – Franke has completed the extension to its Contract Group Division production facility and logistics center in Gdynia, Poland and officially opened a new logistics center in Bad Saeckingen, Germany, also for the Contract Group Division. The construction of a new logistics center for the Kitchen Systems Division in Hard, Austria, has also been completed. Franke has invested approximately CHF 10.5 million in these expansions in Europe.

Investments in the expansion of the European production of equipment for quick service restaurants (Contract Group Division) in Poland amounted to CHF 2.3 million. Handling operations and storage facilities have been enhanced and the assembly capacity expanded for fabricated parts used in industrial kitchens. Franke employs around 110 staff at the Gdynia plant and has a land area of 33,500 sq m and a production area of 11,500 sq m. This makes Franke Gastopol, which has been producing kitchens for quick service restaurants since 1994, the largest and most advanced production center within this division of the Franke Group in Europe.

In Bad Saeckingen, Germany, the completion of a new logistics center represented the first step towards centralizing administrative operations in Europe and establishing an automated warehouse management system for accessories and spare parts for the Contract Group Division. This state-

of-the-art, small-parts warehouse occupies an area of 1,600 sq m and is a reflection of the continuous growth in the spare parts and accessories business over the last few years. CHF 4.5 million was invested in this new building.

In Hard, Austria, a new logistics center was commissioned in time to mark 40th anniversary of Franke's presence in Hard. Franke now has the use of an extra 4,000 sq m (30,000 cubic meters). Franke's investment in this building amounted to around CHF 3.6 million. Franke plans to expand existing production using the newly available space. The new logistics center will handle deliveries to customers in Austria and exports to Eastern and Southern Europe, including special manufactures for the household sector, trade and industry, and the catering sector, as well as the global supply of washroom and sanitary fittings. Following the acquisition of Belinox AG five years ago, there has been exceptional growth in this division. Franke's operation in Hard is the central production site for this sector within the Franke Group. A work of art, "Austrian Excellence", was also officially unveiled at the anniversary celebration and opening. It was created by Gabriele von Habsburg, who last year also created "Five Continents" - a stainless steel sculpture for the Franke Group Headquarters in Aarburg.

Franke is a global provider of products, services and custom solutions for a wide range of applications in the household food preparation and catering sectors. The Franke Group, headquartered in Aarburg, Switzerland, is firmly established with 67 subsidiaries in 33 countries and has approximately 5,300 employees. The divisions Kitchen Systems (sinks, taps, cooking hobs, extractor hoods, etc. and washroom and sanitary equipment) and Contract Group (production/supply for quick service restaurants) are both global market leaders

in their respective segments, with exports to over 100 countries. Further activities of the Franke Group consist of a wide product assortment ranging from Coffee Machines (production of fully automated coffee machines) to Technology (Industrial Engineering, Metal Construction and Tool Manufacturing) and beverage containers. Franke Group consolidated sales reached CHF 1,546.7 million in 2001.

*Natascha Widmer
Franke Corporate Communications
Tel. +41 62 787 38 69
Fax. +41 62 787 30 37
natascha.widmer@franke.com
www.franke.com*