

MEDIA RELEASE**Franke and Equita succeed in wrapping up deal**

Aarburg, Switzerland, December 3, 2002 – Franke is to take over the Bremer Kaffeemaschinen AG of the Equita Group (Palux, Eloma, Scobie & McIntosh), and sell Franke Verpflegungstechnik AG (Food Service Equipment), Aarburg, to Equita.

Negotiations have now been successfully completed on Franke's takeover of Bremer Kaffeemaschinen AG, producing professional coffee machines for the catering industry, as mentioned in the recent letter of intent (see media release of July 1, 2002). Under the deal that has now been signed, Bremer Kaffeemaschinen AG is to be fully integrated into the Franke Group. Bremer Kaffeemaschinen AG, based in Igersheim, Germany, with a staff of around 100, will record sales of approximately CHF 50 million this year. This acquisition is the logical extension of Franke's ambitious growth strategy in the area of fully automatic coffee machines, based on progressively growing the business and harnessing synergies from cooperations. In the new organizational structure, Franke's and Bremer's Coffee Machines activities will be merged into a single Coffee Machines Business Unit. With the combined sales, this new Franke Coffee Machines Business Unit will become number 3 world-wide in the market of professional coffee machines. Hans Gattlen has been appointed by Group Management to implement the integration of the Bremer business and develop joint business operations. Mr. Gattlen

was previously Head of Corporate Business Development in the Franke Group.

The initial intention to set up a Palux-Franke joint venture in the professional catering equipment sector, with Palux as majority shareholder with a strategic management role, was renegotiated: Frank Verpflegungstechnik AG, Aarburg, with a total workforce of around 130 and annual sales of approximately CHF 30 million, is to be taken over in full by the Equita Group. The company will be renamed, but will continue to operate from Aarburg as an autonomous unit within the Equita Group. This move strengthens the Equita Group's leading position within the area of professional catering equipment. In addition to Franke Verpflegungstechnik AG, the Equita Group includes the companies of Palux AG, Eloma GmbH, Servator GmbH and Scobie & McIntosh Ltd. Equita Group sales for 2002 will amount to approximately CHF 135 million.

The Bremer acquisition and the sale of Franke Verpflegungstechnik AG represent the next steps in the consistent implementation of the strategy formulated by Franke: to pursue rapid growth in profitable business sectors and amalgamate Franke activities for which the Group's operations are not on a big enough scale, in order to create growth opportunities for those sectors and enable them to compete strongly in the marketplace.

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 69 subsidiaries in 34 countries and has approximately

5,600 employees. The divisions Kitchen Systems (sinks, taps, cooking hobs, extractor hoods, etc. and washroom and sanitary equipment) and Contract Group (production of equipment 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 and CHF 788.1 million in the first half of 2002.

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