

MEDIA RELEASE**Franke sells bathroom furniture
operation to management**

Aarburg, Switzerland, January 13, 2003 – Franke has signed a letter of intent to sell its subsidiary, Franke Romont SA, to the latter's current management team.

In line with the Franke Group's policy of strategic and organizational refocusing, which was commenced in spring 2002, Franke is concentrating on growth in the core divisions Kitchen Systems (including washroom and sanitary equipment) and Contract Group, as well as in the commercial coffee machine sector and profitable niche activities, such as industrial engineering. The bathroom furniture operation is now to be sold as part of these changes. The letter of intent was signed on December 20, 2002 and contract negotiations should be concluded during the first quarter of 2003. Franke Romont SA will be sold retroactively as of January 1, 2003 to its current management team.

Franke Romont SA currently employs round 30 members of staff and in 2002 had a turnover of round CHF 8 million. Franke Romont will change its name during 2003, but will continue to use the Franke brand name. No major changes are expected with respect to management structure, staff levels or manufactured products. Franke Holding is confident that this step will guarantee solid future growth for Franke Romont SA.

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 35 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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