

MEDIA RELEASE**Further Marked Upturn in Sales and Earnings
at Franke**

Aarburg, Switzerland, 4 April 2007 – The Franke Group increased its net sales by +24.6% to CHF 2,440.1 million in 2006, with double-digit growth rates in all core activities. The market positions were further strengthened by organic growth (+10.9%) and several acquisitions (+12.8%). There was an overproportionate increase in earnings.

Total Sales

Consolidated sales reached CHF 2,440.1 million in 2006. Compared to the previous year's total of CHF 1,959.0 million, this represented an increase of +CHF 481.1 million or +24.6%.

In local currency, sales increased by +23.6%. The currency-related growth was due mainly to a strong EUR.

Organic sales growth of the Group was +10.9%, and growth from acquisitions was +12.8%. Changes due to the exchange rate were at +1.0%. Net sales were reduced by -0.1% through divestments.

The impact on sales growth made through acquisitions is due to previous years' acquisitions. This was in particular the Italian Faber Group, the German Aquarotter GmbH, the South African Water Heating Systems Ltd. and the Egyptian Franke Kitchen Systems S.A.E.

Group Divisions

The Group's sales growth by division / activity was as follows:

Division/Activity in mio CHF	2005	2006	Δ in %
Franke Kitchen Systems ¹⁾	1,237.3	1,572.5	+26.5
Franke Foodservice Systems ²⁾	364.8	420.3	+15.2
Franke Washroom Systems ³⁾	120.0	182.4	+52.0
Franke Coffee Systems ⁴⁾	106.8	122.3	+14.5
Beverage Systems ⁵⁾	90.2	118.9	+31.9
Other Activities ⁶⁾	37.3	39.0	+4.4
Corporate	2.6	-15.2	-693.7
Consolidated Group figures	1,959.0	2,440.1	+24.6

¹⁾ sinks, extractor hoods, fittings, hobs, ovens, etc. ²⁾ systems and services for quick service restaurants, ³⁾ washroom and sanitary systems for public and semi-public use, ⁴⁾ superautomatic, professional and semi professional coffee machines, ⁵⁾ beverage systems ⁶⁾ industrial engineering etc.

The divisional 2005 sales figures were adapted to the 2006 structure.

Double-digit growth rates were achieved in all core businesses. The other activities improved by 4.4%.

Regions

Growth by sales region was as follows:

Sales region	2005	%	2006	%	Δ in %
EU25	1,021.3	52.1	1,329.8	54.5	+30.2
North America	528.9	27.0	580.7	23.8	+9.8
Switzerland	74.1	3.8	82.9	3.4	+11.9
Other countries	334.7	17.1	446.5	18.3	+33.4
Total in mio CHF	1,959.0	100.0	2,440.1	100	+24.6

Earnings Position

There was an overproportionate increase in earnings relative to the net sales development. Gratifying increases in EBIT, cash flow, and net results were achieved.

Changes in the Balance Sheet Position

The consolidated balance sheet slightly decreased year on year. The equity ratio of 42.4% stayed on the same level as last year.

Human Resources

The average headcount of the Franke Group in 2006 was 5,738, representing an average increase of +1,698. The headcount as at 31.12.2006 was 8,960, which represents a year on year increase of +509. The increase is primarily due to operational organic growth.

Investments

In the year under review, total investments were CHF 178.1 million (CHF 264.8 million in the previous year). Investments for operational assets amounted to CHF 151.2 million and investments in acquisitions amounted to CHF 26.9 million.

Prospects

There will be divergent trends in the global economy in 2007. There are already signs of slackening growth in the USA, although the extent of the decline remains uncertain. The economies of Europe and Asia continue to grow, although there may be also significant reductions in growth.

The biggest problem for Franke is the massive increases in the price of stainless steel, which cannot be fully passed on to customers and could impact on results. There is also

headwind from the prospect of further interest rate hikes and uncertainties on currency and stock markets.

Note

The detailed 2006 business results will be presented at the annual press conference in Zurich on **15 May 2007 from 8.30 a.m.** Please advise Natascha Widmer at Franke Corporate Communications if you wish to attend.

***Franke** is a global supplier of products, services and customized solutions in the household and catering food preparation sectors, broadly defined. The **Franke Group**, headquartered in Aarburg, Switzerland, is firmly established with 82 subsidiaries in 42 countries, and has approximately 8,500 employees worldwide. The two divisions **Franke Kitchen Systems** (sinks, extractor hoods, tabs, hobs, ovens) and **Franke Foodservice Systems** (systems and services for quick service restaurants) are the global market leaders in their respective segments, with exports to over 100 countries. Further activities of the Franke Group include **Franke Washroom Systems** (washroom and sanitary systems for public and semi-public use), **Franke Coffee Systems** with a wide range of super automatic, professional and semi-professional coffee machines, **Franke Beverage Systems** as well as industrial engineering. Franke generated consolidated sales of CHF 2,440.1 million in 2006.*

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