

MEDIA RELEASE

Franke increases sales significantly and exceeds CHF 3 billion for the first time.

Aarburg, Switzerland, 4 April 2008 – The Franke Group increased its net sales by +23.8% to CHF 3,021.0 million in 2007. The sales increase resulted from organic growth (+12.0%) and from several acquisitions (+9.6%). Changes due to the exchange rate were +2.2%-points.

Total Sales

Consolidated sales reached CHF 3,021.0 million in 2007. Compared to the previous year's total of CHF 2,440.1 million, this represented an increase of +CHF 580.9 million or +23.8%.

Organic sales growth of the Group was +12.0%, and growth from acquisitions was +9.6%. Changes due to the exchange rate were at +2.2%.

The sales growth was mainly due to the acquisition of the Defy Group in South Africa and to some other purchases such as the French Benthor/L'Européenne d'Eviérs SA, the American companies Spartanburg Stainless Products Inc. (today Franke Beverage Containers) in Ruston, LA und R&R Parts Inc. in Goodlettsville, TN as well as the German Franke Keg Service GmbH.

Group Divisions

Sales growth by division / activity was as follows:

Division/Activity in mio CHF	2006	2007	Δ in %
Franke Kitchen Systems ¹⁾	1'572.5	1'916.7	+21.9
Franke Foodservice Systems ²⁾	420.3	566.6	+34.8
Franke Washroom Systems ³⁾	182.4	180.6	-1.0
Franke Coffee Systems ⁴⁾	122.3	154.7	+26.5
Beverage Systems ⁵⁾	118.9	185.3	+55.8
Other Activities ⁶⁾	39.0	46.2	+18.4
Corporate	-15.2	-29.1	+90.9
Consolidated Group figures	2,440.1	3,021.0	+23.8

¹⁾ sinks, extractor hoods, taps, 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.

Regions

Growth by sales region was as follows:

Sales Region	2006	%	2007	%	Δ in %
EU25	1'333.2	54.6	1'523.5	50.4	+14.3
North America	578.7	23.7	635.1	21.0	+9.7
Switzerland	83.3	3.4	101.2	3.4	+21.5
Other countries	444.9	18.3	761.2	25.2	+71.1
Total in mio. CHF	2,440.1	100.0	3,021.0	100.0	+23.8

Earnings Position

The results improved slightly in absolute figures compared to last year. Whilst Franke Foodservice Systems and Franke Coffee Systems significantly increased their profitability, Franke Washroom Systems and Franke Beverage Systems stayed constant. However, the increase in stainless steel prices (+40 – 60 % depending on the alloy) which could not be entirely passed on, lowered the margin at Franke Kitchen

Systems. Furthermore, restructuring costs occurred and a more difficult market place prevailed in some countries (USA, Germany and South Africa). Also the recently acquired Defy Group was not yet at the Franke Kitchen Systems profit level.

Changes in the Balance Sheet Position

The consolidated balance sheet increased by 22.8% year-on-year. The equity ratio rose from 42.4% last year to 43.8%. The capital turnover rose from 1.19x to 1.45x.

Human Resources

The average headcount of the Franke Group in 2007 was 10,728, representing an average increase of +1,990. The headcount as of 31.12.2007 was 12,890, which represents a year on year increase of +3,930. The increase due to operational organic growth is 534 employees (+6.0%).

Investments

In the year under review, total investments were CHF 409.1 million (CHF 178.1 million in the previous year). Investments for operational assets amounted to CHF 163.7 million and investments in acquisitions amounted to CHF 245.4 million. These large investments are of a long-term and strategic nature.

Prospects

The economy is expected to slow down. Some countries will experience a recession. The development of stainless steel prices will probably regress. Franke Foodservice Systems, Franke Washroom Systems, Franke Coffee Systems and Franke Beverage Systems are well-positioned and have a backlog. These activities will succeed in 2008. Following

successful restructuring in USA, Germany and the Business Unit Africa/Middle East, better results at Franke Kitchen Systems are expected for 2008.

2008 will be the year of consolidation, optimization and full and profitable integration of the companies acquired in the previous year. Franke is confident of being able to reach its target for 2008.

Note

The detailed 2007 business results will be presented at the annual press conference in Zurich on **20 May 2008 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 over 80 subsidiaries in 42 countries, and has approximately 13,000 employees worldwide. The two divisions **Franke Kitchen Systems** (sinks, extractor hoods, taps, 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 3,021.0 million in 2007.*

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