



The new AFG is taking shape

Annual results media and analysts' conference 2012 financial year
Daniel Frutig, CEO, and Felix Bodmer, CFO

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1. **Highlights 2012**
2. Financial results
3. Strategic initiatives
4. Outlook

Figures at a glance

Operational performance is making progress

Net turnover: CHF 1'289 million within the range expected

Increased competition leads to 2.1% decline in turnover

Adjusted EBITDA: CHF 98.2 million (-4.1%), 7.6% margin stable

Without one-off effects, an improvement compared with previous year

Adjusted EBIT: CHF 45.4 million (+11.0%), 3.5% margin

Strong influence of value adjustments and losses on disposals

Adjusted group result: CHF 21.0 million (+CHF 16.5 million)

But accounted loss of CHF -74.5 million due to value adjustments

Net equity share: 38.1%, due to impairments and disposal losses

Portfolio adjustments support return to target range of 40-50%

Successes at a glance
Foundations laid for future success



Structure of industrial holding completed

Organisation is correctly positioned and operational

Portfolio further shaped and focused

Re-structuring and expansion towards building shell and interiors technology group

Positive impact on future income statements

Sales of Aqualux, Warendorfer Küchen, Corporate Center

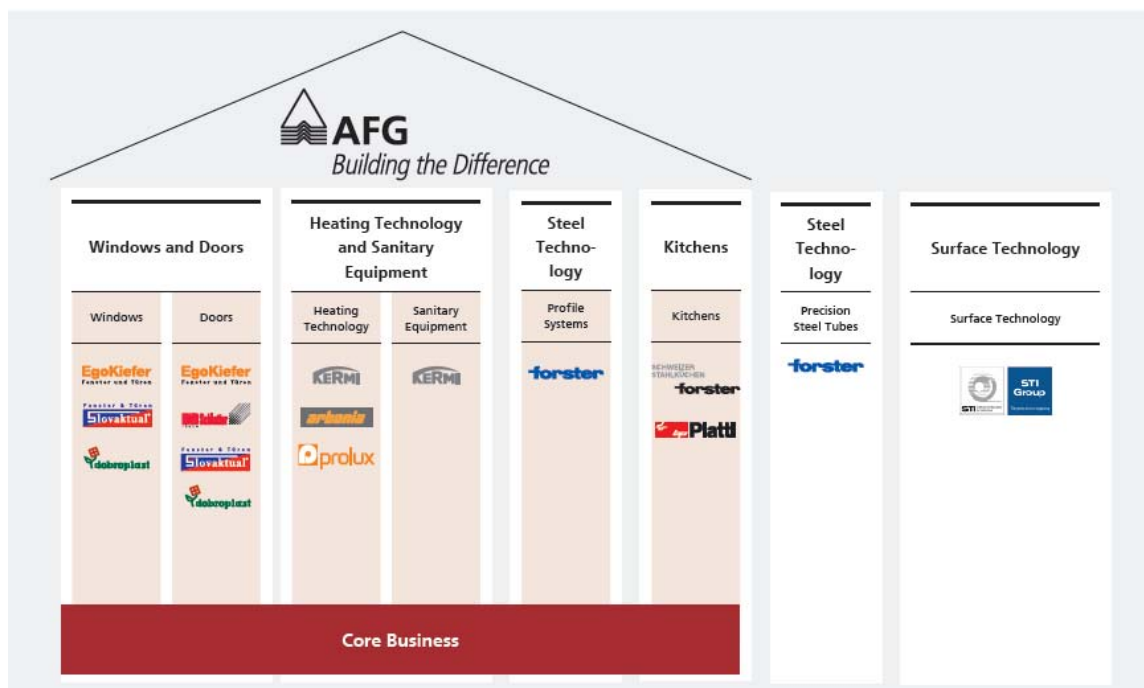
Development of core businesses is making good progress

Expansion RWD Schlatter, Dobroplast, operational excellence

Economic environment 2012

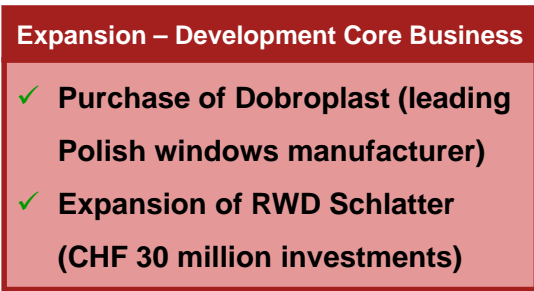
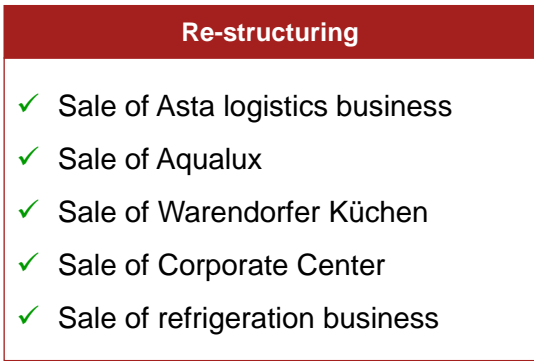


Core Business defined
with 6 Business Units



Strategic Objectives at a glance

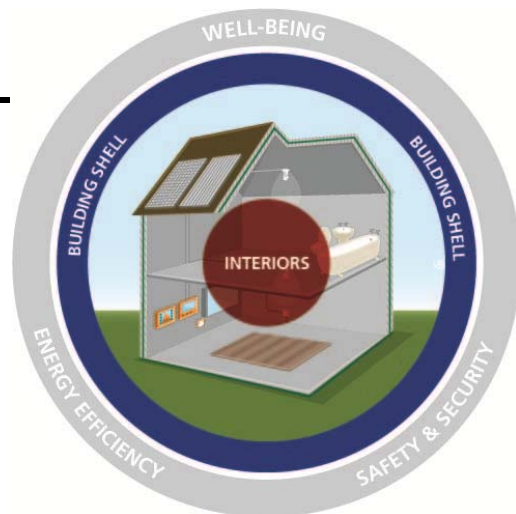
Re-structuring and expansion continued



Leading technology group

Mastery of building shell and interiors

AFG is an international technologically leading building supplier providing impressive innovative solutions and services for increased room comfort, quality of life and sustainability.



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- 2. Financial results**
3. Strategic initiatives
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Financial results 2012

Annual results media and analysts' conference 2012
Felix Bodmer, CFO

Income Statement – AFG Group

Reported result impacted by portfolio clean-up

in million CHF	2012	in %	2011	in %
Net revenues	1'288.9	100.0	1'347.4	100.0
Cost of material and goods	-563.4	-43.7	-605.3	-44.9
Personnel expenses	-460.8	-35.8	-470.3	-34.9
Other operating expenses	-198.5	-15.4	-192.7	-14.3
EBITDA	81.2	6.3	100.2	7.4
Depreciation, amortisation, impairments	-127.4	-9.9	-134.5	-10.0
EBIT	-46.3	-3.6	-34.3	-2.5
Financial result	-32.4	-2.5	-23.4	-1.7
Result before income tax	-78.6	-6.1	-57.7	-4.3
Income tax expenses	4.1	0.3	-12.5	-0.9
Group result	-74.5	-5.8	-70.2	-5.2

Total Ø-Employees	5'736		6'000	
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Income Statement – Continued Operations

Strong impact due to portfolio adjustments

in million CHF	2012	in %	2011	in %
Net revenues	1'215.5	100.0	1'265.0	100.0
Cost of material and goods	-527.4	-43.3	-574.4	-45.4
Personnel expenses	-430.9	-35.5	-439.2	-34.7
Other operating costs	-178.4	-14.7	-173.2	-13.7
EBITDA	92.1	7.6	96.7	7.6
Depreciation, amortisation, impairments	-109.9	-9.0	-130.0	-10.3
EBIT	-17.8	-1.5	-33.3	-2.6
Financial results	-33.0	-2.7	-23.6	-1.9
Result before income tax	-50.8	-4.2	-56.9	-4.5
Income tax expenses	0.6	0.1	-14.8	-1.2
Group result from continuing operations	-50.2	-4.1	-71.7	-5.7
Group result from discontinued operations after taxes	-24.3	-2.0	1.5	0.1
Group result	-74.5	-6.1	-70.2	-5.6

Reconciliation to adjusted numbers – AFG Group

Significant impairments and divestment losses

in million CHF	Actual 2012	Division HTS	Division KR	Division WD	Division ST	Division STI	Others	2012 Without one-time effects
Net revenues	1'288.9							1'288.9
EBITDA	81.2	-0.8	+13.0	+0.9	+0.5	-0.1	+3.5	98.2
EBIT	-46.3	+0.7	+14.5		+23.8	+24.0	+11.6	45.4
Group result	-74.5	+13.4	-2.5	-0.2	-4.2	-1.7	-0.9	21.0

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.

Adjusted Income Statement – AFG Group

Initiated measures improved profitability

in million CHF	2012	2011	Δ %
Net revenues	1'288.9	1'347.4	-4.3
Cost of material and goods	-556.7	-602.8	
Personnel expenses	-456.6	-470.3	
Other operating expenses	-190.2	-191.9	
EBITDA	98.2	102.4	-4.1
<i>in % of net revenues</i>	7.6	7.6	
Depreciation, amortisation	-52.8	-61.5	
EBIT	45.4	40.9	+11.0
<i>in % of net revenues</i>	3.5	3.0	
Financial results	-17.9	-23.4	
Result before income tax	27.5	17.5	+57.1
Income tax expenses	-6.5	-13.0	
Group result	21.0	4.5	n/a

Adj. Income Statement – Continued Operations

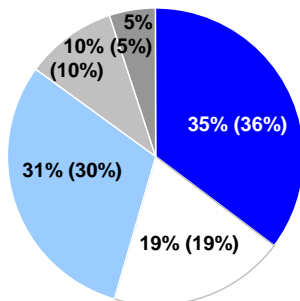
Focusing improves profitability

in million CHF	2012	2011	Δ %
Net revenues	1'215.5	1'265.0	-3.9
Cost of material and goods	-527.4	-571.9	
Personnel expenses	-428.3	-439.2	
Other operating expenses	-174.3	-172.4	
EBITDA	96.5	99.0	-2.5
<i>in % of net revenues</i>	7.9	7.8	
Depreciation, amortisation	-49.2	-57.0	
EBIT	47.3	41.9	+12.9
<i>in % of net revenues</i>	3.9	3.3	
Financial results	-18.0	-23.6	
Result before income tax	29.3	18.3	+60.1
Income tax expenses	-8.3	-15.3	
Group result	21.0	3.0	n/a

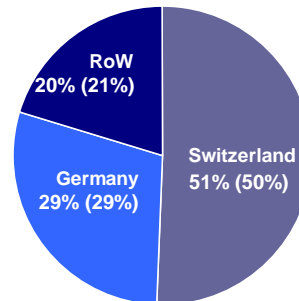
Net revenues by Division / Country AFG Group

Very similar picture to previous year

Net revenues by Division



Net revenues by Country



- Heating and Sanitary
- Windows and Doors
- Surface Technology
- Kitchens and Refrigeration
- Steel Technology

Figures in brackets represent last year's figures.

Revenue breakdown for other key regions

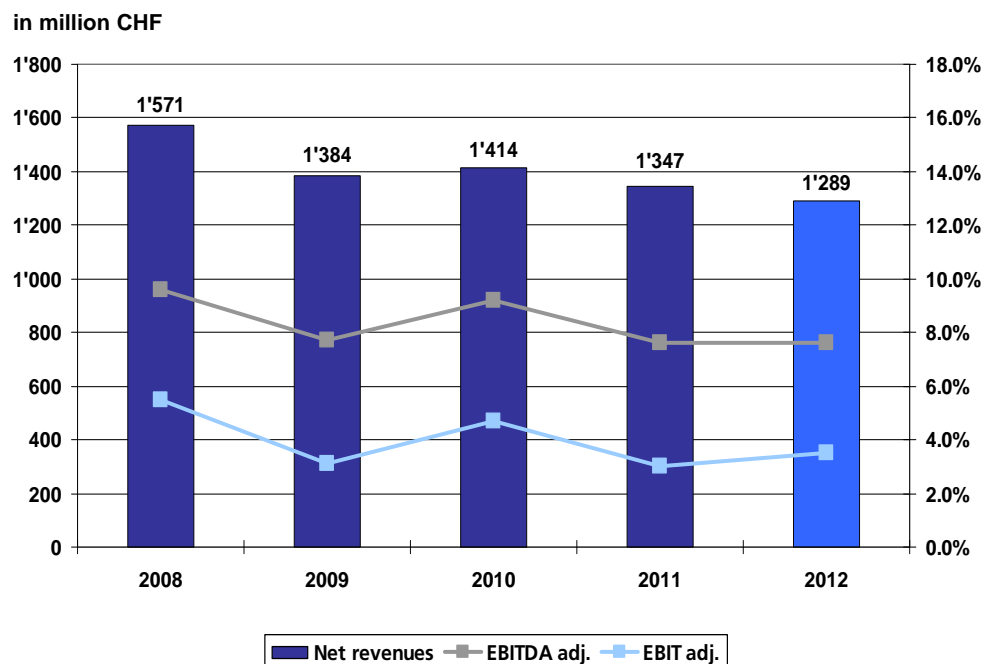
Very heterogeneous development, difficult economic situation in Europe observable

in million CHF	2012	2011	Δ %
France	57.2	55.3	+3.4
Russia	36.5	29.3	+24.6
Great Britain	20.9	22.7	-7.9
Slovakia	19.8	20.9	-5.3
Poland	19.4	21.6	-10.2
Austria	17.9	18.9	-5.3
Czech Republic	16.2	19.0	-14.7
Italy	12.8	18.1	-29.3
China	8.8	5.8	+51.7

Adjusted for currency, divestment and acquisition effects.

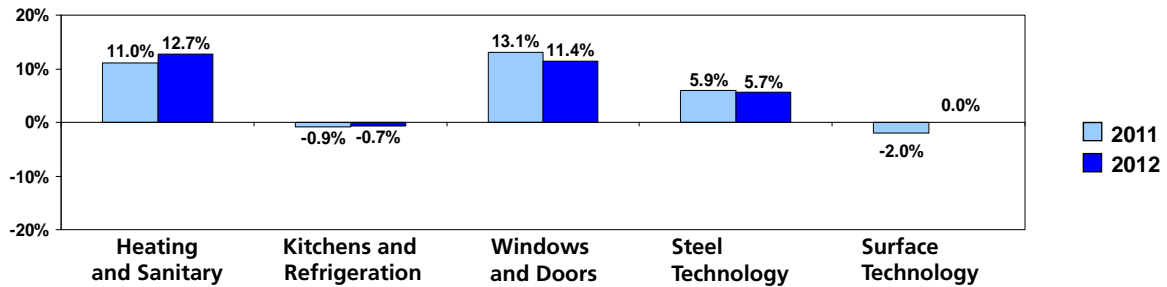
Net revenues / EBITDA adjusted / EBIT adjusted

Lower revenues, slightly higher margins

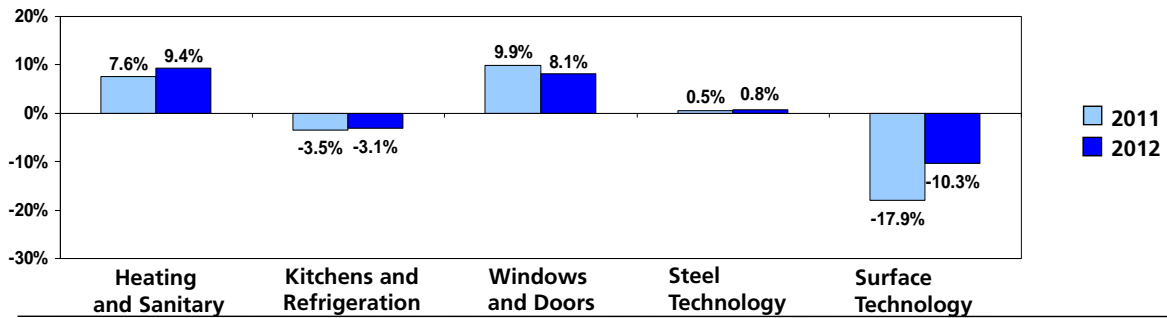


EBITDA- / EBIT-margins per Division

EBITDA margin, adjusted



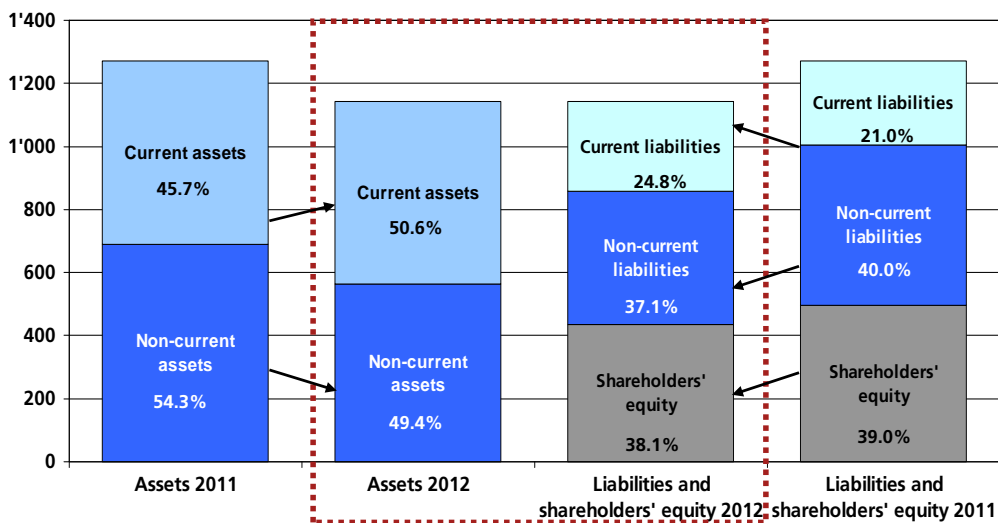
EBIT margin, adjusted



Balance Sheet

Impairments and divestments impact equity ratio

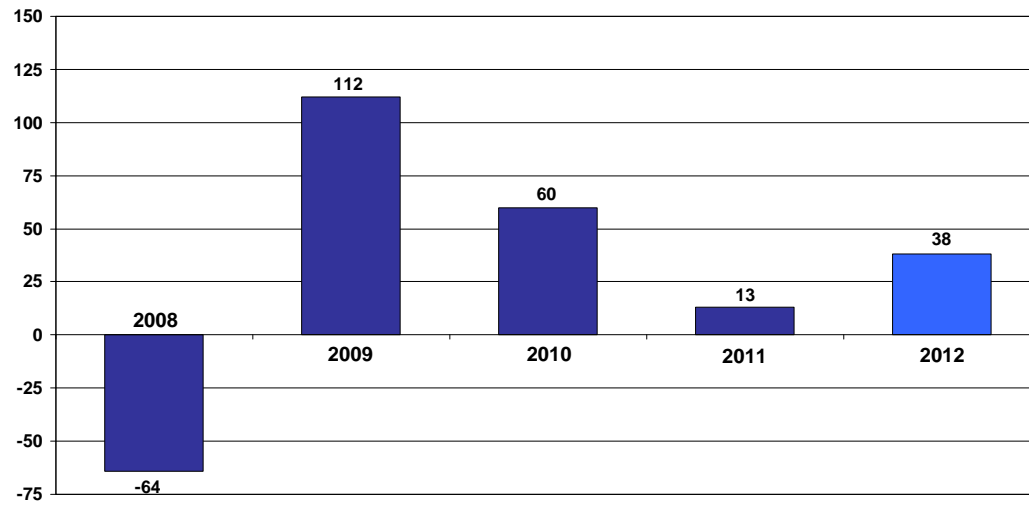
in million CHF



Free Cash Flow ¹⁾

Moderate improvement, impact from one-timers

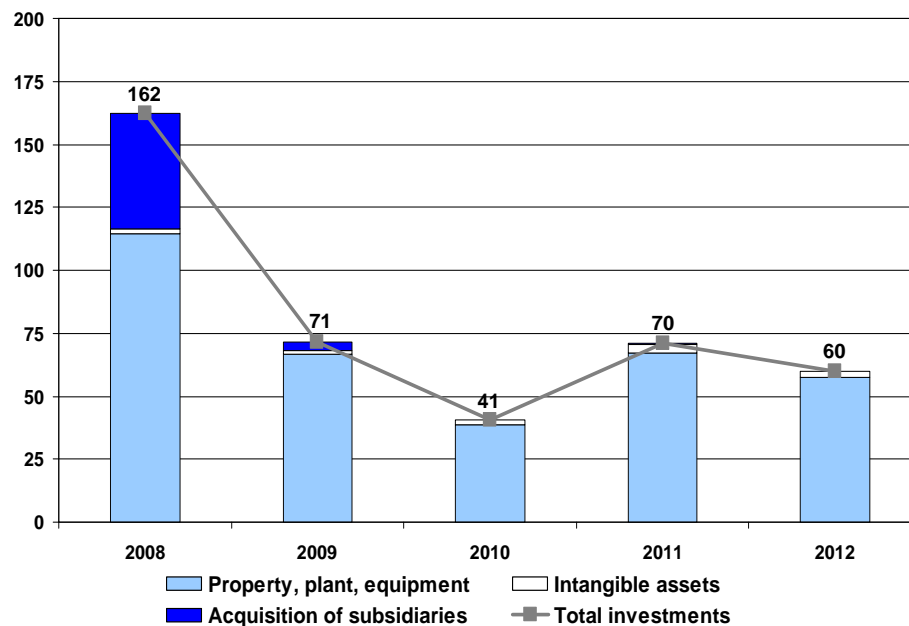
in million CHF



¹⁾ = Cash flow from operating and investing activities

Development of Investments

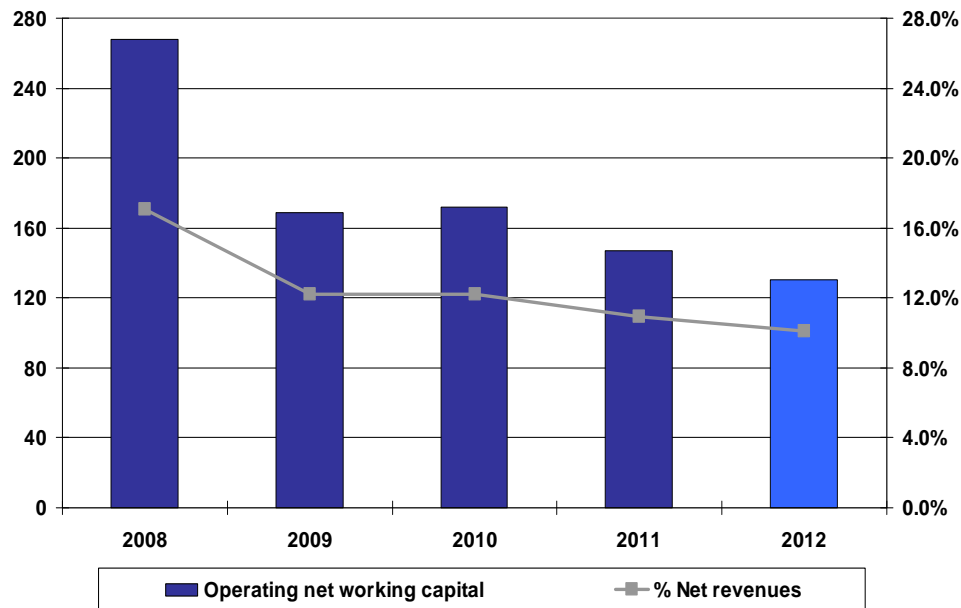
in million CHF



Changes in Operating Net Working Capital

Divestments trigger further improvement

in million CHF

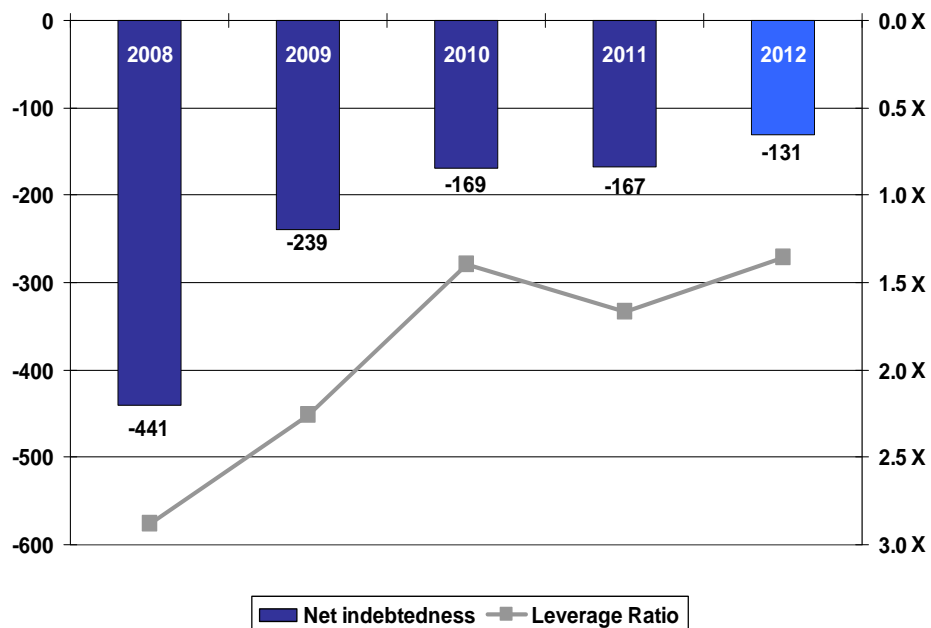


Operating NWC = Accounts receivable + inventories – accounts payable – advances from customers

Net Indebtedness and Leverage Ratio

Reduction of net debt continues

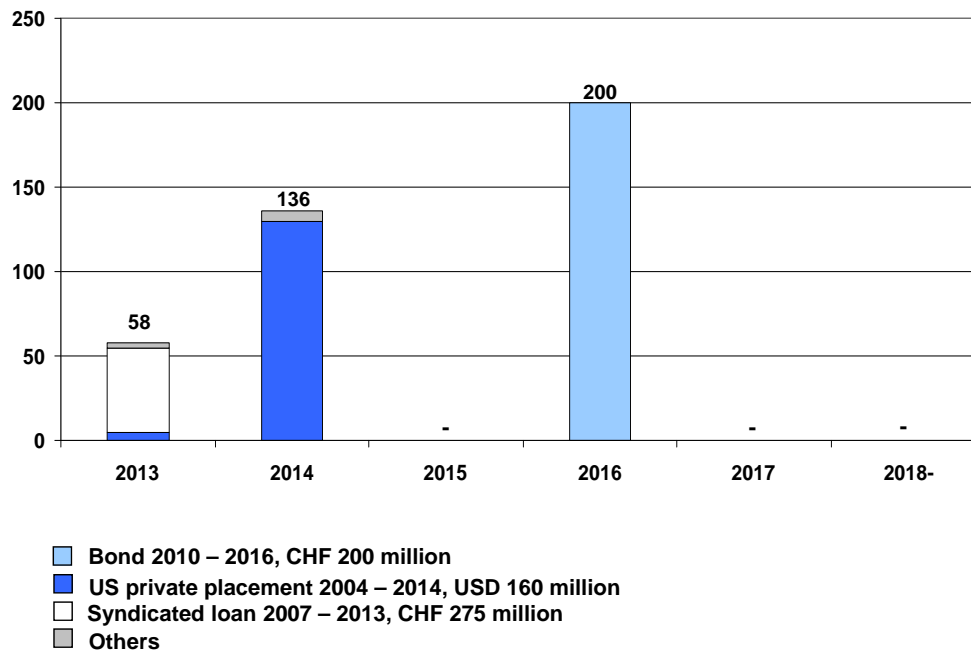
in million CHF



Maturities of Financial Debt

Solidly financed, refinancing measures initiated

in million CHF



AFG Annual results | 5. March 2013

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Key Figures AFG Group

Smaller, but more profitable

in million CHF, resp. in %	2012	2011
Net revenues	1'288.9	1'347.4
Adjusted growth	-2.1%	0.0%
EBITDA margin, adjusted	7.6%	7.6%
EBIT margin, adjusted	3.5%	3.0%
Free Cash Flow (FCF)	37.8	12.8
Capital Employed adjusted	723.7	841.0
ROCE adjusted*	6.3%	4.9%
WACC	8.8%	8.8%

* ROCE adjusted = EBIT adjusted / CE adjusted

Heating Technology and Sanitary Equipment

Group value driver & design leader

in million CHF, resp. in %	2012	2011
Net revenues	456.2	482.3
Adjusted growth	-0.3%	-1.7%
EBITDA margin, adjusted	12.7%	11.0%
EBIT margin, adjusted	9.4%	7.6%
Capital Employed adjusted	173.3	195.3
ROCE adjusted	24.7%	18.7%
WACC	8.8%	8.8%

Kitchens and Refrigeration Technology

Ongoing difficult market situation, especially in Switzerland

in million CHF, resp. in %	2012	2011
Net revenues	247.2	257.6
Adjusted growth	-3.8%	-2.4%
EBITDA margin, adjusted	-0.7%	-0.9%
EBIT margin, adjusted	-3.1%	-3.5%
Capital Employed adjusted	62.6	78.7
ROCE adjusted	-12.2%	-11.4%
WACC	9.0%	9.0%

Windows and Doors

Growth acceleration through internationalisation

in million CHF, resp. in %	2012	2011
Net revenues	396.0	406.4
Adjusted growth	-2.3%	2.6%
EBITDA margin, adjusted	11.4%	13.1%
EBIT margin, adjusted	8.1%	9.9%
Capital Employed adjusted	225.2	211.4
ROCE adjusted	14.2%	19.0%
WACC	8.1%	8.1%

Steel Technology

Stagnation despite progress within business unit Profiles

in million CHF, resp. in %	2012	2011
Net revenues	129.1	140.5
Adjusted growth	-8.1%	0.8%
EBITDA margin, adjusted	5.7%	5.9%
EBIT margin, adjusted	0.8%	0.5%
Capital Employed adjusted	55.7	79.3
ROCE adjusted	1.8%	0.9%
WACC	9.1%	9.1%

Surface Technology

Operational improvement harder as anticipated

in million CHF, resp. in %	2012	2011
Net revenues	64.7	63.6
Adjusted growth	0.6%	8.5%
EBITDA margin, adjusted	0.0%	-2.0%
EBIT margin, adjusted	-10.3%	-17.9%
Capital Employed adjusted	97.5	115.8
ROCE adjusted	-6.8%	-9.8%
WACC	8.9%	8.9%

Outlook 2013: Still fragile economy, but continued implementation of “New AFG”

- **Fragile economy with limited visibility, especially in Europe**
- **Heterogeneous growth outlook: Stability in home markets; opportunities in Eastern Europe, Russia and Middle East; Southern Europe difficult**
- **Concentration and focusing on core business units will increase profitability**
- **2013 as further milestone to achieve our mid-term targets**

Agenda

Important events 2013 / 2014

19 April 2013	Annual General Meeting 2012
08 August 2013	Half-year results 2013
14 November 2013	Investors day
23 January 2014	Release of 2013 net revenues
04 March 2014	Financial media / analyst's conference presenting 2013 results
25 April 2014	Annual General Meeting 2013

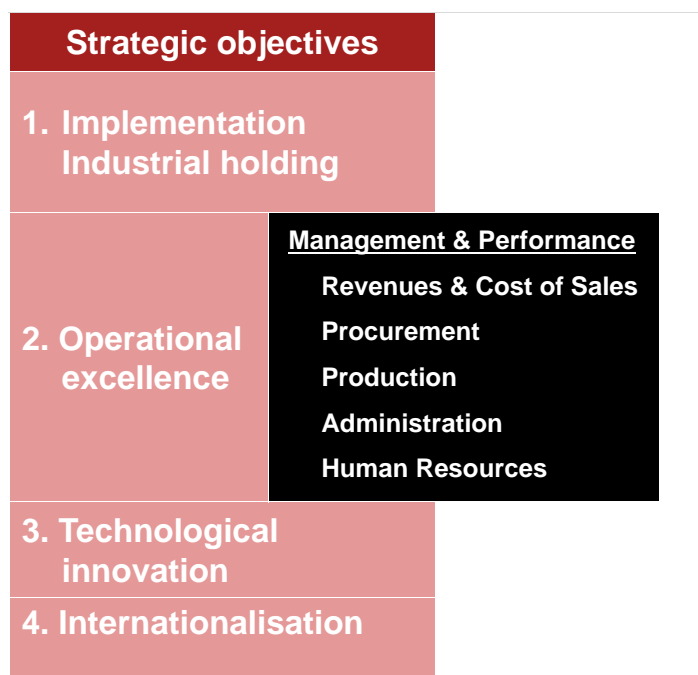


Thank you.

1. Highlights 2012
2. Financial results
- 3. Strategic initiatives**
4. Outlook

Priorities and strategic objectives

Operational excellence as overarching principle

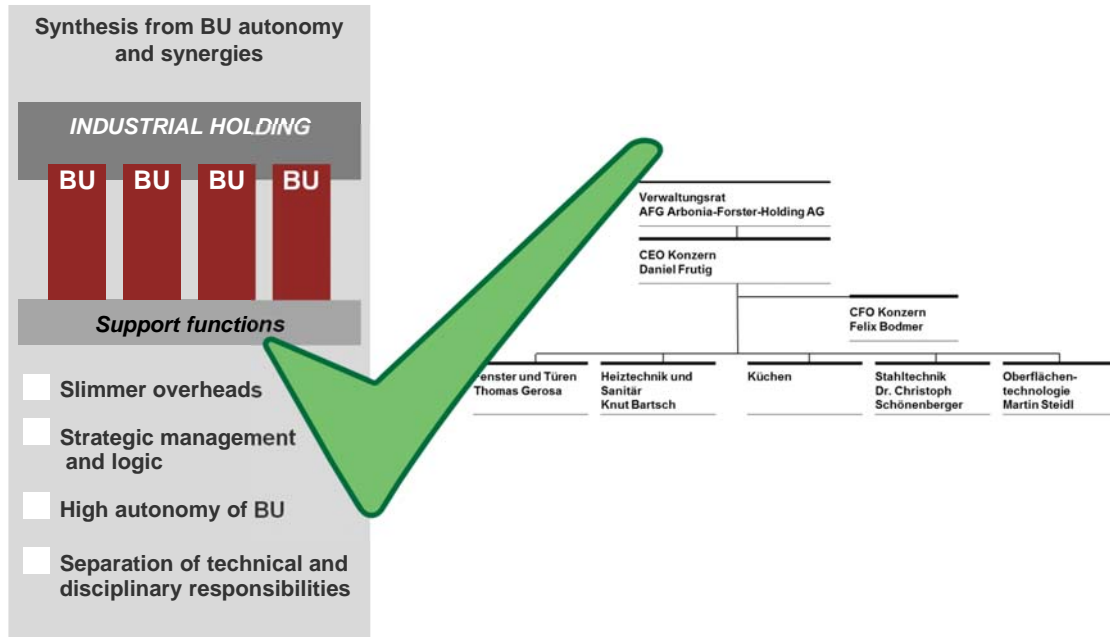


Savings realized

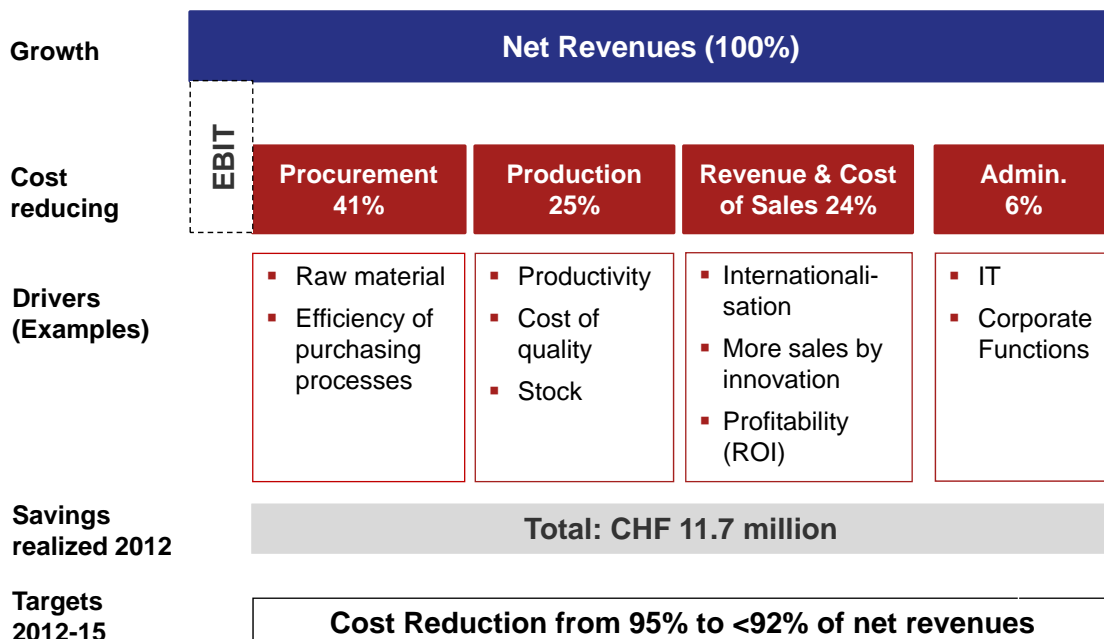
- Procurement savings
CHF 5.0 million
- Increase in personal
productivity
CHF 4.2 million
- Reduction in error
costs
CHF 2.5 million

Total CHF 11.7 million

Implementation of industrial holding Complementary expertise to BU



Operational Excellence Management & Performance Programme



**Targets
Target achieved**

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Turnover outside home markets 40% ▪ Improvements in margins ▪ Improved hit rate ▪ New product share 25% | <ul style="list-style-type: none"> ▪ Increase in share of new products to 14% ▪ CRM system introduced |
|--|---|

**Projects
Measures**

- ✓ AFG Sales Academy structured
- ✓ Exhibition training courses institutionalised
- ✓ Customer-oriented resource planning introduced

Examples

- RWD turnover, new products >30% not older than 2 years

Outlook 2013

- Focus on basic and advanced sales trainings
- Cross Selling
- Focus on Conversion / Hit Rate
- Strengthen Product Management

**Targets
Target achieved**

- | | |
|--|---|
| Focus on "AFG Material costs reduction " | From 44% → 41%
Procurement savings of CHF 5.0 million |
|--|---|

**Projects
Measures**

- ✓ New tenders and re-negotiations
- ✓ New cheaper procurement sources
- ✓ Procurement volume from Asia increased

Examples

- Components for sanitary technology from China
- Outsourcing vehicle fleet
- Group contracts for telecommunications and buildings

Outlook 2013

- Further reduction in material costs
- Integration of key suppliers in product development
- Introduction of goods group management
- Greater centralisation of procurement of non-production material and services
- Expansion of procurement volume from China

Production (1/2) Slim production & zero-failure principle

Targets
Target achieved

Focus on improving operational processes



- Increasing staff productivity by **CHF 4.2 million**
- Reduction in failure costs of **CHF 2.5 million**

Projects
Measures

- ✓ “Slim production “ and “zero-failure principle“
- ✓ Avoiding waste
- ✓ Job optimisation
- ✓ Investment in new production procedures

Production (2/2) Slim production & zero-failure principle

Examples

- “Best Practice“ jobs at EgoKiefer and Forster Profile Systems
- Flexible installation islands at Forster Kitchens
- New furniture production at Piatti
- Production line for radiator covers at Kermi



Outlook 2013

- Further cost reductions
- Lean Manufacturing and Six Sigma method expertise
- Automation of manual procedures
- Optimisation of production and logistics
- Integration of Eastern European sites

Administration

Potential of CHF 16 million

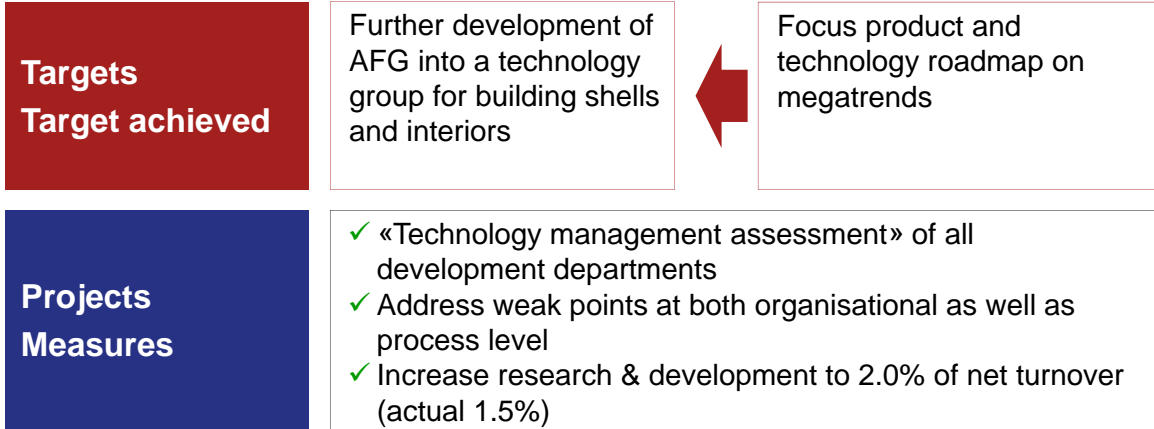
Targets Target achieved	Reduction of actual status for 20%	←	actual status 6.6%
Projects Measures	<ul style="list-style-type: none"> ✓ Reduction IT costs/workplace compared with BU ✓ Rest of overheads: Sale-and-Rent-Back Corporate Center: annual savings of ca. CHF 1 million as of 2013 		
Examples	<ul style="list-style-type: none"> ▪ Optimise use of available SAP licences ▪ Optimisation of office space and renting-out 		
Outlook 2013	Further measures in the fields of IT, HR, Finances and general Overheads		

Human Resources

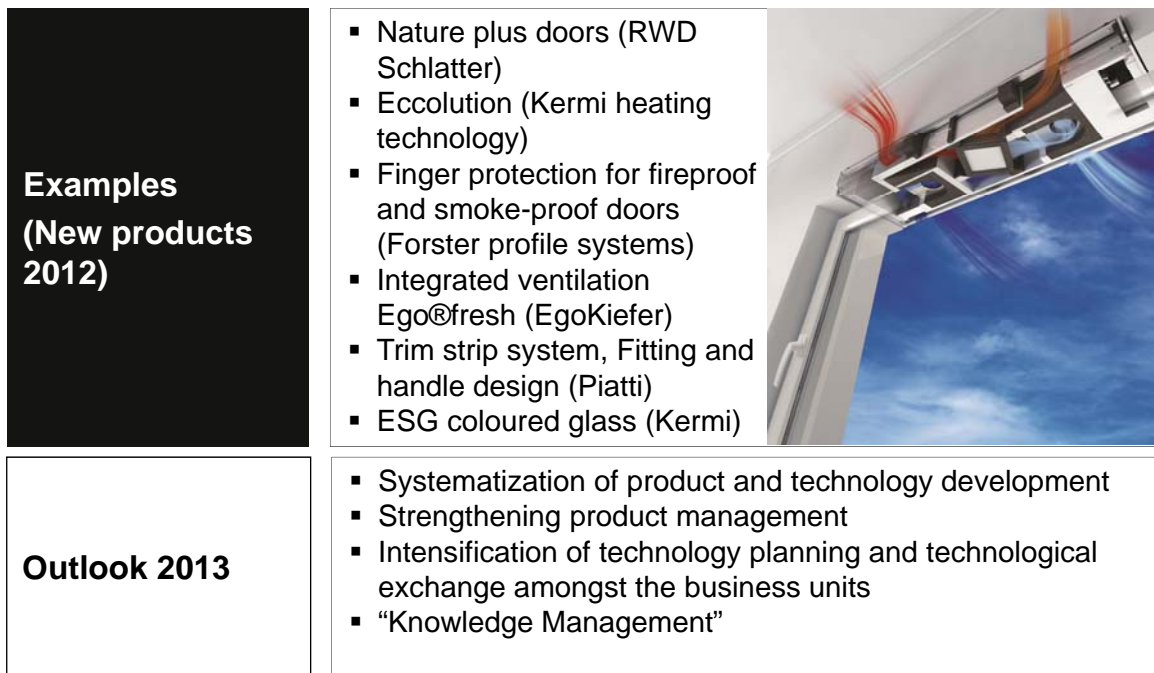
Alignment of structures

Targets Target achieved	Implement Group organisation, group-wide staff development, rapid recruitment. Labour costs at 30 - 32%.	←	Initial steps towards introduction have been completed, labour costs actual at 35.8%
Projects Measures	<ul style="list-style-type: none"> ✓ Measures from staff survey have been implemented ✓ Pilot on absence management ✓ Increase training courses offered ✓ Management Development Plan 		
Examples	<ul style="list-style-type: none"> ▪ New collective employment contract ▪ Moderate wage adjustm (outside GAV – collective labour agreement) ▪ Reduce absence rate, stabilise fluctuation rate 		
Outlook 2013	<ul style="list-style-type: none"> ▪ Align HR structures to the new organisation ▪ Create a HR international office 		

Technological innovation (1/2) Product and technology road mapping



Technological innovation (2/2) Product and technology road mapping



Growth and internationalisation Russia – the new China

Targets Target achieved

Increase internationalisation level to 40%



Level of Intern: 20%
Substantial growth in selected markets – above all China, Russia and Middle East

Projects Measures

✓ Turnover 2012 Sanitary	Poland	+21%
✓ Turnover 2012 Heating	Russia	+30%
	China	+75%
	France	+ 8%
	CH	+12%
✓ Turnover 2012 Steel profiles	China	+80%
	Middle East	+77%

- ✓ Hub concept for China, Russia and Middle East
- ✓ Local packaging of shower partitions and steel profiles in China
- ✓ Acquisition of Dobroplast

Growth and internationalisation Change to local business models

Examples

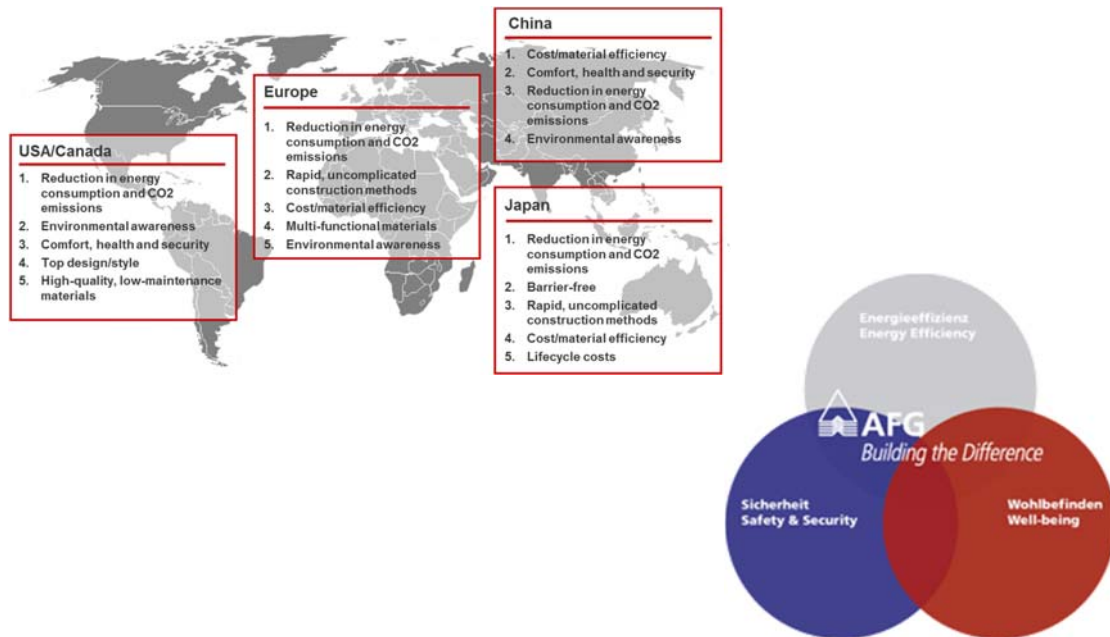
- Macao Ferry Terminal:
Forster profile systems for fire protection
- Al Mafraq Hospital
Abu Dhabi:
Forster profile systems



Outlook 2013

- Expansion of Russian business in the regions
- Expansion of local deliveries in China and Russia
- Expansion of local production of shower partitions and profiles in China
- Building-up a local sales structure in the Middle East

Megatrends are affecting construction industry and therefore production requirements



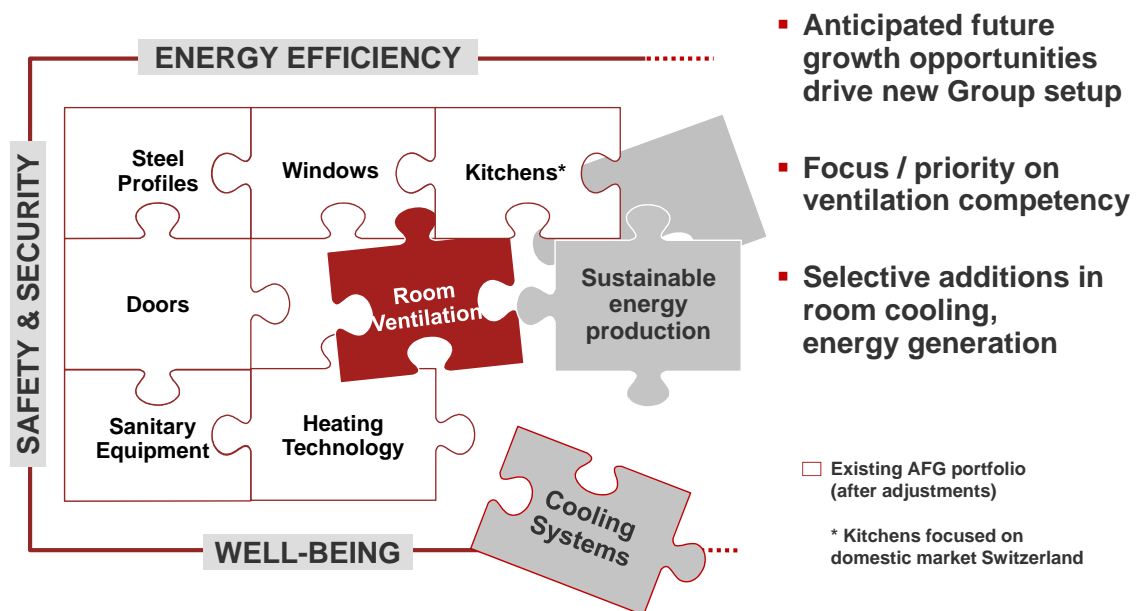
Vision

**We make buildings
efficient, safe and comfortable.**

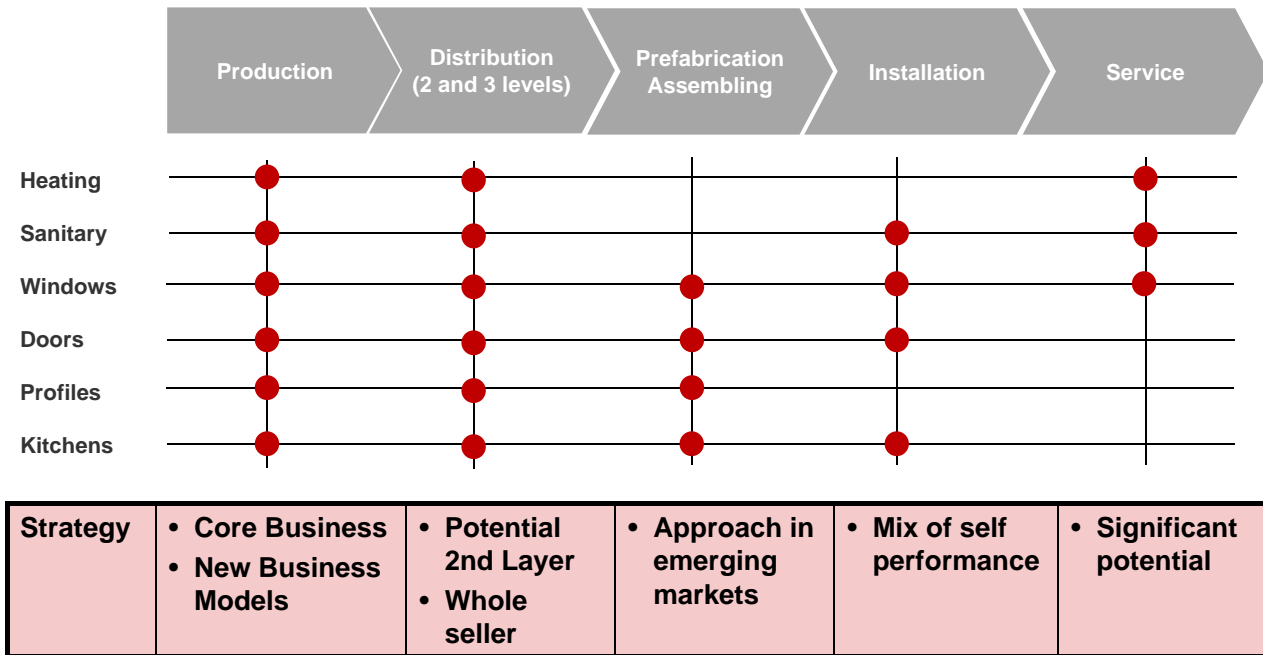
AFG: “Building the Difference“

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4. **Outlook**

Existing AFG Portfolio
Additions in Room Ventilation, Cooling



From Production to Service High future potential in Services



Strategic objectives point the future direction Focus on 3 priorities in 2013

1. Improve profitability

- Management & Performance (M&P)
- Convincing Business Model
- Sound HR management & strategy
- Simplified Group portfolio

Improve Productivity

+

2. Accelerate growth

- Strong management base
- Technological Innovation
- International presence

Accelerate Growth

=

3. New strategic profile

- Products & solutions to satisfy three global megatrends
- Close link to mechanical and industrial art
- Know-how in future construction-related areas

Generate Value (EVA)

Heating Technology & Sanitary Equipment Group Value Driver & Design Leader

Market & mega trends

- Promotion of own internal brands
- Refurbishment market and renovation boom
- Energy efficient products and renewable energy
- System solutions become more important
- More foreign «discounter» entering market
- Aging population: barrier-free products

AFG's answer/strategy

- Securing leadership position in home markets
- Implementation Operational Excellence as core competence and utilisation of synergies between BUs
- Accelerated internationalisation (Go East) and technological innovation
- Divisional reorientation from a functional setup towards a BU-oriented competence centre for building technology

Positioning (2012)

Market position home markets	#1
Market volume Europe	HT €3.5 Bn. SE €1.5 Bn.
Degree of Internationalisation	HT 28% S 29%

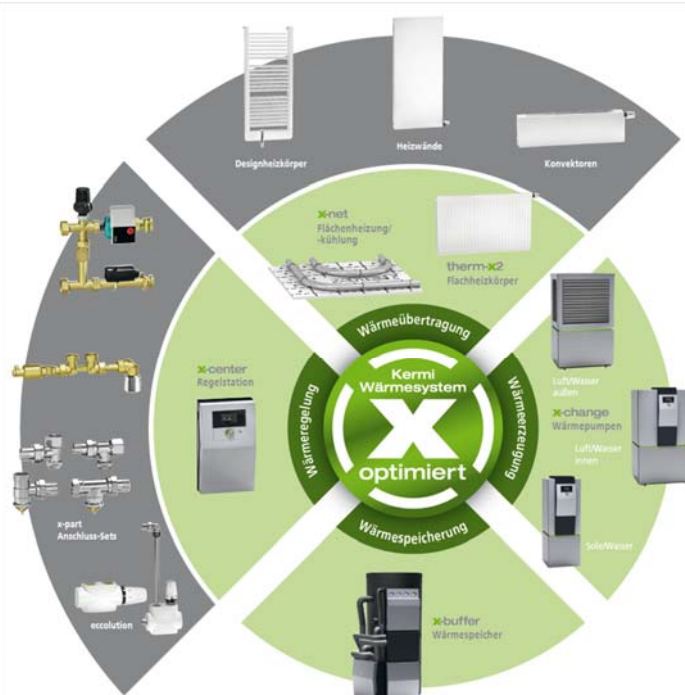


Key Figures

	2012
Net revenues	456 Mio.
Adjusted growth	-0.3%
EBIT-Marge (adj.)	9.4%

Heating Technology & Sanitary Equipment New Kermi heating system

- From component to system supplier
- Expansion/acquisition ventilation
- Xchange plug + play
- Market launch March 2013



Windows & Doors Internationalisation and external growth

Market & mega trends

- Energy efficiency and climate protection (MINERGIE®-standard)
- Usage of renewable basic materials
- Energetic refurbishment of existing buildings
- Architecture: light design, wide structures
- Price pressure, reinforced through EUR rate

Positioning (2012)

Market position home markets	#1		
Market volume	EU	W	> 250 million m ²
	CH	D	> 700'000m ²
Degree of Internationalisation		W	12%
		D	n/a

AFG's answer/Strategy

- Securing and expanding leadership position in home markets
- Internationalisation, 'go East' strategy and build-up of sales competencies in Europe
- Integration of production and logistics (Footprint)
- Quality leadership in Western Europe, cost leadership in Eastern Europe
- Act as systems supplier / integrating co-producers

EgoKiefer
Windows and Doors
A leading brand of AFG

dobroplast

RWD Schlatter
TÜRCHEN
A leading brand of AFG

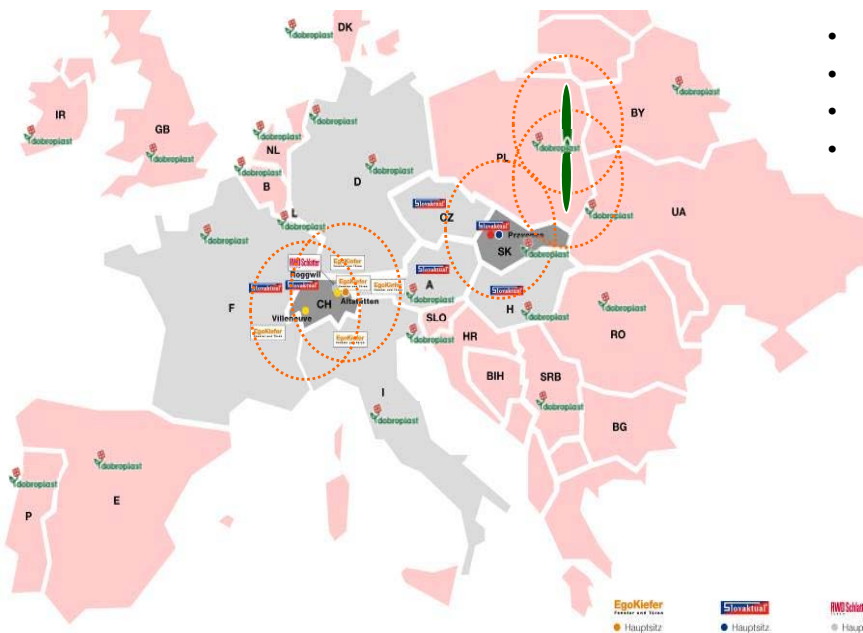
windows & doors
Slovaktual
A leading brand of AFG

Key Figures

	2012
Net revenues	396 Mio.
Adjusted growth	-2.3%
EBIT-Marge (adj.)	8.1%

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Dobroplast acquisition Significant step towards bridgehead strategy



Key Figures Dobroplast 2012:

- Net revenues + 5%
- Internationalisation 25%
- Ca. 1'200 employees
- Ca. 3'000 dealers

Windows & Doors

New products for Climate Protection

- Internationalisation with Dobroplast
- Bridgehead strategy
- Expansion range of services and international profile
- No 3 in European Markets
- Rollout Ego®Fresh
- Starting operating new plant of RWD Schlatter



Production facilities

- Altstätten, Villeneuve
- Roggwil
- Pravanec (Slovakia)
- Zambrow, Lublin (Poland)

Kitchens (Business Unit)

Trimmed on Core, focus on productivity

Market & mega trends

- Increasing pressure from German suppliers for corporate building objects
- Price war for electrical kitchen components
- Share of electrical components within kitchen up from 3 to 5, share of value over-proportionate

Positioning (2012)

Market position in CH	#1
Market volume CH (in 1'000)	> 130
Degree of Internationalisation	n/a

AFG's answer/Strategy

- Securing market leadership of Piatti
- Turnaround Forster Steel Kitchen
- Continued implementation of AFG Kitchens
- Expansion of private customer business
- Establishment of AFG Kitchen-Showrooms



Key Figures (Division) 2012

Net revenues	247 Mio.
Adjusted growth	-3.8%
EBIT-Marge (adj.)	-3.1%

Kitchens (Business Unit) New PUR11 launched

- New PUR11 launched
- Classic old model replaced
- Further optimization of production and processes
- Opening of two Multibrand-Shops in Bussigny (Lausanne) and Luzern
- 2 more Multibrand-Stores in 2014 (St. Gallen, Zurich)



Steel Profiles (Business Unit) Technological innovation reinforces leadership

Market & mega trends

- International norms and certifications
- 'Einsparungsverordnungen (U-Werte)'
- Environmental awareness, sustainability
- Demand for complete glass systems
- Construction for handicapped people
- More foreign 'discounters' entering market

AFG's answer/Strategy

- Continued internationalization: Asia, Russia, Middle East and LATAM
- Increased manufacturing depth, penetration in emerging/developing markets
- Technological innovation with focus on Energy Efficiency and Safety & Security

Positioning (2012)

Market position home markets	#1
Market volume Europe (in million)	> € 500
Degree of Internationalisation	45%



Key Figures (Division) 2012

Net revenues	129 Mio.
Adjusted growth	-8.1%
EBIT-Marge (adj.)	0.8%

Steel profiles (Business Unit) Own trade office in Vienna

- Development of Eastern Europe by own trade office in Vienna
- New innovative system development
- Finger protection door, wheelchair-accessible door systems
- Breaking into new markets such as China, Middle East, Eastern Europe



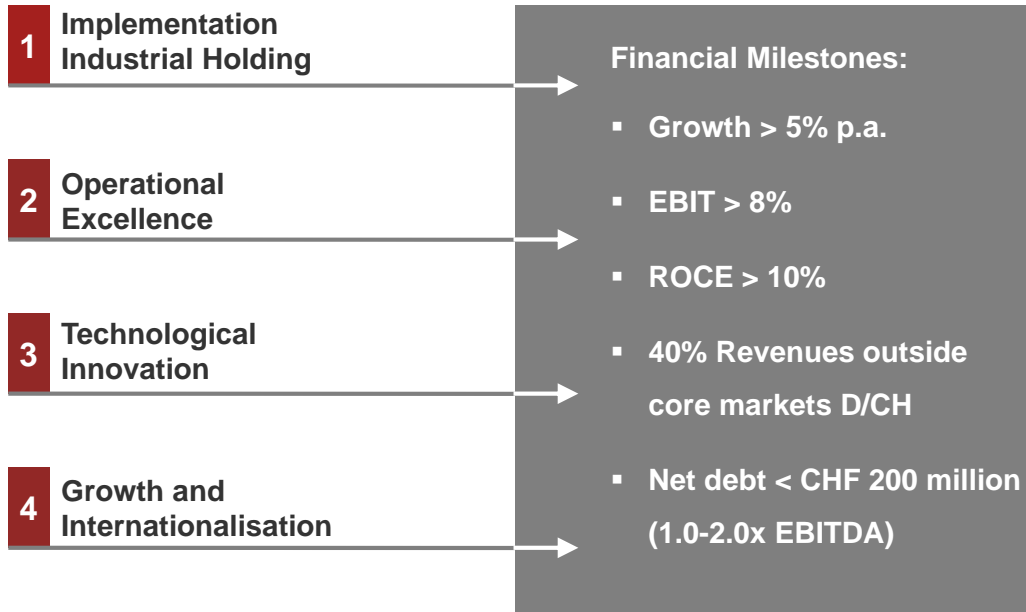
Mid-term targets “New AFG “ confirmed, Focusing in 2012/13 – value creation in 2014

	Actuals 2012	Mid -term targets
Organic growth	-2.1%	5%
EBITDA margin, adjusted	7.6%	12%
EBIT margin, adjusted	3.5%	8%
ROCE, adjusted*	6.3%	10%
Free cash flow, adjusted	CHF 13 million	> CHF 100 million

- New capital-efficiency key figures and targets introduced in 2012
- Strategic Group focus supports mid-term target achievements
- Roadmap to “New AFG “ strictly followed

*: ROCE adjusted = EBIT adjusted / CE adjusted;
WACC (year-end 2012): 8.8%

AFG's four strategic objectives Roadmap to achieve mid-term targets



Five good reasons to invest in AFG

<ol style="list-style-type: none"> 1. Attractive products and solutions 2. Strong position in refurbishment and renovation segment reduces dependency on new-build market 3. Potential to increase value (through portfolio and M&P-Program) 4. Strive for technological innovations which capitalises on global mega trends: Energy efficiency – Safety & Security – Well-being 5. Leadership in home markets (CH + D) allows focus to generate growth in attractive new markets 	Outlook 2013 <ul style="list-style-type: none"> ▪ Demanding economic situation ▪ Focus on Strategy Execution ▪ Growth
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AFG: Fundamentally a good business with great perspectives!



Many thanks/Thank you
