

## Media release

### AFG Arbonia-Forster-Holding AG continues to post healthy growth

#### Net revenues in financial year 2007 up 18.3% over previous year

Arbon TG, 29 January 2008. - **With total revenues of CHF 1,471.5 million in 2007, international building products supplier AFG Arbonia-Forster-Holding AG, Arbon, has exceeded its growth targets. Net revenues were 18.3% higher than in the previous year (CHF 1,243.4 million), or 5.6% higher after adjusting for acquisitions. Currency impact, especially that of the strong Euro, accounted for 2% of the increase. While demand in Switzerland and most other markets was lively, the company's second home market, Germany, was still sluggish. Overall revenues also reflected the change in AFG's portfolio of products and services since the acquisition of STI Hartchrom AG. This has helped to balance out cyclical fluctuations in the performance of individual divisions and should lead to steadier growth in group revenues.**

The largest division, **Heating Technology and Sanitary Equipment**, increased net revenues from CHF 585.3 million to CHF 620.3 million. After adjusting for the consolidation of the UK's Aqualux Group in the fourth quarter, the division's organic growth came to 3.8%. A flat revenue development in the core markets of Germany and Switzerland was offset by disproportionately rapid growth in Eastern Europe and other markets.

With an increase in net revenues from CHF 282.0 million to CHF 295.5 million, growth in the **Kitchens and Refrigeration Division** was similar to the previous year (5.1%) at 4.8%. Sales of the premium products supplied by Miele DIE KÜCHE were good everywhere except in the home market of Germany, where growth is still flat. Sales by Piatti-Küchen in Switzerland were well above the market average.

The **Steel Technology Division** posted revenue growth of 11% - an impressive increase over the previous year's 6.3% - with the figure rising from CHF 156.2 million to CHF 173.4 million. This exclusively organic growth can be attributed primarily to the good reception given to the division's new, innovative, high-value products, especially in the automotive sector. The introduction of the new, all-steel insulated profile system for windows and doors was a complete success. The price of steel remained stable during the year under review and so, unlike in the previous year, had little influence on revenue growth.

Thanks to the purchase of RWD Schlatter Group at the start of the year, the **Windows and Doors Division** saw a 28% leap in revenues from CHF 232.8 million to CHF 298.0 million. Even after adjusting for acquisitions, the division performed well, with significant year-on-year organic growth of 6.1% (5.5%). New and innovative window solutions contributed greatly to this result. During the year under review, the division, which still operated exclusively in Switzerland, increased its market share again and reinforced its position as market leader.

STI Hartchrom AG, which was purchased at the start of the year under review and now forms the new **Surface Technologies Division**, met expectations by posting revenues of CHF 95.1 million (previous year CHF 89.6 million, prior to acquisition by AFG). This is a highly export-oriented business, with 99 percent of the division's revenues generated outside Switzerland. The Division's Swiss company, by far its biggest, drove most of its growth, while the newly focused German subsidiaries have, as expected, not yet been able to exploit their full potential.

The **Corporate Services** area, which also includes the Logistics operation represented by Asta, saw revenues improve by 6.6% year-on-year to CHF 30.8 million.

Despite some significant cost increases, not all of which could be integrated into sales prices, operating results for the 2007 financial year are likely to be within the expected range and to show an improvement over the previous year.

<b>Net revenues</b> in CHF million	<b>2007</b> <sup>1) 2)</sup>	<b>2006</b>	<b>Change</b>
<b>AFG Arbonia-Forster Group</b>	<b>1,471.4</b>	<b>1,243.4</b>	<b>18.3%</b>
- Heating Technology and Sanitary Equipment Division	620.3	585.3	6.0%
- Kitchens and Refrigeration Division	295.5	282.0	4.8%
- Windows and Doors Division	298.0	232.8	28.0%
- Steel Technology Division	173.4	156.2	11.0%
- Surface Technologies Division	95.1	-	
- Corporate Services	30.8	28.9	6.6%
<i>./. Consolidated results</i>	<i>-41.7</i>	<i>-41.8</i>	

<sup>1)</sup> Preliminary, unaudited figures according to IFRS

<sup>2)</sup> STI Group for 12 months since 01.01.2007 (Surface Technologies Division)  
RWD Schlatter AG for 12 months since 01.01.2007 (Windows and Doors Division)  
Aqualux for 3 months since 28.09.2007 (Heating Technology and Sanitary Equipment Division)

### Key dates:

Publication of 2007 annual report	18 March 2008
Results press conference	18 March 2008, 10.30 a.m., Park Hyatt Hotel, Zurich
Financial analysts' conference	18 March 2008, 2 p.m., Park Hyatt Hotel, Zurich
Annual general meeting	18 April 2008, 4 p.m., Seeparksaal, Arbon

### Contacts:

#### AFG Arbonia-Forster-Holding AG

Dr. Edgar Oehler  
Chairman and Chief Executive Officer  
Tel. +41 71 447 45 50  
[edgar.oehler@afg.ch](mailto:edgar.oehler@afg.ch)

Felix Bodmer  
Chief Financial Officer  
Tel. +41 71 447 45 51  
[felix.bodmer@afg.ch](mailto:felix.bodmer@afg.ch)

This press release and further information on AFG Arbonia-Forster-Holding AG can also be found on our website at [www.afg.ch](http://www.afg.ch).