



## Press release

### **AFG Arbonia-Forster-Holding AG strengthens its Far East business**

#### **AFG has created a new regional branch and designated an Asia/Pacific manager**

Arbon (Switzerland), 25 July 2008. – **Keeping pace with globalisation, AFG Arbonia-Forster-Holding AG has continuously built up its business activities in the Middle and Far East over the past years. AFG is building a plant for its subsidiary company STI | Hartchrom AG in the greater Shanghai area. The board of directors has decided to establish an Asia/Pacific regional branch, which will be based at AFG's new Asia/Pacific headquarters in Shanghai. Felix Aepli was appointed as the new regional manager. Aepli is currently directing business activities and production companies in the Asia/Pacific area for Geberit AG Jona/SG.**

The Heating Technology division has had a business unit in Beijing for a number of years. Though previously only radiators and surface heaters were sold in China, recently it has begun selling Kermi shower partitions. With the acquisition of the U.K.-based company Aqualux in September of 2007, AFG took over a strategic alliance with a larger company that produces shower partitions and other sanitary equipment in southern China. Miele Kitchens, which is a business unit of the Kitchens and Refrigeration division, has exhibits either itself or through representatives in China, Hong Kong, Macao, Japan and Korea. Within the last two years about 2,000 kitchens have been sold in the region. It is also planned to distribute Forster and Piatti kitchens through these exhibits. The Steel Technology division has commenced its business activities in China. And the first orders have been placed for the new Forster Unico façade system.

#### **Constructing a factory with headquarters in Asia**

The Surface Technology STI | Hartchrom division's customers have for years been delivering products in the Asia/Pacific region, which are coated in Steinach, Switzerland or in Sternfels-Diefenbach, Germany. These products are utilised in the print, paper, foil, food, textile, general equipment engineering and manufacture of internal combustion engine industries, among others. STI | Hartchrom has signed five-year contracts with these industries, which already warrant a fully-owned production company in China working at full capacity.



Based on this, the AFG's board of directors has made some fundamental decisions. For one, a fully-owned production company will first be built in the city of Changshu in the greater Shanghai area. A large enough piece of land was purchased to ensure that further expansions will be possible. The current coating section in Foshan, southern China, will be relocated to the new plant. The new building is expected to be ready for production in the second half of 2009. Further, we have decided to establish an Asia/Pacific regional branch. All activities in all five AFG divisions as well as their business units will be brought together in this regional branch and overseen by an accountable, top level management.

### **A new, experienced manager**

The board of directors decided to entrust Felix Aepli (50) with this new position. Aepli has over 17 years of experience in Asia, having worked for Bühler Uzwil in Saudi Arabia (1979), Golay-Buchel in Hong Kong (1985 – 1992), Hiestand in Singapore (1998 – 2002) and since 2002 as CEO Asia Pacific for Geberit in Shanghai. At Geberit Aepli reorganised the Asia business and quickly expanded it. Today he presides over two production companies in China and 15 sales units throughout the continent. Aepli will maintain his residence in Shanghai. He is a citizen of Niederhelfenschwil, is married and has two children.

In joining AFG, Aepli will be furthering the work he has already done for Swiss companies abroad: At first Bühler Uzwil, then Geberit, he will now be working for AFG as of October. Between his appointments in the Far East, Aepli also managed from 1992 to 1998 a hospital in Wil SG and during this time averted having to close it down. Throughout the years Aepli has maintained close business and social contacts with Eastern Switzerland.

### **AFG's decision for the future**

Despite the economic difficulties due to the worldwide financial crisis, the Asia/Pacific region remains particularly important for AFG today and especially in the future. Approximately half of the world population lives in this region, which is marked by a low median age and great demand to cover their basic needs, their infrastructure, their living conditions, etc. Annual growth rates have in past years – excepting the Asian financial crisis – far exceeded those of all other economies. Since Edgar Oehler, the current President of the board of directors and CEO, became a majority stockholder, AFG has attached great importance to this economic region. Oehler himself has operated since 1967 in this region, having worked in Hong Kong and attended schools in Japan. Over the years, personal ties were thus forged, especially to China and Japan.



### **AFG's new organisation**

The newly created Asia/Pacific regional branch will operate at top management level and facilitate market and sales processing for the five divisions: Heating Technology and Sanitary Equipment, Kitchen and Refrigeration, Windows and Doors, Steel Technology and Surface Technology. Aepli was appointed a member of the expanded top management group. He will assume his new position on 15 October 2008. He reports directly to AFG's CEO.

### **AFG Arbonia-Forster-Holding AG – Leading integrated supplier to the construction industry**

AFG Arbonia-Forster-Holding AG, based in Arbon, Switzerland, is a leading integrated supplier to the construction industry. The company is listed on the SWX Swiss Exchange and operates through five Divisions: Heating Technology and Sanitary Equipment, Kitchens and Refrigeration, Windows and Doors, Steel Technology and Surface Technology. Its production sites are in Switzerland, Germany, France, the USA, the Czech Republic, the UK, China and Slovakia.

AFG has about 50 production and distribution companies around the world as well as several representative offices and partners. It is active in more than 70 countries in total. With its suite of brands - Arbonia, Kermi, Prolux, Asco Swiss, Aqualux, Forster Kitchen, Forster Refrigeration, Piatti, Miele Kitchens, EgoKiefer, RWD Schlatter, Slovaktual, Forster Precision Steel Tubes, Forster Profile Systems and STI | Hartchrom - AFG Arbonia-Forster-Holding AG has built up strong positions in its home markets of Germany and Switzerland. It is also engaged in intensive efforts to build new markets, primarily in Eastern Europe, Russia, and the Middle and Far East. AFG Arbonia-Forster-Holding AG with some 6000 employees generated sales of CHF 1471.5 million and an EBIT of CHF 95.5 million during the 2007 financial year. Today, AFG Arbonia-Forster-Holding employs 6,441 members of staff.

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