



Media release

AFG Arbonia-Forster-Holding AG achieves impressive rise in revenues in 2008

Arbon TG, 27 January 2009. – **International building products supplier AFG Arbonia-Forster-Holding AG, Arbon, increased its revenues by 6.8% to CHF 1,570.9 million (previous year CHF 1,471.5 million) in the 2008 financial year. This took the group through the CHF 1.5 billion sales barrier for the first time ever. Its organic growth of 2.1% was largely neutralized by negative currency effects, mainly caused by the weakness of the euro and the British pound.**

The performances of the company's five divisions varied in line with industry and market trends. The two biggest divisions – Heating Technology and Sanitary Equipment, and Windows and Doors, which generate two-thirds of group turnover – posted strong revenue growth. The Kitchen and Refrigeration Division's revenues stayed practically at the prior-year level. The Steel Technology Division, which services the automotive industry among others, was not able to match the previous year's revenue figures. The Surface Technology Division, which focuses mainly on products for the printing machine industry, also felt the effects of collapsing demand in its target industry.

The **Heating Technology and Sanitary Equipment Division** increased net revenues by 4.2% year-on-year to CHF 646.2 million (previous year CHF 620.3 million). This was despite a sudden collapse in demand from the UK resulting from a real estate crisis and the fall in the value of sterling. Sales were shored up in particular by the performance of the two most important markets, Germany and Switzerland. The strategic focus on Eastern Europe also continued to pay dividends, with revenue growth in Eastern European countries in the high single figures.

The **Kitchen and Refrigeration Division** almost matched the previous year with revenues of CHF 290.8 million (2007: CHF 295.5 million). This 1.6% decline was mainly due to production problems at Forster Kitchens following the introduction of SAP R/3. By contrast, sales by Piatti Kitchens, the division's most important brand, were once again very healthy. The same is true of Miele Kitchens' premium products, sales of which continued to grow internationally. The recen-



tly announced partnership between AFG and star designer Philippe Starck will lead to the creation of new kitchen and refrigeration products. This will give new momentum to the division, which has been led by Hansgeorg Derks since last summer.

The **Windows and Doors Division** again showed itself to be a successful growth unit. It posted a 28.3% increase in revenues to CHF 382.5 million in 2008 (2007: CHF 298.1 million). The acquisition at the start of 2008 of Slovaktual, market leader in its home base of Slovakia, contributed substantially to the increase. However, the division also won additional market share and reinforced its market leadership in Switzerland during the year under review thanks to strong organic growth in all business areas.

In recent years **the Steel Technology Division** has seen its Precision Steel Pipes business area achieve healthy revenues and earnings growth with its innovative products, especially for the automotive business. But in the fourth quarter of 2008 orders slumped sharply. Net revenues in the automotive segment fell by around 32% compared with the fourth quarter of the previous year. Despite the steep decline in demand and the weakness of the euro, the division posted revenues of CHF 166.8 million, which is only just short of the previous year's CHF 173.4 million. The Profile Systems business area, which services the construction trade, fulfilled expectations despite the difficult market environment and easily exceeded 2007's revenues figure. Falling steel prices did not, however, have any significant effect on product pricing or, therefore, on revenues.

Revenues at the **Surface Technology Division** fell from CHF 95.2 million in 2007 to CHF 88.8 million in 2008. This decline resulted from the massive drop in demand from the printing machine industry, which is STI | Hartchrom's main customer, and was exacerbated by the weakness of the euro. This collapse was offset to a certain extent, however, by substantial increases in revenues in the general industries, paper, shipping and aviation segments.

Revenues generated by the **Corporate Services** area, which also includes the Logistics area and the transport company Asta, increased by 2.1% year-on-year to CHF 31.5 million.

Excluding exceptional items (value adjustments on intangible assets), operating earnings (EBIT) were only slightly below the previous year's level despite the much more difficult operating environment. Alongside these exceptional items, other factors – including the erosion of margins, price pressure, negative currency impacts and the general economic development starting with the 4th quarter of 2008 – resulted in a year-on-year reduction of group profits. The corrective



measures that have been introduced are showing the first signs of success, but in 2008 these only partially compensated for the negative factors described above.

The detailed 2008 financial statements are published on 16 March 2008.

Net revenues

Net revenues in CHF million	2008 ^{1) 2)}	2007 ³⁾	Change
AFG Arbonia-Forster Group	1'570.9	1'471.5	6.8%
- Heating Technology and Sanitary Equipment	646.2	620.3	4.2%
- Kitchens and Refrigeration	290.8	295.5	-1.6%
- Windows and Doors	382.5	298.1	28.3%
- Steel Technology	166.8	173.4	-3.8%
- Surface Technology	88.8	95.2	-6.8%
- Corporate Services	31.5	30.8	2.1%
./. consolidated Group	-35.6	-41.7	

¹⁾ Provisional unaudited figures under IFRS

²⁾ Slovaktual for 12 months from 1.1.2008 (Windows and Doors Division)

³⁾ STI Group for 12 months from 1.1.2007 (Surface Technology Division)

RWD Schlatter AG for 12 months from 1.1.2007 (Windows and Doors Division)

Aqualux for 3 months from 28.9.2007 (Heating Technology and Sanitary Equipment Division)

Key dates:

Publication of 2008 annual report	16 March 2009
Results press conference	16 March 2009, 10.30 a.m., Park Hyatt Hotel, Zurich
Financial analysts' conference	16 March 2009, 2 p.m., Park Hyatt Hotel, Zurich
General Meeting of Shareholders	17 April 2009, 4 p.m., Seeparksaal, Arbon

Contacts:

AFG Arbonia-Forster-Holding AG

Dr. Edgar Oehler
Chairman of the Board of Directors and CEO
Tel. +41 71 447 45 50
edgar.oehler@afg.ch

Felix Bodmer
Chief Financial Officer
Tel. +41 71 447 45 51
felix.bodmer@afg.ch



AFG Arbonia-Forster-Holding AG

This press release and further information on AFG Arbonia-Forster-Holding AG can also be found on our website at www.afg.ch.

About AFG Arbonia-Forster-Holding AG

AFG Arbonia-Forster-Holding AG, based in Arbon, Switzerland, is a leading integrated supplier to the construction industry. The company is listed on the SIX 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. Its brands - Arbonia, Kermi, Prolux, Asco Swiss, Aqualux, Forster Kitchens, Forster Refrigeration, Piatti, Miele Kitchens, EgoKiefer, RWD Schlatter, Slovaktual, Forster Precision Steel Tubes, Forster Profile Systems and STI | Hartchrom – are at the heart of its business. With these brands, AFG Arbonia-Forster-Holding AG has built up strong positions in its home markets of Switzerland and Germany. It is also engaged in intensive efforts to develop new markets in Eastern Europe, Russia, and the Middle and Far East.