



Press release

AFG acquires leading Polish window manufacturer

Decisive step towards further internationalisation – AFG rises to number 3 on the European window market – Addition to window portfolio through cost leader with export potential

A r b o n, 7 November 2012 – AFG Arbonia-Forster-Holding AG is taking over the company Dobroplast, the leading Polish manufacturer of PVC windows. The company with its head office in Zambrow, eastern Poland, achieves annual turnover of approximately CHF 90 million. AFG will therefore have the number 3 ranking amongst European window and door manufacturers. The takeover still requires the approval of the Polish competition authorities. Confidentiality has been agreed about the purchase price.

By purchasing the Polish window manufacturer Dobroplast, AFG is taking an important step towards greater internationalisation of the corporate group. „Dobroplast operates in one of the most attractive eastern European markets and strengthens the great potential of significantly expanding exports to central and eastern European markets as well as Germany”, says AFG-CEO Daniel Frutig about the acquisition. It is expected to be completed in January 2013; the precise date depends on the decision by the Polish competition authorities.

The purchase of Dobroplast enables the AFG Windows and Doors division, incorporating the brands EgoKiefer, Slovaktual and RWD Schlatter, to expand its window portfolio both geographically, as well as qualitatively and in terms of price. The location of Poland offers excellent opportunities to implement the „go east” strategy.

Daniel Frutig says: „By taking this step we will move to number 3 on the European market for one of our core divisions.” AFG now has a comprehensive product range for every requirement and at every level for all the major European markets. „The combination of the production locations, brands and distribution channels enables us to continue to expand our position in the most important European markets.” At the same time this will further strengthen AFG’s spread of risks through its international presence.

Dobroplast was established eleven years ago in Zambrow, eastern Poland, by Renata Kaczynska and Pawel Kaczynski and soon became the leading Polish manufacturer of PVC windows. The owner Renata Kaczynska commented on the sale: „We are extremely satisfied that we can hand our life’s work over to AFG. The Swiss group, which has achieved international recognition and offers excellent products, guarantees that there will be positive development at Dobroplast in the future.” The founding couple will run the company together with a team from AFG for the foreseeable future.

In addition to the head office in Zambrow, Dobroplast has a further plant in Lublin, which started operations in August 2012. Dobroplast achieved turnover of approximately CHF 90 million during 2011. The company employs almost 1,200 staff. Sales of PVC windows account for about 90% of turnover; the remaining 10% is divided between roof windows, exterior doors, aluminium windows and casings for blinds.

The Windows and Doors division will be able to increase sales by about 20% to approximately CHF 500 million as a result of this acquisition. The international share in this division will rise by about 25%. The acquisition provides access to the attractive Polish window market, which is four times as large as the Swiss market in terms of volume.

The contracting parties have agreed to maintain confidentiality regarding the purchase price. It will be paid out of AFG’s liquid resources. Net debt will rise after completion, but will still remain within the target corridor defined by AFG.

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This press release, a picture of Dobroplast site and further information on AFG can be found on our website at www.afg.ch.

AFG

AFG is a leading technology-driven, internationally active construction materials and machinery group which is renowned for its innovative solutions and services. The company has its head office in Arbon, in the canton of Thurgau (Switzerland), and is quoted on the Swiss Stock Exchange (SIX). It has about 50 production and distribution companies and is active worldwide, with offices and partners in over 70 countries.

The five Divisions, into which AFG is divided, reflect the Group's area of activity: Heating Technology and Sanitary Equipment, Kitchens and Refrigeration Technology, Windows and Doors, Steel Technology, and Surface Technology. Production facilities are located in Switzerland, Germany, France, the Czech Republic, Slovakia, the USA and China. In its domestic markets, Switzerland and Germany, AFG holds a leading market position. The Group is aiming at opening up new markets and expanding its international activities.

Dobroplast

Dobroplast is Poland's leading window manufacturer, with the company's product range also including doors, roof windows and fitting accessories. Dobroplast windows are based on modern Avantgarde profiles, as well as on innovative, passive systems: Prime, Ovlo and Encore, designed and manufactured in-house. Dobroplast patented Skylight roof windows are an important addition to the main portfolio. The company's manufacturing facilities include over 30 production lines equipped with state-of-the-art machines supplied by renowned international producers. Dobroplast employs around 1200 people and has a distribution network of around 2 000 dealers in Poland. The company exports its products to around 30 markets, mostly in the EU.