

PRESS RELEASE**Franke sets up a subsidiary in Japan**

Aarburg, Switzerland, 5 January 2005 – Franke Coffee Systems Japan Ltd, which was set up in Tokyo in December 2004, has started operating. For the first time Franke is represented in Japan by its own sales and service company for professional coffee machines. This means Franke is investing further in strategic growth markets and new product generations.

Franke has been operating in the Japanese market for several years. Despite the fact that this is a difficult market to gain access to, Franke has been able to overcome the cultural and trade barriers and successfully market fully automatic coffee machines in Japan. The high quality standards of the Japanese market have been met thanks to the outstanding production quality standard in Switzerland and Germany. Until now sales have been made exclusively through Japanese sales partners. The market knowledge built up over several years and Franke Coffee System's multi-cultural expertise form a solid foundation for the success of its own subsidiary in Japan.

An increasing tendency to drink coffee has been noted in this tea-drinking nation – and in particular the consumption of trendy beverages such as cappuccino, caffè latte etc. Franke will be able to gain market share by creating new concepts for drinking coffee at the workplace for example. Japanese needs will also be taken into account by further developing the existing Franke product portfolio.

*Franke is a global provider of products, services and custom solutions for a wide range of applications in the household food preparation and catering sectors. The Franke Group, whose holding company is domiciled in Aarburg, Switzerland, has some 5,600 employees around the world, and is firmly established with 73 subsidiaries in 37 countries. The two divisions **Franke Kitchen Systems** (sinks, taps, cooking hobs, ovens, hoods etc. and washroom and sanitary systems) and **Franke Foodservice Systems** (products and services for quick service restaurants) are the global market leaders in their business sectors, exporting to over 100 countries. The activities of the Franke Group also include **Franke Coffee Systems** with a broad product programme of fully-automatic, professional and semi-professional coffee machines as well as the technology field and Beverage Containers. In fiscal year 2003 the Franke Group generated consolidated sales of CHF 1,470.3 million and CHF 816.3 million in the first half of 2004.*

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