

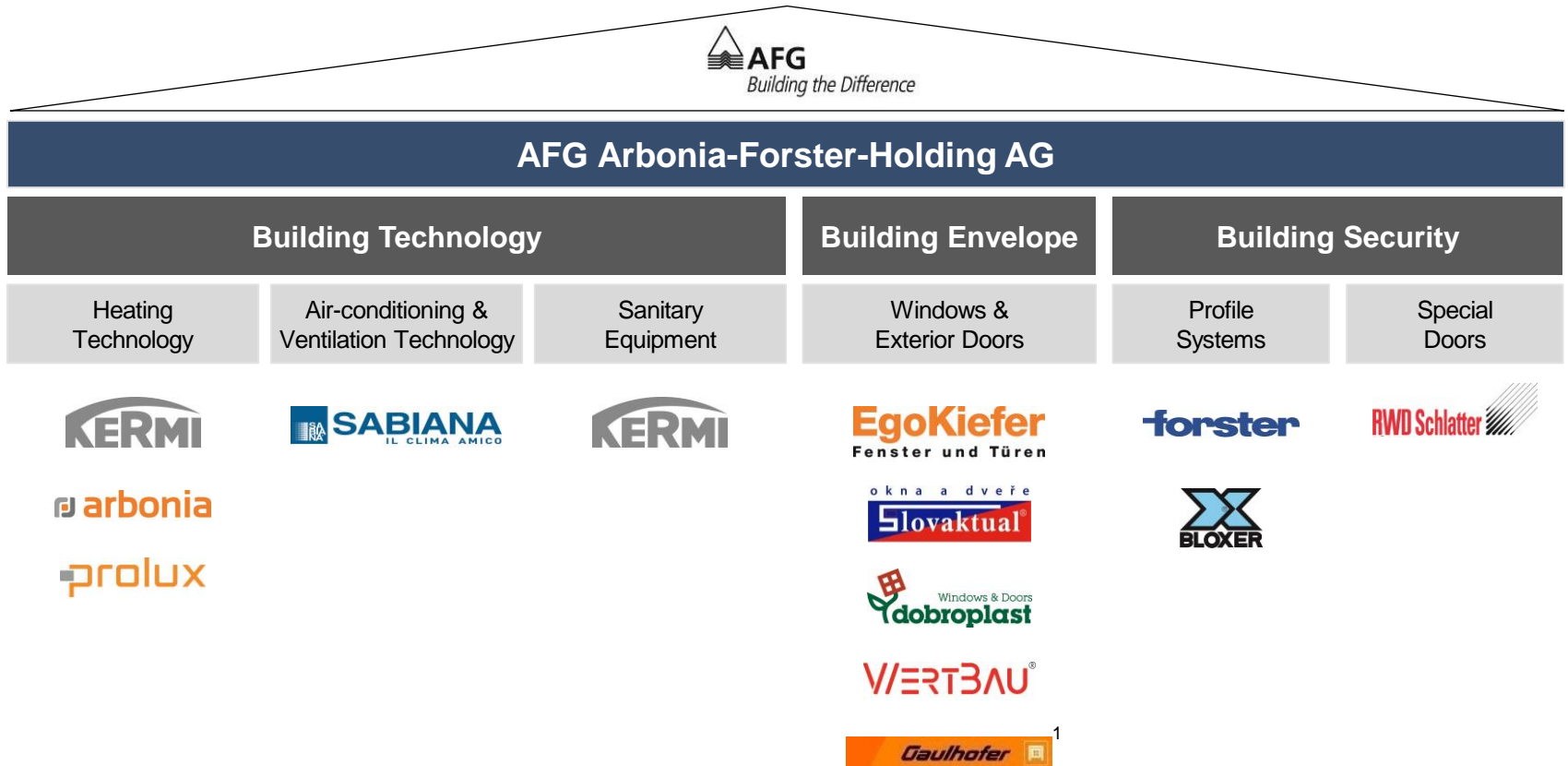


AFG – 2015 Results – 1 March 2016

Alexander von Witzleben, CEO
Felix Bodmer, CFO

AFG Arbonia-Forster-Holding AG

Divisions and key brands



1. AFG acquired a share of 31% at Gaulhofer (closing expected end of Q1 2016)

Guidance 2015 achieved

Repositioning and Restructuring ongoing

| | Guidance 2015 (August 2015) | Full year 2015 | Guidance 2018 |
|---------------------------------------------------------|--------------------------------------------------------|------------------------------------------|----------------------------------------------------------|
| Organic sales growth p.a. | -3% to -5% | -4% ✓ | +3% sales growth p.a. |
| EBITDA ¹ (CHF M) | >50 | 57 ✓ | >100 EBITDA (CHF M) |
| Net loss (CHF M) | 160-190 | 177 ✓ | Substantial FCF |
| Net debt (CHF M) | 50 | 22 ✓ | |
| Strengthened capital base | | | |
| | CHF 250 M ✓ secured existing credit facility | CHF 200 M ✓ net cash inflow | Anchor shareholder ✓ fully supporting measures |
| Repositioning and restructuring of AFG (ongoing) | | | |
| | Relocation of production footprint | Focus on divisional strategies | Lean industrial holding |

1. Operating EBITDA (excl. one-time effects)

Agenda

1. 2015

Financial measures allow looking ahead

2. Repositioning and Restructuring of AFG (Update)

Consequent execution

3. Outlook

Short- and long-term guidance

Questions

Income Statement – Continued Operations

High impact from one-time effects

| In CHF M | 2015 | in % | 2014 | in % |
|---------------------------------------------------------|---------------|--------------|---------------|--------------|
| Net revenues | 941.4 | 100.0 | 1017.4 | 100.0 |
| Cost of material and goods | -431.3 | -45.8 | -450.7 | -44.3 |
| Personnel expenses | -352.0 | -37.4 | -344.7 | -33.9 |
| Other operating expenses | -157.6 | -16.7 | -152.6 | -15.0 |
| EBITDA | 26.6 | 2.8 | 78.3 | 7.7 |
| Depreciation, amortisation, impairments | -185.0 | -19.7 | -44.9 | -4.4 |
| EBIT | -158.4 | -16.8 | 33.4 | 3.3 |
| Net financial results | -23.2 | -2.5 | -22.4 | -2.2 |
| Group result before income tax | -181.6 | -19.3 | 11.0 | 1.1 |
| Income tax expenses | 4.5 | 0.5 | 0.3 | 0.0 |
| Group result from <u>continuing</u> operations | -177.1 | -18.8 | 11.3 | 1.1 |
| Group result from <u>discontinued</u> operations | - | - | 3.8 | 0.4 |
| Group result | -177.1 | -18.8 | 15.1 | 1.5 |

Reconciliation to adjusted numbers

Impairments and restructurings weigh on EBIT

| In CHF M | Actual 2015 | Building Techn. | Building Envelope | Building Security | Others | 2015 without one-time effects |
|--------------|------------------------|----------------------------|------------------------------|------------------------------|---------------|--------------------------------------------------|
| Net revenues | 941.4 | | | | | 941.4 |
| EBITDA | 26.6 | 5.1 | 14.8 | | 10.3 | 56.7 |
| EBIT | -158.4 | 24.1 | 99.6 | 20.7 | 0.4 | 16.5 |
| Group result | -177.1 | -1.8 | -11.4 | -2.3 | 3.1 | -14.5 |

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items

Adjusted Income Statement

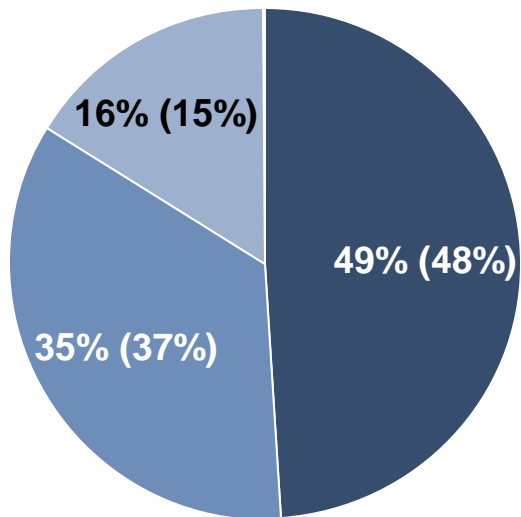
Operating performance as expected

| In CHF M | 2015 | in % | 2014 | in % |
|------------------------------------------------|--------------|--------------|---------------|--------------|
| Net revenues | 941.4 | 100.0 | 1017.4 | 100.0 |
| Cost of material and goods | -431.3 | -45.8 | -450.7 | -44.3 |
| Personnel expenses | -335.1 | -35.6 | -343.1 | -33.7 |
| Other operating expenses | -143.8 | -15.3 | -150.2 | -14.8 |
| EBITDA | 56.7 | 6.0 | 79.7 | 7.8 |
| Depreciation, amortisation | -40.3 | -4.3 | -42.8 | -4.2 |
| EBIT | 16.5 | 1.8 | 36.9 | 3.6 |
| Net financial results | -18.7 | -2.0 | -18.4 | -1.8 |
| Group result before income tax | -2.2 | -0.2 | 18.5 | 1.8 |
| Income tax expenses | -12.3 | -1.3 | -0.8 | -0.1 |
| Group result from continuing operations | -14.5 | -1.5 | 17.6 | 1.7 |

Blue figures are adjusted by one-time effects

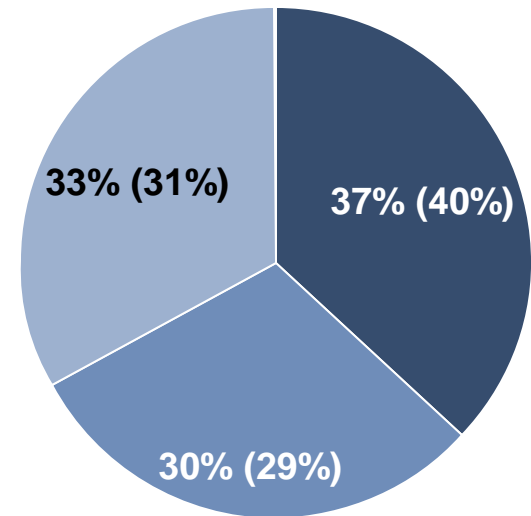
Net revenues by Division / Region Influenced by acquisitions of Sabiana & Wertbau

Net revenues by Division



Building Technology
 Building Security
 Building Envelope

Net revenues by Region



Switzerland
 Germany
 RoW

Note: Figures in brackets represent last year's figures

Organic growth by divisions

Negative FX effects and organic growth

| Net revenues as reported in CHF M | 2015 | 2014 | Δ | Currency effects | Acqui- sition effects | Organic growth ¹ |
|--------------------------------------|--------------|---------------|--------------|---------------------|-----------------------------|--------------------------------|
| AFG | 941.4 | 1017.4 | -7.5% | -7.9% | 4.7% | -4.4% |
| Building Technology | 462.2 | 490.2 | -5.7% | -12.2% | 7.3% | -0.7% ² |
| Building Envelope | 331.4 | 376.0 | -11.9% | -4.5% | 3.0% | -10.5% ³ |
| Building Security | 147.6 | 149.9 | -1.6% | -2.3% | 1.5% | -0.8% ⁴ |

1. Adjusted for currency and acquisition effects

2. With Sabiana (Building Technology) since 04.07.2014

3. With Wertbau (Building Envelope) since 01.10.2015

4. With Bloxer (Building Security) since 01.07.2015

Revenue breakdown for other key regions

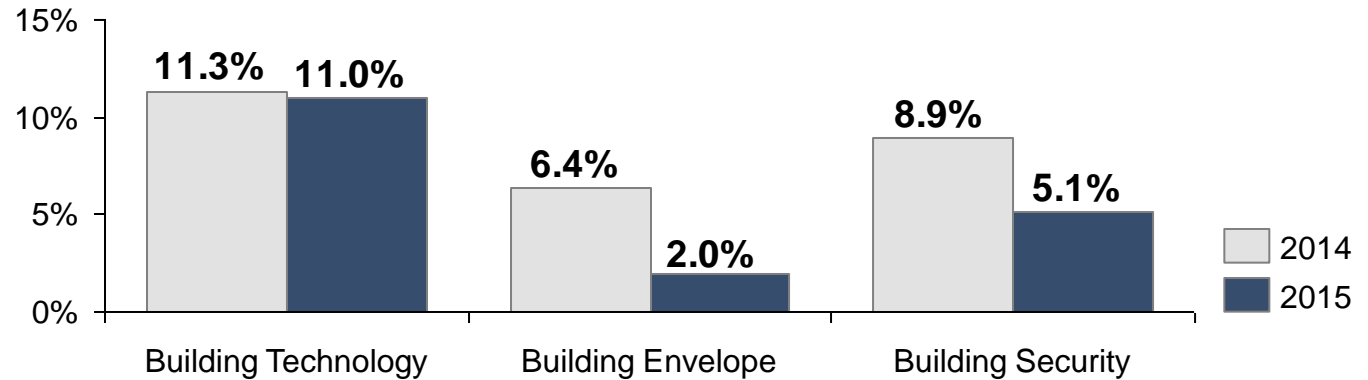
Regions show a heterogeneous development

| Other key regions | 2015 in CHF M | Δ 2015 / 2014 | Comments |
|-------------------|------------------|------------------|------------------------------|
| Poland | 62.2 | = | |
| Italy | 48.0 | ++ | Sabiana |
| France | 40.4 | + | Sabiana |
| Russia | 25.9 | -- | Heating Technology |
| Slovakia | 22.4 | = | |
| Czech Republic | 21.9 | + | Heating Technology / Windows |
| Austria | 18.2 | + | Windows |

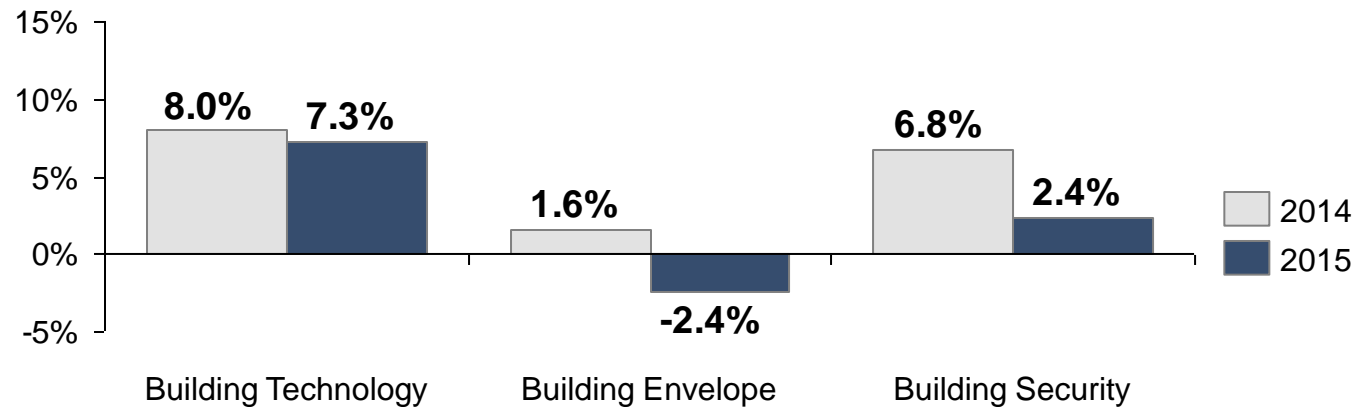
EBITDA- / EBIT-margins per division

Margin decline in all divisions

**EBITDA
margin,
adjusted**



**EBIT
margin,
adjusted**



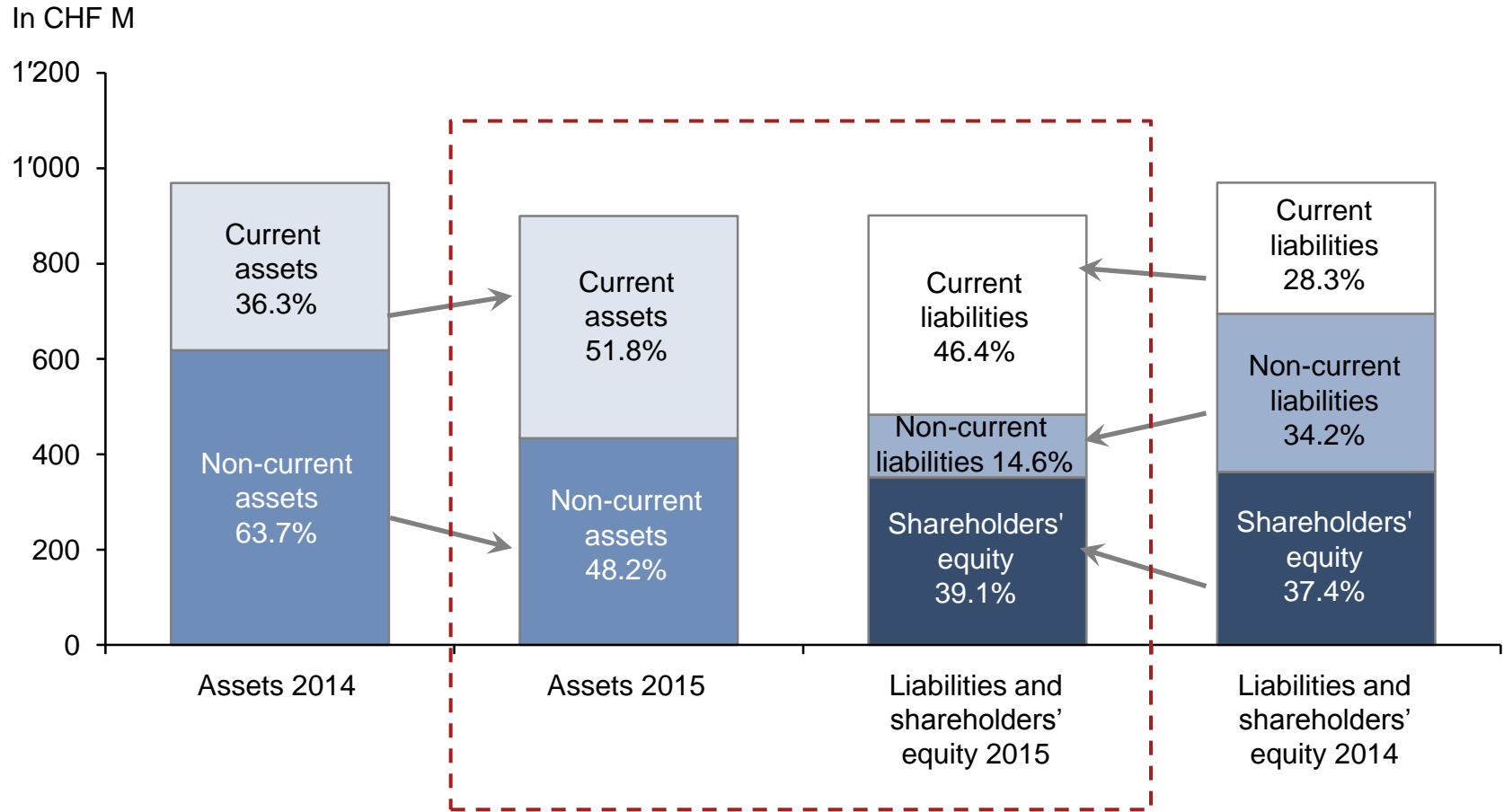
Impairments

Balance sheet risks addressed

| In CHF M | Impairment requirements | Remaining per 31 December 2015 | |
|-------------------------------------|-------------------------|--------------------------------|-----------------------------------------|
| | | Goodwill | Intangible assets from PPA ¹ |
| Total as of 31 December 2015 | 144.8 | 41.1 | 54.9 |
| Sabiana | 20.3 | 23.6 | 29.9 |
| EgoKiefer | 81.4 | - | - |
| Slovaktual | - | 14.4 | 7.9 |
| Dobroplast | 18.2 | - | 10.9 |
| Wertbau | - | 3.1 | 2.2 |
| RWD Schlatter | 20.7 | - | - |
| Others | 4.2 | - | 4.0 |

1. PPA: Purchase Price Allocation

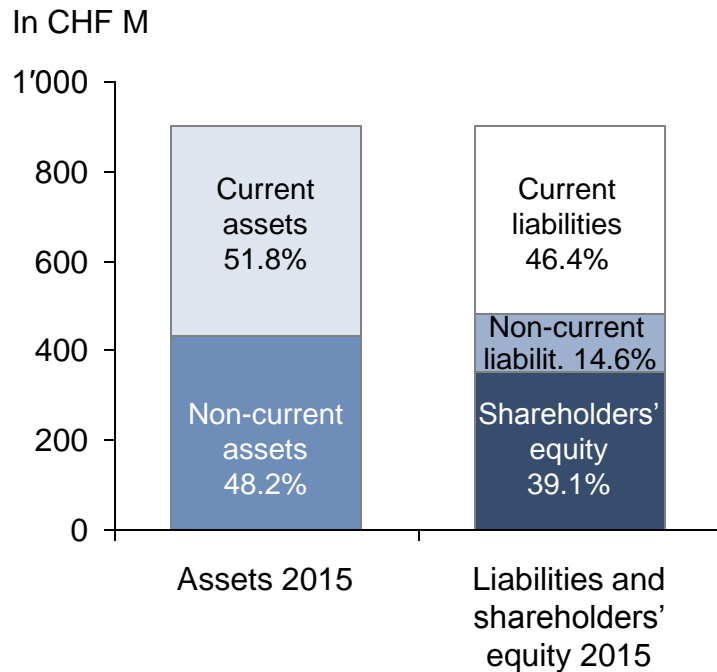
Balance Sheet



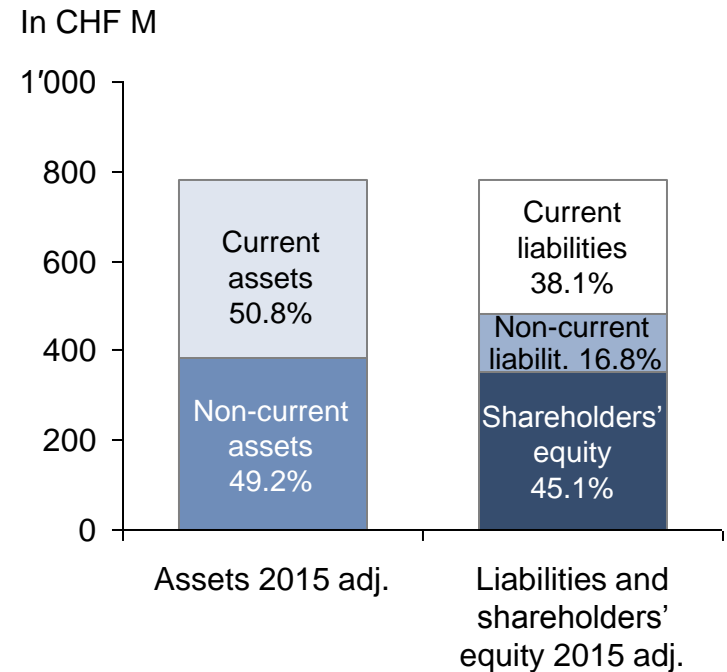
Balance Sheet

Equity ratio adjusted increased to 45%

31.12.2015 – reported



31.12.2015 – adjusted (pro-forma)

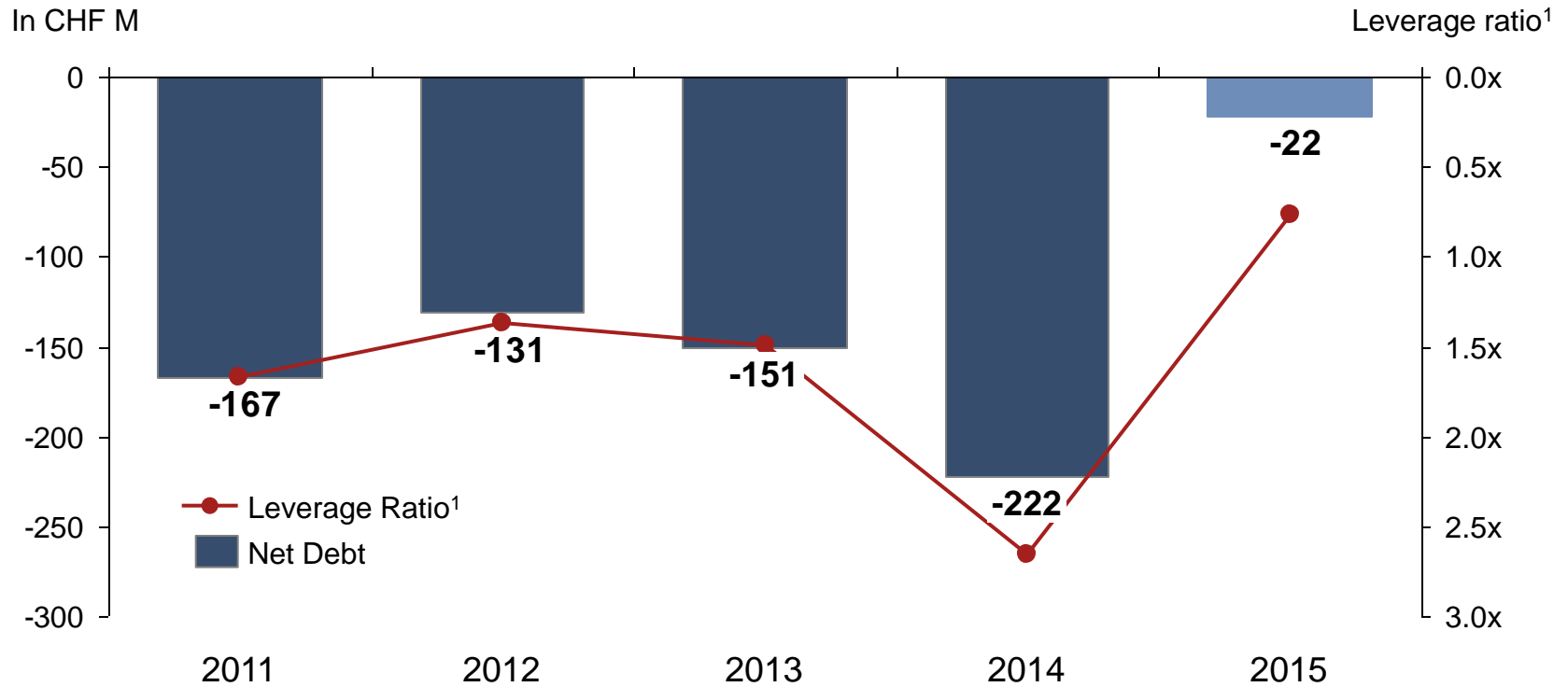


Adjustments (pro-forma)

- Impact on balance sheet by reducing cash and financial debt to operating cash level by CHF 120 M
- Allocation of non-core real estate assets as «available for sale» by CHF 51 M

Net Debt and Leverage Ratio

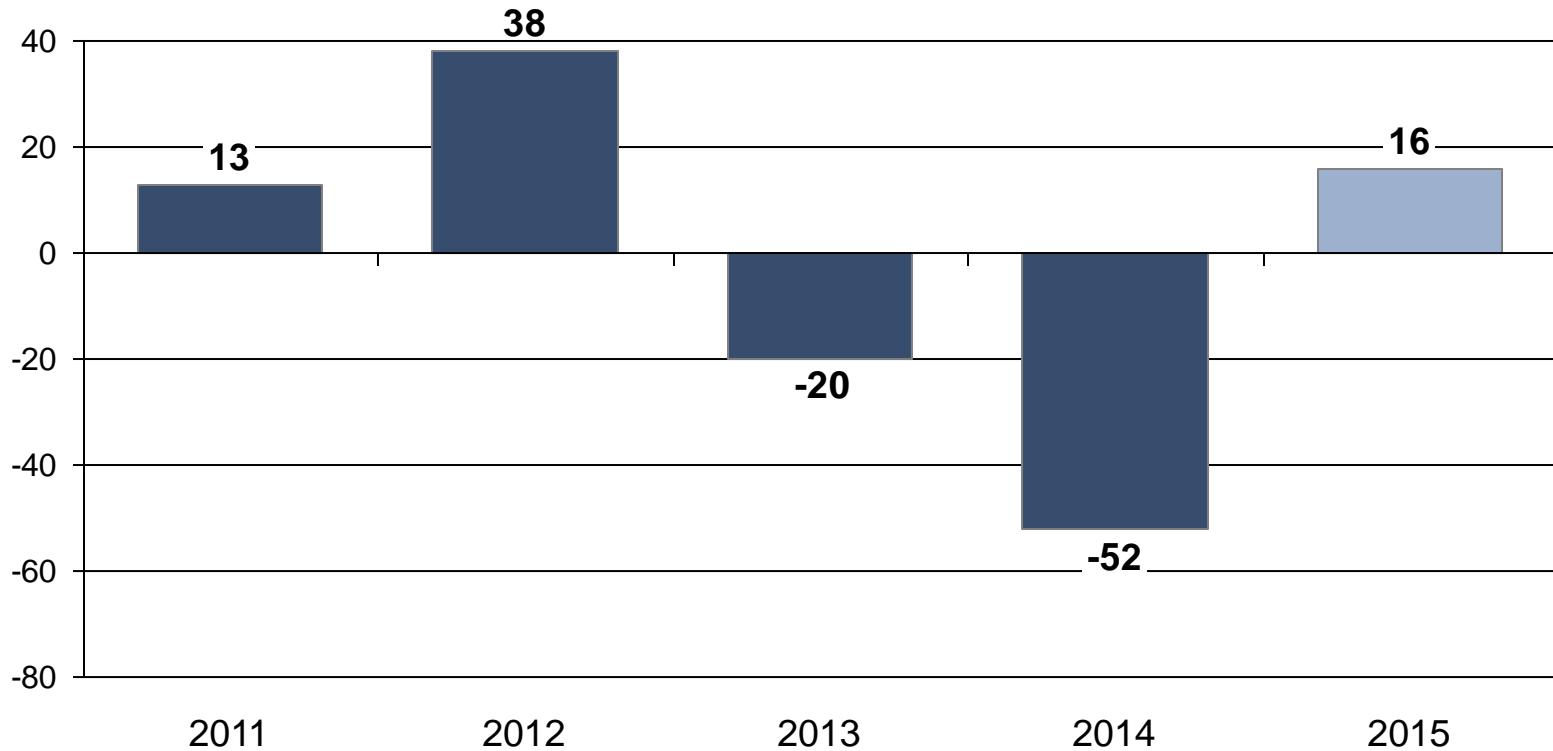
AFG today almost free of debt



1. Leverage ratio = Net debt / EBITDA

Free Cash Flow Improvement through NWC

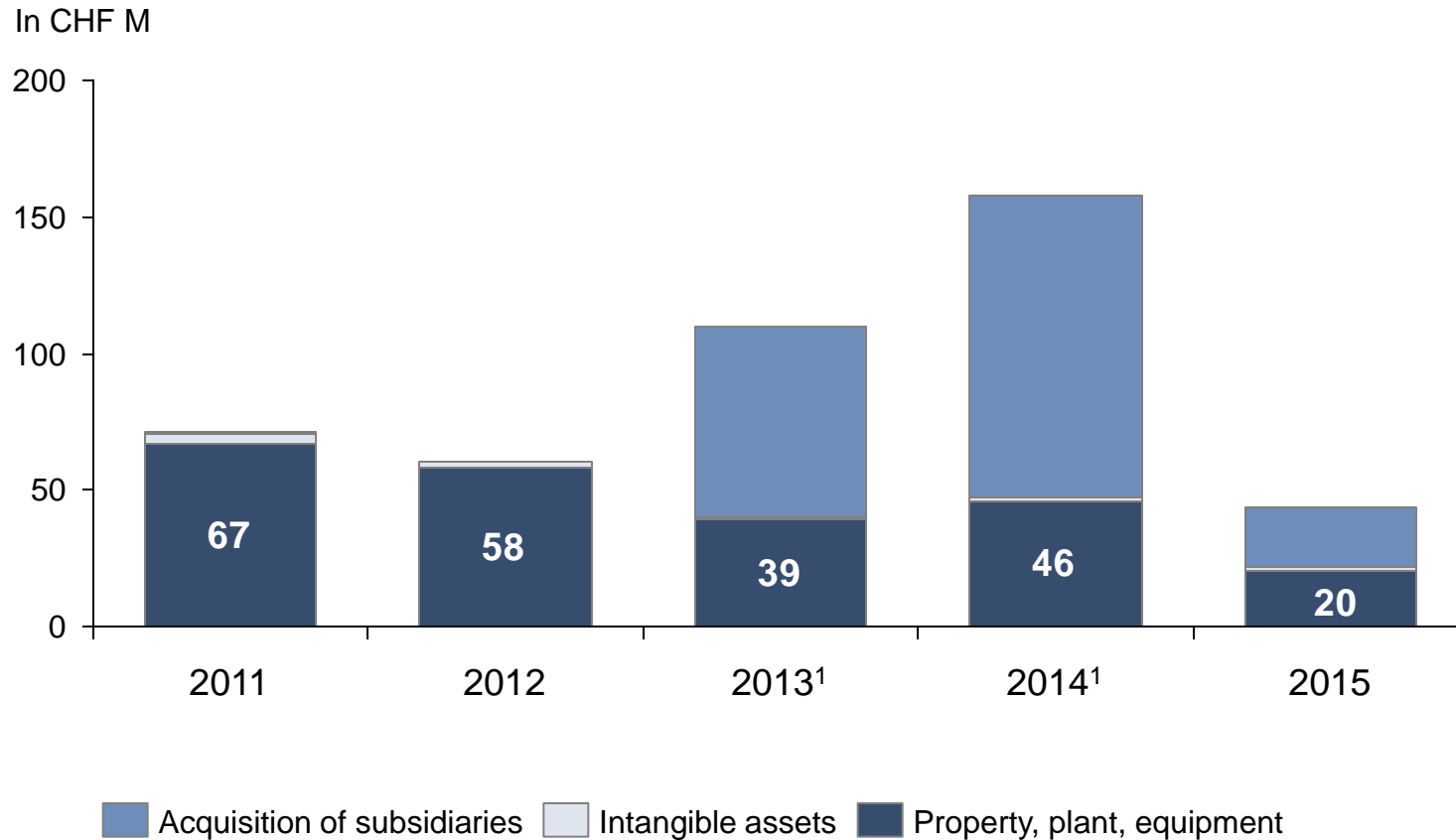
In CHF M



■ Free cash flow (Cash flow from operating and investing activities)

Development of Investments

Capex below previous years' average



1) Continued Operations

Operating Net Working Capital



Note: Operating NWC = Accounts receivable + inventories – accounts payable – advances from customers

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As shown August 13, 2015

Recap from H1 results 2015

Need to restructure and reposition AFG

**Continued weak
financial performance**

Sustained market pressure

New FX-reality

**Restructure and reposition
AFG to ensure long-term
competitiveness
in Europe**

Repositioning of AFG

Lowered cost base and redefined markets

| | Today | 2018 |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Building Envelope | <p>Swiss market leader with strong outposts in Poland and Slovakia</p> <ul style="list-style-type: none"> ➤ Local production for local markets ➤ ~75% of windows for Swiss market produced domestically¹ ➤ ~30% of revenues outside CH¹ | <p>Leading European windows group</p> <ul style="list-style-type: none"> ➤ Integrated production network with strong local market organizations ➤ ~5% of windows for Swiss market produced domestically ➤ >50% of revenues outside CH (undisputed leader in home market) |
| Building Technology | <p>Leading industrial manufacturer of steel panel and other radiators</p> <ul style="list-style-type: none"> ➤ Large majority of revenues from steel radiators (especially prior to acquisition of Sabiana) | <p>Major European producer of HVAC² systems based on</p> <ul style="list-style-type: none"> ➤ Active consolidation of radiator market ➤ Further expansion into growing segments (underfloor heating , ventilation, A/C,) |
| Building Security | <p>Leading positions in niche markets</p> <ul style="list-style-type: none"> ➤ Innovation leadership for Profile Systems and Special Doors (CH) | <p>Extended market leadership</p> <ul style="list-style-type: none"> ➤ Product portfolio supplementation ➤ Internationalization of door business |
| Holding | <i>Establishing a lean industrial holding</i> | |
| Strengthened capital base | Capital increase of CHF 200 M conducted in H2 2015 | |

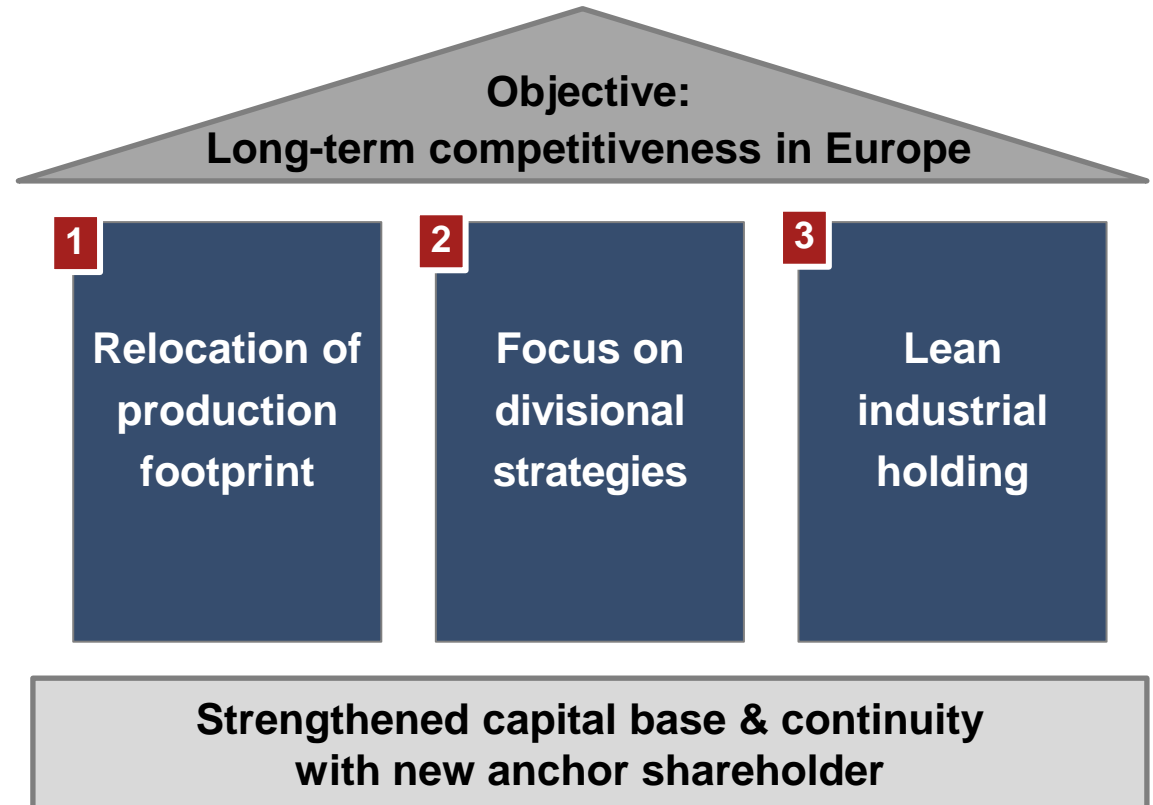
1. Based on FY 2014 2. HVAC = Heating, Ventilation & Air Conditioning

Restructuring and repositioning of AFG

Key strategic measures

Focus of AFG

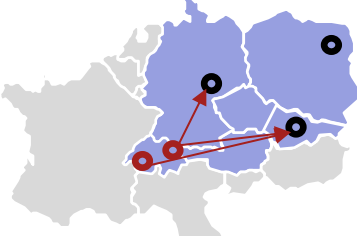
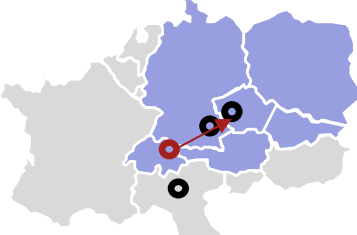
- *Building supplier*
- *Europe*
- *Energy efficiency*



1

Relocation of production footprint

Four production sites in Switzerland affected

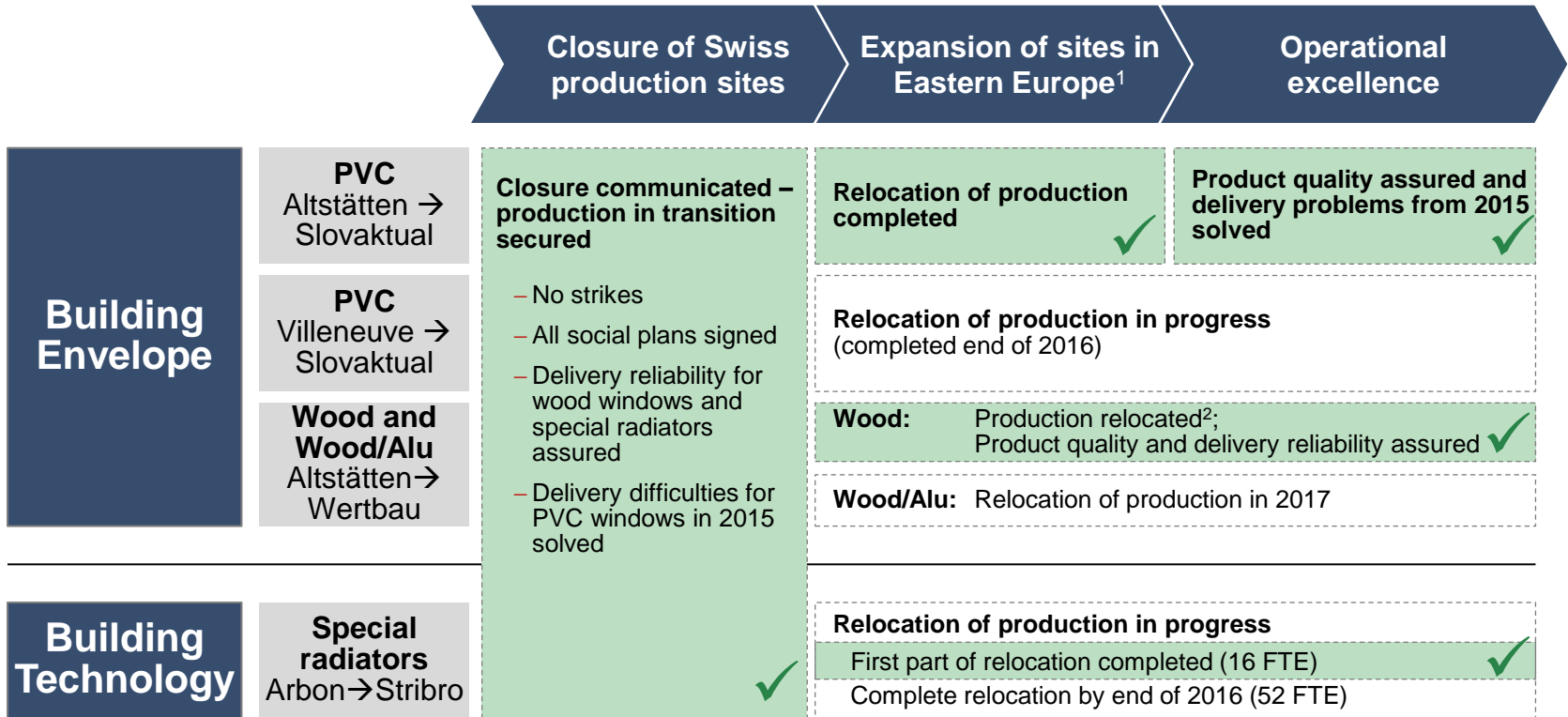
| | Production footprint | Relocations | Labour cost advantage ¹ |
|----------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Building Envelope |  | <ul style="list-style-type: none"> Transfer of PVC production from Altstätten to Slovaktual; completed 2015 (80 FTEs) Transfer of PVC production from Villeneuve to Slovaktual in 2016 (90 FTEs) Transfer of wood and wood/alu production from Altstätten to Wertbau until end of 2017 (160 FTEs) | <p>>80%</p> <p>>80%</p> <p>>50%</p> |
| Building Technology |  | <ul style="list-style-type: none"> Transfer of special radiator production from Arbon to Stříbro until end of 2016 (70 FTEs) | >80% |

Recurring cost savings of CHF >25 M p.a. from 2018 onwards²

1. Based on Cologne Institute for Economic Research (IW Köln) 2. Vs. 2014 – mainly driven by labour cost differences Note: Only main production sites shown above

1 Relocation of production footprint

Progressing according to plan



✓ Process completed

1. Except Wertbau's production site which is located in Eastern Germany (Thuringia) 2. Except special production that will remain in Altstätten (Swissshop)

2 Divisional strategies – Building Technology

Ambition: Leading HVAC¹ solutions

| Business units | Today | Ambition |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div style="background-color: #1a3d54; color: white; padding: 20px; text-align: center;"> <h3>Heating Technology</h3> </div> | <p>Market leader in steel radiators in DE and CH (Top 3 EU)</p> | <ul style="list-style-type: none"> ▪ Rationalize footprint and secure cost leadership; invest of CHF >25 M into radiator factory; savings of CHF > 5 M p.a.² ▪ Consolidate radiator market in Europe ▪ Expand in growing segments (e.g. underfloor and industrial heating, X-optimized system, Smart Home Connectivity) |
| <div style="background-color: #1a3d54; color: white; padding: 20px; text-align: center;"> <h3>Air-Conditioning and Ventilation Technology</h3> </div> | <p>European leader in fan coils and #2 in radiant panels and unit heaters</p> | <div style="border: 1px dashed black; padding: 5px;"> <ul style="list-style-type: none"> ▪ Develop leading position in growing residential ventilation market (“kontrollierte Wohnraumlüftung”) ▪ Leverage cross-selling </div> <ul style="list-style-type: none"> ▪ Drive fan coil growth (superior energy consumption/ noise level and increasing customer demand) ▪ Grow business with patented electronic filter (indoor air quality & energy savings) |
| <div style="background-color: #1a3d54; color: white; padding: 20px; text-align: center;"> <h3>Sanitary Equipment</h3> </div> | <p>Market leader in shower enclosures in DE (Top 3 EU)</p> | <ul style="list-style-type: none"> ▪ Maintain leadership position in DE and grow business ▪ Expand sales outside DE through launch of products in the lower price segments and market consolidation |

1. HVAC = Heating, Ventilation & Air Conditioning 2. Gradual implementation; full effect from 2020 onwards

2 Divisional strategies – Building Technology Product range completion by resident. ventilation

Thermal Transfer – Indoor Air Quality

| Convection | Radiation | Ventilation | A/C & IAQ ² |
|------------|-----------|-------------|------------------------|
|------------|-----------|-------------|------------------------|

Industrial / commercial application



Residential application



AFG the #1 in DE and CH for residential heat transfer¹ and # 2 for industrial radiation in EU

Product range completion

AFG the #1 in EU for fan coils

1. In a combined market of convection and radiation (#4 position in EU) 2. Indoor Air Quality

2 Divisional strategies – Building Technology Leverage cross-selling

Cross-selling of Kermi/Arbonia products by Sabiana in IT

Cross-selling of Sabiana products by Arbonia and Prolux in DE/CH

Main products



Radiators



Steel panel



Floor heat.



Radiant panels



Unit heaters



Fan coils

Status of realization

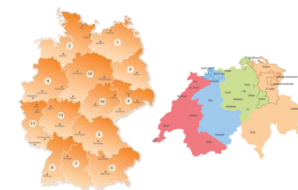
- Sales responsibility transferred to Sabiana as of 01.01.2016
- Kermi/Arbonia products listed at 43 sales agents (before 16)
- Order processing and logistics through Sabiana

- Sales activities through Arbonia/Prolux started in 2015
- Products listed at numerous wholesalers
- Order processing and logistics through Arbonia/Prolux

Sales force



Powerful distribution network of Sabiana with agents all over Italy



Nationwide sales force with well established sales staff in both Germany and Switzerland

2 Divisional strategies – Building Envelope Transformation into one integrated organization

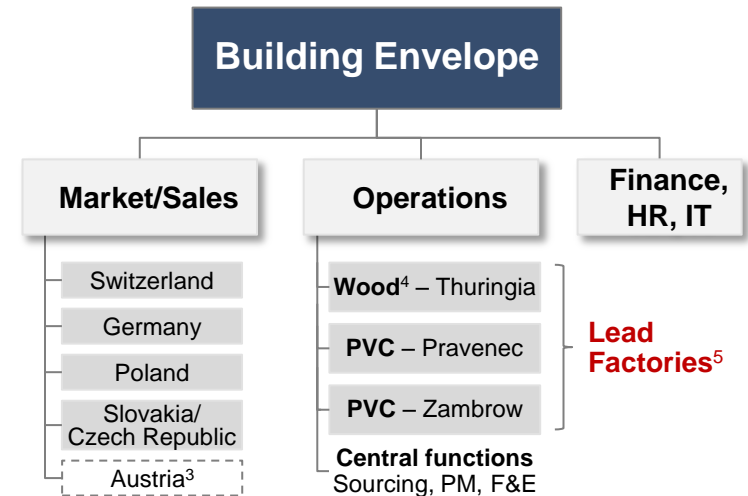
So far: Group of individual companies



Market leader in CH with strong outposts in PL+SK

- Local production for local markets
- ~75% of windows for Swiss market produced in CH¹
- ~30% of revenues outside CH¹

In future: One integrated organization²

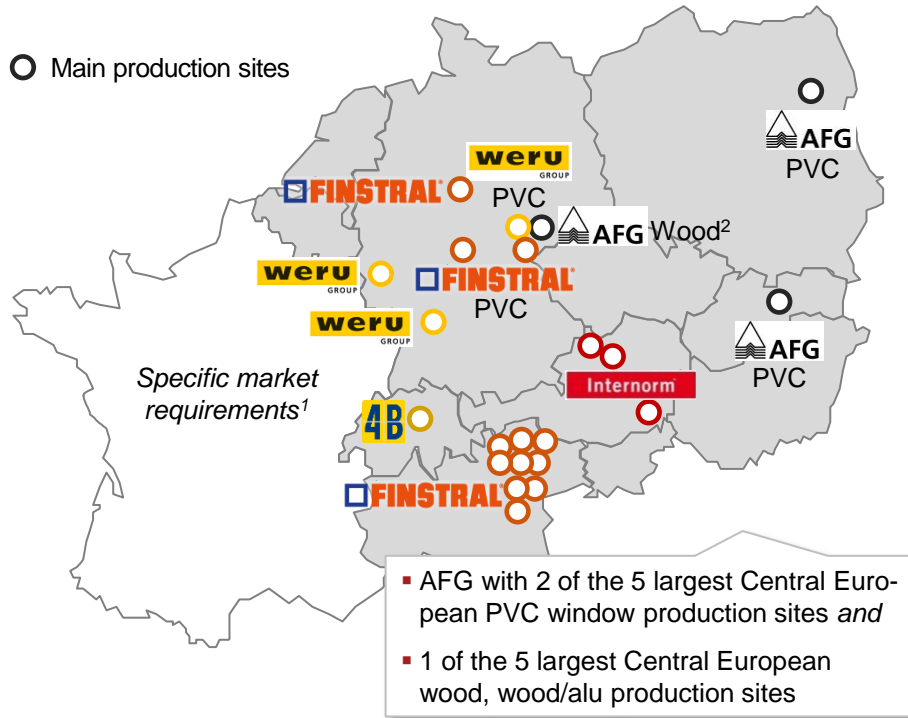


Leading European windows group

- Integrated production network with lead factories
- Transnational central functions
- ~40% of revenues outside CH (target 2018: sig. >50%)

1. Based on FY 2014 2. Simplified illustration 3. Mainly covered through 31% share at Gaulhofer (closing expected end of Q1 2016) combined with long-term supply partnership for PVC windows 4. Including Wood/Alu 5. Special production in Lublin (roof windows) and Altstätten (Swissshop) not listed

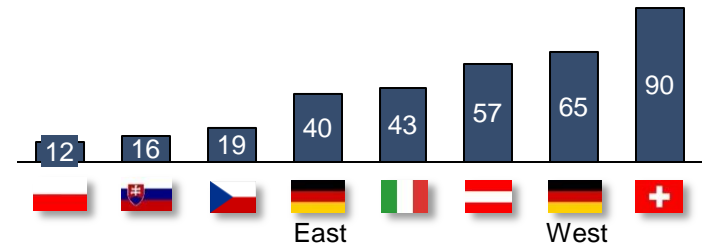
2 Divisional strategies – Building Envelope Production-Footprint in comparison



Largest Central European Players

| | Production sites ³ | Sales (€ M) ⁴ |
|------------------|-------------------------------|--------------------------|
| Internorm | 3 ⁵ | ~365 |
| AFG | 3 | ~340 |
| weru | 3 | ~190 |
| FINSTRAL | 12 | ~190 |
| 4B | 1 | ~165 |

Avg. cost of a blue collar worker per year (CHF '000)⁶



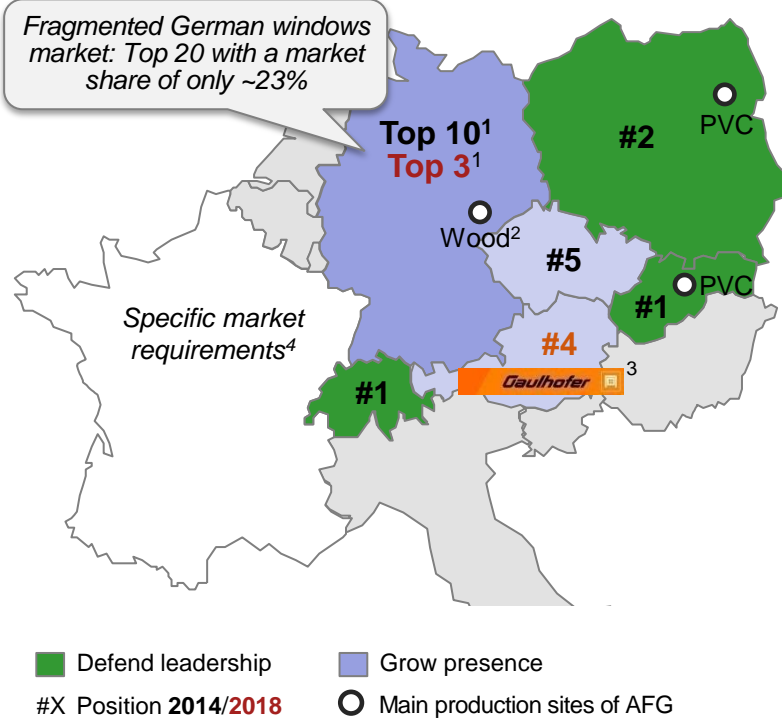
Sustainable competitive advantage of AFG through consolidated production sites in the East (Lead Factories)

1. E.g. different installation depths, integrated shutters, monoblock and regulatory requirements 2. Incl. wood/alu 3. Main production sites for windows and doors 4. Revenues with windows and doors in 2014 5. Without production site in Denmark 6. Source: Institut der Deutschen Wirtschaft (IW) Köln; underlying exchange rate CHF-EUR 1.08

Divisional strategies – Building Envelope

Ambition: European leader in windows

Market Ambition



Largest Central European Players⁵

| | | |
|----|------------------------------------|-------------------------|
| 1. | Internorm IIFN ⁶ | EUR ~365 M ⁷ |
| 2. | AFG | EUR ~340 M ⁸ |
| 3. | weru GROUP | EUR ~190 M |
| 4. | FINSTRAL | EUR ~190 M |
| 5. | 4B | EUR ~165 M |

Key measures of AFG

- Secure clear leadership position in CH (500+ FTEs serve our customers locally)
- Grow in Germany – Wertbau with 700 sales partners across Germany as basis for future growth
- Grow in Austria – 31% stake at Gaulhofer combined with PVC-supplier-partnership
- Strengthen leading positions in Poland, Slovakia and Czech Republic
- Former CEO of Weru as new Head of Division⁹

1. Market position in wood and wood/alu windows 2. Including wood/alu 3. AFG acquired a share of 31% at Gaulhofer (closing expected end of Q1 2016) combined with a supplier partnership for PVC windows 4. E.g. different installation depths, integrated shutters, monoblock and regulatory requirements 5. Windows sales 2014 6. Internorm (EUR 304 M), Kastrup (EUR 25 M) and HSF 7. Sales with windows (without sun protection, facades, etc.) 8. Without Gaulhofer (Sales of EUR ~60 M) 9. Since Feb. 1, 2016

2 Divisional strategies – Building Security

Strengthen leading positions

| Business units | Today | Ambition |
|-------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Profile Systems</p> | <p>Market leader for premium steel systems in Europe</p> | <ul style="list-style-type: none"> ▪ Strengthen leadership position in Europe through <ul style="list-style-type: none"> – Leveraging direct distribution in Germany, Austria, UK, Poland, Denmark and Luxembourg – Integration of Bloxer and sales push in Southern EU ▪ Maintain high innovation rate (focus on security, energy efficiency and design) ▪ Further develop new markets |
| <p>Special Doors</p> | <p>Swiss market leader for wooden special doors in Switzerland</p> | <ul style="list-style-type: none"> ▪ Strengthen leadership position through launch of new products (e.g. connector-fan-door, ecological doors) ▪ Fully utilize highly automated production lines¹ through <ul style="list-style-type: none"> – Product portfolio extension – Expansion of co-operations (Naturedoors, Häfele³) – Internationalisation of sales (several options are currently assessed) |

1. CHF 24 M invest in 2014 2. RWD Schlatter delivers doors to China as blanks where they are completed by Naturedoors 3. Integrated hotel-door-system co-operation with Häfele and BOS

3

Lean industrial holding **Major reduction of holding costs**

Today

Fully-fledged industrial holding

Duplication of functions at corporate level
(e.g. HR, procurement, sustainability)

Cost-intensive setup
(HQ / AFG Arena)

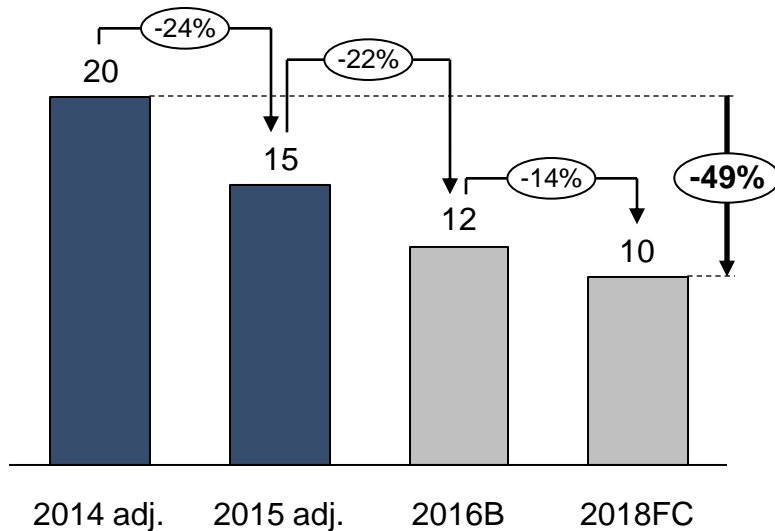
Ambition

Lean industrial holding with close management of divisions

Reduction of holding costs to 1% of revenues by 2018

Holding cost reduction of ~50%

CHF (M)



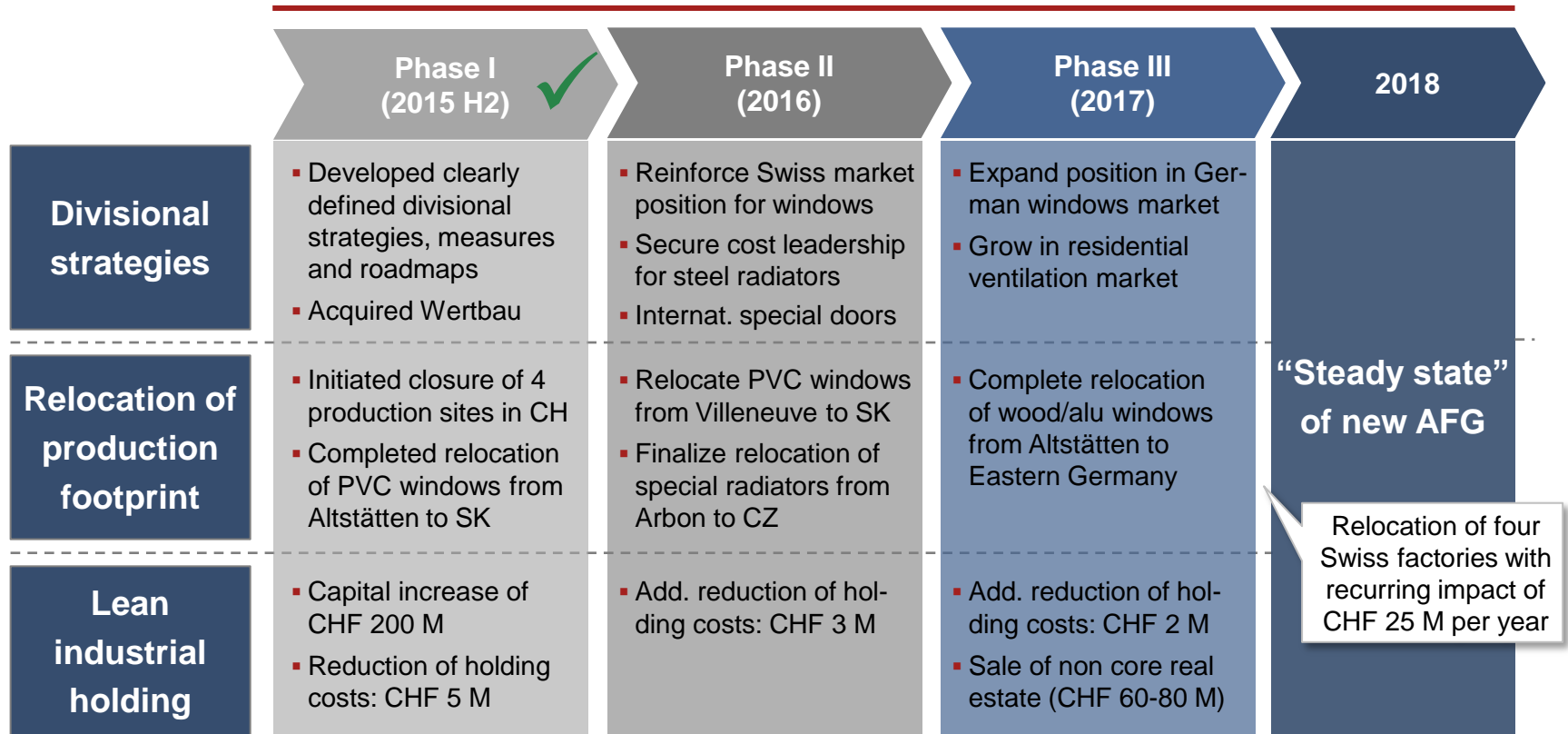
Measures

- Termination of AFG-Arena sponsoring
- Compensation reduction for the Chairman of the Board of Directors and the CEO
- Reduction of external advisors and overhead costs
- Headcount reduction at Corporate Functions
- Shift to Divisions and Shared Services
- Cost reduction of Corporate Center

Repositioning and restructuring of AFG

Progressing well – still many challenges ahead

Selective key measures¹



1. The execution of most measures extend over several phases; for simplification the measures are allocated to the respective main realization phase

Agenda

1. 2015

Financial measures allow looking ahead

2. Repositioning and Restructuring of AFG (Update)

Consequent execution

3. Outlook

Short- and mid-term guidance

Questions

Outlook

EBITDA of > CHF 100 M by 2018

Guidance 2016

**Initiated long-term measures
with slight positive impact**

Sales

CHF ~970 M

EBITDA¹

Slightly above 2015

Updated guidance 2016 with H1 results

Guidance 2018

**Consequent execution
of measures to achieve**

Sales growth p.a.

+3%

EBITDA

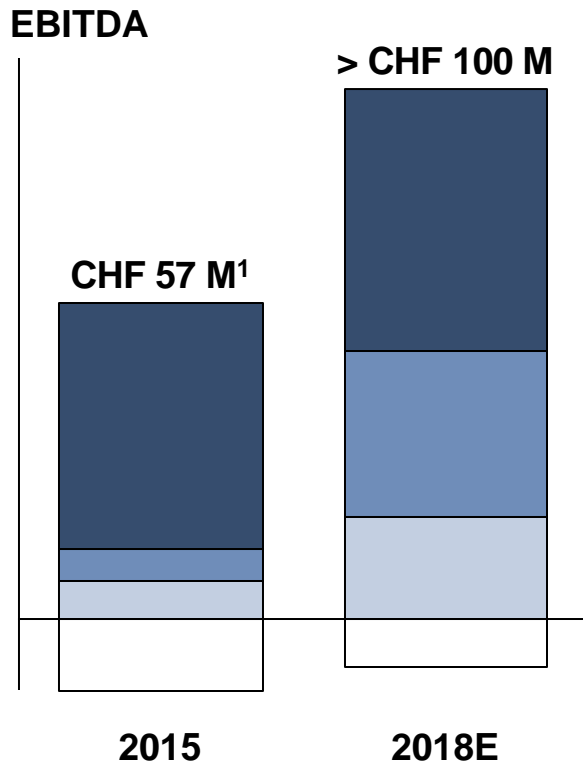
> CHF 100 M

1. Operating EBITDA (excl. restructuring costs)

Achieving Guidance 2018

Well balanced contribution across divisions

EBITDA guidance



Drivers

- Building Technology**
 - Consolidate radiator market in Western Europe
 - Further expand into growing segments (e.g. ventilation)
 - Maintain leading position in shower enclosures
- Building Envelope**
 - Relocate production to reduce cost base and build integrated production network
 - Reinforce leading Swiss market position
 - Expand position in German and Austrian market
- Building Security**
 - Extend leading positions through product portfolio extension and internationalization of special doors
 - Maintain high innovation rate
- Lean industrial holding**

1. Operating EBITDA (excl. restructuring costs)

Summary

Why AFG?

- **Building Technology**
Addressing market dynamics through further expansion into growing market segments and active consolidation of radiator market
- **Building Envelope**
Transformation of challenged Swiss position into leading major European player based on best production footprint in the industry, scale and strong market presence
- **Building Security**
Market leaders in their segments with high innovation rate
- **Strengthened capital base**
AFG fully financed over the next years with a strong balance sheet

AFG 2018: Leading specialized European Building Supplier

Questions?

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