

FKS NEWSLETTER

Franke Kitchen Systems - Luxury Products Group
November 2010

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Marketing / News

A Message From Charles Lawrence

General Manager - Luxury Products Group, FKS

This edition of our newsletter is again loaded with updates and useful information. You will learn more about the fantastic reception our new Peak sink line has received at launch events around the country. You will be pleased to learn that, in the coming weeks, we will begin shipping our expanded line of POU faucets. Shipments of the new FF2500 faucet have already begun, allowing us to remain in line with our strategy of offering only AB1953 compliant faucets.

Our new catalog continues to get high marks for its layout, organization and ease of use. The addition of the "Why Franke" story up front highlights our ongoing commitment to excellence and gives you the tools to tell our story. You will also learn about other initiatives to continue to elevate Franke as the brand of choice for consumers, designers and architects and most importantly making Franke the brand of choice of our showroom and dealer partners.

I would also like to bring your attention to a recent article in SupplyHouse Times. We believe this article does a terrific job of highlighting our commitment to our Reseller Partners through our MAP policy, Reseller Agreements and our ongoing pursuit of service excellence. If you would like to read the entire article you can go to www.supplyht.com or follow this link to the electronic magazine:

<http://digital.bnpmmedia.com/publication/frame.php?i=49675&p=41&pn&ver=swf>

Thank you for your support.



Peak Collection Launched Coast-to-Coast

The much anticipated introduction of the new Peak Collection of sinks and accessories is underway! Late September kickoff events on the west coast in San Francisco and Los Angeles were the first in a series of nationwide Peak appearances. The Peak launch events, showcasing the collection's functional yet elegant features, have been overwhelmingly successful. Engaged customers and exceptional attendance have both added to the excitement of these interactive opportunities to get acquainted with this unique collection of sinks and accessories. In addition to Peak, the new line of Point-of-Use faucets has been displayed during the events and has been equally well-received. In the coming weeks, Peak, along with our tireless Marketing and Sales teams, will conclude the launch schedule with stops in Salt Lake City, Washington D.C., Denver, and Philadelphia. Peak sinks and accessories are available now and the full line of new Point-of-Use faucets will be available in late November.

Full Event Schedule

September 22 - San Francisco, CA
September 23 - Los Angeles, CA
October 06 - Boston, MA
October 14 - Chicago, IL
October 18-20 - New York, NY
October 26 - Portland, OR
November 09 - Salt Lake City, UT
November 09 - Washington, DC
November 11 - Denver, CO
November 11 - Philadelphia, PA

Who's Who in Franke Marketing

Cathy Gutkowski— Director of Marketing

- Oversees all day-to-day operations of the marketing department
- Manages all aspects of stainless steel and filtration products

Melissa Evans— Product Manager

- the Franke family of kitchen faucets
- Point-of-use faucets
- Fireclay sinks
- Waste disposers and heating tanks

Krista Rivers— Marketing services coordinator

- Coordination of all marketing promotional materials
- Coordination of all marketing literature
- Product graphics

Jeff Owens— Marketing Analyst/Project Coordinator

- Development of market analysis tools
- Competitive assessments
- Product life cycle analysis

New "Why Franke" Literature

When you're as passionate about quality as we are here at Franke, providing a tool that explains that quality is a top priority. This piece of literature has been created to ensure a better understanding of the materials, time, and care that go into every Franke product. It consists of two laminated printed pages fastened with a metal clasp making it a perfect resource for a desk or a showroom. Inside the booklet is useful information that covers topics such as basic properties of stainless steel, grade and gauge of stainless steel, and care and maintenance tips. It includes information on Fireclay sinks as well as a "Franke vs. the competition" comparison chart. Early reaction to this new selling tool has been very positive and feedback and suggestions are always welcome. A similar tool relating to our filtration system is also being developed for later next year.



Some "Small" Additions to the Franke Family



Khloe Rivers

All of us here at Franke would like to take this opportunity to congratulate Krista and Jaime Rivers on the birth of a healthy baby girl and Jennifer and Carl Sames on the recent birth of their son. We wish Krista, Jennifer and their families the best of luck and welcome Khloe and Evan into the Franke family.



Evan Sames

Upcoming Franke Photoshoot

Plans for the new Franke catalogue include attractive lifestyle photography, featuring distinctively American homes in which our products will be beautifully showcased.

A Franke team from Aarburg headquarters is coming specifically to provide artistic direction and to ensure that "Franke Style" is evident in each picture and that each product is shown at its finest.

We will be featuring kitchens that encompass contemporary, transitional, and traditional styles as well as the addition of new products.

Look for our new literature in 2011!



"Luxury Sells"— Supply House Times

An interview with Franke LPG General Manager, Charles Lawrence.

Marketing Strategy

Franke's Luxury Products Group has relationships with the buying groups but is not a member of any. The company evaluates each market and selects a limited number of reseller partners, Lawrence explains.

Earlier this year Franke's Luxury Products Group introduced the Franke Authorized Reseller program to ensure that its brand is represented properly in traditional showrooms and on the Internet. Partners commit to providing proper displays, training sales staff and offering pre- and post-sale service and are licensed on that basis to use Franke trademarks and trade dress. Resellers that do not have the Franke license are prohibited from using these symbols. The program also includes a Minimum Advertised Price (MAP) policy, elimination of drop shipments for Internet resellers, and an online list of "unauthorized" customers.

"We intend to make sure that our products are not being used to sell other products," Lawrence says. "There are more than two dozen Web sites that we forbid wholesalers to sell to in order to protect our brand reputation."

"The Internet has made it possible to operate a small business out of a bedroom. An Internet company has to have an 800 phone number and must take inventory and ship themselves. We need to make sure this is truly a business and will represent our brand properly. Our Authorized Reseller program reflects our loyalty and commitment to the brick and mortar showroom."

*The preceding excerpt was taken from an article titled "Luxury Sells" written by Pat Lenius, the Managing Editor of the Supply House Times.

AB 1953 Update

The California Assembly Bill 1953 and Vermont Lead-Free Law S152, which prohibit the sale of plumbing fixtures whose wetted surfaces contain more than a weighted average of 0.25% lead have been in effect since January 1, 2010. The term "plumbing fixtures" is defined as pipes, pipe, plumbing fittings, and fixtures used to convey or dispense water for human consumption.

As of January 2012, the state of Maryland will also implement a Lead-Free Law and we anticipate many other states will follow suit in the coming years.

In December 2008, NSF/ANSI Standard 61 was revised to add requirements to the standard allowing manufacturers the option of being certified to a lead content standard in jurisdictions with a 0.25% weighted average lead content requirement. For more information on Annex G, go to www.nsf.org

At this time the following Franke faucets are IAP-MO certified but will not be offered in AB 1953 compliant brass:

FF5000 and FF5080
FF1700 and FF1780
FF1900 and FF1980
FFPD100 and FFPD180

The following faucets are currently available AB 1953 compliant; however, there is some remaining non-compliant stock in Ruston:

FFP1000 and FFP1080
FFP1100 and FFP1180
FF1800 and FF1880
FF2000 and FF2080

When placing orders, please be certain to indicate whether AB 1953 compliance is necessary. Otherwise you are likely to receive non-compliant product as we work through our final inventory of the above skus.

Cartons are clearly marked to differentiate the product. All Franke faucets not listed above are already available in lead-free brass.



From right to left: DW200, DW500, LB3200, LB3100

Point-of-Use Faucet Update

The new line of Franke Point-of-Use faucets is scheduled to launch later this month. Testing the faucets has proven slightly more time consuming than originally predicted. After initial reaction to the new designs, we know it will be worth the wait.

A refresh of the previous LB-1000 and LB-2000 has yielded new models LB1100 and LB2200 respectively. A new contemporary design family has been created, LB3100 and LB3200, as well as a traditional family, LB4100 and LB4200.

DW model faucets have been redesigned to have a lever. Yet an optional cross handle is sold separately. The DW200 will feature a high arc spout and the DW500 will feature a traditional spout.

Be on the look out for an incredible POU launch promotion!

Note: Point-of-Use faucets are not warranted for use with any filtration product other than Franke brand filtration products (FRCNSTR [-CAL].)