



Villeroy & Boch

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Press Release

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Villeroy & Boch interim report on the first half of 2012

Revenue and income up in difficult economic environment

- **Revenue in H1 up slightly year on year at €363.2 million**
- **EBIT improves by 12% as against previous year to €1.9 million**
- **Economic environment deteriorates further**

Revenue up slightly despite difficult economic environment

In the first half of 2012, the Villeroy & Boch Group generated revenue of €363.2 million compared with €362.4 million in the same period of the previous year.

Global economic development remained uneven. The risks as a result of the crisis of debt and confidence in the euro zone have again increased. Despite this, in the first half of 2012 revenue increased slightly year on year. Revenue of €97.3 million was generated on the German market, an improvement of €3.2 million or 3%. Revenue outside Germany was €265.9 million, slightly down on the prior-year level.

Increased orders on hand

Orders on hand totalled €57.2 million as at 30 June 2012. Adjusted for the extraordinary order in the Tableware Division in the previous year, consolidated orders on hand increased by 3%.

EBIT significantly improved (12%)

Operating earnings before interest and taxes (EBIT) amounted to €1.9 million in the first half of 2012, up €1.3 million or around 12% on the previous year.

The extraordinary income from the sale of the sanitary ceramic plant in Saltillo, Mexico, from the first quarter is partially offset by the expenses for the expansion of activities in the growth markets of Russia and China.

Development in the divisions

In the first half of 2012, the **Bathroom and Wellness** Division generated revenue of €245.3 million, up 1% or €3.5 million on the previous year.

There were differences in terms of regional revenue development. In the second quarter, the above-average revenue growth in Russia and Germany continued, with year-on-year growth rates of 35% and 12% respectively. This was also seen alongside a downturn in revenue in Mexico, the sale of the plant in Saltillo resulting in a targeted withdrawal from low-margin project business.

The **Tableware** Division generated revenue of €117.9 million in the first half of 2012, down 2% year on year.

This was due to the ongoing reluctance among retailers to place orders, particularly in Germany (-11%). Market development was similarly difficult in Australia (-12%). By contrast, there was encouraging revenue growth in Russia (+21%), Canada (+14%) and Scandinavia (+9%).

Investments

The Villeroy & Boch Group made investments of €1.2 million in the first half of the financial year (previous year: €13.8 million). Of this figure, 63% related to the Bathroom and Wellness Division and 37% to the Tableware Division.

Outlook for the whole of the 2012 financial year

Economic risks in the euro zone intensified recently, particularly in Southern Europe. This will further increase the level of uncertainty among companies and consumers in the euro zone and beyond and result in the economy weakening further in the important euro zone markets for Villeroy & Boch during the second half of the year.

In this context, for the 2012 financial year, Villeroy & Boch is forecasting consolidated revenue of €745-755 million and operating earnings at or slightly above the earnings level of the previous year before real estate gains (€27.9 million).

“Despite the difficult economic environment, in the first six months of 2012 we slightly improved revenue year on year”, declared Villeroy & Boch CEO Frank Göring. “In the second half of the year there will be even greater challenges. The euro zone – our main market – is still in the middle of the crisis. We are meeting this trend in a decisive fashion - by steadily developing our growth markets and ongoing systematic cost discipline.”

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Consolidated figures in accordance with IFRS

Villeroy & Boch Group at a glance	01.01. - 30.06.		Change	
	2012 €million	2011 €million	in €million	in %
Revenue (total)	363.2	362.4	0.8	0
Germany	97.3	94.1	3.2	3
Abroad	265.9	268.3	-2.4	-1
Earnings before interest and taxes (EBIT)	11.9	10.6	1.3	12
Earnings before taxes (EBT)	6.4	5.1	1.3	25
Group result	4.5	3.6	0.9	25
Investments	11.2	13.8	-2.6	-19
Employees (End of periods and full time equivalent)	7,423 FTEs	8,137 FTEs	-714 FTEs	-

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Villeroy & Boch

Villeroy & Boch is headquartered in Mettlach/Germany and has production sites in Europe, Mexico and Thailand. Villeroy & Boch is represented in 125 countries with products from the areas of Bathroom and Wellness, Tableware and Tiles. The listed company has a history dating back 264 years.