



Villeroy & Boch

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Press Release

Mettlach, 25 April 2012

Villeroy & Boch: Interim Report on the First Quarter of 2012

- Q1 revenue down slightly year-on-year at €184.5 million (-1%).
- EBIT at prior-year level of €7.1 million.
- Sale of ceramic sanitary ware plant in Saltillo, Mexico, completed as scheduled.

Slight decrease in revenue

In the first quarter of 2012, the Villeroy & Boch Group generated net revenue of €184.5 million compared with €186.2 million in the same period of the previous year, corresponding to a slight decrease of 1%.

Increased orders on hand

Orders on hand increased by €1.7 million between 1 January and 31 March 2012 to total €33.9 million at the reporting date. The Bathroom and Wellness Division accounted for €33.3 million of this figure, up 9% on the start of the year.

Earnings at prior-year level

The Villeroy & Boch Group's earnings before interest and taxes (EBIT) for the first quarter of 2012 remained unchanged year-on-year at €7.1 million.

The expenses for the expansion of Villeroy & Boch's activities in the growth regions of Russia and China and the lower gross profit due to the slight decline in revenue were offset by the special income from the sale of the ceramic sanitary ware plant in Saltillo, Mexico.

The sale of the plant in **Saltillo, Mexico**, which is designed for the high-volume Mexican project market, to the WoodCrafters Group was completed as scheduled in the period under review. WoodCrafters and the plant's workforce of around 600 will focus on the manufacture of ceramic sanitary ware products for the DIY store sector in future.

This means that Villeroy & Boch's activities in Mexico are now concentrated on the two production sites in Ramos and Lerma, which manufacture high-quality products for the American markets.

Development in the two divisions

In the first quarter of 2012, the **Bathroom and Wellness** Division generated revenue of €22.1 million, up 1% or €1.2 million on the previous year. There were pronounced regional differences in terms of revenue development. Russia and Germany saw above-average revenue growth (+31% and +13% respectively), whereas revenue declined in Mexico (-14%), Italy (-12%) and the Netherlands (-11%).

Revenue in the **Tableware** Division amounted to €62.3 million in the first quarter of 2012, down €2.9 million on the same period of the previous year (-5%). This was primarily due to a reluctance to place orders on the part of retailers in Western Europe, who are currently scaling back their inventories significantly. This led to a downturn in revenue of -9% on the German market. By contrast, there was encouraging revenue growth in Russia (+10%) and Scandinavia (+9%).

Investments

The Group made investments of €6.3 million in the first quarter of 2012 (previous year: €7.0 million). The investments in the Bathroom and Wellness Division largely related to capacity expansions in Eastern Europe and Thailand. In the Tableware Division, the Group primarily invested in the expansion of its sales network and the further establishment of the tableware competence centre in Merzig.

Assessment and outlook

“Developments in the first quarter of 2012 were in line with our expectations,” commented Villeroy & Boch CEO Frank Göring. “Our results for the year as a whole will be determined by the course of business in the second half of the year.”

For the 2012 financial year, Villeroy & Boch is forecasting consolidated revenue of €750-760 million and operating earnings (EBIT) within a range of plus/minus 15% compared with the previous year.

Consolidated figures in accordance with IFRS

Villeroy & Boch Group at a glance	1 Jan. – 31 Mar.		Change	
	2012 €million	2011 €million	in €million	in %
Revenue (total)	184.5	186.2	-1.7	-1
Germany	51.5	49.2	2.3	5
Abroad	133.0	137.0	-4.0	-3
Earnings before interest and taxes (EBIT)	7.1	7.1		
Earnings before taxes (EBT)	4.4	4.5	-0.1	-2
Group result	3.1	3.1		
Investments	6.3	7.0	-0.7	-10
Employees (FTEs at the reporting date)	7,415 FTE	8,247 FTE	-832 FTE	-10

Contact:

Almut Hähner-Ural

Head of Press and Public Relations

Tel: +49 (0) 68 64 - 81 13 97

Fax: +49 (0) 68 64 - 81 26 92

E-mail: haehner-ural.almut@villeroy-boch.com

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.