



Villeroy & Boch

1748

Interim Report 1 January to 30 September 2011

- Revenue totals €551.3 million at end of third quarter, up more than €30 million on the previous year (+6%).
- Orders on hand up €11.8 million compared with 30 September 2010.
- EBIT (operating result) improves by 70% year-on-year to €16.8 million.

Villeroy & Boch Group (operating) at a glance	01.01. - 30.09.		Change	
	2011 € million	2010 € million	in € million	in %
Revenue (total)	551.3	520.8	30.5	6
Germany	152.7	129.8	22.9	18
Abroad	398.6	391.0	7.6	2
Earnings before interest and taxes (EBIT) - operative (1)	16.8	9.9	6.9	70
Earnings before taxes (EBT) - operative (1)	8.6	2.2	6.4	291
Earnings before taxes (EBT) - total	8.6	-70.8	79.4	112
Group result	6.0	-71.0	77.0	108
Investments	16.8	15.3	1.5	10
Employees (End of periods and fulltime equivalent)	8,134 FTE	8,213 FTE	-79 FTE	-1

(1) Prior-year figures excl. EU antitrust fine

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Group management report of Villeroy & Boch AG for the period from January to September 2011

Global economic conditions

The economic climate deteriorated tangibly in the course of the third quarter. The government debt crisis and the renewed increase in uncertainty with regard to the stability of the financial sector had a growing impact on consumer spending and investment. The continued positive impetus from emerging economies is also increasingly slowing down.

Report on net assets, financial position and results of operations:

Villeroy & Boch Group

The Villeroy & Boch Group generated net revenue of €551.3 million in the first three quarters of 2011 compared with €520.8 million in the same period of the previous year. This represents revenue growth of 6%.

Orders on hand as of 30 September 2011 increased by €11.8 million year-on-year to €65.4 million, of which almost 58% is attributable to the Bathroom and Wellness Division.

The operating result before interest and taxes (EBIT) amounted to €16.8 million in the first three quarters of 2011, up €6.9 million as against the previous year. The Villeroy & Boch Group recorded total earnings before taxes (EBT) of €8.6 million compared with €2.2 million the previous year.

Development in the divisions

Bathroom and Wellness

The Bathroom and Wellness Division generated revenue of €356 million in the period from January to September 2011, up 6% (€18.8 million) on the previous year.

All of the product areas enjoyed positive development. The highest revenue growth was

recorded in the area of bathroom furniture (+19%), with the positive development of the “Subway 2.0” and “2Morrow” furniture ranges introduced in the past two years making a particularly strong contribution. Wellness products continued to benefit from strong revenue development in the Asia region in particular. Wellness succeeded in setting new emphases as a trendsetter for floor-flush shower trays with “Futurion Flat”.

The campaign in the area of project business, with the “360° Projects” concept and the specially introduced “o.novo” bathroom series, is developing extremely well.

In the upper price segment, the new country bathroom collection “My Nature” received this year’s “Red Dot Design Award” in the category of product design – and is being presented extensively throughout exclusive showrooms.

We recorded substantial revenue growth in a number of countries. China led the way, with revenue increasing by 85% in the first nine months, but the division also significantly improved its revenue in Thailand (+28%), Russia (+26%), Austria (+24%) and Germany (+11%).

The operating result (EBIT) in the Bathroom and Wellness Division increased by €3.9 million year-on-year to €18.4 million.

Based on the course of business to date and the strong order situation, the division is expected to record further revenue growth and a corresponding year-on-year improvement in earnings for the 2011 financial year as a whole.

Tableware

In the Tableware Division, the third quarter was dominated by the settlement of the first tranche of the major order acquired at the start of the year, which led to deliveries with a total volume of around €9 million between July and September. All in all, the division generated

revenue of €195.3 million in the first nine months of 2011, up 6% on the previous year. Developments in the German market were encouraging, with revenue rising by 29% year-on-year including the major order. Sweden (+24%) and Switzerland (+19%) also enjoyed significant revenue growth. A good amount of the revenue that was postponed in the first half of the year due to the unstable political situation in the Arab region was recovered.

This year's Christmas business has started extremely positively, with deliveries to commerce up 20% on the previous year so far.

Thanks to the good business situation in the third quarter, the operating result (EBIT) in the Tableware Division for the period from January to September improved by €2.9 million year-on-year to €-1.6 million. The loss at this time of the year is due to seasonal factors.

Despite the tangible rise in uncertainty among consumers, we expect to enjoy good Christmas business on the whole and remain confident that the Tableware Division will close the 2011 financial year with substantial revenue and earnings growth compared with the previous year.

<i>Structure of the consolidated income statement (IFRS)</i>				
<i>in € million</i>	<i>1.1.-30.9. 2011</i>	<i>% of revenue</i>	<i>1.1.-30.9. 2010</i>	<i>% of revenue</i>
<i>Revenue</i>	551.3	100	520.8	100
<i>Cost of sales</i>	-325.4	-59	-310.1	-60
<i>Gross profit</i>	-225.9	41	210.7	40
<i>Selling, marketing and development costs</i>	-174.5	-32	-168.7	-32
<i>General and administrative expenses</i>	-33.8	-6	-30.4	-6
<i>Other expenses and income</i>	-0.9	0	-1.7	0
<i>EBIT (operating earnings before special expenditures)</i>	16.8	3	9.9	2
<i>EU antitrust proceedings</i>	-		-73.0	
<i>EBIT (incl. special expenditures)</i>	16.8		-63.1	
<i>Net finance expense</i>	-8.2		-7.7	
<i>Earnings before taxes (EBT)</i>	8.6		-70.8	
<i>Income taxes</i>	-2.6		-0.2	
<i>Group result</i>	6.0		-71.0	

Net liquidity

The net liquidity of the Villeroy & Boch Group amounted to €-45.1 million as of 30 September 2011, thereby remaining largely unchanged as against the previous year (€-42.2 million). However, this represents a decrease of around €30 million compared with the start of the year, largely as a result of seasonal factors. It should be noted that, unlike in 2010, a dividend of around €6 million was distributed in the 2011 financial year.

Capital expenditure

In the first nine months of the 2011 financial year, the Villeroy & Boch Group invested a total of €16.8 million (previous year: €15.3 million). Further information can be found in the notes.

Opportunities and risks

The opportunities and risks described in the 2010 Annual Report remain unchanged. There is no evidence of any individual risks that could endanger the continued existence of the Group.

Outlook for the rest of the 2011 financial year

Despite the deterioration in the economic environment, we are confident that we will be able to continue our positive development until the end of the year. To this extent, we are still forecasting consolidated revenue of around €760 million and an operating result (EBIT) of around €30 million for the 2011 financial year as a whole.

Villeroy & Boch Group
Consolidated balance sheet as of September 30th 2011

Assets

in Euro thousands	Notes	30/09/2011	31/12/2010
Non-current assets			
Intangible assets		37,597	38,711
Property, plant and equipment	1	154,742	162,106
Investment property		15,799	16,295
Investment accounted for using the equity method		1,323	1,101
Other financial assets	3	13,741	15,006
		223,202	233,219
Other non-current assets	5	264	198
Deferred tax assets		43,696	45,574
		267,162	278,991
Current assets			
Inventories	2	154,015	140,673
Trade receivables	4	119,479	107,397
Other current assets	5	20,715	21,415
Income tax claims		4,002	2,548
Cash and cash equivalents	6	6,687	37,013
		304,898	309,046
Non-current asset held for sale	7	5,186	10,286
Total assets		577,246	598,323

Shareholders' Equity and Liabilities

in Euro thousands	Notes	30/09/2011	31/12/2010
Equity attributable to Villeroy & Boch AG shareholders			
Issued capital		71,909	71,909
Capital surplus		193,587	193,587
Treasury shares		-14,985	-14,985
Retained earnings		-84,645	-82,382
Valuation surplus	8	3,719	4,972
		169,585	173,101
Equity attributable to minority interests	9	73	107
Total equity		169,658	173,208
Non-current liabilities			
Provisions for pensions		141,979	144,558
Non-current provisions for personnel	10	16,664	17,598
Other non-current provisions	11	5,180	5,857
Non-current financial liabilities	12	25,000	50,000
Other non-current liabilities	13	4,300	3,939
Deferred tax liabilities		13,557	14,275
		206,680	236,227
Current liabilities			
Current provisions for personnel	10	5,032	10,726
Other current provisions	11	31,181	39,156
Current financial liabilities	12	26,816	1,428
Other current liabilities	13	82,301	78,265
Trade payables		52,158	55,200
Income Tax liabilities		3,420	4,113
		200,908	188,888
Total liabilities		407,588	425,115
Total equity and liabilities		577,246	598,323

Villeroy & Boch Group

Consolidated Income Statement from January 1st to September 30th 2011

in Euro thousands	Notes	1st - 3rd quarter 2011	1st - 3rd quarter 2010
Revenue	14	551,304	520,796
Costs of sales		-325,431	-310,077
Gross profit		225,873	210,719
Selling, marketing and development costs	15	-174,420	-168,681
General administrative expenses		-33,771	-30,366
Other operating income/expenses		-1,079	-1,998
Expenses from EU anti trust proceedings		-	-73,000
Result of associates accounted for using the equity method		222	274
Operating result (EBIT)		16,825	-63,052
Financial result	16	-8,181	-7,724
Earnings before taxes		8,644	-70,776
Income taxes	17	-2,626	-217
Group result		6,018	-70,993
Thereof attributable to			
Minority interests		-3	14
Villeroy & Boch AG shareholders		6,021	-71,007
		6,018	-70,993
EARNINGS PER SHARE			
Earnings per ordinary share in Euro		0.20	-2.71
Earnings per preference share in Euro		0.25	-2.66

During the reporting period there were no share dilution effects.

Villeroy & Boch Group

Consolidated Income Statement from July 1st to September 30th 2011

in Euro Thousands	Notes	3rd quarter 2011	3rd quarter 2010
Revenue	14	188,897	170,856
Costs of sales		-113,291	-102,811
Gross profit		75,606	68,045
Selling, marketing and development costs	15	-57,872	-56,474
General administrative expenses		-11,603	-9,678
Other operating income/expenses		43	-67
Result of associates accounted for using the equity method		30	30
Operating result (EBIT)		6,204	1,856
Financial results	16	-2,719	-2,643
Earnings before taxes		3,485	-787
Income taxes	17	-1,078	236
Group result		2,407	-551
Thereof attributable to			
minority interests		-1	5
Villeroy & Boch AG shareholders		2,408	-556
		2,407	-551

Villeroy & Boch Group
Consolidated Statement of Equity as of September 30th 2011

in Euro thousands Note	Equity attributable to Villeroy & Boch AG shareholders						Equity attrib- utable to mi- nority interests	Total equity
	Issued capital	Capital surplus	Treasury shares	Retained earnings	Valuation surplus 8	Total		
As of 01/01/2010	71,909	193,587	-14,985	-17,137	-2,024	231,350	665	232,015
Group result				-71,007		-71,007	14	-70,993
Other comprehensive income				-1,030	4,240	3,210	15	3,225
Total comprehensive income net of tax				-72,037	4,240	-67,797	29	-67,768
Acquisition of non-controlling interests				-805		-805	-586	-1,391
As of 30/09/2010	71,909	193,587	-14,985	-89,979	2,216	162,748	108	162,856
As of 01/01/2011	71,909	193,587	-14,985	-82,382	4,972	173,101	107	173,208
Group result				6,021		6,021	-3	6,018
Other comprehensive income				-2,090	-1,253	-3,343	-1	-3,344
Total comprehensive income net of tax				3,931	-1,253	2,678	-4	2,674
Dividend payments				-6,186		-6,186		-6,186
Acquisition of non-controlling interests				-8		-8	-30	-38
As of 30/09/2011	71,909	193,587	-14,985	-84,645	3,719	169,585	73	169,658

Villeroy & Boch Group
Consolidated Statement of Comprehensive Income as of September 30th 2011

in Euro thousands	2011	2010
Gains or losses on cash flow hedge	-2,598	1,837
On the retained earnings recorded, unrealised exchange differences on translation	-2,090	-1,021
On the valuation surplus recorded, unrealised exchange differences on translation	2,358	1,859
Gains or losses arising from translating the net investment in a foreign business operation	-1,333	831
Directly on the valuation surplus recorded, unrealised income taxes	319	-281
Other comprehensive income	-3,344	3,225
Group result	6,018	-70,993
Total comprehensive income net of tax	2,674	-67,768
Thereof attributable to		
Minority interests	-4	29
Villeroy & Boch AG shareholders	2,678	-67,797
	2,674	-67,768

Villeroy & Boch Group
Consolidated Cash Flow Statement as of September 30th 2011

in Euro thousands	1.1.-30.9.	
	2011	2010
Group result	6,018	-70,993
Depreciation of non-current assets	20,426	22,999
Change in non-current provisions	-10,166	-9,131
Profit from disposal of fixed assets	-1,016	-1,767
Change in inventories, receivables and other assets	-23,886	-16,652
Change in liabilities, current provisions and other liabilities	-17,227	-79,366
Added in current provisions from EU anti trust proceedings	-	73,000
Other non-cash income/expenses	8,266	6,116
Cash Flow from operating activities	-17,585	-75,794
Purchase of intangible assets, property, plant and equipment	-16,825	-15,274
Investment in non-current financial assets and cash payments	-4	-5
Cash receipt from restricted deposits	0	20,000
Cash receipts from disposals of subsidiaries	0	1,600
Cash receipts from disposals of fixed assets	9,924	3,675
Cash Flow from investing activities	-6,905	9,996
Change in financial liabilities	388	729
Cash payments for the acquisition of non-controlling interests	-38	-1,391
Dividend payments	-6,186	0
Cash Flow from financing activities	-5,836	-662
Sum of cash flows	-30,326	-66,460
Net increase in cash and cash equivalents	-30,326	-66,460
Balance of cash and cash equivalents as of 01/01/	37,013	78,783
Change in consolidated companies	0	-1,850
Net increase in cash and cash equivalents	-30,326	-66,460
Balance of cash and cash equivalents as of 30/09/	6,687	10,473

Villeroy & Boch Group Segment Report as of September 30th 2011

1st - 3rd quarter Segment Report

in Euro thousands	BATHROOM & WELLNESS		TABLEWARE		TRANSITION / OTHER		VILLEROY & BOCH GROUP	
	2011	2010	2011	2010	2011	2010	2011	2010
	01.01. - 30.09.		01.01. - 30.09.		01.01. - 30.09.		01.01. - 30.09.	
Revenue								
Segment revenue from sales to external customers	355,980	337,235	195,324	183,561	-	-	551,304	520,796
Segment revenue from transactions with other segments	826	588	11	10	-837	-598	0	0
Result								
Segment result (before special expenditures)	18,385	14,474	-1,560	-4,526	-	-	16,825	9,948
Expenses from EU anti trust proceedings	-	-	-	-	-	-73,000	-	-73,000
Segment result (incl. special expenditures)	18,385	14,474	-1,560	-4,526	-	-73,000	16,825	-63,052
Financial result	-	-	-	-	-8,181	-7,724	-8,181	-7,724
Investments and depreciations								
Investments	10,661	7,130	6,165	8,144	-	-	16,826	15,274
Scheduled depreciation of segment assets	14,058	16,056	6,327	6,830	-	-	20,385	22,886
Assets and Liabilities								
Segment assets	332,231	318,047	141,475	135,052	103,540	145,224	577,246	598,323
Segment liabilities	113,382	120,491	37,265	45,176	256,941	259,449	407,588	425,115

Villeroy & Boch Group 3rd quarter Segment Report

in Euro Thousands	BATHROOM & WELLNESS		TABLEWARE		TRANSITION / OTHER		VILLEROY & BOCH GROUP	
	2011	2010	2011	2010	2011	2010	2011	2010
	01.07. - 30.09.		01.07. - 30.09.		01.07. - 30.09.		01.07. - 30.09.	
Revenue								
Segment revenue from sales to external customers	114,200	108,827	74,697	62,029	-	-	188,897	170,856
Segment revenue from transactions with other segments	324	243	2	10	-326	-253	0	0
Result								
Segment result	3,205	2,367	2,999	-511	-	-	6,204	1,856
Financial result	-	-	-	-	-2,719	-2,643	-2,719	-2,643
Investments and depreciations								
Investments	2,994	2,377	27	3,158	-	-	3,021	5,535
Scheduled depreciation of segment assets	4,666	5,112	2,140	2,137	-	-	6,806	7,249

Notes to the Interim Financial Statements of the Villeroy & Boch Group for the Third Quarter of 2011

General information

Villeroy & Boch AG, Mettlach, is a listed public limited company under German law and acts as the parent company to the Villeroy & Boch Group. The Group is divided into the two operating Divisions of Bathroom and Wellness and Tableware.

This interim report covers the period from 1 January to 30 September 2011. It was approved for publication by the Management Board and the Audit Committee of the Supervisory Board on 18 October 2011. It was prepared in accordance with section 315a of the German Commercial Code (HGB), applying the IASC rules as endorsed by the European Commission. These condensed interim financial statements have not been audited or reviewed by an audit company. In the opinion of the Management Board, these interim financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group. The interim report includes condensed consolidated financial statements with selected explanatory notes in accordance with IAS 34. Accordingly, it should be read in conjunction with the consolidated financial statements for the year ended 31 December 2010, which can be accessed via the Investor Relations section of the website www.villeroy-boch.com. In the period under review, the accounting and consolidation methods described in the 2010 Annual Report were extended to include the accounting standards endorsed by the EU for the first time. These have had no material impact on this interim report.

Basis of consolidation

The basis of consolidation of the Villeroy & Boch Group was unchanged and consisted of 60 companies as of 30 September 2011.

Dividend distribution of Villeroy & Boch AG for the 2010 financial year

The General Meeting of Shareholders on 13 May 2011 approved the proposal by the Supervisory Board and the Management Board of Villeroy & Boch AG for the distribution of a dividend of €0.15 per ordinary share and €0.33 per preference share. The distribution on 16 May 2011 corresponded to a dividend payment of €2,106,720.00 for the ordinary share capital (previous year: 0) and €4,079,384.43 for the preference share capital (previous year: 0). As in the previous year, the Villeroy & Boch Group held 1,683,029 preference treasury shares at the distribution date. These shares were not entitled to participate in dividends.

Seasonal influences on business activities

The Tableware Division generally expects to generate a higher level of revenue and operating profit in the quarters containing Easter and, in particular, Christmas than in the two other quarters of the year. There are no other material seasonal effects on the rest of the product portfolio.

Notes on selected items of the consolidated balance sheet

1. Property, plant and equipment

In the period under review, a total of €16,001 thousand was invested in property, plant and equipment (previous year: €13,700 thousand) with a particular focus on the establishment of the competence centres in Merzig (tableware) and Mettlach (ceramic sanitary ware) and the capacity expansion in Thailand, Hungary and Romania. Property, plant and equipment with a carrying amount of €970 thousand (previous year: €633 thousand) was sold in the same period. Depreciation amounted to €18,911 thousand (previous year: €20,986 thousand). At the reporting date, the Villeroy & Boch Group had obligations to acquire property, plant and equipment in the amount of €5,512 thousand (31 December 2010: €8,747 thousand).

2. Inventories

As at the balance sheet date, inventories were composed as follows:

in €thousands	30 Sep. 2011	31 Dec. 2010
Raw materials, supplies and merchandise	23,010	21,861
Work in progress	20,583	21,133
Finished goods and goods for resale	110,408	97,656
Advance payments	14	23
	154,015	140,673

The increase in finished goods and goods for resale, which totalled €12,752 thousand, was attributable to the Bathroom and Wellness Division in the amount of €5,118 thousand and the Tableware Division in the amount of €7,634 thousand.

Write-downs of inventories increased by €187 thousand in the period under review, from €20,859 thousand to €21,046 thousand.

3. Other financial assets

The decrease in this item is primarily attributable to the scheduled repayment of €1,191 thousand of the loan granted to V&B Fliesen GmbH.

4. Trade receivables

Trade receivables are broken down as follows:

Based on customer domicile	in €thousands	30 Sep. 2011	31 Dec. 2010
Germany		26,047	16,649
Euro zone excl. Germany		34,797	31,589
Other international destinations		62,581	63,020
Gross carrying amount		123,425	111,258
Valuation adjustments		-3,946	-3,861
Trade receivables		119,479	107,397

5. Other non-current and current assets

Other non-current and current assets developed as follows in the period under review:

in €thousands	30 Sep. 2011		31 Dec. 2010	
	current	non-current	current	non-current
Deposits and advance payments	2,613	8	2,408	8
Changes in fair value of cash flow hedges (a)	1,207	256	3,315	190
Tax claims	6,201	-	6,094	-
Prepaid expenses	2,592	0	2,353	0
Other assets	8,102	-	7,245	-
	20,715	264	21,415	198

(a) At the reporting date, €1,389 thousand (31 December 2010: €1,828 thousand) and €74 thousand (31 December 2010: €1,677 thousand) was recognised for the marking to market of exchange rate hedges and raw material hedges respectively.

6. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

in €thousands	30 Sep. 2011	31 Dec. 2010
Cash on hand incl. cheques	148	840
Other cash and cash equivalents	6,539	36,173
	6,687	37,013

The decrease in cash and cash equivalents is primarily due to seasonal effects and the dividend paid to shareholders. Bank balances were offset against matching liabilities in the amount of €1,793 thousand (31 December 2010: €3,308 thousand). Cash equivalents are fully covered by external guarantee systems.

7. Non-current assets held for sale

Non-current assets held for sale are reported as follows:

in €thousands	30 Sep. 2011	31 Dec. 2010
Property	5,186	5,186
Investments (a)	-	5,100
	5,186	10,286

(a) The transfer of shares corresponding to 24% of the share capital of V&B Fliesen GmbH and the recognition of the purchase price in the amount of €5,100 thousand took place as scheduled on 28 January 2011.

8. Valuation surplus

The valuation surplus contains the following items:

in €thousands	30 Sep. 2011	31 Dec. 2010
Gains or losses arising from translating the net investment in a foreign business operations	-5,112	-3,779
Gains on translation of financial statements of foreign operations	9,432	7,074
Changes in fair value of cash flow hedges	-887	1,709
Surplus for deferred taxes	287	-32
	3,719	4,972

9. Equity attributable to minority interests

On 20 July 2011, the Villeroy & Boch Group acquired a further 14,039 shares in the Romanian subsidiary S.C. Mondial at a purchase price of €8 thousand. Its equity interest in the company now amounts to 99.4% (previously 99.2%).

10. Non-current and current provisions for personnel

The decrease in current provisions for personnel is primarily due to the payment of variable remuneration components for 2010.

11. Other non-current and current provisions

The decrease in other current provisions is primarily due to the utilisation of the restructuring provision.

12. Non-current and current financial liabilities

A bank loan in the amount of €5 million that was previously classified as non-current was reclassified to current financial liabilities on account of its term.

13. Other non-current and current liabilities

Other non-current and current liabilities are composed as follows:

in €thousands	30 Sep. 2011		31 Dec. 2010	
	current	non-current	current	non-current
Advance payments received on orders	776	-	2,390	-
Bonus liabilities	33,529	-	36,154	-
Personnel liabilities (a)	29,113	1,454	21,821	1,634
Changes in fair value of cash flow hedges (b)	1,744	606	1,750	-
Government grants	807	784	669	850
Tax liabilities (c)	11,259	-	9,137	-
Other liabilities	5,073	1,456	6,344	1,455
	82,301	4,300	78,265	3,939

(a) Seasonal increase

(b) Increase primarily due to forwards newly concluded for the 2012 financial year

(c) Increase primarily due to revenue development

Notes on selected items of the consolidated income statement

14. Revenue

A breakdown of revenue is provided in segment reporting.

15. Selling, marketing and development costs

This item includes the following expenses for research and development in the period under review:

in €thousands	2011		2010	
	Q1-3	Q3	Q1-3	Q3
Bathroom and Wellness	-4,878	-1,672	-5,109	-1,755
Tableware	-1,717	-506	-2,039	-604
	-6,594	-2,178	-7,148	-2,359

16. Financial result

Net finance expense can be broken down as follows:

in €thousands	2011		2010	
	Q1-3	Q3	Q1-3	Q3
Financial income	616	213	1,758	392
Financial expense	-2,827	-940	-3,208	-944
Interest expense on provisions (pensions)	-5,976	-1,992	-6,274	-2,091
	-8,181	-2,719	-7,724	-2,643

17. Income taxes

Income taxes include:

in €thousand	2011		2010	
	Q1-3	Q3	Q1-3	Q3
Current income taxes	-1,647	-806	-194	-26
Deferred taxes	-979	-272	-23	262
Income taxes	-2,626	-1,078	217	236

Other notes

18. Related party disclosures

In the course of our global operating activities, we have relationships with a large number of business partners. These include relationships with shareholders and members of executive bodies and with companies in which the Villeroy & Boch Group holds equity interests. All transactions are conducted at arm's length conditions.

The following transactions were conducted with V&B Fliesen GmbH in the period under review:

in €thousands	2011		2010	
	Q1-3	Q3	Q1-3	Q3
Revenue	121	21	124	25
Financial income	103	39	115	32
Service income	5,688	1,810	5,562	1,857
Service expenses	-466	-158	-467	-114
Rental income incl. ancillary costs	718	278	649	220

At the reporting date, there were net receivables of €1,263 thousand from the operations described above (31 December 2010: €2,412 thousand). A non-current loan (see note 3) is also reported.

None of the other transactions with related parties are material from the perspective of the Villeroy & Boch Group.

19. Events after the balance sheet date

No significant events occurred up to the time the interim financial statements were approved for publication.

Mettlach, 27 October 2011

Frank Göring

Jörg Wahlers

Financial calendar:

27 March 2012	Analyst conference on the annual financial statements
25 April 2012	Report on the first three months of 2012
16 May 2012	General Meeting of Shareholders, Merzig Town Hall
23 July 2012	Report on the first half of 2012
23 October 2012	Report on the first nine months of 2012

This interim report is available in English, German and French. In the event of variances, the German version shall take precedence over any translations. Due to rounding differences, there may be slight discrepancies in the totals and percentages contained in this report. Percentages are generally shown as rounded whole numbers without decimal places. This interim report and further information is also available to download at www.villeroy-boch.com.