Sanitec Corporation
Financial Statements Release 2013

"Organic growth in the fourth quarter"

Sanitec
Home of the Bathroom

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Fourth quarter 2013 in brief

- Net sales for the fourth quarter amounted to EUR 167.5 million (167.8). Comparable net sales for the fourth quarter were 1.4% higher than prior year[1)].
- Operating profit for the fourth quarter increased to EUR 14.2 million (12.7), 8.5% (7.6) of net sales.
- Operating profit for the fourth quarter adjusted for items affecting comparability increased to EUR 17.9 million (16.9), 10.7% (10.0) of net sales.
- Profit for the fourth quarter amounted to EUR 12.1 million (18.6).
- Cash flow from operating activities for the fourth quarter amounted to EUR 38.3 million (28.4).
- During December the shares in Sanitec (SNTC) were listed on NASDAQ OMX Stockholm.

Full year 2013 in brief

- Net sales for 2013 amounted to EUR 701.8 million (752.8). Comparable net sales for the year were 3.9% lower than prior year[1)].
- The lower sales was explained by lower volume due to still challenging macroeconomic conditions in key markets, offset by better product mix and increased average sales prices, especially for Bathroom Ceramics.
- Operating profit for 2013 amounted to EUR 67.9 million (73.0), 9.7% (9.7) of net sales.
- Operating profit for 2013 adjusted for items affecting comparability amounted to EUR 74.4 million (77.9), 10.6% (10.4) of net sales.
- Profit for the period amounted to EUR 42.5 million (71.7).
- Earnings per share, basic and diluted, were EUR 0.42 (0.72).
- Cash flow from operating activities for 2013 amounted to EUR 74.7 million (87.9).
- The Board proposes a distribution through a refund of capital of EUR 0.22 per share from the reserve for invested unrestricted equity.

Key figures for the Group

	Q4	Q4	Change	Q1-Q4	Q1-Q4	Change
EUR million	**2013**	**2012**	**%**	**2013**	**2012**	**%**
Net sales	167.5	167.8	1.4[1)]	701.8	752.8	-3.9[1)]
Operating profit	14.2	12.7	12.1	67.9	73.0	-7.0
Items affecting comparability	-3.7	-4.2	-11.1	-6.5	-4.9	32.0
Operating profit, adjusted	17.9	16.9	6.4	74.4	77.9	-4.5
Operating margin, %, adjusted	10.7	10.0		10.6	10.4	
EBITDA, adjusted	24.8	24.0	3.3	102.7	107.7	-4.6
EBITDA margin, %, adjusted	14.8	14.3		14.6	14.3	
Profit before taxes	8.4	10.7	-21.4	48.2	67.0	-28.1
Profit for the period	12.1	18.6	-35.0	42.5	71.7	-40.8
Cash flow from operating activities	38.3	28.4	34.7	74.7	87.9	-15.1
Return on capital employed (ROCE), % rolling 12 months				19.4	19.3	
Net debt				150.6	-42.9	
Net debt / EBITDA, adjusted				1.5	-0.4	
Earnings per share, EUR	0.12	0.19		0.42	0.72	
Average number of employees				6,516	7,004	

1) Calculated for comparable legal structure and in constant currency, i.e. organic change

For definitions see page 22

Comments by the President & CEO

Successful stock exchange listing

First and foremost, I would like to take this opportunity to welcome all new shareholders in Sanitec. As a company Sanitec is relatively unknown to the general public, despite our leading position in Europe and a unique portfolio of strong brands. Therefore, I view the listing as a crucial milestone that introduces Sanitec and our extensive product offering to an increasing audience.

Cautious recovery

Since the second quarter of 2013 we have noted stabilisation in the European economy and certain indications of a recovery. This view was strengthened slightly in the fourth quarter, although substantial variation exists between individual countries. Positive items from our perspective include the market trend in Central Europe and a healthy development in Germany with a 4% increase in planning consents in 2013 as well as a 2% increase in the sanitary fittings wholesale sector. Improved market conditions and increasing housing starts were also noted in the UK.

In Eastern Europe we are still battling a challenging macroeconomic climate and, in some countries, political turbulence that significantly impacts construction and renovation activity in the short term. In addition, it is a general concern that the building supplies market in Russia could be negatively impacted following the major investments made in conjunction with the Olympic Games in Sochi. However, we are well positioned in our main markets with strong local brands and have a modern and efficient production network, which allows us to look confidently to the future.

Growth in the fourth quarter

Our net sales posted an increase of 1.4% in the fourth quarter (calculated in constant currency and comparable group structure). For the full year, the same figure posted a 3.9% decline even though there was a clear improvement in relative performance quarter by quarter. Naturally, it is extremely satisfying to be able to announce a quarter with organic growth for the first time since the second quarter 2011. However, the most important is that we continue to defend or strengthen our market positions in all our key markets and main product categories.

Lower sales volumes during the year were offset by an improved product and market mix, higher average selling prices and continued increased productivity in the supply chain. This is also the result of enhanced efficiency in all functions and processes as well as a clear signal that we are utilising our strength by acting as one cohesive company – "One Sanitec".

Innovation and design

In the innovation area, we focus at four different main themes – hygiene, environment, design and installation concepts for the trade market. The aim of the latter is to facilitate cooperation and strengthen the relationship with the 50,000 plumbers and installers that we work with around Europe. Over the past few years we have made significant investments in our production network as well as in innovation and design. Among other things, this has resulted in the successful introduction of our prize-winning Rimfree® toilet. The launch is ongoing in many countries and has been received positively and with increasing visibility in showrooms.

In Central Eastern Europe we launched two strategic product ranges at the end of last year – the *Traffic* ceramic collection and *Technic GT* pre-wall line. Both ranges offer new unique functional features. Product presentations and trainings as well as displays in showrooms represented key actions to drive sales and synergy between the Bathroom Ceramics and Ceramics Complementary Products. In the UK Twyford will launch its *Energy Collection* in May 2014 – the largest launch in the local market in three years.

Favourable positioning

Sanitec has a leading position in Europe with strong and well-established local brands, a healthy geographic spread and a modern, efficient and flexible production network. Together, this means that we are well positioned to be able to benefit from the recovery in volumes when the macroeconomic conditions improve.

Our assessment is that the current market conditions will continue for the first half of the year, however, with a fair degree of variation between countries and market areas. Our high level of efficiency and our strong cash flow, despite the macroeconomic conditions, demonstrate the strength of "One Sanitec" – a strategy to create a more integrated and efficient company.

Peter Nilsson

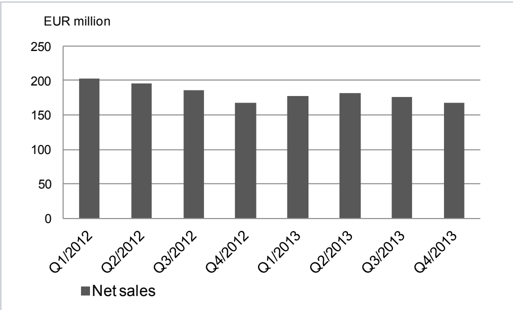
Sanitec is the leading bathroom ceramics specialist with a unique pan-European brand portfolio of locally well-established brands.

Net sales

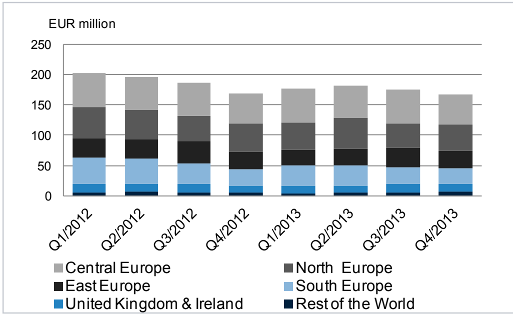
Net sales for the fourth quarter amounted to EUR 167.5 million (167.8). Comparable net sales for the quarter were 1.4% higher than prior year due to strong development in Central Europe region and the UK. The impact of net foreign exchange rates in the quarter was EUR 2.7 million negative compared with prior year.

Net sales for Ceramics Complementary Products in the fourth quarter amounted to EUR 41.7 million (41.9). Net sales for Ceramics Complementary Products for 2013 amounted to EUR 169.7 million (196.4). From the decline of 14% compared with prior year the majority is explained by the disposal of the French shower business Leda in October 2012.

Quarterly net sales

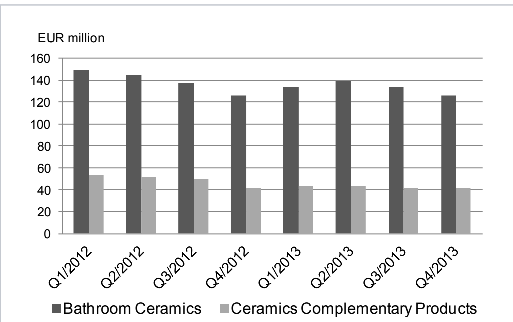


Quarterly net sales by region



Net sales for 2013 amounted to EUR 701.8 million (752.8). The decline was mainly related to lower volumes due to continued challenging economic environment resulting in moderate development of new construction, renovation and rebuilding. Net sales were also reduced due to the disposal of Sanitec's former shower business in France in October 2012. Average sales prices improved during the year following an improved product and country mix and effects of price increases. The impact of net foreign exchange rates on net sales for 2013 was EUR 5.0 million negative or -0.7 percentage compared to prior year.

Quarterly net sales by product area



Net sales for Bathroom Ceramics in the fourth quarter amounted to EUR 125.8 million (125.9). In certain markets the renewal of the product assortment that started in 2012 has continued with new product introductions and discontinuation of sales of non-profitable products. Although the volumes for the fourth quarter of 2013 were lower than in 2012, the average sales prices improved from the same period prior year. Net sales for Bathroom Ceramics for the full year amounted to EUR 532.1 million (556.4).

Net sales for Central Europe region for the fourth quarter increased to EUR 50.6 million (49.4). Strong sales in Germany, following increased new housing permissions and improved activity in the sanitary fittings wholesale sector, offset the reduction in sales in the Benelux countries. Cumulative net sales for year 2013 for Central Europe region amounted to EUR 217.9 million (215.2).

Net sales for North Europe region in the fourth quarter amounted to EUR 43.3 million (45.1). The 4% decline in North Europe sales during the quarter was mostly due to continued lower activity in Sweden after a strong second quarter and moderation in the Norwegian and Finnish markets, while the Danish markets showed positive signs. Net sales for North Europe region for 2013 amounted to EUR 178.2 million (186.2).

Net sales for East Europe region in the fourth quarter amounted to EUR 27.9 million (29.5). In East Europe the 5% decline was mainly due to continued challenging economic environment and political turbulence in the Ukrainian market that impact building and renovation activities. Net sales for East Europe region for the full year amounted to EUR 113.9 million (128.7), a decline with 12%.

During the fourth quarter net sales for South Europe region amounted to EUR 25.4 million (26.7). The decrease is mainly explained by continued weak markets in Italy and France. Net sales for the full year for South Europe region amounted to EUR 117.7 million (145.5). A substantial part of the decline in sales is explained by the disposal of Leda S.A.S in October 2012. Excluding the effects of the divestment the decline in net sales was -7.0%.

Sanitec's strategic brands and market position 2012

- Clear number 1
- Number 1 or 2
- Number 3 or 4
- Number 4 or lower

In United Kingdom & Ireland region the market continued to show signs of recovery during the fourth quarter and net sales increased by 14% versus prior year, and amounted to EUR 13.8 million (12.1). Net sales for United Kingdom & Ireland region for the full year were EUR 51.6 million (54.4).

Operating profit

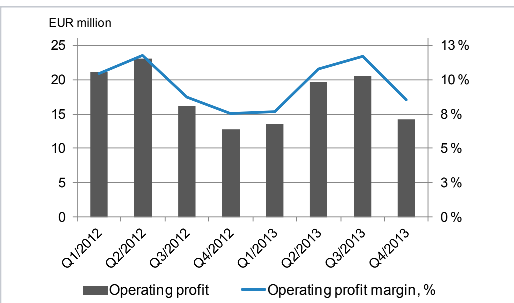
The fourth quarter operating profit increased to EUR 14.2 million compared with EUR 12.7 million in the previous year. The impact of net foreign exchange rates was EUR 0.3 million negative compared with prior year. Operating margin for the fourth quarter adjusted for items affecting comparability amounted to 10.7% (10.0). The lower sales volumes were compensated by better sales mix and improved average sales prices. Furthermore, more efficient sourcing, lower costs due to previously implemented actions to adjust the organisation to present market conditions and well managed manufacturing efficiency during the period supported the improved performance. Operating profit for the full year amounted to EUR 67.9 million (73.0). Adjusted operating profit for the full year amounted to EUR 74.4 million (77.9). Adjusted operating margin for the period amounted to 10.6% (10.4). The impact for 2013 of net foreign exchange rates was EUR 0.4 million negative compared with prior year.

Profit for the period and earnings per share

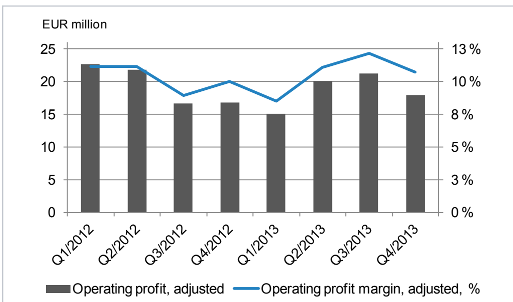
The net financial income and expenses amounted to EUR -5.8 million for the fourth quarter (-2.0) of which EUR -3.2 million (-1.9) is interest expenses on borrowings. The remaining amount relates mainly to net of foreign exchange differences.

The net financial income and expenses amounted to EUR -19.8 million for the full year (-6.0) of which EUR -11.5 million is interest expenses on borrowings

Quarterly operating profit and operating profit margin



Quarterly operating profit and operating profit margin, adjusted



(-8.5). This increase in interest expenses is due to the refinancing which took place in May 2013. Other net financial income and expenses amounted to EUR -8.2 million (2.5). The majority of this is due to that there were net foreign exchange gains of EUR 3.2 million in 2012, while there were net foreign exchange losses of EUR 3.8 million in 2013.

Profit before taxes for the fourth quarter was EUR 8.4 million (10.7) and EUR 48.2 million (67.0) for the full year period.

The change in income taxes compared with the previous year was EUR -10.4 million. The change is primarily due to increase in income taxes for the financial period by EUR -4.0 million from 2012, which relates mainly to increased income taxes in Germany compared to 2012. In addition, 2012 income taxes from prior periods included a reversal of tax provision amounting to EUR 4.1 million related to German tax audit.

Profit for the fourth quarter was EUR 12.1 million (18.6) and for the full year EUR 42.5 million (71.7).

Earnings per share for the fourth quarter, basic and diluted, were EUR 0.12 (0.19) and for the full year EUR 0.42 (0.72).

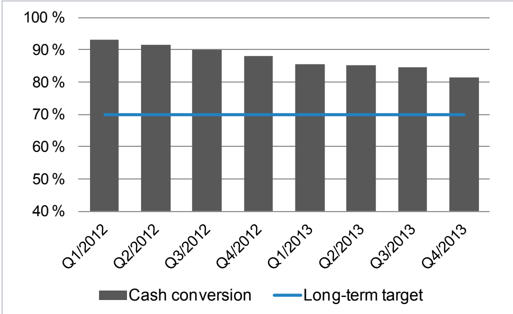
Cash flow
Cash flow from operating activities amounted to EUR 38.3 million (28.4) during fourth quarter. Compared to previous year the variance is mainly due to better performance, EUR 27.3 million versus EUR 19.1 million previous year, as 2013 cash flow includes the EUR 7.1 million refund of EU fine, and lower paid income taxes, EUR 3.1 million versus EUR 9.7 million. This was partially offset by less cash generation from working capital, EUR 19.2 million versus 20.4 million.

Cash flow from operating activities for full year 2013 amounted to EUR 74.7 million versus 87.9 million previous year. The decrease in cash flow from operating activities is mainly due to lower improvement in working capital of EUR -1.0 million (7.5). During a financial year the business normally ties up cash in working capital during the first half year and releases cash during the second half. This trend was confirmed again this year and Sanitec generated the same amount of cash during the second half of 2013 as in 2012. Cash conversion ratio at year-end 2013 was 82% (88), which is another year of meeting the long-term financial target.

Cash flow from investing activities in the fourth quarter amounted to EUR -7.4 million (-3.4) which is primarily customary maintenance investments of property, plant and equipment in the ceramic production. Cash flow from investing activities for the full year 2013 amounted to EUR -18.9 million (-11.4).

Cash flow from financing activities during fourth quarter amounted to EUR -1.4 million (-5.8) and for the full year 2013 the amount was EUR -171.6 million (-21.8). The negative cash flow from financing activities in 2013 is mainly related to the refinancing which took place in the second quarter and repayment of external Ukrainian loans in the third quarter. The refinancing also included a refund of capital amounting to EUR 238.3 million.

Quarterly cash conversion



Gross capital expenditure, depreciation, amortisation and impairment
Gross capital expenditure for the fourth quarter amounted to EUR 8.4 million (5.1). The increase is primarily related to higher ceramic production investments which are customary maintenance investments to maintain and improve the manufacturing footprint. The gross capital expenditure for the full year 2013 amounted to EUR 19.3 million (13.1).

All capital expenditure during the year has been financed by cash flow from operations. Capital expenditure corresponded in 2013 to 2.8% (1.7) of net sales. Depreciation, amortisation and impairment losses amounted 2013 to EUR -28.9 million (-29.7) corresponding to 4.1% of net sales (3.9).

Financial position and liquidity
Cash and cash equivalents amounted to EUR 99.4 million (215.7) at the end of the year. In addition, Sanitec has an unused committed revolving credit facility of EUR 50 million.

Sanitec's primary source of external funding is EUR 250 million senior secured floating rate notes, which were issued in May 2013. At the same time, a EUR 50 million super senior revolving credit facility was put in place. The floating rate notes bear an interest of 4.75% over three months euribor and they are due in 2018.

Net debt, calculated from the nominal value of the loans, amounted to EUR 150.6 million (-42.9). Net debt to adjusted EBITDA was 1.5 (-0.4) at the end of the year, which is a comfortable headroom to maximum leverage long-term financial target of 2.5. The increase in net debt compared to beginning of the year, EUR

Sanitec offers a complete range of products; from traditional to contemporary and from economy to luxury segments.

193.5 million, is mainly due to refund of capital from the reserve of invested unrestricted equity which was done as part of the refinancing activities in May 2013.

At the end of the year 2013 total equity amounted to EUR 44.4 million (243.7). The equity ratio decreased during 2013 to 8.4% (37.1), which is explained by the refinancing arrangements in May 2013.

Research and development
Sanitec's research and development activities focus mainly on certain areas: environment, ease of installation, integrated and appealing design as well as the development of new products.

In 2012, Sanitec consolidated its innovation and design, and technical product development efforts by coordinating these activities on Group level. As of 31 December 2013, 181 (160) of the employees (FTEs) were directly involved in this function.

Research and development expenses amounted in 2013 to EUR 9.6 million (8.3), 1.4% (1.1) of net sales.

Personnel
The number of employees was 6,211 (6,688) at the end of the year. The reduction is due to continuous efficiency improvements in the manufacturing footprint, mainly related to East Europe region, and additional effects from activities.

Long-term financial targets
New long-term financial targets were set by the Board of Directors during the fourth quarter.

Growth above market
Sanitec's target is to keep achieving annual organic growth that is on average 2 p.p. higher than its core market growth. Additionally Sanitec aims opportunistically at growth through complementary acquisitions to enter new growth markets and/or to add complementary products in existing markets.

Operating margin
Sanitec's target is to achieve an adjusted operating margin (EBIT) at or above 12% over a business cycle.

Cash conversion
Sanitec's target is to achieve an annual cash conversion above 70% over a business cycle. Cash conversion is the ratio of operating cash flow defined as adjusted EBITDA less paid investments in intangible and tangible assets to adjusted EBITDA.

Net debt / EBITDA
Sanitec's target is to have a net debt in relation to adjusted EBITDA below 2.5. The capital structure should enable flexibility and allow the company to capture strategic opportunities while maintaining a sound financial position even when the market conditions are less favourable.

Shares and share capital
Sanitec Corporation's paid and registered share capital on 31 December 2013 was EUR 2.8 million and the number of issued and registered shares totalled 100,000,000. The number of issued shares was increased from 1,000,000 to 100,000,000 shares in November 2013 by issuance of 99,000,000 new shares without consideration.

The company has one series of shares. Every share that the company does not hold itself entitles its owner to one vote at a General Meeting of Shareholders. The share has no nominal value. The counter book value of each registered share is EUR 0.03.

Sanitec's share ("SNTC") was listed on NASDAQ OMX Stockholm, Mid Cap segment, on 10 December 2013. The share is traded in Swedish krona (SEK). On 31 December 2013, the market capitalisation of the company's registered shares was EUR 761.9 million (SEK 6,750.0 million). During 2013, approximately 20 million of the company's shares were traded, i.e. around 20% of the average number of registered shares. The closing price per share on 31 December 2013 was EUR 7.62 (SEK 67.50). The share price has been converted to euro using the closing rate of the period. The total number of shareholders at end of the period was 2,139.

Litigation
Sanitec is involved in and exposed to various legal actions or claims and other legal and administrative, including tax and environmental, investigations and proceedings that arise out of or are incidental to the ordinary course of its business. It is Sanitec's policy to provide for amounts related to the proceedings if liability is probable and amount thereof can be estimated with a reasonable certainty. Please see further details on page 18.

New member of Board of Directors
Effective 29 October 2013, Margareta Lehmann was elected as a new member of the Board of Directors of Sanitec Corporation. Margareta Lehmann is the President for SCA Incontinence Care Europe since 2012 with previous positions in different areas within SCA and Mölnlycke. Lehmann has a Bachelor's degree in Economics and Business Management.

Risks and business uncertainties
As a group operating on an international field, Sanitec is exposed to different business and financial risks. The business risks can be described as market, operational

Sanitec is an integrated, pan-European company with long experience in bathroom ceramics.

and legal risks. The financial risks are related to change in currency rates, interest rates, liquidity and funding capability. Risk management actions in Sanitec are focused on identifying the controllable risks and reducing risks related to the business. The basis for the management of risks is focusing on evaluating the probability for risks to occur and the potential impact on the Group. Compared to what was reported in the Annual Report for 2012, there has not been any material change in risks facing Sanitec Group, except for the development in the Ukraine.

Events after the reporting date

Sanitec received an offer in October 2013 from HLD Group to acquire 100% of the shares in the French ceramic kitchen sinks business Alliages Céramiques S.A.S. After evaluation of the offer in 2014, the transaction was not finalised.

Annual General Meeting

Sanitec Corporation's Annual General Meeting 2014 will be held in Stockholm on 13 May 2014. Any shareholders wishing to submit proposals for the members of the Board of Directors to be elected by the Annual General Meeting can contact Caspar Callerström by e-mail (caspar.callerstrom@eqt.se). Further details will be made available in due course before the Annual General Meeting.

Dividend and distribution of funds

Sanitec Corporation's, the parent company of Sanitec Group, distributable funds are EUR 374,024,004.24. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed from the result for the year nor from retained earnings, and that EUR 22,000,000, i.e. EUR 0.22 per share, is paid as refund of capital from the reserve for invested unrestricted equity, which corresponds to 29% of cash flow from operating activities per share.

Outlook for 2014

Since the second quarter of 2013 there has been a stabilisation and signs of recovery in the European economy, and this trend has enhanced slightly in the fourth quarter.

Sanitec expects the macroeconomics and general market conditions to remain relatively stable in the Nordic countries, the UK and Central Europe through 2014 and the moderate positive trend experienced during second half of 2013 to continue. In Southern Europe market conditions are expected to remain challenging in the short term and Sanitec will continue to focus on efficiency improvements and implementation of "profit over volumes" throughout the region in 2014.

The unstable political situation in Ukraine can as such have adverse effect on local Ukrainian market and neighbouring markets during 2014. The political turmoil and unrest is not, however, expected to have adverse effect directly on operations of the Ukrainian production facilities.

Sanitec expects that the construction and renovation markets will continue to follow the main macroeconomic trends and allow Sanitec to benefit eventually, if materialised, from moderate increase in demand in public and private sectors and to continue to defend or improve its market positions with the support of modern, efficient and flexible production network and new products launched in 2013 and 2014.

Helsinki, 19 February 2014

Board of Directors

Conference call for investors
An investor conference call in English will be held on 19 February 2014 at 10:00 CET/11:00 EET. President & CEO Peter Nilsson and CFO Gun Nilsson will present the financial results and answer questions. Related presentation material will be available at the corporate website before the start of the conference call. For further details, please refer to the invitation published at the corporate website www.sanitec.com.

Financial calendar
Annual Report and Corporate Governance Statement 2013:
End of March 2014

Interim Report January-March 2014:
13 May 2014

Annual General Meeting 2014:
13 May 2014

Interim Report January-June 2014:
18 July 2014

Interim Report January-September 2014:
24 October 2014

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About Sanitec
Sanitec is the market leader in bathroom ceramics and a leading supplier of bathroom fixtures in the Company's core markets with a unique portfolio of locally well-established brands. Sanitec has longstanding and stable relationships with customers, installers and other industrial partners, and develops sustainable and complete bathroom concepts including bathroom ceramics, furniture, pre-wall flushing solutions, taps and mixers, as well as baths and showers. Sanitec's brands and products represent a high level of innovation and quality, as well as advanced design that is both functional and attractive.

Sanitec operates an integrated organisation with an unparalleled local presence to provide the best value to its customers when it comes to bathroom products. In 2013 net sales amounted to EUR 702 million, and currently Sanitec employs approximately 6,200 people working in 18 European based production plants and at the Company's sales, product management and design and other support offices. Sanitec's head office is located in Helsinki, Finland.

The shares in Sanitec Corporation are admitted on trading on NASDAQ OMX Stockholm under the symbol "SNTC".

For more information about Sanitec, please visit www.sanitec.com.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	1 October - 31 December		1 January - 31 December	
EUR million	**2013**	**2012**	**2013**	**2012**
NET SALES	**167.5**	**167.8**	**701.8**	**752.8**
Other operating income	0.0	2.6	11.7	5.4
Materials and services	-73.0	-74.0	-310.2	-343.1
Employee benefits	-52.9	-47.3	-208.1	-209.3
Other operating expenses	-22.5	-29.3	-98.5	-103.0
Depreciation, amortisation and impairment losses	-4.9	-7.2	-28.9	-29.7
OPERATING PROFIT	**14.2**	**12.7**	**67.9**	**73.0**
Financial income and expenses	-5.8	-2.0	-19.8	-6.0
PROFIT BEFORE TAXES	**8.4**	**10.7**	**48.2**	**67.0**
Income taxes	3.6	7.8	-5.7	4.7
PROFIT FOR THE PERIOD	**12.1**	**18.6**	**42.5**	**71.7**
Net profit for the period attributable to:				
Owners of the parent	12.1	18.6	42.4	71.7
Non-controlling interest	0.0	-0.1	0.0	0.0
TOTAL	**12.1**	**18.5**	**42.5**	**71.7**
Earnings per share, basic and diluted, EUR	**0.12**	**0.19**	**0.42**	**0.72**

STATEMENT OF OTHER COMPREHENSIVE INCOME

	1 October- 31 December		1 January - 31 December	
EUR million	**2013**	**2012**	**2013**	**2012**
PROFIT FOR THE PERIOD	**12.1**	**18.5**	**42.5**	**71.7**
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	-0.7	1.5	-1.5	-0.9
Income tax relating to items that will not be reclassified	-0.2	0.1	0.1	0.1
Other restatements	-	-0.4	-	0.0
Total	**-0.9**	**1.2**	**-1.3**	**-0.8**
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges	0.1	0.3	-0.1	0.3
Exchange rate differences	0.5	-1.0	-2.0	4.7
Income tax relating to items that may be reclassified	0.0	0.0	0.0	0.0
Total	**0.6**	**-0.8**	**-2.1**	**5.0**
Total comprehensive income	**11.7**	**19.0**	**39.0**	**75.9**
Comprehensive income for the period attributable to:				
Owners of the parent	11.7	19.0	39.0	75.9
Non-controlling interest	0.0	0.0	0.0	0.0
Total	**11.7**	**19.0**	**39.0**	**75.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31 December 2013	31 December 2012	1 January 2012
ASSETS		restated	restated
Non-current assets			
Intangible assets	5.6	7.2	8.4
Property, plant and equipment	173.3	185.0	195.0
Long-term investments	0.0	0.0	0.0
Deferred tax assets	26.2	25.2	19.1
Interest-bearing receivables	4.2	3.8	4.2
Defined benefit assets	1.1	2.1	0.4
Total non-current assets	**210.6**	**223.2**	**227.2**
Current assets			
Inventories	93.2	102.0	106.3
Other current receivables *)	118.3	110.4	129.6
Assets for current tax	9.5	6.4	5.8
Cash and cash equivalents	99.4	215.7	161.3
Total current assets	**320.4**	**434.6**	**403.0**
TOTAL ASSETS	**531.0**	**657.8**	**630.2**
EQUITY AND LIABILITIES			
Equity			
Share capital	2.8	2.8	2.8
Share premium	43.7	43.7	43.7
Fair value reserve	0.1	0.3	0.0
Reserve for invested unrestricted equity	347.1	585.2	585.2
Exchange differences	-11.2	-9.3	-14.3
Retained earnings	-338.4	-379.1	-449.8
Total equity attributable to owners of the parent	44.2	243.6	167.7
Non-controlling interests	0.1	0.2	0.2
Total equity	**44.4**	**243.7**	**167.9**
Non-current liabilities			
Deferred tax liabilities	5.8	8.1	7.8
Defined benefit obligations	31.0	30.2	28.6
Provisions	8.1	9.8	25.4
Interest-bearing liabilities	241.5	148.5	168.1
Total non-current liabilities	**286.5**	**196.7**	**229.8**
Current liabilities			
Interest-bearing liabilities	0.0	24.3	26.0
Provisions	3.7	4.4	6.9
Other current liabilities	188.3	184.3	195.1
Liabilities for current tax	8.1	4.4	4.4
Total current liabilities	**200.1**	**217.4**	**232.4**
TOTAL EQUITY AND LIABILITIES	**531.0**	**657.8**	**630.2**

*) Other current receivables include assets held for sale of EUR 0.0 million consisting of Sanitec's remaining share in a former subsidiary (Ifö Sanitär Eesti AS). Sanitec has a binding agreement to sell the remaining holding in the company. The remaining share ownership has no material value.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium	Fair value reserve	Reserve for invested unrestric-ted equity	Exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2012	**2.8**	**43.7**	**-**	**585.2**	**-14.3**	**-449.7**	**167.7**	**0.2**	**167.9**
Total other comprehensive income			0.3		5.0	-1.2	4.1	0.0	4.2
Profit for the period						71.7	71.7	0.0	71.7
Total comprehensive income			**0.3**		**5.0**	**70.5**	**75.9**	**0.1**	**75.9**
Change in non-controlling interest						0.1	0.1	-0.1	0.0
Equity at 31 December 2012	**2.8**	**43.7**	**0.3**	**585.2**	**-9.3**	**-379.1**	**243.6**	**0.2**	**243.7**
Total other comprehensive income			-0.1		-2.0	-1.3	-3.5	0.0	-3.4
Profit for the period						42.4	42.4	0.0	42.5
Total comprehensive income			**-0.1**		**-2.0**	**41.1**	**39.0**	**0.0**	**39.0**
Change in non-controlling interest						0.0	0.0	0.0	0.0
Reclassification				0.3	0.1	-0.3	0.0		0.0
Refund of capital from reserve for invested unrestricted equity				-238.3			-238.3	-0.1	-238.4
Equity at 31 December 2013	**2.8**	**43.7**	**0.1**	**347.1**	**-11.2**	**-338.4**	**44.2**	**0.1**	**44.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

	1 October - 31 December		1 January - 31 December	
EUR million	**2013**	**2012**	**2013**	**2012**
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before income taxes	8.5	10.7	48.2	67.0
Adjustments:				
Depreciation, amortisation and impairment losses	4.9	7.2	28.9	29.7
Unrealised foreign exchange gains and losses	1.2	0.6	3.6	-2.1
Other non-cash income and expenses	8.0	-0.8	1.0	-1.0
Financial income and expenses	4.6	1.4	16.2	8.1
Cash flow before working capital changes	**27.3**	**19.1**	**97.7**	**101.7**
Change in the working capital:				
Change in non-interest-bearing receivables	20.1	33.9	-9.7	20.1
Change in inventories	-2.9	-0.9	6.3	6.4
Change in non-interest-bearing liabilities	2.0	-12.6	2.4	-19.0
Cash flow from change in working capital	**19.2**	**20.4**	**-1.0**	**7.5**
Interest expenses paid and other financial items paid (-) / received (+)	-6.0	-1.5	-16.2	-10.0
Interest income received	0.9	0.2	2.9	2.4
Income taxes paid (-) / received (+)	-3.1	-9.7	-8.8	-13.8
CASH FLOW FROM OPERATING ACTIVITIES	**38.3**	**28.4**	**74.7**	**87.9**
CASH FLOW FROM INVESTING ACTIVITIES:				
Investments in intangible assets and property, plant and equipment	-6.9	-4.6	-19.0	-13.0
Investments in subsidiaries	0.0	0.0	0.0	0.0
Proceeds from disposal of intangible assets and property, plant and equipment	-0.5	0.8	0.0	1.1
Proceeds from disposal of subsidiaries	0.0	0.5	0.0	0.5
CASH FLOW FROM INVESTING ACTIVITIES	**-7.4**	**-3.4**	**-18.9**	**-11.4**
CASH FLOW FROM FINANCING ACTIVITIES:				
Refund of capital from reserve for invested unrestricted equity	-	-	-238.3	-
Increase (-) / decrease (+) in interest-bearing receivables	-0.9	-0.1	-1.1	0.0
Draw down (+) / repayment (-) of current interest-bearing liabilities	0.0	1.1	-24.2	1.1
Draw down (+) of non-current interest-bearing liabilities	-0.6	0.1	240.4	0.0
Repayment (-) of non-current interest-bearing liabilities	0.1	-6.9	-148.4	-22.8
CASH FLOW FROM FINANCING ACTIVITIES	**-1.4**	**-5.8**	**-171.6**	**-21.8**
CHANGE IN CASH AND CASH EQUIVALENTS	**29.5**	**19.1**	**-115.8**	**54.7**
Cash and cash equivalents at the beginning of the period	69.8	195.9	215.7	161.3
Effect of exchange rate differences on cash and cash equivalents	0.1	0.7	-0.5	-0.3
Change in cash and cash equivalents	29.5	19.1	-115.8	54.7
Cash and cash equivalents at the end of the period	99.4	215.7	99.4	215.7

Condensed notes to the financial statements

General information

Sanitec Corporation and its subsidiaries form a multinational group ("Sanitec" or the "Group") engaged in designing, manufacturing and marketing of bathroom ceramics, bath and shower products and bathroom furniture. The Group's production plants are located in Europe and the sales and marketing network extends globally.

Sanitec Corporation is a public limited company and it is domiciled in Helsinki, Finland. The address of Group Head Office is Kaupintie 2, 00440 Helsinki, Finland.

This financial statements release is unaudited. Financial statements for 2013 are audited.

Accounting policies

The consolidated financial statements of Sanitec Group are prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the IFRS Interpretations Committee (SIC and IFRIC). International Financial Reporting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Limited Liability Companies' Act. These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Reporting as approved by the European Union. They do not include all the information required for full annual financial statements.

The presentation of consolidated financial statements is in millions of euro. As a result of rounding differences, the figures presented in the tables may not add up to the total.

New accounting principles

Material accounting policies and valuation principles are those of the consolidated financial statements for the financial year ended 31 December 2012, save for the new IFRS accounting policies applied since 1 January 2013 as described in the following.

Sanitec applies the Revised IAS 1 Presentation of Financial Statements in which items of other comprehensive income that will not be reclassified to profit or loss and items that may be subsequently reclassified to profit or loss are shown separately. Sanitec also applies the amended IAS 19 Employee Benefits standard. The standard includes the discontinuation of the corridor method for recognising defined benefit plans and a changed actuarial method for calculating the return on plan assets. The comparative information has been restated to reflect the impact of the amended IAS 19 standard, but the impact from the restatement was not significant, mainly due to the fact that Sanitec has not applied the corridor method previously and most of the defined benefit plans do not include plan assets. The amendment of IAS19 has only affected reclassification between items presented in the statement of financial position.

Sanitec Group will apply the following new, revised or amended standards and interpretations as from 1 January 2014:

- IFRS 10 Consolidated Financial Statements. The new standard is effective in the European Union for financial years beginning on or after 1 January, 2014. The standard revises and clarifies definition of control. The new standard has not material effect on Sanitec.
- IFRS 12 Disclosure of Interests in Other Entities. The new standard is effective in the European Union for financial years beginning on or after 1 January, 2014. The standard increases disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and structured entities that are not controlled by the entity. The new standard increases the disclosure information in consolidated financial statements of Sanitec.
- Amendment to IAS 32 Financial Instruments: Presentation. The amended standard is effective for financial years beginning on or after 1 January, 2014. Amendments clarify some of the requirements for offsetting financial assets and financial liabilities in the statement of financial position. The amended standard has no material effect on Sanitec.
- Amendment to IAS 36 Impairment of Assets. The amendment is effective for financial years beginning on or after January 1, 2014. The amendment clarifies the disclosure requirements in respect of the recoverable amout based on fair value less costs of disposal. The amended standard has no material effect on Sanitec.
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement. The amendment is effective for financial years beginning on or after 1 January, 2014. The amendment provides an exception to the requirement to discontinue hedge accounting in certain circumstances in which there is a change in the counterparty to a hedging instrument in order to achieve clearing for that instrument. The amended standard has no material effect on Sanitec.
- IFRIC 21 Levies. The new interpretation is effective for financial years beginning on or after 1 January, 2014. The interpretation is applicable to all levies other than outflows that are in scope of other standards and fines or other penalties for breaches of legislation. The interpretation clarifies the recognition of levies in the statement of financial position. The application of the new interpretation does not change the recognition of levies in Sanitec.
- Other new, revised or amended standards or interpretations have no effect or no material effect on Sanitec's consolidated financial statements.

Intangible assets and property, plant and equipment

	31 December	31 December
EUR million	**2013**	**2012**
Intangible assets		
Carrying amount on 1 January	7.2	8.4
Changes in exchange rates	0.0	0.3
Additions	1.1	0.5
Amortisation and impairment	-2.8	-2.2
Disposals and reclassifications	0.2	0.1
Carrying amount at the end of the period	**5.6**	**7.2**

	31 December	31 December
EUR million	**2013**	**2012**
Property, plant and equipment		
Carrying amount on 1 January	185.0	195.0
Changes in exchange rates	-3.6	5.3
Additions	18.2	12.6
Depreciation and impairment	-26.0	-27.5
Disposals and reclassifications	-0.2	-0.4
Carrying amount at the end of the period	**173.3**	**185.0**

Gross capital expenditure

	1 January - 31 December	1 January - 31 December
EUR million	**2013**	**2012**
Intangible and tangible assets	19.3	13.1
Total	**19.3**	**13.1**

Items affecting comparability

	1 October - 31 December		1 January - 31 December	
EUR million	**2013**	**2012**	**2013**	**2012**
Other non-recurring costs	-2.0	0.3	-2.9	-
Divested businesses	-0.3	-0.9	-0.6	-1.1
Restructuring costs	-1.3	-3.0	-8.8	-3.1
EC fine and related legal fees	-0.1	-0.6	5.8	-0.7
Total	**-3.7**	**-4.1**	**-6.5**	**-4.9**

Sanitec includes in items affecting comparability mainly items arising from restructuring, structural changes, such as losses and gains on divestments of businesses, costs for executive management dismissals, costs related to the EU cartel fine as well as other costs considered to be non-recurring, such as costs for listing on NASDAQ OMX Stockholm.

Items affecting comparability include in January - December 2013 impairment losses and reversals of impairment losses of property, plant and equipment and intangible assets totalling to EUR -0.5 million. The corresponding amount in the fourth quarter of 2013 was EUR +2.0 million.

Interest-bearing liabilities

EUR million	31 December 2013	31 December 2012
Non-current interest-bearing liabilities		
Senior secured floating rate notes	241.5	-
Related party loans	-	148.4
Other interest-bearing liabilities	0.0	0.1
Total	**241.5**	**148.5**
Current interest-bearing liabilities		
Loans from financial institutions	-	24.3
Other interest-bearing liabilities	0.0	0.0
Total	**0.0**	**24.3**
Total interest-bearing liabilities	**241.6**	**172.8**

Senior secured floating rate notes, with nominal value of EUR 250 million and maturity date in May 2018, were issued in May 2013. The notes bear an interest margin of 4.75% over 3-month euribor. Their carrying amount in the statement of financial position has been adjusted with the transaction costs related to the issuance of the notes. The costs are amortised over the loan period with effective interest rate method. The floating rate notes are listed in the Luxembourg Stock Exchange and traded on the Euro MTF Market.

Related party loans, taken from Sanitec Corporation's parent company Sofia IV S.à r.l. (parent company before listing in December 2013), were prepaid in connection with the refinancing in May 2013. The refinancing also led to the prepayment of all of the senior facility loans and cancellation of the EUR 50 million revolving facility agreement of Sofia III S.à r.l., which is the parent company of Sofia IV S.à r.l.. The senior facility agreement and revolving credit facility agreement were contractually tied to the related party loans imposing certain restrictions to Sanitec Group, including but not limited to, financial covenants. Following the prepayment and cancellation of the loans of Sofia III those contractual ties and restrictions no longer exist, and similarly also there is no longer access by Sanitec Group to that revolving credit facility.

In connection with the refinancing in May 2013 a new committed super senior revolving credit facility agreement of EUR 50 million, with maturity date in January 2018, was concluded by Sanitec. This facility was undrawn as of 31 December 2013. The facility includes a financial covenant on maximum leverage.

At the end of 2013, other interest-bearing liabilities consisted of minor local loans. Previously the loans from financial institutions included the loans taken by the Ukrainian subsidiary PJSC Slavuta Plant "Budfarfor". These loans were prepaid during the third quarter of 2013. These Ukrainian loans were classified as current liabilities at year end 2012 as some financial covenants of those loans were not met and the waiver on the covenant breaches was received only in the second quarter of 2013. An overdraft facility of EUR 0.5 million of PJSC Slavuta Plant "Budfarfor" was terminated during the fourth quarter of 2013.

Fair and nominal values of derivative instruments

Sanitec Group commenced in the first quarter of 2012 hedging of major net operating cash flow positions denominated in foreign currencies other than local home currencies. The instruments used in hedging are currency forward contracts and swaps. Sanitec applies hedge accounting for its cash flow and fair value hedges.

The fair values of derivatives are determined by using market prices and generally available valuation models. The data and assumptions used in valuation models are based on verifiable market prices.

All foreign currency derivatives are categorised on level 2 when using fair value hierarchy.

In the Group the applied principle is that transfers between levels of fair value hierarchy are recognised on the date on which the event triggering the transfer has occurred.

No transfers between levels occurred during the reporting period.

EUR million	31 December 2013	31 December 2012
Positive		
Currency forward contracts and currency swaps		
Fair value	0.6	0.4
Nominal value	33.2	41.8
Negative		
Currency forward contracts and currency swaps		
Fair value	-0.3	-0.1
Nominal value	27.6	17.5

Related party information

Related parties of Sanitec Group include the parent, Sanitec Corporation, and all Sanitec group companies, the members of the Board of Directors of Sanitec Corporation, their close members of family as well as their controlled entities, members of the Top Management Team and their close members of family as well as their controlled entities, and shareholders having significant influence over Sanitec through ownership. Sofia IV S.à r.l., which was the parent of the Group before Sanitec's listing to NASDAQ OMX Stockholm, still owns 40% of the shares and votes in Sanitec and is thus considered to be a related party to Sanitec.

Sanitec prepaid the related party loans amounting to EUR 148.4 million to the former parent, Sofia IV S.à r.l., in the second quarter of 2013. The loans were paid in full. Interest paid in cash in January - December amounted to EUR 1.9 million (6.2), excluding withholding taxes.

On 31 December 2013, the Group had EUR 0.1 million receivables from related parties.

Market prices have been used in transactions with related parties.

Information regarding members of the Board of Directors and Top Management Team is included in the consolidated financial statements of Sanitec.

Commitments and contingent liabilities

The Group had the following commitments and contingent liabilities:

EUR million	31 December 2013	31 December 2012
Operating lease commitments		
Within one year	12.4	13.6
Between one and five years	22.1	26.2
After five years	16.6	1.5
Total operating lease commitments	**51.1**	**41.4**
Guarantees, mortgages, and pledged assets		
Mortgages		
On behalf of own commitments	0.0	0.0
Carrying amount of pledged assets		
On behalf of own commitments	5.5	6.0
Total	5.6	6.1
Guarantees and other commitments		
Other commitments		
On behalf of own commitments	2.6	3.0
Guarantees		
On behalf of own commitments	0.3	2.6
On behalf of others	0.1	0.1
Total	3.0	5.7
Total guarantees, mortgages, and pledged assets[1)]	**8.6**	**11.8**

[1)] This table does not include the value of guarantees, mortgages, liens on chattel and pledged assets that secure loans. The nominal value of all collateral granted by the Group exceeds the combined carrying amount of the loans for which they have been given as a security.

In connection with the refinancing which took place in May 2013, the main pledges, mortgages and guarantees of the Group were replaced and renewed. Prior to the refinancing substantially all of the assets of the Group were pledged on behalf of the loans taken by Sanitec's former indirect parent Sofia III S.à r.l.. Following the refinancing similar securities have now been given on own behalf to secure the issued EUR 250 million senior secured floating rate notes and the new EUR 50 million undrawn super senior revolving credit facility.

First ranking guarantees and security pledge over the assets of Sanitec Corporation and certain of the Group subsidiaries have been granted as collateral for the senior secured floating rate notes and the super senior revolving credit facility. As of 31 December 2013 the majority of Sanitec Group's property, plant and equipment, major brands, shares in key subsidiaries, receivables, inventory and bank accounts are pledged. The pledge includes also real estate mortgages of Sanitec Kolo Sp.z o.o (Poland), Sanitec Europe Oy (Finland), Ifö Sanitär Aktiebolag (Sweden) and PJSC Slavuta Plant "Budfarfor" (Ukraine) for their real estates. The nominal value of all collateral granted by the Group exceeds the combined carrying amount of the loans for which they have been given as a security.

During the third quarter of 2013, the loans from financial institutions taken by PJSC Slavuta Plant "Budfarfor", a Ukrainian subsidiary of Sanitec, were prepaid. In connection with the prepayments the related collaterals were released. The collateral securing the loans prepaid by PJSC Slavuta Plant "Budfarfor" consisted of certain assets of PJSC Slavuta Plant "Budfarfor", including real estate mortgages. In addition, PJSC Slavuta Plant "Budfarfor's" parent Slavuta Holding LLC had guaranteed the local credit facility and pledged the shares of PJSC Slavuta Plant "Budfarfor". Following the refinancing similar securities have been given during the fourth quarter of 2013 on behalf of Sanitec Group to secure the issued EUR 250 million senior secured floating rate notes and the super senior revolving credit facility. An EUR 0.5 million Ukrainian overdraft facility was terminated by Sanitec during the fourth quarter of 2013. The related inventory pledge with value of EUR 0.7 million was released in connection with the termination of the facility. Total secured loans of PJSC Slavuta Plant "Budfarfor" amounted to EUR 24.1 million at the end of 2012.

As of 31 December 2013, the Group has in addition some other commitments including a contractual commitment in Ukraine totaling to EUR 2.6 million for acquisition of property, plant and equipment relating to leased assets.

Significant legal and regulatory proceedings

The European Commission announced in June 2010 its decision to impose a fine of EUR 57.7 million on Sanitec for the alleged participation, between the years 1994 and 2004, in a price fixing cartel and anticompetitive practices by 17 European bathroom fittings and fixtures manufacturers. The company appealed the decision to the General Court of European Union in Luxembourg in 2010 who issued its decision on the appeal in September 2013, in which the court partially annulled the Commission's decision in respect of findings regarding France and Italy and reduced the fine by EUR 7.1 million. The reimbursed amount was paid to Sanitec at the end of October 2013. In the beginning of December 2013, Sanitec was notified that the Commission has appealed against the judgment of the General Court. In case the Commission is successful with its appeal, Sanitec may be obligated to repay the EUR 7.1 million amount received in October 2013. Sanitec has filed its defence with the Court of Justice of the European Union in the beginning of February 2014 together with a cross appeal.

Claims brought by former PCT employees

84 cases initiated in 2011 by former employees of Produit Ceramiques de Touraine S.A. ("PCT") disputing their termination compensation were ruled against Sanitec by the French labor court of first instance in December 2013. According to the decisions, additional compensation of approximately EUR 6.5 million in total is then to be paid to the former employees. No immediate payment was ordered and PCT has filed appeals against all 84 individual decisions at the year end 2013. No provision is recorded in the consolidated accounts as the evidence available to the company does not support any material change in its original view. The risk of further negative outcome cannot however be excluded.

Tax proceedings

Sanitec is subject to local tax audits, re-assessment and related proceedings and litigations from time to time.

Board of Directors' Proposal on the Distribution of Funds

The distributable funds of Sanitec Corporation, the parent of Sanitec Group, total to EUR 374,024,004.24, of which the profit for the review period is EUR 71,053,369.95. The funds available for dividend distribution are EUR 26,907,519.53, and the funds available for refund of capital are EUR 347,116,484.71.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed from the result for the year nor from retained earnings, and that EUR 22,000,000, i.e. EUR 0.22 per share, is paid as refund of capital from the reserve for invested unrestricted equity. EUR 352,024,004.24 will be left in distributable funds.

Supplementary information

Key figures for the Group

EUR million	2013	2012	2011
Net sales	701.8	752.8	770.8
Operating profit	67.9	73.0	67.1
Items affecting comparability	-6.5	-4.9	-8.9
Operating profit, adjusted	74.4	77.9	75.9
Operating margin, %, adjusted	10.6	10.4	9.9
EBITDA, adjusted	102.7	107.7	105.6
EBITDA margin, %, adjusted	14.6	14.3	13.7
Profit before taxes	48.2	67.0	51.2
Profit for the period	42.5	71.7	47.7
Cash flow from operating activities	74.7	87.9	54.5
Net debt	150.6	-42.9	32.7
Net debt / EBITDA, adjusted	1.5	-0.4	0.3
Equity ratio, %	8.4	37.1	26.6
Net gearing, %	339.7	-17.6	19.5
Return on capital employed (ROCE), %, rolling 12 months	19.4	19.3	19.3
Return on equity, %, rolling 12 months	35.7	34.5	29.3
Cash conversion, %	82	88	78
Average number of employees	6,516	7,004	7,391

Key figures per share

Sanitec's share was listed in NASDAQ OMX Stockholm on 10 December 2013. Shares are quoted in SEK.

EUR million	2013	2012	2011
Number of shares, end of period, share issue adjusted	100,000,000	100,000,000	100,000,000
Number of shares, average, share issue adjusted	100,000,000	100,000,000	100,000,000
Share price, end of period, SEK	67.50	-	-
Share price, end of period, EUR [1]	7.62	-	-
Share price, year high, SEK	67.50	-	-
Share price, year high, EUR [1]	7.62	-	-
Share price, year low, SEK	62.00	-	-
Share price, year low, EUR [1]	7.00	-	-
Share price, volume-weighted average, SEK	64.10	-	-
Share price, volume-weighted average, EUR [2]	7.41	-	-
Market capitalisation, SEK million	6,750.0	-	-
Market capitalisation, EUR million [1]	761.9	-	-
Number of shares traded during the period, million shares	19.7	-	-
Share turnover, (%)	19.7	-	-
Earnings per share (EPS), basic and diluted, EUR	0.42	0.72	0.48
Earnings per share (EPS), basic and diluted, SEK [1]	3.76	6.15	4.25
Equity attributable to owners of the parent per share, EUR	0.44	2.44	1.68
Dividend / distribution per share, EUR [3]	0.22	2.38	-
Dividend / distribution payout ratio, %	51.8	332.3	-
Dividend / distribution yield, %	2.9	-	-
Price / earnings per share (P/E) [1]	17.9	-	-
Price / equity per share [1]	17.2	-	-
EUR / SEK closing rate for the period	8.8591	8.5820	8.9120
EUR / SEK average rate for the period	8.6515	8.7041	9.0298

[1] Converted to EUR or SEK with closing rate of the period.

[2] Converted to EUR with average rate of the period.

[3] 2013 distribution is a refund of capital and it is the proposal of the Board of Directors. 2012 distribution was a refund of capital from reserve for invested unrestricted equity paid in May 2013.

Net sales, quarterly

	2013				2012			
EUR million	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales by product area								
Bathroom Ceramics	125.8	133.9	139.0	133.4	125.9	137.2	144.7	148.6
Ceramics Complementary Products	41.7	41.5	43.2	43.3	41.9	49.3	51.6	53.6
Total	**167.5**	**175.4**	**182.2**	**176.8**	**167.8**	**186.5**	**196.2**	**202.2**

Product area information has been restated as Sanitec has redefined the classification of certain products.

	2013				2012			
EUR million	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales by region								
Central Europe	50.6	57.2	54.2	55.9	49.4	54.8	54.2	56.8
North Europe	43.3	39.8	50.4	44.9	45.1	42.2	48.3	50.6
East Europe	27.9	31.3	28.1	26.5	29.5	36.0	31.7	31.5
South Europe	25.4	27.8	32.2	32.3	26.7	34.2	41.6	42.8
United Kingdom & Ireland	13.8	13.2	11.9	12.8	12.1	13.5	13.7	15.1
Rest of the World	6.5	6.1	5.4	4.4	5.1	5.9	6.5	5.4
Total	**167.5**	**175.4**	**182.2**	**176.8**	**167.8**	**186.5**	**196.2**	**202.2**

Main countries included in the Sanitec regions: Central Europe - Germany, Belgium, the Netherlands; North Europe - Sweden, Denmark, Finland, Norway; East Europe - Poland, Russia, Ukraine; South Europe - France, Italy

Operating profit, quarterly

	2013				2012			
EUR million	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Operating profit	14.2	20.5	19.7	13.5	12.7	16.2	23.0	21.1
Operating profit margin, %	8.5	11.7	10.8	7.7	7.6	8.7	11.7	10.4
Operating profit, adjusted	17.9	21.3	20.1	15.1	16.9	16.6	21.9	22.6
Operating profit margin, adjusted, %	10.7	12.1	11.0	8.5	10.0	8.9	11.1	11.2

Exchange rates, quarterly

	2013				2012			
Closing	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
EUR/NOK	8.3630	8.1140	7.8845	7.5120	7.3483	7.3695	7.5330	7.6040
EUR/PLN	4.1543	4.2288	4.3376	4.1804	4.0740	4.1038	4.2488	4.1522
EUR/GBP	0.8337	0.8361	0.8572	0.8456	0.8161	0.7981	0.8068	0.8339
EUR/SEK	8.8591	8.6575	8.7773	8.3553	8.5820	8.4498	8.7728	8.8455

Average	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
EUR/NOK	7.8067	7.6624	7.5209	7.4290	7.4751	7.5113	7.5729	7.5868
EUR/PLN	4.1975	4.2016	4.1772	4.1558	4.1847	4.2089	4.2459	4.2329
EUR/GBP	0.8493	0.8521	0.8508	0.8511	0.8109	0.8120	0.8225	0.8345
EUR/SEK	8.6515	8.5825	8.5312	8.4965	8.7041	8.7311	8.8824	8.8529

Largest shareholders 31 December 2013

	Shareholder	Ownership registration in	Registration type	Number of shares	% of shares and votes
1	Sofia IV S.A R.L.	Finland	DIR	40,000,000	40.00%
2	Zeres Public Market Fund	Sweden	NOM	5,000,000	5.00%
3	UBS AG LDN Branch A/C Client, IPB	Sweden	NOM	2,822,738	2.82%
4	Handelsbanken Fonder AB RE JPMEL	Sweden	NOM	2,340,714	2.34%
5	JPMORGAN CHASE N.A	Sweden	NOM	2,039,466	2.04%
6	Ilmarinen Mutual Pension Insurance Company	Finland	DIR	2,000,000	2.00%
7	BNYM SA NV /, W8IMY	Sweden	NOM	1,977,298	1.98%
8	JP MORGAN CHASE BK, W9	Sweden	NOM	1,897,979	1.90%
9	State Street Bank & Trust COM., Boston	Sweden	NOM	1,782,012	1.78%
10	MSIL IPB Client Account	Sweden	NOM	1,589,062	1.59%
11	DUB-Non-resident Domestic Rates	Sweden	NOM	1,459,222	1.46%
12	JPM CHASE NA	Sweden	NOM	1,262,792	1.26%
13	Fonden Zenit	Sweden	NOM	1,250,000	1.25%
14	JPM CHASE NA	Sweden	NOM	1,094,541	1.09%
15	Gamla Livförsäkringsaktiebolag	Sweden	NOM	1,032,000	1.03%
16	CBLDN-Kuwait Invesment Authority	Sweden	NOM	1,030,378	1.03%
17	Carnegie Sverige Select	Sweden	NOM	1,000,000	1.00%
18	BP2S LUX/Henderson HHF SICAV	Sweden	NOM	920,751	0.92%
19	Goldman Sachs International LTD, W8IMY	Sweden	NOM	908,231	0.91%
20	Morgan Stanley & CO INTL PLC, W-8BEN	Sweden	NOM	787,215	0.79%
21	Caceis Bank Luxembourt, CAIS BANK, W8IMY	Sweden	NOM	781,872	0.78%
22	Morgan Stanley and CO LLC, W9	Sweden	NOM	769,918	0.77%
23	Caceis Bank France	Sweden	NOM	751,784	0.75%
24	Credit Suisse Securities (USA)	Sweden	NOM	701,506	0.70%
25	JPM CHASE NA	Sweden	NOM	700,000	0.70%
	Total 25 largest shareholders			**75,899,479**	**75.90%**
	Other shareholders			**24,100,521**	**24.10%**
	Total (2,139 shareholders)			**100,000,000**	**100.00%**

The list of largest shareholders is a combination of shareholders owning the shares via Euroclear Finland or Euroclear Sweden. The shares can be owned directly (DIR) or via nominee (NOM).

Calculation of key figures and per share data

Key figure	Definition
Operating profit (EBIT)	Profit before interest and taxes
Operating profit (EBIT), adjusted	Profit before interest and taxes adjusted with items affecting comparability
EBITDA	Operating profit adjusted with depreciation, amortisation and impairment losses
EBITDA, adjusted	Operating profit adjusted with depreciation, amortisation and impairment losses and items affecting comparability
Items affecting comparability	Losses and gains on divestments of businesses, restructuring costs, costs for management dismissal, costs related to EU cartel fine, other costs considered to be non-recurring
Net debt	(Non-current interest bearing liabilities + current interest bearing liabilities at nominal value) - cash and cash equivalents
Net debt / EBITDA, adjusted	Net debt / EBITDA, adjusted, rolling 12 months
Equity ratio, %	Total equity / (total assets - advance payments received) x 100
Net gearing, %	Net debt (at nominal value) / total equity x 100
Financial expenses	Interest and other financial expenses from financial liabilities, including foreign currency differences from financial liabilities
Return on equity, %, rolling 12 months	(Profit for the period, rolling 12 months) / (Total equity, quarterly average) x 100
Return on capital employed (ROCE), %, rolling 12 months	(Profit before income taxes + financial expenses, rolling 12 months) / (Total equity + interest bearing liabilities, quarterly average) x 100
Cash conversion	(EBITDA, adjusted less paid investments in tangible and intangible assets) / EBITDA, adjusted
Earnings per share, EUR	Profit for the period / Weighted share issue adjusted average number of shares during the period
Market capitalisation	Number of shares at the end of period x share price at the end of period
Share turnover, %	Number of shares traded during the period / weighted average number of shares x 100
Equity attributable to owners of the parent per share	Equity attributable to owners of the parent at the end of period / adjusted number of shares at the end of period
Dividend / distribution per share	Dividends or other equity distribution paid / adjusted number of issued shares at the end of period
Dividend / distribution payout ratio ,%	(Dividend / distribution per share) / (earnings per share) x 100
Dividend / distribution yield, %	(Dividend / distribution per share) / (share price at the end of period) x 100
Price / earnings per share (P/E)	Share price at the end of period / earnings per share
Price / equity per share	Share price at the end of period / equity attributable to owners of the parent per share

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