

Press Information

Sustained high rate of growth

Hansgrohe AG presents its financial statements for 2007

Schiltach, May 28, 2008. “We are very satisfied with fiscal 2007” summed up Siegfried Gänßlen, Chairman of Hansgrohe AG’s Management Board (www.hansgrohe.com) last year’s business performance of the Schiltach-based bathroom and sanitary specialist. “Thanks to our customers, in 2007 we managed to maintain the previous year’s high growth rate and to achieve new record highs in all relevant key ratios in terms of sales, earnings and employment numbers.” Further enhancement of competitiveness enabled the bathroom fittings and shower manufacturer to gain additional market share in many parts of the world, including the domestic German market. At the same time, the past financial year marked a historical event in the Company’s history. For the first time since being established in 1901, bathroom fittings rather than showers accounted for the bulk of sales generated by the Hansgrohe Group, despite a sustained level of robust growth in both product segments. “As an acknowledged market leader in shower production”, says Hansgrohe’s CEO Siegfried Gänßlen, “we thus also advanced to the international Champions League of fittings manufacturers, to become one of their top players.”

Sales and earnings reach record highs

Despite the downturn in the global economy in the second half of 2007 in particular, the Hansgrohe Group’s total net sales rose by 16% year-on-year (adjusted for currency effects: 17 percent) to roughly Euro 661 million (2006: Euro 569 million). As a result, the Company was able to record double-digit revenue growth for the fourth year in succession.

Growth is being underpinned mainly by the sustained dynamic uptrend of foreign business. With a 20% year-on-year rise in sales beyond German borders, the foreign share climbed to 79 percent (2006: 76 percent). “In this context, the systematic extension of our international presence by establishing additional subsidiaries and the resultant intensive market coverage has paid off, as did our improved performance in international terms as a result of increased efficiency and productivity”, explained Siegfried Gänßlen.

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With yet another gain on the domestic market as well, the Hansgrohe Group managed to increase its net sales for the sixth year in succession. With a four percent year-on-year increase in revenues, the Hansgrohe Group will be able to extend its share even further in an overall shrinking domestic market.

The resurgence in sales and systematic continuation of the efficiency enhancement program “Plus 21” were important factors contributing to the increase in earnings before interest, taxes, depreciation and amortisation (EBITDA), to Euro 131 million (2006: Euro 110 million). This enabled the Company to partially offset the persistently high commodity prices and the dramatic increase in energy costs. As a result, the Company recorded a higher EBITDA margin of 19.8 percent (2006: 19.3 percent). At Euro 111 million, operating profit (EBIT) was likewise up on the previous year (2006: Euro 92 million).

Expansion of the German location

“These figures prove that profitable growth can be achieved even with most of production being concentrated in Germany”, emphasized Hansgrohe’s new CEO. Accordingly, he indicated that Hansgrohe AG would in future focus on quality products “Made in Germany” and continue to reinforce and extend its local production sites in Schiltach and Offenburg. As a result, record investments totaling more than Euro 40 million were planned for this year. He said that the bulk of the capital invested to this end would be deployed in Germany for, among other projects, the construction of a new fixtures factory in Offenburg scheduled to go into operation on October 4, 2008.

Connected with this is the intention to create additional jobs in Germany and abroad. Based on the good business performance, the Black Forest fittings and shower specialist had already further enlarged its workforce during the last fiscal year. The Hansgrohe Group employed a total workforce of 3,253 as at December 31, 2007 (2006: 3,094). The bulk of new jobs was once again accounted for by the German facilities. “The creation of 130 new jobs in Schiltach and Offenburg in the past fiscal year make Hansgrohe AG one of the top job creators among industrial companies in Germany”, reports Siegfried Gänßlen. The size of the total workforce has increased by 380 in Germany over the past five years – a gain of more than 22 percent. In particular, the systematic implementation of flexible working-time models in the German plants, ensuring high capacity

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utilization of the production facilities, enabled the Company to steadily increase its workforce in Germany.

Well prepared for future growth

Based on the successful performance in the previous years, Hansgrohe AG considers itself well equipped to continue on its profitable growth path in 2008 and to strengthen its own market position even further. “The Company is well poised to cope with future growth thanks to the foundations laid on both the production and logistics side during the last fiscal year. At the same time, we are going to systematically increase our presence in the growth markets. Moreover, in terms of product innovation we are better prepared than any other bathroom fixture and shower manufacturer to recognize and enhance fast-growing ecological awareness evidenced in many markets through resource-conserving products. Accordingly, we are very confident of our ability to further increase our sales and earnings in 2008 despite the downturn in the global economy.”



Hansgrohe AG further extends its German location. The sixth factory of the fittings and shower manufacturer in Germany is currently under construction in Offenburg.

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About Hansgrohe – the original from the Black Forest

In its 107-year history, Hansgrohe (www.hansgrohe.com), headquartered in Schiltach/Black Forest, has acquired the reputation within the sanitary industry as a leading innovator in technology and design. With its showers, fittings and shower systems, Hansgrohe creates the original products that make the bathroom more functional, more comfortable and more beautiful. In 2007, the Company generated sales of EUR 661 million with its Axor, Hansgrohe, Pharo and Pontos brands (2006: EUR 569 million) – a 16% gain year-on-year. The Company creates new jobs both in Germany and abroad on the back of this performance. The Hansgrohe Group currently has a global workforce of more than 3,200 employees, with two-thirds of them working in Germany. The Company, which takes tough action against product piracy and intellectual property theft, manufactures its products in five German plants – a sixth plant is under construction –, in France, the Netherlands, in the U.S. and in China.



With its innovative technologies Hansgrohe AG will be partner of the German Pavilion „wunderbar“ at the International Exhibition EXPO 2008 in Zaragoza which centres on the theme “water and sustainable development”. Let us show you the better usage of the resource water. Visit the German Pavilion from June 14 until September 14 or at www.hansgrohe.com/expo2008.

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