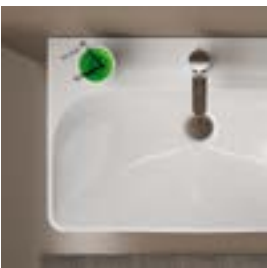
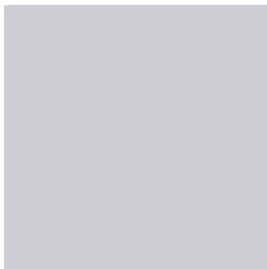


Sanitec Corporation Interim Report January - September 2014

"Organic growth with
improved profitability"



In June Sanitec's Twyford brand presented the new "Energy" collection to the UK market. The collection targets all sectors and includes space saving options, furniture as well as Sanitec's renowned Rimfree® toilet.



Sanitec
Home of the Bathroom

"Organic growth with improved profitability"

Interim Report January - September 2014

Third quarter 2014 in brief

- Net sales for the third quarter amounted to EUR 174.3 million (175.4). Comparable net sales for the third quarter were 2.1% higher than prior year¹⁾.
- Operating profit for the third quarter increased to EUR 23.3 million (20.5), 13.4% (11.7) of net sales.
- Profit for the period amounted to EUR 17.4 million (7.3).
- Earnings per share, basic and diluted, were EUR 0.17 (0.07).
- Cash flow from operating activities for the third quarter amounted to EUR 30.4 million (32.3).
- After the reporting period Geberit has announced a cash offer of SEK 97 per share to the shareholders of Sanitec.

January – September 2014 in brief

- Net sales for the period amounted to EUR 533.3 million (534.3). Comparable net sales for the period were 2.1% higher than prior year¹⁾.
- Operating profit for the period increased to EUR 62.6 million (53.7), 11.7% (10.1) of net sales.
- Profit for the period amounted to EUR 32.2 million (30.4).
- Earnings per share, basic and diluted, were EUR 0.32 (0.30).
- Cash flow from operating activities for the period amounted to EUR 43.5 million (36.4).

Key figures for the Group

EUR million	Q3			Q1-Q3			Rolling 12 months	
	2014	2013	Change %	2014	2013	Change %	2014	2013
Net sales	174.3	175.4	2.1 ¹⁾	533.3	534.3	2.1 ¹⁾	700.9	701.8
Operating profit	23.3	20.5	13.6	62.6	53.7	16.6	76.8	67.9
Operating margin, %	13.4	11.7		11.7	10.1		11.0	9.7
Items affecting comparability	—	-0.8		—	-2.8		-3.7	-6.5
Operating profit, adjusted	23.3	21.3	9.4	62.6	56.5	10.8	80.5	74.4
Operating margin, %, adjusted	13.4	12.1		11.7	10.6		11.5	10.6
EBITDA, adjusted	29.2	28.1	3.9	82.0	77.9	5.2	106.8	102.7
EBITDA margin, %, adjusted	16.8	16.0		15.4	14.6		15.2	14.6
Profit before taxes	21.0	12.0	75.0	38.5	39.7	-3.0	47.0	48.2
Profit for the period	17.4	7.3	137.9	32.2	30.4	5.9	44.2	42.5
Cash flow from operating activities	30.4	32.3	-5.6	43.5	36.4	19.7	81.8	74.7
Return on capital employed (ROCE), % rolling 12 months				28.2	19.9			19.4
Net debt				142.3	180.3			150.6
Net debt / EBITDA, adjusted				1.3	1.8			1.5
Earnings per share, EUR, basic	0.17	0.07		0.32	0.30			0.42
Earnings per share, EUR, diluted	0.17	0.07		0.32	0.30			0.42
Number of personnel, average				6,187	6,582			6,516

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

For definitions see page 18

Comments from President & CEO

Organic growth and strengthened margins

We can confirm, with great satisfaction, that Sanitec again showed organic growth in the third quarter. This was despite the fact that the general climate in the strategic German market was challenging during the quarter with downward revisions of key indicators, which also dampened activity in our market segment. On the other hand, three of our five regions reported highly positive results during the quarter with organic growth of 7% or higher. This demonstrates Sanitec's strong and broad presence throughout Europe and that we manage to balance our performance with the portfolio of countries and regions. Overall, organic growth at constant currency exchange rates was 2.1% for both the quarter and the first nine months of the year. This indicates that we are competing well with maintained or strengthened market shares in several of our key markets as well as our main product categories.

"One Sanitec"

We can impact our earnings to an even greater extent and our efforts with "One Sanitec" are progressing relentlessly and continue to have strong earnings potential. Operating profit increased 14% year-on-year and amounted to EUR 23.3 million. The operating margin of 13.4% for the quarter was 1.3 percentage points higher compared with the same quarter of the previous year. This was due to a better product mix, partly a result of new launches, as well as higher average selling prices. We also see continued efficiency in all functions and processes. This is a clear signal that we are increasingly utilising our strength by acting as a pan-European, integrated company – "One Sanitec".

Innovation and design

We are continuing to work within the "One Sanitec" framework regarding the coordination and launch of pan-European product lines. Some of this work has involved reducing the number of product lines by 25% to today's level of approximately 45 series, of which about 20 are pan-European. The aim is to reduce further by another 25% and to have a total offer of 35 product lines within a three-year period, with an even higher proportion of pan-European models. This will of course generate economies of scale and enable further efficiencies.

Favourable positioning

Sanitec holds a leading position in Europe with strong, well-established brands, a wide geographic spread and a modern, efficient and flexible production network. In combination, this means that we are well positioned to take advantage of the volume recovery when an increasing number of European economies recovering on a broader front.



Takeover offer from Geberit

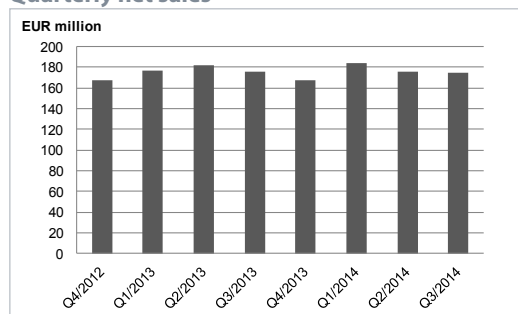
Finally, a few words about Swiss Geberit's public cash offer for all shares in Sanitec at a price of SEK 97, equal to an initial bid premium of more than 50%. The management considers the industrial logic of this compelling. With a unique complementary offering for inhouse water and sanitary management, Geberit and Sanitec will become an unrivalled European player, both in front of and behind the wall. Together, we will have a strong go-to-market organisation with leading brands for both business-to-business (B2B) and business-to-consumer (B2C), and a solid platform for continued expansion options, both geographically and product-wise.

Peter Nilsson
President & CEO

Net sales

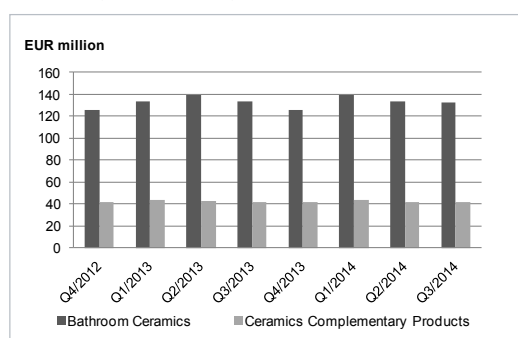
Net sales for the third quarter amounted to EUR 174.3 million (175.4). Comparable net sales calculated in constant currency for the quarter were 2.1% higher than previous year due to a positive development in three out of five regions. The impact of net foreign exchange rates in the quarter was EUR 4.8 million negative compared with previous year.

Quarterly net sales



Net sales for the first nine months of 2014 amounted to EUR 533.3 million (534.3). The impact for the period of net foreign exchange rates was EUR 12.1 million negative compared with prior year.

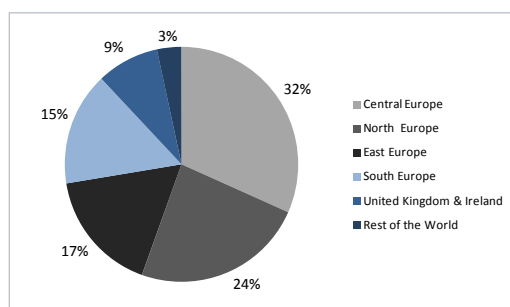
Quarterly net sales by product area



Net sales for Bathroom Ceramics in the third quarter grow organically by 2.2% to EUR 132.5 million (133.9), supported by a better product mix and increased average sales prices. Net sales for Bathroom Ceramics for the first nine months amounted to EUR 405.3 million (406.3), with an organic growth for the period of 2.3%. The renewal of the product assortment that started in 2012 has continued successfully with new product introductions – including the successful introduction of the prize-winning Rimfree® toilet in several more markets.

Net sales for Ceramics Complementary Products in the third quarter grow organically by 1.9% to EUR 41.8 million (41.5), due to positive development for furniture and prewall systems offset by still challenging market conditions for showers and baths in certain countries. Net sales for Ceramics Complementary Products for the first nine months amounted to EUR 128.0 million (128.0), with an organic growth for the period of 1.4%.

Quarterly net sales by region



Net sales for the Central Europe region for the third quarter amounted to EUR 55.3 million (57.2), due to a lower activity in the overall German economy during the quarter and signs of increased competition. Negative sales development was noted in the Netherlands after a very strong second quarter. The cumulative net sales for the first nine months for the Central Europe region amounted to EUR 167.3 million (167.3). The organic sales development for the period, calculated in constant currency, was flat compared with last year.

Net sales for the North Europe region in the third quarter increased to EUR 41.4 million (39.8), due to positive sales development in Sweden and Denmark, offset by challenging overall market conditions in Finland, implying an organic growth of 7.8%. Positive signs and a stabilisation were noted in Norway. The net sales for the North Europe region for the first nine months increased to EUR 135.3 million (135.0), organically a growth of 3.3%.

Net sales for the East Europe region in the third quarter amounted to EUR 29.5 million (31.4). Despite the intensified political instability in Ukraine, the region had an organic growth of over 8%, during the quarter due to an especially strong sales development in Russia but also in Ukraine. The net sales for the East Europe region for the first nine months amounted to EUR 82.5 million (85.9), with an organic growth of 7.7%.

During the third quarter, net sales for the South Europe region amounted to EUR 27.2 million (27.8), a decline of 2.1%. The decrease is explained by continued very weak market conditions in Italy and minor organic growth in France. Net sales for the South Europe region for the first nine months amounted to EUR 89.5 million (92.3), a decline with 3.1%.

In the United Kingdom & Ireland region the market continued to perform strongly due to high activity in the overall construction sector and growth in private housing starts. During the third quarter net sales showed organic growth of 6.8% versus previous year, and increased to EUR 15.0 million (13.2). The net sales for the United Kingdom & Ireland region for the first nine months increased to EUR 42.4 million (37.8), with an organic growth of 7.3%.

Sanitec -
Home of the
Bathroom



Operating profit

The third quarter operating profit increased to EUR 23.3 million compared with EUR 20.5 million in the previous year. Excluding items affecting comparability, operating profit was EUR 21.3 million in the previous year. The impact of net foreign exchange rates was EUR 0.6 million negative compared with the previous year.

Operating margin for the third quarter increased to 13.4% (11.7%), and excluding items affecting comparability 12.1% for the previous year. The increased margin was mainly driven by higher volume and favourable sales mix, but also supported by increased average sales prices. Furthermore, "One Sanitec" activities such as more efficient sourcing, lower costs due to previously implemented actions and well managed manufacturing efficiency supported the improved performance.

The operating profit for the first nine months increased to EUR 62.6 million (53.7). The operating margin for the period increased to 11.7% (10.1, excluding items affecting comparability 10.6). The impact in the period of net foreign exchange rates was EUR 1.6 million negative compared with prior year.

Profit for the period and earnings per share

The financial income and expenses for third quarter amounted to EUR -2.3 million (-8.5) of which EUR -1.1 million (-3.8) is interest expenses on borrowings. The decrease in interest expenses on borrowings versus previous year is due to the effects from the refinancing in June 2014. The remaining amount is mainly realised and unrealised currency differences related to financial items of EUR -1.0 million (-2.3) and other net financial expenses of EUR -0.3 million (-2.4) including amortisation of capitalised fees. Major part of the currency results in the quarter is related to changes in EUR versus RUB and UAH.

The financial income and expenses year to date amounted to EUR -24.1 million (-14.0), split by interest expenses on borrowings of EUR -7.1 million (-8.4), realised and unrealised currency changes of EUR -3.9 million (-2.4) and other net financial expenses of EUR

-13.0 million (-3.1) of which -10.6 million is refinancing transition costs.

Profit before taxes for the third quarter was EUR 21.0 million (12.0), reporting an index of 176% to previous year. The increase is related to higher operating profit and decreased financial expenses due to the refinancing. Year to date profit before taxes reported EUR 38.5 million (39.7).

Income taxes for the third quarter amounted to EUR -3.6 million (-4.7), which corresponds to an effective tax rate of 17.1% (39.2). The effective tax rate year to date is 16.6% (23.4) corresponding to income taxes for the period of EUR -6.4 million (-9.3).

Profit for the period for third quarter reported EUR 17.4 million (7.3) which means earnings per share, basic and diluted, of EUR 0.17 (0.07). Year to date end of September 2014 profit for the period amounted to EUR 32.2 million (30.4) corresponding to earnings per share, basic and diluted, of EUR 0.32 (0.30).

Cash flow

Cash flow from operating activities in the third quarter amounted to EUR 30.4 million which is a minor decrease to previous year which reported EUR 32.3 million. The development during the period is driven by improved profit, but less cash was generated from working capital as more capital was tied up in interest-free receivables and higher inventory level. Cash conversion ratio calculated on a 12 month rolling basis was 82% (84) at the end of the third quarter which means that it exceeds the long term financial target to be higher than 70%. First nine months of the year cash flow from operating activities amounted to EUR 43.5 million (36.4). The change in cash flow from operating activities during first nine months reflects the normal business trend which means that our business ties up cash during the first half of the year and releases cash during its second half.

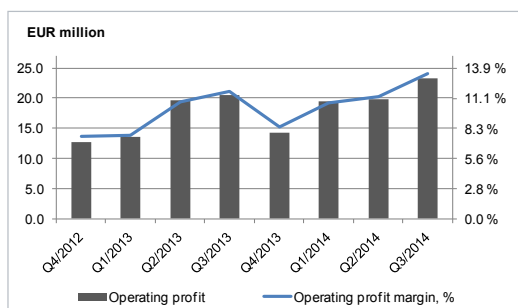
Cash flow from investing activities in the third quarter amounted to EUR -4.5 (-5.0) million, which is more



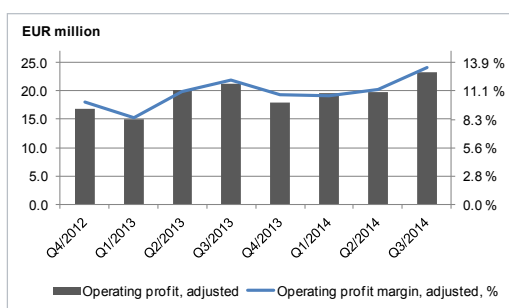
Sanitec holds a leading market position in Europe, with strong well-established brands.



Quarterly operating profit and operating profit margin



Quarterly operating profit and operating profit margin, adjusted

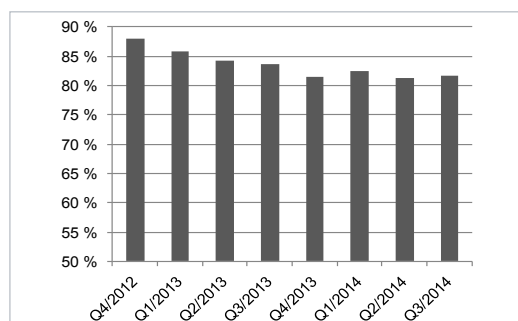


or less on the same level as in the previous year. Year to date the investing activities consumed EUR -13.0 million (-11.6). The investing activities are primarily related to customary maintenance investments of property, plant and equipment for ceramic production, upgrade of capacity for WC production as well as investments in the development of the product portfolio.

Cash flow from financing activities in the third quarter amounted to EUR -29.0 million (-22.5) for the period. Year to date the cash flow from financing activities summarised to EUR -73.9 million (-170.2). During the third quarter the major financing activities were related to the repayment of the drawn amount of the revolving credit facility and purchase of treasury shares.

Change in cash and cash equivalents including related effect of exchange rate differences amounted to EUR -3.3 million (5.1) for the third quarter, which decreases cash and cash equivalents by the same amount from EUR 59.0 million to EUR 55.7 million end of the quarter. The change in cash year to date records EUR -43.7 million (-145.9), which reduces cash with the same amount from the beginning of the year of 99.4 million to 55.7 million end of the period.

Quarterly cash conversion



Gross capital expenditure, depreciation, amortisation and impairment

Gross capital expenditure for the third quarter amounted to EUR 4.3 million (5.4) which corresponds to 2.5% (3.1) of net sales. The investments are mainly customary maintenance investments to maintain and improve the manufacturing and logistics footprint and ordinary upgrade of WC production capacity, both for the standard and the Rimfree® assortment. The gross capital expenditures also include investments in the development of the product portfolio and investments to support administrative processes.

Gross capital expenditure first nine months of 2014 amounted to EUR 13.1 million (10.9). The gross capital expenditures invested year to date has all been financed from cash flow from operations, which is in line with the previous years.

Depreciation, amortisation and impairment losses amounted in the third quarter to EUR -5.9 million (-9.4), which correspond to 3.4% (5.4) of net sales and for the period January to September it summarised to EUR -19.4 million (-24.0) or 3.6% (4.5) of net sales. The comparable amounts during the quarter and year to date 2013 were affected by EUR -2.5 million of impairment of assets reported as items affecting comparability.

Financial position and liquidity

Cash and cash equivalents amounted to EUR 55.7 million (69.8) at the end of the third quarter. In addition, Sanitec has a committed revolving credit facility of EUR 150.0 million, which was agreed as part of the refinancing executed in June 2014, of which EUR 77.0 million was unused at end of the quarter.

Sanitec entered into a EUR 275 million Multicurrency Term Loan and a Revolving Credit Facility (RCF) on 13 May 2014, of which the RCF amount to EUR 150 million. The new facility is provided by Danske Bank, DNB Bank and Nordea. The maturity of the Multicurrency Term Loan is five years and the RCF three years with extension option for one plus one year. The new facility agreement benefits from net leverage and interest cover financial maintenance covenants, in other respects, no real security provided for these loans.

The new financing structure reduces Sanitec's financial expenses, and creates more flexibility for handling of cash and liquidity. After implementation the new financing structure reduces financial expenses by up to EUR 10 million per year, ceteris paribus, of which major part is cash.

In September 2014 Sanitec concluded agreements to convert its revolving credit facility into ancillary overdraft facilities, which further enhances the cash management efficiency of Sanitec since mid October 2014.

Net debt, calculated from the nominal value of the loans, amounted to EUR 142.3 million (180.3) at the end of the third quarter which is a decrease of EUR 8.3 million (increase of 223.2) compared to beginning of the year. Leverage calculated as net debt to adjusted EBITDA recorded 1.3 (1.8) at the end of the quarter, which consolidates comfortable headroom to maximum leverage long-term financial target of 2.5.

Total equity at the end of the period amounted to EUR 41.1 million (32.7), which is 93% of equity at the end of the financial year 2013. As from beginning of the year a payment to the shareholders, made as a refund of capital from the reserve for invested unrestricted equity amounting to EUR 22.0 million, and other items have affected the equity year to date with EUR -13.5



Sanitec has a healthy geographic spread and a modern, efficient and flexible production network.

million, of which -3.7 during the third quarter. The main amount is related to unrealised exchange rate losses on internal loans in euro to our Ukrainian subsidiaries which have been reported as net investments in foreign operations and the exchange rate effect is thereby reported in other comprehensive income. In addition, re-measurements of defined benefit plans, change in non-controlling interests and acquisition of treasury shares have affected equity.

Research and development

Sanitec's innovation activities focus mainly on four areas: comfort and design, hygiene and easy clean, installation friendly and environmentally friendly. Sanitec's total research and development expenses for the third quarter amounted to EUR 3.1 million (3.2), 1.8% (1.8) of net sales. For January – September 2014 total research and development expenses were EUR 7.9 million (8.3), 1.6% (1.5) of net sales.

Personnel

The average number of employees was 6,187 (6,582) during the first three quarters of the year. The reduction was due to continued efficiency improvements in the manufacturing footprint, mainly related to the East Europe region, and additional effects from streamlining activities.

Shares, share price and share capital

On 17 July 2014, the Board of Directors of Sanitec Corporation resolved to implement a share repurchase programme, as authorised by the Annual General Meeting held in May 2014. The purpose of the programme was to ensure that the company is able to meet its obligations arising from Sanitec's share based incentive plan 2014 for its key employees and to deliver the shares to participants of the incentive plan, as approved by the Annual General Meeting 2014. The programme was implemented in accordance with the Commission Regulation (EC) No 2273/2003 of 22 December 2003.

Between 19-25 August 2014, Sanitec Corporation repurchased a total of 190,000 own shares for an aggregate price of EUR 1.6 million and an average price per share of SEK 79.50.

Sanitec Corporation's paid and registered share capital on 30 September 2014 was EUR 2.8 million and the number of issued and registered shares totalled 100,000,000, out of which 190,000 are treasury shares.

The company has one series of shares. Sanitec's share was listed on NASDAQ Stockholm, Mid Cap segment, on 10 December 2013. The share is traded in Swedish krona (SEK).

On 30 September 2014 the share price was SEK 66.75 (EUR 7.30) and the market capitalisation of the

company was EUR 728.4 million (SEK 6,662.3 million). During January – September 2014, approximately 82 million of the company's shares were traded, i.e. 82% of the average number of registered shares, excluding treasury shares.

The total number of shareholders on 30 September 2014 was 2,388 (2,139 on 31 December 2013). For further information, please visit www.sanitec.com.

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 the company's business and operations. 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.

Risks and business uncertainties

As a group operating on an international field and multiple jurisdictions, Sanitec is exposed to various risks and uncertainties, such as market, operational and legal risks and financial risks related to change in currency rates, interest rates, liquidity and funding capability. Risk management actions in Sanitec are focused on identifying, evaluating and reducing risks related to the Group's business and operating environment. Compared to what was reported in the Annual Report 2013, there has not been any material change in risks facing Sanitec Group, except for the current political development in Ukraine and Russia.

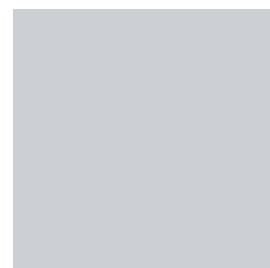
Events after the reporting period

Geberit AG has on 14 October announced a public tender offer to the shareholders of Sanitec to transfer all of their shares in Sanitec for a consideration of SEK 97 in cash per share. The total value of the offer amounts to SEK 9,700 million. The price of the offer represents a premium of 54.6% for the Sanitec share compared to the closing price the last trading day prior to the announcement (SEK 62.75).

The acceptance period for the offer is expected to run from and including 17 November 2014 to and including 22 December 2014. The offer is conditional upon, among other things, that it is accepted to the extent that Geberit becomes the owner to more than 90% of the total number of shares and votes in Sanitec and receipt of necessary regulatory approvals.

Helsinki, 24 October 2014

Board of Directors



Conference call for investors

An investor conference call in English will be held on 24 October 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

Financial Statements Release 2014:
18 February 2015

Annual Report 2014:
End of March 2015

Annual General Meeting 2015:
20 April 2015

Interim Report January – March 2015:
20 April 2015

Interim Report January – June 2015:
21 July 2015

Interim Report January – September 2015:
6 November 2015

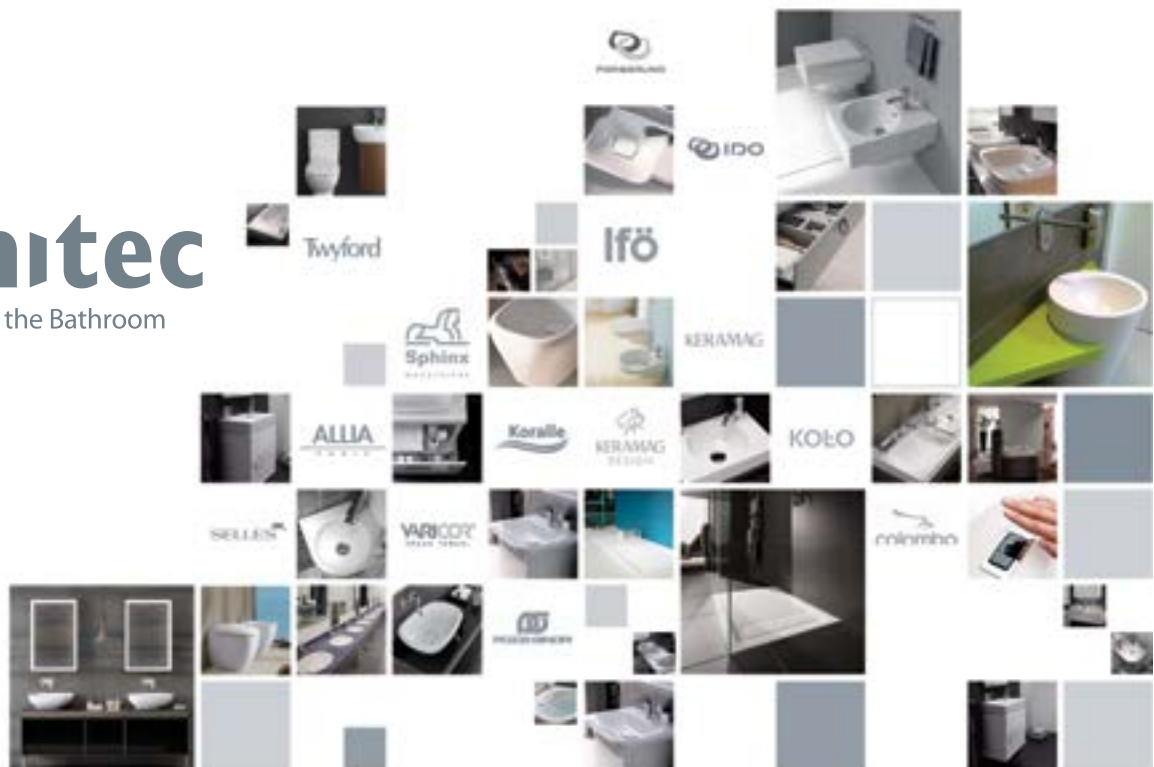
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Sanitec

Home of the Bathroom



About Sanitec – “Home of the Bathroom”

Sanitec is the leader in bathroom ceramics in Europe. We have a unique portfolio of some of the most well known brands with deep roots in the European fixtures markets, strategically positioned to address local markets. We care passionately about people's needs when it comes to complete bathroom concepts, providing products that stand for guaranteed quality, high level of innovation and attractive design. Stable relationships with key stakeholders in the value chain and our unique brand strengths foster our leading position as well as the loyalty and trust amongst our customers, our network of installers and the end users of our products.

Sanitec operates an integrated European group with an unparalleled local presence to provide the best value when it comes to bathroom products. In 2013 net sales amounted to EUR 702 million. Our production network includes 18 production facilities throughout Europe and currently Sanitec employs approximately 6,200 people. Our head office is located in Helsinki, Finland. The shares in Sanitec Corporation are traded on NASDAQ Stockholm under the symbol “SNTC”.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
NET SALES	174.3	175.4	533.3	534.3	701.8
Other operating income	1.0	9.7	2.6	11.8	11.7
Materials and services	-75.6	-82.4	-228.7	-238.6	-312.0
Employee benefits	-47.8	-50.5	-152.3	-155.2	-208.1
Production for own use	0.3	0.7	0.9	1.4	1.8
Other operating expenses	-23.1	-22.9	-73.8	-76.0	-98.5
Depreciation, amortisation and impairment losses	-5.9	-9.4	-19.4	-24.0	-28.9
OPERATING PROFIT	23.3	20.5	62.6	53.7	67.9
Financial income and expenses	-2.3	-8.5	-24.1	-14.0	-19.8
PROFIT BEFORE TAXES	21.0	12.0	38.5	39.7	48.2
Income taxes	-3.6	-4.7	-6.4	-9.3	-5.7
PROFIT FOR THE PERIOD	17.4	7.3	32.2	30.4	42.5
Profit for the period attributable to:					
Owners of the parent	17.4	7.3	32.2	30.4	42.4
Non-controlling interest	—	0.0	—	0.0	0.0
Total	17.4	7.3	32.2	30.4	42.5
Earnings per share, basic, EUR	0.17	0.07	0.32	0.30	0.42
Earnings per share, diluted, EUR	0.17	0.07	0.32	0.30	0.42

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
PROFIT FOR THE PERIOD	17.4	7.3	32.2	30.4	42.5
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	-3.6	-0.5	-4.6	-0.8	-1.5
Income tax relating to items that will not be reclassified	0.7	0.4	0.9	0.4	0.1
Total	-2.9	-0.1	-3.6	-0.4	-1.3
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	-0.1	0.3	-0.6	-0.2	-0.1
Exchange rate differences	0.7	3.4	-7.1	-2.5	-2.0
Income tax relating to items that may be reclassified	0.0	-0.1	0.1	0.0	0.0
Total	0.7	3.6	-7.6	-2.7	-2.1
Total comprehensive income	15.1	10.8	21.0	27.3	39.0
Comprehensive income for the period attributable to:					
Owners of the parent	15.1	10.8	21.0	27.3	39.0
Non-controlling interest	—	0.0	—	0.0	0.0
Total	15.1	10.8	21.0	27.3	39.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	30 September 2014	30 September 2013	31 December 2013
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5.4	5.6	5.6
Property, plant and equipment	158.2	169.9	173.3
Long-term investments	0.0	0.0	0.0
Deferred tax assets	27.6	22.3	26.2
Interest-bearing receivables	1.0	3.4	4.2
Defined benefit assets	0.6	1.0	1.1
TOTAL NON-CURRENT ASSETS	192.9	202.2	210.6
CURRENT ASSETS			
Inventories	96.1	91.5	93.2
Other current receivables ¹⁾	138.7	146.1	118.3
Assets for current tax	8.3	6.7	9.5
Cash and cash equivalents	55.7	69.8	99.4
TOTAL CURRENT ASSETS	298.8	314.1	320.4
TOTAL ASSETS	491.7	516.3	531.0
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2.8	2.8	2.8
Share premium	43.7	43.7	43.7
Fair value reserve	-0.4	0.0	0.1
Reserve for invested unrestricted equity	325.1	347.1	347.1
Treasury shares	-1.6	—	—
Exchange differences	-18.3	-11.8	-11.2
Retained earnings	-310.3	-349.4	-338.4
Total equity attributable to owners of the parent	41.1	32.5	44.2
Non-controlling interests	—	0.1	0.1
TOTAL EQUITY	41.1	32.7	44.4
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5.4	7.0	5.8
Defined benefit obligations	34.1	29.1	31.0
Provisions	6.5	9.4	8.1
Interest-bearing liabilities	197.3	241.6	241.5
TOTAL NON-CURRENT LIABILITIES	243.3	287.2	286.5
CURRENT LIABILITIES			
Interest-bearing liabilities	0.0	0.0	0.0
Provisions	2.7	3.4	3.7
Other current liabilities	196.0	186.5	188.3
Liabilities for current tax	8.5	6.5	8.1
TOTAL CURRENT LIABILITIES	207.3	196.4	200.1
TOTAL EQUITY AND LIABILITIES	491.7	516.3	531.0

¹⁾ Other current receivables include assets held for sale of EUR 2.0 thousands consisting of Sanitec's remaining share in a former subsidiary (Ifo 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 unrestricted equity	Treasury shares	Exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2013	2.8	43.7	0.3	585.2	—	-9.3	-379.1	243.6	0.2	243.7
Total other comprehensive income	—	—	-0.2	—	—	-2.5	-0.4	-3.1	0.0	-3.1
Profit for the period	—	—	—	—	—	—	30.4	30.4	-0.0	30.4
Total comprehensive income	—	—	-0.2	—	—	-2.5	30.0	27.3	-0.0	27.3
Refund of capital from reserve for invested unrestricted equity	—	—	—	-238.3	—	—	—	-238.3	—	-238.3
Reclassification	—	—	—	0.3	—	—	-0.3	0.0	—	0.0
Change in non-controlling interest	—	—	—	—	—	—	0.0	0.0	0.0	0.0
Equity at 30 September 2013	2.8	43.7	0.0	347.1	—	-11.8	-349.4	32.5	0.1	32.7
Total comprehensive income in 2013	—	—	0.1	—	—	0.5	11.1	11.7	0.1	11.7
Change in non-controlling interest	—	—	—	—	—	—	0.0	0.0	0.0	0.0
Reclassification	—	—	—	—	—	0.1	-0.1	0.0	—	0.0
Dividend distribution	—	—	—	—	—	—	—	—	-0.1	-0.1
Equity at 31 December 2013	2.8	43.7	0.1	347.1	—	-11.2	-338.4	44.2	0.1	44.4
Total other comprehensive income	—	—	-0.5	—	—	-7.1	-3.6	-11.2	0.0	-11.2
Profit for the period	—	—	—	—	—	—	32.2	32.2	—	32.2
Total comprehensive income	—	—	-0.5	—	—	-7.1	28.5	21.0	0.0	21.0
Change in non-controlling interest	—	—	—	—	—	—	-0.4	-0.4	-0.1	-0.6
Dividend distribution	—	—	—	—	—	—	-0.1	-0.1	0.0	-0.2
Refund of capital from reserve for invested unrestricted equity	—	—	—	-22.0	—	—	—	-22.0	—	-22.0
Acquisition of treasury shares	—	—	—	—	-1.6	—	—	-1.6	—	-1.6
Share-based payments, net of tax	—	—	—	—	—	—	0.1	0.1	—	0.1
Equity at 30 September 2014	2.8	43.7	-0.4	325.1	-1.6	-18.3	-310.3	41.1	—	41.1

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
CASH FLOW FROM OPERATING ACTIVITIES:					
Profit before income taxes	21.0	12.0	38.5	39.7	48.2
Adjustments:					
Depreciation, amortisation and impairment losses	5.9	9.3	19.4	24.0	28.9
Unrealised foreign exchange gains and losses	0.0	1.9	1.6	2.4	3.6
Other non-cash income and expenses	-0.4	-7.1	-0.4	-7.1	1.0
Financial income and expenses	2.4	6.6	22.5	11.6	16.2
Cash flow before working capital changes	28.8	22.7	81.6	70.5	97.7
Change in interest-free receivables	-3.8	6.7	-22.1	-29.8	-9.7
Change in inventories	1.3	7.1	-6.2	9.2	6.3
Change in interest-free liabilities	5.8	5.3	9.5	0.4	2.4
Cash flow from change in working capital	3.3	19.1	-18.8	-20.2	-1.0
Interest expenses paid and other financial items paid (-) / received (+)	-1.8	-7.9	-14.7	-10.1	-16.2
Interest income received	0.9	0.8	2.7	2.0	2.9
Income taxes paid (-) / received (+)	-0.8	-2.4	-7.3	-5.7	-8.8
CASH FLOW FROM OPERATING ACTIVITIES	30.4	32.3	43.5	36.4	74.7
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in intangible assets and property, plant and equipment	-4.3	-4.6	-12.7	-12.1	-19.0
Investments in subsidiaries	-0.3	0.0	-0.4	0.0	0.0
Proceeds from disposal of intangible assets and property, plant and equipment	0.0	-0.3	0.1	0.5	0.0
Proceeds from disposal of subsidiaries	—	0.0	—	0.0	0.0
CASH FLOW FROM INVESTING ACTIVITIES	-4.5	-5.0	-13.0	-11.6	-18.9
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend distribution	0.0	—	-0.1	—	—
Refund of capital from reserve for invested unrestricted equity	-4.1	—	-22.0	-238.3	-238.3
Acquisition of treasury shares	-1.6	—	-1.6	—	—
Increase (-) / decrease (+) in interest-bearing receivables	2.8	0.0	2.8	-0.2	-1.1
Draw down (+) / repayment (-) of current interest-bearing liabilities	0.0	-22.2	-0.2	-24.2	-24.2
Draw down (+) of non-current interest-bearing liabilities	0.0	-0.2	223.3	241.0	240.4
Repayment (-) of non-current interest-bearing liabilities	-26.0	0.0	-276.0	-148.5	-148.4
CASH FLOW FROM FINANCING ACTIVITIES	-29.0	-22.5	-73.9	-170.2	-171.6
CHANGE IN CASH AND CASH EQUIVALENTS	-3.1	4.8	-43.4	-145.4	-115.8
Cash and cash equivalents at the beginning of the period	59.0	64.7	99.4	215.7	215.7
Effect of exchange rate differences on cash and cash equivalents	-0.2	0.2	-0.3	-0.5	-0.5
Change in cash and cash equivalents	-3.1	4.8	-43.4	-145.4	-115.8
Cash and cash equivalents at the end of the period	55.7	69.8	55.7	69.8	99.4

Notes to the interim 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 situated 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.

These interim financial statements have been reviewed by the company's auditors.

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). This interim report has been prepared in accordance with International Financial

Reporting Standard IAS 34 Interim Reporting as approved by the European Union. In accordance with IAS 34, this interim report does 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.

In the beginning of 2014 Sanitec reclassified in accordance with IAS 21 the intercompany loans given to the Ukrainian subsidiary as a net investment in foreign operation, as the settlement of the loans is neither planned nor likely to occur in the foreseeable future. Due to the reclassification, the exchange differences arising from the loans are no longer recognised in the statement of profit or loss but in other comprehensive income and in exchange differences in equity.

Sanitec launched during the second quarter of 2014 a share-based incentive plan. IFRS 2 is applied in accounting for the plan.

Sanitec acquired treasury shares during the third quarter of 2014. The acquisition of shares has been conducted in SEK, and the purchase price has been converted to EUR using the settlement date EUR/SEK closing rate.

New accounting principles

The accounting policies and valuation principles are in accordance with those of the consolidated financial statements for the financial year ended 31 December 2013, with the exception of the following new or revised or amended standards and interpretations which have been applied from 1 January 2014, and which have no material effect on Sanitec: IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, Amendment to IAS 32 Financial Instruments: Presentation, Amendment to IAS 36 Impairment of Assets, Amendment to IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 21 Levies. Other new, revised or amended standards or interpretations applicable for the financial year 2014 have no effect or no material effect on Sanitec's consolidated financial statements.

Intangible assets and property, plant and equipment

EUR million	30 September 2014	30 September 2013	31 December 2013
Intangible assets			
Carrying amount on 1 January	5.6	7.2	7.2
Changes in exchange rates	0.0	0.0	0.0
Additions	1.2	0.6	1.1
Amortisation and impairment	-1.4	-2.3	-2.8
Disposals and reclassifications	0.1	0.2	0.2
Carrying amount at the end of the period	5.4	5.6	5.6

EUR million	30 September 2014	30 September 2013	31 December 2013
Property, plant and equipment			
Carrying amount on 1 January	173.3	185.0	185.0
Changes in exchange rates	-8.4	-3.2	-3.6
Additions	11.0	10.4	18.2
Depreciation and impairment	-18.0	-21.7	-26.0
Disposals, reclassifications and other changes	0.3	-0.5	-0.2
Carrying amount at the end of the period	158.2	169.9	173.3

Gross capital expenditure

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
Intangible assets and property, plant and equipment	4.4	5.4	12.2	10.9	19.3
Investments in shares in subsidiaries	-0.1	0.0	0.9	0.0	0.0
Total	4.3	5.4	13.1	10.9	19.3

Items affecting comparability

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
Other non-recurring costs	—	-1.1	—	-0.9	-2.9
Divested businesses	—	-0.2	—	-0.3	-0.6
Restructuring costs	—	-6.6	—	-7.5	-8.8
EC fine and related legal fees	—	7.1	—	5.9	5.8
Total	—	-0.8	—	-2.8	-6.5

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 Stockholm.

The items affecting comparability have been reported in the statement of profit or loss in the following line items:

EUR million	1 July - 30 September		1 January - 30 September		1 January - 31 December
	2014	2013	2014	2013	2013
Other operating income	—	7.1	—	7.1	7.3
Materials and services	—	-1.4	—	-1.7	-2.8
Employee benefits	—	-4.0	—	-3.7	-8.2
Other operating expenses	—	0.0	—	-1.9	-2.2
Depreciation, amortisation and impairment losses	—	-2.5	—	-2.5	-0.5
Total	—	-0.8	—	-2.8	-6.5

Interest-bearing liabilities

EUR million	30 September	30 September	31 December
	2014	2013	2013
Non-current interest-bearing liabilities			
Senior secured floating rate notes	—	241.6	241.5
Term loan	124.3	—	—
Revolving credit facility and overdraft facilities	73.0	—	—
Other interest-bearing loans	0.0	0.0	0.0
	197.3	241.6	241.5
Current interest-bearing liabilities			
Other interest-bearing loans	0.0	0.0	0.0
	0.0	0.0	0.0
Total interest-bearing liabilities	197.4	241.7	241.6

Term loan, with nominal value of EUR 125.0 million was drawn in June 2014. Its carrying amount in the statement of financial position has been adjusted with the transaction costs related to the loan agreement. The costs are amortised over the loan period with effective interest method. The maturity date of the term loan is in June 2019. In connection with the refinancing in June 2014, a committed revolving credit facility agreement of EUR 150.0 million was concluded by Sanitec. EUR 73.0 million of this facility was drawn as of 30

September 2014. The initial maturity date of the revolving credit facility is in June 2017, but there are two possible extension options, with each of which the revolving credit facility maturity can be prolonged with one year. In September 2014 Sanitec concluded agreements to convert its revolving credit facility into ancillary overdraft facilities, which conversion was fully effective mid October.

In connection with the refinancing in June 2014, the senior secured floating rate notes with

nominal value of EUR 250 million were prepaid and the committed super senior revolving credit facility agreement of EUR 50 million was terminated.

At the end of September 2014, the other interest-bearing loans consist of minor local loans. Prior to the end of the third quarter in 2013 the loans from financial institutions included the loans taken by Sanitec's Ukrainian subsidiary PJSC Slavuta Plant "Budfarfor". These loans were prepaid during the third quarter of 2013.

Fair and nominal values of derivative instruments

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.

The majority of the hedges are related to protection against currency exchange rate fluctuation in the following currencies: DKK, EUR, GBP, NOK PLN and SEK.

EUR million	30 September 2014	30 September 2013	31 December 2013
Positive			
Currency forward contracts and currency swaps			
Fair value	0.2	0.6	0.6
Nominal value	18.6	31.7	33.2
Negative			
Currency forward contracts and currency swaps			
Fair value	-0.7	-0.5	-0.3
Nominal value	46.3	31.7	27.6

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 on NASDAQ Stockholm in 2013, owned 40% of the shares and votes in Sanitec until 23 May 2014, when it reduced its ownership in Sanitec to 20%.

Sofia IV S.à r.l. is still considered to be a related party to Sanitec.

On 30 September 2014, the Group had EUR 0.1 million receivables from related parties.

Market prices have been used in transactions with related parties.

Sanitec Corporation's Annual General Meeting resolved on 13 May 2014 to introduce a share-based incentive plan to key personnel of the Group. A maximum of 340,000 shares in Sanitec may be allocated under the share-based plan, representing

0.34% of the outstanding shares and votes in Sanitec Corporation. In connection with the share-based incentive plan, and within limits thereof, the meeting authorised the Board of Directors to resolve on directed acquisition and transfer of own shares in one or several occasions. The authorisations shall stay in force until 30 June 2015 and 12 May 2018, respectively. The costs arising from share-based payments in January - September 2014 were EUR 0.1 million. In total 22 key persons participated the incentive plan, and a maximum of 171,360 shares in Sanitec will be allocated to the key persons if vesting conditions are met.

Treasury shares

In accordance with the authorisation granted in the Annual General Meeting of Sanitec Corporation, Sanitec's Board of Directors resolved to acquire own shares. The purpose for the acquisition of own shares was to ensure that the company is able to meet its obligations arising from Sanitec's share based incentive plan 2014, and to deliver the shares

to participants of the incentive plan. In total 190,000 shares in Sanitec were acquired in August 2014, with a total consideration of EUR 1.6 million.

After acquisition of the treasury shares, the Board of Directors has authorisation to acquire additionally 150,000 shares in Sanitec.

Refund of capital from reserve for invested unrestricted equity

Sanitec Corporation refunded in June 2014 in total EUR 22 million as refund of capital from reserve for invested unrestricted equity, i.e. EUR 0.22 per share.

Commitments and contingent liabilities

EUR million	30 September 2014	30 September 2013	31 December 2013
Operating lease commitments			
Within one year	11.5	13.8	12.4
Between one and five years	19.9	26.0	22.1
After five years	18.8	1.2	16.6
Total operating lease commitments	50.3	41.0	51.1
Mortgages and pledged assets			
Mortgages			
On behalf of own commitments	0.0	0.0	0.0
Carrying amount of pledged assets			
On behalf of own commitments	2.7	5.6	5.5
Total	2.8	5.7	5.6
Guarantees and other commitments			
Other commitments			
On behalf of own commitments	5.4	2.9	2.6
Guarantees			
On behalf of own commitments	0.3	0.3	0.3
On behalf of others	0.1	0.1	0.1
Total	5.9	3.3	3.0
Total guarantees, mortgages, and pledged assets¹⁾	8.6	9.0	8.6

¹⁾ With reference to 30 September 2013 and 31 December 2013: This table does not include the value of guarantees, mortgages, liens on chattel and pledged assets that secured loans. The nominal value of all collateral granted by the Group exceeded the combined carrying amount of the loans for which they were given as a security.

In connection with the refinancing which took place in June 2014, the pledges, mortgages and guarantees of the Group related to the prepaid EUR 250.0 million senior secured floating rate notes and the terminated EUR 50.0 million undrawn super senior revolving credit facility were released. The new loans taken (EUR 125 million term-loan and EUR 150 million revolving credit facility) are unsecured.

Prior to the refinancing in June 2014 substantially all of the assets of the Group were pledged on behalf of the senior secured floating rate notes and the super senior revolving credit facility. First ranking guarantees and security pledge over the

assets of Sanitec Corporation and certain of the Group subsidiaries were granted as collateral for the loans. The majority of Sanitec Group's property, plant and equipment, major brands, shares in key subsidiaries, receivables, inventory and bank accounts were pledged. The pledge included also real estate mortgages of Sanitec Kolo Sp.z o.o (Poland), Sanitec Europe Oy (Finland), Ifö Sanitär AB (Sweden) and PJSC Slavuta Plant "Budfarfor" (Ukraine) for their real estates.

As of 30 September 2014, the Group had in addition some other commitments totaling to EUR 5.4 million. This includes e.g. a contractual commitment in Ukraine for acquisition of

property, plant and equipment relating to leased assets.

Litigation

Sanitec is involved in a number of legal actions, claims and other proceedings. 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. Taking into account all available information to date, the legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

Supplementary information

Key figures for the Group

EUR million	Rolling 12 months 2014	Full year 2013	Full year 2012
Net sales	700.9	701.8	752.8
Operating profit	76.8	67.9	73.0
Operating margin, %	11.0	9.7	9.7
Items affecting comparability	-3.7	-6.5	-4.9
Operating profit, adjusted	80.5	74.4	77.9
Operating margin, %, adjusted	11.5	10.6	10.4
EBITDA, adjusted	106.8	102.7	107.7
EBITDA margin, %, adjusted	15.2	14.6	14.3
Profit before taxes	47.0	48.2	67.0
Profit for the period	44.2	42.5	71.7
Cash flow from operating activities	81.8	74.7	87.9

	30 September 2014	30 September 2013	31 December 2013
Net debt, EUR million	142.3	180.3	150.6
Net debt / EBITDA, adjusted	1.3	1.8	1.5
Equity ratio, %	8.4	6.3	8.4
Net gearing, %	346.4	552.5	339.7
Return on capital employed (ROCE), %, rolling 12 months	28.2	19.9	19.4
Return on equity, %, rolling 12 months	115.2	31.6	35.7
Cash conversion, %, rolling 12 months	82	84	82

Share related figures

	30 September 2014	30 September 2013	31 December 2013
Number of shares, end of period, share issue adjusted	100,000,000	100,000,000	100,000,000
Number of shares, end of period, share issue adjusted, excluding treasury shares	99,810,000	100,000,000	100,000,000
Number of shares, average, share issue adjusted, excluding treasury shares	99,972,399	100,000,000	100,000,000
Number of shares, average, diluted	99,979,769	100,000,000	100,000,000

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

Net sales, quarterly

EUR million	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales by product area								
Bathroom Ceramics	132.5	133.3	139.6	125.8	133.9	139.0	133.4	125.9
Ceramics Complementary Products	41.8	42.1	44.1	41.7	41.5	43.2	43.3	41.9
Total	174.3	175.4	183.7	167.5	175.4	182.2	176.8	167.8

EUR million	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales by region								
Central Europe	55.3	52.7	59.4	50.6	57.2	54.2	55.9	49.4
North Europe	41.4	46.2	47.6	43.3	39.8	50.4	44.9	45.1
East Europe	29.5	26.9	26.1	27.9	31.3	28.1	26.5	29.5
South Europe	27.2	30.1	32.1	25.4	27.8	32.2	32.3	26.7
United Kingdom & Ireland	15.0	13.7	13.6	13.8	13.2	11.9	12.8	12.1
Rest of the World	5.9	5.7	4.9	6.5	6.1	5.4	4.4	5.1
Total	174.3	175.4	183.7	167.5	175.4	182.2	176.8	167.8

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

EUR million	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operating profit	23.3	19.8	19.5	14.2	20.5	19.7	13.5	12.7
Operating profit margin, %	13.4	11.3	10.6	8.5	11.7	10.8	7.7	7.6
Operating profit, adjusted	23.3	19.8	19.5	17.9	21.3	20.1	15.0	16.9
Operating profit margin, adjusted, %	13.4	11.3	10.6	10.7	12.1	11.0	8.5	10.0

Exchange rates, quarterly

Closing	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
EUR/NOK	8.1190	8.4035	8.2550	8.3630	8.1140	7.8845	7.5120	7.3483
EUR/PLN	4.1776	4.1568	4.1719	4.1543	4.2288	4.3376	4.1804	4.0740
EUR/GBP	0.7773	0.8015	0.8282	0.8337	0.8361	0.8572	0.8456	0.8161
EUR/SEK	9.1465	9.1762	8.9483	8.8591	8.6575	8.7773	8.3553	8.5820

Average	2014				2013			2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
EUR/NOK	8.2762	8.2766	8.3471	7.8067	7.6624	7.5209	7.4290	7.4751
EUR/PLN	4.1752	4.1755	4.1843	4.1975	4.2016	4.1772	4.1558	4.1847
EUR/GBP	0.8118	0.8213	0.8279	0.8493	0.8521	0.8508	0.8511	0.8109
EUR/SEK	9.0405	8.9535	8.8569	8.6515	8.5825	8.5312	8.4965	8.7041

Definition of key figures and share related figures

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 (rolling 12 months)
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 / equity per share	Share price at the end of period / equity attributable to owners of the parent per share

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Independent Auditors' Report on Review of Interim Financial Statements

To the Board of Directors of Sanitec Corporation

Introduction

We have reviewed the consolidated statement of financial position of Sanitec Corporation and its subsidiaries ("the Group") as at September 30, 2014, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the nine month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information ("the consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not give a true and fair view of the financial position of the Group as at September 30, 2014, and of its financial performance and its cash flows for the nine month period then ended in accordance with IAS 34, "Interim Financial Reporting".

Helsinki, 24 October 2014
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant