



Goldman Sachs Leveraged Finance Conference

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Section I

Company Overview

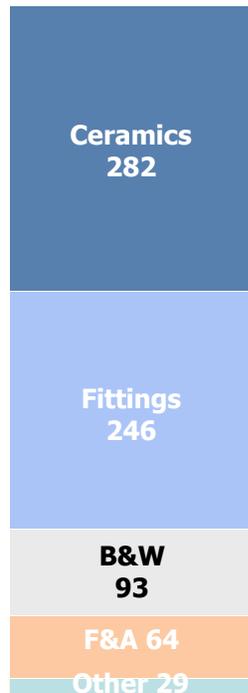
Company Overview

IS 2011 Sales (€713m)

By Geography



By Product



Products



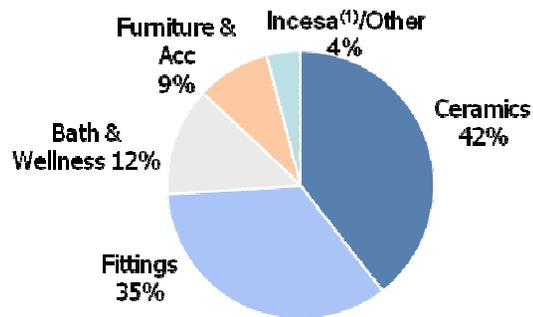
Key Brands



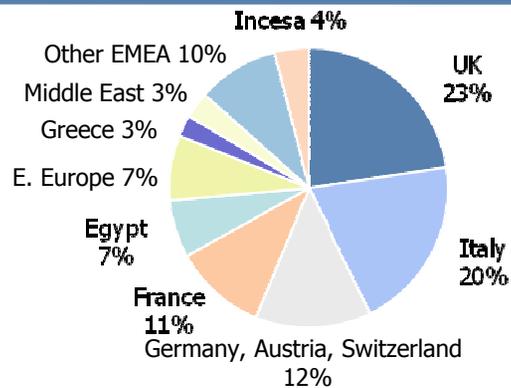
Broad portfolio of brands and products catering to all major segments of the bathroom products market

Diversified Business with Leading Positions in European Markets

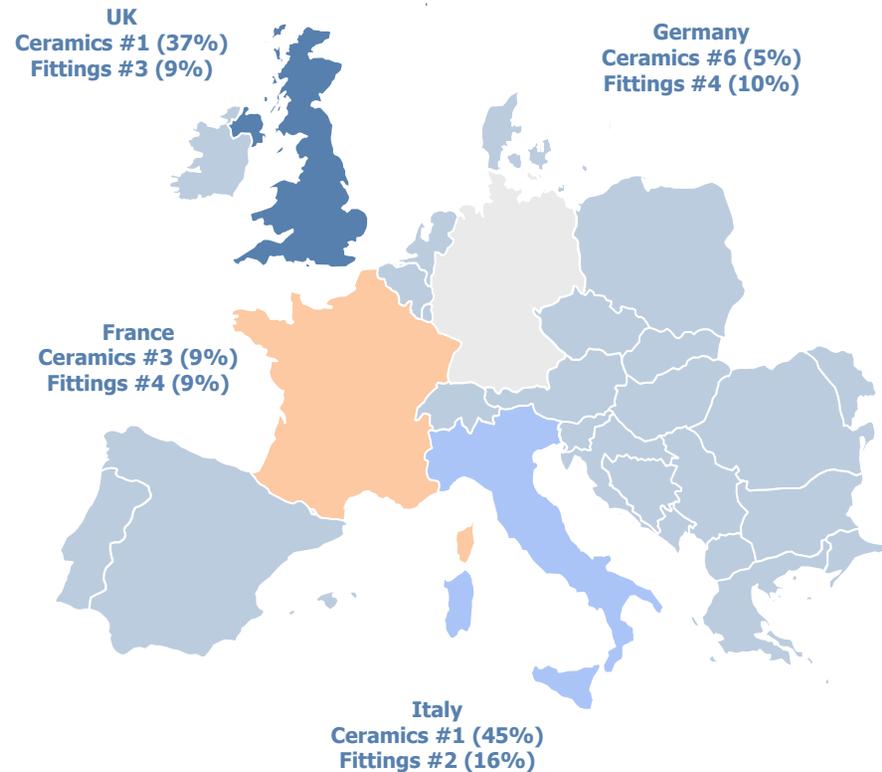
2011 IS Sales By Product Category (€713m)



2011 IS Sales By Geography (€713m)⁽²⁾



Ideal Standard Selected Market Positions



A European leader with #1 or #2 position in our core Ceramics markets and top 5 player in Fittings

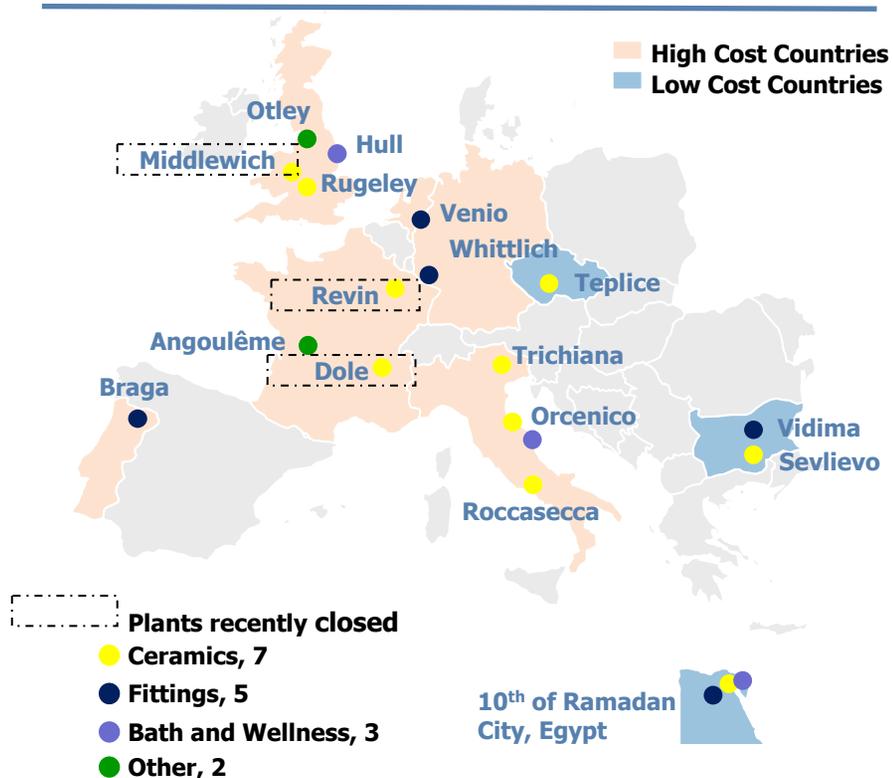
¹ Mainly Incesa and US non-category specific

² Sales by country of origin

Source: Management financials (unaudited); BRG Consult, Company analysis

Attractive Manufacturing Base with good balance between HCC and LCC production

Map of European Operations



Units (000s)	Total Capacity		FTEs
	Nameplate Capacity (units m)	LCC Capacity % of Total (2010)	
Ceramics	7.8	52%	3,596
Fittings	10.0	77%	2,222
Bathing & Wellness	1.5	80%	1,192
Furniture	-	-	154
Total	19.3	67%	7,164

Well invested and diversified manufacturing base with substantial footprint in low cost countries.

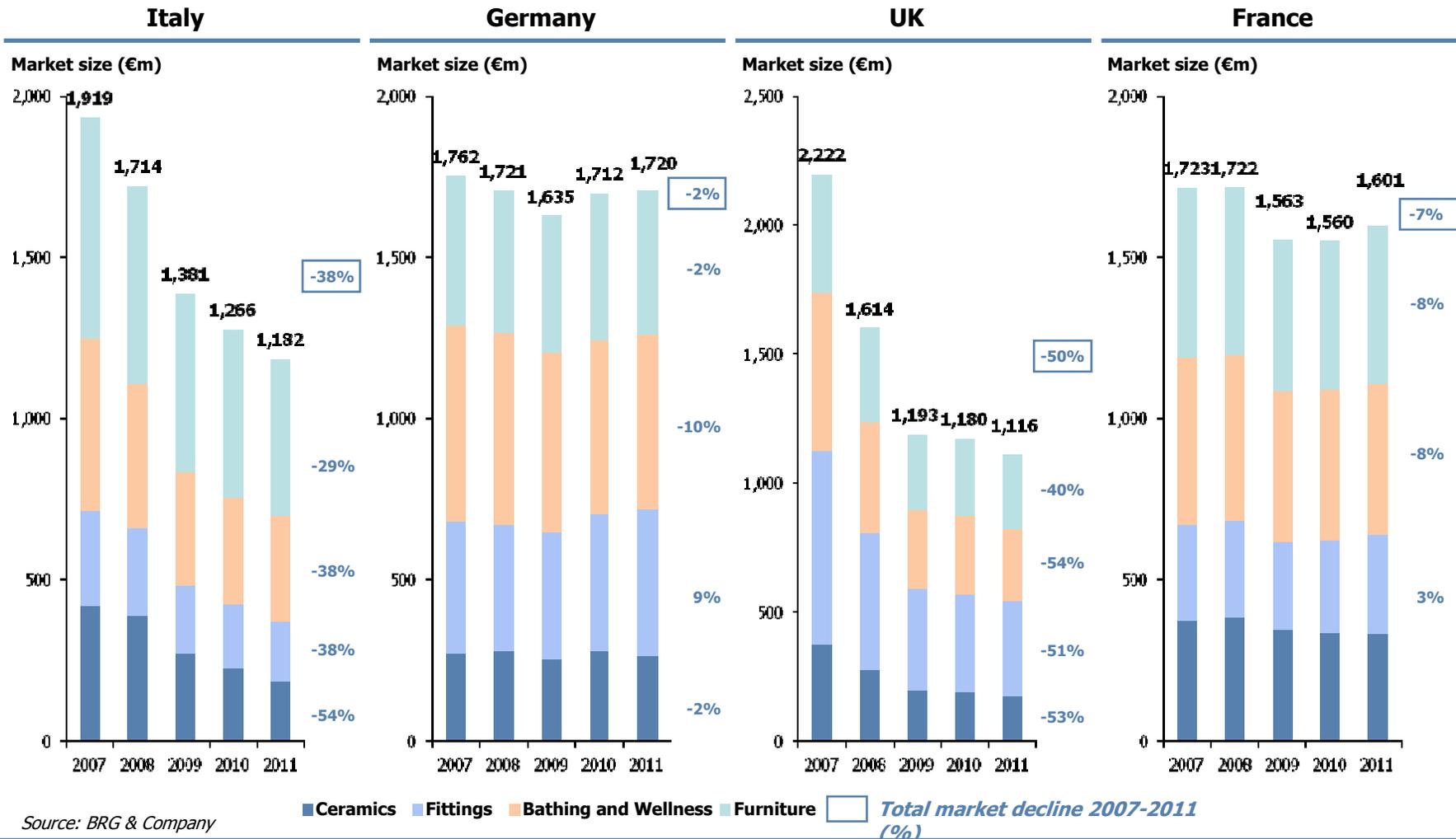
Source: Company data

Section II

Review of last 18 months

Historical Market Evolution

Markets have suffered significantly during the economic downturn



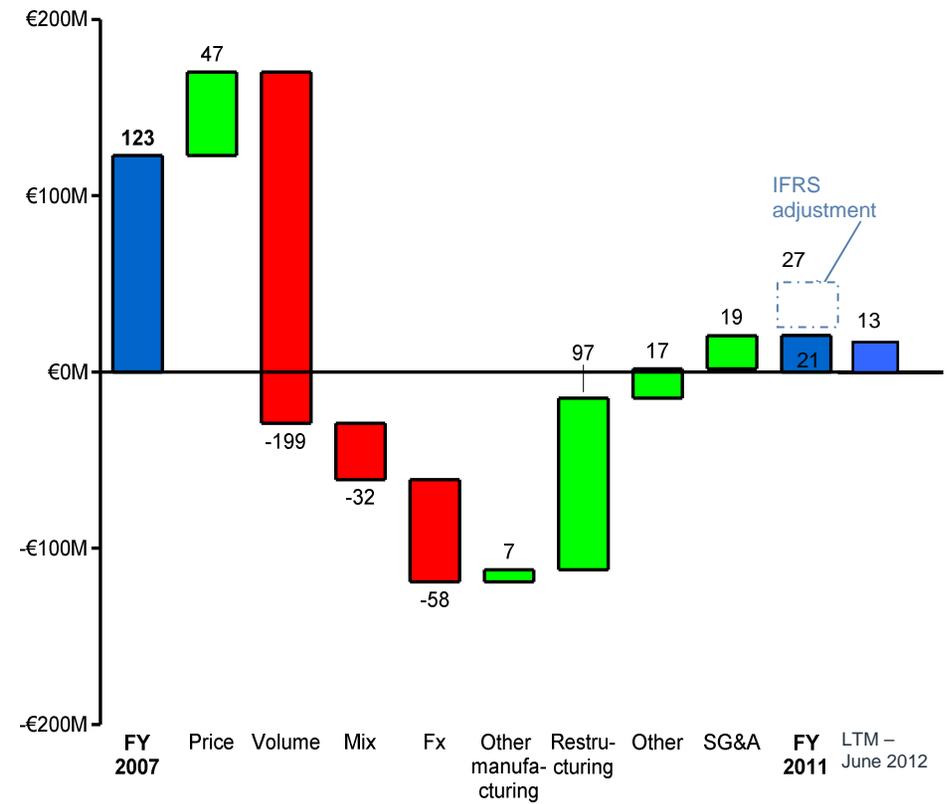
Historical Context

Revenue (€m / % growth)



Source: IFRS Financials (unaudited); BRG Consult, Company analysis
 Note: 2007 estimate excluding (disposed) Asia division, incl. estimated IFRS adjustments

EBITDA Bridge 2007-11

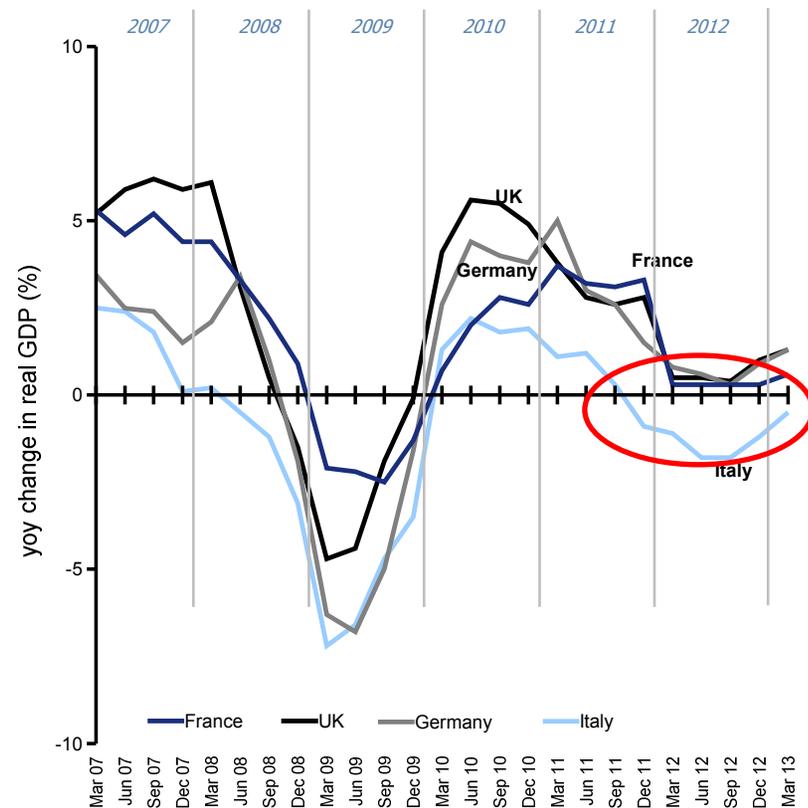


Recent Macro Conditions

Market Evolution vs Expectation

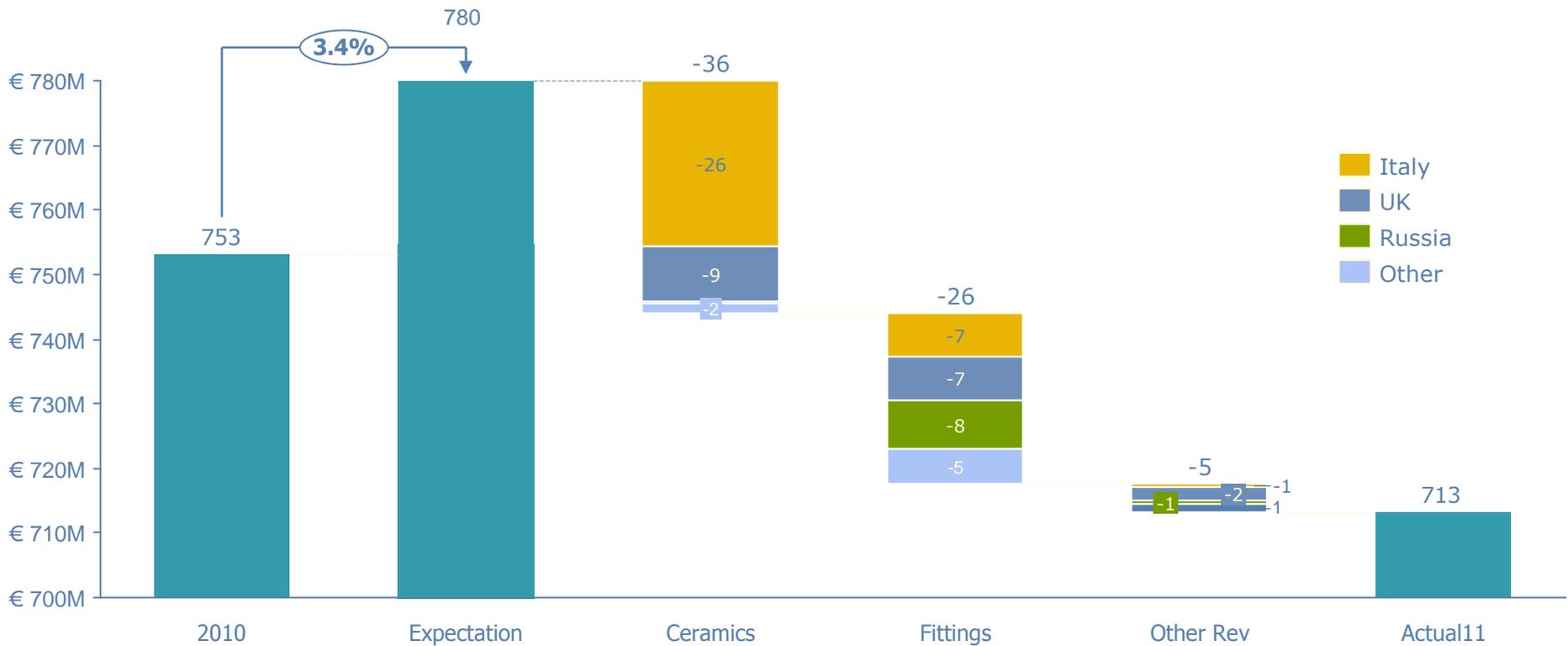
	<u>Historical 2011: expected / actual</u>		
	<u>2007-10</u>	<u>March Fcst</u>	<u>Actual</u>
<u>Ceramics</u>			
Italy	(17.5%)	3.2%	(18.0%)
UK	(20.5%)	(6.0%)	(7.2%)
France	(4.5%)	1.3%	1.3%
Germany	(0.8%)	(2.0%)	-
<u>Fittings</u>			
Italy	(13.2%)	5.9%	(5.0%)
UK	(19.5%)	(5.5%)	(6.5%)
France	(0.2%)	2.1%	4.0%
Germany	2.0%	1.0%	3.0%

European Macro Context: Real GDP

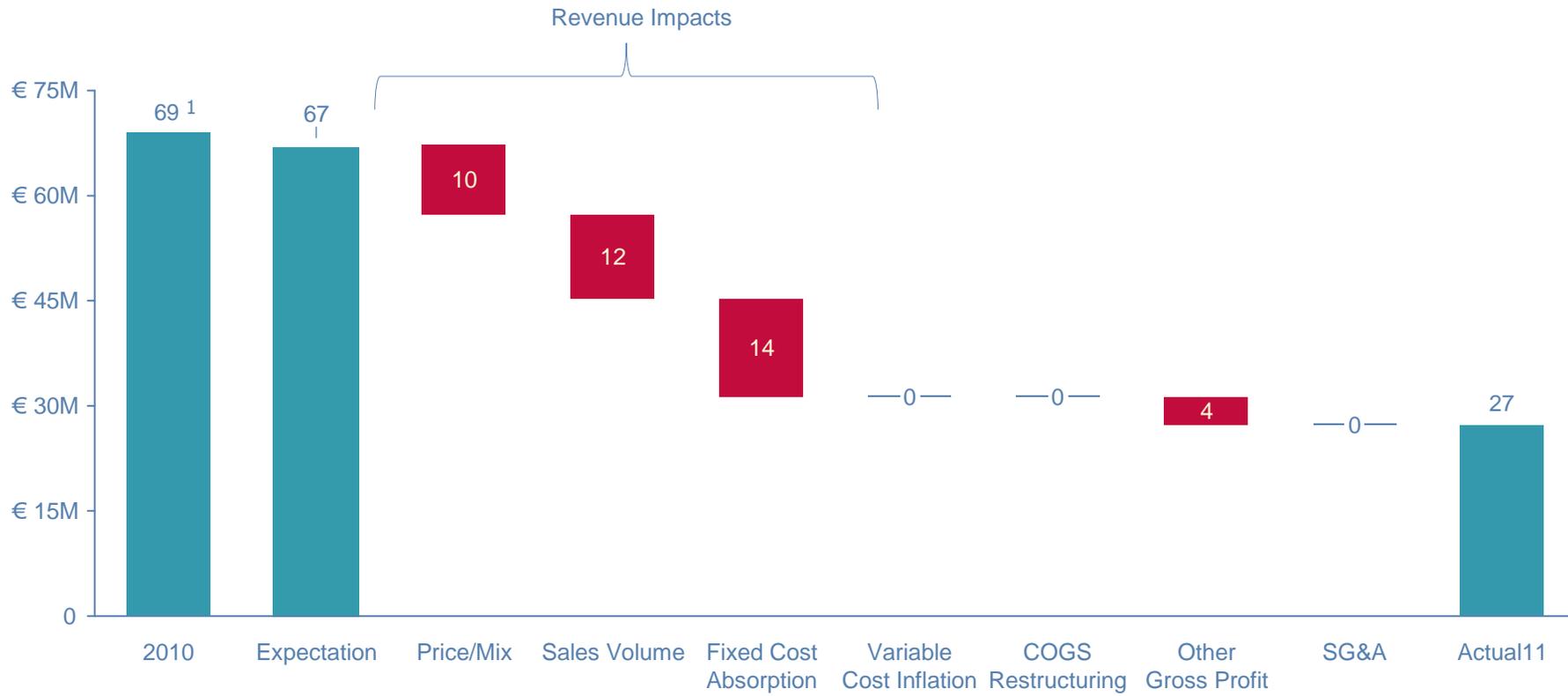


Source: Athena / Bloomberg

2011 Sales Performance vs expectations as of April 2011



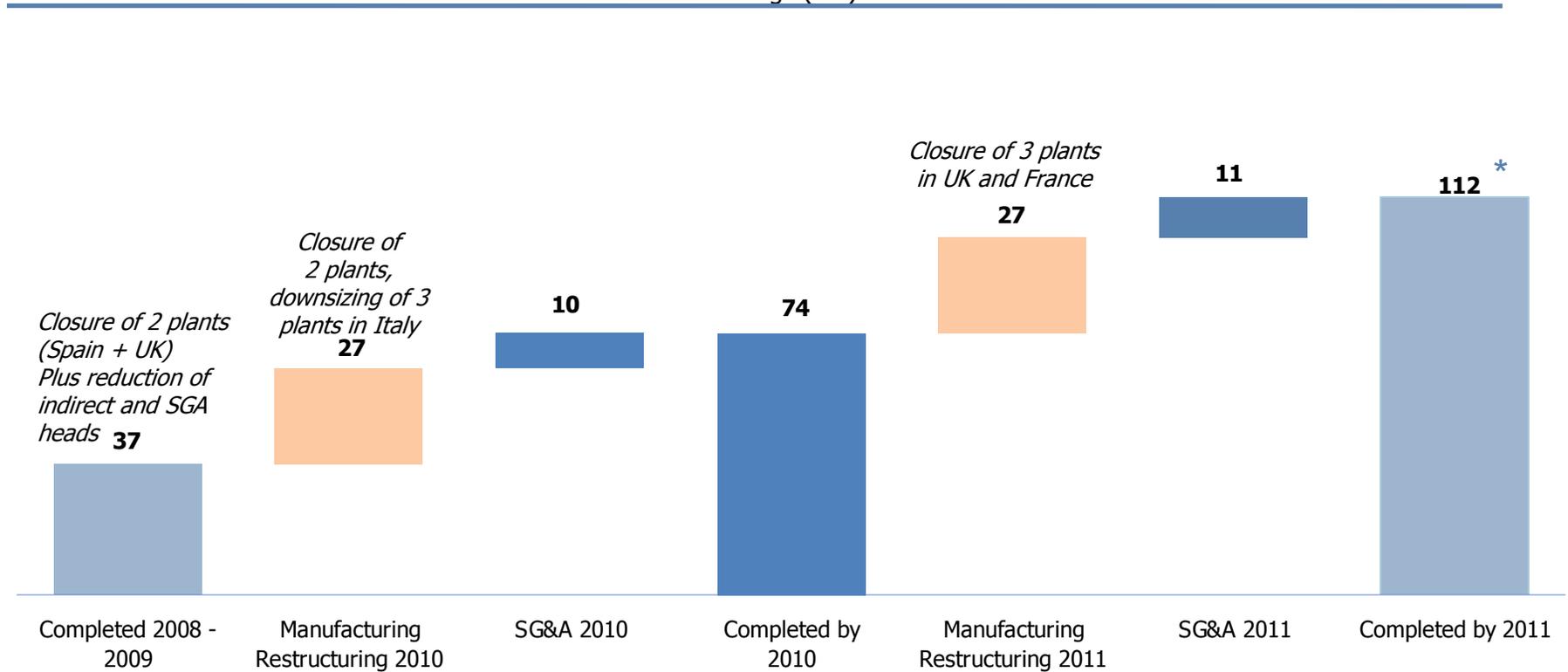
2011 EBITDA Performance vs expectations as of April 2011



1. Proforma Adjusted EBITDA for 2010 per OM

Substantial Cost Reduction Programs Completed

Cost Savings (€m)

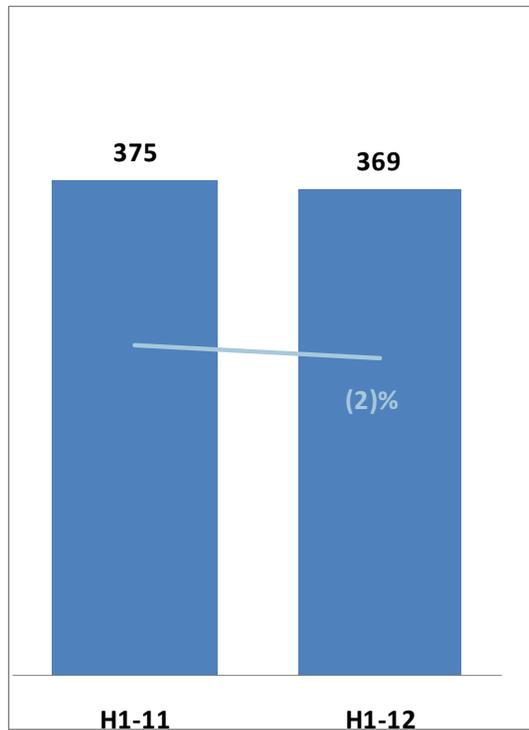


* €15m of the €112m impacts EBITDA in 2012

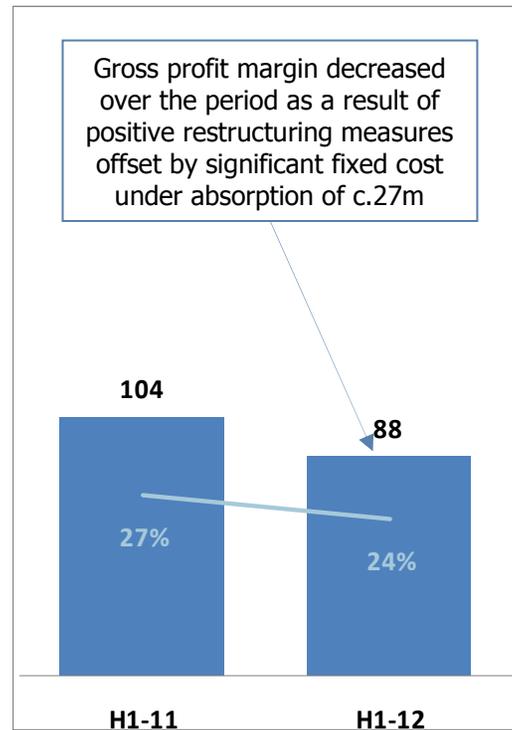
Significant restructuring programs of over €100m savings completed since the acquisition in 2007

H1 2012 Performance

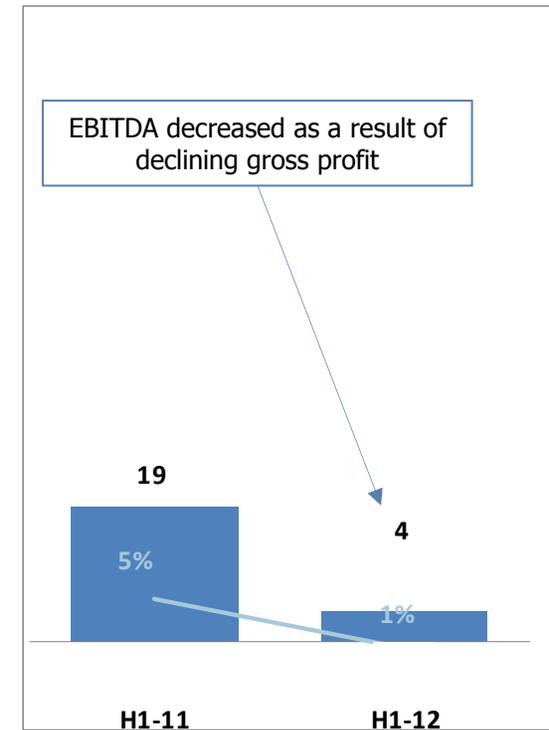
Revenue (€m) / % Growth



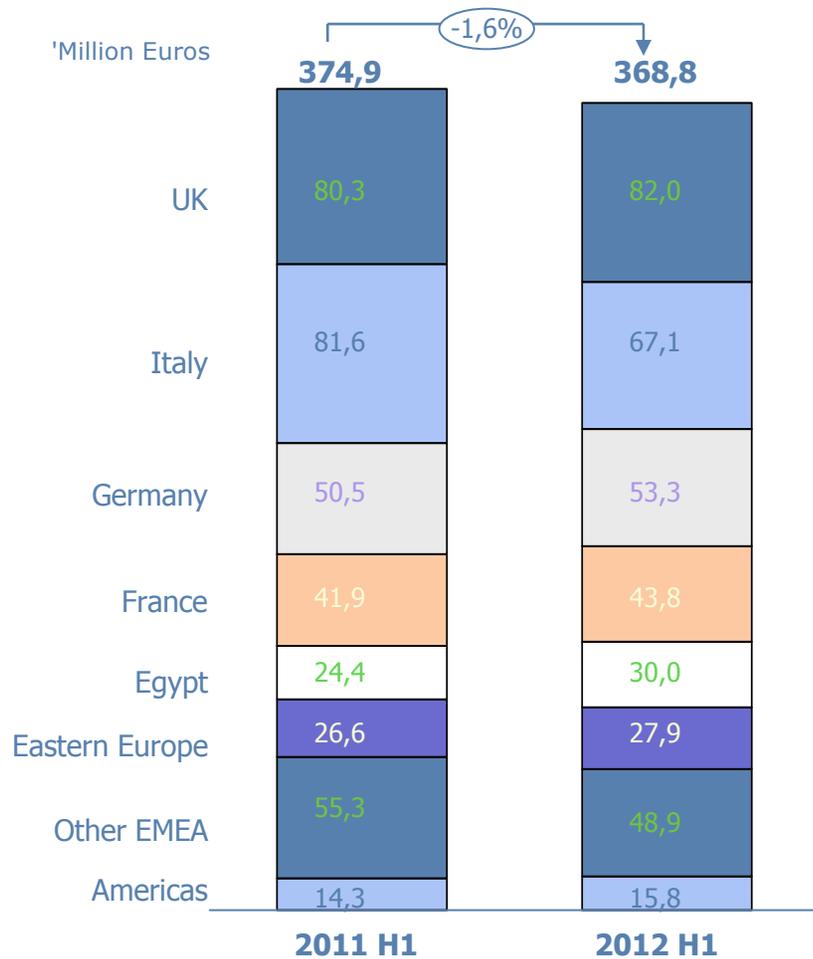
Gross Profit (€m) / % Margin



Adj. EBITDA (€m) / % Margin



Sales Analysis for H1 2012 – by Country



Comments

- UK benefits from strong £ but faces challenging market conditions despite good performance from channel expansion
- Germany & France continued growth from expansion of distribution and good underlying market dynamics
- As expected Italy market continues to be weak and cleansing of downstream stock still continues
- Egypt recovering from social / political unrest of 2011
- Russia reflecting Brand/Channel growth strategy
- Spain, Ireland & Greece declines on prior year but in line with our expectation
- Americas show improvement as Central American markets recover

Cash Flows and Key statistics H1

For the 6 months ended	30 June 2012 Unaudited	30 June 2011 Unaudited
Million euro		
Cash flow from operating activities	(36.0)	(66.3)
Cash Flow from Investing Activities	(9.6)	(200.5)
Cash flow from financing activities	24.1	284.4
Net increase/(decrease) in cash and cash equivalents	(21.5)	17.6
Cash and cash equivalents at beginning of period	47.0	75.5
Cash and cash equivalents at end of period	25.5	93.1
Cash Restructuring Costs	(14.7)	(18.0)
CAPEX Excl. Restructuring Costs	(9.2)	(9.8)
CAPEX Restructuring Costs	(0.4)	(1.5)
Senior Secured Notes Interest Payment	(16.1)	0.0

Comments

- €30m lower operating cash consumption vs 2011, driven by focus on cost control and working capital and reflects
 - i. Payment of c. €16m interest vs. Nil in 2011
 - ii. Restructuring Cash Costs of €14.7m vs €18m in 2011 and;
 - iii. Cash outflow from operations of €16.2 m compared to € 64.9 m in 2011 related to our focus on costs and working capital
- Financing from Egypt credit facilities plus Factoring

Capital Structure and Liquidity

Million Euros	<u>30 June 2012</u>	<u>31 December 2011</u>
Senior secured notes	280.3 ¹	280.3
Other borrowings	18.0 ²	2.4
Total Cash pay Debt	<u>298.3</u>	<u>282.3</u>
Cash on Balance Sheet	25.5 ³	46.9
Net Cash Pay Debt	<u>272.8</u>	<u>235.4</u>
Undrawn super senior RCF	15.0	15.0
Undrawn local credit lines	19.0 ^{4 5}	26.0

Cash and available credit lines providing ample liquidity

1. €275.0m plus €5.3m accrued but unpaid interest.
2. Draw on Egypt overdraft and factoring IT and FR
3. Reflects temporary spike in overdue receivables of c. €5m collected in first week of July.
4. Factoring plus remaining Egypt overdraft.
5. Before consideration of cash collateral of €7.1m associated with guarantee for Bulgarian Tax audit appeal

Section III

Current Market Views & Trends

Market Outlook

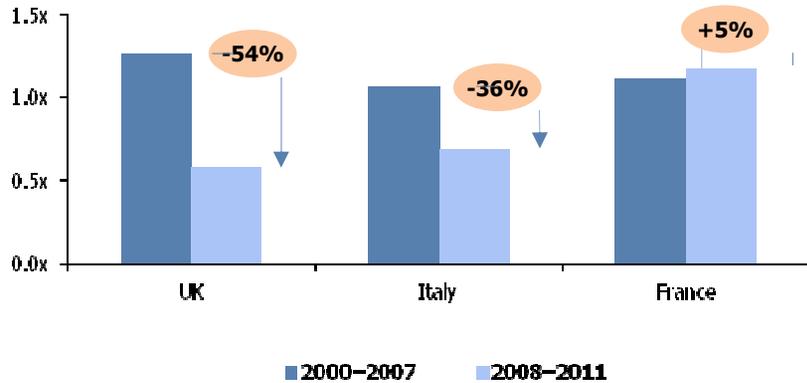
Market conditions anticipated to remain tough in 2012 but improvements expected in the medium term

	2011	2012	Medium Term
Overall EMEA Ceramics	▼	▼	▲
Overall EMEA Fittings	▼	■	▲
United Kingdom	▼	▼	▲
Italy	▼	▼	▲
Germany	■	■	■
France	▲	▲	▲

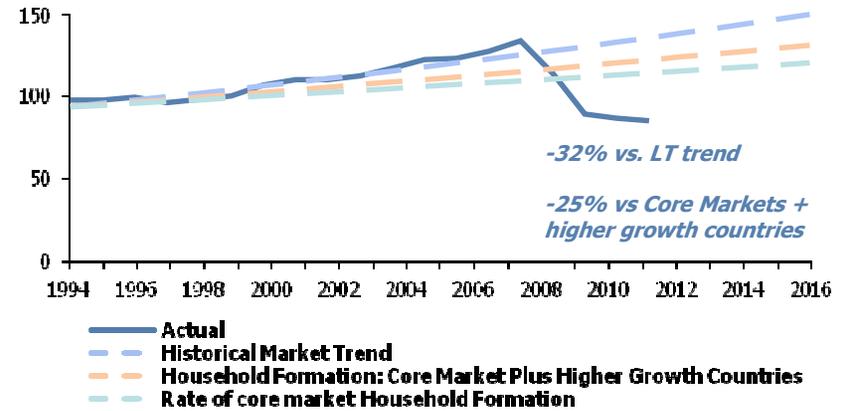
Market Indicators

A number of approaches suggest markets are now at an unsustainable cyclical low

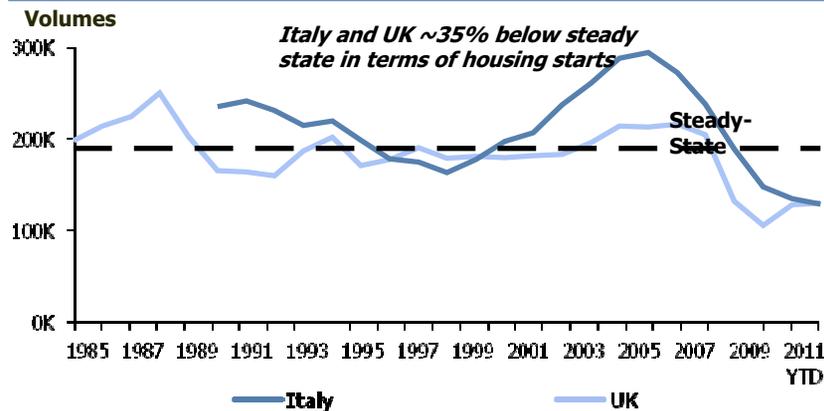
Ratio of Housing Starts to Net Change in Households



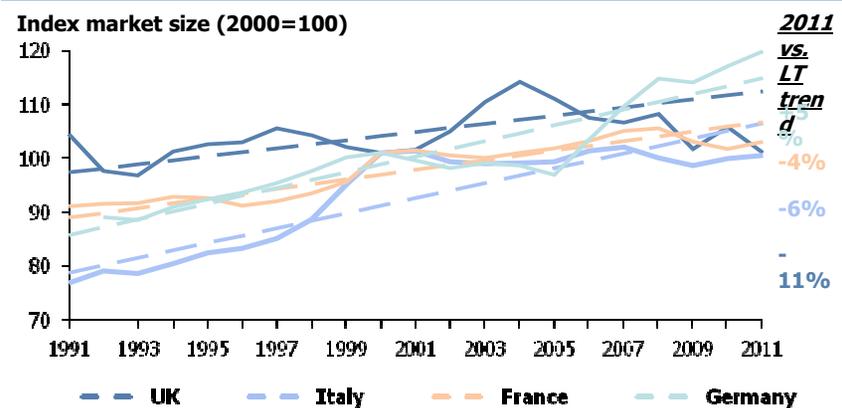
Revenue-Weighted Market Growth



Housing Starts



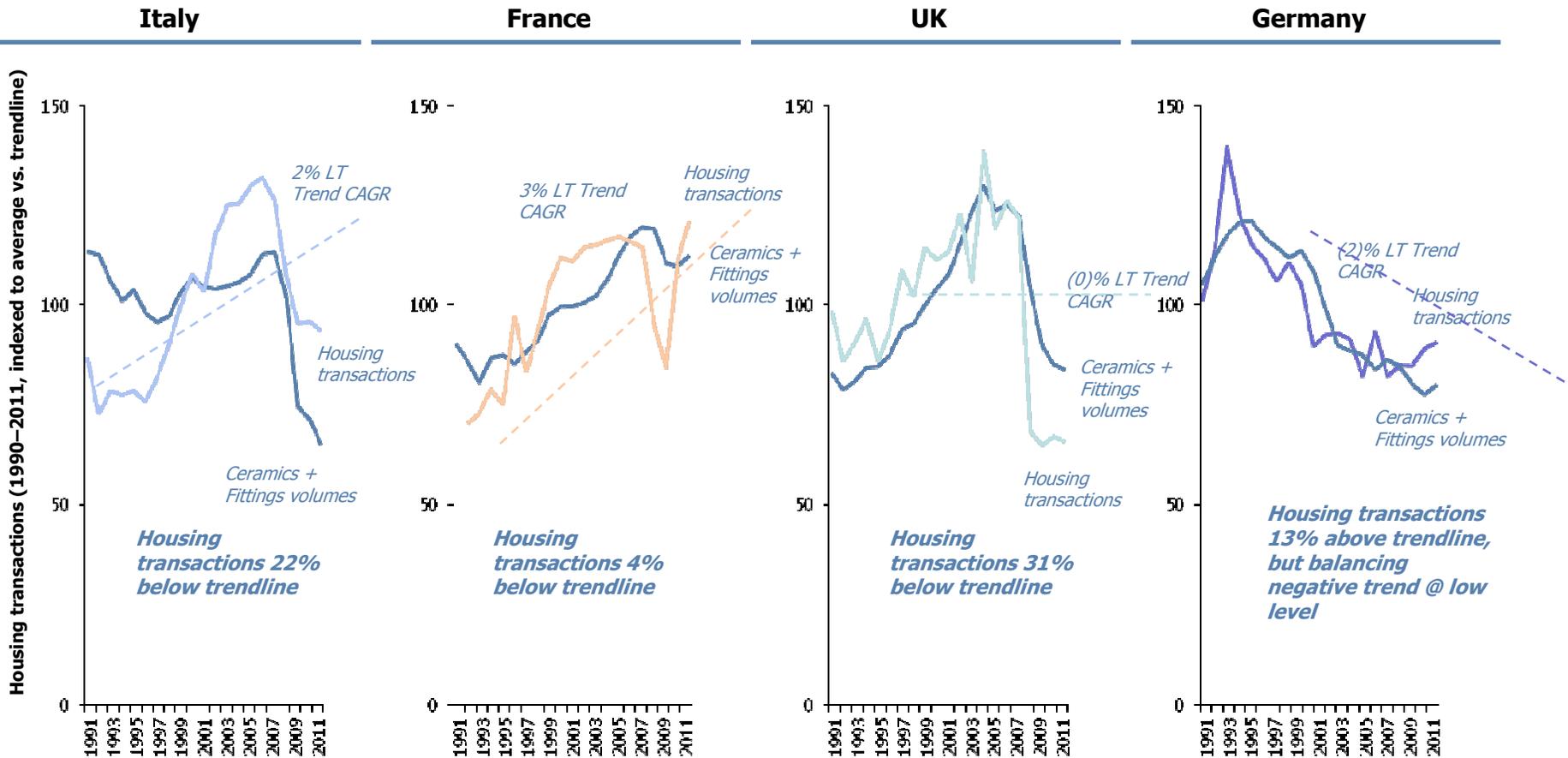
Residential RMI Activity



Sources: BRG, Company analysis

Housing Transactions

Housing transactions have shown strong historical correlations to the bathrooms market, and are significantly depressed vs historical levels in UK & Italy

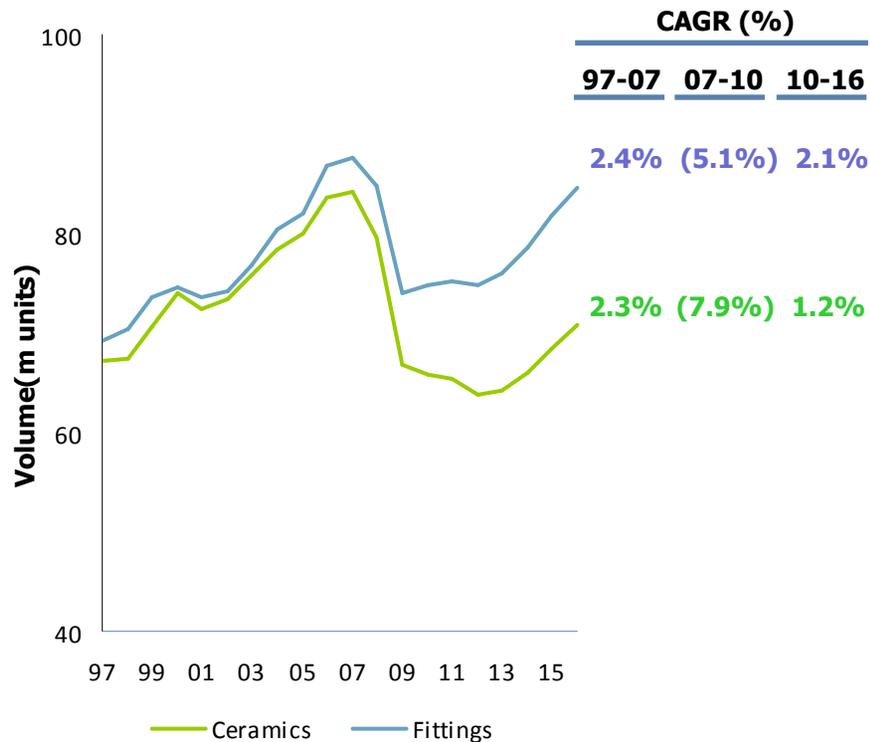


Sources: BRG, various National Statistics Agencies, Property Investor Europe, Press research

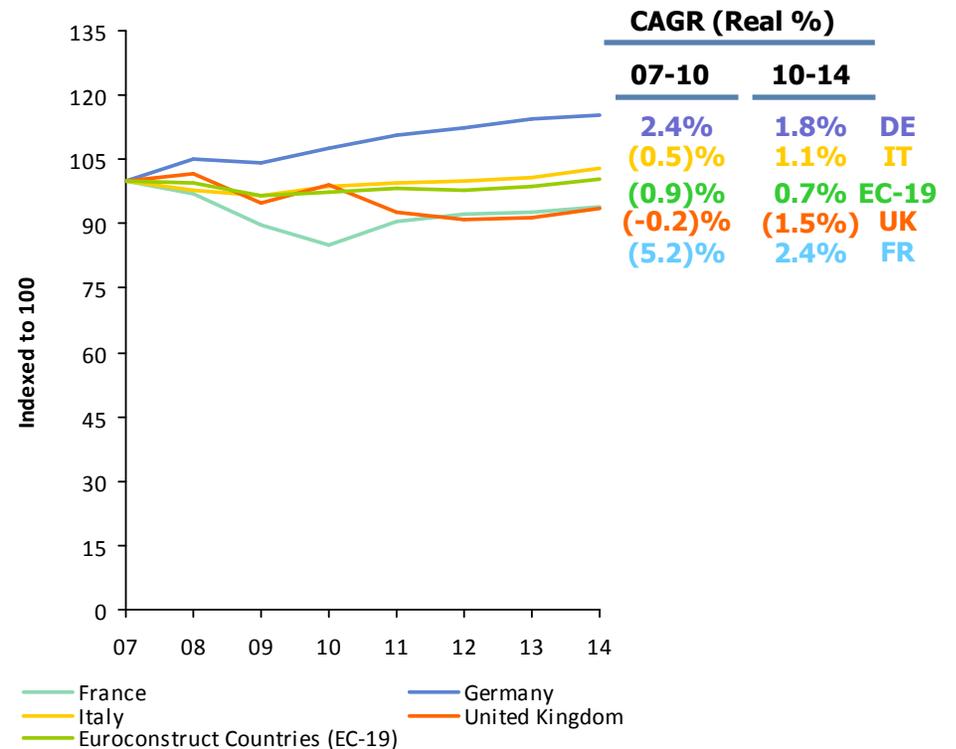
Positive Outlook for End-Markets

3rd parties are forecasting growth in the markets after the recent downturn

Ceramics and Fittings Markets Evolution



Residential Renovation Spend



Improved construction market and renovation spend will drive recovery

Source: BRG Update Jul 2012 for Ceramics & Fittings volume data; Euroconstruct (Jun 12) for Residential Renovation Spend data

Section IV

Strategy

Well-Developed Strategy To Drive Profitable Growth



Management team aligned behind detailed strategic plan intended to deliver sustained growth and improved profitability – unchanged from April 2011

Cost Base Management

Spend Controls

- Restructuring initiatives completed and benefits flowing
- SG&A controls in place
- Cost base being regularly reviewed to reflect market conditions

Productivity

- Procurement Savings on plan
- Purchasing in line with usage
- Productivity Savings on plan

Process Simplification

- Review of opportunities for further consolidation of processes and rationalization of cost, e.g. sku rationalization; service delivery offering definitions and efficiency of outbound distribution costs.

Growth Strategies

Geographical

- Q2- continued growth in Russia; Middle East and North Africa
- Continued focus on growing distribution in Russia
- Improving project visibility in Middle East
- Pursuing opportunities in North Africa (outside Egypt)

Channel / Customer

- Continued expansion with DIY and showroom channel in UK during Q2
- Continued growth in DIY channel in France
- Growing points of distribution in Germany

New Products

- New product introduction operating to plan
- Enhancing total bathroom solutions

Pricing Opportunities

- Effected list price increases driving yoy pricing
- Renegotiated all significant customer terms and conditions

Cash & Liquidity maximization

Inventory Reduction

- Finished goods and raw material inventory reduction on plan
- Project in place to sell off slow moving, obsolete and excess stock – currently proceeding to plan

Receivables Management

- General Reduction in overdue accounts receivable except for unusual spike at end of June by c. €5m.
- Factoring – exploring expansion opportunities in countries other than Italy, UK and France, currently proceeding to plan

Non Operational Asset Disposal

- Marketing excess property in UK, Italy and Greece –very slow markets but we are making progress

Credit Facilities

- Successful outcome of discussions with RCF lenders to remove covenant restrictions

Section V

Conclusion

Conclusions

- **Sales Performance reflecting expected poor market conditions in southern European partially offset by growth in all other major countries**
- **Improved Cash Generation through focus on cost control and working capital**
- **Continued focus on Liquidity and creation of Liquidity Headroom**
- **Good progress against all Strategic Priorities**
- **Improved Market Outlook in medium term**

Q&A