

Ideal
STANDARD
INTERNATIONAL

2011 – Q4 Earnings Release

Ideal Standard International SA

2011-Q4 Earnings Release

Agenda

* *Forward Looking Statements*

1. Introduction
2. Profit & Loss statement
3. Sales Analysis
4. Cash Flow
5. Capital Structure
6. Market Outlook
7. ISI Operating Plan
8. Liquidity

Forward-Looking Statements

This announcement includes forward-looking statements within the meaning of the securities laws of applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets and future developments in the markets where we participate or are seeking to participate. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” or “will” or the negative or such terms or other comparable terminology.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future.

We undertake no obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in this announcement. As a result of the risks, uncertainties and assumptions underlying these forward-looking statements, you should not place undue reliance on these forward-looking statements.

INTRODUCTION

David Hamill

Chairman & CEO

PROFIT & LOSS STATEMENT

	Q4		YTD	
	2011	2010	2011	2010
Million Euros				
Sales	163.6	179.0	712.9	753.4
<i>YoY Growth</i>	-9%		-5%	
Gross Profit	40.1	49.2	186.6	204.9
<i>YoY Growth</i>	-18%		-9%	
<i>Gross Profit (% of Sales)</i>	25%	27%	26%	27%
EBITDA	8.1	5.6	(47.6)	13.8
Adjusted EBITDA	1.3	14.9	27.3	51.3

SALES ANALYSIS - Q4 AND FULL YEAR 2011

Million Euros

By geography:

	Q4			YTD		
	2011	2010	Δ %	2011	2010	Δ %
United Kingdom	38.6	41.8	-8%	161.9	173.7	-7%
Italy	30.3	41.6	-27%	143.3	169.3	-15%
Germany	21.6	20.4	6%	96.5	88.3	9%
France	17.2	15.1	14%	76.5	69.8	10%
Egypt	11.3	12.0	-6%	46.7	54.2	-14%
Eastern Europe	13.4	14.1	-5%	54.1	55.0	-2%
Other EMEA	24.4	27.1	-10%	106.0	116.1	-9%
Americas	6.9	6.9	0%	28.0	27.0	4%
TOTAL	163.6	179.0	-9%	712.9	753.4	-5%

By product category :

Ceramics	64.4	75.8	-15%	281.6	313.9	-10%
Fittings	56.5	59.2	-5%	246.4	253.3	-3%
Bathing & Wellness	21.1	20.8	1%	92.6	89.7	3%
Furniture & Accessories	14.8	15.5	-5%	63.6	65.3	-3%
Others	6.9	7.6	-9%	28.7	31.1	-8%
TOTAL	163.6	179.0	-9%	712.9	753.4	-5%

CASH FLOW

Million Euros	Q4		YTD	
	2011	2010	2011	2010
Cash Flow from operating activities	(20.4)	(4.3)	(91.5)	(69.2)
CAPEX (incl. NPD)	(8.8)	(10.1)	(29.6)	(23.3)
CAPEX (<i>excl. restructuring costs</i>)	(6.2)	(7.9)	(23.1)	(19.5)
Cash restructuring cost (Incl. restructuring CAPEX)	(13.5)	(9.4)	(57.7)	(26.9)
Cash interest paid	(16.0)	(9.9)	(15.8)	(58.7)
			December 31	
			2011	2010
Cash & cash equivalents			46.9	75.5
Working Capital			69.9	54.0
Operating Working Capital			95.9	68.9

CAPITAL STRUCTURE

31 December 2011

Million Euros



















Senior secured notes	280.3 ^{*1}
Other borrowings	2.4
Total Cash pay Debt	<hr/> 282.3
Cash on Balance Sheet	46.9
Net Cash Pay Debt	<hr/> 235.4 <hr/>
Undrawn super senior RCF	15.0
Local credit lines	26.0 ^{*2}

1. € 275.0m plus € 5.3m accrued but unpaid interest

2. Factoring plus Egypt overdraft

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			

* Current trends observed from external data. (Sources: BRG Consult; Eurostat; Euroconstruct; National statistics from Banks, Agencies and Associations)

ISI OPERATING PLAN

Specific actions to target key areas of performance

Market Share

Pricing Opportunities

Channel/Category Growth

Cost Base Management

Cash and Liquidity Management

- Enter new channels
- Expand category presence
- Deliver significant sales value from new products
- Expand geographic presence
- Strategic pricing actions
- Margin improvement through portfolio management
- SKU rationalization and simplification
- Procurement programmes
- Productivity projects
- Inventory reduction programmes
- Disposal of non-operating assets

LIQUIDITY

Focus on strengthening liquidity position to fulfil requirements

Liquidity Sources

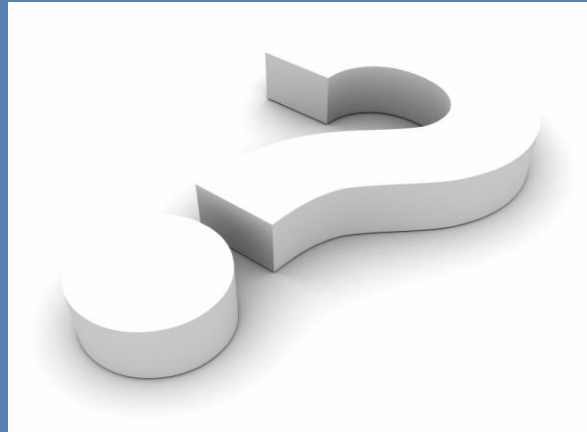
- Cash on Balance Sheet
- Available lines of Credit
- Cash from Operations
- Non-operational Asset Disposals

Liquidity Requirements

- Annual Interest on cash pay debt
- Recurring capital expenditures
- Pension fund payments
- Remaining Restructuring
(including restructuring Capex)



Questions



2011 – Q4 Earnings Release