



Villeroy & Boch

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INTERIM REPORT
1 January to 31 March 2016

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- Consolidated revenue up 1.6 % year-on-year to € 198.4 million.
- Operating EBIT climbs 5.3 % to € 10.0 million.
- Growth and earnings targets for 2016 as a whole confirmed.

THE GROUP AT A GLANCE	1/1/2016 - 31/3/2016	1/1/2015 - 31/3/2015	Change	Change
	in € million	in € million	in € million	in %
Revenue (nominal)	198.4	195.2	3.2	1.6
Revenue – Germany	60.6	60.0	0.6	1.0
Revenue – Abroad	137.8	135.2	2.6	1.9
Revenue (on a constant currency basis)	199.1	195.2	3.9	2.0
EBIT	10.0	9.5	0.5	5.3
Earnings before taxes (EBT)	8.7	8.3	0.4	4.8
Group result	6.1	5.8	0.3	5.2
Return on net operating assets (rolling)	13.7 %	13.6 % *	-	-
Investments	2.4	2.9	-0.5	-17.2
Employees (FTEs as at end of period)	7,321 FTE	7,333 FTE	-12 FTE	-0.2

* Return on net assets as at 31 December 2015

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INTERIM MANAGEMENT REPORT OF THE VILLEROY & BOCH GROUP FOR THE FIRST QUARTER OF 2016

GENERAL CONDITIONS OF THE GROUP

The basic information on the Group as presented in the 2015 Group management report remains unchanged. Information on changes in the consolidated group and on research and development costs can be found on page 12 or page 15 of the notes to the consolidated financial statements respectively.

ECONOMIC REPORT

General economic conditions

The global economy remained on a modest growth path in the first quarter of 2016. Momentum was curbed by the economic problems affecting many of the emerging economies due to falling oil and commodity prices. The global economic climate was also adversely impacted by the stability risks in China and uncertainties concerning the European banking system in particular.

The moderate recovery in the economic situation in the euro zone slowed slightly at the start of the year, although development in the individual countries varied considerably in some cases. While the economies of France and Italy again saw only minimal growth, the economic upturn in Germany continued. The main drivers in Germany were domestic economic factors such as private consumption, which was boosted by the positive development in terms of income and the employment market. Meanwhile, the US economy continues to perform well, largely on the back of strong domestic demand. By contrast, the economic and monetary crisis in Russia persists.

Course of business and position of the Villeroy & Boch Group

The Management Board of Villeroy & Boch AG considers the economic position of the Group to be positive on the whole.

In the first quarter, we increased consolidated revenue (nominal) by 1.6 % year-on-year to € 198.4 million. On a constant currency basis,

revenue increased by 2.0 % as against the previous year. This means that negative exchange rate effects, driven in particular by the Russian rouble, the Mexican peso and the Norwegian krone, dominated. Positive effects resulted from the US dollar and the Swedish krona. The change in conditions of sale and delivery has also led to a shift in intra-year revenue distribution, although this will balance out again by the end of the financial year. Revenue for the first quarter was adversely affected by this technical effect in the amount of € 2.8 million.

Orders on hand amounted to € 77.2 million as at 31 March 2016, a significant increase of € 13.9 million as against 1 January 2016. Of this figure, € 58.5 million related to the Bathroom and Wellness Division and € 18.7 million to the Tableware Division.

We are reiterating our revenue and earnings forecast for the year as a whole on account of our high level of orders on hand in particular.

At the end of the first quarter of 2016, we increased our operating EBIT by € 0.5 million or 5.3 % to € 10.0 million on the back of the strong revenue performance in the Bathroom and Wellness Division. Further information on revenue and earnings development in the two divisions can be found in the following discussion.

The rolling net operating assets of the Villeroy & Boch Group amounted to € 310.3 million at the end of the first quarter (31 December 2015: € 310.6 million). Our return on net operating assets amounted to 13.7 %, an improvement of 0.1 percentage points compared with 31 December 2015.

Course of business and position of the divisions

Bathroom and Wellness

We generated revenue (nominal) of € 129.2 million in the Bathroom and Wellness Division in the first quarter of 2016, an increase of 4.4 % as against the previous year. On a constant currency basis, revenue growth was even stronger at 5.4 %. The main exchange rate effects were due to negative developments in the Russian rouble, the Mexican peso and the Norwegian krone.

Revenue increased by 2.8 % in our home market of Germany. We also recorded substantial revenue growth in the United Kingdom (+24.8 %), the Netherlands (+21.3 %), Sweden (+18.8 %) and Belgium (+13.0 %) in particular. By contrast, revenue in France (-5.7 %) and Italy (-4.8 %) continued to decline as a result of the sustained weakness of the construction industry.

In our growth markets, we recorded substantial year-on-year revenue growth of 25.3 % in China in the first quarter. By contrast, the continued difficult economic and political conditions and the sustained weakness of the rouble meant that revenue in Russia declined by 33.0 %.

Thanks to its strong revenue performance, the Bathroom and Wellness Division increased its operating result (EBIT) by € 0.7 million or 7.5 % year-on-year to € 10.0 million.

The division improved its return on net operating assets to 19.7 % (31 December 2015: 19.2 %). The net operating assets employed in the division increased by € 1.0 million as against 31 December 2015 to € 216.3 million.

Tableware

The Tableware Division reported revenue (nominal) of € 69.2 million in the first three months of 2016. Although this was down 3.2 % on the same period of the previous year, the prior-year figure included additional revenue from project business with hotels and restaurants and our business with secondary brands, whereas we are not expecting to see comparable projects until the coming quarters of the current financial year. On a constant currency basis, revenue in the Tableware Division declined by 3.9 %. Significant positive exchange rate effects resulted in particular from the strong US dollar.

While revenue in Germany failed to reach the prior-year level (-1.9 %), we recorded substantial revenue growth outside Germany, particularly in Belgium (+16.6 %), the Netherlands (+14.3 %) and – despite the weak economy – France (+5.0 %). We also recorded total growth of 12.7 % in Eastern Europe, including revenue growth of 39.0 % in Russia. By contrast, notable downturns were recorded in Japan (-23.0 %), Italy (-10.7 %) and the USA (-8.9 %).

Our own e-commerce business within the division again saw excellent performance across all sales markets (+19.8 %).

The Tableware Division started the 2016 financial year by breaking even in terms of EBIT for the first quarter (€ 0.0 million), falling narrowly short of the prior-year figure (€ 0.2 million) due to the revenue development.

The rolling net operating assets of the Tableware Division amounted to € 94.0 million as of 31 March 2016, down on the figure of € 95.3 million as of 31 December 2015. The return on net operating assets declined by 0.6 percentage points as against 31 December 2015, amounting to 8.4 % at the reporting date.

Capital structure

Our equity increased by € 6.1 million to € 171.4 million compared with 31 December 2015. This was primarily due to the Group result for the first quarter of 2016. Consequently, our equity ratio rose by 1.5 percentage points to 27.5 % as of 31 December 2015.

Investments

We made investments totalling € 2.4 million in the first quarter of 2016 (previous year: € 2.9 million). The Bathroom and Wellness Division accounted for € 1.6 million or 66.7 % of the investment volume, with the remaining € 0.8 million or 33.3 % attributable to the Tableware Division.

Investments in the Bathroom and Wellness Division primarily related to new facilities for our production sites in Germany, Romania, Thailand and the Netherlands.

In the Tableware Division, we mainly invested in the expansion and optimisation of our retail activities, including the opening of new stores in Finland and Denmark. New pressing tools were also acquired for production.

At the reporting date, the Group had obligations to acquire property, plant and equipment and intangible assets in the amount of € 5.0 million. Our investments are financed from operating cash flow.

We are continuing to forecast an investment volume of more than € 30 million for 2016 as a whole.

Net liquidity

Our net liquidity amounted to € 5.5 million as of 31 March 2016, up on the prior-year figure (€ -26.9 million). One of the main reasons for this was the payment of the dividend in the second quarter of 2016. Compared with 31 December 2015 (€ 15.0 million), net liquidity declined by € 9.5 million. The main reason for this development was seasonal factors such as the annual payment of customer bonuses and variable performance-based remuneration, which were partially offset by the reduction in receivables from customers.

Structure of the statement of financial position

Total assets amounted to € 624.0 million at the end of the reporting period compared with € 636.6 million as of 31 December 2015. The lower level of investment compared with depreciation and amortisation and the repayment of a long-term loan receivable meant that the share of total assets attributable to non-current assets declined by 0.5 percentage points to 34.7 %.

Current assets fell by € 7.0 million as against 31 December 2015. This was due primarily to the reduction in cash and cash equivalents and receivables from customers, which was partially offset by increases in income tax receivables, other current assets and inventories. On the equity and liabilities side of the statement of financial position, the main changes compared with year-end 2015 related to the reduction in current provisions for personnel and other current liabilities.

REPORT ON POST-BALANCE SHEET DATE EVENTS

The General Meeting of Shareholders on 1 April 2016 approved the proposal of the Management Board and Supervisory Board that Villeroy & Boch AG's unappropriated surplus be used to distribute a dividend of € 0.44 per ordinary share and € 0.49 per preference share. The dividend was paid on 4 April 2016 and resulted in a cash outflow of € 12.2 million.

No further significant events occurred by the time the interim report was approved for publication.

REPORT ON RISKS AND OPPORTUNITIES

The opportunities and risks described in the 2015 annual report remain unchanged. There is no evidence of any individual risks that could endanger the continued existence of the Group.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

At the end of the first three months of 2016, we are still anticipating moderate overall macroeconomic momentum for the year as a whole. Although the global economic climate cooled off in winter 2015/2016 due to the deterioration in sentiment indicators, especially the unfavourable economic data from China and substantial losses on the commodity and stock exchanges, the growth trend in the advanced economies appears to be intact. The economy in the euro zone continues to be supported by low interest rates and oil prices as well as the expansionary fiscal policy. The US economy also remains on a positive growth path. By contrast, we expect our important sales markets of

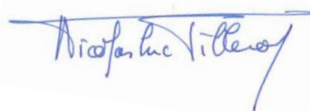
France and Italy to see a sustained difficult environment, although the positive development in terms of the leading indicators for the construction industry suggests that there could be a slight improvement as the year progresses. We are continuing to keep a critical eye on the ongoing economic crisis in Russia.

In light of the course of business in the first three months and taking into account all of the available market estimates, the Management Board of Villeroy & Boch AG is continuing to forecast an increase in consolidated revenue of between 3 and 6 % for the 2016 financial year as a whole. We are still anticipating growth in the operating result of 5-10 %. Our return on net operating assets in 2016 is expected to be slightly higher than the prior-year level of 13.6 %. This means that we are unreservedly confirming the forecasts made in the 2015 Group management report.

Mettlach, 14 April 2016



Frank Göring



Nicolas Luc Villeroy



Andreas Pfeiffer



Dr. Markus Warncke

CONSOLIDATED BALANCE SHEET

as of 31 March 2016

in € million

Assets	Notes	31/3/2016	31/12/2015
Non-current assets			
Intangible assets		36.6	37.1
Property, plant and equipment	1	156.4	161.2
Investment property		11.2	11.4
Investment accounted for using the equity method		1.6	1.5
Other financial assets	2	10.5	12.8
		216.3	224.0
Other non-current assets	5	1.3	1.3
Deferred tax assets		49.3	47.2
		266.9	272.5
Current assets			
Inventories	3	153.4	151.3
Trade receivables	4	113.7	119.9
Other current assets	5	27.4	24.3
Income tax receivables		5.9	2.6
Cash and cash equivalents	6	56.3	65.6
		356.7	363.7
Non-current asset held for sale		0.4	0.4
Total assets		624.0	636.6
Equity and Liabilities	Notes	31/3/2016	31/12/2015
Equity attributable to Villeroy & Boch AG shareholders			
Issued capital		71.9	71.9
Capital surplus		193.6	193.6
Treasury shares		-15.0	-15.0
Retained earnings		-14.7	-20.8
Revaluation surplus	7	-64.5	-64.5
		171.3	165.2
Equity attributable to minority interests		0.1	0.1
Total equity		171.4	165.3
Non-current liabilities			
Provisions for pensions		190.9	192.7
Non-current provisions for personnel	8	16.7	16.3
Other non-current provisions		2.6	2.4
Non-current financial liabilities		50.0	50.0
Other non-current liabilities	9	3.0	3.3
Deferred tax liabilities		10.9	10.2
		274.1	274.9
Current liabilities			
Current provisions for personnel	8	8.4	14.9
Other current provisions		20.3	18.0
Current financial liabilities		0.8	0.6
Other current liabilities	9	69.2	81.4
Trade payables		73.9	77.8
Income tax liabilities		5.9	3.7
		178.5	196.4
Total liabilities		452.6	471.3
Total equity and liabilities		624.0	636.6

CONSOLIDATED INCOME STATEMENT

for the period 1 January to 31 March 2016

in € million

	Notes	1/1/2016 - 31/3/2016	1/1/2015 - 31/3/2015
Revenue	10	198.4	195.2
Costs of sales		-110.0	-106.7
Gross profit		88.4	88.5
Selling, marketing and development costs	11	-67.5	-67.2
General administrative expenses		-11.2	-11.9
Other operating income and expenses		0.3	0.0
Result of associates accounted for using the equity method		0.0	0.1
Operating result (EBIT)		10.0	9.5
Financial result	12	-1.3	-1.2
Earnings before taxes		8.7	8.3
Income taxes	13	-2.6	-2.5
Group result		6.1	5.8
Thereof attributable to:			
■ Villeroy & Boch AG shareholders		6.1	5.8
■ Minority interests		0.0	0.0
		6.1	5.8
EARNINGS PER SHARE		in €	in €
■ Earnings per ordinary share		0.21	0.20
■ Earnings per preference share		0.26	0.25

During the reporting period there were no share dilution effects.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period 1 January to 31 March 2016

in € million

	1/1/2016 - 31/3/2016	1/1/2015 - 31/3/2015
Group result	6.1	5.8
Other comprehensive income		
Items to be reclassified to profit or loss:		
■ Gains or losses on cash flow hedge	0.7	-0.2
■ Gains or losses on translations of exchange differences	0.2	1.5
■ Gains or losses on value changes of securities	0.0	0.0
■ Deferred income tax effect on items to be reclassified to profit or loss	-0.9	-1.1
Items not to be reclassified to profit or loss:		
■ Actuarial gains or losses on defined benefit plans	0.1	-0.6
■ Deferred income tax effect on items not to be reclassified to profit or loss	-0.1	0.2
Total other comprehensive income	0.0	-0.2
Total comprehensive income net of tax	6.1	5.6
Thereof attributable to:		
■ Villeroy & Boch AG shareholders	6.1	5.6
■ Minority interests	0.0	0.0
Total comprehensive income net of tax	6.1	5.6

CONSOLIDATED STATEMENT OF EQUITY

for the period 1 January to 31 March 2016

in € million

Notes	Equity attributable to Villeroy & Boch AG shareholders					Equity attributable to minority interests	Total equity
	Issued capital	Capital surplus	Treasury shares	Retained earnings	Revaluation surplus		
					7		
As of 1/1/2015	71.9	193.6	-15.0	-51.5	-54.7	144.3	0.1
Group result				5.8		5.8	0.0
Other comprehensive income				-0.5	0.3	-0.2	-0.2
Total comprehensive income net of tax				5.3	0.3	5.6	0.0
Dividend payments				-10.9		-10.9	-10.9
As of 31/3/2015	71.9	193.6	-15.0	-57.1	-54.4	139.0	0.1
As of 1/1/2016	71.9	193.6	-15.0	-20.8	-64.5	165.2	0.1
Group result				6.1		6.1	0.0
Other comprehensive income					0.0	0.0	0.0
Total comprehensive income net of tax				6.1	0.0	6.1	0.0
Dividend payments				-		-	-
As of 31/3/2016	71.9	193.6	-15.0	-14.7	-64.5	171.3	0.1

CONSOLIDATED CASH FLOW STATEMENT**for the period 1 January to 31 March 2016**

in € million

	1/1/2016 - 31/3/2016	1/1/2015 - 31/3/2015
Group result	6.1	5.8
Depreciation of non-current assets	6.7	6.8
Change in non-current provisions	-2.3	-2.3
Profit from disposal of fixed assets	0.0	0.0
Change in inventories, receivables and other assets	-2.5	-29.6
Change in liabilities, current provisions and other liabilities	-24.4	-10.9
Other non-cash income/expenses	6.5	1.2
Cash Flow from operating activities	-9.9	-29.0
Purchase of intangible assets, property, plant and equipment	-2.4	-2.9
Investment in non-current financial assets	-0.1	-0.5
Cash receipts from disposals of fixed assets	2.9	0.6
Cash Flow from investing activities	0.4	-2.8
Change in financial liabilities	0.2	0.3
Dividend payments	-	-10.9
Cash Flow from financing activities	0.2	-10.6
Sum of cash flows	-9.3	-42.4
Balance of cash and cash equivalents as at 1/1/	65.6	66.8
Net increase in cash and cash equivalents	-9.3	-42.4
Balance of cash and cash equivalents as at 31/3/	56.3	24.4

CONSOLIDATED SEGMENT REPORT

for the period 1 January to 31 March 2016

in € million

	Bathroom & Wellness		Tableware		Transition / Other		Villeroy & Boch-Group	
	1/1/2016	1/1/2015	1/1/2016	1/1/2015	1/1/2016	1/1/2015	1/1/2016	1/1/2015
	- 31/3/2016	- 31/3/2015	- 31/3/2016	- 31/3/2015	- 31/3/2016	- 31/3/2015	- 31/3/2016	- 31/3/2015
Revenue								
■ Segment revenue from sales to external customers	129.2	123.7	69.2	71.5	0.0	0.0	198.4	195.2
■ Segment revenue from transactions with other segments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result								
■ Segment result	10.0	9.3	0.0	0.2	-	-	10.0	9.5
■ Financial result	-	-	-	-	-1.3	-1.2	-1.3	-1.2
Investments and depreciations								
■ Investments	1.6	2.1	0.8	0.8	-	-	2.4	2.9
■ Scheduled depreciation	4.6	4.5	2.1	2.3	-	-	6.7	6.8
Assets and Liabilities	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015
■ Segment assets	345.1	339.4	122.5	134.9	156.4	162.3	624.0	636.6
■ Segment liabilities	119.9	139.5	40.7	43.0	292.0	288.8	452.6	471.3

The rolling net operating assets and rolling operating result (EBIT) of the two divisions were as follows as at the end of the reporting period:

	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015
Rolling net operating assets								
■ Rolling operating assets	336.7	333.9	135.4	136.9	-	-	472.1	470.8
■ Rolling operating liabilities	120.4	118.6	41.4	41.6	-	-	161.8	160.2
■ Rolling net operation assets	216.3	215.3	94.0	95.3	-	-	310.3	310.6
Rolling operating result (EBIT) *								
■ Rolling operating result (EBIT) *	42.6	41.4	7.9	8.6	-7.9	-7.9	42.6	42.1

* Central function earnings components that cannot be influenced by the division are not taken into account in calculating the operating result of both divisions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS OF THE VILLEROY & BOCH GROUP FOR THE FIRST QUARTER OF 2016

GENERAL INFORMATION

Villeroy & Boch AG is domiciled in Mettlach and is a listed stock corporation under German law. It is the parent company of the Villeroy & Boch Group. The Group is divided into two operating divisions: Bathroom and Wellness, and Tableware. Villeroy & Boch's preference shares are listed in the Prime Standard operated by Deutsche Börse AG.

This interim report covers the period from 1 January to 31 March 2016. It was approved for publication on 14 April 2016 after the Management Board discussed the interim report with the Audit Committee of the Supervisory Board. It was prepared in accordance with section 315a of the German Commercial Code (HGB), applying the IFRS Foundation regulations as endorsed by the European Commission. These condensed interim financial statements have not been audited or reviewed by an audit company. In the opinion of the Management Board, these interim financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group. The interim report includes condensed consolidated financial statements with selected explanatory notes in accordance with IAS 34. For this reason, it should be read in conjunction with the consolidated financial statements as at 31 December 2015. These can be ordered in the Investor Relations section of the website at www.villeroyboch-group.com.

In the period under review, the accounting and consolidation methods described in the 2015 Annual Report were extended to include the accounting standards endorsed by the EU and applicable to reporting periods beginning on or after 1 January 2016. None of these changes had a material impact on this interim report.

Basis of consolidation

The basis of consolidation of the Villeroy & Boch Group consists of 53 companies (31 December 2015: 53 companies).

Seasonal influences on business activities

Owing to Christmas business, the Tableware Division habitually expects to generate a higher level of revenue and operating profit in the fourth quarter than in the other quarters of the year.

NOTES ON SELECTED ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Property, plant and equipment

Property, plant and equipment amounting to € 2.0 million (previous year: € 2.5 million) was acquired in the period under review. The Bathroom and Wellness Division acquired new facilities for the sanitary ware factories in Germany, Thailand and Romania. New pressing tools were acquired in the Tableware Division. We also invested in the further expansion of our retail network, including opening new stores in Finland and Denmark. Depreciation amounted to € 6.3 million (previous year: € 6.5 million). As at the end of the reporting period, the Villeroy & Boch Group had obligations to acquire property, plant and equipment in the amount of € 4.9 million (31 December 2015: € 2.7 million).

2. Other financial assets

V & B Fliesen GmbH, Merzig, made an interest and principal repayment of € 2.4 million as scheduled, meaning that this loan receivable has now been repaid in full.

3. Inventories

Inventories were composed as follows as at the end of the reporting period:

in € million	31/3/16	31/12/15
Raw materials and supplies	22.0	21.2
Work in progress	15.9	14.7
Finished goods and goods for resale	115.5	115.4
Inventories (total)	153.4	151.3

In the period under review, impairment losses on inventories increased by € 0.6 million to a total of € 17.8 million.

4. Trade receivables

Trade receivables are broken down as follows:

by customer domicile / in € million	31/3/16	31/12/15
Germany	27.3	21.3
Rest of euro zone	24.9	27.6
Rest of world	64.2	73.6
Gross carrying amount of trade receivables	116.4	122.5
Write-downs	-2.7	-2.6
Trade receivables (total)	113.7	119.9

5. Other current and non-current assets

Other non-current and current assets developed as follows in the period under review:

in € million	31/3/16		31/12/15	
	current	non-current	current	non-current
Other tax receivables	10.4	-	9.8	-
Change in fair value of hedging instruments	2.5	0.0	2.4	0.0
Prepaid expenses	3.6	0.0	2.6	0.0
Advance payments and deposits	2.0	1.3	1.5	1.3
Miscellaneous assets	8.9	-	8.0	-
Other assets (total)	27.4	1.3	24.3	1.3

6. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

in € million	31/3/16	31/12/15
Cash on hand incl. cheques	0.3	0.4
Current bank balances	13.9	19.2
Cash equivalents	42.1	46.0
Cash and cash equivalents (total)	56.3	65.6

The decrease in cash and cash equivalents is attributable primarily to seasonal effects as well as the payment of customer bonuses and variable remuneration for 2015. Bank balances were offset against matching liabilities in the amount of € 17.7 million (31 December 2015: € 17.4 million). Cash is held at banks of good credit standing that are predominantly a part of a deposit protection system.

7. Revaluation surplus

The revaluation surplus comprises the reserves contained in “Other comprehensive income”:

in € million	31/3/2016	31/12/2015
Items to be reclassified to profit or loss:		
▮ Currency translation of financial statements of foreign group companies	-1.2	-2.3
▮ Currency translation of long-term loans classified as net investments in foreign group companies	-2.0	-1.6
▮ Change in fair value of cash flow hedges	0.7	0.5
▮ Change in fair value of securities	-0.0	0.0
▮ Deferred taxes for this category	-4.5	-3.6
Sub-total (a)	-7.0	-7.0
Items not to be reclassified to profit or loss:		
▮ Actuarial gains or losses on defined benefit obligations	-81.4	-81.5
▮ Deferred taxes for this category	23.9	24.0
Sub-total (b)	-57.5	-57.5
Total revaluation surplus [(a)+(b)]	-64.5	-64.5

8. Current and non-current provisions for personnel

Non-current provisions for personnel only changed to a minor extent. The change in current provisions for personnel is mainly due to the payment of variable remuneration components for 2015.

9. Other current and non-current liabilities

Other non-current and current liabilities are composed as follows:

in € million	31/3/16		31/12/15	
	current	non-current	current	non-current
Personnel liabilities (a)	22.7	0.3	20.5	0.2
Bonus liabilities (a)	22.5	-	40.3	-
Other tax liabilities	11.8	-	11.7	-
Advance payments received on orders	5.7	-	3.9	-
Change in fair value of hedging instruments	1.4	0.3	1.1	0.8
Government grants	0.7	0.4	0.7	0.4
Miscellaneous liabilities	4.4	2.0	3.2	1.9
Other liabilities (total)	69.2	3.0	81.4	3.3

(a) Seasonal change

NOTES ON SELECTED ITEMS OF THE CONSOLIDATED INCOME STATEMENT

10. Revenue

Revenue is broken down as part of segment reporting.

11. Selling, marketing and development costs

This item includes the following expenses for research and development in the period under review:

in € million	31/3/16	31/3/15
Bathroom and Wellness	-2.5	-2.7
Tableware	-0.9	-0.9
Research and development costs (total)	-3.4	-3.6

12. Financial result

The financial result is broken down as follows:

in € million	31/3/16	31/3/15
Financial income	0.3	0.5
Finance expenses	-0.7	-0.8
Interest expenses for provisions (pensions)	-0.9	-0.9
Net finance expense (total)	-1.3	-1.2

13. Income taxes

The main components of income tax expense are as follows:

in € million	31/3/16	31/3/15
Current income taxes	-3.0	-1.3
Deferred taxes	0.4	-1.2
Income taxes (total)	-2.6	-2.5

OTHER NOTES

14. Related party disclosures

No material contracts were concluded with related parties in the period under review. The pro rata transaction volume is largely the same as in the 2015 annual financial statements. All transactions are conducted at arm's-length conditions.

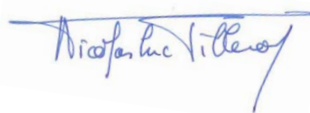
15. Events after the end of the reporting period

The General Meeting of Shareholders on 1 April 2016 resolved the distribution of a dividend of € 0.44 per ordinary share and € 0.49 per preference share. The dividend, which totalled € 12.2 million, was paid on 4 April 2016. No further significant events occurred by the time the interim report was approved for publication.

Mettlach, 14 April 2016



Frank Göring



Nicolas Luc Villeroy



Andreas Pfeiffer



Dr. Markus Warncke

FINANCIAL CALENDAR

20 July 2016	Report on the first half of 2016
21 October 2016	Report on the first nine months of 2016
24 March 2017	General Meeting of Shareholders of Villeroy & Boch AG

This interim report is available in English, German and French. In the event of variances, the German version shall take precedence over any translations. Due to rounding differences, there may be slight discrepancies in the totals and percentages contained in this report. Percentages are generally shown as rounded numbers. This interim report and further information can also be downloaded at www.villeroyboch-group.com.