PROSPECTUS DATED June 10, 2014

Prospectus

for the offer to the public in the Federal Republic of Germany
of
up to 4,347,827 newly issued shares each with a par value of €0.01 from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Company
and of

up to 15,714,286 shares each with a par value of €0.01 from the holdings of the Selling Shareholder

and of
up to 2,951,088 shares with a par value of €0.01 from the holdings of the Selling Shareholder in connection with a possible over-allotment
and at the same time for the
admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of up to 4,347,827 newly issued shares carrying the same dividend rights as the existing shares and 35,000,000 existing shares (existing share capital), each such share with a par value of €0.01
of

Braas Monier Building Group S.A.
Luxembourg, Grand Duchy of Luxembourg

Application has been made to the Luxembourg Financial Sector Supervisory Authority (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**") in its capacity as competent authority under the Luxembourg law of July 10, 2005 relating to prospectuses for securities, as amended (the "**Luxembourg Prospectus Law**"), for the approval of this prospectus (the "**Prospectus**") for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This approval cannot be considered as a judgment on, or as any comment on, the merits of the transaction, nor on the situation of Braas Monier Building Group S.A. and by approving this Prospectus the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of Braas Monier Building Group S.A., in line with the provisions of article 7(7) of the Luxembourg Prospectus Law.

This Prospectus constitutes a prospectus for the purposes of article 5(3) of the Prospectus Directive and article 8(3) of the Luxembourg Prospectus Law implementing the Prospectus Directive in Luxembourg.

Price Range: €23.00 – €28.00

International Securities Identification Number (ISIN): LU1075065190
WKN: BMSA01
Common Code: 107506519
Ticker Symbol: BMSA

Joint Global Coordinators and Joint Bookrunners

BNP PARIBAS **J.P. Morgan** **UBS Investment Bank**

Joint Bookrunners

Berenberg **Goldman Sachs International**

CONTENTS

SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in Sections A—E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."*

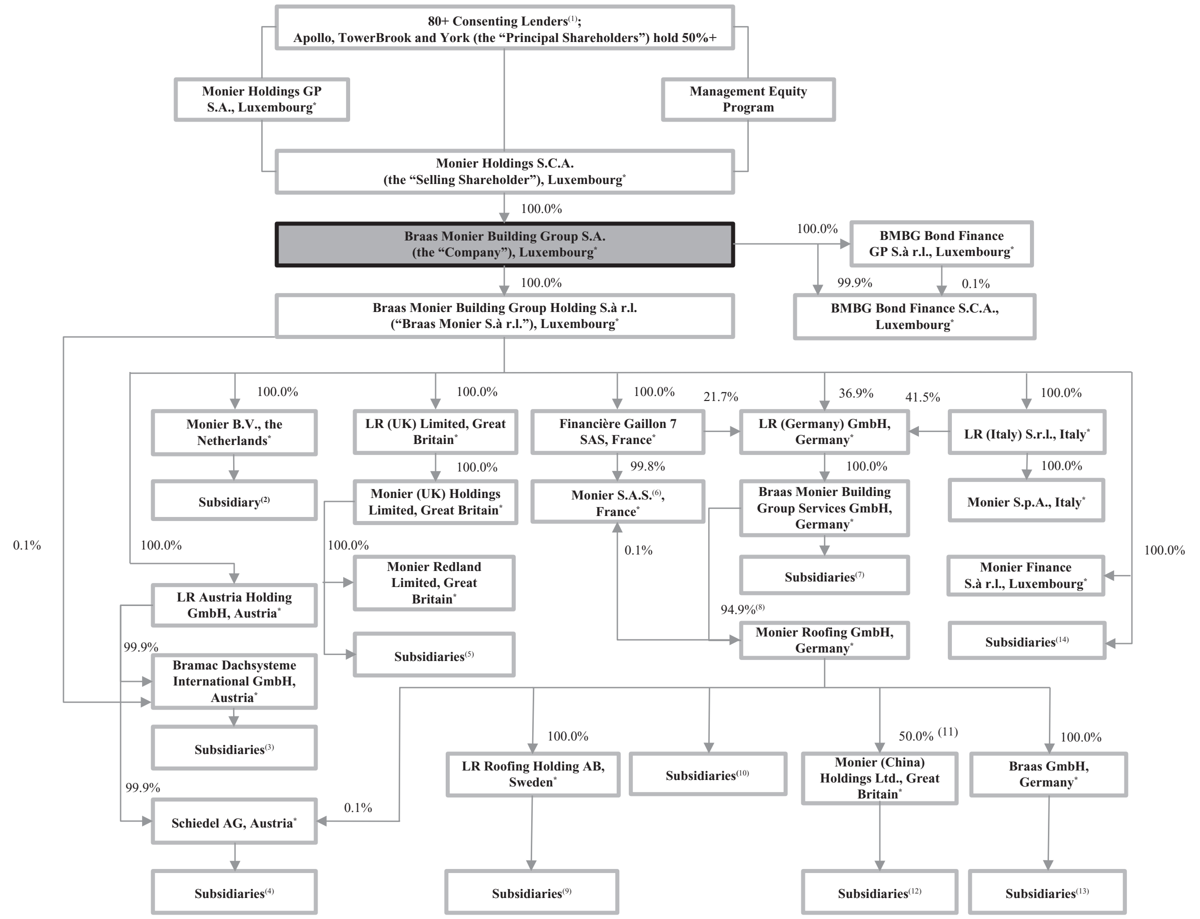
A—Introduction and Warnings

A.1	**Introduction and Warnings.**	This summary should be read as an introduction to the prospectus (the "**Prospectus**"). Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to the person(s) who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Information regarding the subsequent use of the prospectus.**	Not applicable. There will be no subsequent resale or final placement by financial intermediaries that requires consent. Therefore, consent regarding the use of the Prospectus for a subsequent resale or placement of the securities has not been granted.

B—The Issuer

B.1	**Legal and commercial name.**	As of the date of the Prospectus, the company's legal name is Braas Monier Building Group S.A. (the "**Company**" and, together with its consolidated subsidiaries, "**we**," "**us**," "**our**," the "**Group**"). In March 2014, the Company changed its name from Monier Participations S.à r.l. to Braas Monier Building Group S.à r.l and subsequently changed its legal form to a Luxembourg public limited liability company (*société anonyme*) and its name to Braas Monier Building Group S.A. The Company is the holding company of the Group and its business is primarily conducted under the commercial name "Braas Monier" or "Braas Monier Building Group."
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation.**	The Company has its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg. The Company is a Luxembourg public limited liability company (*société anonyme*) incorporated in Luxembourg and is governed by and operates under Luxembourg law.
B.3	**Description of, and key factors relating to, the nature of the issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes.**	We are a leading manufacturer and supplier of pitched roof products, including both roof tiles and roofing components, in Europe, parts of Asia and South Africa, based on volumes sold. We have been making pitched roof products for almost a century, and our expertise, developed over this extended period of time, covers all steps of the manufacturing process and makes us a preeminent roofing manufacturer. We are one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof construction. We estimate that we are the single largest manufacturer and supplier by volume of concrete roof tiles in each of Germany, France, Italy and the Netherlands, among others, as well as the second largest manufacturer and supplier by

		volume in the United Kingdom. In addition, we are one of the top three manufacturers and suppliers by volume of clay roof tiles in each of France, Italy, the Netherlands and the United Kingdom. In the market for roofing components, which is relatively fragmented and comprises many local competitors, we believe we hold market-leading positions in respect of many of our roofing components products. We also manufacture and supply chimneys and energy systems. This market is highly fragmented and we believe we are the leading manufacturer and supplier of ceramic chimneys in Europe and steel chimneys in the United Kingdom. Our portfolio of industry-leading brands includes Braas, Monier, Bramac, Redland, Wierer and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems.
B.4a	**Description of the most significant recent trends affecting the issuer and the industries in which it operates.**	Recent market surveys and economic forecasts from leading financial institutions foresee that some European markets are on a robust recovery path (such as the United Kingdom, Germany and Norway), some are stable or only slightly growing (such as Austria) and others are expected to decline further (such as the Netherlands and France). Management expects slight growth in the pitched roof market and assumes slight revenue growth in 2014 driven by volume and price increases. Management also believes that the positive trend that has been observed in some markets in the first quarter of 2014 will continue, but at a lower growth rate. In the United Kingdom, as well as in Germany and most Nordic countries, further growth is expected, with the United Kingdom potentially growing at the highest rate. France and the Netherlands would see a further declining market. Our assumption for Eastern Europe is cautiously positive. However, the Czech Republic is expected to decline further. For most of the smaller markets like Slovenia, Romania and Bulgaria almost no guidance can be given, though in the long term growth is a reasonable assumption. Mixed expectations describe the Asian market. We have assumed Malaysia will be flat, China will face a further slight decrease while Indonesia should experience higher growth rates. For South Africa, the current growth path is expected to continue. Chimneys and energy systems as well as the components business are also expected to continue profiting from the general positive European market environment. From a cost perspective management expects moderate increases in energy and most raw material prices as well as personnel costs. The fixed cost structure will be positively impacted by the roll-over effects from headcount reductions that took place in 2013 under the framework of the cost savings and repositioning program (Project Step 200+). This effect will be most notable in the first half of 2014. We expect significantly lower operational restructuring costs in 2014, however, some provisions made in 2013 will be paid in cash in 2014. Non-recurring expenses in 2014 are expected to consist primarily of financing cost and transaction costs for the initial public offering and to be significantly lower than in 2013. Based on the described revenue growth assumptions, as well as in light of efficiency gains, an improved cost structure and roll-over effects from Project Step 200+, management is confident that the increase in Operating EBITDA will be over-proportional to the Company's expected revenue growth.
B.5	**Description of the group and the issuer's position within the group.**	Braas Monier Building Group S.A. is the holding company of the Group. The Company's business is primarily conducted by the relevant operating subsidiaries. The following diagram sets forth a summary of the Company's most significant subsidiaries and of the shareholders of the Company as of the date of this Prospectus. The shareholdings are calculated on the basis of the economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation. The shareholdings presented below are rounded to one decimal point.



* Indicates the country of incorporation.

(1) The Consenting Lenders acquired ownership of our Group as a result of the restructuring of the Group's financial indebtedness completed on October 16, 2009 (the "**2009 Restructuring**").

(2) Includes Monier Roof Products Belgium N.V.

(3) Includes Bramac Dachsteinproduktion und Baustoffindustrie Kft., Bramac spol. s.r.o., Bramac Stresne Systemy spol. s.r.o., Bramac Pokrovni sitemi d.o.o., Bramac Sisteme per cati Sh.p.k., Bramac Pokrovni Sistemi EOOD, Bramac Sisteme de Invelitori S.R.L., Bramac Dachsteinproduktion und Baustoffindustrie d.o.o., Bramac Krovni Sistemi d.o.o. and Bramac Krovni Sistemi d.o.o.

(4) Includes Schiedel Moodulkorstnad OÜ, Schiedel Dumvadu Sistemas SIA, Schiedel kaminu sistemos UAB, Schiedel TOV, Schiedel SRL, Schiedel Sistemi oxhaku sh.p.k., Schiedel Sistemi Dimnjaka d.o.o., Schiedel Kominni Sistemi EOOD, Schiedel Diminski Sistemi d.o.o., Schiedel a.s., Schidel dimnjacki sistemi d.o.o., Schidel Sisteme de Cosuri Srl, Schiedel Slovensko s.r.o., Schiedel Kemenygyar Kft., Schiedel Proizvodnja Dimnjaka d.o.o., Schiedel d.o.o. za savjetovanje i zastupanje, Klöber-Hpi Gradevinski sustavi d.o.o., Schiedel Beteiligungsgesellschaft mbH, Schiedel Sp. z.o.o., Schiedel GmbH & Co. KG, Bemal N.V., Sistem Baca Cözümleri Sanayi ve Ticaret Anonim Sirketi, OOO Schiedel, SK Technik GmbH, Schiedel Savuhormistot Oy, Schiedel Skorsteiner AS, Schiedel Skorstenssystem, Schiedel Skorstene A/S, Schiedel Chimney Systems Ireland Ltd, Schiedel Chimney Systems Ltd., Schiedel Rite-Vent Ltd., Rite-Vent Holdings Ltd. and Rite-Vent Ltd.

(5) Includes Redland Engineering Limited, Monier Technical Centre Limited and Dovetail Roofing Accessories Limited.

(6) Monier S.A.S. is the only subsidiary.

(7) Includes Monier Yapi Cözüleri San. Ve Tic. A.S., Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sireketi, Monier Holding Co. Ltd., Monier Roofing Pvt. Ltd., Monier Braas Sp. Z.o.o. and HPi – CZ spol. s.r.o. and Klöber-HPi s.r.o.

(8) The remaining 5.1% is held by MR Beteiligungs GmbH & Co. KG, which is a wholly owned subsidiary of the Company but is considered to be an insignificant subsidiary.

(9) Includes Monier Roofing AB, Monier AS, Monier OÜ, Monier S.I.A., Monier UAB, Monier Holdings ApS, Monier A/S and Monier OY.

(10) Includes Klöber-HPi France S.à r.l., Klöber Benelux SPRL, Klober Ltd., Klöber GmbH, Monier Roofing Components GmbH, Monier Technical Centre GmbH, Rudolf H. Braas Sozialfonds GmbH, Monier Holdings Sdn Bhd, Monier Asia Pacific Sdn Bhd, Perak Brickworks Sdn Bhd, Monier Logistics Services Sdn Bhd, Monier Malaysia Sdn Bhd, Kayangan Perzka Sdn Bhd, Monier Sdn Bhd, Advanced Technical Laminates Manufacturing Sdn Bhd, Klöber Roofing Accessories Malaysia Sdn. Bhd., PT Monier, Meisterfonds der Monier GmbH, and OOO Braas-DSK.

(11) The remaining 50.0% is held by Monier Yapi Cözüleri San. Ve Tic. A.S., which is a wholly owned subsidiary of the Company but considered non-significant.

(12) Includes Monier Roofing Systems (Nanjing) Co, Ltd., Monier Roofing Systems (Qingdao) Co, Ltd., Monier Roofing Systems (Shaoxing) Co, Ltd., Monier Roofing Systems (Chengdu) Co, Ltd., Monier Roofing Systems (Foshan) Co, Ltd., Monier (Shanghai) Management Co, Ltd., Monier Roofing Systems (Beijing) Co, Ltd., and Monier Roofing Systems (Suzhou) Co, Ltd.

(13) Includes Braas Schweiz AG and Rupp Keramik GmbH.

(14) Includes Monier Special Holdings S.à r.l., Financière Roofing (Pty) Ltd., Monier Roofing SA (Pty) Ltd., LR, Inc., and Monier Inc.

B.6	**Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital or voting rights or have control over the issuer.**	Prior to completion of the offering (the "**Offering**"), Monier Holdings S.C.A., with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Company Register under number B 148539 (the "**Selling Shareholder**") holds 100 percent of the 35,000,000 ordinary bearer shares each with a par value of €0.01 currently issued by the Company (the "**Existing Shares**") (and together with any new shares placed and issued in connection with the Offering as defined below, the "**Shares**"). Upon completion of the Offering, the Selling Shareholder will hold at least 41.5 percent of the Company's share capital (assuming placement of all new shares and full exercise of the Greenshoe Option) and therefore will continue to have control over the Company.
	Voting rights.	Each Share entitles the shareholder to one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights. All Shares, including the Existing Shares held by the Selling Shareholder, carry the same voting rights.
	Whether the issuer is directly or indirectly owned or controlled and by whom and description of the nature of control.	The Company is wholly owned by the Selling Shareholder, which itself is owned by over 80 securityholders (approximately 97.0%) (the "**Securityholders**"), Monier Holdings GP S.A. (approximately 0.0000088%) and investment vehicles through which certain managers of our Group participate in our Existing Management Equity Program (as defined under E.4) (approximately 3.0%). Securityholders are the current holder of stapled debt and equity instruments (including any successor or replacement instruments, the "**PIK/Equity Strips**") which, among others, include Shares of the Selling Shareholder. The PIK/Equity Strips can be transferred among existing Securityholders or acquired by new Securityholders. As a result of such transactions, the identity and shareholdings of the Securityholders in the Selling Shareholder can change. Funds affiliated with, managed and/or advised by, Apollo Management VII, L.P. and Apollo Global Management LLC and its subsidiaries, funds affiliated with, managed and/or advised by, TowerBrook Capital Partners L.P. and funds affiliated with, managed and/or advised by, York Capital Management Global Advisors, LLC (together, the "**Principal Shareholders**") collectively hold an amount of ordinary shares in the Selling Shareholder sufficient to control the Selling Shareholder, and also hold a controlling stake in Monier Holdings GP S.A., the general partner of the Selling Shareholder. Such controlling shareholdings in the Selling Shareholder and Monier Holdings GP S.A. enable the Principal Shareholders to make decisions relating to our Group, and to appoint the directors on the board of Monier Holdings GP S.A.
B.7	**Selected financial and business information.**	KPMG Luxembourg société à responsabilité limitée ("**KPMG**"), has audited and issued an unqualified auditor's report with respect to the consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, and the unconsolidated financial statements for the year ended December 31, 2013. The aforementioned financial statements of the Company and reports are included in this Prospectus beginning on page F-1. Some of the performance indicators and ratios reproduced below were taken from the Company's accounting records. Where financial data in the following tables is labeled "audited," this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited

financial statements mentioned above but was taken either from the Group's unaudited condensed consolidated interim financial statements or the Group's accounting or controlling records, or is based on calculations of these figures. All of the financial data presented in the Prospectus are shown in millions of euro (in € million), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. If the figures that are compared were rounded, the percentage changes are calculated on the basis of such rounded figures. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the main body of the Prospectus, a dash ("—") signifies that the relevant figure is not available or of no economic value, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

From January 1, 2014, the Group has applied the new accounting standards of IFRS 11. As a result, the method of consolidation for joint ventures has changed. As from January 1, 2014, joint ventures are included in the Group's consolidated financial statements on the basis of the share of equity held by the Group (equity accounting). IFRS 11 has been applied with retrospective effect from the date of acquisition or formation of the relevant joint venture. This change has an impact on almost all items in the Group's statement of financial position and statement of profit and loss as of all dates and for all periods presented.

Selected Financial Data Prepared in Accordance with IFRS

Selected Consolidated Income Statement Data

	For the three-month period ended March 31,		For the year ended December 31,		
	2013[(1)]	2014	2011[(2)]	2012[(2)]	2013[(2)]
	(in € million) (unaudited)		(in € million) (audited)		
Revenues	**215.7**	**250.0**	**1,392.1**	**1,314.9**	**1,228.2**
Cost of sales	(177.0)	(189.7)	(1,042.5)	(1,000.9)	(905.7)
Gross profit	**38.7**	**60.4**	**349.6**	**314.0**	**322.5**
Selling expenses	(41.9)	(39.3)	(184.8)	(178.6)	(159.2)
Administrative expenses	(25.6)	(25.0)	(119.2)	(113.6)	(97.0)
Other operating income, net	0.4	0.1	17.6	4.5	(1.2)
Restructuring expenses	(8.9)	—	(15.7)	(73.4)	(72.4)
Impairments	—	—	(8.3)	(124.9)	(9.6)
Reversal of impairments	—	—	—	0.8	23.3
Result from associates	0.4	0.2	1.5	1.6	(0.1)
Earnings before interest and taxes	**(36.8)**	**(3.7)**	**40.7**	**(169.7)**	**6.3**
Finance costs, net	(6.1)	(18.6)	(69.5)	(66.1)	(84.7)
Earnings before taxes	**(42.9)**	**(22.2)**	**(28.8)**	**(235.7)**	**(78.3)**
Income taxes	5.2	6.6	(6.2)	22.0	9.3
Profit (loss) for the period	**(37.7)**	**(15.6)**	**(35.1)**	**(213.7)**	**(69.0)**
Attributable to equity holders of the parent company	(37.4)	(15.5)	(33.7)	(212.2)	(70.9)
Attributable to non-controlling interests	(0.3)	(0.1)	(1.3)	(1.5)	1.9

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014 and reflects the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 and does not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014.

Selected Consolidated Balance Sheet Data

	As of March 31,	As of December 31,		
	2014	2011(1)	2012(1)	2013(1)
	(in € million) (unaudited)		(in € million) (audited)	
Total non-current assets	**933.2**	**1,213.5**	**1,010.0**	**942.7**
Of which property plant and equipment	*611.6*	*834.5*	*680.1*	*637.3*
Of which other intangible assets	*239.0*	*263.6*	*250.9*	*241.9*
Total current assets	**530.3**	**659.8**	**668.8**	**553.0**
Of which inventories	*221.1*	*237.5*	*222.6*	*196.7*
Of which cash and cash equivalents	*143.0*	*233.2*	*275.0*	*208.3*
Of which trade accounts receivables	*123.3*	*155.9*	*133.6*	*103.0*
Total assets	**1,463.5**	**1,873.3**	**1,678.8**	**1,495.7**
Total equity	**0.0**	**340.2**	**90.9**	**16.2**
Total non-current liabilities(2)	**1,135.0**	**1,176.8**	**1,204.2**	**1,137.5**
Of which long term liabilities to banks(2)	*655.0*	*677.1*	*690.5*	*654.8*
Total current liabilities	**328.5**	**356.3**	**383.7**	**342.0**
Total equity and liabilities	**1,463.5**	**1,873.3**	**1,678.8**	**1,495.7**

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 and does not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014.

(2) Subsequent to March 31, 2014, the Group has refinanced a substantial amount of its indebtedness. See below "*—B.7 Significant changes to the issuer's financial condition and operating results*."

Selected Consolidated Cash Flow Statement Data

	For the three-month period ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(in € million) (unaudited)			(in € million) (audited)	
Net cash from (used in) operating activities	(104.6)	(58.4)	98.9	76.6	25.8
Net cash from (used in) investing activities	(7.2)	(5.9)	(92.7)	(32.4)	(30.1)
Net cash from (used in) from financing activities	(4.4)	0.1	(29.2)	(2.9)	(59.5)
Cash and cash equivalents at the beginning of the period	273.5	207.5	255.8	233.2	275.0
Effect of exchange rate fluctuations on cash and cash equivalents	(0.8)	(0.2)	0.4	0.6	(3.0)
Cash and cash equivalents at the end of the period	**156.5**	**143.0**	**233.2**	**275.0**	**208.3**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014 and reflects the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 and does not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014.

	Significant changes to the issuer's financial condition and operating results.	As of April 17, 2014, the Company used the proceeds of (i) its €315 million senior secured floating rate notes due 2020 (the "**Notes**") issued on April 17, 2014, (ii) borrowings available to the Company under its term loan in an amount of €250 million (the "**Term Loan Facility**") and a drawing under its revolving credit facility (the "**Revolving Credit Facility**") in the amount of €30 million both established under its senior facilities agreement dated April 9, 2014 between, *inter alia*, the Company, Braas Monier S.à r.l., BNP Paribas S.A., as facility agent and security agent, and Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited as mandated lead arrangers (the "**Facilities Agreement**"), and (iii) cash on balance sheet in an amount of €92.1 million, to repay (a) a senior secured credit facilities agreement (the "**Refinanced Credit Facilities Agreement**") in an amount of approximately €666.8 million in full, and (b) associated transaction costs in an amount of €20.3 million (the "**Refinancing 2014**").
B.8	**Selected key pro forma financial information.**	Not applicable. No pro forma financial information has been prepared by the Company.

B.9	**Profit forecast and estimate.**	Not applicable. No profit forecast or estimate has been presented by the Company.
B.10	**Qualifications in the audit report on the historical information.**	Not applicable. The auditor's reports on the historical financial information included in this Prospectus have been issued without qualification.
B.11	**Explanation of the issuer's working capital for its present requirements.**	Not applicable. The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this Prospectus.

C—Securities

C.1	**A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.**	Ordinary Shares in bearer form each with a par value (*valeur nominale*), of €0.01 and carrying the same dividend rights as the existing shares. The international securities identification number (ISIN) for the Shares is LU1075065190. German Securities Code (*Wertpapierkennnummer*, WKN) is BMSA01. The common code for the Shares is 107506519.
C.2	**Currency of the securities issue.**	Euro.
C.3	**The number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have not par value.**	At the date of the Prospectus, the share capital of the Company amounts to €350,000 and is divided into 35,000,000 shares in bearer form each with a par value (*valeur nominale*) of €0.01. The share capital of the Company is fully paid up.
C.4	**A description of the rights attached to the securities.**	Each Share entitles the shareholder to one vote at the general shareholders' meeting of the Company. There are no restrictions on voting rights. All of the Shares carry full dividend rights.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable. There are no restrictions on the transferability of the Shares in the Company's articles of association (the "**Articles of Association**").
C.6	**An indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded.**	The Company expects to apply for admission of its Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on June 11, 2014. The listing approval is expected to be issued on or about June 24, 2014. Trading of the admitted Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on June 25, 2014.
C.7	**A description of dividend policy.**	The Company intends to pay dividends in the future, targeting a dividend ratio between 25% and 50% of the consolidated net profit, only when and in respect of fiscal years in which both (i) the reported leverage ratio as of December 31 of such year and (ii) the expected leverage ratio as of December 31 of the year of the dividend payment, is less than 2.0x. Based on current expectations, the Company believes that fiscal year 2015 is the first year in respect of which dividends may be paid under this test.

D—Risks

D.1	**Key information on the key risks that are specific to the issuer or its industry.**	An investment in the Shares of the Company is subject to risks. Prospective investors should carefully consider the risks set out below before making an investment decision with respect to investing in Shares in the Company. The occurrence of any of the events or circumstances described in these risks, individually or together with other circumstances, could have a material adverse effect on our business, results of operations and financial condition.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on our business, results of operations and financial condition. The value of the Shares in the Company could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose all or part of their investment.

The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Company's business, results of operations and financial condition.

Market and Business Related Risks

- Our business, results of operations and financial condition are materially affected by changes in the macroeconomic environment.
- We are subject to the cyclicality of the building materials industry, which may cause significant fluctuations in our results of operations.
- We operate in a seasonal industry which may affect our results of operations.
- We compete with other producers in the roofing and wider chimney (residential and non-residential) industries, as well as producers of substitute products, on the basis of product quality and characteristics, price and service offering.
- Interruptions in operations at our facilities could have a material adverse effect on our business, results of operations and financial condition.
- Our business may be negatively affected by volatility in raw material prices and inability to pass on the price increases to our customers, our inability to retain or replace any of our key suppliers, unexpected supply shortages or disruptions in the supply chain.
- Our business, results of operations and financial condition may be negatively affected by volatility in energy costs or disruptions in energy supplies.
- The availability of, and any significant increase in the cost of, transportation could materially adversely affect our business, results of operation and financial condition.
- We may not be able to successfully complete our comprehensive cost savings and repositioning program, "Project Step 200+," and there can be no guarantee that any cost savings will be sustainable.
- We are dependent on market and customer acceptance of our new product innovations to produce sufficient sales to recoup our investment and grow our revenues.
- We may fail to develop products that will meet the requirements for energy-efficient construction, which may negatively affect our business, results of operations and financial condition.
- We are exposed to local business risks in many different countries.
- We may face risks associated with the acquisitions or divestments of businesses or with the establishment of greenfield operations, any of which could have a material adverse effect on our business, results of operations and financial condition.

- We believe that our brands and intellectual property are important to our ongoing success, and damage to our brands or intellectual property could harm our business and reputation.
- We may need to write down tangible assets including property, plant and equipment and inventory or intangible assets such as goodwill, trademarks, or other intangible assets and a significant impairment charge would adversely affect our financial results.
- We rely on trade secret protection and confidentiality agreements with our employees for the protection of our products, technologies, recipes and other material know-how. If we are not able to maintain sufficient secrecy, this could have a material adverse effect on our results of operations and financial condition.
- We are dependent on qualified personnel in key positions and employees having special technical knowledge, and any loss of these personnel could harm our business.
- We are dependent on good relations with our employees, unions and employee representatives to avoid business interruptions, implement restructurings and amend existing collective bargaining agreements.
- Our business is subject to many operational risks for which we may not be adequately insured.
- We depend on efficient and uninterrupted operations of our information and communication technology, and any disruption to or interruptions in these operations could materially adversely affect our business, results of operations and financial condition.

Financial Risks

- The capital intensive nature of our business requires significant financing, and if we are unable to meet these requirements, it could materially adversely affect our business, results of operations and financial condition.
- Our Notes, Term Loan Facility, and Revolving Credit Facility as well as certain local facilities bear interest at floating rates that could rise significantly, increasing our financing costs and reducing our cash flow. While we attempt to mitigate risks resulting from an increase of floating rates by entering into hedge agreements, we may also become exposed to the risks associated with the valuation of hedge instruments and these hedges' counterparties.
- We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful, and could result in an event of default under our indebtedness, which could materially and adversely affect our financial condition and results of operations.
- We are subject to restrictive covenants which limit our operating, strategic and financial flexibility; failure to comply with the covenants, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.
- We may incur substantially more debt in the future, which may make it difficult for us to service our debt and impair our ability to operate our businesses.
- Because many of our subsidiaries conduct their operations in currencies other than the euro, adverse changes in foreign exchange rates relative to the euro could materially adversely affect our reported earnings and cash flow.

- Our hedging programs may limit the income and cash flows we would otherwise expect to receive if our hedging program were not in place and may otherwise affect our business.
- A significant default by a financial institution counterparty or a customer could adversely affect our business, financial condition of operations and financial condition.
- We have obligations to our employees relating to retirement and other obligations and any changes in assumptions or in interest rate levels could have adverse effects on our results of operations and financial condition.
- Our ability to pay dividends will depend on a variety of factors, including the realization of profits by our (operating) subsidiaries and the distributions or transfers thereof from our subsidiaries to the Company.
- Certain intra-group debt that originated from the financial restructuring in 2009 was restructured and eliminated in 2013 and 2014, but substantial intra-group debt will remain outstanding after the public offering. The outstanding intra-group debt may affect the subsidiaries' ability to pay dividends to the Company and thus the Company's ability to pay dividends (if any) in the future could be restricted. The restructuring of intra-group debt can inter alia result in taxable waiver gains or reduce tax loss carry forwards. The restructuring of intra-group debt that took place in 2013 and 2014 is subject to routine tax audits, which may result in additional tax and interest payments. These factors can adversely affect the financial condition and the liquidity of the Group.
- A repayment of German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("*Außensteuergesetz*").
- The accrual or payment of interest on the German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("*Außensteuergesetz*").
- We have a history of losses as reported under IFRS and may not be profitable in the future, which may adversely affect our ability to pay dividends in the future out of the net income. Our failure to achieve profitability could adversely affect the trading price of our shares and our ability to pay dividends as well as result in over-indebtedness forcing us into insolvency or liquidation.

Regulatory and Legal Risks

- We are subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect our business, results of operations and financial condition.
- Obligations resulting from environmental conditions at our current and former production and other sites could have a material adverse effect on our business, financial condition and results of operations.
- We are subject to significant reclamation and recultivation obligations in connection with clay and sand pits.
- Changes in building, manufacturing and zoning laws, regulations, ordinances and standards could materially adversely affect our business, results of operations and financial condition.

- Changes in the European Union emissions trade certificate regulations and other local emissions allowance systems could lead to reduced free emission right allocations and limited free transferability of emissions allowances and would increase our production costs.
- We are subject to certain competition and antitrust laws, and we are currently subject to investigations for alleged antitrust violations in Brazil.
- We may incur material cost as a result of warranty and product liability claims which could adversely affect our profitability, and we are currently subject to litigation in relation to our warranties.
- We are subject to risks from legal proceedings, including a pending class action suit in California.
- Pending and future tax audits and changes in fiscal regulations could lead to additional tax liabilities.
- Our taxation may increase.

D.3	**Key information on the key risks that are specific to the securities.**	**Risks relating to our Shareholder Structure, the Offering and the Listing**

- Our Principal Shareholders will continue to exercise significant influence on the Company via the Selling Shareholder which is controlled by our Principal Shareholders following completion of the Offering, and the interest of Principal Shareholders could conflict with the interests of other shareholders.
- Future sales or anticipated sales of a substantial number of Shares or similar transactions conducted by the Selling Shareholder or other groups of shareholders could have a material adverse effect on the price of the shares.
- The market price of our shares may be volatile, which could cause the value of your investment to decline or cause the share price to move out of the price range.
- The Offering may not take place, and investors may be unable to recover security commissions already paid. The short selling of shares offered in the Offering entails the risk that such sales are uncovered if the Offering is not completed.
- Future offerings of debt or equity securities by us could have a material adverse effect on the market price of our shares, and future capitalization measures could substantially dilute our existing shareholders' interests in the Company.
- Our historical earnings and other historical financial data are not necessarily predictive of our earnings or our other key financial figures going forward.
- The rights of shareholders in a Luxembourg company may differ from the rights of shareholders in companies organized under the laws of other jurisdictions.
- If securities or industry analysts do not publish research or reports about our business or if they downgrade their recommendations regarding our ordinary shares, our stock price and trading volume could decline.

E—Offer

E.1	**The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror.**	The Company will receive only the proceeds of the Offering resulting from the sale of the New Shares (as defined below in E.3). The Company will not receive any proceeds from the sale of Existing Offer Shares (as defined below in E.3) from the holdings of the Selling Shareholder. Assuming that the maximum number of New Shares (4,347,827 shares) is placed, the Company would receive gross proceeds of €100 million. The Company targets gross proceeds of €100 million and would reduce the number of New Shares if the final offer price would exceed the low end set for the Offering of the Offer Shares (as defined below in E.3) (the "**Price Range**"). Accordingly, the number of New Shares would amount to up to 4,347,827 New Shares at the low end, up to 3,921,569 New Shares at the mid-point and up to 3,571,429 New Shares at the high end of the Price Range. The Company calculates that at the low end, mid-point and high end of the Price Range, gross proceeds to the Selling Shareholder (assuming placement of the maximum number of Existing Offer Shares (as defined below in E.3) and assuming full exercise of the Greenshoe Option (as defined below in E.3)) would amount €420.4 million at the low end, €470.7 million at the mid-point and €521.0 million at the high end, respectively, and net proceeds of approximately €407.8 million at the low end, €456.6 million at the mid-point and €505.4 million at the high end, respectively. The costs of the Company related to the Offering of the Offer Shares (as defined below in E.3) and listing of the Company's entire share capital are expected to total approximately €10.5 million (excluding underwriting and placement commissions payable to BNP PARIBAS, Paris, France ("**BNP PARIBAS**"), J.P. Morgan Securities plc, London, United Kingdom, ("**J.P. Morgan**"), UBS Limited, London, United Kingdom ("**UBS**," and together with BNP PARIBAS and J.P. Morgan, the "**Joint Global Coordinators**"), and Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany ("**Berenberg**") and Goldman Sachs International, London, United Kingdom ("**Goldman Sachs International**," and together with the Joint Global Coordinators and Berenberg, the "**Joint Bookrunners**" or the "**Underwriters**"). Assuming an offer price at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares (as defined below in E.3) is placed (and the Greenshoe Option as defined below in E.3 has been fully exercised) and assuming further payment in full of the discretionary fee of up to €6.5 million, €7.1 million and €7.8 million, at the low end, mid-point and high end of the Price Range, respectively, the commission payable to the Underwriters will amount to €15.6 million, €17.1 million and €18.6 million, respectively. Of these amounts, €3.0 million are attributable to the placement of the New Shares (as defined below in E.3) and will be borne by the Company; the remaining €12.6 million, €14.1 million and €15.6 million, respectively, are attributable to the placement of the Existing Offer Shares and Over-Allotment Shares (as defined below in E.3) and will directly be borne by the Selling Shareholder. Assuming an offer price at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares (as defined below in E.3) is placed and assuming further payment in full of the discretionary fee, the total expenses of the Offering and listing to be borne by the Company and the Selling Shareholder are expected to amount to €26.2 million, €27.7 million and €29.2 million, respectively. Not applicable. No Offering-related expenses will be charged to investors. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institution.

E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds.**	The Company intends to list its Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (*Prime Standard*) to get better access to the capital markets and intends to place the New Shares to further improve its capital structure. The Company intends to use its portion of the net proceeds from the Offering (after payment of underwriting fees and commissions in the amount of approximately €3.0 million) to defray offering-related expenses in the amount of approximately €10.5 million, to pay amounts outstanding under its Revolving Credit Facility, currently in the amount of €40.0 million, and to use the remainder for general corporate purposes. The Selling Shareholder will offer the Existing Offer Shares and Over-Allotment Shares to partially divest its stake in the Company and plans to use the proceeds from the Offering to (i) settle certain costs in connection with the Offering, including earn-out payments due to PAI Partners (the former owners of the Group), in an aggregate estimated amount of up to €40 million and (ii) repay or redeem instruments of the PIK/Equity Strips (including any successor or replacement instruments). A portion of the Existing Shares being offered and sold by the Selling Shareholder (amounting to approximately 15,326,087, 15,539,216 and 15,714,286, Existing Shares at the low end, mid-point and high end of the Price Range, respectively) are economically attributable to an Existing Management Equity Program (as defined and described more fully in E.4, below). The proceeds from the sale of such Existing Shares will be lent by the Selling Shareholder to the parent undertaking of the Existing Management Equity Program for the purposes of financing the repurchase of Existing Management Equity Program investments from the participants in that program, as a result of which a total of €19.1 million, €21.3 million and €23.4 million of proceeds from the Offering at the low end, mid-point and high-end of the Price Range, respectively, are expected to flow indirectly to participants in the Existing Management Equity Program, including the CEO and the CFO. The proceeds of the Offering attributable to the Securityholders will be distributed through the repayment or redemption of instruments of the PIK/Equity Strips (including any successor or replacement instruments) in accordance with the provisions of the Securityholders' Agreement (an agreement entered into by the Selling Shareholder, Monier Holdings GP S.A. and certain Securityholders of the Group concerning the administration of Monier Holdings GP S.A. and of the Selling Shareholder and its subsidiaries) applicable to the PIK/Equity Strips. Assuming that the maximum number of New Shares (4,347,827 shares) is placed, the Company estimates that gross proceeds to the Company would amount to approximately €100 million because the Company targets €100 million gross proceeds and will adjust the number of New Shares depending on the offer price. Accordingly the number of New Shares would amount to up to 4,347,827 New Shares at the low end, up to 3,921,569 New Shares at the mid-point and up to 3,571,429 New Shares at the high end of the Price Range. Assuming that the maximum number of New Shares (4,347,827 shares) is placed, the Company estimates that net proceeds to the Company would amount to approximately €86.5 million.
E.3	**A description of the terms and conditions of the offer.**	The Offering consists of up to 23,013,201 ordinary shares in bearer form each with a par value (*valeur nominale*) of €0.01 and carrying the same dividend rights as the existing shares, comprising: • up to 4,347,827 newly issued shares from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Company (the "**New Shares**"); • up to 15,714,286 Existing Shares (the "**Existing Offer Shares**" and, together with the New Shares, the "**Base Shares**") from the holdings of the Selling Shareholder; and • up to 2,951,088 Existing Shares from the holdings of the Selling Shareholder in connection with a possible over-allotment (the "**Over-Allotment Shares**" and, together with the Base Shares, the "**Offer Shares**").

All the Offer Shares carry the same rights. They are subject to and governed by Luxembourg corporate law.

The Offering consists of a public offering of the Offer Shares in the Federal Republic of Germany and private placements of the Offer Shares in certain jurisdictions outside the Federal Republic of Germany. In the United States, the Offer Shares will be offered for sale to qualified institutional buyers in reliance on Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Outside the United States, the Offer Shares will be offered in reliance on Regulation S ("**Regulation S**") under the Securities Act.

Offer Period

The offer period is expected to commence on June 11, 2014 and is expected to end on June 24, 2014, (i) at 12:00 noon (Central European Summer Time) for retail investors and (ii) at 2:00 pm (Central European Summer Time) for institutional investors (the "**Offer Period**").

Price Range and Offer Price

The Price Range within which offers to purchase may be submitted is between €23.00 and €28.00 per Offer Share. The Company together with the Selling Shareholder expects to determine the final offer price after consultation with the Joint Bookrunners on or about June 24, 2014, using the order book prepared during the bookbuilding process. The offer price is expected to be published on or about June 24, 2014 through an announcement published in various media distributed across the entire European Economic Area, on the Company's website (www.braas-monier.com), on the website of the Luxembourg Stock Exchange (www.bourse.lu) and filed with the Luxembourg Financial Sector Supervisory Authority (*Commission de Surveillance du Secteur Financier*), all in accordance with article 10 of the Luxembourg Prospectus Law.

Amendments to the Term of the Offering

The Company and the Selling Shareholder reserve the right, in agreement with the Joint Bookrunners, to reduce or increase the number of Offer Shares, to reduce or increase the upper/lower limits of the Price Range and/or to extend or curtail the Offer Period. If the option to change the terms of the Offering is exercised, the change will be communicated through an announcement published in various media distributed across the entire European Economic Area, on the Company's website (www.braas-monier.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu) and, if required, in a supplement to the Prospectus. Under the Luxembourg Prospectus Law, investors who have submitted a purchase order before a supplement is published are granted a period of two business days from publication of the supplement to withdraw their orders provided that the new factor, mistake or inaccuracy, which required a supplement to the Prospectus to be published, arose before the final closing of the Offering and the delivery of the shares.

The underwriting agreement dated June 10, 2014 among the Company, the Selling Shareholder and the Underwriters (the "**Underwriting Agreement**"), provides that the Underwriters may under certain circumstances terminate the Underwriting Agreement, even after the Offer Shares have been allotted, at any time up to the time of delivery and payment. If the Underwriting Agreement is terminated, the Offering will not take place. In this case, any allotments already made to investors will be invalidated, and investors will have no claim for delivery. Claims with respect to security commissions already paid and costs incurred by an investor in connection with the purchase of Offer Shares will be governed solely by the legal relationship between the investor and the institution to which the investor submitted its purchase order. Investors who engage in short selling bear the risk of being unable to satisfy their delivery obligations.

Delivery and Payment

Delivery of the Offer Shares against payment of the offer price and the customary securities commission is expected to take place two German banking days following the first day of trading on the Frankfurt Stock Exchange, *i.e.*, on June 27, 2014 ("**Closing Date**").

The Offer Shares will be made available to the shareholders as co-ownership interests in the global share certificates. At the shareholder's option, the Offer Shares purchased in the Offering will be credited to a securities deposit account maintained by a bank with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany or to a securities account of a participant in Euroclear Bank S.A./N.V., 1, boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or to Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg for the account of such shareholder. Upon issuance, the New Shares will be certified by a global share certificate also to be deposited with Clearstream Banking Aktiengesellschaft.

Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, J.P. Morgan, or persons acting on its behalf, will act as stabilization manager ("**Stabilization Manager**") and may, acting in accordance with legal requirements (article 7 of the Luxembourg law of May 9, 2006 on market abuse, as amended, Section 20a of the German Securities Trading Act (*Wertpapierhandelsgesetz*) and in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make over-allotments and take stabilization measures to support the market price of the Shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. No assurance can therefore be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date of commencement of trading of the Offer Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after this date (the "**Stabilization Period**"). Even if stabilization measures are taken, it cannot be assured that these will be successful.

Under the possible stabilization measures, investors may, in addition to the Base Shares being offered, be allotted up to 2,951,088 Over-Allotment Shares as part of the allotment of the Offer Shares. In connection with a possible over-allotment, J.P. Morgan will be provided in its capacity as Stabilization Manager with up to 2,951,088 Over-Allotment Shares by the Selling Shareholder in the form of a securities loan; this number of shares will not exceed 15 percent of the number of Base Shares. In connection with a possible over-allotment, the Selling Shareholder has granted the Underwriters the option, exercisable by the Stabilization Manager on behalf of the Underwriters, to purchase up to 2,951,088 Over-Allotment Shares at the offer price (less agreed commissions) starting on the date of commencement of trading of the Offer Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) until 11:59 pm Central European Summer Time of the thirtieth day after the date of commencement of trading on the regulated market of the Frankfurt Stock Exchange (the "**Greenshoe Option**").

Under specific circumstances, the Stabilization Manager may resell Shares during the Stabilization Period that were previously purchased by way of stabilization measures (so-called refreshing the shoe). The Stabilization Manager is entitled to exercise the Greenshoe Option to the extent over-allotments of shares were initially made; the amount of shares is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the European Economic Area containing the following information (1) whether stabilization measures were actually implemented, (2) the date on which stabilization measures, if any, were commenced, (3) the date the last stabilization measure was taken, and (4) the Price Range within which stabilization measures were implemented. This information will be provided with respect to each date on which a stabilization measure was taken.

	Allotment Criteria	The allotment of Offer Shares to retail investors and institutional investors will be decided upon consultation between the Company, Selling Shareholder and the Joint Global Coordinators. The ultimate decision rests with the Company and the Selling Shareholder and will be made on the basis of the quality of the individual investors, individual orders and other relevant allotment criteria.
E.4	**A description of any interest that is material to the issue/offer including conflicting interests.**	The Company and the Selling Shareholder have an interest in the Offering because they will receive the net proceeds of the Offering. The Underwriters have an interest in the Offering as each has entered into a contractual relationship with us and the Selling Shareholder in connection with the structuring and execution of the Offering. The compensation is incentive-based and depends, among other factors, on the amount of the offer proceeds. In addition, J.P. Morgan has been appointed to act as designated sponsor for the Shares and BNP Paribas Securities Services S.C.A., Frankfurt Branch, as paying agent. Some of the Underwriters or their affiliates have business relations with us, including financing, or may perform services for us and/or the Group in the ordinary course of business. In connection with the Offering, the Underwriters and affiliated companies will be able to acquire Offer Shares for their own accounts and hold, purchase or sell for their own accounts and can also offer or sell these Shares outside of the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Underwriters, or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. BNP PARIBAS, J.P. Morgan and Goldman Sachs International, each of whom is an Underwriter or affiliate of the Underwriters, were also underwriters of the Notes issued by BMBG Bond Finance S.C.A., a subsidiary of the Company, on April 17, 2014. BNP PARIBAS, J.P. Morgan and Goldman Sachs International, each of whom is an Underwriter or affiliate of the Underwriters, were mandated lead arrangers of the Facilities Agreement between, *inter alia*, the Company, Braas Monier S.à r.l., and Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited, dated April 9, 2014, consisting of a Term Loan Facility in an amount of €250 million, and a Revolving Credit Facility in an amount of €100 million. BNP PARIBAS itself or through its affiliates Gillespie CLO plc, Leveraged Finance Europe Capital I, Leveraged Finance Europe Capital II, Leveraged Finance Europe Capital III, Leveraged Finance Europe Capital IV, Leveraged Finance Europe Capital V, BNP Paribas Milan branch and Goldman Sachs International through its affiliate ELQ Investors II, Limited, each of whom is an Underwriter or affiliate of the Underwriters, are Securityholders under the Refinanced Credit Facilities Agreement and hold therefore among other security shares in the Selling Shareholder and instruments of the PIK/Equity Strips (including any successor or replacement instruments). The Selling Shareholder plans to distribute most of the proceeds from the Offering to the Securityholders in accordance with the respective provisions of the Securityholders' Agreement relating to the PIK/Equity Strips (including any successor or replacement instruments). The Selling Shareholder will receive the proceeds of the Existing Offer Shares sold in the Offering. Assuming full placement of all Existing Offer Shares and Over-Allotment Shares at the mid-point of

		the Price Range and full exercise of the Greenshoe Option, and after deducting fees and expenses to be paid by the Selling Shareholder in connection with the Offering, the proceeds to the Selling Shareholder from the Offering would amount to approximately €456.6 million or 84.1 percent of the total net offer proceeds. The Selling Shareholder will, in turn, use the proceeds to (i) settle certain costs in connection with the Offering, including earn-out payments due to PAI Partners (the former owners of the Group), and (ii) repay or redeem instruments of the PIK/Equity Strips. Pepyn Dinandt (CEO), Matthew Russell (CFO), certain other managers of the Group as well as the independent directors Jean-Pierre Clavel, Werner Paschke and Pierre-Marie De Leener (together the "**EMEP Investors**") indirectly hold shares and other equity-related instruments of the Selling Shareholder under a management equity program (the "**Existing Management Equity Program**" or "**EMEP**;" all investments in the EMEP (the "**EMEP Investments**"). The Existing Management Equity Program will be dissolved in connection with the Offering, and the vested part of the respective EMEP Investments of each EMEP Investor will be bought back at a price which is directly linked to the offer price of this Offering. The EMEP Investors have to re-invest all or a certain percentage of their after-tax proceeds from the buy-back of their vested EMEP Investments in shares of the Company. The EMEP Investors will acquire these shares of the Company after closing of the Offering at the offer price from the Selling Shareholder. All shares of the Company acquired by the EMEP Investors after the closing of the Offering of the shares of the Company are subject to lock-up agreements. The lock-up period for management members is staggered, *i.e.*, during a period from 6 to 36 months for the CEO and CFO and 6 to 24 months for other managers and independent directors the lock-up for such shares expires in several steps (the "**Management Lock-up**"). If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015.
E.5	**Name of the person or entity offering to sell the security.**	The Offer Shares are being offered for sale by the Company and the Selling Shareholder (as defined under E.3 above).
	Lock-up agreement: the parties involved; and indication of the period of the lock up.	The Company has undertaken, in the Underwriting Agreement among the Company, the Selling Shareholder, and the Underwriters, dated June 10, 2014 vis-à-vis the Underwriters that it will not, without the prior written consent of the Joint Global Coordinators (which consent shall not unreasonably be withheld), during a period ending six months after June 27, 2014: a) announce or effect an increase of the share capital of the Company out of authorized capital; b) submit a proposal for a capital increase to any meeting of the shareholders for resolution; c) announce, effect or submit a proposal for the issuance of any securities convertible into shares of the Company or with option rights for shares of the Company; d) offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital; or

e) enter into a transaction or perform any action economically similar to those described in (a) through (d) above (including derivative transactions or other transactions financially equivalent to the above mentioned transactions, and whether such transactions are settled by delivery of shares of the Company or in cash or otherwise);

(the "**Company Lock-up**").

The Company Lock-up shall not apply to the issuance or sale of any Shares or other securities (including without limitations, options over shares) to directors, officers, employees and/or members of the executive bodies of the Group pursuant to any incentive and/or investment schemes as disclosed in this Prospectus and the Shares to be sold in the Offering. In addition, the Management Lock-up applies. If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015.

The Selling Shareholder has undertaken, in the Underwriting Agreement, vis-à-vis the Underwriters that it will not, without the prior written consent of the Joint Global Coordinators, during a period ending six months after the Closing Date:

a) offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of the Company held by it or any of its subsidiaries (other than the Company and its subsidiaries) (such shares held by the Selling Shareholder or its affiliates, the Lock-up Shares);

b) enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of Lock-up Shares, whether any such transaction described in clause (a) above or this clause (b) is to be settled by delivery of Lock-up Shares or such other securities, in cash or otherwise;

c) make any demand for or exercise any right with respect to, the registration under U.S. securities laws of any shares of the Company or any security convertible into or exercisable or exchangeable for such shares;

d) propose an increase in the share capital of the Company (including by requesting the board of directors to convene a general shareholders' meeting or otherwise), vote in favor of any proposed increase of the share capital or otherwise make, support or vote in favor of any proposal for the issuance of any securities convertible into shares of the Company or with option rights for shares of the Company; or

e) enter into a transaction or perform any action economically similar to those described in sub-clauses (a) through (d) above (including derivative transactions or other transactions financially equivalent to the above mentioned transactions, and whether such transactions are settled by delivery of shares of the Company or such other securities, in cash or otherwise).

The foregoing lock-up restrictions under (a) through (d) do not apply to:

(i) the issuance or sale of any Lock-up Shares or other securities (including, without limitation, options over Shares) to directors, officers, employees and/or members of executive bodies of the

		Group pursuant to incentive and/or investment schemes as disclosed in this Prospectus; (ii) disposals of Lock-up Shares within the framework of a public take-over bid or public purchase offer made by a third party; and (iii) transfers from the Selling Shareholder to any other affiliate which is controlled by the Selling Shareholder, provided that the transferee assumes towards the Underwriters the obligation to comply with the restrictions contained above under (a) through (e).
E.6	**The amount and percentage of immediate dilution resulting from the offer.**	The Offering involves the issuance of New Shares. Total equity attributable to shareholders of the Company amounted to negative €2.4 million as of March 31, 2014, and would amount to negative €0.07 per Share based on 35,000,000 outstanding Shares of the Company immediately before the Offering. The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the offer price at the low end, mid-point and high end of the Price Range exceeds the total equity attributable to shareholders per Share after completion of the Offering. In this respect, the total equity attributable to shareholders is adjusted for the effects of the Offering, assuming (i) the execution of the capital increase in the maximum number of offered New Shares and (ii) an increase in the total equity attributable to shareholders of €86.5 million. The Company targets gross proceeds of €100 million from the issuance of New Shares and will adjust the number of shares to be issued depending on the final offer price. Accordingly, at the low end, mid-point and high end of the Price Range up to 4,347,827 New Shares, up to 3,921,569 New Shares and up to 3,571,429 New Shares, respectively, will be issued. The assumed increase is based on the expected net proceeds. The adjusted total equity attributable to shareholders is expressed as a per Share figure, assuming 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range upon completion of the Offering.

	Low End	**Mid-Point**	**High End**
Price per Share (in €)	23.00	25.50	28.00
Total equity attributable to shareholders per Share as of March 31, 2014 (based on 35,000,000 outstanding Shares of the Company before the Offering) (in €)	(0.07)	(0.07)	(0.07)
Total equity attributable to shareholders per Share as of March 31, 2014 (based on 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range after completion of the Offering assuming execution of the capital increase in the maximum number of offered New Shares) (in €)	2.14	2.16	2.18
Amount by which the price per Share exceeds the total equity attributable to the shareholders per Share (immediate dilution per Share, based on 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range after completion of the Offering assuming execution of the capital increase in the maximum number of offered New Shares) (in €)	20.86	23.34	25.82
Immediate dilution (in %)	90.7	91.5	92.2

E.7	**Estimated expenses charged to the investor by the issuer or the offeror.**	Not applicable. Neither the Company nor the Selling Shareholder nor the Underwriters will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account-keeping financial institution.

GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS
ZUSAMMENFASSUNG DES PROSPEKTS

*Zusammenfassungen bestehen aus geforderten Angaben, die als „**Punkte**" bezeichnet sind. Diese Punkte sind in den Abschnitten A—E (A.1—E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art von Wertpapieren und Emittenten in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art der Wertpapiere und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In diesem Fall enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis „Entfällt."*

A—Einleitung und Warnhinweise

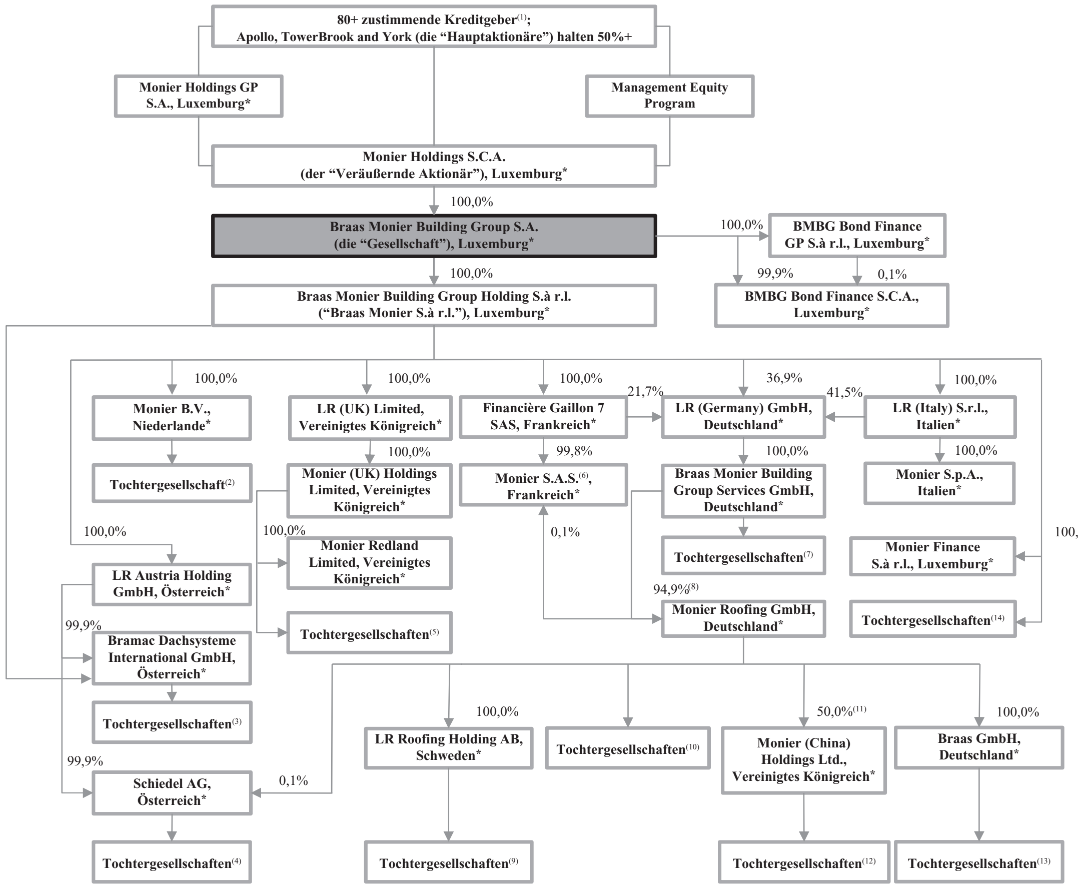
A.1	**Einleitung und Warnhinweise.**	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Anlageentscheidung sollte sich der Anleger auf die Prüfung des gesamten Prospekts stützen. Ein Anleger, der wegen der in diesem Prospekt enthaltenen Angaben Klage einreicht, muss, nach den nationalen Rechtsvorschriften der Mitgliedstaaten des Europäischen Wirtschaftsraums möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann. Nur diejenige(n) Person(en), die die Zusammenfassung, einschließlich ihrer Übersetzung, vorgelegt und übermittelt haben, haften zivilrechtlich, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lässt.
A.2	**Angabe über spätere Verwendung des Prospekts.**	Entfällt. Es wird keine spätere Weiterveräußerung oder Platzierung der Aktien durch Finanzintermediäre geben, für die eine Zustimmung erforderlich wäre. Daher ist keine Zustimmung für eine spätere Weiterveräußerung oder Platzierung der Aktien erteilt worden.

B—Emittent

B.1	**Juristische und kommerzielle Bezeichnung.**	Zum Datum dieses Prospekts ist die juristische Bezeichnung der Gesellschaft Braas Monier Building Group S.A. (die „**Gesellschaft**" und gemeinsam mit ihren konsolidierten Tochtergesellschaften, „**wir**," „**uns**," „**unser**," der „**Konzern**"). Im März 2014 änderte die Gesellschaft ihren Firmennamen von Monier Participations S.à r.l. in Braas Monier Building Group S.à r.l. Anschließend wandelte sie ihre Rechtsform in eine Luxemburger Aktiengesellschaft (*société anonyme*) um und änderte ihren Firmennamen in Braas Monier Building Group S.A. Die Gesellschaft ist die Holding-Gesellschaft des Konzerns und ihr Geschäft wird im Wesentlichen unter der kommerziellen Bezeichnung „Braas Monier" oder „Braas Monier Building Group" geführt.
B.2	**Sitz und Rechtsform des Emittenten, geltendes Recht, Land der Gründung.**	Die Gesellschaft hat ihren Sitz in 5, rue Guillaume Kroll, L-1882 Luxemburg, Großherzogtum Luxemburg. Die Gesellschaft ist eine Luxemburger Aktiengesellschaft (*société anonyme*), die in Luxemburg gegründet wurde, und sie unterliegt und führt ihre Geschäfte nach luxemburger Recht.
B.3	**Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten samt der hierfür wesentlichen Faktoren, wobei Hauptprodukt- und/ oder-dienstleistungskategorien sowie die Hauptmärkte, auf denen der Emittent vertreten ist, anzugeben sind.**	Gemessen an der Verkaufsmenge sind wir ein führender Hersteller und Lieferant von Produkten für das geneigte Dach (einschließlich Dachpfannen und Dachzubehör) in Europa, Asien und Südafrika. Wir stellen seit fast einem Jahrhundert Produkte für das geneigte Dach her und unsere Expertise, die sich über diesen langen Zeitraum entwickelt hat, umfasst alle Stufen des Herstellungsprozesses und macht uns zu einem der herausragenden Hersteller für Produkte in diesem Markt. Wir sind einer der wenigen Hersteller, der sowohl eine umfangreiche

		Auswahl an Dachziegeln und Dachsteinen für das geneigte Dach anbietet als auch ergänzendes Dachzubehör verkauft, das konstruiert wurden, um verschiedene funktionelle Aspekte des Dachbaus abzudecken. Wir gehen davon aus, dass wir gemessen an der Verkaufsmenge der größte Hersteller und Lieferant von Dachsteinen unter anderem in Deutschland, Frankreich, Italien und den Niederlanden und der zweitgrößte Hersteller und Lieferant im Vereinigten Königreich sind. Zusätzlich sind wir gemessen an der Verkaufsmenge einer der drei größten Hersteller und Lieferanten von Dachziegeln in Frankreich, Italien, den Niederlanden und dem Vereinigten Königreich. Wir glauben, dass wir im Markt für Dachzubehör, der relativ fragmentiert ist und viele lokale Wettbewerber umfasst, die marktführende Position in Bezug auf viele unserer Dachzubehörprodukte innehaben. Wir produzieren und liefern auch Kamine und Energiesysteme. Dieser Markt ist sehr fragmentiert und wir glauben, dass wir der führende Hersteller und Lieferant von Keramikkaminen in Europa und Stahlkaminen im Vereinigten Königreich sind. Unser Portfolio von in der Industrie führenden Marken beinhaltet Braas, Monier, Bramac, Redland, Wierer und Coverland für Dachpfannen und Dachzubehör, Klöber für Dachzubehör und Schiedel für Kamine und Energiesysteme.
B.4a	**Beschreibung der wichtigsten jüngsten Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken.**	Jüngste Marktuntersuchungen und Konjunkturprognosen von führenden Finanzinstitutionen sehen voraus, dass einige für die Gruppe relevante europäische Märkte sich auf dem Weg eines robusten Wachstums befinden (wie das Vereinigte Königreich, Deutschland und Norwegen), einige unverändert sind oder nur geringes Wachstum zu verzeichnen haben (wie Österreich) und bei anderen mit einem weiteren Rückgang gerechnet werden muss (wie bei den Niederlanden oder Frankreich). Vor diesem Hintergrund geht das Management davon aus, dass sich die im ersten Quartal 2014 beobachtete günstige Entwicklung in einigen Märkten fortsetzen wird, wenn auch mit einer niedrigeren Wachstumsrate. Für das Vereinigte Königreich sowie für Deutschland und die meisten nordischen Ländern wird ein weiteres Wachstum erwartet, möglicherweise am stärksten im Vereinigten Königreich. Für Frankreich und die Niederlande wird eine weitere rückläufige Marktentwicklung erwartet. Für Osteuropa sind unsere Erwartungen verhalten optimistisch. Jedoch wird für die Tschechische Republik ein weiterer Rückgang erwartet. Für die meisten kleineren Märkte wie Slowenien, Rumänien und Bulgarien kann fast keine Einschätzung abgegeben werden, auch wenn die Annahme längerfristig von einem Wachstum auszugehen vernünftig ist. Durchwachsene Erwartungen beschreiben den asiatischen Markt. Wir gehen davon aus, dass Malaysia stagnieren und China einen weiteren leichten Rückgang verzeichnen wird, während Indonesien höhere Wachstumsraten verzeichnen dürfte. Für Südafrika wird erwartet, dass sich der gegenwärtige Wachstumskurs weiterhin fortsetzt. Bei den Kaminen und Energiesystemen sowie dem Dachzubehör wird ebenfalls damit gerechnet, dass wir weiterhin von dem allgemein positiven europäischen Marktumfeld profitieren werden. Hinsichtlich der Kosten rechnet das Management mit einem gemäßigten Anstieg bei den Energiepreisen, den Preisen für die meisten Rohstoffe sowie den Personalkosten. Die überlappenden Effekte des Personalabbaus im Jahr 2013 im Rahmen des Sanierungsprogramms (STEP 200+) werden sich positiv auf die Fixkostenstruktur auswirken. Diese Auswirkungen werden sich in der ersten Hälfte des Jahres 2014 am stärksten bemerkbar machen. Wir erwarten wesentlich niedrigere operative Restrukturierungskosten in 2014, jedoch werden manche Rückstellungen aus 2013 in 2014 in Bar bezahlt werden. Einmalige Ausgaben werden 2014 erwartungsgemäß in erster Linie aus Finanzierungskosten und Transaktionskosten für den Börsengang bestehen und niedriger als in 2013 sein. Aufgrund der beschriebenen erwarteten Umsatzsteigerung und in Anbetracht der Produktivitätssteigerungen, einer verbesserten

		Kostenstruktur und den überlappenden Effekten aus dem Step200+-Programm ist das Management zuversichtlich, dass das operative EBITDA überproportional zu dem erwarteten Umsatzwachstum der Gesellschaft steigen wird.
B.5	**Beschreibung des Konzerns und der Stellung des Emittenten innerhalb dieses Konzerns.**	Braas Monier Building Group S.A. ist die Holding-Gesellschaft des Konzerns. Die Geschäftstätigkeit der Gesellschaft wird in erster Linie durch die entsprechenden Tochtergesellschaften durchgeführt. Die folgende Darstellung enthält eine Zusammenfassung der wesentlichen Tochterunternehmen und der Aktionäre der Gesellschaft zum Datum dieses Prospekts. Die angegebene Beteiligungshöhe ist auf Grundlage der wirtschaftlichen Beteiligung an der jeweiligen Gesellschaft errechnet. Dies bedeutet, dass die von der jeweiligen Gesellschaft selbst gehaltenen Aktien bei der Ermittlung der prozentualen Beteiligung nicht berücksichtigt werden. Die unten angegebenen Beteiligungen sind auf eine Nachkommastelle gerundet:



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* Bezeichnet das Land des Sitzes der Tochtergesellschaft.

(1) Die zustimmenden Kreditgeber erwarben den Konzern infolge der Restrukturierung der Konzernfinanzschulden, die am 16. Oktober 2009 abgeschlossen wurde („**2009 Restrukturierung**").

(2) Beinhaltet Monier Roof Products Belgium N.V.

(3) Beinhaltet Bramac Dachsteinproduktion und Baustoffindustrie Kft., Bramac spol. s.r.o., Bramac Stresne Systemy spol. s.r.o., Bramac Pokrovni sitemi d.o.o., Bramac Sisteme per cati Sh.p.k., Bramac Pokrovni Sistemi EOOD, Bramac Sisteme de Invelitori S.R.L., Bramac Dachsteinproduktion und Baustoffindustrie d.o.o., Bramac Krovni Sistemi d.o.o. und Bramac Krovni Sistemi d.o.o.

(4) Beinhaltet Schiedel Moodulkorstnad OÜ, Schiedel Dumvadu Sistemas SIA, Schiedel kaminu sistemos UAB, Schiedel TOV, Schiedel SRL, Schiedel Sistemi oxhaku sh.p.k., Schiedel Sistemi Dimnjaka d.o.o., Schiedel Kominni Sistemi EOOD, Schiedel Diminski Sistemi d.o.o., Schiedel a.s., Schidel dimnjacki sistemi d.o.o., Schidel Sisteme de Cosuri Srl, Schiedel Slovensko s.r.o., Schiedel Kemenygyar Kft., Schiedel Proizvodnja Dimnjaka d.o.o., Schiedel d.o.o. za savjetovanje i zastupanje, Klöber-Hpi Gradevinski sustavi d.o.o., Schiedel Beteiligungsgesellschaft mbH, Schiedel Sp. z.o.o., Schiedel GmbH & Co. KG, Bemal N.V., Sistem Baca Cözümleri Sanayi ve Ticaret Anonim Sirketi, OOO Schiedel, SK Technik GmbH, Schiedel Savuhormistot Oy, Schiedel Skorsteiner AS, Schiedel Skorstenssystem, Schiedel Skorstene A/S, Schiedel Chimney Systems Irelund Ltd, Schiedel Chimney Systems Ltd., Schiedel Rite-Vent Ltd., Rite-Vent Holdings Ltd. und Rite-Vent Ltd.

(5) Beinhaltet Redlund Engineering Limited, Monier Technical Centre Limited und Dovetail Roofing Accessories Limited.

(6) Monier S.A.S. ist die einzige Tochtergesellschaft.

(7) Beinhaltet Monier Yapi Cözüleri San. Ve Tic. A.S., Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sireketi, Monier Holding Co. Ltd., Monier Roofing Pvt. Ltd., Monier Braas Sp. Z.o.o. und HPi – CZ spol. s.r.o. und Klöber-HPi s.r.o.

(8) Die verbleibenden 5,1% werden von der MR Beteiligungs GmbH & Co.KG gehalten, einer 100%igen Tochtergesellschaft der Gesellschaft, die jedoch nicht signifikant ist.

(9) Beinhaltet Monier Roofing AB, Monier AS, Monier OÜ, Monier S.I.A., Monier UAB, Monier Holdings ApS, Monier A/S und Monier OY.

(10) Beinhaltet Klöber-HPi France S.à r.l., Klöber Benelux SPRL, Klober Ltd., Klöber GmbH, Monier Roofing Components GmbH, Monier Technical Centre GmbH, Rudolf H. Braas Sozialfonds GmbH, Monier Holdings Sdn Bhd, Monier Asia Pacific Sdn Bhd, Perak Brickworks Sdn Bhd, Monier Logistics Services Sdn Bhd, Monier Malaysia Sdn Bhd, Kayangan Perzka Sdn Bhd, Monier Sdn Bhd, Advanced Technical Laminates Manufacturing Sdn Bhd, Klöber Roofing Accessories Malaysia Sdn. Bhd., PT Monier, Meisterfonds der Monier GmbH, und OOO Braas-DSK.

(11) Die verbleibenden 50,0% werden von Monier Yapı Çözümleri Sanayi ve Ticaret AŞ, einer 100%igen Tochtergesellschaft der Gesellschaft, die jedoch nicht signifikant ist.

(12) Beinhaltet Monier Roofing Systems (Nanjing) Co, Ltd., Monier Roofing Systems (Qingdao) Co, Ltd., Monier Roofing Systems (Shaoxing) Co, Ltd., Monier Roofing Systems (Chengdu) Co, Ltd., Monier Roofing Systems (Foshan) Co, Ltd., Monier (Shanghai) Management Co, Ltd., Monier Roofing Systems (Beijing) Co, Ltd., und Monier Roofing Systems (Suzhou) Co, Ltd.

(13) Beinhaltet Braas Schweiz AG und Rupp Keramik GmbH.

(14) Beinhaltet Monier Special Holdings S.à r.l., Financière Roofing (Pty) Ltd., Monier Roofing SA (Pty) Ltd., LR, Inc., und Monier Inc.

B.6	**Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten oder einen Teil der Stimmrechte halten oder eine Beherrschung ausüben.**	Vor Abschluss des Angebots (das „**Angebot**") hält die Monier Holding S.C.A., mit Sitz in 5, rue Guillaume Kroll, L-1882 Luxemburg und beim Handels- und Gesellschaftsregister Luxemburg unter der Nummer B 148539 eingetragen (der „**Veräußernde Aktionär**") 100 Prozent der 35.000.000 derzeit von der Gesellschaft ausgegebenen Inhaberaktien, mit einem Nennbetrag von jeweils € 0,01 (die „**Bestehenden Aktien**" zusammen mit sämtlichen neuen Aktien, die in Zusammenhang mit dem Angebot platziert und ausgegeben wurden, wie unten definiert, die „**Aktien**"). Nach Abschluss des Angebots hält der Veräußernde Aktionär mindestens 41,5 Prozent des Grundkapitals der Gesellschaft (Platzierung aller neuen Aktien und vollständige Ausübung der Greenshoe-Option vorausgesetzt).
	Stimmrechte.	Jede Aktie berechtigt den Aktionär zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Beschränkungen der Stimmrechte. Alle Aktien einschließlich der von dem Veräußernden Aktionär gehaltenen Bestehenden Aktien vermitteln die gleichen Stimmrechte.
	Ob an dem Emittenten unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse bestehen, wer diese Beteiligungen hält bzw. diese Beherrschung ausübt und welcher Art die Beherrschung ist.	Die Gesellschaft wird vollständig von dem Veräußernden Aktionär gehalten, der seinerseits von über 80 Sicherheitennehmern (ungefähr 97,0 %) (die „**Sicherheitennehmer**"), Monier Holdings GP S.A. (ungefähr 0,0000088 %) und Investmentgesellschaften gehalten wird, mittels derer bestimmte Manager des Konzerns an unserem Bestehendem Management Equity Programm (ungefähr 3,0 %) (wie unten in E.4 definiert) teilnehmen. Sicherheitennehmer sind die derzeitigen Halter zusammengefasster Schuld- und Eigenkapitalinstrumente (einschließlich jeglicher Nachfolge- oder Ersatzinstrumente, die „**PIK/Equity Strips**"), die unter anderem Aktien des Veräußernden Aktionärs beinhalten. Die PIK/Equity Strips können zwischen den bestehenden Sicherheitennehmern übertragen werden oder von neuen Sicherheitennehmer erworben werden. Im Rahmen solcher Transaktionen können sich Identität und Aktienbesitz der Sicherheitennehmer an dem Veräußernden Aktionär ändern. Fonds, die verbunden sind mit, verwaltet werden von und/oder beraten werden durch Apollo Management VII, L.P. und die Apollo Global Management LLC und deren Tochtergesellschaften, Fonds, die verbunden sind mit, verwaltet werden von und/oder beraten werden durch TowerBrook Capital Partners L.P. und Fonds, die verbunden sind mit, verwaltet werden von und/oder beraten werden durch York Capital Management Global Advisors, LLC (zusammen, die „**Hauptaktionäre**"), halten gemeinsam eine Mehrheitsbeteiligung an

		dem Veräußernden Aktionär und außerdem eine Mehrheitsbeteiligung an der Monier Holdings GP S.A., der Komplementärin des Veräußernden Aktionärs. Diese Mehrheitsbeteiligungen am Veräußernden Aktionär und an der Monier Holdings GP S.A. erlauben es den Hauptaktionären, Entscheidungen in Bezug auf den Konzern zu treffen und die Geschäftsleiter der Monier Holdings GP S.A. zu ernennen.
B.7	**Ausgewählte wesentliche Finanz- und Geschäftsinformationen.**	Die Konzernabschlüsse der zum 31. Dezember 2013, 2012 und 2011 endenden Jahre und die Jahresabschlüsse des zum 31. Dezember 2013 endenden Geschäftsjahres wurden durch KPMG Luxembourg société à responsabilité limitée („**KPMG**") geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen. Die vorgenannten Abschlüsse der Gesellschaft und die entsprechenden Bestätigungsvermerke sind in diesem Prospekt enthalten, beginnend auf Seite F-1. Einige der nachstehend abgedruckten Indikatoren und Kennzahlen für die Ertragskraft wurden den Buchführungsunterlagen der Gesellschaft entnommen. Sofern Finanzdaten in den nachstehenden Tabellen als „geprüft" gekennzeichnet sind, bedeutet dies, dass sie aus den oben genannten geprüften Konzern- und Jahresabschlüssen entnommen wurden. Die Kennzeichnung „ungeprüft" wird im Prospekt zur Kenntlichmachung von Finanzdaten verwendet, die nicht den oben genannten Konzern- und Jahresabschlüssen entnommen wurden, sondern entweder dem ungeprüften gekürzten Konzernzwischenabschluss oder den Buchführungs- oder Unternehmenssteuerungsunterlagen des Konzerns entnommen wurden oder auf Berechnungen beruhen, die diesen zu Grunde legen. Sämtliche Finanzdaten, die im Text und den Tabellen nachfolgend dargestellt sind, sind in Mio. Euro angegeben (€ Mio.), sofern nicht anders angegeben. Wurden die Zahlen, die verglichen werden, gerundet, so werden die prozentualen Änderungen auf der Grundlage dieser gerundeten Zahlen berechnet. Um zu erreichen, dass die im Text und den Tabellen verwendeten Zahlen in der Summe den angegebenen Gesamtsummen entsprechen, sind die Zahlen auf die nächste volle Zahl kaufmännisch oder auf eine die Addition erleichternde Zahl gerundet. Im Text und in den Tabellen enthaltene prozentuale Änderungen sind kaufmännisch auf eine Dezimalstelle gerundet, sofern nicht anders angegeben. In Klammern dargestellte Finanzangaben kennzeichnen negative Zahlen. In Bezug auf Finanzangaben im Hauptteil des Prospektes bedeutet ein Strich („—"), dass die betreffende Finanzangabe nicht verfügbar ist oder keinen wirtschaftlichen Wert hat, während eine Null („0") bedeutet, dass die betreffende Finanzangabe verfügbar ist, aber auf Null gerundet wurde. Seit dem 1. Januar 2014 wendet der Konzern die neuen Rechnungslegungsstandards von IFRS 11 an. Demzufolge hat sich die Konsolidierungsmethode für Gemeinschaftsunternehmen verändert. Seit dem 1. Januar 2014 werden Gemeinschaftsunternehmen anhand des Anteils des Konzerns am Eigenkapital (Equity-Methode) in den Konzernabschluss einbezogen. IFRS 11 wurde rückwirkend auf den Erwerbszeitpunkt oder das Gründungsdatum des jeweiligen Gemeinschaftsunternehmens angewendet. Diese Veränderung wirkt sich nahezu auf alle dargestellten Positionen der Konzern-Bilanz und Konzerngewinn- und Verlustrechnung für alle Daten und alle dargestellten Zeiträume aus.

Ausgewählte Finanzdaten erstellt nach IFRS

Ausgewählte Daten der Konzern-Gewinn- und Verlustrechnung

	Für den Dreimonatszeitraum zum 31. März		Für das Geschäftsjahr zum 31. Dezember		
	2013[(1)]	2014	2011[(2)]	2012[(2)]	2013[(2)]
	(in € Mio.) (ungeprüft)		(in € Mio.) (geprüft)		
Umsatzerlöse	**215,7**	**250,0**	**1.392,1**	**1.314,9**	**1.228,2**
Herstellungskosten	(177,0)	(189,7)	(1.042,5)	(1.000,9)	(905,7)
Bruttoergebnis vom Umsatz	**38,7**	**60,4**	**349,6**	**314,0**	**322,5**
Vertriebskosten	(41,9)	(39,3)	(184,8)	(178,6)	(159,2)
Verwaltungskosten	(25,6)	(25,0)	(119,2)	(113,6)	(97,0)
Sonstige betriebliche Erträge, netto	0,4	0,1	17,6	4,5	(1,2)
Restrukturierungskosten	(8,9)	—	(15,7)	(73,4)	(72,4)
Wertminderungen	—	—	(8,3)	(124,9)	(9,6)
Auflösung von Wertminderungen	—	—	—	0,8	23,3
Ergebnis von assoziierten Unternehmen	0,4	0,2	1,5	1,6	(0,1)
Ertrag vor Zinsen und Steuern	**(36,8)**	**(3,7)**	**40,7**	**(169,7)**	**6,3**
Finanzierungskosten, netto	(6,1)	(18,6)	(69,5)	(66,1)	(84,7)
Ertrag vor Steuern	**(42,9)**	**(22,2)**	**(28,8)**	**(235,7)**	**(78,3)**
Ertragsteuern	5,2	6,6	(6,2)	22,0	9,3
Gewinn (Verlust) für den Zeitraum	**(37,7)**	**(15,6)**	**(35,1)**	**(213,7)**	**(69,0)**
den Anteilsinhabern der Muttergesellschaft zurechenbar	(37,4)	(15,5)	(33,7)	(212,2)	(70,9)
den Minderheitsanteilen zurechenbar	(0,3)	(0,1)	(1,3)	(1,5)	1,9

(1) Wie in dem Konzernzwischenabschluss zum 31. März 2014 angepasst, berücksichtigt dieser die Änderungen die in der Konzern-Rechnungslegung für Gemeinschaftsunternehmen seit der Anwendung des IFRS 11 in 2014 vorgenommen wurden.

(2) Wie in den geprüften Konzernabschlüssen zum 31. Dezember 2011, 2012 und 2013 ausgewiesen, berücksichtigen diese nicht die seit der Anwendung von IFRS 11 in 2014 vorgenommen Veränderungen in der Konzern-Rechnungslegung für Gemeinschaftsunternehmen.

Zusammengefasste Daten der Konzernbilanz

	Zum 31. März	Zum 31. Dezember		
	2014	2011[(1)]	2012[(1)]	2013[(1)]
	(in € Mio.) (ungeprüft)	(in € Mio.) (geprüft)		
Summe Langfristiges Vermögenswerte	**933,2**	**1.213,5**	**1.010,0**	**942,7**
davon Sachanlagen	*611,6*	*834,5*	*680,1*	*637,3*
davon anderes immaterielles Anlagevermögen	*239,0*	*263,6*	*250,9*	*241,9*
Summe Kurzfristiges Vermögenswerte	**530,3**	**659,8**	**668,8**	**553,0**
davon Vorräte	*221,1*	*237,5*	*222,6*	*196,7*
davon Zahlungsmittel	*143,0*	*233,2*	*275,0*	*208,3*
davon Forderungen aus Lieferungen und Leistungen	*123,3*	*155,9*	*133,6*	*103,0*
Summe Vermögenswerte	**1.463,5**	**1.873,3**	**1.678,8**	**1.495,7**
Summe Eigenkapital	**0,0**	**340,2**	**90,9**	**16,2**
Summe Langfristige Verbindlichkeiten[(2)]	**1.135,0**	**1.176,8**	**1.204,2**	**1.137,5**
davon langfristige Finanzverbindlichkeiten[(2)]	*655,0*	*677,1*	*690,5*	*654,8*
Summe Kurzfristige Verbindlichkeiten	**328,5**	**356,3**	**383,7**	**342,0**
Summe Eigenkapital und Verbindlichkeiten	**1.463,5**	**1.873,3**	**1.678,8**	**1.495,7**

(1) Wie in den geprüften Konzernabschlüssen zum 31. Dezember 2011, 2012 und 2013 ausgewiesen, berücksichtigen diese nicht die seit der Anwendung von IFRS 11 in 2014 vorgenommen Veränderungen in der Konzern-Rechnungslegung für Gemeinschaftsunternehmen.

(2) Nach dem 31. März 2014 hat der Konzern einen erheblichen Betrag seiner Verschuldung refinanziert. Siehe nachfolgend „*Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten.*"

Finanzdaten aus der Konzernkapitalflussrechnung

	Für den Dreimonatszeitraum zum 31. März		Für das Geschäftsjahr zum 31. Dezember		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(in € Mio.) (ungeprüft)		(in € Mio.) (geprüft)		
Mittelzufluss/(Mittelabfluss) aus laufender Geschäftstätigkeit	(104,6)	(58,4)	98,9	76,6	25,8
Mittelzufluss/(Mittelabfluss) aus Investitionstätigkeit	(7,2)	(5,9)	(92,7)	(32,4)	(30,1)
Mittelzufluss/(Mittelabfluss) aus Finanzierungstätigkeit	(4,4)	0,1	(29,2)	(2,9)	(59,5)
Zahlungsmittel zu Beginn des Berichtszeitraums	273,5	207,5	255,8	233,2	275,0
Einfluss von Wechselkursschwankungen auf Zahlungsmittel	(0,8)	(0,2)	0,4	0,6	(3,0)
Zahlungsmittel am Ende des Berichtszeitraums	**156,5**	**143,0**	**233,2**	**275,0**	**208,3**

(1) Wie in dem Konzernzwischenabschluss zum 31. März 2014 angepasst und berücksichtigt die Änderungen die in der Konzern-Rechnungslegung für Gemeinschaftsunternehmen seit der Anwendung des IFRS 11 in 2014 vorgenommen wurden.

(2) Wie in den geprüften Konzernabschlüssen zum 31. Dezember 2011, 2012 und 2013 ausgewiesen und berücksichtigen nicht die seit der Anwendung von IFRS 11 in 2014 vorgenommen Veränderungen in der Konzern-Rechnungslegung für Gemeinschaftsunternehmen.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten.

Zum 17. April 2014 hat die Gesellschaft die Erlöse aus (i) ihrer vorrangig besicherten, variabel verzinslichen, am 17. April 2014 ausgegebenen und 2020 fälligen Anleihe in Höhe von € 315 Mio. (die „**Anleihe**"), (ii) einem Darlehen in Höhe von € 250 Mio., das der Gesellschaft nach ihrem neuen langfristigen Kredit (der „**Langfristige Kredit**") vom 17. April 2014 zur Verfügung steht, und einer Inanspruchnahme der ihr zur Verfügung stehenden Revolvierenden Kreditfazilität in Höhe von € 30 Mio., die beide gemäß ihrer Vereinbarung vorrangiger Kreditfazilitäten vom 9. April 2014 begründet wurden, zwischen, unter anderem, der Gesellschaft, Braas Monier S.à r.l., BNP Paribas S.A. als Fazilitäten-Agenten und Sicherheitentreuhänder sowie Goldman Sachs Bank USA, Deutsche Bank AG, Niederlassung London, BNP Paribas S.A. und J.P. Morgan Limited als mandatierte Lead Arranger (die „**Kreditvereinbarung**"), und (iii) in der Bilanz ausgewiesene Barmittel in Höhe von € 92,1 Mio., verwendet, um (a) eine vorrangig besicherte Kreditvereinbarung (die „**Refinanzierte Kreditvereinbarung**") in Höhe von rund € 666,8 Mio. vollständig und (b) damit verbundene Transaktionskosten in Höhe von € 20,3 Mio. (die „**Refinanzierung 2014**") zurückzuzahlen.

B.8 Ausgewählte wesentliche Pro-forma-Finanzinformationen.

Entfällt. Die Gesellschaft hat keine Pro-forma-Finanzinformationen erstellt.

B.9 Gewinnprognosen oder -schätzungen.

Entfällt. Die Gesellschaft hat keine Gewinnprognose oder Gewinnschätzung abgegeben.

B.10 Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.

Entfällt. Die Prüfungsberichte hinsichtlich der in diesem Prospekt enthaltenen historischen Finanzinformationen wurden mit uneingeschränkten Bestätigungsvermerken versehen.

B.11 Beschreibung des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen.

Entfällt. Die Gesellschaft ist der Auffassung, dass der Konzern ausreichend Geschäftskapital zur Verfügung hat, um den im Zwölfmonatszeitraum nach dem Datum dieses Prospekts fällig werdenden Zahlungsverpflichtungen nachzukommen.

C—Wertpapiere

C.1 Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zugelassenen Wertpapiere, einschließlich jeder Wertpapierkennung.

Auf den Inhaber lautende Stammaktien mit einen Nennbetrag (*valeur nominale*) von € 0,01 und mit der gleichen vollen Dividendenberechtigung wie die Bestehenden Aktien.

International Securities Identification Number (ISIN) der Aktien ist LU1075065190.

Wertpapierkennnummer (WKN) der Aktien ist BMSA01.

Common Code der Aktien ist 107506519.

C.2	**Währung der Wertpapieremission.**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien und der ausgegebenen, aber nicht voll eingezahlten Aktien. Nennwert pro Aktie bzw. Angabe, dass die Aktien keinen Nennwert haben.**	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft € 350.000 und ist unterteilt in 35.000.000 Inhaberaktien, jeweils mit einem Nennbetrag (*valuer nominale*) von € 0,01. Das Grundkapital der Gesellschaft ist vollständig eingezahlt.
C.4	**Beschreibung der mit den Wertpapieren verbundenen Rechte.**	Jede Aktie berechtigt den Aktionäre zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Beschränkungen der Stimmrechte. Alle Aktien haben volle Gewinnanteilsberechtigung.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Es gibt in der Satzung der Gesellschaft (die „**Satzung**") keine Beschränkungen für die Übertragbarkeit der Aktien.
C.6	**Angabe, ob für die angebotenen Wertpapiere die Zulassung zum Handel an einem geregelten Markt beantragt wurde bzw. werden soll, und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden oder werden sollen.**	Die Gesellschaft plant, die Zulassung der Aktien der Gesellschaft zum regulierten Markt mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*) an der Frankfurter Wertpapierbörse voraussichtlich am 11. Juni 2014 zu beantragen. Der Zulassungsbeschluss der Frankfurter Wertpapierbörse bezüglich der Aktien der Gesellschaft wird voraussichtlich am oder um den 24. Juni 2014 bekannt gegeben werden. Der Handel der zugelassenen Aktien an der Frankfurter Wertpapierbörse wird voraussichtlich am 25. Juni 2014 beginnen.
C.7	**Beschreibung der Dividendenpolitik.**	Die Gesellschaft beabsichtigt, zukünftig Dividenden im angestrebten Verhältnis von 25 % bis 50 % des Nettogewinns der Gesellschaft zu zahlen, nur wenn und in Bezug auf Geschäftsjahre in denen (i) sowohl der gemeldete Verschuldungsgrad zum 31 Dezember des Jahres (ii) als auch der erwartete Verschuldungsgrad des Jahres der Dividendenzahlung, kleiner als 2.0x ist. Basierend auf den derzeitigen Erwartungen, glaubt die Gesellschaft, dass 2015 das erste Jahr ist, in dem Dividenden nach diesem Test gezahlt werden können.

D—Risiken

D.1	**Zentrale Angaben zu den zentralen Risiken, die dem Emittenten oder seiner Branche eigen sind.**	Eine Investition in die Aktien der Gesellschaft unterliegt Risiken. Potentielle Investoren sollten vor der Entscheidung, in Aktien der Gesellschaft zu investieren, die nachfolgend beschriebenen Risiken sorgfältig prüfen. Das Eintreten jedes der Ereignisse oder Umstände, die in diesen Risikofaktoren beschrieben werden, könnten allein oder zusammen mit anderen Umständen unsere Geschäftstätigkeit und unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen. Die Risikofaktoren beruhen auf Annahmen, die sich als inkorrekt erweisen könnten. Außerdem könnten sich weitere Risiken, Tatsachen oder Umstände, die uns derzeit nicht bekannt sind oder die wir derzeit als unwesentlich erachten, einzeln oder gemeinsam als wichtig erweisen und unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen. Der Wert der Aktien der Gesellschaft könnte sinken und Anleger könnten ihre Investition ganz oder teilweise verlieren, falls sich derartige Risiken, Tatsachen oder Umstände verwirklichen oder falls Ereignisse oder Umstände, die in diesen Risikofaktoren beschrieben werden, eintreten sollten. Die Reihenfolge, in der die Risiken dargestellt sind, stellt weder eine Aussage über die Eintrittswahrscheinlichkeit noch über die mögliche Bedeutung und Höhe der Risiken oder das Ausmaß der möglichen Beeinträchtigung der Geschäfts-, Vermögens-, Finanz- oder Ertragslage der Gesellschaft dar.

Risiken im Zusammenhang mit dem Marktumfeld und der Geschäftstätigkeit

- Unsere Vermögens-, Finanz- und Ertragslage wird durch Veränderungen im makroökonomischen Umfeld erheblich beeinflusst.
- Wir sind der Zyklizität der Baustoffindustrie ausgesetzt, die erhebliche Schwankungen auf unsere Vermögens-, Finanz- und Ertragslage verursachen könnte.
- Wir agieren in einer saisonabhängigen Branche. Unsere Vermögens-, Finanz- und Ertragslage könnte dadurch beeinflusst werden.
- Im Zusammenhang mit Produktqualität und -eigenschaften, Preis und Serviceangeboten konkurrieren wir mit anderen Produzenten in der Bedachungs- und Kaminbranche (im privaten und gewerblichen Bereich) und mit Produzenten von Ersatzprodukten.
- Betriebsunterbrechungen an unseren Standorten könnten unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Unsere Geschäftstätigkeit könnte durch schwankende Rohstoffpreise beeinträchtigt werden. Außerdem könnten wir nicht in der Lage sein, Preiserhöhungen an unsere Kunden weiterzugeben und unsere wichtigsten Lieferanten zu halten bzw. zu ersetzen. Zudem könnten in unserer Lieferkette unerwartete Engpässe oder Unterbrechungen auftreten.
- Unsere Vermögens-, Finanz- und Ertragslage könnte durch schwankende Energiekosten und Unterbrechungen der Energieversorgung beeinträchtigt werden.
- Die Verfügbarkeit von Transportmöglichkeiten und jede deutliche Transportkostensteigerung könnte unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Wir könnten nicht in der Lage sein, unser umfassendes Kosteneinsparungs- und Repositionierungsprogramm „Project Step 200+" erfolgreich abzuschließen, und wir können nicht garantieren, dass die Kosteneinsparungen nachhaltig sein werden.
- Wir sind abhängig von der Markt- und Verbraucherakzeptanz unserer neuen Produktentwicklungen, um ausreichende Umsätze zu erwirtschaften, damit wir unsere Investitionen ausgleichen und unsere Erträge erhöhen können.
- Wir könnten nicht in der Lage sein, neue Produkte zu entwickeln, die den Anforderungen des energieeffizienten Bauens genügen. Dies könnte unsere Vermögens-, Finanz- und Ertragslage beeinträchtigen.
- Wir sind in vielen verschiedenen Ländern Risiken im Zusammenhang mit der Geschäftstätigkeit vor Ort ausgesetzt.
- Wir könnten Risiken in Verbindung mit Übernahmen bzw. Ausgliederungen von Unternehmen oder Neugründungen ausgesetzt sein. Jedes dieser Risiken könnte unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Wir glauben, dass unsere Marken und unser geistiges Eigentum wichtig für unseren anhaltenden Erfolg sind. Jede Schädigung unserer Marken und unseres geistigen Eigentums könnten unsere Geschäftstätigkeit und unseren Ruf schädigen.
- Es könnte notwendig werden, Abschreibungen auf materielle Vermögenswerte einschließlich Sachanlagen oder immaterielle Vermögenswerte wie den Firmenwert, Handelsmarken oder sonstige immaterielle Vermögenswerte vorzunehmen, wobei unsere Vermögens-, Finanz- und Ertragslage durch eine erhebliche außerplanmäßige Abschreibung beeinträchtigt würde.

- Wir verlassen uns auf den Schutz von Betriebsgeheimnissen und die Einhaltung von Vertraulichkeitsvereinbarungen mit unseren Arbeitnehmern, um unsere Produkte, Technologien, Rezepturen und sonstiges Knowhow zu schützen. Sollten wir nicht in der Lage sein, eine ausreichende Geheimhaltung aufrechtzuerhalten, könnte dies unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.

- Wir sind von qualifiziertem Personal in Schlüsselpositionen und von dem technischen Fachwissen unserer Arbeitnehmer abhängig. Ein etwaiger Verlust dieses Personals könnte geschäftsschädigend sein.

- Wir sind abhängig von einem guten Verhältnis zu unseren Arbeitnehmern, Gewerkschaften und Arbeitnehmervertretern, um Betriebsunterbrechungen zu vermeiden, Restrukturierungen durchzuführen und bestehende Tarifverträge anzupassen.

- Unsere Geschäftstätigkeit könnte betriebsbedingten Risiken ausgesetzt sein, die von unserer Versicherung möglicherweise nicht ausreichend abgedeckt werden.

- Wir sind von einem effizienten und störungsfreien Betrieb unserer Informations- und Kommunikationstechnologie abhängig. Jede Störung oder Unterbrechung dieses Betriebs könnte unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.

Finanzielle Risiken

- Unser kapitalintensives Geschäft führt zu einem hohen Finanzierungsbedarf. Sollten wir nicht in der Lage sein, diesen Bedarf zu decken, könnte dies unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.

- Unsere Besicherten Anleihen (mit variablem Zins), die Darlehensfaziliät mit fester Laufzeit und die Revolvierende Kreditfazilität sowie einige lokale Kredite weisen variable Zinssätze auf, die deutlich ansteigen könnten. Dadurch würden unsere Finanzierungskosten steigen und unser Cashflow sinken. Obwohl wir versuchen, die Risiken aus dem Anstieg variabler Zinssätze durch den Abschluss von Sicherungsvereinbarungen zu mildern, könnten wir dennoch Risiken in Verbindung mit der Bewertung dieser Sicherungsinstrumente und den Vertragspartnern dieser Vereinbarungen ausgesetzt werden.

- Wir könnten — auch aufgrund von Faktoren, auf die wir keinen Einfluss haben — nicht in der Lage sein, ausreichend Barmittel zu erwirtschaften, um unsere Schulden zu bedienen, und wir könnten gezwungen sein, andere Maßnahmen zu ergreifen, um unseren Verpflichtungen aus unserer Verschuldung nachzukommen. Dies könnte nicht erfolgreich sein und zu einem Verzug bei der Bedienung unserer Schulden führen, was unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen könnte.

- Wir unterliegen strengen Vorschriften, die unsere betriebliche, strategische und finanzielle Flexibilität beeinträchtigen. Die Nichteinhaltung dieser Vorgaben, auch wenn der Grund für die Nichteinhaltung außerhalb unserer Kontrolle liegt, könnte zu einem Verzugsfall führen, der unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen könnte.

- Unsere Verbindlichkeiten könnten in der Zukunft deutlich ansteigen. Dadurch könnte es schwierig werden, unsere Schulden zurückzuzahlen, und unsere Geschäftsfähigkeit könnte geschwächt werden.

- Da viele unserer Tochtergesellschaften in anderen Währungen als dem Euro arbeiten, könnten nachteilige Veränderungen der ausländischen Wechselkurse gegenüber dem Euro unsere ausgewiesenen Erträge und unseren Cashflow erheblich beeinträchtigen.
- Unser Zinssicherungsprogramm könnte die Erträge und den Cashflow, die wir ohne dieses Programm erwarten könnten, einschränken und unser Geschäft auf andere Weise beeinflussen.
- Ein wesentlicher Zahlungsverzug eines Kreditinstituts oder eines Kunden könnte unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Wir müssen Pensionszahlungen nachkommen und andere Verpflichtungen gegenüber unseren Arbeitnehmern erfüllen. Veränderungen der Annahmen oder des Zinsniveaus könnten unsere Vermögens-, Finanz- und Ertragslage beeinträchtigen.
- Unsere Fähigkeit, Dividenden zu zahlen, ist von einer Reihe von Faktoren abhängig, u. a. von der Erwirtschaftung von Gewinnen durch unsere (operativen) Tochtergesellschaften und die Verteilung oder Übertragung dieser Gewinne von den Tochtergesellschaften auf die Gesellschaft.
- Einige konzerninterne Verbindlichkeiten aus der finanziellen Restrukturierung im Jahr 2009 wurden restrukturiert und in den Jahren 2013 und 2014 aufgelöst, aber erhebliche konzerninterne Verbindlichkeiten werden auch nach dem öffentlichen Angebot noch ausstehen. Die ausstehenden konzerninternen Verbindlichkeiten könnten die Fähigkeit der Tochtergesellschaften, Dividenden an die Gesellschaft zu zahlen, zukünftig einschränken. Die Restrukturierung von konzerninternen Verbindlichkeiten könnte unter anderem zu steuerpflichtigen Sanierungsgewinnen oder zu einer Reduzierung der steuerlichen Verlustvorträge führen. Die in 2013 und 2014 vorgenommene Restrukturierung von konzerninternen Verbindlichkeiten unterliegt routinemäßigen Steuerprüfungen, aus denen sich wiederum zusätzliche Steuer- und Zinszahlungen ergeben könnten. Diese Faktoren könnten die Vermögens-, Finanz- und Ertragslage und die Zahlungsfähigkeit der Gruppe beeinträchtigen.
- Eine Rückzahlung von deutschen konzerninternen Verbindlichkeiten, die aus der finanziellen Restrukturierung im Jahr 2009 resultieren (deutsches „*Warehouse Debt*“) könnte für in Deutschland ansässige steuerpflichtige Aktionäre der Gesellschaft zu steuerpflichtigen Erträgen gemäß den Vorschriften des Aussensteuergesetzes führen.
- Die Zahlung oder die Verbuchung von Zinansprüchen von Zinsen auf das deutsche Warehouse Debt könnte für in Deutschland ansässige steuerpflichtige Aktionäre der Gesellschaft zu steuerpflichtigem Einkommen gemäß den Vorschriften des Außensteuergesetzes führen.
- Wir haben in der Vergangenheit Verluste erzielt wie nach IFRS ausgewiesen und werden in der Zukunft eventuell keinen Gewinn erzielen, was unsere Fähigkeit Dividenden aus dem Nettoerlös auszuschütten nachteilig beeinflussen könnte. Sollten wir keinen Gewinn erzielen, könnte sich dies negativ auf den Kurs unser Aktien auswirken und unsere Fähigkeit Dividenden auszuschütten negativ beeinflussen sowie zur Überschuldung führen und uns in die Insolvenz oder Liquidation zwingen.

Regulatorische und rechtliche Risiken

- Wir unterliegen strengen Umwelt-, Gesundheits- und Sicherheitsgesetzen, Verordnungen und Standards, deren Einhaltung zu Kosten und Sanierungsaufwendungen führt, die unsere Vermögens-, Finanz- und Ertragslage beeinträchtigen könnten.

- Verpflichtungen aus Umweltbedingungen an unseren bestehenden und früheren Produktionsstätten und anderen Standorten könnten unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Wir unterliegen erheblichen Rekultivierungs- und Sanierungsauflagen für Ton- und Sandgruben.
- Änderungen im Bau-, Herstellungs- und Bauplanungsrecht sowie von Verordnungen, Auflagen und Standards könnten unsere Vermögens-, Finanz- und Ertragslage erheblich beeinträchtigen.
- Änderungen der Vorschriften zu Emissionshandelszertifikaten der Europäischen Union und anderen lokalen Emissionssystemen könnten zu einer verringerten oder eingeschränkten Übertragbarkeit der kostenlos zugewiesenen Emissionen führen und unsere Produktionskosten erhöhen.
- Wir unterliegen bestimmten wettbewerbs- und kartellrechtlichen Vorschriften. Darüber hinaus wird derzeit wegen Vorwürfen auf Grund einer Kartellrechtsverletzung in Brasilien gegen uns ermittelt.
- Es könnten erhebliche Kosten aufgrund von Garantie- und Produkthaftpflichtansprüchen entstehen, die unsere Rentabilität beeinträchtigen könnten. Gegenwärtig bestehen Rechtsstreitigkeiten in Verbindung mit unseren Garantien.
- Wir sind Risiken aus Rechtsstreitigkeiten ausgesetzt, einschließlich einer anhängigen Gemeinschaftsklage in Kalifornien.
- Laufende und zukünftige Steuerprüfungen und Änderungen der Steuergesetzgebung könnten zu zusätzlichen Steuerverbindlichkeiten führen.
- Unsere Steuerlast könnte steigen.

D.3 **Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.**

Risiken in Verbindung mit der Aktionärsstruktur, dem Angebot und der Börsennotierung

- Unsere Hauptaktionäre werden über den Veräußernden Aktionär, der auch nach der Durchführung des Angebots von den Hauptaktionären kontrolliert werden wird, weiterhin großen Einfluss auf die Gesellschaft ausüben, wobei die Interessen der Hauptaktionäre den Interessen der übrigen Aktionäre entgegenstehen könnten.
- Zukünftige oder geplante Verkäufe einer wesentlichen Anzahl von Aktien oder ähnliche Transaktionen des Veräußernden Aktionärs oder anderer Gruppen von Aktionären könnten unsere Vermögens-, Finanz- und Ertragslage beeinträchtigen.
- Der Marktpreis unserer Aktien könnte schwanken. Dies könnte dazu führen, dass der Wert Ihrer Investition sinkt oder der Aktienpreis sich außerhalb der Preisspanne bewegt.
- Das Angebot könnte nicht durchgeführt werden und Anleger könnten ihre bereits geleisteten Anzahlungen für Aktien zurückerhalten. Leerverkäufe von Aktien, die im Rahmen des Angebots angeboten werden, ziehen das Risiko nach sich, dass solche Verkäufe nicht abgedeckt sind, falls das Angebot nicht vollständig durchgeführt wird.
- Unsere zukünftigen Emissionen von Fremd- oder Eigenkapitaltiteln könnten den Marktwert unserer Aktien erheblich negativ beeinflussen. Außerdem könnten zukünftige Kapitalisierungsmaßnahmen die Anteile unserer bestehenden Aktionäre an der Gesellschaft deutlich verwässern.

- Aus unseren historischen Erträgen und anderen historischen Finanzdaten können nicht notwendigerweise Rückschlüsse auf unsere zukünftigen Erträge und andere zentralen Finanzkennzahlen gezogen werden.
- Die Rechte von Aktionären in einem Luxemburger Unternehmen können sich von den Aktionärsrechten in Unternehmen unterscheiden, die den Rechtsordnungen anderer Länder unterliegen.
- Sollten Aktien- oder Branchenanalysten keine Forschungs- oder andere Berichte über unsere Geschäftstätigkeit veröffentlichen, oder sollten sie ihre Empfehlungen bezüglich unserer Aktien herabstufen, könnten der Aktienkurs und das Handelsvolumen unserer Aktien sinken.

E—Angebot

E.1	**Gesamtnettoerlöse und geschätzte Gesamtkosten der Emission/des Angebots, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.**	Die Gesellschaft erhält nur den Erlös aus der Emission, der aus dem Verkauf der Neuen Aktien (wie unter E.3 definiert) resultiert. Die Gesellschaft erhält keinen Erlös aus dem Verkauf Bestehender Angebotsaktien (wie unter E.3 definiert) aus dem Aktienbesitz des Veräußernden Aktionärs. Unter der Annahme, dass die maximale Anzahl an Neuen Aktien (4.347.827 Aktien) platziert werden, würden sich die Bruttoerlöse für die Gesellschaft auf € 100 Mio. belaufen. Die Gesellschaft strebt einen Bruttoemissionserlös in Höhe von € 100 Million an und würde, falls der endgültige Angebotspreis der Angebotsaktien den für das untere Ende der Preisspanne (die „**Preisspanne**“) angestrebten Angebotspreis (wie unter E.3 definiert) übersteigt, die Anzahl der Neuen Aktien reduzieren. Dementsprechend würde sich die Anzahl der Neuen Aktien auf bis zu 4.347.827 Neue Aktien am unteren Ende, bis zu 3.921.569 Neue Aktien zum Mittelwert und bis zu 3.571.429 Neue Aktien am oberen Ende der Preisspanne belaufen. Nach der Berechnung der Gesellschaft würde sich der Bruttoertrag für den Veräußernden Aktionär (unter der Annahme, dass die maximale Anzahl an Bestehenden Angebotsaktien (wie unter E.3 definiert) platziert wird) und der Annahme der vollständigen Ausübung der Mehrzuteilungsoption wie untenstehend unter E.3 definiert am unteren Ende, in der Mitte und am oberen Ende der Preisspanne auf € 420,4 Mio. am unteren Ende, € 470,7 Mio. in der Mitte bzw. € 521,0 Mio. am oberen Ende und der Nettoertrag würde sich auf ungefähr € 407,8 Mio. am unteren Ende, € 456,6 Mio. zum Mittelwert bzw. € 505,4 Mio. am oberen Ende belaufen. Die im Zusammenhang mit dem Angebot der Angebotsaktien (wie unten in E.3 definiert) und mit der Börsennotierung des gesamten Grundkapitals der Gesellschaft stehenden Kosten der Gesellschaft betragen erwartungsgemäß insgesamt etwa € 10,5 Mio. (ausgenommen der Provisionszahlungen für Zeichnung und Platzierung, zahlbar an BNP PARIBAS, Paris, Frankreich („**BNP PARIBAS**“), J.P. Morgan Securities plc, London, Vereinigtes Königreich, („**J.P. Morgan**“) und UBS Limited, London, Vereinigtes Königreich („**UBS**“ und zusammen mit BNP PARIBAS, J.P. Morgan, die „**Joint Global Coordinators**“), und Joh. Berenberg, Gossler & Co. KG, Hamburg, Deutschland („**Berenberg**“) und Goldman Sachs International, London, Vereinigtes Königreich („**Goldman Sachs International**“ und zusammen mit den Joint Global Coordinators und Berenberg, die „**Joint Bookrunners**“ oder die „**Konsortialbanken**“). Sollte der Angebotspreis am unteren Ende, in der Mitte und am oberen Ende der Preisspanne liegen und die maximale Anzahl von Angebotsaktien (wie unter E.3 definiert) platziert sein (und die unter E.3 definierte Mehrzuteilungsoption vollständig ausgeübt worden

		sein) und die im Ermessen stehende Gebühr von bis zu € 6,5 Mio., € 7,1 Mio. bzw. € 7,8 Mio. am unteren Ende, in der Mitte und am oberen Ende der Preisspanne vollständig gezahlt werden, dann liegt die Provision, die den Konsortialbanken zu zahlen ist, bei € 15,6 Mio., € 17,1 Mio. bzw. € 18,6 Mio. Davon werden € 3,0 Mio. auf die Platzierung der Neuen Aktien (wie unter E.3 definiert) verteilt und von der Gesellschaft getragen, die restlichen € 12,6 Mio., € 14,1 Mio. bzw. € 15,6 Mio. werden auf die Platzierung der Bestehenden Angebotsaktien und der Mehrzuteilungsaktien (wie unter E.3 definiert) verteilt und direkt vom Veräußernden Aktionär getragen. Sollte der Angebotspreis am unteren Ende, in der Mitte und am oberen Ende der Preisspanne liegen und die maximale Anzahl von Angebotsaktien (wie unter E.3 definiert) platziert sein und die im Ermessen stehende Gebühr vollständig bezahlt werden, betragen die erwarteten Gesamtkosten der Börsennotierung, die von der Gesellschaft und dem Veräußernden Aktionär getragen werden, € 26,2 Mio., € 27,7 Mio. bzw. € 29,2 Mio. Entfällt. Anlegern werden keine angebotsbezogenen Aufwendungen in Rechnung gestellt. Allerdings haben Anleger möglicherweise übliche Transaktions- und Bearbeitungsgebühren zu tragen, die von ihren depotführenden Finanzinstituten in Rechnung gestellt werden.
E.2a	**Gründe für das Angebot, Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.**	Die Gesellschaft beabsichtigt die Zulassung ihrer Aktien zum regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*) an der Frankfurter Wertpapierbörse, um einen besseren Zugang zum Kapitalmarkt zu erhalten und beabsichtigt die Neuen Aktien zur weiteren Verbesserung ihrer Verschuldungsstruktur anzubieten. Die Gesellschaft beabsichtigt ihren Teil der Nettoerlöse aus dem Angebot (nach Zahlung der Gebühren und Provisionen der Konsortialbanken in Höhe von ungefähr € 3,0 Mio.) für die Übernahme der emissionsbezogenen Kosten in Höhe von ungefähr € 10,5 Mio., zur Zahlung der ausstehender Beträge unter der Revolvierenden Kreditfazilität, derzeit in Höhe von € 40,0 Mio., und den Rest für allgemeine Unternehmenszwecke zu nutzen. Der Veräußernde Aktionär bietet seine Bestehende Angebotsaktien und Mehrzuteilungsaktien an, um seine Beteiligung an der Gesellschaft teilweise zu veräußern und plant, mit den Erlösen des Angebots (i) bestimmte Kosten im Zusammenhang mit dem Angebot, einschließlich der „Earn-out"-Zahlungen an PAI Partners (die ehemaligen Eigentümer des Konzerns) in einem geschätzten Gesamtbetrag von ungefähr € 40,0 Mio. zu begleichen und (ii) Instrumente der PIK/Equity Strips (einschließlich jeglicher Nachfolge- oder Ersatzinstrumente) zurückzuzahlen oder zu bedienen. Ein Teil der Bestehenden Aktien, die von dem Veräußernden Aktionäre angeboten und verkauft werden (insgesamt ca. 15.326.087, 15.539.216 bzw. 15.714.286 Bestehende Aktien am unteren Ende, zum Mittelwert bzw. am oberen Ende der Preisspanne) sind wirtschaftlich dem Bestehenden Management Equity Programm (wie unter E.4 definiert und ausführlicher beschrieben) zuzuordnen. Die Erlöse aus dem Verkauf dieser Bestehenden Aktien werden von dem Veräußernden Aktionär der Muttergesellschaft des Bestehenden Management Equity Programms zum Zwecke der Finanzierung des Rückkaufs der Investitionen in das Bestehende Management Equity Programm von den Teilnehmern des Programms zum Angebotspreis zur Verfügung gestellt, wodurch erwartet wird, dass insgesamt € 19,1 Mio., € 21,3 Mio. bzw. € 23,4 Mio. der Erlöse aus dem Angebt, am unteren Ende, zum Mittelwert bzw. am oberen Ende der Preisspanne, mittelbar an Teilnehmer des Bestehenden Management Equity Programms, einschließlich des CEO und des CFO, fließen. Die Erlöse des Angebots, die auf das bestehende Management Equity Programm (wie

unter E.4 definiert) entfallen, werden an bestimmte Manager und Direktoren des Konzerns ausgeschüttet. Die auf die Sicherheitennehmer entfallenden Erlöse werden in erster Linie ausgeschüttet durch die Begleichung oder Rückzahlung von Instrumenten der PIK/Equity Strips (inklusive möglicher Nachfolge- oder Ersatzinstrumente) in Übereinstimmung mit den Bestimmungen des Sicherheitennehmervertrags (ein Vertrag zwischen dem Veräußernden Aktionär, Monier Holdings GP S.A. und einigen Sicherheitennehmern des Konzerns in Bezug auf die Verwaltung der Monier Holdings GP S.A. und dem Veräußernden Aktionär und seinen Tochtergesellschaften), die für die PIK/Equity Strips gelten.

Unter der Annahme, dass die maximale Anzahl der Neuen Aktien (4.347.827 Aktien) platziert wird, erwartet die Gesellschaft Gesamtbruttoerlöse von ungefähr €100 Mio., da die Gesellschaft einen Bruttoerlös von¸€100 Mio. anstrebt und die Anzahl der Neuen Aktien anhand des Angebotspreises anpassen wird. Dementsprechend würde sich die Anzahl der Neuen Aktien auf bis zu 4.347.827 Neue Aktien am unteren Ende, bis zu 3.921.569 Neue Aktien zum Mittelwert und bis zu 3.571.429 Neue Aktien am oberen Ende der Preisspanne belaufen. Unter der Annahme, dass die maximale Anzahl der Neuen Aktien (4.347.827 Aktien) platziert wird, erwartet die Gesellschaft am unteren, mittleren bzw. oberen Ende der Preisspanne Gesamtnettoerlöse für die Gesellschaft von ungefähr €86,5 Mio.

E.3 Beschreibung der Angebotskonditionen.

Das Angebot bezieht sich auf den Verkauf von bis zu 23.013.201 auf den Inhaber lautende Stammaktien mit einem Nominalwert (*valeur nominale*) von jeweils € 0,01 mit der gleichen Dividendenberechtigung wie die Bestehenden Aktien und setzt sich zusammen aus:

- bis zu 4.347.827 neu ausgegebene Aktien aus einer Kapitalerhöhung gegen Einlagen in bar, die durch eine außerordentliche Hauptversammlung der Gesellschaft zu beschließen ist (die „**Neuen Aktien**“);
- bis zu 15.714.286 bestehende Aktien (die „**Bestehenden Angebotsaktien**“ und zusammen mit den Neuen Aktien „**Basisaktien**“) des Aktienbesitzes des Veräußernden Aktionärs; und
- bis zu 2.951.088 Bestehende Aktien aus dem Aktienbesitz des Veräußernden Aktionärs in Zusammenhang mit einer möglichen Mehrzuteilung (die „**Mehrzuteilungsaktien**“ und zusammen mit den Basisaktien „**Angebotsaktien**“ genannt).

Alle Angebotsaktien haben die gleichen Rechte inne. Sie unterfallen und werden geregelt durch luxemburgisches Gesellschaftsrecht.

Das Angebot besteht aus einem öffentlichen Angebot der Angebotsaktien in der Bundesrepublik Deutschland und Privatplatzierungen der Angebotsaktien in bestimmten anderen Jurisdiktionen außerhalb der Bundesrepublik Deutschland. In den Vereinigten Staaten von Amerika werden die Aktien zum Verkauf an qualifizierte institutionelle Anleger (*Qualified Institutional Buyers*) gemäß Rule 144A („**Rule 144A**“) nach dem U.S. Securities Act von 1933 in der derzeit gültigen Fassung („**Securities Act**“) angeboten. Außerhalb der Vereinigten Staaten von Amerika werden die Aktien gemäß der Regulation S („**Regulation S**“) nach dem Securities Act angeboten.

Angebotszeitraum

Der Angebotszeitraum beginnt voraussichtlich am 11. Juni 2014 und endet voraussichtlich am 24. Juni 2014 (i) um 12:00 Uhr (Mitteleuropäische Sommerzeit) für Privatanleger und (ii) um 14:00 Uhr (Mitteleuropäische Sommerzeit) für institutionelle Anleger (der „**Angebotszeitraum**“).

Preisspanne und Platzierungspreis	Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, beträgt €23,00 bis €28,00 je Aktie. Die Gesellschaft und der Veräußernde Aktionär werden den endgültigen Platzierungspreis nach Beratung mit den Joint Bookrunnern mit Hilfe eines während des Bookbuilding-Verfahrens erstellten Auftragsbuchs voraussichtlich am oder um den 24. Juni 2013 festlegen. Der Platzierungspreis wird voraussichtlich in verschiedenen Medien mit Verbreitung im gesamten Europäischen Wirtschaftsraum und auf der Internetseite der Gesellschaft (www.braas-monier.com) und auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu.com) veröffentlicht und bei der für den Finanzsektor zuständigen Luxemburger Aufsichtsbehörde (*Commission de Surveillance du Secteur Financier*) eingereicht, und zwar jeweils in Übereinstimmung mit Artikel 10 des Luxemburger Prospektgesetzes.
Änderung der Angebotskonditionen	Die Gesellschaft und der Veräußernde Aktionär behalten sich das Recht vor, im Einvernehmen mit den Joint Bookrunnern die Anzahl der Angebotsaktien zu verringern oder zu erhöhen, die obere/ untere Begrenzung der Preisspanne zu senken oder zu erhöhen und/oder den Angebotszeitraum zu verlängern oder zu verkürzen. Sofern die Option zur Änderung der Bedingungen des Angebots ausgeübt wird, wird diese Änderung in verschiedenen Medien mit Verbreitung im gesamten Europäischen Wirtschaftsraum und auf der Internetseite der Gesellschaft (www.braas-monier.com) und auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu.com) sowie, sofern dies erforderlich ist, als Nachtrag zu diesem Prospekt veröffentlicht. Gemäß dem Luxemburger Prospektgesetz wird Anlegern, die vor der Veröffentlichung eines Nachtrags ein Kaufangebot abgegeben haben, ein Zeitraum von zwei Geschäftstagen ab der Veröffentlichung des Nachtrags gewährt, in dem sie ihr Angebot zurückziehen können, vorausgesetzt, der neue Umstand, der Fehler oder der Irrtum, der die Veröffentlichung eines Nachtrags zu dem Prospekt erforderlich gemacht hat, entstand vor dem endgültigen Abschluss des Angebots und der Lieferung der Aktien. Der Übernahmevertrag, der am 10. Juni 2014 zwischen der Gesellschaft, dem Veräußernden Aktionär und den Konsortialbanken geschlossen wurde (der „**Übernahmevertrag**“), sieht vor, dass die Konsortialbanken unter bestimmten Umständen vom Übernahmevertrag zurücktreten können, und zwar auch noch jederzeit nach Zuteilung bis zur Lieferung und Zahlung der Aktien. Sollte es zu einem Rücktritt vom Übernahmevertrag kommen, wird das Angebot nicht durchgeführt. Bereits erfolgte Zuteilungen an Anleger sind in diesem Fall unwirksam und es besteht kein Anspruch auf Lieferung der Aktien. Ansprüche in Bezug auf bereits erbrachte Effektenprovisionen und im Zusammenhang mit dem Kauf von Angebotsaktien entstandene Kosten eines Anlegers richten sich allein nach dem Rechtsverhältnis zwischen dem Anleger und dem Institut, bei dem er sein Kaufangebot abgegeben hat. Anleger, die Leerverkäufe vorgenommen haben, tragen das Risiko, ihre Lieferverpflichtungen nicht erfüllen zu können.
Lieferung und Zahlung	Die Lieferung der Angebotsaktien gegen Zahlung des Platzierungspreises und der üblichen Effektenprovision wird voraussichtlich zwei deutsche Bankarbeitstage nach dem ersten Handelstag an der Frankfurter Wertpapierbörse, d. h. für den 27. Juni 2014 erwartet („**Abschlussdatum**“). Die Angebotsaktien werden den Aktionären als Miteigentumsanteile an der Globalurkunde zur Verfügung gestellt. Die im Rahmen des Angebots erworbenen Angebotsaktien können nach Wahl des Aktionärs dem Depot eines deutschen Kreditinstituts bei der Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, oder auf einem Depotkonto bei einem Teilnehmerinstitut von Euroclear Belgium, boulevard du Roi Albert II 1, 1120 Brüssel, Belgien, als Betreiber des Euoclear Systems, oder bei Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Großherzogtum Luxemburg gutgeschrieben werden. Bei Ausgabe werden die Neuen Aktien in einer Globalurkunde verbrieft, die ebenfalls bei der Clearstream Banking Aktiengesellschaft hinterlegt wird.

Stabilisierung, Mehrzuteilung und Greenshoe-Option

Im Zusammenhang mit der Platzierung der Angebotsaktien handelt J.P. Morgan oder in ihrem Namen handelnde Personen als Stabilisierungsmanager (der „**Stabilisierungsmanager**"); sie können im rechtlich zulässigen Rahmen (Artikel 7 des Luxemburger Gesetzes vom 9. Mai 2006 zum Marktmissbrauch in der derzeit gültigen Fassung, § 20a des Wertpapierhandelsgesetzes und in Verbindung mit der Verordnung Nr. 2273/2003 der EU-Kommission vom 22. Dezember 2003) Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien zu stützen und dadurch einem etwaigen Verkaufsdruck entgegenzuwirken.

Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Es kann daher nicht zugesichert werden, dass Stabilisierungsmaßnahmen ergriffen werden. Sollten Stabilisierungsmaßnahmen ergriffen werden, können sie jederzeit ohne Ankündigung eingestellt werden. Solche Maßnahmen können ab dem Zeitpunkt der Aufnahme des Börsenhandels der Aktien der Gesellschaft am Regulierten Markt der Frankfurter Wertpapierbörse vorgenommen werden und müssen spätestens am dreißigsten Kalendertag nach diesem Zeitpunkt eingestellt werden (der „**Stabilisierungszeitraum**"). Selbst wenn Stabilisierungsmaßnahmen ergriffen werden, ist nicht gewährleistet, dass diese erfolgreich sein werden.

Im Rahmen möglicher Stabilisierungsmaßnahmen können Anlegern zusätzlich zu den angebotenen Basisaktien bis zu 2.951.088 Mehrzuteilungsaktien als Teil der Zuteilung der zu platzierenden Angebotsaktien zugeteilt werden. Im Hinblick auf eine mögliche Mehrzuteilung werden J.P. Morgan in ihrer Eigenschaft als Stabilisierungsmanager bis zu 2.951.088 Mehrzuteilungsaktien in Form eines Wertpapierdarlehens von dem Veräußernden Aktionär zur Verfügung gestellt werden; diese Anzahl an Aktien wird 15 Prozent der Anzahl der Angebotsaktien (ohne etwaige Mehrzuteilungen) nicht übersteigen. Im Zusammenhang mit einer möglichen Mehrzuteilung hat der Veräußernde Aktionär den Konsortialbanken die vom Stabilisierungsmanager für Rechnung der Konsortialbanken ausübbare Option eingeräumt, beginnend mit dem Datum der Aufnahme des Handels der Angebotsaktien am regulierten Markt der Frankfurter Wertpapierbörse bis 23:59 Mitteleuropäische Sommerzeit des dreißigsten Tages nach dem Datum der Aufnahme des Handels der Angebotsaktien am regulierten Markt der Frankfurter Wertpapierbörse, bis zu 2.951.088 Mehrzuteilungsaktien zum Platzierungspreis (abzüglich vereinbarter Provisionen) zu erwerben (die „**Greenshoe-Option**").

Unter bestimmten Umständen kann der Stabilisierungsmanager Aktien, die zuvor im Wege der Stabilisierungsmaßnahmen erworben wurden (sogenanntes Auffrischen der Mehrzuteilung) innerhalb der Stabilisierungsfrist weiter verkaufen. Der Stabilisierungsmanager ist berechtigt, die Greenshoe-Option in dem Maße auszuüben wie es anfänglich Mehrzuteilungen der Aktien gab. Von dem Aktienbestand ist die Anzahl der Aktien abzuziehen, die der Stabilisierungsmanager zum Datum der Ausübung der Greenshoe-Option gehalten hat und die er im Rahmen der Stabilisierungsmaßnahmen erworben hatte.

Nach Beendigung der Stabilisierungsfrist wird innerhalb einer Woche in verschiedenen Medien mit Verbreitung im Europäischen Wirtschaftsraum eine Ankündigung mit den folgenden Informationen veröffentlicht: (1) ob Stabilisierungsmaßnahmen tatsächlich durchgeführt wurden, (2) das Datum, an dem etwaige Stabilisierungsmaßnahmen eingeleitet wurden, (3) das Datum der letzten Stabilisierungsmaßnahme sowie (4) die Preisspanne, innerhalb derer die Stabilisierungsmaßnahmen durchgeführt wurden. Diese Informationen werden für jedes Datum zur Verfügung gestellt werden, an dem Stabilisierungsmaßnahmen getroffen wurden.

Zuteilungskriterien

Über die Zuteilung der Angebotsaktien an Kleinanleger und institutionelle Anleger wird nach Beratung zwischen der Gesellschaft, dem Veräußernden Aktionär und den Joint Global Coordinators entschieden. Die letzte Entscheidung steht der Gesellschaft und dem Veräußernden Aktionär zu und wird auf Grundlage der Qualität der einzelnen Anleger, der einzelnen Kaufaufträge und sonstiger wesentlicher Zuteilungskriterien getroffen.

E.4	**Beschreibung aller für die Emission/ das Angebot wesentlichen, auch kollidierenden Interessen.**	Die Gesellschaft und der Veräußernde Aktionär haben ein Interesse an dem Angebot, da sie den Nettoerlös aus der Emission erhalten. Die Konsortialbanken haben ein Interesse an der Emission, da jeder von ihnen einen Vertrag mit uns und dem Veräußernden Aktionär über die Strukturierung und Durchführung der Emission geschlossen hat. Die Vergütung ist anreizorientiert und hängt unter anderem von dem Betrag des Emissionserlöses ab. Zusätzlich ist J.P. Morgan als Designated Sponsor für die Aktien ernannt worden und BNP Paribas Securities Services S.C.A., Zweigniederlassung Frankfurt als Zahlstelle. Einige der Konsortialbanken oder mit ihnen verbundene Unternehmen unterhalten Geschäftsbeziehungen mit uns, einschließlich Finanzierungen, oder erbringen im Rahmen der gewöhnlichen Geschäftstätigkeit Dienstleistungen für uns und/oder den Konzern. Im Zusammenhang mit der Emission können die Konsortialbanken und mit ihnen verbundene Unternehmen Angebotsaktien auf eigene Rechnung erwerben, halten, kaufen und/oder veräußern und sie können diese Aktien auch außerhalb dieser Emission kaufen oder verkaufen. Dementsprechend sollten Bezugnahmen des Prospekts auf die angebotenen oder platzierten Angebotsaktien so gelesen werden, dass hiermit ebenso jedes Angebot und jede Platzierung der Angebotsaktien bei jeder der Konsortialbanken oder einem mit ihnen verbundenen Unternehmen, das in dieser Eigenschaft handelt, gemeint ist. Die Konsortialbanken beabsichtigen nicht, über den Umfang derartiger Investitionen oder Transaktionen mehr Informationen offen zu legen als gesetzlich vorgeschrieben. Zudem könnten einige Konsortialbanken oder die mit ihnen verbundenen Unternehmen Finanzierungsvereinbarungen (einschließlich Swapgeschäfte oder Differenzkontrakte) mit Anlegern abschließen, wobei diese Konsortialbanken (oder die mit ihnen verbundenen Unternehmen) möglicherweise im Rahmen dieser Finanzierungsvereinbarungen gelegentlich Angebotsaktien erwerben, halten oder veräußern werden. BNP PARIBAS, J.P. Morgan und Goldman Sachs International, von denen jede eine Konsortialbank oder ein mit einer Konsortialbank verbundenes Unternehmen ist, waren ebenfalls Konsortialbanken bei der Emission der Anleihe vom 17. April 2014 durch BMBG Bond Finance S.C.A., einer Tochtergesellschaft der Gesellschaft. BNP PARIBAS, J.P. Morgan und Goldman Sachs International, von denen jede eine Konsortialbank oder ein mit einer Konsortialbank verbundenes Unternehmen ist, handelten als beauftragte Lead Arranger bei der vorrangigen Kreditvereinbarung vom 9. April 2014, bestehend aus einem befristeten Kredit in Höhe von € 250 Mio. und einem neuen revolvierenden Kredit in Höhe von € 100 Mio., zwischen u.a. der Gesellschaft, Braas Monier S.à r.l., Goldman Sachs Bank USA, Deutsche Bank AG, Niederlassung London, BNP Paribas S.A. und J.P. Morgan Limited. BNP PARIBAS selbst oder durch die mit ihr verbundenen Unternehmen Gillespie CLO plc, Leveraged Finance Europe Capital I, Leveraged Finance Europe Capital II, Leveraged Finance Europe Capital III, Leveraged Finance Europe Capital IV, Leveraged Finance Europe Capital V, BNP Paribas Niederlassung Mailand und Goldman Sachs International durch das mit ihr verbundene Unternehmen ELQ Investors II, Limited, von denen jedes eine Konsortialbank oder ein mit einer Konsortialbank verbundenes Unternehmen ist, sind Sicherheitennehmer gemäß der Refinanzierten Kreditvereinbarung und halten daher neben anderen Sicherheiten Aktien an dem Veräußerndem Aktionär und Instrumente der PIK/Equity Strips (einschließlich jeglicher Nachfolge- oder Ersatzinstrumente). Der Veräußernde Aktionär plant, die meisten Erlöse aus der Emission in Übereinstimmung mit den entsprechenden Bestimmungen des Sicherheitennehmervertrages in Bezug auf die PIK/ Equity Strips (einschließlich jeglicher Nachfolge- oder Ersatzinstrumente) an die Sicherheitennehmer auszuschütten.

		Der Veräußernde Aktionär wird die Erlöse aus den Bestehenden Angbotsaktien erhalten, die in der Emission verkauft werden. Unter der Annahme der vollständigen Platzierung sämtlicher Bestehender Angbotsaktien und der Mehrzuteilungs-Aktien zu dem Mittelwert der Preisspanne und der vollständigen Ausübung der Greenshoe Option sowie nach Abzug der Gebühren und Ausgaben, die der Veräußernde Aktionär im Zusammenhang mit der Emission zahlen muss, würden sich die Erlöse für den Veräußernden Aktionär aus der Emission auf ungefähr € 456,6 Mio. oder 84,1 Prozent des Nettoemissionserlöses belaufen. Im Gegenzug wird der Veräußernde Aktionär mit den Erlösen (i) bestimmte Kosten im Zusammenhang mit dem Angebot, einschließlich der „Earn-out"-Zahlungen an PAI Partners (den ehemaligen Eigentümer des Konzerns) begleichen und (ii) Instrumente der PIK/Equity Strips zurückzahlen oder bedienen. Pepyn Dinandt (CEO), Matthew Russell (CFO), bestimmte andere Manager des Konzerns sowie die unabhängigen Direktoren Jean-Pierre Clavel, Werner Paschke und Pierre-Marie De Leener (zusammen die „**EMEP-Investoren**") halten mittelbar Aktien und andere Eigenkapitalinstrumente an dem Veräußernden Aktionär gemäß einem Management Equity Programm (das „**Bestehende Management Equity Programm**" oder „**EMEP**," alle Investitionen in dem EMEP die „**EMEP Investitionen**"). Das Bestehende Management Equity Programm wird im Zusammenhang mit der Emission aufgelöst werden und der erworbene Teil der entsprechenden EMEP-Investition eines jeden EMEP-Investors wird zu einem Preis zurückgekauft werden, der unmittelbar mit dem Angebotspreis der Emission verbunden ist. Die EMEP-Investoren werden diese Aktien der Gesellschaft nach dem Schluss der Emission zu dem Angebotspreis von dem Veräußernden Aktionär kaufen. Alle Aktien der Gesellschaft, die von den EMEP-Investoren nach dem Schluss der Emission erworben werden, sind Gegenstand von Lock-up-Vereinbarungen. Der Lock-up-Zeitraum für Mitglieder der Geschäftsführung ist gestaffelt, d. h. für einen Zeitraum zwischen 6 und 36 Monaten für den CEO und den CFO, und zwischen 6 und 24 Monaten für andere Manager und unabhängige Direktoren erlischt der Lock-up für diese Aktien in mehreren Schritten (der „**Management Lock-up**"). Sollte der Dienstleistungsvertrag zwischen dem CEO, Braas Monier S.à r.l. und Braas Monier Building Group Services GmbH nicht bis über den 31. Dezember 2015 hinaus verlängert werden, werden alle Aktien, die der CEO an der Gesellschaft hält und die dem Management Lock-up unterliegen nach (i) zwölf Monaten nachdem die Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse zugelassen werden oder (ii) zu dem früheren Datum an dem eine der Vertragsparteien des Dienstleistungsvertrags schriftlich darüber informiert wird, der Dienstleistungsvertrag nicht über den 31. Dezember 2015 hinaus verlängert wird, zum Handel freigegeben.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.**	Die Angebotsaktien werden von der Gesellschaft und dem Veräußernden Aktionär (wie weiter oben unter E.3 definiert) zum Verkauf angeboten.
	Bei Lock-up-Vereinbarungen die beteiligten Parteien und die Lock-up-Frist.	Die Gesellschaft hat sich in dem Konsortialvertrag zwischen der Gesellschaft, dem Veräußernden Aktionär und den Konsortialbanken vom 10. Juni 2014 gegenüber den Konsortialbanken verpflichtet, dass sie nicht ohne vorherige schriftliche Zustimmung der Joint Global Coordinators (wobei deren Zustimmung nicht ohne vernünftigen Grund verweigert werden darf) innerhalb eines Zeitraums von sechs Monaten nach dem 27. Juni 2014: a) eine Kapitalerhöhung der Gesellschaft aus genehmigtem Kapital ankündigt oder durchführt, b) einen Vorschlag zu einer Kapitalerhöhung bei einer Hauptversammlung zur Beschlussfassung vorlegt,

c) die Ausgabe von Wertpapieren anzukündigen, durchzusetzen oder als Beschlussvorschlag zu unterbreiten, die in Aktien der Gesellschaft umgewandelt werden können oder die eine Option auf Aktien der Gesellschaft beinhalten,

d) Aktien oder sonstige Wertpapiere der Gesellschaft, einschließlich Wertpapieren, welche in Aktien der Gesellschaft umgewandelt oder für Aktien der Gesellschaft ausgeübt oder eingetauscht werden können, anbietet, verpfändet, zuteilt, emittiert (außer wenn gesetzlich vorgeschrieben), verkauft oder sich zum Verkauf verpflichtet, Kaufoptionen oder Kaufkontrakte veräußert, Verkaufsoptionen erwirbt, Kaufoptionen, Kaufrechte oder Bezugsscheine gewährt oder die genannten Aktien bzw. Wertpapiere auf andere Weise überträgt oder unmittelbar oder mittelbar über sie verfügt oder Tauschgeschäfte oder sonstige Vereinbarungen über sie abschließt, mit denen das wirtschaftliche Risiko des Eigentums an den Aktien der Gesellschaft ganz oder zum Teil auf andere übertragen wird, oder

e) Geschäfte mit wirtschaftlich vergleichbarer Wirkung wie in den oben unter a) bis d) genannten Geschäften eingeht oder eine andere derartige Handlung vornimmt (einschließlich Derivativgeschäfte oder anderen Geschäften, die den oben beschriebenen Geschäften finanziell ähnlich sind sowie ob diese Geschäfte durch die Lieferung von Aktien der Gesellschaft oder in Bar oder auf andere Weise zu erfüllen sind).

(der "**Lock-up der Gesellschaft**").

Der Lock-up der Gesellschaft gilt nicht für die Ausgabe oder den Verkauf von jeglichen Aktien oder anderen Wertpapieren (einschließlich, ohne Einschränkung, Optionen auf Aktien) an Führungskräfte, leitende Angestellte, Arbeitnehmer und/oder Organmitgliedern des Konzerns nach Maßgabe jeglicher Beteiligungsprogramme und/oder Anlagemodelle, die in diesem Prospekt beschrieben sind, und für die Aktien die in dem Angebot veräußert werden sollen. Des Weiteren gilt der Management Lock-up. Sollte der Dienstleistungsvertrag zwischen dem CEO, Braas Monier S.à r.l. und Braas Monier Building Group Services GmbH nicht über den 31. Dezember 2015 hinaus verlängert werden, werden alle Aktien, die der CEO an der Gesellschaft hält und die dem Management Lock-up unterliegen nach (i) zwölf Monaten nachdem die Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse zugelassen werden oder (ii) frühestens zu dem Datum an dem eine der Vertragsparteien des Dienstleistungsvertrags schriftlich darüber informiert wird, dass der Dienstleistungsvertrag nicht über den 31. Dezember 2015 hinaus verlängert wird, zum Handel freigegeben.

Der Veräußernde Aktionär hat sich in dem Konsortialvertrag gegenüber den Konsortialbanken verpflichtet, dass er nicht ohne vorherige schriftliche Zustimmung der gemeinsamen globalen Koordinatoren innerhalb eines Zeitraums von sechs Monaten nach dem Abschlussstichtag:

a) Aktien, die von ihm oder einer seiner Tochtergesellschaften gehalten werden (mit Ausnahme der Gesellschaft und ihrer Tochtergesellschaften) (von dem Veräußernden Aktionär oder seinen Tochtergesellschaften gehaltene Aktien werden im Folgenden die „**Lock-up-Aktien**" genannt), anbietet, verpfändet, zuteilt, verkauft, sich zum Verkauf verpflichtet, Kaufoptionen oder Kaufverträge veräußert, Verkaufsoptionen erwirbt, Kaufoptionen, Kaufrechte oder Bezugsscheine gewährt, oder die genannten Aktien auf andere Weise überträgt oder unmittelbar oder mittelbar über sie verfügt;

b) Tauschgeschäfte oder sonstige Vereinbarungen abschließt, mit denen das wirtschaftliche Risiko des Eigentums an den Lock-up-Aktien ganz oder zum Teil auf andere übertragen wird, unabhängig davon, ob eine in obenstehender Klausel a) oder in dieser Klausel b) beschriebene derartige Transaktion mit der Lieferung von Lock-up-Aktien oder sonstiger Wertpapiere, gegen Barzahlung oder auf andere Weise abgewickelt werden soll;

c) die Registrierung der Aktien oder sonstiger Wertpapiere, welche in Aktien umgewandelt oder für Aktien ausgeübt oder eingetauscht werden können, gemäß dem US-amerikanischen Wertpapierrecht verlangt oder ein Recht in dieser Hinsicht geltend macht;

d) eine Erhöhung des Grundkapitals der Gesellschaft vorschlägt (einschließlich des an den Vorstand gerichteten Ersuchens, eine Hauptversammlung oder ähnliches einzuberufen) oder für eine solche vorgeschlagene Erhöhung stimmt oder anderweitig einen Vorschlag zur Begebung von Wertpapieren, welche in Aktien wandelbar oder mit Optionsrechten auf Aktien ausgestattet sind, macht, unterstützt oder für einen solchen Vorschlag abstimmt; oder

e) Geschäfte mit wirtschaftlich vergleichbarer Wirkung zu den oben unter a) bis d) genannten eingeht oder eine andere derartige Handlung vornimmt (einschließlich Derivativgeschäfte oder anderen Geschäften, die den oben beschriebenen Geschäften finanziell ähnlich sind sowie ob diese Geschäfte durch die Lieferung von Aktien der Gesellschaft oder in Bar oder auf andere Weise zu erfüllen sind).

Die vorstehend genannten Lock-up-Einschränkungen unter (a) bis (d) gelten nicht für:

(i) die Emission oder der Verkauf von Lock-Up Aktien oder anderen Wertpapieren (einschließlich, ohne Einschränkung, Optionen auf Aktien) an Führungskräfte, leitende Angestellte, Arbeitnehmer und/oder Organmitgliedern des Konzerns nach Maßgabe von Beteiligungsprogrammen und/oder Anlagemodellen, die in diesem Prospekt beschrieben sind;

(ii) Veräußerungen von der Lock-up Aktien im Rahmen eines öffentlichen Übernahmeangebots oder eines öffentlichen Kaufangebots von Dritten; und

(iii) Übertragungen durch den Veräußernden Aktionär an jedes mit ihm verbundene Unternehmen, das vom Veräußernden Aktionär kontrolliert wird, unter der Voraussetzung, dass der Erwerber sich gegenüber den Konsortialbanken verpflichtet die in den vorstehenden Ziffern (a) bis (e) genannten Beschränkungen einzuhalten.

E.6 **Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**

Das Angebot beinhaltet die Begebung Neuer Aktien.

Das auf die Anteilseigner der Gesellschaft entfallende Eigenkapital belief sich zum 31. März 2014 auf minus € 2,4 Mio. und würde sich auf minus € 0,07 pro Aktie auf der Grundlage von 35.000.000 Aktien der Gesellschaft, die unmittelbar vor dem Angebot ausgegebenen wurden, belaufen.

Die verwässernde Wirkung des Angebots ist in der untenstehenden Tabelle dargestellt, aus welcher der Betrag hervorgeht, um den der Angebotspreis am unteren Ende, in der Mitte und am oberen Ende der Preisspanne das gesamte auf die Anteilseigner entfallene Eigenkapital pro Aktie nach Abschluss des Angebots übersteigt. Diesbezüglich ist das gesamte auf die Anteilseigner entfallende Eigenkapital, um die Auswirkungen des Angebots bereinigt, unter der Annahme, dass (i) die Kapitalerhöhung unter Ausgabe der maximalen Anzahl angebotener Neuer Aktien durchgeführt wird und (ii) das gesamte auf die Anteilseigner entfallende Eigenkapital um € 86,5 Mio. erhöht wird. Die Gesellschaft strebt einen Bruttoemissionserlös in Höhe von €100 Million aus der Emission der Neuen Aktien an und wird die Anzahl der auszugebenden Aktien anhand des endgültigen Angebotspreises anpassen. Dementsprechend werden bis zu 4.347.827 Neue Aktien am unteren Ende, bis zu 3.921.569 Neue Aktien am mittleren Ende und bis zu 3.571.429 Neue Aktien am oberen Ende der Preisspanne ausgegeben. Die angenommene Erhöhung basiert auf den erwarteten Nettoerlösen. Das bereinigte, gesamte auf die Anteilseigner entfallende Eigenkapital wird als ein Betrag pro Aktie, unter der Annahme von 39.347.827 emittierten Aktien nach Abschluss des Angebots ausgewiesen.

	unteres Ende	**Mittel-wert**	**oberes Ende**
Preis pro Aktie (in €)	23,00	25,50	28,00
Auf die Anteilseigner entfallendes Eigenkapital pro Aktie zum 31. März 2014 (auf Grundlage von 35.000.000 vor dem Angebot ausgegebenen Aktien der Gesellschaft) (in €)	(0,07)	(0,07)	(0,07)
Auf die Anteilseigner entfallendes Eigenkapital pro Aktie zum 31. März 2014 (auf Grundlage von 39.347.827, 38.921.569 bzw. 38.571.429 nach dem Angebot ausstehenden Aktien der Gesellschaft am unteren Ende, am mittleren Ende bzw. am oberen Ende der Preisspanne, unter der Annahme der Durchführung der Kapitalerhöhung in der maximalen Anzahl der angebotenen Neuen Aktien) (in €)	2,14	2,16	2,18
Betrag, um den der Aktienpreis das auf die Anteilseigner entfallende Eigenkapital pro Aktie übersteigt (unmittelbare Verwässerung pro Aktie auf Grundlage von 39.347.827, 38.921.569 bzw. 38.571.429 nach dem Angebot ausstehenden Aktien der Gesellschaft am unteren Ende, am mittleren Ende bzw. am oberen Ende der Preisspanne, unter der Annahme der Durchführung der Kapitalerhöhung in der maximalen Anzahl der angebotenen Neuen Aktien) (in €)	20,86	23,34	25,82
Unmittelbare Verwässerung (in %)	90,7	91,5	92,2

E.7	**Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.**	Entfällt. Weder die Gesellschaft noch der Veräußernde Aktionär noch die Konsortialbanken werden Anlegern Ausgaben in Rechnung stellen. Anleger haben übliche Transaktions- und Bearbeitungsgebühren zu tragen, die von ihren depotführenden Finanzinstituten in Rechnung gestellt werden.

RISK FACTORS

*Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this prospectus (the "**Prospectus**"), before making an investment decision with respect to investing in shares in Braas Monier Building Group S.A., Luxembourg, Grand Duchy of Luxembourg (the "**Company**" and, together with its consolidated subsidiaries, "**we**," "**us**," "**our**," the "**Group**"). The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on our business, results of operations and financial condition. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to Braas Monier Building Group S.A.'s business, results of operations and financial condition.*

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on our business, results of operations and financial condition. The value of the shares in Braas Monier Building Group S.A. could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose all or part of their investment.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Prospectus. Please see "General Information—Forward-looking Statements."

Prospective investors should note that the risks relating to us, our industry and the shares summarized in the Summary of this Prospectus are the risks that Braas Monier Building Group S.A. believes are the most essential to an assessment by a prospective investor of whether to invest in the shares. However, as the risks that Braas Monier Building Group S.A. faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in the Summary of this Prospectus but also, among other things, the risks and uncertainties described below.

Market and Business Related Risks

Our business, results of operations and financial condition are materially affected by changes in the macroeconomic environment.

Our business, results of operations and financial condition have in the past been, and may in the future be, materially adversely affected by general economic and global financial market conditions. Demand for construction materials is sensitive to factors such as GDP growth, unemployment levels, interest rates, inflation, consumer confidence and the cost of financing, especially mortgage financing, and other additional factors specific to each country in which we operate. While we currently operate 107 sites in 27 countries, and sell our products into more than 50 countries, certain markets and regions account for a significant portion of our total consolidated revenues. If any of our key geographic markets (Germany, France, the United Kingdom, Italy, Malaysia, Austria, Poland, Norway and South Africa) were to experience a recurrence of, or further deterioration in, macroeconomic conditions, the level of construction activity would likely decline in these markets, resulting in reduced demand for our products. In addition, we may be unable to sufficiently adjust our price strategies to local market conditions or to balance our inventory stock in order to meet market demand, which could result in a loss in market share as well.

In the wake of the global financial, economic and debt crisis that began in 2008, market weakness, particularly in the residential construction sector, has led to weaker demand for building materials generally and roofing products in particular in a number of our geographic markets. High levels of sovereign debt in a number of European countries, discussions on austerity programs and restrictive lending policies by banks have intensified the crisis of confidence in many of our important markets in recent years. A number of European countries have struggled with large budget deficits, and the austerity measures that have been implemented by some of the affected countries to reduce public debt and fiscal deficits have contributed to lower or negative GDP growth and high unemployment rates in these countries.

These events triggered significant declines in European residential housing and renovation markets. Between 2011 and 2012, GDP growth in the Eurozone stagnated, while construction output declined in Europe. In 2013, our main European markets recorded varying rates of economic growth compared to the previous year, with Germany, France and the United Kingdom experiencing GDP growth of 0.5%, 0.3%, and 1.8%, respectively, while Italy's GDP decreased by 1.9%. Other European countries that have experienced GDP growth in 2013 include Austria, Poland, and Norway with growth of 0.4%, 1.6% and 0.8%, respectively, but the Czech Republic's GDP decreased by 0.9%. Our other important European markets include Sweden, whose GDP increased by 1.5% in 2013, and the Netherlands, whose GDP decreased by 0.8% in 2013. (*Source: IMF World Economic Outlook April 2014*).

The current economic and financial uncertainty has led to an increase in credit risk due to the deterioration of creditworthiness of a number of financial institutions and customers. A significant default by our financial counterparties or customers could have a material adverse effect on our business, results of operations and financial condition.

We cannot assure you that further negative events will not unfold in the context of the global economy or that any anticipated recovery of business activity in the markets in which we operate will not be weaker or take longer than expected. We may consequently face further decreases in demand for our products, which may result in overcapacities and declining margins. Furthermore, any failure to adequately utilize our production capacities as a result of low levels of demand could lead to extraordinary depreciation of our production equipment and significant impairment charges on goodwill and thus have negative consequences for our profitability. These factors, if they materialize, or if difficult macroeconomic conditions continue or worsen, could materially adversely affect our business, results of operations and financial condition.

We are subject to the cyclicality of the building materials industry, which may cause significant fluctuations in our results of operations.

The building materials industry is cyclical and is affected by the level of construction activity, including new residential construction and renovation, activity in the industrial and commercial sectors and public investments in infrastructure projects, as well as other trends, which in turn are influenced by a number of factors beyond our control, including:

- performance of national economies in the more than 50 countries into which we sell our products, especially in those 36 countries where we also have operations or offices;

- the level of demand in residential construction activity, which in turn is influenced by macroeconomic factors, demographic trends such as migration patterns, changes in the average number of persons living in one household or declining population numbers and increasing average age in many markets, and consumer confidence; and

- government policies in each of the countries in which we operate, most notably in Germany, France, the United Kingdom, Italy, Malaysia and Austria, that have the effect of encouraging or discouraging residential construction, such as long-term interest rates, tax policies, policies encouraging labor mobility and migration, availability of financing, subsidies, and safety regulations that encourage and/or discourage the use of certain materials and products.

Unfavorable developments with respect to any or all of these factors can have a significant impact on the demand for our products, both in terms of decreased volumes and price levels. Because the building materials industry is cyclical, periods of high demand are typically followed by downturns. As the building materials industry is characterized by a high fixed cost base, a decrease in volumes and resulting overcapacities and/or a decrease in prices can have a highly negative impact on our operating margins and earnings. This impact is more significant to our clay tile plants than our concrete tile plants due to the capital intensive nature of the clay tile manufacturing process.

We operate in a seasonal industry which may affect our results of operations.

The building materials industry is subject to seasonal fluctuations in sales, with greater sales volume during the main construction season from May through October. Our revenues tend to correspond to such seasonal variation, with higher revenues in the second and third quarters and with inventory build-up and increased working capital in the first quarter. Weather conditions have a significant influence on our business, particularly in the northern hemisphere where the majority of our operations are located. The severe weather conditions that were observed across Europe during winter 2012/2013 negatively affected our business. Generally, severe adverse weather conditions such as rain, extreme cold or snow can reduce demand by disrupting or curtailing outdoor construction activity. Seasonality effects may also increase our working capital requirements. The lower demand for roofing materials in cold weather seasons significantly affects our working capital cycle. Therefore, results of a single financial quarter may not be a reliable basis for the expectations of a full fiscal year and may not be comparable with results in other financial quarters. Because we have minimal backlog at the start of the calendar year, we manufacture our products on the basis of certain assumptions and projections regarding demand over the course of the year. There is no guarantee our assumptions and estimates will prove correct, and we might build more or less stock than we would be able to sell during the year. This may materially affect our sales volumes and, consequently, our results of operations.

We compete with other producers in the roofing and wider chimney (residential and non-residential) industries, as well as producers of substitute products, on the basis of product quality and characteristics, price and service offering.

Competition in our markets is intense and depends, among other things, on the number of competitors in the market and their financial power, degree of vertical integration, manufacturing capabilities, distribution channels and pricing policies. We face competition from global, regional and specialized manufacturers. In the roofing industry the competition includes providers of concrete and clay tiles, metal sheets, asphalt shingles and fiber cement roofing material. In the chimney industry we face competition between providers of chimneys using plastic, steel and ceramic materials. In addition, we face competition in our roofing components business line (such as underlays, ridge and hip, abutments, outlets, insulations and various other roofing components). In certain cases we are also in competition with producers of flat roof components and from local manufacturers of other roofing components such as fiber cement slates, natural slates, metal coverings, chimneys and energy systems, as well as other products.

Our major international competitors in the roof tiles market include Wienerberger, Etex, Terreal and Imerys. Competition in the market for roofing components is relatively fragmented and localized and our competitors in that market are mainly specialists and tend to be smaller regional operators who focus on a narrow range of products. Our main competitors in the market for roofing components are Wienerberger in Austria, Etex in Belgium, Dörken in Germany and Juta in the eastern parts of Europe. Our chimneys and energy systems product category has only one major international competitor, but we face competition from competitors at the national level. We compete with all of our competitors in the respective markets on the basis of product quality and specification, price and service offering. If our products are deemed inferior to our competitors' products, we may lose market share and associated revenues to our competitors, which may have a material adverse effect on our business, results of operations and financial condition.

Within our roof tile business, we face general substitution risks from non-clay and non-concrete products due to various factors such as product characteristics, market trends, customer and end consumer preferences. Furthermore, regional regulations and standards with regard to the design of buildings and/or use of certain products for construction purposes could increase the substitution risk if those regulations limit or prohibit the use of our products. The same risk applies if local town planners impose requirements on the design of buildings in certain areas. For example, in certain regions of the United Kingdom, the influence of town planners has driven homebuilders to use natural slate products in their developments, which may have the effect of supporting the long-term growth of these materials at the expense of our products. These substitute products could gain significant market shares from clay or concrete roof products, which would materially adversely affect our business, results of operations and financial condition.

We produce roof tiles used for pitched roofs that are not suited for flat roofs. We also offer on-roof and in-roof solar solutions where a photovoltaic module is applied instead of the respective tile. Therefore, to the extent flat roofs and/or solar tiles become more popular, the demand for roof tiles or in-roof solar solutions may decrease and the markets for roof tiles in which we operate may shrink. If the demand for flat roofs and/or solar tiles in the construction industry increases, it could materially adversely affect our business, results of operations and financial condition.

We also compete on the basis of brand recognition and customer loyalty. While we have established various measures to create and strengthen customer loyalty, such as the establishment of our Braas Roofers Club and our Braas Academy (Germany), one of our competitors could copy one or both of these models and set up their own loyalty program which could result in a loss of market share. We also compete on the basis of breadth of product range, product design and innovation and availability. We may not be able to compete effectively if we fail to make investments in our product development, production process, brands, services and distribution network.

Because we are active in capital intensive industries, we require continuous capital expenditures in maintenance and optimization of existing production facilities. In addition, we may need to increase our marketing and capital expenditures to ensure we remain competitive and may not have adequate resources to make such investments or have sufficient access to qualified personnel to implement our business strategies. Insufficient product research and investment in the development of new products may hinder us from responding to customer requirements in a timely manner and may give other market participants a competitive advantage in terms of product innovation. Some of our global competitors may have greater financial and personnel resources or know-how, may react more quickly to the changing needs and requirements of customers or better succeed in marketing their products than us. For example, if one of our competitors developed a technology that reduced the high level of energy and/or gas consumption needed to produce clay tiles, that competitor would gain a significant advantage in the market for clay tiles. Competitive pressures, including industry overcapacity and low-price strategies of competitors, could increase the pressure on prices in our markets. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

Interruptions in operations at our facilities could have a material adverse effect on our business, results of operations and financial condition.

Our results of operations are dependent on the continued operation of our production facilities and the ability to complete construction and maintenance projects on our production sites on schedule. Due to the high fixed-cost nature of our roof tiles business, interruptions in production at any facility may cause productivity and our results of operations to decline significantly during the period of interruption. We may be required by regulations or local authorities to relocate plants if the surroundings of the plant develop from more rural or industrial areas into residential areas with stricter environmental regulation, especially on emissions control. For example, the Chinese authorities may ask us to relocate our plant in Nanjing and may ask us to relocate one other of our Chinese plants. We could face such relocation requests in other countries as well. The relocation of a plant leads in general to a longer outage and the results of operations could be more adversely affected. The manufacturing process for roof tiles and components, chimneys, and energy systems and related products depends upon critical pieces of equipment such as kilns, extruders, drying chambers, grinders and the like, which can be difficult and time-consuming to move, repair or replace. In addition, because we operate more concrete tile production plants compared to clay tile production and roofing components plants, our business would likely be more severely affected by an interruption at one of our clay tile or roofing components plants, especially as our clay tile product line generates higher margins than other products that we manufacture. In addition, the raw materials we use to manufacture our products are transported to our production facilities, and any significant interruptions in the transport of such materials could force us to shut down our production facilities.

Our business may be negatively affected by volatility in raw material prices and inability to pass on the price increases to our customers, our inability to retain or replace any of our key suppliers, unexpected supply shortages or disruptions in the supply chain.

The cost and availability of raw material supplies is critical to our operations. Our profit margins are largely a function of the relationship between the prices that we are able to charge for our products and the cost of the raw materials and other inputs we require to produce these products. The raw materials and other inputs that we depend on for manufacturing our products include cement, sand, clay, surface coatings, colorants (pigments), plastic raw materials, and to a lesser extent, aluminum, plastic raw materials, stainless steel, and other materials, such as plastic foil, demolding oil and water. In the year ended December 31, 2013, the cost of these raw materials and other inputs amounted to €463.5 million, or 37.7% of our consolidated revenue in 2013. The prices of the raw materials that we use, and in particular, cement, stainless steel and aluminum, tend to be cyclical and highly volatile. The availability and prices of raw materials are influenced by factors that we cannot control, such as market conditions, global economic prospects, production capacity in the relevant markets, production constraints on the part of our suppliers, infrastructure failures, regulations, including carbon dioxide emission regulations applicable to our suppliers and the amount of emission allowance available to them, and other factors. Although we aim to mitigate risks from raw material price fluctuation by entering into supply agreements covering significant portions of our expected requirements for certain raw materials for periods ranging from three to 36 months with most of the agreements covering a term of 12 months, these measures may turn out to be inadequate and the agreed upon fixed prices may end up being more costly than making such purchases on the spot market, thus leading to a negative effect on our cash flow, which would then have a material adverse effect on our business, results of operations and financial condition. Furthermore, we purchase limited quantities of raw materials on the spot market and prices and the availability of such raw materials can be highly volatile.

While we attempt to match price increases of raw materials and other inputs with corresponding product price increases, our ability to pass on increases in the cost of raw materials to our customers is, to a large extent, dependent upon market conditions and we may not be able to raise product prices immediately or at all. Additionally, we may not succeed in passing on the entire cost increase to our customers. Our ability to pass on price increases of raw materials and other inputs may also be affected by a temporary decline in demand for our products in the markets in which we are active, increased price competition for market share and the negotiating power of our customers. We sell our products primarily to builders' merchants as intermediaries. Builders' merchants frequently organize in purchasing cooperatives that provide marketing and billing services for the individual builders' merchant and negotiate annual framework contracts with us, including payment terms and discounts. The purchasing power of these cooperatives may also impair our ability to pass on cost increases. Typically, price adjustments for our products are announced once a year, and implemented early in each fiscal year. Such price adjustments reflect our assumptions regarding cost development for the upcoming year and our ability to pass on any assumed cost increases to the customers. Any inability or delay in passing on raw material cost increases to our customers would have a negative effect on our cash flows, which could materially adversely affect our business, results of operations and financial condition.

Raw materials are acquired from both centralized sources and local suppliers. Certain raw materials, such as cement, sand, clay, surface coatings and colorants (pigments), are sourced from a limited number of suppliers, and we may not be able to find acceptable alternative sources or adapt our production processes sufficiently to differing qualities of raw materials. This risk is especially pronounced for raw materials such as cement and sand, which we generally source locally and for which logistic costs are extremely high in proportion to their raw material price, thus usually making it impractical to have such products delivered from alternative sources located further afield.

We aim to reduce our dependency on any single source supplier. However, we currently purchase a limited number of raw materials from single source or limited number of suppliers and we could be adversely affected if any such supplier were to increase its prices or discontinue its supplies. Interruptions of our operations resulting from supply shortages of certain raw materials or other inputs can significantly affect our profitability. If any of our suppliers is subject to a major disruption in its production or is unable to meet its obligations under our existing supply agreements, we may be forced to pay higher prices to obtain the necessary raw materials from other sources. The process of locating and securing alternative sources might be disruptive to our business and require significant time and expenses. Any extended unavailability of a necessary raw material or other input could cause us to cease manufacturing one or more of our products. Furthermore, we may face price increases from our suppliers. For example, suppliers of cement are highly concentrated and we could be affected by an imbalance in bargaining power that could lead us to pay higher prices.

Any inability or delay in passing on increases in raw materials cost to our customers or any unavailability of raw materials would have a negative effect on our cash flows, which could materially adversely affect our business, results of operations and financial condition.

Our business, results of operations and financial condition may be negatively affected by volatility in energy costs or disruptions in energy supplies.

Our business is dependent on the steady supply of significant amounts of energy in various forms, such as diesel fuel, electricity and natural gas, at commercially reasonable terms. Our energy costs mainly consist of the cost for the supply of electricity and gas incurred in connection with the production of our products and amounted to €59.8 million, or 4.9% of our consolidated revenues, in the year ended December 31, 2013. In addition, the prices we pay for our supplies of cement and plastic granulates, which are some of the main raw materials we use for the production of our roofing components, could be affected by increased energy prices. The increase and volatility in energy costs is affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. In particular, prices for crude oil and gas have been extremely volatile during the last five years. Such volatility may increase as a result of current political instability, such as unrest in oil-producing countries in the Middle East, CIS countries and North Africa. Energy prices may further increase in the future due to regulatory decisions requiring a shift from conventional energy sources to renewable energy sources. For example, in Germany, our largest single geographic market, the implementation of the Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz, EEG*) has led to an increase in our electricity costs. Changes to the exemptions under this act could also affect our price of supplies such as cement. We attempt to mitigate the risk of fluctuating energy prices by entering into supply agreements for significant portions of our expected energy requirements with periods typically between 12 and 36 months. Our hedging activities aim at reducing the exposure to price increases while maintaining some flexibility to participate partially in falling market prices. See "*—Financial Risks—Our hedging programs may limit the income and cash flows we would otherwise expect to receive if our hedging program were not in place and may otherwise affect our business*." Any significant increase in market price, or other costs associated with the supply of energy, or any failure by our energy suppliers to fulfil their obligations, would increase our operating cost. We may not be able to pass the increased costs fully and without delay on to our customers. Our ability to pass on energy price increases may also be affected by any decline in demand for our products and increased price competition for market share. Any inability or delay in passing on increases in energy cost to our customers or any interruption in or shortage of energy supply may negatively impact our business, results of operations and financial condition.

The availability of, and any significant increase in the cost of, transportation could materially adversely affect our business, results of operation and financial condition.

Transportation plays an important part in our supply chain as we ship our products, mainly by truck to our customers within a typical maximum range of a few hundred kilometers, and by ship for longer distances. Furthermore, most of the raw materials we use must be transported to our production facilities. The heavy nature of these transportation loads may make our products more susceptible to competition from lighter substitute products due to cheaper transport costs. Additionally, any material disruption in or lack of availability of transportation or significant increases in fuel or energy prices, road tolls, market prices and costs relating to emissions control requirements that have been or may be imposed in the future, particularly due to climate change-related legislation, could have a material adverse effect on our business, financial condition and results of operations. In the year ended December 31, 2013, our transportation costs, which include freight for deliveries from our plants or other stocks to customers as well as intra-group transfers of finished products, amounted to a total of €100.1 million, or 8.1% of our consolidated revenues.

We generally rely upon third-party service providers for the transportation of our products to customers. Our ability to service our customers at commercially reasonable cost depends, in many cases, upon our ability to negotiate commercially reasonable terms with carriers, including trucking and barge companies. To the extent that third-party carriers increase their rates, including to reflect higher labor, maintenance, fuel or other costs they may incur, we may be forced to pay such increased rates sooner than we are able to pass on such increases to our customers, if at all. Any material increases in our transportation cost that we are unable to pass on to customers fully and in a timely manner could materially adversely affect our business, results of operations and financial condition.

We may not be able to successfully complete our comprehensive cost savings and repositioning program, "Project Step 200+," and there can be no guarantee that any cost savings will be sustainable.

In 2013, we implemented certain key goals of our comprehensive cost savings and repositioning program, "Project Step 200+," dedicated to improving our cost structure, disposing of non-core and low-performing assets, streamlining central functions and resizing our operations. Although we expect to benefit from substantial cost savings and efficiencies in the years ahead, there can be no guarantee that such benefits will be realized or that additional costs will not be incurred. For example, we may have only limited control of the costs associated with the disposal of non-core and low-performing assets, including, for example, closure costs, and may face additional charges in this regard which could increase the costs of the repositioning program.

In addition, as part of our "Project Step 200+" program, we terminated 1,230 employees during 2013. Most of the terminations have been completed, and we have incurred restructuring costs of €72.4 million in 2013, including severance payments. We are potentially exposed to the risk of litigation from former employees who might allege that their employment agreements were wrongfully terminated and/or their severance payments, if any, were insufficient. If these claims were to materialize, we may have to bear additional costs in connection with these employment terminations.

Although we believe we are well positioned to utilize our spare production capacity to meet increasing market demand despite our asset dispositions and significant headcount reductions undertaken in the last few years pursuant to Project Step 200+, there can be no guarantee that we will be able to respond in a timely manner to any increase in demand and handle the demands on our production capacity. In addition, where we are required to quickly react to such increase in demand, the costs associated with the accelerated ramp-up could lower the amount of our achievable cost savings and dilute our operational leverage on these additional sales volumes. Furthermore, other functions within the Group might be currently understaffed and certain of such functions, such as claims recovery, sales order and payment processing, may require a longer period of time, potentially risking our ability to execute transactions efficiently, or making it necessary for us to hire additional employees. We may also have to hire additional employees due to the additional administrative and governance requirements of becoming a Luxembourg stock corporation listed on the Prime Standard subsection of the Frankfurt Stock Exchange (for further information, please see "*—Risks Relating to our Shareholder Structure, the Offering and the Listing—As a result of the public offering, we will face additional administrative requirements, including the obligation to issue quarterly financial statements for the first time*").

If the planned measures to increase sales productivity and/or achieve cost savings fail in whole or in part or are not sustainable, we may not operate profitably or less profitably than we expect to. All of the risks described above could materially adversely affect our business, results of operations and financial condition.

We are dependent on market and customer acceptance of our new product innovations to produce sufficient sales to recoup our investment and grow our revenues.

We are subject to risks associated with product innovations. We believe that our future success will depend, in part, upon our ability to continue to improve our existing products through product innovations and to develop, market and produce new products. We cannot assure you that we will be successful in the introduction, marketing and production of any new products or product innovations, or that we will develop and introduce in a timely manner improvements to our existing products which satisfy customer needs or achieve market acceptance. In particular, the handling of our product innovations for the roofers who work with our products is of significant importance for the success of product innovations and market acceptance. If we fail to develop new products and introduce them successfully and in a timely manner, this could have a material adverse effect on our business, results of operations and financial condition.

We may fail to develop products that will meet the requirements for energy-efficient construction, which may negatively affect our business, results of operations and financial condition.

We generated 81.3% of our sales for the year ended December 31, 2013 in member states of the EU. We developed our energy efficiency strategy based on the implementation of EU Directive 2010/31/EU, dated May 19, 2010, on the energy performance of buildings and EU Directive 2012/27/EU, dated October 25, 2012, on energy efficiency, amending EU Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC in the respective EU member states. The EU directives are aimed at gradually increasing the energy requirements that new buildings must meet over the course of the next few years to reduce energy consumption. By 2019 all administrative buildings and by 2021 all new buildings within the EU will have to comply with the so-called "nearly zero energy buildings standard" (*Niedrigstenergiegebäude Standard*). For our largest single geographic market, Germany, these EU directives will be implemented by the Energy Saving Ordinance (*Energieeinsparverordnung*) on May 1, 2014.

Our strategy, which is based on the assumption that the requirements of these directives will come into force as scheduled, exposes us to different risks. Among other things, our R&D costs may increase significantly because we are required to develop products which comply with increased energy saving standards. In addition, our product costs may increase due to the higher production requirements and we may not be in a position to pass on such cost increases to the customer.

Because the implementation of the EU directives by the individual member states varies significantly from country to country in regards to both the required measures and the implementation schedules, the challenges for our centralized R&D approach may also increase. We may not be in a position to fulfill the requirements in a timely manner for each market. However, if we aim to fulfill all requirements for each local market on time, our R&D costs may increase significantly. As a result, we may have to opt for mandatory compliance with the strictest energy saving requirements by the earliest possible date to allow for the marketing of such products throughout all markets. Products designed to meet all such requirements will likely be more costly than more localized products that fulfill only a specific country's minimum requirements. Therefore, we may face the risk of increasing R&D costs and resulting increased product costs which may not be able to be passed on to the customer in those markets for which lower energy saving requirements apply. Products designed to meet higher-than-required standards may not be price competitive in such markets, and our sales in these markets could decline. Alternatively, we may decide to not fulfill the energy saving requirements in certain markets, which would also negatively affect our sales in such markets because we could not offer the required product.

Any of the risks described above could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to local business risks in many different countries.

Due to the fact that we operate in a large number of countries, we are subject to, and as a result of our growth strategy to expand into developing markets, will increasingly be subject to, differing legal, political, social and regulatory requirements and economic conditions and unforeseeable developments in a variety of jurisdictions, including in growth markets. These risks include, among other things:

- political or social instability and the frequency of crimes and corrupt practices;
- adverse economic conditions, including fluctuations in GDP levels and monetary inflation;
- disruption of our operations, including forced relocations and revocation of licenses or operational permits (including those for our production plants and clay pits);
- unexpected changes in the regulatory environment, varying tax and social security regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our joint ventures or partnerships;
- an inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- the potential nationalization or expropriation of private assets;
- import restrictions on raw materials and production equipment;
- insufficient protection against product piracy and other violations of our intellectual property rights;
- conflicting laws and regulations relating to employment and collective bargaining, immigration, health and safety, competition and environmental protection;
- foreign exchange controls; and
- difficulties in attracting and retaining qualified management and employees, or further adjusting the size of our work force.

Our overall success as a global business depends to a considerable extent on our ability to anticipate and effectively manage differing legal, political, social, regulatory requirements and economic conditions and unforeseeable developments. We may not continue to succeed in developing and implementing policies and strategies which will be effective in each location where we do business or may do business in the future.

In addition, because we delegate a number of operational responsibilities to our subsidiaries and our local managers retain substantial autonomy regarding the management of our operations in their markets, we may face a heightened likelihood of some or all of the risks described above occurring. Although we have established a corporate governance, contractual and organizational structure that we believe enables us to exercise Group-wide control over our operations, have adopted Group-wide control procedures and reporting and codes of conduct policies and regularly visit our individual country operations, these structures and measures may prove to be ineffective and, even if they are effective, there can be no assurance that we will not experience incidents of accounting irregularities, unintended accounting misstatements or the risks described above, any of which could, individually or collectively, damage our reputation and have a material adverse effect on our business, results of operations and financial condition.

We may face risks associated with the acquisitions or divestments of businesses or with the establishment of greenfield operations, any of which could have a material adverse effect on our business, results of operations and financial condition.

Over the past two decades, we have expanded our business organically and through acquisitions and we intend to selectively participate in the consolidation of the industries in which we operate. Certain of these acquisitions could be substantial in size. In implementing this strategy we are pursuing both an organic growth strategy and evaluating the market for potential acquisitions of production facilities and other companies. Our expansion in the past has placed, and is likely to continue to place, a strain on our management systems, infrastructure and resources. Our ability to manage our planned growth and integrate operations, technologies, products and personnel depends on our administrative, financial and operational controls, our ability to create the infrastructure necessary to exploit market opportunities for our products and our financial capabilities. We may also be limited by applicable antitrust laws when attempting to further grow through acquisitions in certain markets. In order to compete effectively and to grow our business profitably, we may also need to improve our financial and management controls, reporting systems and procedures, implement new systems and attract and retain qualified management personnel.

Although we analyze and conduct due diligence on acquisition targets, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations, and our inquiries may fail to uncover relevant information. There can be no assurance that our assessments or due diligence of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. Acquisitions pose additional risks, including that we may pay too high a price to acquire a business, assume unexpected liabilities in connection with the acquisition or lose customers or employees following the acquisition. In particular, we may have to assume responsibility for environmental liabilities in relation to sites of companies we acquire, on which waste and hazardous substances have been used, stored or released in significant quantities, and the cost of remediating such contamination may be significant. See "*—Regulatory and Legal Risks—Obligations resulting from environmental conditions at our current and former production and other sites could have a material adverse effect on our business, financial condition and results of operations*." Moreover, our plans to acquire additional businesses in the future are subject to the availability of suitable opportunities. Our competitors may also follow similar acquisition strategies and may have greater financial resources available for investments or may be willing to accept less-favorable terms than we can accept, which may prevent us from acquiring the businesses that we target to the benefit of our competitors.

We have in the past, and may again in the future, divest businesses and non-core operations that we deemed inconsistent with our business strategy. Furthermore, the purchase agreements we have entered into in connection with the divestment of our business and non-core operations may include representations and warranties, indemnities and other liabilities and we may be subject to claims under these agreements, to the extent we made any inadvertent misrepresentations. See "*—Regulatory and Legal Risks—Obligations resulting from environmental conditions at our current and former production and other sites could have a material adverse effect on our business, financial condition and results of operations.*"

If we establish new production plants as greenfield operations, we may face challenges in entering new markets, including locating and securing suitable plant sites and permits, and initially incur start-up losses for several years due to lower levels of capacity utilization, ramp-up and training costs. Furthermore, we expect that as we continue to introduce new products in our markets, we will be required to manage an increasing number of relationships with various customers and other third parties.

The materialization of any of these risks or the failure or delay of our management in responding to these challenges may have a material adverse effect on our business, results of operations and financial condition.

We believe that our brands and intellectual property are important to our ongoing success, and damage to our brands or intellectual property could harm our business and reputation.

During the year ended December 31, 2013, we generated more than 95% of our product sales from products marketed under the brands Braas, Monier, Bramac, Redland, Wierer and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems. We believe that the brand awareness, preference and loyalty that some professional and end-user customers exhibit for these brands in many markets in which we operate are an important competitive advantage. The maintenance and protection of our brands are therefore important for our future success. If we are unable to protect and promote our brands effectively, our brands might no longer be recognized by our relevant customer groups for their high quality and advanced technical standards. For example, after we received warranty claims from homeowners in Italy who have experienced problems with their roof tiles due to severe weather conditions, we no longer market our roof tiles under the affected Italian roof tile brand. See "*—Regulatory and Legal Risks—We may incur material cost as a result of warranty and product liability claims which could adversely affect our profitability, and we are currently subject to litigation in relation to our warranties.*"

Any future negative perceptions of our brand could have a material adverse effect on our reputation, business, results of operation and financial condition.

As a company that manufactures and markets branded products, we rely on trademark protection to protect our brands as well as our products, such as the "Frankfurter Pfanne," "Protegon," "Wakaflex" and other tiles as well as components. We also have obtained and applied for patents for certain of our technologies. As of December 31, 2013, 801 patents, 917 trademarks, and 963 design models, such as the manufacture of rainbar tiles or the core-shooting of fittings. See "*—We rely on trade secret protection and confidentiality agreements with our employees for the protection of our products, technologies, recipes and other material know-how. If we are not able to maintain sufficient secrecy, this could have a material adverse effect on our results of operations and financial condition.*" These protections may not adequately safeguard our intellectual property, and we may incur significant cost to defend our intellectual property rights, which may adversely affect our results of operations. Conversely, there is a risk that third parties, including our current competitors, will infringe on our intellectual property rights, in which case we would have to defend these rights. There is also a risk that third parties, including our current competitors, will claim that our products infringe on their intellectual property rights. These third parties may bring infringement claims against us or our customers, which may adversely affect our results of operation, our customer relationships and our reputation.

We may need to write down tangible assets including property, plant and equipment and inventory or intangible assets such as goodwill, trademarks, or other intangible assets and a significant impairment charge would adversely affect our financial results.

As of December 31, 2013 (2012), 42.7% (40.5%) of our total assets were attributable to property, plant and equipment, 19.1% (17.6%) to intangible assets, 11.7% (10.5%) to trademarks, and 2.9% (2.7%) to goodwill. While assets accounted for under property, plant and equipment that have a defined lifetime are subject to regular depreciation, they also can become subject to write-downs. For the fiscal year ended on December 31, 2012 the Company recorded high non-recurring write-downs on tangible assets in an amount of €91.0 million, mainly due to write-downs on production facilities in France, the Netherlands and Italy due to then expected sustained underutilization of the respective production capacities. Such write-downs on tangible assets were partially reversed in the fiscal year ended on December 31, 2013 in an amount of €23.3 million. Goodwill and trademarks are recognized as intangible assets and are subject to an impairment test, at least annually or upon the occurrence of significant events or changes in circumstances that indicate an impairment has occurred. For the year ended December 31, 2012, we recognized a goodwill impairment loss of €31.2 million and no trademark impairment loss, and for the year ended December 31, 2013, we recognized no goodwill or trademark impairment losses. An adverse development in our business, however, may require us to recognize impairment charges and write off all or a part of the carrying amount of our tangible assets and intangible assets, in particular goodwill and trademarks. A write-off of all or a part of our tangible or intangible assets, including goodwill and trademarks, would adversely affect our financial results.

We rely on trade secret protection and confidentiality agreements with our employees for the protection of our products, technologies, recipes and other material know-how. If we are not able to maintain sufficient secrecy, this could have a material adverse effect on our results of operations and financial condition.

While we own a significant number of patents and trademarks, we protect our technology and especially, our process know-how as trade secrets rather than disclosing process details in patent descriptions. We principally rely on trade secrets instead of other forms of protection either because patent or trademark protection is not possible, for example the particular technology could not be exactly identified which was used or would not qualify for patent or trademark protection, or in our opinion would be less effective than maintaining secrecy, for example with regards to the recipes of our coatings. In addition, we rely upon confidentiality agreements with our employees. To the extent that we rely on trade secret protection and confidentiality agreements, there can be no assurance that our efforts to maintain secrecy will be successful or that third parties will not be able to develop the product, technology or recipe independently. Any loss of secrecy could have a materially adverse effect on our results of operations and our financial condition.

We are dependent on qualified personnel in key positions and employees having special technical knowledge, and any loss of these personnel could harm our business.

The successful operation of our businesses as well as the further development of our business depends in part on our managers, certain technical specialists and other key personnel. Our future success, in particular relating to our geographic expansion and technological innovation, partially depends on our ability to retain managers who have a significant impact on our development and to attract and retain technical specialists and other skilled employees able to effectively operate our business. We cannot guarantee that we will be able to attract and retain such managers or skilled employees in the future, including in the areas of R&D, distribution, service, production, finance and marketing. The loss of some or all of our key managers or personnel would lead to a loss of know-how, or under certain circumstances, to the passing on of this know-how to our competitors. Such a loss, or the inability to attract and appropriately train, motivate and retain qualified professionals, or any delay in doing so, could have a material adverse effect on our business, results of operations and financial condition.

We are dependent on good relations with our employees, unions and employee representatives to avoid business interruptions, implement restructurings and amend existing collective bargaining agreements.

Some of our employees, notably in France, Germany and South Africa, are covered by collective bargaining agreements that are customary for the industry or are members of labor unions. As German law prohibits asking employees whether they are members of unions, we do not know how many of our employees in this country are unionized. If we were to make any changes to the terms of employment for any of our employees or if we were to terminate further employment agreements and our employees were to react adversely to these changes or terminations, we could experience labor disputes and work stoppages at one or more of our plants. Although we have not experienced any major strikes in the last five years, we cannot assure you that a future labor disturbance or work stoppage at any of our facilities in France, Germany, South Africa or elsewhere would not have an adverse effect on that facility's operations and, potentially, on our business, results of operations and financial condition.

Our business is subject to many operational risks for which we may not be adequately insured.

Significant interruptions in operations at our production plants, due to factors such as strikes, breakdown or failure of equipment or power supply, explosions, fires, earthquakes, floods or other natural disasters or extreme weather conditions, acts of terrorism, sabotage, vandalism or other accidents may significantly reduce the productivity and profitability of a particular production facility, or our business as a whole, during and after such interruptions. If equipment or production facilities are damaged or destroyed by such events, the impact described above would be intensified. While our production plants, equipment and other assets are generally insured on terms which we believe are customary in our industry, our insurance coverage may be inadequate, and we may not be fully insured against all potential hazards, including terrorism, acts of war, cyber-attacks or nuclear contamination.

In addition to our property and equipment-related insurances, we believe that we have adequate insurance coverage for the operation of our business through various other insurance policies, including among others, employer's liability, directors' and officers' (D&O) liability, as well as car fleet and transport insurance. Although such insurance coverage is regularly evaluated and adjusted as necessary, our insurance coverage may be inadequate, and we may not be fully insured against all potential damages and may incur a loss.

If we were to incur a significant loss for which we were not fully insured, or if premiums and deductibles for certain insurance policies were to increase substantially as a result of incidents, our business, results of operation and financial condition could be materially adversely affected. Furthermore, our insurance coverage may not continue to be available on commercially reasonable terms and our insurance carriers may not have sufficient funds to cover all potential claims or may refuse to settle the full claim or delay payments, any of which could have a materially adverse effect on our results of operations and our financial condition.

We depend on efficient and uninterrupted operations of our information and communication technology, and any disruption to or interruptions in these operations could materially adversely affect our business, results of operations and financial condition.

The operation of our production facilities as well as our sales and service activities depend on the efficient and uninterrupted operation of complex and sophisticated computer, telecommunication and data processing systems. Information and communication technology-related risks are particularly relevant since our information technology landscape is fragmented and mainly locally driven, due in part to our history of acquisitions of businesses that operated proprietary information technology systems. Some of the software we use has been developed by local personnel. As a consequence, the different platforms in use for key processes may lead to inefficiencies, such as problems with interoperability, malfunctions and higher cost. Our computer and data processing systems and related infrastructure (data center, hardware and wide and local area networks) are generally exposed to the risk of disturbances, damage, electricity failures, computer viruses, fire, other disasters, cyber-attacks and similar events. Disruptions to operations or interruptions in operations involving the systems have occurred in individual cases in the past and may occur in the future. We may be inadequately protected against the effects of such disruptions or the effects of cyber-attacks focused on our business activities, the risks or consequences of which we may underestimate. Although administration and production networks are separated, an interruption in the operations of computer or data processing systems could adversely affect our ability to efficiently maintain our production processes and to ensure adequate controls. Disruptions to or interruptions in operations could lead to production downtime which, in turn, could result in lost revenue. Any one or more of these risks, if they were to materialize, could materially adversely affect our business, results of operations and financial condition.

Financial Risks

The capital intensive nature of our business requires significant financing, and if we are unable to meet these requirements, it could materially adversely affect our business, results of operations and financial condition.

The building materials industry is capital intensive. In order to continue to be competitive, we need modern plants and equipment, which involves substantial capital expenditures for maintenance and potential expansion on greenfield operations.

We have historically funded capital expenditures and acquisitions with internally generated cash flows, bank loans, and proceeds from the sale of non-operating and low-performing assets. In the future, we intend to continue using all sources of financing subject to their availability, including internally generated cash flows, bank loans, senior and hybrid bonds, proceeds from the sale of non-operating assets and through the issuance of new shares as the case may be. Should we be unable to finance our capital expenditures and acquisitions in the contemplated manner, our business, results of operations and financial condition could be materially adversely affected.

Our Notes, Term Loan Facility, and Revolving Credit Facility as well as certain local facilities bear interest at floating rates that could rise significantly, increasing our financing costs and reducing our cash flow. While we attempt to mitigate risks resulting from an increase of floating rates by entering into hedge agreements, we may also become exposed to the risks associated with the valuation of hedge instruments and these hedges' counterparties.

On April 17, 2014, we closed a comprehensive refinancing consisting of (i) the issuance of senior secured floating rate notes due October 15, 2020 in an aggregate principal amount of €315 million (the "**Notes**"), (ii) a term loan facility in an amount of €250.0 million (fully drawn) bearing interest at the rate of EURIBOR plus a margin of up to 450 bps depending on the group's financial leverage (the "**Term Loan Facility**"), a revolving credit facility of €100 million (of which €30 million were immediately drawn) bearing interest at the rate of EURIBOR plus a margin of up to 400 bps depending on the group's financial leverage (the "**Revolving Credit Facility**," and together with the Term Loan Facility, the "**Facilities**"), and (iii) the payment of €92.1 million in cash to repay our existing credit facilities in an amount of approximately €666.8 million and cover costs incurred in association with the refinancing of €20.3 million (the "**Refinancing 2014**"). Currently, the relevant floating interest rates are relatively close to historic low levels, thus favorably impacting our interest expense. This trend, however, may reverse itself, resulting in an increase in both interest rates and our interest expense, reducing our cash flow.

We have not currently hedged our variable interest rate exposure using customary market hedging instruments, but are obliged to hedge 66 2/3 percent of our interest rate risk from the Notes and the Term Loan Facility until October 5, 2014 for a period of two years from the utilization of this loan in April 2014 (please see also "*—Our hedging programs may limit the income and cash flows we would otherwise expect to receive if our hedging program were not in place and may otherwise affect our business*"). The valuation of hedging instruments itself depends on the level of interest rates, impacting our equity and, to a lesser extent, our results of operations. As of April 30, 2014, for example, an increase of the relevant underlying interest rate by 100 bps would have a negative effect on the results of operations and cash flow of approximately €6.0 million (annualized). Further, we may be unable to enter, or may be able to enter only at significantly higher costs, into extensions or renegotiations of hedging instruments that may become necessary given the interest rate terms at the relevant time. We are exposed to the risk that our hedging counterparties will not perform their obligations as established by the hedging agreements into which we have entered. Hedging counterparties may default on their obligations towards us due to lack of liquidity, operational failure, bankruptcy and/or for other reasons. Following the recent financial crises, the risk of counterparty default has become increasingly relevant.

The occurrence of any of these factors could have significant adverse effects on our business, results of operations and financial condition.

We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful, and could result in an event of default under our indebtedness, which could materially and adversely affect our financial condition and results of operations.

We are significantly leveraged and have significant debt service obligations. As of April 30, 2014, we have €608.5 million of financial debt outstanding, of which €315 million were represented by the Notes. Our ability to make payments on or to refinance the Notes or our other financial obligations will depend on our future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market and regulatory conditions and other factors, many of which are beyond our control. Our significant leverage may also make it more difficult for us to satisfy our obligations with respect to the Notes and expose us to interest rate increases to the extent any of our variable interest rate debt, including the debt under the Term Loan Facility and Revolving Credit Facility, is currently not hedged. For more information regarding our hedging on floating interest rates, please see "*—Our Notes, Term Loan Facility, and Revolving Credit Facility as well as certain local facilities bear interest at floating rates that could rise significantly, increasing our financing costs and reducing our cash flow. While we attempt to mitigate risks resulting from an increase of floating rates by entering into hedge agreements, we may also become exposed to the risks associated with the valuation of hedge instruments and these hedges' counterparties.*"

We may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes. If our future cash flows from operations and other capital resources are insufficient to pay obligations if they are due and payable, this could result in an event of default.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to become due and payable immediately, which in turn could result in cross defaults or cross acceleration under our other debt instruments, including the indenture of the Notes. In these circumstances, our assets and cash flow may not be sufficient to repay in full that debt and our other debt, including the Notes then outstanding, if some or all of these instruments were accelerated, which could force us into insolvency or liquidation.

We are subject to restrictive covenants which limit our operating, strategic and financial flexibility; failure to comply with the covenants, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.

The senior facilities agreement and the indenture of the Notes contain covenants that impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;

- prepay or redeem subordinated debt or equity;
- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer or any restricted subsidiary;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- make loans or otherwise extend credit to others;
- create security interests;
- impair security interests for the benefit of the holders of the Notes; and
- issue or sell share capital of certain subsidiaries.

In addition, the facilities agreement also requires us to comply with certain affirmative covenants and comply with a leverage ratio covenant and an interest cover ratio covenant. These covenants could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, pursue acquisitions, investments or alliances, restructure our organization or finance our capital needs. In addition, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the facilities agreement.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to become due and payable immediately, which in turn could result in cross defaults or cross acceleration under our other debt instruments, including the Notes. In these circumstances, our assets and cash flow may not be sufficient to repay in full that debt and our other debt, including the Notes then outstanding, if some or all of these instruments were accelerated, which could force us into insolvency or liquidation.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Although the indenture of the Notes and the senior facilities agreement contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. Under the indenture of the Notes, we are permitted to incur significant debt both *pari passu* with the Notes and effectively senior to the notes either because it is incurred at a non-guarantor subsidiary or secured on assets which do not secure the Notes. In addition, the indenture of the Notes and the senior facilities agreement will not prevent us from incurring obligations that do not constitute debt under those agreements. The incurrence of additional debt would increase the leverage related risks described above (please see "*—We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful, and could result in an event of default under our indebtedness, which could materially and adversely affect our financial condition and results of operations.*" and "*—We are subject to restrictive covenants which limit our operating, strategic and financial flexibility; failure to comply with the covenants, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our financial condition and results of operations.*").

Because many of our subsidiaries conduct their operations in currencies other than the euro, adverse changes in foreign exchange rates relative to the euro could materially adversely affect our reported earnings and cash flow.

We are exposed to risks related to changes in foreign exchange rates due to the international nature of our business, as we prepare our financial statements in our functional and presentational currency, the euro. Currency translation risk arises through fluctuations of the exchange rate of the currencies of countries that are not part of the European Monetary Union and their impact on our results of operations and balance sheet positions as we translate the financial results of our subsidiaries in those countries to the euro. We have subsidiaries in a number of countries outside the Eurozone, including the United

Kingdom, Malaysia, South Africa, Poland, Sweden, China and Czech Republic. These subsidiaries report their financial condition and results of operations in local currencies including British pounds, Malaysian ringgit, South African rand, Polish zloty, Swedish krona, Chinese renminbi and, Czech korunas, respectively, which are then translated into euro at the applicable exchange rates for inclusion in our financial statements. In the year ended December 31, 2013, we generated 42.7% of our consolidated revenues in currencies other than the euro. Accordingly, the exchange rate movements between the euro and such other currencies can have a significant impact on our reported results. Currency translation risks also arise in connection with intercompany financing activities between our companies with different functional currencies. Our Swedish and South African subsidiaries are borrowers of euro-denominated intercompany indebtedness, and changes in Swedish krona and South African rand against the euro affect our finance income. We also face transactional exchange rate risks if costs or income generated in one currency are accompanied by costs or income in another currency. Net currency exposure from sales or expenses denominated in foreign currencies arises to the extent that we do not incur corresponding expenses or sales in the same foreign currencies.

We seek to hedge currency transaction risks by offsetting opposing cash flows (natural hedging), but our efforts to do so may not be successful or readily available. Currency risks that do not affect our cash flows (resulting, for example, from the translation of assets and liabilities of foreign group operations into our reporting currency) are generally not hedged. The business activities of our foreign competitors could be favored by exchange rate advantages, causing us to lose customers in those jurisdictions and suffer a decline in revenues. As the foreign exchange markets are characterized by high volatility, exchange rate fluctuations in the future could have a material adverse effect on our results of operations and financial condition.

Our hedging programs may limit the income and cash flows we would otherwise expect to receive if our hedging program were not in place and may otherwise affect our business.

From time to time in the ordinary course of business, we enter into hedging transactions to limit our exposure to price risks relating to energy prices, and currency exchange rate risks. We have not currently hedged our variable interest rate exposure using customary market hedging instruments, but are obliged to hedge 66 2/3 percent of our interest rate risk from the Notes and the Term Loan Facility until October 5, 2014 for a period of two years from the utilization of this loan in April 2014. To the extent that market prices, exchange rates and/or floating interest rates at the expiration of these hedging transactions would have been more favorable to us than the prices established by these hedging transactions, our income and cash flows will be lower than they otherwise would have been. Conversely, we are exposed to risks associated with the creditworthiness of our hedging counterparties. The creditworthiness of hedging counterparties is inherently difficult to assess and can change quickly and dramatically. Non-performance by a counterparty could have a material adverse effect on our results of operations and financial condition.

A significant default by a financial institution counterparty or a customer could adversely affect our business, financial condition of operations and financial condition.

Cash deposits, hedge instruments and other financial instruments held with or against financial institutions entail credit risk represented by the loss that would be recognized should the financial institution counterparty fail to perform as contracted. In addition, we face credit risk in the normal course of business with customers who buy our products. The current economic and financial uncertainty has led to an increase in credit risk due to the deterioration of creditworthiness of a number of financial institutions and customers. A significant default by our financial counterparties or customers could have a material adverse effect on our business, results of operations and financial condition.

We have obligations to our employees relating to retirement and other obligations and any changes in assumptions or in interest rate levels could have adverse effects on our results of operations and financial condition.

Some of our employees benefit from pension arrangements that have been established in the various countries in which we operate. The majority of our pension plans are defined benefit pension schemes. As of December 31, 2013, we had total defined benefit pension obligations of approximately €332.3 million of which approximately €317.2 million (95.5%) were unfunded (that is, covered by book reserves only), which may not sufficiently reflect the actual pension obligations. We are part of the pension insurance association (*Pensionssicherungsverein*) in Germany, which guarantees pension payments to employees of the scheme's participating companies in the event of the bankruptcy of an employer company. The bankruptcy of one or more of the participating companies could result in the other members of the association, including us, having to pay an increased insurance premium. In addition, pension deficits increase or decrease based on a number of actuarial factors, changes to other assumptions and market conditions. Our ability to satisfy pension obligations depends on our future cash flow from operations and may also depend on our ability to access the credit and capital markets. In addition, changes to the financing of our pension schemes in the longer term may lead to us being required to contribute additional funding to satisfy pension obligations.

Furthermore, our defined benefit obligations are based on certain actuarial assumptions that can vary by country, including future wage increases, employee turnover, mortality and disability rates as well as retirement ages and all other items that influence the amount and timing of pension payments. If actual results, especially discount rates, life expectancies or rates of return on plan assets, were to differ from our assumptions, our pension obligations could be higher than expected and we could incur actuarial gains and losses. Any such changes in assumptions or under-performance of plan assets could have adverse effects on our results of operations and financial condition.

Interest rate levels may also have an impact on the discount rate we apply to our pension obligations. A change in interest rate levels affects our provisions for pensions, defined benefit obligations and similar commitments which amounted to €332.3 million as of December 31, 2013. These obligations are determined by discounting the expected future payment obligations. Pursuant to International Accounting Standard 19, these expected cash flows are discounted at interest rates determined on the basis of high-grade corporate bonds with comparable maturities. The current comparatively low level of interest rates payable for high-grade corporate bonds could have a negative impact on our pension liability. Any changes in interest rate levels may materially adversely affect our business, results of operations and financial condition.

Our ability to pay dividends will depend on a variety of factors, including the realization of profits by our (operating) subsidiaries and the distributions or transfers thereof from our subsidiaries to the Company.

According to the Luxembourg law of August 10, 1915 on commercial companies, as amended (the "**Luxembourg Company Law**"), the general shareholders' meeting has the power to resolve on the payment of dividends on the recommendation of the board of directors. The articles of association also authorize the board of directors to make interim payments of dividends in accordance with the provisions of article 72-2 of the Luxembourg Company Law. Our ability to pay dividends depends on our ability to make profits and on the existence of distributable amounts. Distributable amounts include available profit, distributable reserves and share premium, as determined in accordance with the Luxembourg Company Law and on the basis of the Company's unconsolidated balance sheet. In order to determine the distributable amounts, the financial profit or loss for the relevant financial period must be adjusted by the profit/loss carried forward from the previous fiscal years as well as any withdrawals or contributions made to the distributable reserves and share premium. Certain reserves must be established by law and have to be deducted when calculating the amount available for distribution.

Given we are a holding company, we do not ourselves generate any distributable profits, but are dependent on the transfer of distributable profits (if any) by our operating subsidiaries. Below us are further holding companies, which must upstream their respective profits via dividends or other distributions. Several of our intermediate holding companies and other subsidiaries currently have negative equity, in some cases in substantial amounts. We may not be able to pay dividends if the requisite distributable reserves are not available from upstreaming of dividends or other distributions.

For example, as of December 31, 2013, the subsidiary LR (Germany) GmbH ("**LR Germany**") had negative equity of €628 million, and the subsidiary Braas Monier Building Group Services GmbH, which is a subsidiary of LR Germany had loss carry forwards generated prior to the establishment of the profit and loss pooling agreement with LR Germany in the amount of €597 million (considering the annual surplus for 2013 and not considering a capital reserve of €221 million) ("**Pre-Contractual Losses**"). Under the profit and loss pooling agreement, the Pre-Contractual Losses of Braas Monier Building Group Services GmbH need to be recovered before any profits can be upstreamed to LR Germany under the profit and loss pooling agreement. LR Germany in turn needs to cure its negative equity before any dividend distributions to the Company can be conducted. In addition to LR Germany, certain other subsidiaries, including LR Austria Holding GmbH, LR (UK) Limited and Financière Roofing (South Africa) (Pty) Ltd, also had negative equity positions as of December 31, 2013, entailing the risk of creating trapped cash on their respective company level and limiting their ability to upstream their respective future profits via dividends or other distributions.

Certain intra-group debt that originated from the financial restructuring in 2009 was restructured and eliminated in 2013 and 2014, but substantial intra-group debt will remain outstanding after the public offering. The outstanding intra-group debt may affect the subsidiaries' ability to pay dividends to the Company and thus the Company's ability to pay dividends (if any) in the future could be restricted. The restructuring of intra-group debt can inter alia result in taxable waiver gains or reduce tax loss carry forwards. The restructuring of intra-group debt that took place in 2013 and 2014 is subject to routine tax audits, which may result in additional tax and interest payments. These factors can adversely affect the financial condition and the liquidity of the Group.

In the financial restructuring of the Group in 2009, substantial parts of former third-party debt were restructured, and restated among certain Group companies as intercompany loans ("**Warehouse Debt**"). Parts of such Warehouse Debt have since been eliminated by various legal transactions. With respect to the €62 million of Warehouse Debt still owed by the Italian subsidiaries to Monier Special Holding S.à r.l., it is planned to eliminate such Warehouse Debt before the end of 2014. The Warehouse Debt owed by the German entity Braas Monier Building Group Services GmbH to Monier Special Holdings S.à r.l. with a face value of €835 million including accrued interest as of May 26, 2014 (German Warehouse Debt) remains outstanding and was transferred to an Irish branch of Monier Special Holdings S.à r.l. Resulting from a loss assumption in 2008, LR Germany has an intercompany loan liability towards its subsidiary Braas Monier Building Group Services GmbH in the amount of €769 million (including accrued interest) as of December 31, 2013.

Recognizing intra-group liabilities on the balance sheet of Group subsidiaries fully or partially reduces their equity or even leads to negative equity positions. Depending on the relevant local legal and tax regimes, this effect on the equity can reduce the ability to pay dividends out of the subsidiaries' assets even if a repayment of the intra-group liabilities is not intended or imminent. As dividend payments by the Company depend on profits and liquidity of its subsidiaries this can affect future dividend payments (if any). The restructuring of intra-group debt can inter alia result in taxable waiver gains or reduce tax loss carry forwards, depending on local tax regimes. The restructuring of intra-group debt that occurred in 2013 and 2014 is subject to routine tax audits in the respective jurisdictions, which may result in additional tax and interest payments.

A repayment of German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("Außensteuergesetz").

In case of a future repayment of the German Warehouse Debt in excess of the cost base at which the claim for repayment of the German Warehouse Debt is accounted for at the level of Monier Special Holdings S.à r.l., it will realize a repayment gain. As of May 26, 2014 the German Warehouse Debt has a face value of €835 million and Monier Special Holdings S.à r.l. shows a cost base of €242 million, the repayment gain can amount to up to €593 million. It is expected that no taxes will become payable on a future potential repayment gain on the German Warehouse Debt in either Ireland or Luxembourg following the transfer of the German Warehouse Debt to an Irish branch of Monier Special Holdings S.à r.l. Because of the repayment gain being realized without triggering taxation in Ireland or Luxembourg, German tax resident investors in the Company could be attributed their proportionate share of the interest or repayment gain under the German controlled foreign corporation rules (*Hinzurechnungsbesteuerung* pursuant to the *Außensteuergesetz*), irrespective of whether such proceeds are eventually paid out as a dividend by the Company. The proportionate share of the repayment gain attributed to a German tax resident investor will be subject to tax at ordinary rates applicable to such investor; the partial exemption of dividends from German tax or the reduced tax rates under the flat tax regime (*Abgeltungssteuer*) do not apply to the attributed amounts. The attribution under the German controlled foreign corporation rules may only arise for German tax resident shareholders who hold at least 1% of the shares in the Company at the end of the fiscal year of the Company in which the repayment gains arises, as shareholders should benefit from a "listed company" exemption below the 1% threshold. German controlled foreign corporation income on the repayment of the German Warehouse Debt should only arise once such repayments exceed the cost base of the German Warehouse Debt at the level of Monier Special Holdings S.à r.l. If Monier Special Holdings S.à r.l. realizes a repayment gain on the German Warehouse debt and the controlled foreign corporation rules apply to an investor, the investor will have to file a corresponding special tax return with the competent German tax authority.

The accrual or payment of interest on the German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("Außensteuergesetz").

It is expected that no taxes will become payable on interest accruing or being paid on the German Warehouse Debt (about €27 million p.a.) under the current interest rate of 3.25% in either Ireland or Luxembourg following the transfer of the German Warehouse Debt to an Irish branch of Monier Special Holdings S.à r.l. However, German resident investors in the Company could be attributed their proportionate share of the interest under the German controlled foreign corporation rules (*Hinzurechnungsbesteuerung* pursuant to the *Außensteuergesetz*), irrespective of whether the interest is eventually paid out as a dividend by the Company. The proportionate share of the interest attributed to a German tax resident investor will be subject to tax at ordinary rates applicable to such investor; the partial exemption of dividends from German tax or the reduced tax rates under the flat tax regime (*Abgeltungssteuer*) do not apply to the attributed amounts. The attribution under the German controlled foreign corporation rules may only arise for German tax resident shareholders who hold at least 1% of the shares in the Company at the end of the fiscal year of the Company in which the interest arises, as shareholders should benefit from a "listed company" exemption below the 1% threshold. If the controlled foreign corporation rules apply to an investor, the investor has to file a corresponding special tax return with the competent German tax authority.

We have a history of losses as reported under IFRS and may not be profitable in the future, which may adversely affect our ability to pay dividends in the future out of the net income. Our failure to achieve profitability could adversely affect the trading price of our shares and our ability to pay dividends as well as result in over-indebtedness forcing us into insolvency or liquidation.

We have incurred losses as reported under IFRS for each of the last three years, due among other things to difficult market conditions and high levels of financing and financing related costs. Due to the Refinancing 2014, future financing costs have been reduced. However, our operating results in the future will depend on many factors, including the cyclicality and seasonality of our business, and our ability to execute our business strategy as well as our ability to maintain our improved cost base, and there is no guarantee that our future operating results suffice to cover our net finance expenses and allow us to record net profits reported under IFRS that can subsequently be distributed to our shareholders by paying dividends. Our failure to achieve profitability could adversely affect the trading price of our shares and our ability to pay dividends as well as result in over-indebtedness forcing us into insolvency or liquidation.

Regulatory and Legal Risks

We are subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect our business, results of operations and financial condition.

We are subject to a broad and increasingly stringent range of environmental and health and safety laws, regulations and standards in the jurisdictions in which we operate. This results in significant compliance costs and exposes us to liability. Environmental claims or the failure to comply with any present or future regulations could result in the assessment of damages or imposition of fines against us, suspension of production or a cessation of operations.

New regulations could require us to acquire costly equipment, refit existing plants or redesign products or to incur other significant expenses. The laws, regulations and standards relate to, among other things, air noise emissions, carbon dioxide (or CO_2) emissions, sulfur flue gas emissions, waste water discharges, avoidance of soil and groundwater contamination, regulations on silica, the use and handling of hazardous materials, energy efficiency of buildings, workplace health and safety, waste disposal practices and standards relating to construction materials. In addition, increasing urbanization in certain regions has led to a change of the surroundings in which we operate some of our plants from a more rural and/or industrial area to residential use. In general, permitted business activities in residential areas are limited and have to comply with stricter environmental regulations, especially on emissions. As one example, due to this process of urbanization, Chinese authorities may request the relocation of two of our plants. See also "*—Market and Business Related Risks—Interruptions in operations at our facilities could have a material adverse effect on our business, results of operations and financial condition.*" Any new regulations that limit our flexibility in conducting our business could have a material adverse effect on our business, results of operations and financial condition.

We are also required to obtain and maintain permits from governmental authorities for many of our operations. These permits are subject to modification, renewal and revocation by governmental authorities. We have in the past incurred, and will in the future incur, significant cost for capital and operating expenditures to obtain and maintain necessary permits. However, we cannot ensure that we will also in the future be able to obtain and maintain all permits which we require for our business operations. Any such failure or any violation of the terms and conditions of such permits could have a material adverse effect on our business, results of operations and financial condition. Generally, many of our manufacturing sites have a history of industrial use; soil and groundwater contamination occurred in the past at a limited number of sites. Such contamination might occur or be discovered at other sites in the future and we regularly face remediation liabilities which in many cases are difficult to estimate. We may also be subject to legal proceedings concerning environmental matters. As we expanded into the Eastern European countries, such as in our acquisition of Bramac in southeastern Europe in 2011, we both acquired and built plants on existing industrial sites. In many cases, very limited information, if any, was available with regard to environmental pollution on those sites. See "*—Obligations resulting from environmental conditions at our current and former production and other sites could have a material adverse effect on our business, financial condition and results of operations.*" We cannot predict environmental matters with certainty and our budgeted amounts and established reserves may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances or conditions, including future decisions to close plants, which may trigger remediation liabilities, and other developments such as changes in law or increasingly strict enforcement could result in increased costs and liabilities, prevent or restrict some of our operations and have a material adverse effect on our business, results of operations and financial condition.

Obligations resulting from environmental conditions at our current and former production and other sites could have a material adverse effect on our business, financial condition and results of operations.

Many of our current and former facilities and properties have long histories of industrial operations, some of which were of a different nature than our current operations. In addition, we have responsibility for a large number of sites relating to companies we acquired, owned or operated in the past, many of which had businesses and operations unrelated to those presently carried out by us. On many of these sites, now or in the past, waste and hazardous substances have been used, stored or released in significant quantities. Contamination has been detected at some of these sites. We have made provisions in respect of certain of our liabilities to the extent required by IFRS, but the ultimate cost of remediation is difficult to accurately predict, and we could incur significant cost in excess of our current provisions as a result of the discovery of contamination or the imposition of additional remediation obligations at these or other sites (including related governmental fines or other sanctions and claims for property damages or personal injury) or as a result of stricter regulations with regard to environmental contamination in the countries we operate.

With respect to plants and sites that we have acquired in the past, we may have failed to properly identify and assess potential risks in this regard. In such a case, we might not succeed in claiming damages or indemnification against the relevant seller. Even if covered by a prior owner's or third party's indemnity, we could incur costs if the prior owner or third party is unwilling or unable to meet its indemnification obligation. Furthermore, there is only limited insurance coverage for financial liabilities arising from soil, water and other forms of contamination. For example, we have experienced some incidents of contamination from formwork oils used in the production of concrete tiles. These incidents have compelled us to build provisions of approximately €5.5 million over the past five years in order to clean up the damage caused by such incidents of contamination.

With respect to our former production and other sites, even if the current owner is liable for environmental conditions, we may bear the risk of liability for such environmental conditions in whole or in part, as well. We have in the past divested parts of our business and non-core operations and have disposed of production and other sites. We may have to indemnify the respective acquirers regarding any loss or damages resulting from environmental conditions of the properties sold. See also "*—Market and Business Related Risks—We may face risks associated with the acquisitions or divestments of businesses or with the establishment of greenfield operations, any of which could have a material adverse effect on our business, results of operations and financial condition.*"

Our obligations with respect to environmental conditions could have a material adverse effect on our business, financial condition and results of operations.

We are subject to significant reclamation and recultivation obligations in connection with clay and sand pits.

We own and operate several pits in which we excavate clay and sand. With these operations, certain reclamation, recultivation and occasionally renaturation obligations arise, which may lead to cash outflows upon complete or partial closure of a quarry or pit. As of December 31, 2013, provisions for any such measures amounted to a total of €6.5 million. However, the estimated provisions resulting from reclamation, recultivation and renaturation obligations could change and the amount of cost not covered by provisions could increase if the assumptions underlying our estimates are inaccurate, actual cost differ from our assumptions or the underlying facts or governmental requirements change. This could require us to spend greater amounts than anticipated and could have a material adverse effect on our business, results of operations and financial condition.

In addition, in many jurisdictions we are required to secure certain of our reclamation and closure obligations for our pits primarily through the use of financial assurance mechanisms, such as bonds and bank guarantees. These security interests currently amount to €6.6 million and a portion of them consists of cash-collateral. In the event of a material adverse change in our financial condition, or in response to the recent economic downturn and volatility in the financial markets, financial assurance providers may have the right and could decide not to issue or renew the financial assurances, to demand collateral upon renewal, or to require us to obtain a discharge of the financial assurance provider's liability under the financial assurances or to provide cash or letters of credit equal to 100% of the amount of the outstanding financial assurances. A failure to maintain or renew, or the inability to acquire or provide a suitable alternative for, any such financial assurances and any exercise of rights the financial assurance providers have to require us to discharge the related liability or to provide collateral would have a material adverse effect on our business, results of operations and financial condition.

Changes in building, manufacturing and zoning laws, regulations, ordinances and standards could materially adversely affect our business, results of operations and financial condition.

With 107 plants in 27 countries, we are subject to a broad and increasingly stringent range of building laws, regulations and standards in the jurisdictions in which we operate. The laws, regulations, ordinances and standards cover both the technical standards that need to be met and the procedures that need to be followed and relate to, among other things, structure, fire safety, toxic substances, ventilation, hygiene, drainage and waste disposal and electrical safety. This results in significant compliance costs and exposes us to liability. Additional legal requirements could be adopted in the future that would render compliance more burdensome. New regulations, or a re-interpretation of existing regulations, could require us to acquire costly equipment, refit existing plants or redesign products or to incur other significant expenses. The failure to comply with any present or future regulations, ordinances or standards could result in the assessment of damages or imposition of fines against us or the loss of market shares. As a consequence, any change in building laws, regulations, ordinances or standards could materially adversely affect our business, results of operations and financial condition.

Changes in the European Union emissions trade certificate regulations and other local emissions allowance systems could lead to reduced free emission right allocations and limited free transferability of emissions allowances and would increase our production costs.

Our operations result in the release of substantial quantities of CO_2. The emission of CO_2 is subject to a developing and frequently changing body of laws and regulatory requirements addressing the challenges of global climate change by reducing greenhouse gas emissions, promoting higher efficiency in the use of energy from conventional sources and increasing the use of energy from renewable sources. In the European Union, regulations attempt to both reduce greenhouse gas emissions and to establish a mechanism for trading in CO_2 emission allowances. For the CO_2 emission allowances trading period since 2013, the quantity of emission allowances allocated each year under the EU Emission Trading System ("**ETS**") is reduced annually until 2020 by a linear factor of 1.74% of the average annual total quantity of emission allowances issued in the European Union between 2008 and 2012. Beyond this so-called cross-sectoral correction factor, a further one-time deduction of 5.73% is applied by the Commission in order to prevent a transgression of the industrial cap. In addition, from 2013 onwards, a full auctioning of emission allowances is scheduled to be gradually introduced for the manufacturing sector by reducing the allocation of emission allowances free of charge from 80% in 2013 to 30% in 2020 and to 0% in 2027.

All of our clay tile plants in Germany and some of our clay tile plants in other countries as well as one of our three chimney plants are subject to the ETS because they manufacture ceramic products and their production capacity exceeds

75 tonnes per day. Our concrete tile plants, roofing accessories plants and ventilation system plants do not perform activities falling within the scope of the ETS activities listed in Annex I of the ETS Directive 2003/87/EC.

An exemption from the general auctioning mechanism is available for certain energy-intensive industries that would be more likely to relocate plants to countries with less stringent climate protection laws, a phenomenon known as "carbon leakage." Sectors and subsectors involved in the mining of clays, producing expanded clays or the manufacturing of bricks, tiles and constructions products, in baked clay, including our clay tile and clay chimney plants, currently benefit from the current carbon leakage rules and are likely to receive a 100% share of free allowances (based on benchmark rules) until 2014. The European Commission will determine every five years, the next time with effect from 2015, which sectors and subsectors are threatened by carbon leakage. Thus, there is no certainty that the sectors and subsectors which have previously been regarded as being exposed to carbon leakage will again be considered as being threatened by carbon leakage. Accordingly, we cannot guarantee that we will continue to receive free allowances in future years, but may need to purchase a significant, and steadily increasing, share of emission allowances in auctions from 2013 onwards, which could result in substantial additional costs. Compliance with other existing, new or proposed regulations governing such emissions might also lead to a need to reduce CO_2 emissions, to purchase rights to emit CO_2 from third parties, or to make other changes to our businesses, all of which could result in significant additional cost or could reduce demand for our products. In addition, we require large quantities of energy in various forms for our production processes. Existing, new and proposed regulations relating to the emission of CO_2 by our energy suppliers could result in materially increased energy cost for our operations, and we may be unable to pass on these increased energy costs to our customers, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to certain competition and antitrust laws, and we are currently subject to investigations for alleged antitrust violations in Brazil.

Our business is subject to applicable competition and antitrust laws, rules and regulations of the European Union and each of the countries in which we operate. Heliotek Máquinas e Equipamentos Ltda., a Brazilian entity in which we previously owned a 51% interest, is currently subject to several ongoing investigations for alleged antitrust violations, all in connection with a call for tenders in 2009 for the purchase of solar systems by CDHU, a state-owned company responsible for public housing programs in the State of São Paulo. While we believe that we are not subject to any other material antitrust-related proceedings and that we are in compliance with all applicable competition and antitrust laws, rules and regulations, we may become subject to further investigations and proceedings by national and supranational competition and antitrust authorities for alleged infringements of antitrust laws, which could result in fines or other forms of liability or otherwise damage our reputation. In addition, such laws and regulations could limit or prevent our ability to grow in certain markets.

Many of the competition authorities that regulate our markets define the relevant product market in which we operate as the "pitched roof market," a market which includes roofing materials made from concrete, clay, slate and other materials. Should one or more regulatory authorities change the way they analyze and categorize the roofing industry and decide to re-examine the position of companies such as ours in each of the product categories forming part of the overall pitched roof market, our business could become subject to an investigation into the strength of our position in any of the product and geographic markets in which we are active, for example as a result of a third-party complaint to a relevant national regulatory authority. Given our strong presence in almost all of our markets, such an investigation could give rise to certain obligations or restrictions if we are deemed to have a dominant position in the relevant markets. Such obligations could have a material adverse effect on our business, financial condition and results of operations.

We may incur material cost as a result of warranty and product liability claims which could adversely affect our profitability, and we are currently subject to litigation in relation to our warranties.

We have numerous different types of guarantees governing our products and are, therefore, subject to express and implied warranty claims. Today, the warranty periods for our products can vary from one year to 60 years, and for certain products sold in the past under the Redland brand in the United Kingdom, up to 100 years. The majority of our products have warranties ranging between ten to 30 years. Our integrated roofing systems typically have warranty periods ranging between ten and 15 years. Because of the long useful life of our products, it is possible that latent defects might not appear for many years. Moreover, due to the nature of our production processes and volumes, any product defects may potentially affect a substantial number of products, which may then require us to arrange for the replacement of such products at potentially significant costs. Although we test the performance of our products, we may fail to accurately predict their longevity or potential defects and any potential liability for our products may therefore be difficult to estimate. For instance, a class action has been brought against us on behalf of individuals or entities in the State of California who own structures with slurry-coated roof tiles, or who paid to repair or replace such tiles, that were sold by us or our predecessors between January 1, 1978 and August 14, 1997. The class action is based on alleged misrepresentations by Monier that these slurry-coated roof tiles would last for 50 years, would have permanent color and would be maintenance-free. The plaintiff class claims that Monier knew and failed to disclose that these roof tiles would erode to bare concrete in less than 50 years. On January 3, 2013, a jury verdict awarded to the plaintiffs' class approximately US $7.4 million in compensatory damages, but rejected its claim for punitive damages. On February 11, 2013, this judgment was reversed in our favor and we were awarded our costs of the proceedings. The plaintiffs have appealed this ruling. There can be no assurance that we will successfully defend the appeal. See "*—We are subject to risks from legal proceedings, including a pending class action suit in California.*" Furthermore, certain clay tiles produced in Northern Italy over a period of several years did not prove to present the warranted frost resistance when subjected to certain weather conditions. As a consequence, we have received, and continue to receive, warranty claims from homeowners who have experienced problems with their roof tiles due to harsh weather conditions.

Furthermore, we may not be successful in maintaining or reducing our historical level of warranty claims, and claims in connection with the supply of our products may increase significantly. Additionally, defects in our products may result in product liability claims, product recalls, adverse customer reactions and negative publicity about us or our products. Product failures, particularly of building materials produced by us or by businesses acquired by us, could result in substantial harm to people or property. While we hold insurance for product liability risks or have contractual arrangements to hold us harmless against such claims, such insurance and contractual arrangements may not adequately cover any such risks, insurance coverage may not continue to be available on commercially reasonable terms or the insurance carrier or the contractual partner may not have sufficient funds to cover all claims or may refuse to do so. Defects may also require expensive modifications to our products and may damage our reputation. If any of these events were to occur, our reputation, business, results of operations and financial condition could be materially adversely affected, even if we are not legally liable for the relevant claims.

In addition, in the ordinary course of our business we are from time to time involved in litigation, arbitration or other proceedings which may involve substantial claims for damages or other payments or product warranty claims. The outcome of currently pending or potential future proceedings is difficult to predict with any certainty. Any increase in the frequency or size of these claims may adversely impact our profitability and cash flow and have a material adverse effect on our results of operations and financial condition. In addition, if these claims rise to a frequency or size that is significantly higher than similar claims made against our competitors, our reputation and business is likely to be harmed. In the event of a negative outcome of any material proceeding, whether based on a judgment, award or a settlement, we could be obligated to make substantial payments. In addition, the cost related to litigation and arbitration proceedings may be significant. If any of these risks materializes, our business, financial condition and results of operations could be materially adversely affected.

We are subject to risks from legal proceedings, including a pending class action suit in California.

We are currently involved in the appeal of a class action brought on behalf of individuals or entities in the State of California who own structures with slurry-coated roof tiles, or who paid to repair or replace such tiles, that were sold by Monier Inc. or its predecessors between January 1, 1978 and August 14, 1997. The plaintiffs alleged that Monier represented to every class member that the roof tiles would have a 50-year life, permanent color and would be maintenance-free, when it knew and failed to disclose that the tiles would erode to bare concrete in less than 50 years. The plaintiffs claimed approximately US $450 million in compensatory damages or, alternatively, the total amount of money received by Monier as a result of its sales to the class members. The plaintiffs also sought punitive damages, attorneys' fees and costs. Monier denied the plaintiffs' allegations and vigorously defended the lawsuit through trial. On January 3, 2013, the jury issued a verdict in favor of the plaintiffs and awarded the class approximately US $7.4 million in compensatory damages, but rejected its claim for punitive damages. Following the trial, the court granted Monier's motions to exclude the opinions of the plaintiffs' expert, set aside the verdict, entered judgment in Monier's favor and awarded Monier its costs of the proceedings. The plaintiffs appealed the judgment and the ruling referenced therein. Monier has been indemnified against these claims by the previous owner of the business, Lafarge S.A., which has, thus far, honored its indemnification obligations and has not given any indication that it will not continue to do so. Although the indemnification obligation has no monetary cap, it expires in 2022. In addition, we cannot predict whether or to what extent the previous owner may decide to challenge the validity or scope of the indemnification arrangement; if such a challenge were made and were successful, or if Lafarge S.A. were to become unable to fulfill its indemnification obligations, then we could be responsible in whole or in part for any damages incurred in connection with the class action or with individual claims independent from the class action.

Pending and future tax audits and changes in fiscal regulations could lead to additional tax liabilities.

We are subject to routine tax audits by various tax authorities in the jurisdictions in which we operate. Pending and future audits in any of the jurisdictions in which we operate may result in additional tax and interest payments which would negatively affect our results of operations and financial condition. In Germany, routine tax audits for the years 2002 until 2004 were finished in 2013, and the respective written tax audit reports are expected to be issued during the third quarter of 2014. Routine tax audits for the years 2005 until 2007 are ongoing, while the routine tax audits for the years 2008 until 2010 was announced in October 2013 to bar the applicability of the statutes of limitations and is expected to start during the course of the year 2015. In various jurisdictions, steps taken in connection with our acquisition in 2007 and the Group's restructuring in 2009 are still subject to routine tax audits, which may result in additional tax and interest payments. Changes in fiscal regulations or the interpretation of tax laws by the courts or the tax authorities in any of the jurisdictions in which we conduct our business may also have adverse consequences for us.

Our taxation may increase.

We operate tax groups and fiscal unities in a number of jurisdictions, including Germany, Italy and the Netherlands. We are therefore exposed to the risk of a challenge of the existence or due operation of tax groups and fiscal unities by the respective local tax authorities. A non-recognition of our tax groups and fiscal unities by the respective local tax authorities could lead to additional tax liabilities.

The tax deductibility of interest expenses for tax purposes is limited under local tax laws in a number of jurisdictions where we operate, including in Germany, France, Italy and the Netherlands. A certain amount of our annual financial expense may not be deductible under those rules. The restriction of the deductibility of interest expenses for tax purposes may have adverse consequences for our results of operations and financial condition.

In the context of the Group's restructuring in 2009, approximately €1.4 billion of former third-party debt was restructured and restated among certain Group companies as intercompany loans. The restructuring of the resulting intra-group debt is ongoing and shall be implemented in a tax efficient manner. The restructuring of intra-group liabilities can *inter alia* result in taxable waiver gains or reduce tax loss carry forwards, depending on local tax regimes.

Risks Relating to our Shareholder Structure, the Offering and the Listing

Our Principal Shareholders will continue to exercise significant influence on the Company via the Selling Shareholder which is controlled by our Principal Shareholders following completion of the Offering, and the interests of Principal Shareholders could conflict with the interests of other shareholders.

Upon completion of the offering (the "**Offering**") including full exercise of the Greenshoe Option, our indirect principal shareholders Apollo, TowerBrook and York Capital (the "**Principal Shareholders**") will continue to control Monier Holdings S.C.A. (the "**Selling Shareholder**"), which will remain the Company's largest shareholder and will at this time hold approximately 25 percent of the Company's share capital. The Principal Shareholders will therefore be in a position to influence resolutions at the Company's general shareholders' meeting with the support of other shareholders, as long as they control the Selling Shareholder. In particular, assuming retention of the Selling Shareholder's approximately 25 percent participation in the Company, the Principal Shareholders will significantly influence the resolutions on the appropriation of profits, hence the implementation of the Company's dividend policy and its leverage ratio, and the composition of the Company's board of directors (the "**Board of Directors**"). Our Articles of Association provide that each shareholder who holds at least 25 percent of the shares in the Company has the right to propose to each general meeting of shareholders a list of up to three candidates to be appointed as directors of the Company by the general meeting of shareholders. The general meeting of shareholders shall proceed to vote on any such proposal. The Principal Shareholders, via the Selling Shareholder, will likely be in a position to block any resolutions in the general shareholders' meeting, at least for material changes requiring a qualified two-third majority of the votes present at such shareholder meeting, because the shares and votes present at future shareholders' meetings of the Company might be well below 100 percent. The interest of the Principal Shareholders (and any affiliated companies) may conflict with the interests of the Company's other shareholders. A conflicting interest could, for example, exist in relation to the cancellation of preferential subscription rights in favor of the Selling Shareholder for new shares to allow a placement of such new shares with a third party investor selected by the Principal Shareholders. It is also conceivable that any of the Principal Shareholders may acquire or invest in companies competing with us, which could also create conflicting interests. These factors may have a material adverse impact on the Company's business, minority shareholders' influence on the development of the Company, and the price of its shares.

Future sales or anticipated sales of a substantial number of shares or similar transactions conducted by the Selling Shareholder or other groups of shareholders could have a material adverse effect on the price of the shares.

Due to the significant shareholding of the Selling Shareholder, the share price of the shares could fall significantly if the Selling Shareholder sells a substantial number of the shares in the market after this Offering and the expiration of the lock-up agreement or if the market believes that such sales might occur. The lock-up agreement with the Underwriters provides for an undertaking by the Selling Shareholder to, among other things and subject to certain exemptions, not sell shares for a period of six months absent the Joint Global Coordinators' consent. In addition, the sale or market expectation of a sale of a large number of shares by the Selling Shareholder or other significant shareholders could make it difficult for the Company to issue new shares in the future on favorable terms.

The market price of our shares may be volatile, which could cause the value of your investment to decline or cause the share price to move out of the price range.

The price and the trading volume of our shares will be determined by supply and demand for the shares, which will in turn depend on a variety of factors, including, but not limited to, fluctuations in actual or projected operating results of the Company or its competitors, changes in earnings projections or failure to meet the earnings expectations of investors and analysts, changes in macroeconomic conditions, the activities of competitors and suppliers, and changes in the statutory framework in which we operate. In addition, general market conditions and fluctuations of share prices or a global or local downturn in stock markets could cause the price of our shares to decline significantly, even where our business or earnings outlook is not directly at issue. Investors should consider the fact that the price of the shares is not expected to be determined until June 24, 2014, *i.e.*, potentially several days of exchange trading after submission of their purchase order.

As a result of the public offering, we will face additional administrative requirements, including the obligation to issue quarterly financial statements for the first time.

Following the Offering, we will for the first time be subject to the legal requirements for a Luxembourg stock corporation listed in the Prime Standard sub-segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Being a foreign company listed on a German stock exchange may cause additional administrative requirements compared to a domestic stock corporation, if the Luxembourg and German laws establish such requirements based on different links to the company (place of incorporation and/or listing place). However, such requirements include, among others, quarterly financial reporting and other public disclosures of information (including those required by the stock exchange listing authorities for companies listed in the Prime Standard sub-segment of the Frankfurt Stock Exchange), regular calls with securities and industry analysts and other required disclosures. The Group's accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies that may cause the Group to incur significant additional expenditures and/or expose it to legal, regulatory or civil costs or penalties.

Furthermore, the preparation, convening and conduct of general shareholders' meetings and the Company's regular communications with shareholders and potential investors will entail substantially greater expenses. Our management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing the operations of the Group, and these additional requirements could also substantially increase time commitments and costs for the accounting, controlling and legal departments and other Group administrative functions.

Any inability to manage the additional demands placed on us in the process of becoming a Luxembourg company with shares listed in the Prime Standard sub-segment of the Frankfurt Stock Exchange, as well as any costs resulting therefrom, may have a material adverse effect on our business, results of operations and financial condition.

The Offering may not take place, and investors may be unable to recover security commissions already paid. The short selling of shares offered in the Offering entails the risk that such sales are uncovered if the Offering is not completed.

This Offering is subject to a number of conditions. The underwriting agreement between the Company, the Selling Shareholder, and the Underwriters dated June 10, 2014, provides that the Underwriters may terminate the underwriting agreement under certain circumstances, including, for example, if the Company or the Selling Shareholder do not comply with certain representations and warranties, if certain documentation is not delivered or in case of a material adverse event (as defined in the underwriting agreement) occurring prior to completion of the Offering. If the underwriting agreement is terminated and the Offering does not take place, allotments already made to investors would be invalid or invalidated, and investors would have no claim for delivery of any shares in the context of this Offering. Claims regarding already paid security commissions and costs incurred in connection with the purchase order by an investor will be determined solely on the basis of the legal relationship between the investor and the relevant institution and investors may be unable to recover security commissions already paid in relation to their purchase orders. Moreover, if the Offering is not completed, investors who engage in short selling of shares offered in this Offering may not be able to fulfil their delivery obligations with respect to such sold shares.

Future offerings of debt or equity securities by us could have a material adverse effect on the market price of our shares, and future capitalization measures could substantially dilute our existing shareholders' interests in the Company.

In the future, we may need additional capital to finance our business operations and growth. We may therefore seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities, among other possible financing options. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Because the timing and nature of any future offering would depend in part on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. Thus, our shareholders bear the risk that such future offerings could reduce the market price of our shares and potentially dilute their shareholdings in the Company. In addition, the acquisition of other companies or investments in other companies in exchange for newly issued shares, or the exercise of stock options by our employees in the context of possible future stock participation programs, could dilute the economic and voting rights of our shareholders.

Our historical earnings and other historical financial data are not necessarily predictive of our earnings or our other key financial figures going forward.

The financial information discussed in this Prospectus and the financial statements of the Company printed in the financial section of this Prospectus relate to our past performance. Our future development could deviate significantly from past results due to a large number of internal and external factors, including without limitation our recent refinancing. Our historical earnings and other historical financial data are therefore not necessarily predictive of our earnings or other key financial figures going forward. There can be no assurance that a liquid trading market for the shares will develop after the Offering, or that a liquid trading market can be maintained. The present price of our shares may not be indicative of the price prevailing after completion of the Offering. After completion of the Offering, the majority of the shares will still be held by the Selling Shareholder and only a minor part will be traded on the stock exchanges. Even though the Company intends to also apply for admission of the shares to the regulated markets of the Frankfurt Stock Exchange, there can be no guarantee that, after completion of the Offering and following the listing on the Frankfurt Stock Exchange, a liquid trading in our shares will develop and become established, or the existing market will not become less liquid. Investors might be unable to sell their shares quickly or at the market price if there is no active trading in our shares.

The rights of shareholders in a Luxembourg company may differ from the rights of shareholders in companies organized under the laws of other jurisdictions.

The Company is organized under the laws of the Grand Duchy of Luxembourg. The rights of shareholders in a Luxembourg company are based on its articles of association and applicable laws and regulations and may differ from the rights of shareholders of companies organized under the laws of other jurisdictions. As such, it may be difficult or impossible to enforce rights against the Company that may be common in other jurisdictions.

If securities or industry analysts do not publish research or reports about our business or if they downgrade their recommendations regarding our ordinary shares, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business including any separate research and reports. If any of the analysts who cover us downgrade our ordinary shares, our stock price would likely decline. If analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

GENERAL INFORMATION

Responsibility Statement

Braas Monier Building Group S.A., with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés*) (the "**Luxembourg Trade and Company Register**") under number B 148558 (the "**Company**" and, together with its consolidated subsidiaries, "**we**," "**us**," "**our**," the "**Group**"), assumes responsibility for the contents of this prospectus (the "**Prospectus**") pursuant to article 9 of the Luxembourg Prospectus Law and hereby declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Subject Matter of this Prospectus

For purposes of the offer to the public, this Prospectus relates to a total of up to 23,013,201 ordinary shares in bearer form each with a par value (*valeur nominale*) of €0.01 and carrying the same dividend rights as the existing shares, comprising:

- up to 4,387,827 newly issued shares from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Company (the "**New Shares**");

- up to 15,714,286 existing shares (the "**Existing Offer Shares**" and, together with the New Shares, the "**Base Shares**") from the holdings of Monier Holdings S.C.A., with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Company Register under number B 148539 (the "**Selling Shareholder**"); and

- up to 2,951,088 Existing Shares from the holdings of the Selling Shareholder in connection with a possible over-allotment (the "**Over-Allotment Shares**" and, together with the Base Shares, the "**Offer Shares**").

For purposes of admission to trading on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (*Prime Standard*) of the Frankfurt Stock Exchange, this Prospectus relates to up to 4,387,827 New Shares and 35,000,000 existing shares in bearer from each with a par value (*valeur nominale*) of €0.01 (the "**Existing Shares**" and, together with the New Shares, the "**Shares**").

Forward-looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "predicts," "forecasts," "plans," "endeavors" or "expects" may be an indication of forward-looking statements.

The forward-looking statements in this Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company's actual results, including the financial condition and profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this Prospectus, particularly in the sections entitled "*Risk Factors*," "*Management's Discussion and Analysis of Net Assets, Financial Condition, and Results of Operations*," "*Industry, Competition and Markets*," "*Business*" and "*Recent Developments and Outlook*," and wherever information is contained in the Prospectus regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (see "*—Sources of Market Data*" for more information on the third-party sources used in this Prospectus). Actual results, performance or events may differ materially from those in such statements due to, without limitation:

- changes in general economic conditions worldwide, in particular in Europe, including changes in the GDP growth rate, household income, inflation rates, business cycles, government debt, availability of credit for potential home owners and investors, interest rate levels, and the state of the respective housing markets;

- demographic changes, in particular with respect to Europe;

- development of the construction market with regard to new construction and renovation activities in the residential and non-residential sector;
- development of the market for pitched and flat roof systems, in particular for concrete and clay tiles, and components (*e.g.*, chimneys and energy systems);
- climatic conditions in the countries we sell our products into today and in the future;
- seasonality effects due to the particular weather conditions;
- changes in the architectural styles, in particular with regard to the shape of the roof;
- changes in regional preferences and purchasing habits of our customers;
- the impact of damage to our brands or intellectual property;
- our reliance on trade secret protection and confidentiality agreements with our employees for the protection of our products, technologies, recipes and other material know-how;
- our ability to develop products which fulfill all technical requirements;
- our ability to secure the supply with required raw materials, especially with regard to clay;
- our ability to attract and retain key personnel;
- the deterioration of our good relations with our employees, unions and employee representatives;
- the impact of interruptions in operations in our facilities;
- our reliance on efficient and uninterrupted operations of our information and communication technology;
- development of energy and transportation costs;
- our capital requirements and its ability to meet these requirements;
- our exposure to operational risks for which we may not be adequately insured;
- our debt and our ability to make principal and interest payments on it;
- changes in the shareholder structure of our Group;
- changes affecting currency exchange rates;
- changes in the competitive environment;
- political changes; and
- changes in laws and regulations.

Moreover, it should be noted that neither we nor BNP PARIBAS, Paris, France ("**BNP PARIBAS**"), J.P. Morgan Securities plc, London, United Kingdom, ("**J.P. Morgan**"), UBS Limited, London, United Kingdom ("**UBS**," and together with BNP PARIBAS and J.P. Morgan, the "**Joint Global Coordinators**"), nor Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany ("**Berenberg**") and Goldman Sachs International, London, United Kingdom ("**Goldman Sachs International**," and together with the Joint Global Coordinators and Berenberg, the "**Joint Bookrunners**" or the "**Underwriters**") assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. Nevertheless, the Company has the obligation to disclose any significant new event or significant error or inaccuracy relating to the information contained in this Prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of the Prospectus, but before the completion of the public offering or the admission of the securities to trading, whichever is later. These updates must be disclosed in a prospectus supplement in accordance with Article 13 of the Luxembourg Prospectus Law.

See "*Risk Factors*" for a further description of some of the factors that could influence the Company's forward-looking statements.

Sources of Market Data

The following sources were used in the preparation of this Prospectus:

- Euroconstruct, November 2013;
- GIA Global Roofing and Insulation Report, July 2013; and
- IMF World Economic Outlook April 2014.

Any websites referred to in this Prospectus are for information purposes only and do not form part of the Prospectus.

To the extent that information has been sourced from third parties, this information has been accurately reproduced in this Prospectus and, as far as we are aware and are able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. We have not independently verified the data and cannot give any assurance as to the accuracy of market data contained in this Prospectus which were taken or derived from these industry publications or reports. Market data and statistics are inherently predictive, subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. Therefore, neither we nor the Selling Shareholder assume any liability for the correctness of numerical data, market data and other information from publicly available sources.

The Prospectus also contains estimations of market and other data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (from conferences, sector events, etc.) or internal assessments.

We commissioned B+L Marktdaten GmbH, Markt 26, 53111 Bonn, Germany, to produce a market study of our business and market position ("B+L market analysis pitched roof and chimneys 2013-2016," the "**B+L Report**"), the key findings of which were issued in April 2014 and which we also cite in this Prospectus. Estimates regarding the value of the markets in which we operate (*i.e.*, clay and concrete tiles and chimney and components markets), regarding our and our competitors geographical and/or product split and regarding our share of the respective market are based on the B+L Report. We did not verify or modify any of the third-party statistics or other statistics provided by B+L Marktdaten GmbH. In addition, our research departments produce on the basis of external sources, which vary from country to country, and their market knowledge and internal market data books. Because the availability of the research results of these organizations often does not coincide with the publication of our financial statements, we project our own market estimates by using available research results relevant to prior periods and, where available, public information and filings of our competitors. We believe that we are a major participant in the markets in which we operate and, as a result, are able to present a fair view of the value and development of these markets.

We believe that our estimates of market and other data and the information derived from such data assist investors to better understand the industry in which the companies of our Group operate, and our Group's position within it. The estimates have not been checked or verified externally. We nevertheless assume that our own market observations are reliable. We give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by competitors of our Group or from future studies conducted by market research institutes or other independent sources.

Documents Available for Inspection

For the period during which this Prospectus is valid, the following documents will be available for inspection during regular business hours at the Company's offices at 5, rue Guillaume Kroll, L-1882 Luxembourg and at Braas Monier Building Group Services GmbH's office, Frankfurter Landstraße 2-4, 61440 Oberursel, Germany, and except for the B+L Report, such documents are also available on the Company's website (www.braas-monier.com):

- the Company's articles of association (the "**Articles of Association**");
- the Company's unaudited consolidated interim financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") as of and for the three-month period ended March 31, 2014;
- the Company's audited consolidated financial statements prepared in accordance with IFRS for the fiscal years ended December 31, 2013, December 31, 2012, December 31, 2011;

- the Company's audited unconsolidated annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts as of and for the year ended December 31, 2013; and

- "B+L market analysis pitched roof and chimneys 2013-2016" prepared by B+L Marktdaten GmbH issued in April 2014.

The Company's future consolidated annual and interim financial statements will be available on the Company's website and at the Company's offices at 5, rue Guillaume Kroll, L-1882 Luxembourg. In accordance with Luxembourg Company Law, the annual financial reports are also filed with the Luxembourg Trade and Company Register and an extract is published in the Luxembourg Official Gazette (*Mémorial C*).

Presentation of Financial Information, Currency and Figures

Presentation of Non-IFRS Financial Measures

This Prospectus contains certain non-IFRS measures and ratios, including Operating EBITDA, Operating EBITDA margin, total external debt, non-operating result, operating income, net external debt, net interest expense, capital expenditure, capital employed, return on capital employed ("**ROCE**"), working capital and certain other measures (the "**Non-IFRS Measures**") that are not required by, or presented in accordance with IFRS or the accounting standards of any other jurisdiction. Our Non-IFRS Measures are defined by us as follows:

- "Operating EBITDA" represents profit (loss) for the period net of finance costs, finance income, income taxes, depreciation and amortization and impairment losses on non-current assets (EBITDA), adjusted for items that are considered by management to be non-recurring or unusual because of their nature, such as non-recurring expenses associated with financial restructuring or write-downs on production facilities. For a reconciliation of Operating EBITDA to EBITDA, see footnote (4) under "*Additional Key Figures—Key Financial Performance Indicators*;"

- "Operating EBITDA margin" represents Operating EBITDA divided by revenues;

- "Total external debt" represents total long-term debt and short-term liabilities to banks and capitalized leases, without giving effect to unamortized funding costs and excluding liabilities owed to parent companies and obligations relating to hedging arrangements and excluding accrued interest;

- "Non-operating result" represents impairment/reversal of impairment and the portion of our other income or other expenses from activities outside of our ordinary course of business and regarded as non-recurring. See footnote (a) under "*Additional Key Figures—Key Financial Performance Indicators*;"

- "Operating income" represents the result derived from the segment EBIT minus the non-operating result defined above and presented in our segment reporting;

- "Net external debt" represents total external debt less cash and cash equivalents;

- "Net interest expense" equals interest on liabilities to banks plus commitment and agency fees less finance income from short term bonds;

- "Adjusted free cash flow" represents free cash flow adjusted for acquisitions and dispositions, debt restructuring, operational restructuring and litigation;

- "Capital expenditure" represents investments in intangible assets and property, plant and equipment, paid during the reporting period;

- "Capital employed" calculated as tangible assets plus inventories plus other current assets less trade payables and other short term liabilities;

- "ROCE" is calculated as operating income defined above divided by the average of the opening and closing capital employed defined above; and

- "Working capital" consists of inventories, trade accounts receivable less trade accounts payable, augmented by other receivables such as VAT receivables, advance payments and tax prepayments, less other payables consisting of customer rebates and other items payable.

We believe that the presentation of the Non-IFRS Measures enhances an investor's understanding of our operating performance and our ability to service our debt. In addition, we believe that Operating EBITDA is a measure commonly used by investors. Operating EBITDA, Operating EBITDA (including annualized savings) and related leverage and coverage ratios are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. In addition, our Non-IFRS Measures may not be comparable to similarly titled measures used by other companies. Our Non-IFRS Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results of operations as reported under IFRS. For example, EBITDA-based measures:

- do not reflect our cash expenditures or future requirements for capital commitments;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- do not reflect any cash income and certain other taxes that we may be required to pay;
- are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations.

Because of these limitations, our Non-IFRS Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and using these Non-IFRS Measures only supplementally to evaluate our performance.

Presentation of Currency

The amounts set forth in this Prospectus in "€" refer to the single currency of the participating member states in the third stage of the EMU pursuant to the Treaty on the Functioning of the European Union. The amounts in "CNY" or "Renminbi" refer to the official currency of The People's Republic of China. The amounts in "CZK" refer to the legal currency of the Czech Republic. The amounts in "DKK" refer to the legal currency of Denmark. The amounts in "GBP" refer to the legal currency of the United Kingdom. The amounts in "PLN" refer to the legal currency of Poland. The amounts in "MYR" refer to the legal currency of Malaysia. The amounts in "NOK" refer to the legal currency of Norway. The amounts in "RUB" refer to the legal currency of the Russian Federation. The amounts in "ZAR" refer to the legal currency of South Africa. The amounts in "SEK" refer to the legal currency of Sweden. The amounts in "USD" refer to the legal currency of the United States. Fluctuations in the exchange rate between the € and the other currencies will affect the amounts received by owners of the Shares in such other currencies upon conversion of dividends, if any, paid in euro on the Shares.

Our principal functional currency is the €, and we prepare our financial statements in €.

The table below shows the mean rates of exchange as of the reporting date and the average exchange rates against the € for the dates, periods and currencies listed. Mean rates of exchange as of the reporting date are used by the Company for the conversion of foreign currency line items in the (unconsolidated) balance sheets of our Group's subsidiaries and the transfer of these line items to the Company's consolidated financial statements. Average exchange rates are used for the conversion of foreign currency line items in the (unconsolidated) statements of income of our Group's subsidiaries and the transfer of these line items to the Company's consolidated financial statements. However, the Company makes no representation that it could have, or can in the future, actually effect foreign currency transactions at the rates shown in the tables below.

	Average exchange rate for the three-month period ended March 31,	**Average exchange rate for the year ended December 31,**		
€1 converts into	**2014**	**2013**	**2012**	**2011**
GBP (United Kingdom)	0.8280	0.8493	0.8112	0.8680
MYR (Malaysia)	4.5190	4.1860	3.9692	4.2576
PLN (Poland)	4.1836	4.1956	4.1809	4.1207
ZAR (South Africa)	14.8846	12.8328	10.5532	10.0973
USD (United States)	1.3486	1.3285	1.2860	1.3926

Source: Bloomberg.

Presentation of Figures

All of the financial data presented in the Prospectus are shown in millions of euro (in € million), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. If the figures that are compared were rounded, the percentage changes are calculated on the basis of such rounded figures. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the main body of the Prospectus, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

THE OFFERING

Subject Matter of the Offering

The offering (the "**Offering**") consists of up to 23,013,201 ordinary shares in bearer form each with a par value (*valeur nominale*), of €0.01 and carrying the same dividend rights as the Existing Shares, comprising:

- up to 4,347,827 newly issued shares from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Company (the "**New Shares**");

- up to 15,714,286 existing shares (the "**Existing Offer Shares**" and together with the New Shares, the "**Base Shares**") from the holdings of the Selling Shareholder; and

- up to 2,951,088 existing shares from the holdings of the Selling Shareholder in connection with a possible over-allotment (the "**Over-Allotment Shares**" and together with the Base Shares, the "**Offer Shares**").

The Offer Shares carry the same rights as all other Shares in the Company and confer no additional rights or benefits. All Shares, including the Offer Shares, are subject to and governed by Luxembourg Law.

The Offering consists of a public offering of the Offer Shares in the Federal Republic of Germany and private placements of the Offer Shares in certain jurisdictions outside the Federal Republic of Germany. In the United States, the Offer Shares will be offered for sale to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Outside the United States, the Offer Shares will be offered in reliance on Regulation S under the Securities Act.

The capital increase to create the New Shares, which is expected to be approved by the extraordinary shareholders' meeting of the Company expected to be held on June 24, 2014 and would result in a capital increase of the Company's share capital of up to €43,478.27. Upon signing of the notarial deed recording the resolution of the extraordinary shareholder's meeting to increase the share capital and signing of the global share certificate representing the New Shares, the New Shares are issued. Assuming this capital increase is approved by the extraordinary shareholders meeting of the Company in the maximum amount, the share capital of the Company will amount to €393,478.27

The approval of this Prospectus by the Luxembourg Financial Sector Supervisory Authority (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**") relates only to the offers to the public in the Federal Republic of Germany and to the admission to trading of the Shares on the regulated market segment of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and not to the private placements in certain jurisdictions outside the Federal Republic of Germany.

The share capital of the Company represented by the Offer Shares including potential over-allotments will total €230,132.01, assuming all New Shares will be issued and placed. Thus, approximately 58.5% of the Company's Shares will be offered (approximately 51.0% without the Over-Allotment Shares), assuming all New Shares will be issued and placed together with all Existing Offer Shares.

The Company and the Selling Shareholder intend to sell up to 4,347,827 New Shares and 15,714,286 Existing Offer Shares in the Offering, respectively. In addition, the Selling Shareholder will make a certain number of Over-Allotment Shares available to J.P. Morgan as the stabilization manager ("**Stabilization Manager**"), acting for the account of the Underwriters, by way of a securities loan to cover potential over-allotments in connection with the Offering. The Selling Shareholder has granted an option to the Underwriters, exercisable starting from the date of commencement of trading of the Offer Shares on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) until 11:59 pm Central European Summer Time of the thirtieth day after the date of commencement of trading of the Offer Shares, to purchase up to 2,951,088 Over-Allotment Shares at the offer price (less agreed commissions) in connection with the Offering (see "—*Stabilization Measures, Over-Allotments and Greenshoe Option*"). Following completion of the Offering, and assuming full placement of the Offer Shares and full exercise of the Greenshoe Option (see "—*Stabilization Measures, Over-Allotments and Greenshoe Option*"), the portion of our share capital held by the Selling Shareholder will be at least 41.5 percent (see "*Information on the Selling Shareholder—Shareholder Structure (Before and After the Offering*").

The Company will receive the proceeds from the sale of the New Shares (after deduction of fees and commissions) and the Selling Shareholder will receive the consideration of the sale of the Existing Offer Shares and Over-Allotment Shares (after deduction of fees and commissions).

The Underwriters are BNP PARIBAS, J.P. Morgan and UBS acting as the Joint Global Coordinators and Joint Bookrunners and Berenberg and Goldman Sachs International acting as the Joint Bookrunners.

Price Range, Offer Period, Offer Price and Allotment

The price range set for the Offering of the Offer Shares (the "**Price Range**") within which purchase orders may be placed is €23.00 to €28.00 per Offer Share.

The offer period, during which investors may submit purchase orders for the Shares, is expected to commence on June 11, 2014 and is expected to end on June 24, 2014, at 12:00 noon CEST (Central European Summer Time) for private investors (natural persons) and at 2:00 pm CEST (Central European Summer Time) for institutional investors (the "**Offer Period**"). Private investors (natural persons) may submit purchase orders for the public offering during the Offer Period at the branch offices of the Underwriters, which must be expressed in full € amounts or increments of 25 eurocents. Multiple purchase orders are permitted. Retail investors can place purchase orders in Germany at the following branch offices of the Underwriters, i.e., UBS Deutschland AG with its offices at Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany and Joh. Berenberg, Gossler & Co. KG, Niederlassung Frankfurt with its offices at Bockenheimer Landstrasse 25, 60325 Frankfurt am Main, Germany.

The Company and the Selling Shareholder reserve the right, in agreement with the Joint Bookrunners, to reduce or increase the number of Offer Shares, to reduce or increase the upper/lower limits of the Price Range and/or to extend or curtail the Offer Period. If such change requires the publication of a supplement to this Prospectus, investors who submitted purchase orders before the supplement is published shall have the right, under the Luxembourg Prospectus Law, to withdraw these offers to purchase within two business days of the publication of the supplement. Instead of withdrawing the offers to purchase placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two business days of the publication of the supplement. To the extent that the terms of the Offering are changed, such change will be published by means of electronic media (such as Reuters or Bloomberg) and, if required by the German Securities Trading Act (*Wertpapierhandelsgesetz*) or the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as an ad hoc release via an electronic information system, on the Company's website and as a supplement to this Prospectus to be approved by the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and the Company's website. Investors who have submitted offers to purchase will not be notified individually. Under certain conditions the Underwriters may terminate the underwriting agreement between the Company, the Selling Shareholder and the Underwriters, dated June 10, 2014 (the "**Underwriting Agreement**") even after commencement of trading of the Company's Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see "*Underwriting—Termination/Indemnification*").

After the expiration of the Offer Period, the offer price and the final number of Over-Allotment Shares placed in the Offering will be set jointly by the Company, the Selling Shareholder and the Joint Bookrunners. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during the bookbuilding process. Price-setting is expected to occur on or about June 24, 2014. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. This method of setting the number of Shares that will be placed at the offer price is, in principle, aimed at maximizing proceeds. Consideration will also be given to whether the offer price and the number of Shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Company's Shares noted in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting Shares at a particular price, but also to the composition of the group of shareholders in the Company that would result at a given price, and expected investor behavior. For further information regarding allotment criteria, see "*—Allotment Criteria*." The Company and the Selling Shareholder will not specifically charge any expenses and taxes related to the Offering to investors.

After the offer price has been set, the Offer Shares will be allotted to investors on the basis of the offers to purchase then available. The offer price and the final number of Offer Shares placed in the Offering (that is, the result of the Offering) are expected to be published on or about June 24, 2014 by means of an announcement in various media distributed across the European Economic Area, the Company's website, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and filed with the CSSF, all in accordance with article 10 of the Luxembourg Prospectus Law, and an ad hoc release on an electronic information system in accordance with article 15 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). Investors who have placed orders to purchase Offer Shares with one of the Underwriters can obtain information from that Underwriter about the offer price and the number of Offer Shares allotted to them on the business day following the setting of the offer price. As commencement of trading (*Aufnahme des Handels*) of the Company's Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to occur on the business day following the setting of the offer price, investors may not have obtained information about the number of Offer Shares allotted to them at the time of commencement of trading. Book-entry delivery of the allotted Offer Shares against payment of the offer price (the "**Closing**") is expected to occur two German banking days following the first day of trading on the Frankfurt Stock Exchange, *i.e.*, on June 27, 2014 (the "**Closing Date**"). The Closing is conditional upon satisfaction of, among others, the following conditions on the Closing Date (i) the receipt by the Underwriters of customary officers' certificates, legal opinions and letters, and letters from the Company's auditors; (ii) the occurrence of no Material Adverse Event (as defined in the Underwriting Agreement); (iii) the pricing agreement having been entered into by the Company, the Selling Shareholder and the Underwriters; (iv) the receipt of documents evidencing the valid issuance and delivery of the New Shares and delivery of the Existing Shares; (v) the occurrence of no event requiring a supplement to the Prospectus on or prior to the Closing Date; (vi) the admission to trading of the Shares on the regulated market (regulierter Markt) of the Frankfurt

Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard), and the introduction to trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); (vii) the truth and correctness of all representations made by the Company and the Selling Shareholder in the Underwriting Agreement as of the Closing Date; and (viii) the Underwriting Agreement not having been terminated on or prior to the Closing Date (see "*Underwriting—Termination/Indemnification*").

Expected Timetable for the Offering

The following is the expected timetable of the Offering, which may be extended or shortened:

June 10, 2014	Approval of this Prospectus by the Luxembourg Financial Sector Supervisory Authority (*Commission de Surveillance du Secteur Financier*).
	Notification of the approved Prospectus to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
	Publication of the approved Prospectus on the Company's website (www.braas-monier.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).
June 11, 2014	Commencement of the Offer Period.
	Application for listing filed with the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
June 24, 2014	Listing approval issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
	Close of the Offer Period for private investors (natural persons) at 12:00 noon (Central European Summer Time) and for institutional investors at 2:00 pm (Central European Summer Time).
	Issuance of the New Shares; determination of the offer price and allotment; publication of the offer price and final number of Offer Shares placed as well as the final number of Shares admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) as an ad hoc announcement on an electronic information system, on the Company's website (www.braas-monier.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).
June 25, 2014	First day of trading.
June 27, 2014	Book-entry delivery of the Offer Shares against payment of the offer price (closing).

This Prospectus will be published on and can be downloaded from the Company's website at www.braas-monier.com and on the website of the Luxembourg Stock Exchange at www.bourse.lu after approval by the CSSF on June 10, 2014. In addition, free copies of the printed Prospectus will be available during regular business hours at the Company's offices at 5, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg, and at the following offices of the Underwriters: UBS Limited, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany and Joh. Berenberg, Gossler & Co. KG, Niederlassung Frankfurt, Bockenheimer Landstrasse 25, 60325 Frankfurt am Main, Germany.

Information on the Shares

Voting Rights

Each Share entitles the shareholder to one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights. All Shares, including the Shares held by the Selling Shareholder, carry the same voting rights.

Dividend and Liquidation Rights

All Shares carry the same dividend rights. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital.

Form and Certification of the Shares

The Articles of Association provide that shares of the Company may be in registered form or in bearer form, at the option of the shareholder.

Title to shares of the Company in bearer form is evidenced by one or more bearer share certificate(s). The Company's current share capital which is in the form of bearer shares is certificated by a global share certificate deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**"). Upon issuance, the New Shares will be certified by a global share certificate also to be deposited with Clearstream. The Articles of Association provide that as long the Existing Shares and the New Shares are deposited with a securities settlement system, they each may only be represented by a single share certificate.

Delivery and Settlement

The delivery of the Offer Shares against payment of the offer price is expected to take place on June 27, 2014. The Offer Shares will be made available to the shareholders as co-ownership interests in the global share certificates.

At the shareholder's option, the Offer Shares purchased in the Offering will be credited either to a securities deposit account maintained by a bank with Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Germany or to a securities account of a participant in Euroclear Bank S.A./N.V., 1, boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or to Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg for the account of such shareholder.

ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (ISIN)	LU 1075065190
German Securities Code (*Wertpapierkennnummer*, WKN)	BMSA01
Common Code	107506519
Ticker Symbol	BMSA

Transferability of the Shares; Lock-up

There are no restrictions on the transferability of the Shares in the Articles of Association. Except for the restrictions set forth in "*—Lock-up Agreement, Limitations on Disposal*" and "*Underwriting—Selling Restrictions*," there are no prohibitions on disposals or restrictions with respect to the transferability of the Company's Shares.

Selling Shareholder

Immediately prior to the Offering, Monier Holdings S.C.A., with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Company Register under number B 148539, holds 100% of the Company's outstanding share capital. For a discussion of the ownership structure of the Selling Shareholder, see "*Information on the Selling Shareholder—Shareholder Structure (Before and After the Offering)*."

Allotment Criteria

The allotment of Offer Shares to private investors and institutional investors will be decided after consultation with the Joint Bookrunners. The ultimate decision resides with the Company and the Selling Shareholder. In the case of institutional investors, allotments will be made on the basis of the quality of the individual investors, individual orders and other relevant allotment criteria, such as the investment horizon of the respective investors, to be determined after consultation with the Joint Bookrunners. In particular, the Company and the Selling Shareholder will also give consideration to allocate the Offer Shares in a manner that will likely allow for an orderly and liquid trading of the Offer Shares after completion of the Offering. The allocation to private investors will be conducted in accordance with article 12 of the "Principles for the Allotment of Share Issues to Private Investors" published by the Commission on Stock Exchange Experts (*Börsensachverständigenkommission*) which stipulates that allotment must take place pursuant to one of the following methods: (i) drawing lots; (ii) allotment according to order size; (iii) allotment by means of a specific quote; (iv) allotment by chronological order of receipt of order; and (v) selection according to other objective criteria. The Principles also provide for transparency as to the means by which allotments are determined on a post-allotment basis or, to the extent known, earlier. There is as yet no agreement as to the method of allotment to be used in the event of oversubscription. "Qualified investors" under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as well as "professional clients" and "suitable counterparties" under the German Securities Trading Act (*Wertpapierhandelsgesetz*) are not viewed as "private investors" within the meaning of the allocation rules. The Offer Period will commence on June 11, 2014 and is expected to end on June 24, 2014, (i) at 12:00 noon (Central Summer European Time) for retail investors and (ii) at 2:00 pm (Central European Summer Time) for institutional investors. No tranche of the Offer Shares is being reserved for any category of investors.

Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, J.P. Morgan, or persons acting on its behalf, will act as Stabilization Manager and may, acting in accordance with legal requirements (article 7 of the Luxembourg law of May 9, 2006 on market abuse, as amended (the "**Luxembourg Market Abuse Law**"), Section 20a of the German Securities Trading Act (*Wertpapierhandelsgesetz*) and in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make over-allotments and take stabilization measures to support the market price of the Offer Shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. No assurance can therefore be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date of commencement of trading of the Offer Shares on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after this date (the "**Stabilization Period**"). Even if stabilization measures are taken, it cannot be assured that these will be successful.

These measures may result in the market price of the Company's Shares being higher than it would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the Base Shares being offered, be allotted up to 2,951,088 Over-Allotment Shares as part of the allotment of the Offer Shares. In connection with a possible over-allotment, J.P. Morgan will be provided for the account of the Underwriters in the form of a securities loan with up to 2,951,088 Shares of the Selling Shareholder; this number of Shares will not exceed 15 percent of the number of Base Shares. In view of a potential over-allotment, the Selling Shareholder has also granted J.P. Morgan, acting as Stabilization Manager, the option, exercisable on the date of commencement of trading of the Offer Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) until 11:59 pm Central European Summer Time of the thirtieth day after the date of commencement of trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), to purchase up to 2,951,088 Over-Allotment Shares at the offer price (less agreed commissions) on behalf of the Underwriters (the "**Greenshoe Option**"). Under specific circumstances, the Stabilization Manager may resell Shares during the Stabilization Period that were previously purchased by way of stabilization measures (so-called refreshing the shoe). The Stabilization Manager is entitled to exercise the Greenshoe Option to the extent over-allotments of shares were initially made; the amount of shares is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the entire European Economic Area containing the following information: (1) whether Stabilization Measures were actually implemented, (2) the date on which a Stabilization Measure was commenced, (3) the date the last Stabilization Measure was taken, and (4) the Price Range within which Stabilization Measure were implemented. This information will be provided with respect to each date on which a Stabilization Measure was taken.

Lock-up Agreement, Limitations on Disposal

The Company has undertaken, in the Underwriting Agreement among the Company, the Selling Shareholder, and the Underwriters, dated June 10, 2014 vis-à-vis the Underwriters that it will not, without the prior written consent of the Joint Global Coordinators (which consent shall not unreasonably be withheld), during a period ending six months after June 27, 2014:

a) announce or effect an increase of the share capital of the Company out of authorized capital;

b) submit a proposal for a capital increase to any meeting of the shareholders for resolution;

c) announce, effect or submit a proposal for the issuance of any securities convertible into shares of the Company, with option rights for shares of the Company;

d) offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital; or

e) enter into a transaction or perform any action economically similar to those described in a) through d) above (including derivative transactions or other transactions financially equivalent to the above mentioned transactions, and whether such transactions are settled by delivery of shares of the Company or in cash or otherwise);

(the **"Company Lock-up"**).

The Company Lock-up shall not apply to the issuance or sale of any Shares or other securities (including without limitations, options over shares) to directors, officers, employees and/or members of the executive bodies of the Group pursuant to any incentive and/or investment schemes as disclosed in this Prospectus and the Shares to be sold in the Offering. If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015. (see "*Description of the Governing Bodies of the Braas Monier Building Group S.A.—Compensation of the Board of Directors and Senior Management—New Long-Term Incentive Program*").

The Selling Shareholder has undertaken, in the Underwriting Agreement, vis-à-vis the Underwriters that it will not, without the prior written consent of the Joint Global Coordinators, during a period ending six months after the Closing Date:

a) offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of the Company held by it or any of its subsidiaries (other than the Company and its subsidiaries) (such shares held by the Selling Shareholder or its affiliates, the Lock-up Shares);

b) enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of Lock-up Shares, whether any such transaction described in clause (a) above or this clause (b) is to be settled by delivery of Lock-up Shares or such other securities, in cash or otherwise;

c) make any demand for or exercise any right with respect to, the registration under U.S. securities laws of any shares of the Company or any security convertible into or exercisable or exchangeable for such shares;

d) propose an increase in the share capital of the Company (including by requesting the board of directors to convene a general shareholders' meeting or otherwise), vote in favor of any proposed increase of the share capital or otherwise make, support or vote in favor of any proposal for the issuance of any securities convertible into shares of the Company or with option rights for shares of the Company; or

e) enter into a transaction or perform any action economically similar to those described in sub-clauses (a) through (d) above (including derivative transactions or other transactions financially equivalent to the above mentioned transactions, and whether such transactions are settled by delivery of shares of the Company or such other securities, in cash or otherwise).

The foregoing lock-up restrictions under (a) through (d) do not apply to:

(i) the issuance or sale of any Lock-up Shares or other securities (including, without limitation, options over Shares) to directors, officers, employees and/or members of executive bodies of the Group pursuant to incentive and/or investment schemes as disclosed in this Prospectus;

(ii) disposals of Lock-up Shares within the framework of a public take-over bid or public purchase offer made by a third party; and

(iii) transfers from the Selling Shareholder to any other affiliate which is controlled by the Selling Shareholder, provided that the transferee assumes towards the Underwriters the obligation to comply with the restrictions contained above under (a) through (e).

All shares of the Company acquired by the EMEP Investors after the closing of the Offering from the Selling Shareholder are subject to lock-up agreements. The lock-up period for management members is staggered, *i.e.*, during a period from 6 to 36 months for the CEO and CFO and 6 to 24 months for other managers and independent directors the lock-up for such shares expires in several steps (the " **Management Lock-up**"). If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015. (see "*Description of the Governing Bodies of the Braas Monier Building Group S.A.—Existing Management Equity Program.*").

Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Company expects to apply for admission of its Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on June 11, 2014. The listing approval is expected to be announced on June 24, 2014. Trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is currently expected to commence on June 25, 2014.

The lead underwriters for an issue often make purchase offers at the time of first trading in order to support the development of the initial share price. Such purchase offers, when made, may lead to the development of a higher initial share price than would have been the case in the absence of such measures.

Designated Sponsors

J.P. Morgan has agreed to assume the function of a designated sponsor of the Company's Shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for a period of at least two years, and J.P. Morgan is entitled to designate an appropriately admitted third party to perform its functions. Pursuant to the designated sponsor agreement expected to be concluded between J.P. Morgan and the Company, J.P. Morgan will, among other things, place limited buy and sell orders for the Company's Shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Shares.

Interests of Parties Participating in the Offering

The Underwriters have an interest in the Offering as each has entered into a contractual relationship with us and the Selling Shareholder in connection with the structuring and execution of the Offering. The compensation is incentive-based and depends, among other factors, on the amount of the offer proceeds. In addition, J.P. Morgan has been appointed to act as designated sponsor for the Shares and BNP Paribas Securities Services Frankfurt Banch as paying agent.

Some of the Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. Some of the Underwriters and or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to us and/or the Group in the ordinary course of business for which they have received or may receive customary fees and commissions.

In connection with the Offering, the Underwriters and affiliated companies will be able to acquire Offer Shares for their own accounts and hold, purchase or sell for their own accounts and can also offer or sell these Offer Shares outside of the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

BNP PARIBAS, J.P. Morgan and Goldman Sachs International, each of whom is an Underwriter or affiliate of the Underwriters, were also underwriters of the €315 million senior secured floating rate notes due 2020 (the "**Notes**") issued by BMBG Bond Finance S.C.A., a subsidiary of the Company, on April 17, 2014. BNP PARIBAS, J.P. Morgan and Goldman Sachs International, each of whom is an Underwriter or affiliate of the Underwriters, were mandated lead arrangers of the senior facilities agreement between, *inter alia*, the Company, Braas Monier Building Group Holding S.à r.l., and Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited (the "**Facilities Agreement**"), dated April 9, 2014, consisting of a Term Loan Facility in an amount of €250 million, and a revolving credit facility (the "**Revolving Credit Facility**") in an amount of €100 million.

BNP PARIBAS itself or through its affiliates Gillespie CLO plc, Leveraged Finance Europe Capital I, Leveraged Finance Europe Capital II, Leveraged Finance Europe Capital III, Leveraged Finance Europe Capital IV, Leveraged Finance Europe Capital V, BNP Paribas Milan branch and Goldman Sachs International through its affiliate ELQ Investors II, Limited, each of whom is an Underwriter or affiliate of the Underwriters, are Securityholders (as defined under "*Information on the Selling Shareholder—Shareholder Structure (Before and After the Offering)*") under the Refinanced Credit Facilities Agreement (as defined under "*Information on the Selling Shareholder—Background on the Shareholder Structure—2009 Restructuring*") and hold therefore among other security shares in the Selling Shareholder and instruments of the PIK/Equity Strips. The Selling Shareholder plans to distribute most of the proceeds from the Offering to the Securityholders in accordance with the respective provisions of the Securityholders' Agreement relating to the PIK/Equity Strips. See "*Information on the Selling Shareholder*."

Pepyn Dinandt (CEO), Matthew Russell (CFO), certain other managers of the Group as well as the independent directors Jean-Pierre Clavel, Werner Paschke and Pierre-Marie De Leener (together the "**EMEP Investors**") indirectly hold shares and other equity-related instruments of the Selling Shareholder under a management equity program (the "**Existing Management Equity Program**" or "**EMEP**;" all investments in the EMEP (the "**EMEP Investments**"). The Existing

Management Equity Program will be dissolved in connection with the Offering, and the vested part of the respective EMEP Investments of each EMEP Investor will be bought back at a price which is directly linked to the offer price of this Offering. The EMEP Investors have to re-invest all or a certain percentage of their after-tax proceeds from the buy-back of their vested EMEP Investments in Shares of the Company. The EMEP Investors will acquire these Shares of the Company after closing of the Offering at the offer price from the Selling Shareholder. All Shares of the Company acquired by the EMEP Investors after the closing of the Offering of these Shares of the Company are subject to lock-up agreements. The lock-up period for management members is staggered, *i.e.* during a period from 6 to 36 months for the CEO and CFO and 6 to 24 months for other managers and independent directors the lock-up for such shares expires in several steps. In addition, the Management Lock-up applies. If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015. For more information on the EMEP, see "*Description of the Governing Bodies of Braas Monier Building Group S.A.—Existing Management Equity Program*."

The Selling Shareholder will receive the proceeds of the Existing Offer Shares and Over-Allotment Shares sold in the Offering. Assuming full placement of all Existing Offer Shares and Over-Allotment Shares at the mid-point of the Price Range and full exercise of the Greenshoe Option, and after deducting fees and expenses to be paid by the Selling Shareholder in connection with the Offering, the proceeds to the Selling Shareholder from the Offering would amount to approximately €456.6 million or 84.1% of the total net offer proceeds (see "*Proceeds of the Offering and Costs of the Offering and Listing*"). The Selling Shareholder will, in turn, use the proceeds to (i) settle certain costs in connection with the Offering, including earn-out payments due to PAI Partners (the former owners of the Group), and (ii) repay or redeem instruments of the PIK/ Equity Strips.

Additional Information Regarding the Underwriters and this Prospectus

No representation or warranty, express or implied, is made by the Underwriters as to the accuracy, completeness or verification of the information set forth in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Underwriters assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement. The Underwriters are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective client in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as of any date subsequent to the date hereof.

In making an investment decision, each investor must rely on his or her own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

None of the Company, the Selling Shareholder or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

The investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision and (ii) they have relied only on the information contained in this document, and that no person has been authorized to give any information or to make any representation concerning the Company or its subsidiaries or the Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company, the Selling Shareholder or the Underwriters.

PROCEEDS OF THE OFFERING AND COSTS OF THE OFFERING AND LISTING

The Company will receive only the proceeds of the Offering resulting from the sale of New Shares. The Company will not receive any proceeds from the sale of Existing Offer Shares and Over-Allotment Shares from the holdings of the Selling Shareholder.

Assuming that the maximum number of New Shares (4,347,827 New Shares) is placed, the Company would receive gross proceeds of €100 million. The Company targets gross proceeds of €100 million and would reduce the number of New Shares if the final offer price would exceed the low end of the Price Range. Accordingly, the number of New Shares would amount to up to 4,347,827 New Shares at the low end, up to 3,921,569 New Shares at the mid-point and up to 3,571,429 New Shares at the high end of the Price Range.

The Company calculates that at the low end, mid-point and high end of the Price Range, gross proceeds to the Selling Shareholder (assuming placement of the maximum number of Existing Offer Shares and assuming full exercise of the Greenshoe Option, *i.e.*, in total 18,665,374 Existing Offer Shares) would amount to approximately €420.4 million at the low end, €470.7 million at the mid-point and €521.0 million at the high end, respectively, and estimated net proceeds of approximately €407.8 million at the low end, €456.6 million at the mid-point and €505.4 million at the high end, respectively.

The costs of the Company related to the Offering of the Offer Shares and listing of the Company's entire share capital are expected to total approximately €10.5 million (excluding underwriting and placement commissions payable to the Underwriters).

Assuming an offer price at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares is placed (and the Greenshoe Option has been fully exercised) and assuming further payment in full of the discretionary fee of up to €6.5 million at the low end, €7.1 million at the mid-point and €7.8 million at the high end of the Price Range, respectively, the commission payable to the Underwriters will amount to €15.6 million at the low end, €17.1 million at the mid-point and €18.6 million at the high end, respectively. Of these amounts, €3.0 million are attributable to the placement of the New Shares and will be borne by the Company; the remaining €12.6 million, €14.1 million and €15.6 million, respectively, are attributable to the placement of the Existing Offer Shares and Over-Allotment Shares and will directly be borne by the Selling Shareholder.

Investors will not be charged expenses by the Company, the Selling Shareholder or the Underwriters.

REASONS FOR THE OFFERING AND LISTING AND USE OF PROCEEDS

The Company intends to list its Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (*Prime Standard*) to get better access to the capital markets and intends to place the New Shares to further improve its capital structure. The Company intends to use its portion of the net proceeds from the Offering (after payment of underwriting fees and commissions in the amount of approximately €3.0 million) to defray offering-related expenses in the amount of approximately €10.5 million, to pay amounts outstanding under its Revolving Credit Facility, currently in the amount of €40.0 million, and to use the remainder for general corporate purposes.

The Selling Shareholder will offer the Existing Offer Shares to partially divest its stake in the Company and plans to use the proceeds from the Offering to (i) settle certain costs in connection with the Offering, including earn-out payments due to PAI Partners (the former owners of the Group), in an aggregate estimated amount of up to €40 million and (ii) repay or redeem instruments of the PIK/Equity Strips. A portion of the Existing Shares being offered and sold by the Selling Shareholder (amounting to approximately 15,326,087, 15,539,216 and 15,714,286 Existing Shares at the low end, mid-point and high end of the Price Range, respectively) are economically attributable to an Existing Management Equity Program (as defined under "*Description of the Governing Bodies of Braas Monier Building Group—Existing Management Equity Program*). The proceeds from the sale of such Existing Shares will be lent by the Selling Shareholder to the parent undertaking of the Existing Management Equity Program for the purposes of financing the repurchase of Existing Management Equity Program investments from the participants in that program, as a result of which a total of €19.1 million, €21.3 million or €23.4 million of the proceeds from the Offering, respectively, at the low end, mid-point and high end of the Price Range are expected to flow indirectly to participants in the Existing Management Equity Program, including the CEO and the CFO. The proceeds of the Offering attributable to the Securityholders will be distributed through the repayment or redemption of instruments of the PIK/Equity Strips (including any successor or replacement instruments) in accordance with the provisions of the Securityholders' Agreement applicable to the PIK/Equity Strips. For more information on the Selling Shareholder, see "*Information on the Selling Shareholder—Shareholder Structure (Before and After the Offering)*."

DIVIDEND POLICY, RESULTS AND DIVIDENDS PER SHARE

General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' entitlement to profits is determined based on their respective interests in the Company's share capital. In a Luxembourg public limited liability company (*société anonyme*), resolutions concerning the distribution of dividends for a given fiscal year, and the amount and payment date thereof, are in principle adopted by the general shareholders' meeting.

Dividends may only be distributed from the Company's distributable profits. Subject to the conditions provided for by Luxembourg Company Law, the amount of distributable profits is equivalent to the amount of the profits at the end of the last fiscal year plus any profits carried forward and any amounts drawn from reserves or share premium which are available for that purpose, minus any losses carried forward and sums to be placed in reserves in accordance with the law or the Articles of Association.

As of March 31, 2014 the distributable capital reserve on the unconsolidated balance sheet of the Company (the "**Distributable Capital Reserve**") amounted to €0.0 million. On June 6, 2014, following the capital increase against the cancellation of certain profit participating loans issued by the Company to the Selling Shareholder ("**Company PPLs**") the Company PPLs in an amount of €411.1 million (see "*Description of Share Capital of Braas Monier Building Group S.A. and Applicable Regulations—Development of the Share Capital since the Company's Foundation*"), the difference between the amount of the cancelled Company PPLs and the issue price of the Company shares was allocated to the Distributable Capital Reserve. Accordingly, as of June 6, 2014, the Distributable Capital Reserve amounted to €410.7 million. Any dividend distribution from the Distributable Capital Reserve is subject to the availability of distributable cash on the unconsolidated balance sheet of the Company.

In accordance with the Luxembourg Company Law and the Articles of Association, the Company must allocate at least five percent of any net profit to a legal reserve account. Such contribution ceases to be compulsory as soon as and as long as the legal reserve reaches ten percent of the Company's subscribed capital but shall again be compulsory if the legal reserve falls below such ten percent threshold. The legal reserve of the Company amounted to €1,250 as of March 31, 2014.

In accordance with the Luxembourg Company Law and Articles of Association, the remainder of any net profit is at the disposal of the general shareholders' meeting to be allocated as appropriate to a reserve, a provision fund, to be carried forward and/or to be distributed equally between all the shares, as the case may be, together with profits carried forward, distributable reserves and share premium. Subject to the conditions provided for by Luxembourg Company Law, the Articles of Association also authorize the board of directors of the Company (the "**Board of Directors**") to make interim payments on accounts of dividends for a particular fiscal year to be deducted from profits or the available reserves. The Board of Directors must determine the amount and the date of payment of any such interim payments.

Luxembourg Company Law provides that claims for dividends lapse in favor of the Company five years after the date on which such dividends were declared.

Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company in each case will be published on the website of the Company.

Dividend Policy and Earnings per Share

Our ability and intention to pay dividends in the future will depend on our financial condition, results of operations, capital requirements, investment alternatives and other factors that the Board of Directors may deem relevant. We expect that the principal source of funds for the payment of dividends, if any, will be dividends and other payments received from our current and future subsidiaries. The determination of each subsidiary's ability to pay dividends is made in accordance with applicable law.

As a legal matter, the Offer Shares bear full dividend entitlement. The Facility Agreement provides for mandatory prepayment obligations and restrictions on dividend payments. The Facility Agreement requires the making of mandatory prepayments from excess cash flow for any calendar year (defined as consolidated cash flow for such calendar year minus debt service, mandatory prepayments, pending capital expenditures, pending tax amounts and other defined cash items) as follows:

- if the Leverage Ratio[(1)] as of the end of the preceding quarter is above 2.75, 50% of the excess cash flow for the relevant year;

[(1)] "**Leverage Ratio**" is (simplified) the ratio of the Consolidated Total Net Debt to the (previous four-quarter) Consolidated Pro Forma EBITDA where (i) "**Consolidated Total Net Debt**" means principal amount of all financial indebtedness of the defined group companies (excluding, inter alia, hedging indebtedness, pension obligations, indebtedness from operating leases, subordinated shareholder loans, contingent liabilities under guarantees and indemnities) less the aggregate amount of cash and cash equivalents held by these group companies, and (ii) "**Consolidated Pro Forma EBITDA**" means the profits of these group companies (adjusted for acquisitions and disposals, without profits and losses among group companies and also excluding certain non-recurring items) before interest, tax, depreciation, amortization and impairment costs.

- if Leverage Ratio as of the end of the preceding quarter is above 2.25 but at or below 2.75, 25% of the excess cash flow for the relevant year.

If the Leverage Ratio as of the end of the preceding quarter is above 3.25, the Facility Agreement provides that the Company may not pay dividends for the relevant year at all. In addition, if the Leverage Ratio as of the end of the preceding quarter is above 2.5 but at or below 3.25, the Company may pay dividends solely from retained excess cash for the relevant year (that is, retained excess cash that is not required to be used for mandatory prepayments). A mandatory prepayment also has to be made from the net IPO proceeds, if applicable, pursuant to the Facilities Agreement if the Leverage Ratio is above 3.25.

Corresponding dividend restrictions exist under the Notes; these restrictions apply if the Leverage Ratio (defined accordingly on a consolidated basis for the Company and certain subsidiaries) would exceed 3.0 after such dividend payment.

The Company intends to pay dividends in the future, targeting a dividend ratio between 25% and 50% of the consolidated net profit, only when and in respect of fiscal years in which both (i) the reported leverage ratio as of December 31 of such year and (ii) the expected leverage ratio as of December 31 of the year of the dividend payment, is less than 2.0x. Based on current expectations, the Company believes that fiscal year 2016 is the first year in respect of which dividends may be paid under this test. As our ability to pay dividends depends on the availability of distributable amounts on the level of the unconsolidated balance sheet of the Company, there is no guarantee that this dividend ratio will in fact result in the payment of a certain amount of dividends or any dividend payment at all. Losses attributable to the Company's shareholders amounted to €70.9 million, €212.2 million and €33.7 million for the fiscal years ended December 31, 2013, December 31, 2012 and December 31, 2011, respectively, and the Company has not paid any dividends for the fiscal years ended December 31, 2013, December 31, 2012 and December 31, 2011. The Company does not intend to pay a dividend for the years 2014 and 2015.

The table below shows (i) the total profit (loss) and the profit (loss) per Share attributable to the Company's shareholders on a consolidated basis in accordance with IFRS, (ii) the total profit (loss) and the profit (loss) per Share attributable to the Company's shareholders on an unconsolidated basis in accordance with local GAAP for the fiscal year ended December 31, 2013. The per share figures are calculated assuming that all of the 35,000,000 Existing Shares, the number of shares issued and outstanding as of the date of the Prospectus but prior to the issuance of the New Shares, were issued and outstanding during the entire relevant fiscal year. Past earnings are not an indication of future earnings.

	Total as of December 31,		
	2011	**2012**	**2013**
Profit (loss) and the profit (loss) per Share attributable to the Company's shareholders on a consolidated basis in accordance with IFRS (*in € million, audited*)[(1)]	(33.7)	(212.2)	(70.9)
per share (in €, unaudited)	*(0.96)*	*(6.06)*	*(2.02)*
Profit (loss) and the profit (loss) per Share attributable to the Company's shareholders on an unconsolidated basis in accordance with local GAAP (*in € million, audited*)	(0.0)	(0.0)	(0.0)
per share (in €, unaudited)	*(0.0)*	*(0.0)*	*(0.0)*

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth the consolidated capitalization and indebtedness of the Group as of March 31, 2014, (i) on a historical basis as of March 31, 2014, and (ii) as adjusted to reflect the closing of the Company's refinancing for which the Company used the proceeds of the Notes issued on April 17, 2014 by BMBG Bond Finance S.C.A. and guaranteed by the Company, borrowings available to the Company under its term loan in an amount of €250 million (the "**Term Loan Facility**") and a drawing under its Revolving Credit Facility in the amount of €30 million both established under its Facilities Agreement, dated April 9, 2014, and cash on balance sheet in an amount of €92.1 million, to repay (a) the facilities under the Refinanced Credit Facilities Agreement (the "**Refinanced Credit Facilities**") in an amount of approximately €666.8 million in full, and (b) associated transaction costs in an amount of €20.3 million (the "**Refinancing 2014**"), and (iii) as adjusted to reflect completion of the Offering at the mid-point of the Price Range and applications of the Offering proceeds as described in "*Reasons for the Offering and Listing and Use of Proceeds*."

Investors should read these tables in conjunction with "*Selected Consolidated Financial Information and Company Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated interim financial statements as of and for the three-month period ended March 31, 2014, including the notes thereto, which are included in this Prospectus, beginning on page F-1.

Capitalization

	As of March 31, 2014	As adjusted to reflect the closing of the Refinancing	As adjusted for the completion of the Offering
	(in € million) (unaudited)	(in € million) (unaudited)	(in € million) (unaudited)
Total Current debt(1)	25.5	43.6(2)	13.6
of which guaranteed	—	30.0(3)	—
of which secured	—	30.0(3)	—
of which unguaranteed/unsecured	*25.5*	*13.6(4)*	*13.6*
Total Non-current debt(5)	655.9(6)	565.8(7)	565.8(7)
of which guaranteed	*655.9(6)*	*565.8(7)*	*565.8(7)*
of which secured	*655.9(6)*	*565.8(7)*	*565.8(7)*
of which unguaranteed/unsecured	—	—	—
Shareholders' equity(8)	0.0	7.9	94.4
Share capital(9)	302.0	302.0	388.5(10)
Legal Reserve(11)	0.0	0.0	0.0
Other reserves(12)	(302.0)	(294.1)(13)	(294.1)(13)
Total capitalization	**681.4**	**617.4**	**673.9**

(1) Referred to as "total current debt" in the ESMA update of the CESR recommendations of March 20, 2013, ESMA/2013/319 (the "**ESMA Update**").

(2) Includes a €30.0 million drawing under the Revolving Credit Facility. Does not include a subsequent €10 million drawing under the Revolving Credit Facility because it was not part of the Refinancing.

(3) Represents our obligations under the Revolving Credit Facility that are guaranteed by certain of our subsidiaries and secured by all material assets of the Company and these subsidiaries.

(4) Reduction mainly due to the repayment of accrued interest and bank fees in conjunction with the refinancing.

(5) Referred to as "total non-current debt (excluding current portion of long-term debt)" in the ESMA Update.

(6) Represents our obligations under the Refinanced Credit Facilities that are guaranteed by substantially all of our subsidiaries and secured by all material assets of the Company and these subsidiaries.

(7) Represents senior secured floating rate notes due 2020 in an aggregate principal amount of €315 million, issued by our subsidiary BMBG Bond Finance S.C.A. and guaranteed by us and certain other entities of the Group, as well as the Term Loan in the amount of €250 million guaranteed by certain of our subsidiaries. The payment obligations under the Notes and Term Loan are also secured by all material assets of the relevant debtors and guarantors.

(8) Referred to as "shareholder's equity" in the ESMA Update.

(9) Referred to as "share capital" in the ESMA Update and includes subscribed capital and additional paid-in capital.

(10) Assumes proceeds of the Offering to be received by the Company of €100.0 million, cost of the Company related to the Offering and listing of the Company's entire share capital of €10.5 million and the payment of underwriting and placement commissions, including the discretionary part, in full in the amount of €3.0 million.

(11) Referred to as "legal reserve" in the ESMA Update.

(12) Other reserves include retained earnings, a foreign currency translation reserve and non-controlling interests.

(13) Increase due to the elimination of the interest-rate floor liability, net of taxes.

Indebtedness

	As of March 31, 2014	As adjusted to reflect the closing of the Refinancing	As adjusted for the completion of the Offering
	(in € million) (unaudited)	**(in € million) (unaudited)**	**(in € million) (unaudited)**
A. Cash	1.7	2.6	2.6
B. Cash equivalent (Bank balances)	141.3	48.2	104.7[(1)]
C. Trading securities	—	—	—
D. Liquidity (A)+(B)+(C)	**143.0**	**50.8**	**107.3**
E. Current financial receivables	**10.4**	**10.4**	**10.4**
F. Current bank debt	3.5	33.5[(2)]	3.5
G. Current portion of non-current debt[(3)]	11.6	0.0	0.0
H. Other current financial debt[(4)]	10.5	10.1	10.1
I. Current financial debt (F)+(G)+(H)	**25.5**	**43.6**	**13.6**
J. Net current financial indebtedness (I)-(E)-(D)	**(127.9)**	**(17.6)**	**(104.1)**
K. Non-current Bank loans	655.0	250.0	250.0
L. Bonds Issued	0.0	315.0	315.0
M. Other non-current loans[(5)]	0.8	0.8	0.8
N. Non-current financial indebtedness (K)+(L)+(M)	**655.9**	**565.8**	**565.8**
O. Net financial indebtedness (J)+(N)	**528.0**	**548.3**	**461.8**

(1) Assumes proceeds of the Offering to be received by the Company of €100.0 million, cost of the Company related to the Offering and listing of the Company's entire share capital of €10.5 million, the payment of underwriting and placement commissions, including the discretionary part, in full in the amount of €3.0 million and the repayment of the drawing under the Revolving Credit Facility in the amount of €30.0 million.

(2) Includes a €30.0 million drawing under the Revolving Credit Facility. Does not include a subsequent €10 million drawing under the Revolving Credit Facility because it was not part of the Refinancing.

(3) Represents accrued but unpaid interest, which was repaid in conjunction with the refinancing. In addition, accrued bank fees of €0.4 million were paid in conjunction with the refinancing.

(4) Represents liabilities to parent company of €7.7 million, short-term portion of financial leases and other short-term financial debt.

(5) Represents long-term portion of financial leases.

As of March 31, 2014, the Group's obligations from future lease payments for assets leased under operating leases amounted to €70.8 million as of March 31, 2014.

Statement on Working Capital

The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next 12 months from the date of this Prospectus.

DILUTION

Total equity attributable to shareholders of the Company amounted to negative €2.4 million as of March 31, 2014, and would amount to negative €0.07 per Share based on 35,000,000 outstanding Shares of the Company immediately before the Offering.

The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the offer price at the low end, mid-point and high end of the Price Range exceeds the total equity attributable to shareholders per Share after completion of the Offering. In this respect, the total equity attributable to shareholders is adjusted for the effects of the Offering, assuming (i) the execution of the capital increase in the maximum number of offered New Shares and (ii) an increase in the total equity attributable to shareholders of €86.5 million. The Company targets gross proceeds of €100 million from the issuance of New Shares and will adjust the number of shares to be issued depending on the final offer price. Accordingly, at the low end, mid-point and high end of the Price Range up to 4,347,827 New Shares, up to 3,921,569 New Shares and up to 3,571,429 New Shares, respectively, will be issued. The assumed increase is based on the expected net proceeds. The adjusted total equity attributable to shareholders is expressed as a per Share figure, assuming 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range upon completion of the Offering.

	Low End	Mid-Point	High End
Price per Share (in €)	23.00	25.50	28.00
Total equity attributable to shareholders per Share as of March 31, 2014 (based on 35,000,000 outstanding Shares of the Company before the offering) (in €)	(0.07)	(0.07)	(0.07)
Total equity attributable to shareholders per Share as of March 31, 2014 (based on 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range after completion of the offering assuming execution of the capital increase in the maximum number of offered New Shares) (in €)	2.14	2.16	2.18
Amount by which the price per Share exceeds the total equity attributable to the shareholders per Share (immediate dilution per Share, based on 39,347,827, 38,921,569 and 38,571,429 outstanding Shares of the Company at the low end, mid-point and high end of the Price Range after completion of the Offering assuming execution of the capital increase in the maximum number of offered New Shares) (in €)	20.86	23.34	25.82
Immediate dilution (in %)	90.7	91.5	92.2

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND COMPANY INFORMATION

*KPMG Luxembourg (“**KPMG**”) has audited and issued an unqualified auditor’s report with respect to the consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, and the unconsolidated financial statements for the year ended December 31, 2013. The aforementioned financial statements of the Company and reports are included in this Prospectus beginning on page F-1. Some of the performance indicators and ratios reproduced below were taken from the Company’s accounting records.*

Where financial data in the following tables is labeled “audited,” this means that it has been taken from the audited financial statements mentioned above. The label “unaudited” is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above but was taken either from the Group’s unaudited condensed consolidated interim financial statements or the Group’s accounting or controlling records, or is based on calculations of these figures. All of the financial data presented in the Prospectus are shown in millions of euro (in € million), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. If the figures that are compared were rounded, the percentage changes are calculated on the basis of such rounded figures. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the main body of the Prospectus, a dash (“—”) signifies that the relevant figure is not available or of no economic value, while a zero (“0”) signifies that the relevant figure is available but has been rounded to zero.

The following selected financial information should be read together with the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the consolidated financial statements including the related notes contained in this Prospectus and additional financial information contained elsewhere in this Prospectus.

Selected Financial Data Prepared in Accordance with IFRS

Selected Consolidated Income Statement Data

	For the three-month period ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(in € million) (unaudited)		(in € million) (audited)		
Revenues	**215.7**	**250.0**	**1,392.1**	**1,314.9**	**1,228.2**
Cost of sales	(177.0)	(189.7)	(1,042.5)	(1,000.9)	(905.7)
Gross profit	**38.7**	**60.4**	**349.6**	**314.0**	**322.5**
Selling expenses	(41.9)	(39.3)	(184.8)	(178.6)	(159.2)
Administrative expenses	(25.6)	(25.0)	(119.2)	(113.6)	(97.0)
Other operating income, net	0.4	0.1	17.6	4.5	(1.2)
Restructuring expenses	(8.9)	—	(15.7)	(73.4)	(72.4)
Impairments	—	—	(8.3)	(124.9)	(9.6)
Reversal of impairments	—	—	—	0.8	23.3
Result from associates	0.4	0.2	1.5	1.6	(0.1)
Earnings before interest and taxes	**(36.8)**	**(3.7)**	**40.7**	**(169.7)**	**6.3**
Finance costs, net	(6.1)	(18.6)	(69.5)	(66.1)	(84.7)
Earnings before taxes	**(42.9)**	**(22.2)**	**(28.8)**	**(235.7)**	**(78.3)**
Income taxes	5.2	6.6	(6.2)	22.0	9.3
Profit (loss) for the period	**(37.7)**	**(15.6)**	**(35.1)**	**(213.7)**	**(69.0)**
Attributable to equity holders of the parent company	(37.4)	(15.5)	(33.7)	(212.2)	(70.9)
Attributable to non-controlling interests	(0.3)	(0.1)	(1.3)	(1.5)	1.9

(1) As restated in the Group’s interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*” and Note 3 to the Group’s interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group’s audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group’s accounting for joint ventures upon its adoption of IFRS 11 in 2014. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*” and Note 3 to the Group’s interim consolidated financial statements as of and for the three months ended March 31, 2014.

Selected Consolidated Balance Sheet Data

	As of March 31, 2014	As of December 31, 2011(1)	2012(1)	2013(1)
	(in € million) (unaudited)	(in € million) (audited)		
Total non-current assets	**933.2**	**1,213.5**	**1,010.0**	**942.7**
Of which property plant and equipment	*611.6*	*834.5*	*680.1*	*637.3*
Of which other intangible assets	*239.0*	*263.6*	*250.9*	*241.9*
Total current assets	**530.3**	**659.8**	**668.8**	**553.0**
Of which inventories	*221.1*	*237.5*	*222.6*	*196.7*
Of which cash and cash equivalents	*143.0*	*233.2*	*275.0*	*208.3*
Of which trade accounts receivables	*123.3*	*155.9*	*133.6*	*103.0*
Total assets	**1,463.5**	**1,873.3**	**1,678.8**	**1,495.7**
Total equity	**0.0**	**340.2**	**90.9**	**16.2**
Total non-current liabilities(2)	**1,135.0**	**1,176.8**	**1,204.2**	**1,137.5**
Of which long term liabilities to banks(2)	*655.0*	*677.1*	*690.5*	*654.8*
Total current liabilities	**328.5**	**356.3**	**383.7**	**342.0**
Total equity and liabilities	**1,463.5**	**1,873.3**	**1,678.8**	**1,495.7**

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) Subsequent to March 31, 2014, the Group has refinanced a substantial amount of its indebtedness. See "*Capitalization and Indebtedness; Statement on Working Capital.*"

Selected Consolidated Cash Flow Statement Data

	For the three-month period ended March 31, 2013(1)	2014	For the year ended December 31, 2011(2)	2012(2)	2013(2)
	(in € million) (unaudited)		(in € million) (audited)		
Net cash from (used in) operating activities	(104.6)	(58.4)	98.9	76.6	25.8
Net cash from (used in) investing activities	(7.2)	(5.9)	(92.7)	(32.4)	(30.1)
Net cash from (used in) from financing activities	(4.4)	0.1	(29.2)	(2.9)	(59.5)
Cash and cash equivalents at the beginning of the period	273.5	207.5	255.8	233.2	275.0
Effect of exchange rate fluctuations on cash and cash equivalents	(0.8)	(0.2)	0.4	0.6	(3.0)
Cash and cash equivalents at the end of the period	**156.5**	**143.0**	**233.2**	**275.0**	**208.3**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

ADDITIONAL KEY FIGURES

Our management uses a number of key financial and non-financial performance indicators to track the performance of our business and to guide management. We use these indicators in addition to our IFRS financial measures in order to evaluate, monitor and manage our business. In particular, we review Operating EBITDA, segment Operating EBITDA and the other indicators described below. These metrics allow us to review our core operating activities, enabling us to evaluate relevant trends more meaningfully when considered in conjunction with (but not in lieu of) measures that are calculated in accordance with IFRS.

The following table shows our key financial and non-financial performance indicators for the periods set forth below. The metrics may not be comparable to other similarly titled measures of other companies and neither Operating EBITDA nor any ratio using Operating EBITDA is a measurement under IFRS or other generally accepted accounting principles.

Key Financial Performance Indicators

The following table shows our financial performance indicators for the periods set forth below.

	For the three months ended March 31,		For the year ended December 31,		
	2013[(1)]	2014	2011[(2)]	2012[(2)]	2013[(2)]
	(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)		(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)		
Revenues	215.7	250.0	1,392.1[(3)]	1,314.9[(3)]	1,228.2[(3)]
Contribution margin[(4)]	41.5%	44.2%	44.9%	44.4%	45.2%
Operating EBITDA[(5)]	(3.5)	20.7	168.1	132.0	160.2
Operating EBITDA margin[(6)]	(1.6)%	8.3%	12.1%	10.0%	13.0%
Net interest expense[(7)]	(6.5)	(12.6)	(35.8)	(32.5)	(28.2)
Capital expenditure[(8)]	(11.1)	(6.3)	(68.5)	(58.3)	(51.3)
Addition to intergroup assets and property plant and equipment[(9)]	(4.5)	(3.2)	(68.5)	(53.1)	(50.7)
Total external debt[(10)]	704.1	659.6	695.2	705.9	657.8
Net external debt[(11)]	547.6	516.6	462.0	430.8	449.5
Ratio of net external debt to Operating EBITDA[(5)]	n/a	n/a	2.7x	3.3x	2.8x
Ratio of Operating EBITDA to the net interest expense[(5)]	n/a	n/a	4.7x	4.1x	5.7x
Cash conversion[(12)]	n/a	n/a	59.3%	59.8%	68.3%
ROCE[(13)]	n/a	n/a	6.6%	2.8%	9.2%
Adjusted free cash flow	(104.4)	(54.0)	52.5	70.0	87.9

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

(4) Contribution margin represents the difference between revenue and variable cost of sales, divided by revenue.

(5) Operating EBITDA represents profit (loss) for the period, net of finance costs, finance income, income taxes, depreciation and amortization and impairment losses on non-current assets (EBITDA), as adjusted for items that are considered by management to be non-recurring or unusual because of their nature. Operating EBITDA is presented because we believe it is a relevant measure for assessing performance because it is adjusted for non-recurring items and thus aids in an understanding of EBITDA in a given period. Other companies may calculate Operating EBITDA differently than we do. Operating EBITDA is not audited. Operating EBITDA is not a measure of financial performance under IFRS and should not be considered as measures of liquidity or alternatives to profit for the year or any other performance measure derived in accordance with IFRS. For a description of the limitations of Operating EBITDA as a financial measure, see "*General Information—Presentation of Financial Information, Currency and Figures—Presentation of Non-IFRS Financial Measures*."

The table below presents an reconciliation of profit (loss), EBITDA and Operating EBITDA for the periods indicated:

	For the three months ended March 31,		Year ended December 31,		
	2013	2014	2011	2012	2013
	(€ in million) (unaudited)		(€ in million) (audited)		
Profit (loss) for the period	**(37.7)**	**(15.6)**	**(35.1)**	**(213.7)**	**(69.0)**
Finance costs	13.1	20.0	78.4	83.8	88.3
Finance income	(7.0)	(1.4)	(8.8)	(17.7)	(3.6)
Income taxes	(5.2)	(6.6)	6.2	(22.0)	(9.3)
Depreciation and amortization	24.6	24.7	108.3	109.3	91.8
Impairment losses on non-current assets, net[(a)]	—	—	8.3	124.1	(13.7)
EBITDA	**(12.2)**	**21.1**	**157.4**	**63.8**	**84.5**
Adjustments:					
Restructuring expenses[(b)]	8.9	—	15.7	73.4	72.4
Acquisitions and disposals[(c)]	(2.9)	0.0	(7.3)	(10.4)	(8.8)
Other expenses[(d)]	2.7	(0.4)	2.3	5.2	12.1
Operating EBITDA	**(3.5)**	**20.7**	**168.2**	**132.0**	**160.2**

(a) Impairment losses on non-current assets, net and adjustments to EBITDA when taken together are shown as non-operating result in our segment reporting.

(b) In the first three months of 2013, restructuring expenses represented severance payments and garden leaves in Europe, the reclassification of our business in Thailand as discontinued operations and the closure of our concrete plant in France.

In 2011, restructuring expenses included €15.6 million of estimated accruals made and cash expenses paid in respect of redundancy, consulting and other costs relating to plant closures, rationalization measures, site cleanups and the relocation of production facilities in France, the United Kingdom, Norway and South Africa.

In 2012 and 2013, restructuring expenses represented costs relating to (i) our operational improvement plan, Project Step 200+, which sought to reduce costs and increase operational efficiency, and includes costs related to headcount reductions, (ii) the closure or mothballing of production facilities and (iii) other restructuring costs. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Operational Improvement Plans*." Operational restructuring expenses in 2013 and 2012 represents redundancy payments made in connection with headcount reductions of 1,230 FTEs and 734 FTEs, respectively.

(c) Represents the costs of acquisitions and disposals during the respective periods, including the acquisition of the 50% equity interests of Bramac not previously owned by us and the disposal of certain non-core operations in Asia, Brazil, Mexico and the United States.

(d) In the first three months of 2013, other expenses included, among other things, valuation allowances in France of €2.3 million and consulting charges of €1.1 million.

In 2011, other expenses included €1.9 million of legal costs related to litigation.

In 2012, other expenses included, among other things, €2.4 million in valuation allowances, primarily due to our write-off of a loan receivable, €1.0 million of litigation costs in relation to a dispute in Italy, €0.7 million in costs related to a failed acquisition and €0.7 million accrual related to a sale and leaseback transaction.

In 2013, other expenses included, among other things, €2.9 million in valuation allowances, primarily due to inventory devaluations in France, €2.3 million of litigation costs, primarily incurred in relation to a dispute in Italy, €2.6 million attributable to non-cash losses on the disposal of non-current assets and other costs associated with such disposals, €1.9 million related to the one-time write off of certain minority investments and €0.9 million reversal of a non-collectible insurance receivable.

(6) Operating EBITDA margin represents Operating EBITDA divided by revenues.

(7) Net interest expense equals interest on liabilities to banks plus commitment and agency fees less finance income from short-term bonds.

(8) We define capital expenditure as investments in intangible assets and property, plant and equipment, paid during the reporting period.

(9) Represents additions to intangible assets and property plant and equipment accrued during the period, while capital expenditures show investments in intangible assets and property, plant and equipment, paid during the reporting period.

(10) Total external debt represents total long-term debt and short-term liabilities to banks (e.g., senior loans, capex and revolving facilities, other loans and bank overdrafts) and capitalized leases, and does not give effect to unamortized funding costs and excludes liabilities owed to parent companies, obligations relating to hedging arrangements and excluding accrued interest. As of December 31, 2013, accrued interest amounted to €11.3 million, and capitalized financial leases amounted to €1.3 million.

(11) Net external debt represents total external debt (as defined above) less cash and cash equivalents.

(12) Cash conversion represents the sum of Operating EBITDA and addition to intergroup assets and property plant and equipment, divided by Operating EBITDA.

(13) ROCE (return on capital employed) represents operating income divided through average of opening and closing capital employed (calculated as the total of tangible assets, inventories, trade and other receivables, minus total payables) for the period. Figures as restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Key Non-financial Performance Indicators

The following table shows our non-financial performance indicators for the periods set forth below. The metrics may not be comparable to other similarly titled measures of other companies.

	For the three months ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(unaudited)		(unaudited)		
Volume of concrete tiles sold (millions of m^2)	12.8	14.4	78.6	74.8	73.4
Volume of clay tiles sold (millions of m^2)	3.7	4.4	25.5	21.7	20.2
Chimneys sold (thousands of kilometers)	0.4	0.5	2.8	2.5	2.5

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The historical consolidated financial data in this discussion and analysis as of and for the years ended December 31, 2011, 2012 and 2013 have been derived from our audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013, including the notes thereto, prepared in accordance with IFRS and included elsewhere in this Prospectus. The historical consolidated financial data in this discussion and analysis as of and for the three-month periods ended March 31, 2013 and 2014, including the notes thereto, have been derived from our unaudited interim consolidated financial statements as of and for the three-month periods ended March 31, 2013 and 2014 prepared in accordance with IFRS and included elsewhere in this Prospectus. Certain monetary amounts, percentages and other figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Certain information in the discussion and analysis set forth below and elsewhere in this Prospectus includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in these forward-looking statements. See "General Information—Forward-looking Statements" and "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Prospectus. This discussion and analysis should also be read in conjunction with the financial statements described above, including the notes thereto, and financial information appearing in "General Information—Presentation of Financial Information, Currency and Figures" and "Selected Consolidated Financial Information and Other Data."

Some of the measures used in this Prospectus are not measurements of financial performance under IFRS, but have been prepared on the basis of IFRS amounts, and should not be considered as an alternative to cash flow from operating activities as a measure of liquidity or as an alternative to recurring profit from operations, income from operations or net income as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

Overview

We are a leading manufacturer and supplier of pitched roof products, including both roof tiles and roofing components, in Europe, parts of Asia and South Africa, based on volumes sold. We have been making pitched roof products for almost a century, and our expertise, developed over this extended period of time, covers all steps of the manufacturing process and makes us a preeminent roofing manufacturer. We are one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof construction. We estimate that we are the single largest manufacturer and supplier by volume of concrete roof tiles in each of Germany, France, Italy and the Netherlands, among others, as well as the second largest manufacturer and supplier by volume in the United Kingdom (*Source: B+L Report*). In addition, we are one of the top three manufacturers and suppliers by volume of clay roof tiles in each of France, Italy, the Netherlands and the United Kingdom (*Source: B+L Report*). In the market for roofing components, which is relatively fragmented and comprises many local competitors, we believe we hold market-leading positions in respect of many of our roofing components products. We also manufacture and supply chimney and energy systems. This market is highly fragmented and we believe we are the leading manufacturer and supplier of ceramic chimneys in Europe and steel chimneys in the United Kingdom. Our portfolio of industry-leading brands includes Braas, Monier, Bramac, Redland, Wierer and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems.

Our principal product categories are:

- ***Roof Tiles***. We manufacture a comprehensive range of concrete and clay roof tiles for residential and non-residential construction and operate in the new build and renovation markets. We aim to tailor our product range to meet customer needs and market trends. Our concrete tiles vary in form, quality, durability, color, finish and size. Our clay tiles also come in a variety of sizes and surface finishes, including single-colored, multicolored and premium-glazed tiles. For the year ended December 31, 2013, our roof tile product category generated revenues of €758.0 million, which represented 61.7% of our consolidated revenues.

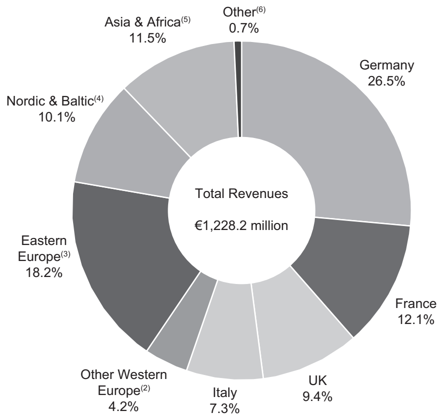
- ***Roofing Components***. We offer twelve roofing components product lines and manufacture the vast majority of the products within those lines. Underlays, ridges and hips, abutments and roof outlets are the main products within our range of roofing components. Our roofing components product portfolio also includes insulation products which we purchase from third-party suppliers. Roofing components complement our roof tile offering. Both product categories can be combined into premium-class roofing solutions for our customers. Our ability to market and sell integrated roofing solutions sets us apart from our smaller competitors. For the year ended December 31, 2013, our roofing components product category (including solar roof systems) generated revenues of €274.7 million, which represented 22.4% of our consolidated revenues.

- ***Chimneys and Energy Systems***. We manufacture ceramic and steel chimneys as well as energy systems in Europe. Our ceramic chimneys are generally used for new residential construction, while our steel chimneys are typically used in residential renovation. Our energy systems comprise a range of ventilation and stoves and heating products, including chimney-integrated stoves. For the year ended December 31, 2013, our chimney and energy systems product category generated revenues of €182.3 million, which represented 14.8% of our consolidated revenues.

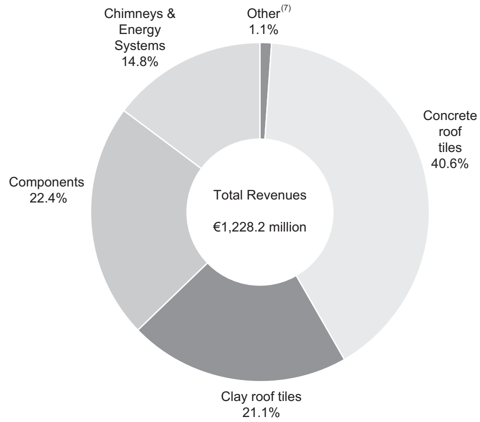
We operate 107 plants in 27 countries and sell our products in more than 50 countries. We have a long-established presence in regions with mature roofing markets, such as Europe, Asia and South Africa, and since 2010 we have increased our focus on these markets and divested our activities in the Americas and other non-core markets. We have also established and are further developing our presence in selected growth markets, including China, India, Indonesia, Turkey and Russia. In 2011, we expanded our market presence and increased our market share in southeastern Europe by raising our shareholding in Bramac, a leading supplier of a wide range of pitched roof systems in this region, from 50% to 100%.

The chart below illustrates our revenues (including freight charges) by geographic location and product category in 2013:

Revenues by Geographic Location(1)



Revenues by Product Category



(1) By origin of sales.

(2) Includes Belgium and the Netherlands.

(3) Includes Austria, Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

(4) Includes Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

(5) Includes China, India, Indonesia, Malaysia, the Philippines and South Africa.

(6) Includes Turkey.

(7) Includes artificial slate, sand, bricks and other products and services.

In the three-month period ended March 31, 2014, we generated €250.0 million in revenues and €20.7 million of Operating EBITDA, and for the year ended on December 31, 2013, we generated €1,228.2 million in revenues and €160.2 million in Operating EBITDA. During the last two years, we have initiated a major operational improvement plan called Project Step 200+ aimed at optimizing our cost structure and improving productivity. The headcount reductions (including pursuant to facility closures) implemented in 2013 achieved actual cost savings of approximately €33 million. In addition, we estimate that had these employees been terminated as of January 1, 2013 and had positions eliminated in 2013 been eliminated on January 1, 2013, we would have achieved additional cost savings of approximately €23 million. See "*—Factors Affecting Comparability of Financial Information—Operational Improvement Plans*."

Factors Affecting Our Results of Operations

General Macroeconomic Conditions and Level of Construction Activities

We operate primarily in the pitched roofing materials segment of the buildings materials industry. The building materials industry in any geographic market is dependent on the level of activity in the construction sector of that geographic market. The construction industry is cyclical in nature and its performance has historically demonstrated a strong correlation with GDP growth and unemployment levels. It is also particularly sensitive to factors such as demographics, inflation, interest rates and the cost of financing, including mortgage financing, as well as other macroeconomic factors. Political instability or changes in fiscal or other government policies may also affect the construction industry. In addition, our industry is also subject to customer patterns that are specific to each of the countries in which we operate. Our products are sold primarily for use in the residential sector of the construction industry. We are therefore to a large extent dependent on developments in residential construction activities, in particular, with new housing starts and building permits showing a strong correlation with demand for our products. Because government stimulus packages introduced during or in the aftermath of the recent global financial and economic crisis were primarily targeted at infrastructure spending, as opposed to residential construction, they did not materially increase demand for our product offerings. For more information, see "*Risk Factors—Market and Business Related Risks—Our business, results of operations and financial condition are materially affected by changes in the macroeconomic environment*."

Based on the Euroconstruct Report of November 2013, total construction output in the EC-19 countries[(1)] is estimated to have declined by 3.0% in 2013, following a 5.2% decline in 2012. This decline in total construction output in the EC-19 countries was primarily attributable to the continuing crisis in Spain and Portugal, while negative developments in Italy and the United Kingdom also affected the 2012 figures. Countries that recorded a significant decline in total construction output in 2013 included the Czech Republic (negative 8.2%) and Poland (negative 8.9%). In 2012, the decline in total construction output in the United Kingdom amounted to 7.8% and in Italy to 6.3%. In addition, Ireland (negative 16.8%) and the Slovak Republic (negative 13.8%) recorded significant negative developments in 2012.

Our business has generally been adversely affected in Europe and, to a limited degree, in Asia & Africa during the global financial and economic crisis. Although the performance of our business is generally strongly correlated to GDP growth and unemployment levels, factors specific to each country in which we operate may mitigate or reinforce the effects of a slowdown. In Germany, we managed to increase our revenues despite a flat GDP in 2011 as German property owners preferred to invest in the renovation of properties and in many cases deemed this to be a safer investment than other available alternatives. This development was followed by a decline in 2012 and 2013, in line with the overall construction market trend. In other markets, such as the United Kingdom, our business was affected by the economic downturn and the housing price decline, which was significantly greater in extent than the actual GDP contraction due to public sentiment in reaction to the global financial and economic crisis. We have recorded a decline in Group revenues, from €1,392.1 million in 2011 to €1,314.9 million in 2012 and further to €1,228.2 million in 2013. Our result for the period declined from a loss of €35.1 million in 2011 to a loss of €213.7 million in 2012, before improving to a loss of €69.0 million in 2013, despite the decline in revenues in that year. Our Operating EBITDA was €168.1 million in 2011, €132.0 million in 2012 and €160.2 million in 2013. For a reconciliation of Operating EBITDA to loss for the period, see "*Selected Consolidated Financial Information and Company Information—Additional Key Figures—Key Financial Performance Indicators*."

Headcount and Personnel Expenses

Our headcount levels fluctuate from period to period and impact our costs and profitability. At December 31, 2011, 2012 and 2013, we had 9,354, 8,619 and 7,389 employees, respectively. Our personnel expenses in 2011, 2012 and 2013 were €381.7 million, €377.4 million and €333.6 million, respectively. A portion of our headcount expenses are fixed and we are required to maintain certain headcount levels to provide production capacity, sales capabilities and administrative support despite fluctuations in our business. We are however, able to make redundancies or add employees that are temporary or permanent in order to address market developments and capacity and administration requirements. Our production processes allow for flexible-shift systems and enables us to increase or reduce the number of shifts and the use of temporary labor in our production plants in line with demand for our products. We have negotiated collective bargaining agreements with labor unions in certain of the countries in which we operate, such as Germany and the Netherlands, in order to allow for flexible working hour programs, pursuant to which employees work overtime in periods of high demand for no extra salary, in exchange for fewer working hours in periods of lower demand.

We also routinely conduct reviews of our business to determine whether we have any duplicative functions that could be eliminated to reduce headcount expenditures. For example, as part of our operational improvement plan, Project Step 200+, we have streamlined our central functions and resized our divisions and production sites, which resulted in a sharp decrease in headcount between the last quarter of 2012 through to the end of 2013. Our reduction of 1,230 employees in 2013 affected all segments and corporate functions, but primarily affected employees in our central functions and sales back offices, as well as non-core production personnel.

We currently expect that if demand for our products in 2014 increases in line with our business plan we will be required to hire only a limited amount of new production personnel. There can be no assurance that additional personnel will not be required as conditions change.

Raw Material, Energy and Transportation Costs and Our Ability to Pass on Cost Increases

Raw material and energy costs constitute a large portion of our production costs, and fluctuations in the prices of these materials affect our results of operations. Our primary raw materials are sand, cement, clay and additives. Raw materials amounted to €463.5 million, or 37.7%, of our consolidated revenues in the year ended December 31, 2013. Our production, especially clay tile manufacturing, is energy-intensive. Our energy costs primarily consist of the cost for the supply of electricity and gas used in various manufacturing processes and amounted to €59.8 million, or 4.9%, of our consolidated revenues in the year ended December 31, 2013. Clay is mainly procured from our own clay pits.

(1) Includes Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom, the "EC-15 countries," and the Czech Republic, Hungary, Poland and the Slovak Republic, the "EC-4 countries," and together with the EC-15 countries, the "EC-19 countries."

We do not typically agree to minimum purchasing volume commitments in the raw material contracts we enter into, which allow us to reduce our purchases when demand declines. We attempt to mitigate the risk of fluctuating energy prices by entering into supply agreements for significant portions of our expected energy requirements with periods typically ranging between 12 and 36 months. In addition, we do not own trucks or other means of transportation and generally rely on third party carriers to deliver our products to customers. Cost of transportation strongly correlates with oil prices and is affected by other factors, such as, among other things, the cost of labor and road tolls. We do not include freight charges in the prices of our products but pass them on to our customers separately. In the year ended December 31, 2013, freight charges amounted to €56.3 million, or 4.6%, of our consolidated revenues.

We attempt to pass on price increases of raw materials, energy and other costs of materials to our customers and generally in the past three years we have been able to do so. We typically revise prices as new customer agreements are negotiated in order to, among other things, reflect increases in the cost of our raw materials. When markets allow, we also increase prices mid-year in response to raw material price increases or other factors. In addition, certain of our customer contracts have price modification mechanisms built into them pursuant to which we can increase the prices of our products in line with increases in raw materials. As a result, we believe we have been able to manage our exposures to fluctuations in the price of our raw materials and energy, although there can be no assurance that we will continue to be able to do so. For more information, see "*Risk Factors—Market and Business Related Risks—Our business may be negatively affected by volatility in raw material prices and inability to pass on the price increases to our customers, our inability to retain or replace any of our key suppliers, unexpected supply shortages or disruptions in the supply chain*" and "*Risk Factors—Market and Business Related Risks—Our business, results of operations and financial condition may be negatively affected by volatility in energy costs or disruptions in energy supplies*."

Seasonality and Weather Conditions, and Working Capital Fluctuations

The construction industry, and therefore demand for roofing products and other building materials, is typically seasonal and dependent on weather conditions, with periods of frost, snow or heavy rain negatively affecting construction activities, particularly roofing. Lower demand for roofing materials tends to occur in periods of cold weather, particularly during winter, and such conditions, or other unfavorable weather conditions, generally lead to seasonal fluctuations of our quarterly financial results. Historically, our consolidated revenues and Operating EBITDA in the second and third quarters have been significantly higher than in the other quarters of the year, particularly the first quarter.

Extreme or adverse weather conditions, particularly in the northern hemisphere where the majority of our operations are located, can materially adversely affect our business, financial condition and results of operations if they occur with unusual intensity, during abnormal periods, or last longer than usual in our key markets, especially during peak construction periods. For example, there were some severe weather conditions in many European countries at the start of 2013. It was very cold and snowy until March and some countries experienced severe flooding in April and May. Consequently, the second half of 2013 saw some catch up effects and delivered significantly better revenues than the first half. In addition, our monthly volumes improved in the second half of 2013 and declines compared to the prior year were smaller in the second half of 2013. During the first three months of 2014 we have generally had mild weather in most of our geographies, which we believe has contributed to increased sales during the period in certain of these geographies. See "*Risk Factors—Markets and Business Related Risks—We operate in a seasonal industry which may affect our results of operations*." Public holidays and vacation periods constitute an additional factor that may exacerbate certain seasonality effects, as building projects or industrial production processes may temporarily cease. Results of a single financial quarter might therefore not be a reliable basis for the expectations of a full fiscal year and may not be comparable with the results in the other financial quarters in the same year or previous years.

The lower demand for roofing materials in cold weather seasons significantly affects our working capital cycle. We typically experience an increase in working capital needs during the period from January to April than later in the year as demand for our products is usually lower in winter and we build up inventory for the second and third quarters. We finance our working capital needs through cash and cash equivalents, revolving credit borrowings and factoring facilities. Our working capital position tends to decrease from May onwards as construction activity begins to increase with the onset of summer, and thereafter usually continues to decrease until and including December, after which the cycle starts over again. In 2013, our working capital fluctuated from a high of €196.7 million on May 31, 2013 to a low of €98.0 million on December 31, 2013.

Growth in Our Existing Markets, Including Expansion of Growth Markets

Our growth in Europe is, among other things, based on economic conditions, overall demand in the market, our ability to take market share from our competitors, population growth, seasonality and weather conditions and growth in consumer price indices. The markets in Europe are mature. Growth in growth markets, however, is characterized by an increasingly broad distribution of wealth, high population growth, a reduction of trade and other barriers, an increased amount of retail and distribution infrastructure and growth in local manufacturing capabilities. As a result, growth markets, in particular in Asia, have driven a large percentage of the global growth in sales of our concrete and clay roof tile products. Our net sales will be impacted from period to period by our ability to capture favorable market conditions in our core markets in Europe, and by our ability to penetrate growth markets in which we operate to benefit from their faster growth.

Currency Fluctuations

We conduct business in approximately 20 currencies and prepare our consolidated financial statements in euro. Our exposure to foreign currencies is derived from two main sources: revenues generated in countries outside the Eurozone and denominated in local currencies and financial instruments denominated in currencies other than the euro. In 2013, we generated 42.7% of our consolidated revenues in currencies other than the euro, mainly the British pound, the Malaysian ringgit, the Polish zloty and the South African rand. As a result, currency exchange rate effects between the euro and these other currencies have a significant impact on our results of operations.

Typically, our costs and the corresponding sales are denominated in the same currency. Sometimes, however, we are unable to match sales in foreign currencies with costs paid in the same currency, and our results of operations are consequently impacted by currency exchange rate fluctuations. For example, if the euro appreciates, particularly in relation to the British pound, the Malaysian ringgit, the Polish zloty and the South African rand, and our revenues and expenses denominated in foreign currencies remain the same, or, in some cases, even if our revenues increase or our expenses decrease, our revenues and profits in euro will decline. As a result, currency exchange rate effects between the euro and such other currencies can have a significant impact on our results of operations, and we typically do not enter into hedging arrangements protecting us against currency fluctuations. See "*—Quantitative and Qualitative Disclosures of Market Risks—Financial Risks—Exchange Rate Risks*." In addition, part of our financial obligations is denominated in British pounds and therefore an increase in the value of the British pound relative to the euro will lead to an increase in our cost of financing. As of December 31, 2013, our outstanding financial obligations denominated in British pounds amounted to £40.3 million (excluding accrued but unpaid interest). We have repaid our U.S. dollar-denominated financial obligations in full as part of the Refinancing 2014 and do not have any financial obligations denominated in U.S. dollars outstanding as of the date of this Prospectus.

We present our consolidated financial statements in euro. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than the euro into euro at then-applicable exchange rates. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. All of our assets and liabilities are translated at the effective rate on the reporting date. Equity is translated using historical rates. Income and expenses are translated using average rates for the year (for simplification purposes). Annual profits or losses in the income statement are also translated at the average rates for the year. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger euro will reduce the reported result of operations of the non-euro businesses, and conversely, a weaker euro will increase the reported result of operations of the non-euro businesses. These translations could significantly affect the comparability of our results between financial periods and/or results in significant changes to the carrying value of our assets, liabilities and shareholders' equity. We record the effect of these translations in our consolidated statement of recognized income and expense as exchange differences on retranslation of foreign operations. For more information, see "*Risk Factors—Financial Risks—Because many of our subsidiaries conduct their operations in currencies other than the euro, adverse changes in foreign exchange rates relative to the euro could materially adversely affect our reported earnings and cash flow*."

New Product Development and Production

In order to support our leadership positions in our markets, we are required to continually develop new products and improve existing products. Our R&D activities primarily aim at developing new products and processes, adding innovative functions and applications to our existing product range and optimizing the quality and complementary nature of our product portfolio and application services. We employ specialists in new product development, material sciences, product testing and engineering. In the year ended December 31, 2013, we spent €14.0 million on our R&D activities, compared to €19.5 million in 2012 and €16.1 million in 2011.

We also incur capital expenditures to update our facilities with the equipment needed to produce new products. We believe that our ability to successfully anticipate trends generally has had a positive effect on our results. If a release is successful, these new products will have a positive impact on our sales until consumer preferences change or until those items are replaced by new items.

Factors Affecting Comparability of Financial Information

Acquisitions and Disposals

In the past three years, we have made various acquisitions and disposals, including as part of our Project Step 200+ plan. These acquisitions and disposals can, if material, affect the comparability of our results between periods, depending on the significance of the business or asset acquired or disposed and the time of year of such acquisition or disposal.

On June 30, 2011, we (through our subsidiaries Schiebra Beteiligungsverwaltungs GmbH and LR Austria Holding GmbH) acquired Wienerberger AG's 50% interests in Bramac Dachsysteme International GmbH and Bramac Dachsysteme

Holding GmbH (collectively referred to as "Bramac"). Previously, we and Wienerberger had been joint venture partners, each holding 50% of the equity in Bramac. The purchase price for the remaining 50% interest in Bramac equity amounted to €50.0 million. In consideration for the acquisition of Bramac we transferred to Wienerberger our 50% interest in Wibra Tondachziegel Beteiligungs GmbH valued at €10 million. Prior to its acquisition, we consolidated 50% of Bramac's results on a *pro rata* basis. The inclusion of the remaining 50% of Bramac from July 1, 2011 increased our 2011 revenue by €33.6 million and our 2011 loss by €2.2 million from what our results would have been had we continued to only consolidate 50% of Bramac.

We have also streamlined our portfolio by divesting our interests in certain non-core Asian subsidiaries in the year ended December 31, 2013. Most of these entities sold were consolidated in our audited financial statements using the equity method according to IAS 28. These disposals did not have a material effect on our financial results or on our cash flow. In 2011 and 2012, we also sold various businesses, primarily non-core businesses, and these disposals did not have a material effect on our financial results or on our cash flow.

U.K. Scheme of Arrangement

Certain of our subsidiaries obtained an order from the English High Court, dated November 7, 2013, in respect of certain schemes of arrangement which amended and extended the terms of our Refinanced Credit Facilities and required us to repay €50.0 million of the indebtedness outstanding under our Refinanced Credit Facilities Agreement (the "**2013 Scheme of Arrangement**"). The 2013 Scheme of Arrangement became effective on November 20, 2013. The 2013 Scheme of Arrangement impacted our amount of indebtedness outstanding as of December 31, 2013 and had a small effect on our interest expense in 2013.

Refinancing

On April 17, 2014, our subsidiary BMBG Bond Finance S.C.A. issued senior secured floating rate (3-month EURIBOR plus 500 bps per annum) notes due 2020 in an aggregate principal amount of €315 million. The Notes are guaranteed by us and certain of our subsidiaries. As part of the Refinancing, we and certain other companies of our Group entered into the Facilities Agreement with Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited as arrangers and BNP Paribas as agent and security agent that provides for a €100.0 million Revolving Credit Facility and a €250.0 million Term Loan Facility. Our obligations under the Facilities Agreement are guaranteed by certain of our subsidiaries. As of April 17, 2014, €30 million was drawn under the Revolving Credit Facility[(1)]. For more information, see "*Material Agreements—Senior Facilities Agreement*."

On April 17, 2014, using the proceeds of the Notes, together with cash on hand and borrowings under the Facilities Agreement, we fully repaid the Refinanced Credit Facilities in the amount of €666.8 million, including accrued interest. We estimate the total costs of implementing the Refinancing 2014 in the second quarter of 2014 were between €20 million and €22 million, including all fees paid to external advisors and consultants. These costs are to be amortized over the life of the financing.

Operational Improvement Plans

The global economic recession in 2008 generally led to a reduction in our revenues in all of our markets as the construction industry declined and consumer demand for renovations deteriorated. As a result, we undertook a number of initiatives designed to improve our profitability and operational efficiency. These included our "World Class Monier" optimization program, which was aimed at reducing our cost of materials, enhancing the flexibility of our production capacity, optimizing our sales force, improving our working capital, controlling capital expenditures, streamlining operations, optimizing cash management and significantly reducing our headcount. We also undertook a financial restructuring process that was completed in 2009, as a result of which our senior lenders became our current owners. In the period from 2010 to 2012, we sold our operations in non-core regional markets (including our concrete tile and solar thermal businesses in Brazil, our concrete tile businesses in Mexico and the United States, our clay tile business in Mexico and our clay tile business in southeastern Europe) and liquidated our operations in Japan. Since then we have principally focused on consolidating our European presence while also developing our operations in Asia and South Africa. In addition, in 2011 we acquired the remaining 50% equity stake in Bramac.

In late 2012, we initiated a major operational improvement plan named "Project Step 200+" that was aimed at optimizing our cost structure and improving productivity in an effort to reduce our costs and improve margins in response to the economic downturn affecting Europe at that time. Project Step 200+ sought to implement three categories of initiatives:

- ***Restructuring***: Our restructuring measures sought to simplify our business, accelerate cost cutting and streamline our manufacturing footprint. We conducted a portfolio review and legal streamlining of our structure to simplify our business. Our cost cutting primarily consisted of headcount reductions and targeted reductions in fixed costs. Instead of temporarily suspending operations at our plants, we sought to close significantly under-utilized plants in order to streamline our manufacturing footprint. As a result, we closed seven concrete tile plants and one clay tile plant.

(1) After the completion of the Refinancing, an additional €10 million was drawn under the Revolving Credit Facility.

- ***Other Business Optimization***: We sought to optimize other aspects of our business through implementing a manufacturing excellence program in order to improve efficiency. We sought to implement group-wide purchasing or best purchasing practices where possible in order to reduce raw materials costs. We also sought to optimize our working capital and capital expenditures. These measures are an ongoing focus for us and we expect them to continue through 2015.

- ***Growth***: Our growth programs seek to expand our business in certain targeted areas that we believe present an opportunity for attractive growth or that were otherwise compelling from a strategic standpoint. This includes growth of our Asia business, growth in components and improvement in our product innovation processes. These measures will remain an ongoing focus, and the basis for profitable growth in Asia has been established.

The plan affected all aspects of our business and comprised a review of our business model and resizing of our divisions and production sites, as well as adjustments to our manufacturing footprint. The implementation of Project Step 200+ resulted in, among other things: the streamlining of our group through the disposal of our smaller, non-core and partially loss-making businesses and idle assets; the strategic resizing of our operations in core regions to meet demands of the challenging European construction market; and a significant improvement of our cost structure, primarily through a headcount reduction of 1,230 FTEs during 2013.

This headcount reduction took place over the course of 2013, but was primarily completed by June, and included the termination of employees as a result of the closure of facilities in which they worked. We estimate that we realized approximately €33 million of costs savings during 2013 as a result of these headcount reductions. In addition, we estimate that had these employees been terminated as of January 1, 2013 and had positions otherwise eliminated in 2013 been eliminated on January 1, 2013, we would have realized additional cost savings of approximately €23 million. We incurred restructuring costs of €72.4 million in 2013, including accrued but unpaid severance payments and other costs related to these terminations. We are potentially exposed to the risk of litigation from former employees who might allege that their employment agreement was wrongfully terminated and/or their severance payment, if any, was insufficient. If these claims were to materialize, we may have to bear additional costs in connection with these employment terminations.

We estimate the total costs of implementing Project Step 200+ in 2012 and 2013 were between €140 million and €150 million, including all fees paid to external advisors and consultants.

We believe that the measures currently taken by us to repositioning our business have substantially increased our operational efficiency in challenging economic conditions and, together with the additional repositioning measures we intend to take in connection with Project Step 200+, will enable us to improve our financial results during future periods of market downturn.

Although we believe we are well positioned to utilize our spare production capacity to meet increasing market demand despite our substantial asset dispositions and significant headcount reductions undertaken in the last few years pursuant to Project Step 200+, there can be no guarantee that we will be able to respond in a timely manner to any increase in demand and handle the demands on our production capacity. In addition, where we are required to quickly react to such increase in demand, the costs associated with the accelerated ramp-up could lower the amount of our achievable cost savings and dilute our operational leverage on these additional sales volumes. Furthermore, other functions within our Group might be currently understaffed and certain of such functions, such as claims recovery, sales order and payment processing, may require a longer period of time, potentially risking our ability to execute transactions efficiently, or making it necessary for us to hire additional employees.

Changes in Segment Reporting

Until December 31, 2013, Operating segment EBITDA and segment revenues, as included in our audited financial statements reviewed by the Board of Managers, were used to measure performance of our six operating segments: Western Europe; Central, Northern & Eastern Europe; Southern Europe; Asia & Africa; Chimneys & Energy Systems; and Central Products & Services. As of and from January 1, 2014, we changed our segment reporting to provide greater detail in the form of additional key performance indicators at segment level and to enable management to more closely monitor segment performance. As a result, while the scope of coverage of each segment has remained unchanged, for all dates and periods subsequent to January 1, 2014, Operating EBITDA, Operating income, EBIT, Capital expenditure, Capital employed, volumes sold (tiles and chimneys) and (on an annual basis) Return on capital employed (ROCE), as included in internal reports reviewed by the Board of Managers, are used to measure performance. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the same industries. The Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 are not required to be, and have not been, restated due to this change to segment reporting.

Changes in Accounting for Joint Ventures

From January 1, 2014, the Group has applied the new accounting standards of IFRS 11. As a result, the method of consolidation for joint ventures has changed. As from January 1, 2014, joint ventures are included in the Group's consolidated financial statements on the basis of the share of equity held by the Group (equity accounting). IFRS 11 has been applied with retrospective effect from the date of acquisition or formation of the relevant joint venture. Although this change has an impact on almost all items in the Group's statement of financial position and statement of profit and loss as of all dates and for all periods presented, the Company believes that these impacts are not material. For more information on the effects of this change on the Group's consolidated financial statements for dates and periods prior to January 1, 2014, see Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. The Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 are not required to be, and have not been, restated due to the application of IFRS 11 as from January 1, 2014.

Key Performance Indicators

Our management uses a number of key financial and non-financial performance indicators to track the performance of our business and to guide management. We use these indicators in addition to our IFRS financial measures in order to evaluate, monitor and manage our business. In particular, we review Operating EBITDA, segment Operating EBITDA and the other indicators described below. These metrics allow us to review our core operating activities, enabling us to evaluate relevant trends more meaningfully when considered in conjunction with (but not in lieu of) measures that are calculated in accordance with IFRS.

The following table shows our key financial and non-financial performance indicators for the periods set forth below. The metrics may not be comparable to other similarly titled measures of other companies and Operating EBITDA is not a measurement under IFRS or other generally accepted accounting principles. See "*General Information—Presentation of Financial Information, Currency and Figures—Presentation of Non-IFRS Financial Measures*."

	For the three-month period ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(€ in million, unless indicated otherwise) (unaudited)		(€ in million, unless indicated otherwise) (audited)		
Operating EBITDA	(3.5)	20.7	168.1	132.0	160.2
Operating EBITDA by segment:					
Western Europe	4.8	9.5	35.9	27.4	28.3
Central, Northern & Eastern Europe	(2.9)	7.2	60.7	54.4	59.2
Southern Europe	(1.4)	0.9	41.1	25.3	28.7
Asia & Africa	2.3	3.3	18.8	20.8	22.9
Chimneys & Energy Systems	(3.9)	(0.0)	23.2	20.1	23.0
Central Products & Services	(2.3)	(0.1)	(11.7)	(16.1)	(1.9)
Capital expenditure(3)	(11.1)	(6.3)	(68.5)	(58.3)	(51.3)
Headcount at the end of the period (FTEs)	8,101	7,231	9,354	8,619	7,389
Volume of concrete tiles sold (millions of m^2)	12.8	14.4	78.6	74.8	73.4
Volume of clay tiles sold (millions of m^2)	3.7	4.4	25.5	21.7	20.2
Chimneys (thousands of kilometers)	0.4	0.5	2.8	2.5	2.5

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Additions of intangible assets and property, plant and equipment. See "*—Liquidity and Capital Resources—Capital Expenditures.*"

Key Income Statement Items

The following is a description of certain of the line items in our consolidated income statement.

Revenues

We generate revenues primarily from the sale of our clay and concrete roof tiles, roofing components and chimney and energy systems products. We also generate revenues from freight charges billed to our customers in connection with the delivery of our roofing products. We generate revenues from sales of artificial slate in the United Kingdom, from sales of bricks in South Africa and other products and services. We report revenues on a net basis, excluding cash discounts, rebates and VAT on other charges, but including income from freight charges which in the years ended December 31, 2011, 2012 and 2013 amounted to €60.8 million, €57.5 million and €56.3 million, respectively.

Cost of Sales

Cost of sales consists of variable costs, fixed costs and depreciation and amortization relating primarily to our properties, plants and equipment and other related costs. Our variable cost of sales primarily consist of costs relating to raw materials (such as sand, cement, clay and additives) and energy, costs for ordinary labor at our plants, packaging, supplies, purchased goods and freight. Our fixed cost of sales primarily consist of expenses relating to our properties, plants and equipment and other costs relating to maintenance, R&D efforts and skilled labor. Other costs consist of various miscellaneous costs such as non-cash expenses relating to write-downs of inventory, warranty claims in the ordinary course of business and similar costs.

In 2011, 2012 and 2013, costs that we consider variable accounted for 73.5%, 73.0% and 74.3%, respectively, of total cost of sales for such periods. The variable rates presented may not be comparable to those of other companies.

Selling and Administrative Expenses

Selling expenses primarily consist of salaries paid to our sales employees, commissions paid to our sales employees and to third-party agents, marketing and advertising costs, bad-debt expense and depreciation relating to office equipment, software and similar assets. Administrative expenses primarily consist of lease expenses relating to our headquarters and other offices, salaries paid to senior management, headquarters and other administrative staff and ordinary course expenses payable in respect of auditing, tax, legal and other consulting services provided to us in connection with the day-to-day operation of our business.

Other Operating Income

Other operating income primarily consists of income arising from the reversal of provisions, income arising from the disposal of subsidiaries and lines of business, income arising from the disposal of non-current assets such as land and equipment that is no longer useful in the operation of our business and miscellaneous income such as settlements received in respect of claims.

Other Operating Expenses

Other operating expenses primarily consist of losses arising on the disposal of the non-current assets and miscellaneous expenses consisting primarily of provisions for special warranty cases as well as litigation and consulting expenses.

Restructuring Expenses

Our restructuring expenses are expenses incurred in connection with restructuring projects, such as Project Step 200+ and World Class Monier, as well as other optimization measures, including reviews of our business model, optimization of our cost structure, improvement of productivity, disposals of non-core and low-performing assets and adjustments to our manufacturing footprint. Restructuring expenses include personnel related costs, such as severance payments and garden leave costs, as well as fees paid to external business consultants, transaction costs, lawyers' and accountancy fees.

Impairment and Reversal of Impairment

Impairments reflect our determination of an impairment of the value of an asset or cash generating unit. In 2012, our impairments recorded in the profit and loss statement amounted to €124.9 million, primarily due to impairments in respect of the under-utilization of our production capacities in France and the Netherlands as well as certain goodwill impairment in Italy. In 2013, we reversed an impairment amounting to €23.3 million primarily as a result of the improvement of the business environment in France and recorded an additional impairment of €9.6 million.

Net Finance Costs

Net finance costs consists of financial costs net of financial income. Finance costs primarily consist of interest costs in respect of liabilities owed to third-party lenders and to our shareholders as well as other expenses such as pension costs, unrealized foreign exchange losses on intercompany and external liabilities and fees payable to third-party lenders. Finance income consists of non-cash exchange rate gains on intercompany liabilities and, to a lesser extent, income in respect of short-term investments and cash equivalents.

Income Taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities and calculated based on the applicable tax rates and tax laws as of the reporting date. Current tax relating to items which are recognized directly in equity is recognized in equity and not in the income statement.

Deferred taxes are recognized using the liability method for temporary differences as of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized using the temporary difference approach and are carried forward if it is deemed more likely than not that the asset will be used in future fiscal periods.

Results of Operations

The following table provides an overview of our consolidated results of operations for the periods indicated:

	For the three-month period ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(€ in million) (unaudited)		(€ in million) (audited)		
Revenues	**215.7**	**250.0**	**1,392.1**	**1,314.9**	**1,228.2**
Cost of sales	(177.0)	(189.7)	(1,042.5)	(1,000.9)	(905.7)
Gross profit	**38.7**	**60.4**	**349.6**	**314.0**	**322.5**
Selling expenses	(41.9)	(39.3)	(184.8)	(178.6)	(159.2)
Administrative expenses	(25.6)	(25.0)	(119.2)	(113.6)	(97.0)
Other operating income	4.3	0.5	24.1	21.4	13.3
Other operating expenses	(3.9)	(0.4)	(6.5)	(16.9)	(14.5)
Restructuring expenses	(8.9)	—	(15.7)	(73.4)	(72.4)
Impairments	—	—	(8.3)	(124.9)	(9.6)
Reversal of impairments	—	—	—	0.8	23.3
Result from associates	0.4	0.2	1.5	1.6	(0.1)
Earnings before interest and taxes (EBIT)	**(36.8)**	**(3.7)**	**40.7**	**(169.7)**	**6.3**
Finance income	7.0	1.4	8.8	17.7	3.6
Finance costs	(13.1)	(20.0)	(78.4)	(83.8)	(88.3)
Earnings before taxes (EBT)	**(42.9)**	**(22.2)**	**(28.8)**	**(235.7)**	**(78.3)**
Income taxes	5.2	6.6	(6.2)	22.0	9.3
Profit (loss) for the period	**(37.7)**	**(15.6)**	**(35.1)**	**(213.7)**	**(69.0)**
Attributable to equity holders of the parent company	(37.4)	(15.5)	(33.7)	(212.2)	(70.9)
Attributable to non-controlling interests	(0.3)	(0.1)	(1.3)	(1.5)	1.9

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Revenues by Product Group

The following table provides a breakdown of our net revenues by product group for the periods indicated (including freight charges passed on to customers):

	For the three months ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2013(2)	2013(2)
	(€ in million) (unaudited)		(€ in million) (audited)		
Roof tiles	128.6	149.4	850.7	809.6	758.0
Concrete	*83.1*	*93.9*	*537.2*	*524.8*	*498.6*
Clay	*45.5*	*55.5*	*313.5*	*284.8*	*259.4*
Roofing components	53.7	62.9	315.9	295.0	274.7
Chimneys & energy systems	30.8	35.0	207.1	194.0	182.3
Other(3)	2.6	2.7	18.5	16.3	13.2
Total revenues	**215.7**	**250.0**	**1,392.1**	**1,314.9**	**1,228.2**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Includes artificial slate, sand, bricks and other products and services.

Revenues by Major Countries

The following table provides a breakdown of our revenues by our largest markets for the periods indicated:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013[(1)]	**2014**	**2011**[(2)]	**2012**[(2)]	**2013**[(2)]
	(€ in million) (unaudited)			**(€ in million) (unaudited)**	
Germany	48.9	68.4	356.2	337.0	325.3
France	37.1	38.2	180.3	160.1	148.1
United Kingdom	26.2	32.0	112.5	113.7	115.5
Italy	13.9	13.1	114.0	88.5	89.2
Malaysia	13.3	12.8	56.0	60.6	55.9
Austria	6.6	8.5	46.2	52.3	46.8
Poland	5.9	8.6	61.2	52.2	44.1
Norway	7.3	7.6	41.6	46.2	43.2
South Africa	8.0	7.3	38.6	45.0	42.1
Czech Republic	5.5	6.4	58.2	48.9	40.1
Other	43.0	47.2	327.3	310.4	277.9
Total revenues	**215.7**	**250.0**	**1,392.1**	**1,314.9**	**1,228.2**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Revenues

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues increased by €34.3 million, or 15.9%, to €250.0 million in the three-month period ended March 31, 2014 from €215.7 million in the three-month period ended March 31, 2013, despite a negative effect of adverse developments of certain foreign currencies against the euro that amounted to €5.3 million in the later period. In the period ended March 31, 2014, both concrete and clay tile volumes were significantly higher than in the prior period, especially in Germany, the United Kingdom, Poland and the Benelux. We were able to implement price increases, mainly in the United Kingdom and certain countries of southeastern Europe. Revenue growth was also supported by a strong components business in all regions and a growing chimneys & energy systems business. Sales of concrete roof tiles, clay roof tiles, roofing components and chimneys & energy systems increased by 13.0%, 21.9%, 17.2% and 13.6%, respectively.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues decreased by €86.7 million, or 6.6%, to €1,228.2 million in the year ended December 31, 2013 from €1,314.9 million in the year ended December 31, 2012. This decrease was primarily due to lower volumes across all of our product groups, including both clay and concrete tiles, as a result of a general decline in the construction market caused by the recent economic downturn and by adverse weather conditions in many of our markets. Our monthly volumes improved in the second half of the year and declines compared to the prior year were smaller in the second half of the year. Sales of concrete roof tiles, clay roof tiles, roofing components and chimneys & energy systems decreased between 2012 and 2013 by 5.0%, 8.9%, 6.9% and 6.1%, respectively. Prices in local currencies remained stable but fluctuations in non-euro foreign currencies, particularly the South African rand, the British pound and the currencies of certain of our Asian subsidiaries, also negatively impacted our revenues by €26.0 million in the year ended December 31, 2013.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues decreased by €77.2 million, or 5.5%, to €1,314.9 million in the year ended December 31, 2012 from €1,392.1 million in the year ended December 31, 2011. This decrease was primarily due to lower volumes across all of our product groups as a result of a general decline in the construction market caused by the recent economic downturn. Sales of concrete roof tiles, roof clay tiles, roofing components and chimneys & energy systems decreased by 2.3%, 9.2%, 6.6% and 6.3%, respectively. These declines were partially offset by a 10.0% increase in revenues generated by our Asia & Africa operating segment.

Cost of Sales

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Cost of sales increased by €12.7 million, or 7.2%, to €189.7 million in the three-month period ended March 31, 2014 from €177.0 million in the three-month period ended March 31, 2013, mainly reflecting the increase in revenues generated in all product lines. While revenues increased by 15.9%, variable cost of sales increased by only 10.6% due to savings and efficiency gain generated by our operational improvement plan. In addition, higher production volumes led to productivity gains in some of our plants. Our average number of FTEs amounted to 7,265 in the three-month period ended March 31, 2014 (7,231 at period end), down from 8,270 in the three-month period ended March 31, 2013 (8,101 at period end). Fixed costs increased by only €0.3 million, or 1.1%, to €29.7 million in the three-month period ended March 31, 2014 from €29.4 million in the three-month period ended March 31, 2013, while amortization and depreciation declined by €1.1 million, or 4.9%, to €20.4 million in the three-month period ended March 31, 2014, from €21.4 million in the three-month period ended March 31, 2013. Expressed as a percentage of revenues, cost of sales decreased substantially, to 75.9% in the three-month period ended March 31, 2014 from 82.1% in the three-month period ended March 31, 2014. This decline mainly reflects the savings and efficiencies generated by our operational improvement plan.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Cost of sales decreased by €95.2 million, or 9.5%, to €905.7 million in the year ended December 31, 2013 from €1,000.9 million in the year ended December 31, 2012. This decrease was primarily due to a reduction in our variable costs and fixed costs as a result of lower volumes, resulting in reduced expenditure on raw materials, and savings and efficiency gain generated by our operational improvement plan, respectively. During this period, we reduced our headcount attributable to variable and fixed costs by 787 FTEs, or 13.0%, to 5,267 FTEs in the year ended December 31, 2013 from 6,054 FTEs in the year ended December 31, 2012 (FTEs as reported in the Group’s audited consolidated financial statements as of and for the years ended December 31, 2012 and 2013 and does not reflect the revisions made to the Group’s accounting for joint ventures upon its adoption of IFRS 11 in 2014). As a result, our fixed costs decreased by €18.8 million, or 10.9%, to €153.3 million in the year ended December 31, 2013 from €172.1 million in the year ended December 31, 2012. Expressed as a percentage of revenues, cost of sales decreased to 73.7% in the year ended December 31, 2013 from 76.1% in the year ended December 31, 2012, even though revenues decreased over the same period.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Cost of sales decreased by €41.6 million, or 4.0%, to €1,000.9 million in the year ended December 31, 2012 from €1,042.5 million in the year ended December 31, 2011. This decrease was primarily due to a reduction in our variable costs as a result of reduced expenditure on raw materials following a decrease in demand for our products caused by the economic downturn. Towards the end of 2011, we reduced our headcount attributable to variable and fixed costs by 519 FTEs, or 7.9%, to 6,055 FTEs in the year ended December 31, 2012 from 6,574 FTEs in the year ended December 31, 2011 (FTEs as reported in the Group’s our audited consolidated financial statements as of and for the years ended December 31, 2011 and 2012 and does not reflect the revisions made to the Group’s accounting for joint ventures upon its adoption of IFRS 11 in 2014). However, these cost saving measures were unable to offset our lower volumes and as a result cost of sales, as a percentage of sales, increased to 76.1% in the year ended December 31, 2012 from 74.9% in the year ended December 31, 2011.

Selling and Administrative Expenses

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Selling and administrative expenses declined by €3.1 million, or 4.7%, to €64.3 million in the three-month period ended March 31, 2014 from €67.4 million in the three-month period ended March 31, 2013. This decrease was primarily due to savings and efficiency gain generated by our operational improvement plan. By reducing our headcount attributable to selling and administrative expenses by 353 FTEs, or 14.5%, between March 31, 2013 and March 31, 2014, spread across all regions, we decreased the amount spent on salaries accordingly. Selling expenses declined by €2.6 million, or 6.1%, to €39.3 million in the three-month period ended March 31, 2014 from €41.9 million in the three-month period ended March 31, 2013. Administrative expenses, on the other hand, declined by a lesser amount, *i.e.*, €0.6 million, or 2.3%, to €25.0 million in the three-month period ended March 31, 2014 from €25.6 million in the three-month period ended March 31, 2013. The main reason for the lesser decline in administrative expenses was additional depreciation expense relating to software systems implemented in 2013 at our chimney business line and in Asia to improve business processes. Expressed as a percentage of revenues, selling and administrative expenses decreased to 25.7% in the three-month period ended March 31, 2014 from 31.3% in the three-month period ended March 31, 2013, as we were able to reduce such expenses even as revenues increased in the later period.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Selling and administrative expenses decreased €36.1 million, or 12.4%, to €256.2 million in the year ended December 31, 2013 from €292.3 million in the year ended December 31, 2012. This decrease was primarily due to fixed cost savings and efficiencies generated by our operational improvement plan. By reducing our headcount attributable to selling, general and administrative expenses by 443 FTEs, or 17.3%, between 2012 and 2013, the amount spent on salaries decreased accordingly. Expressed as a percentage of revenues, selling and administrative expenses decreased to 21.0% in the year ended December 31, 2013 from 22.3% in the year ended December 31, 2012, even though revenues decreased over the same period, due to the positive impact of our cost-saving measures.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Selling and administrative expenses decreased €11.7 million, or 3.8%, to €292.3 million in the year ended December 31, 2012 from €304.0 million in the year ended December 31, 2011. This decrease was primarily due to fixed cost savings and efficiencies generated by our operational improvement plan. By reducing our headcount attributable to selling, general and administrative expenses by 214 FTEs, or 7.7%, between 2011 and 2012, the amount spent on salaries decreased accordingly. However, expressed as a percentage of revenues, selling and administrative expenses increased to 22.3% in the year ended December 31, 2012 from 21.8% in the year ended December 31, 2011. Lower selling costs were a result of the disposal of some of our businesses, such as our Mexican tile business.

Other Operating Income

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Other operating income fell substantially by €3.8 million, or 88.2%, to €0.5 million in the three-month period ended March 31, 2014 from €4.3 million in the three-month period ended March 31, 2013. The decline mainly reflected the higher level of gains from the disposal of non-current assets in the earlier period (€3.8 million, compared with € 0.2 million in the later period), mainly as a result of the disposition of an idle asset in Norway in early 2013 and some gains from pallet sales in other regions.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Other operating income decreased by €8.1 million, or 37.9%, to €13.3 million in the year ended December 31, 2013 from €21.4 million in the year ended December 31, 2012. Other operating income of €13.3 million in the year ended December 31, 2013 was primarily generated by gains from the disposal of certain non-current assets amounting to €6.1 million and the divestment of our interests in certain companies in Asia, which resulted in a gain of €4.3 million. Other operating income of €21.4 million in the year ended December 31, 2012 was primarily generated by gains from the disposal of non-current assets amounting to €11.8 million, particularly the sale and lease back of an office building in Germany, income from the reversal of certain provisions amounting to €3.9 million, and divestments of our 50% interest in Earthcore Industries LLC in the United States, our 51% interest in Heliotek Maquinas e Equipamentos Ltda in Brazil and our 100% interest in Mexican roof tile manufacturer Redland Clay Tiles, which collectively resulted in a gain of €3.4 million.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Other operating income decreased by €2.7 million, or 11.2%, to €21.4 million in the year ended December 31, 2012 from €24.1 million in the year ended December 31, 2011. Other operating income of €24.1 million in the year ended December 31, 2011 was primarily generated by gains from the disposal of certain non-current assets amounting to €3.6 million, income from the reversal of certain provisions amounting to €6.8 million, and the divestment of our interest in Wibra Tondachziegel Beteiligungs GmbH in Austria, the deconsolidation of which led to a gain of €10.0 million.

Other Operating Expenses

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Other operating expenses decreased by €3.5 million, or 88.7 %, to €0.4 million in the three-month period ended March 31, 2014 from €3.9 million in the three-month period ended March 31, 2013. This decrease was primarily driven by the recording of valuation allowances in the amount of €2.3 million in the earlier period, which did not recur in the later period. These valuation allowances mainly related to France and represented a reversal of certain previously capitalized fixed costs. Miscellaneous expenses also declined, by €1.2 million, or 75%, to €0.4 million in the three-month period ended March 31, 2014 from €1.6 million in the three-month period ended March 31, 2013. In the earlier period, miscellaneous expenses primarily included expenses relating to the operational restructuring program (mainly consulting support) that did not recur in the later period due to the finalization of the project.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Other operating expenses decreased by €2.4 million, or 14.2%, to €14.5 million in the year ended December 31, 2013 from €16.9 million in the year ended December 31, 2012. This decrease was primarily due to a reduction in consultancy fees, as consultancy fees for our Project Step 200+ were recorded as restructuring expenses. Our other operating expenses in the year ended December 31, 2013 consisted of, among others, a valuation allowance in France amounting to €2.9 million, litigation proceedings amounting to €2.3 million, losses and disposals of non-current assets amounting to €1.6 million and provisions for upcoming tax audits and an insurance claim in Germany. Our other operating expenses in the year ended December 31, 2012, consisted of, among others, losses attributable to the disposal of certain equity investments.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Other operating expenses increased by €10.4 million, or 160.0%, to €16.9 million in the year ended December 31, 2012 from €6.5 million in the year ended December 31, 2011. This increase was primarily due to a valuation allowance amounting to €2.4 million, most of which related to Germany and a loss from disposal of equity investment in Earthcore Industries LLC amounting to €4.7 million. Other operating expenses in the year ended December 31, 2011 consisted of a provision relating to our obligation to maintain a building that was the subject of a sale and lease back contract in Germany and various transaction costs relating to unrealized acquisitions.

Restructuring Expenses

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

We did not incur any restructuring expenses in the three-month period ended March 31, 2014, compared with restructuring expenses of €8.9 million in the three-month period ended March 31, 2013. The restructuring expenses recorded in the earlier period primarily related to severance payments and garden leaves in Europe, the reclassification of our business in Thailand as discontinued operations and the closure of our concrete plant in France.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Restructuring expenses decreased by €1.0 million, or 1.4%, to €72.4 million in the year ended December 31, 2013 from €73.4 million in the year ended December 31, 2012. This decrease was primarily due to personnel related costs, such as severance payments and garden leave costs, expenses relating to the closure of certain plants and the temporary suspension of operations at certain other significantly underutilized plants and consultancy fees in relation to Project Step 200+.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Restructuring expenses increased by €57.7 million to €73.4 million in the year ended December 31, 2012 from €15.7 million in the year ended December 31, 2011. This increase was primarily due to the implementation of Project Step 200+ in the second part of the year, which included the closure of our underperforming plants in certain European countries, severance payments and garden leave costs.

Net Finance Costs

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Net finance costs more than tripled, by an increase of €12.4 million, to €18.5 million in the three-month period ended March 31, 2014 from €6.1 million in the three-month period ended March 31, 2013, as a result of both an increase in finance costs and a decrease in finance income. Finance costs increased by €6.8 million, or 52.0%, to €20.0 million in the three-month period ended March 31, 2014 from €13.1 million in the three-month period ended March 31, 2013, mainly reflecting significantly higher interest expense on our senior loan and a negative valuation of the interest-rate floor in the later period. Finance income, on the other hand, decreased by €5.6 million, or 79.6%, to €1.4 million in the three-month period ended March 31, 2014 from €7.0 million in the three-month period ended March 31, 2014, mainly as a result of lower exchange gains, primarily attributable to the British pound and certain intercompany loans with our subsidiaries in Thailand, the Czech Republic and Indonesia, as well as a lower valuation of the interest-rate floor.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Net finance costs increased by €18.7 million, or 28.3%, to €84.7 million in the year ended December 31, 2013 from €66.0 million in the year ended December 31, 2012. This increase was primarily due to fees amounting to €24.0 million incurred in connection with the amendment and extension of our Refinanced Credit Facilities pursuant to the 2013 Scheme of Arrangement, as described in "—*U.K. Scheme of Arrangement*," and the amortization of fees relating to the 2009 Restructuring amounting to €8.0 million.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Net finance costs decreased by €3.5 million, or 5.0%, to €66.1 million in the year ended December 31, 2012 from €69.6 million in the year ended December 31, 2011, despite a €9.0 million increase in expenses recorded in connection with the interest-rate floor attributable to a significant decline in EURIBOR and LIBOR in 2012. The decrease in net finance costs was primarily due to accounting for unrealized exchange losses between the euro and the South African rand incurred in connection with certain intercompany loans with our South African subsidiaries.

Income Taxes

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Income tax benefit increased by €1.4 million, or 26.8%, to €6.6 million in the three-month period ended March 31, 2014 from €5.2 million in the three-month period ended March 31, 2013. This increase was mainly due to the impact of a higher expected effective tax rate attributable to generally higher levels of earnings before taxes, as well as to positive earnings before taxes in subsidiaries in which net operating loss carry-forwards cannot be used.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Income tax benefit declined by €12.7 million, or 57.7%, to €9.3 million of tax income in the year ended December 31, 2013 from €22.0 million in the year ended December 31, 2012. This decrease was mainly due to the effects of valuation allowances in the amount of €11.4 million taken in 2013 in respect of tax carry-forwards (driven primarily by valuation allowances in France and Luxembourg), as well as by the expiration of tax loss carry-forwards of €2.2 million and reversal of adjustments for temporary differences of €2.5 million.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Income taxes moved by a total of €28.2 million, to an income tax benefit of €22.0 million in the year ended December 31, 2012 from an income tax expense of €6.2 million in the year ended December 31, 2011. This change mainly reflected substantial deterioration in loss before tax, as well as prior-year effects and changes in tax rates.

Segment Discussion

We divide our operations by geographic region and product line and operated six operating segments: Western Europe; Central, Northern & Eastern Europe; Southern Europe; Asia & Africa; Chimneys & Energy Systems; and Central Products & Services. The Western Europe segment includes the Benelux countries, France and the United Kingdom. Germany, Poland, Russia as well as Nordics & Baltics are included in the segment Central, Northern & Eastern Europe. The Southern Europe segment includes Italy and Turkey as well as Southeastern European countries. The Asia & Africa segment is made up of China, India, Malaysia, Indonesia, South Africa and (in prior periods) Thailand. The major product lines in all of these regions are concrete, clay tiles and components. The product line Chimneys & Energy Systems is presented in a separate segment. The three German manufacturing facilities of the product line components are included in the segment Central Products & Services.

Until December 31, 2013, Operating segment EBITDA and segment revenues, as included in our audited financial statements reviewed by the Board of Managers, were used to measure performance. As of and from January 1, 2014, we changed our segment reporting to provide greater detail in the form of additional key performance indicators at segment level and to enable management to more closely monitor segment performance. As a result, while the scope of coverage of each segment has remained unchanged, for all dates and periods subsequent to January 1, 2014, Operating EBITDA, Operating income, EBIT, Capital expenditure, Capital employed, volumes sold (tiles and chimneys) and (on an annual basis) Return on capital employed (ROCE), as included in internal reports reviewed by the Board of Managers, are used to measure performance. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the same industries.

Intra-Group relationships between the segments are eliminated as well as the additional ordinary result not included in segment figures. Therefore, the sum of our various segment reporting measures may differ from our total figures for such reporting measures because of adjustments and reclassification at the group level.

We define segment Operating EBITDA to mean, for any period, EBITDA (profit (loss) for the period, net of finance costs, finance income, income taxes, depreciation and amortization and impairment losses on non-current assets) for such period, as adjusted for items that are considered by management to be non-recurring or unusual because of their nature. The total of Operating EBITDA of all our six segments for any period is equal to our consolidated Operating EBITDA for that period. We define Operating income to mean, for any period, EBIT minus non-operating result, *i.e.*, impairment/reversal of impairment and the portion of other income or other expenses from activities outside of the ordinary course of business and regarded as non-recurring. We define Capital expenditure to mean, for any period, additions to tangible assets and property, plant and equipment in such period. We define Capital employed to mean, for any date, tangible assets plus inventories plus trade and other receivables minus total payables at such date. We define ROCE to mean, for any fiscal year, Operating income for such year divided by the average of the opening and closing Capital employed for such year. Because not all companies calculate these measures in the same way, this indicator as used by us is not necessarily comparable with similarly or comparably titled measures used by other companies. For a reconciliation of our Operating EBITDA to loss for the period, see "*Selected Consolidated Financial Information and Company Information—Additional Key Figures—Key Financial Performance Indicators*."

Revenues by Operating Segment

The following table provides a breakdown of our revenues by operating segment for periods indicated:

	For the three months ended March 31,		For the year ended December 31,		
	2013[1]	2014	2011[2]	2012[2]	2013[2]
	(€ in million) (unaudited)		(€ in million) (audited)		
Western Europe					
External revenue	66.4	74.4	329.5	302.2	287.6
Inter-segments revenue	0.8	1.1	5.3	5.3	4.9
Segment revenue	**67.2**	**75.5**	**334.8**	**307.5**	**292.5**
Central, Northern & Eastern Europe					
External revenue	62.2	82.6	470.2	445.1	417.1
Inter-segments revenue	2.1	2.9	15.8	12.9	10.9
Segment revenue	**64.3**	**85.5**	**486.0**	**458.0**	**428.1**
Southern Europe					
External revenue	27.3	30.2	223.6	205.7	197.3
Inter-segments revenue	0.1	0.3	0.2	0.4	1.1
Segment revenue	**27.4**	**30.6**	**223.8**	**206.1**	**198.4**
Asia & Africa					
External revenue	28.3	27.0	133.3	146.6	136.2
Inter-segments revenue	0.0	0.0	0.1	0.1	0.1
Segment revenue	**28.3**	**27.0**	**133.4**	**146.7**	**136.3**
Chimneys & Energy Systems					
External revenue	30.8	34.4	206.9	194.0	181.3
Inter-segments revenue	0.0	0.7	0.1	0.0	0.1
Segment revenue	**30.8**	**35.0**	**207.0**	**194.0**	**181.4**
Central Products & Services					
External revenue	0.8	1.5	28.6	21.3	8.6
Inter-segments revenue	24.3	26.4	120.7	99.5	100.6
Segment revenue	**25.1**	**27.9**	**149.3**	**120.8**	**109.2**
Total revenues					
Segment revenue	**243.0**	**281.5**	**1,534.3**	**1,433.1**	**1,345.9**
Inter-segments revenue	(27.3)	(31.4)	(142.2)	(118.2)	(117.7)
External revenue	215.7	250.0	1,392.1	1,314.9	1,228.2

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Western Europe

The Western Europe segment area includes the Benelux countries, France and the United Kingdom. The following table provides key indicators for the Western Europe segment for the periods indicated:

	For the three months ended March 31,		For the year ended December 31,		
	2013(1)	**2014**	**2011(2)**	**2012(2)**	**2013(2)**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	67.2	75.5	334.8(3)	307.5(3)	292.5(3)
Operating EBITDA	4.8	9.5	35.9(3)	27.4(3)	28.3(3)
in % of revenues	*7.1%*	*12.5%*	*10.7%*	*8.9%*	*9.7%*
Depreciation and amortization	7.5	7.3	31.9	34.3	25.9
Operating income	(2.7)	2.2	4.1	(6.9)	2.5
Non-operating result	(6.9)	0.0	(0.6)	(81.6)	(2.3)
EBIT	(9.6)	2.2	3.4	(88.5)	0.2
Capital expenditure	(0.5)	(1.0)	(13.8)	(13.8)	(7.6)
Capital employed	221.8	207.2	307.3	224.9	205.6
Volume of tiles sold (millions of m^2)	4.8	5.2	25.0	21.9	20.8
Headcount at end of period (FTEs)	1,396	1,269	1,585	1,460	1,324

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting," "—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Western Europe segment increased by €8.3 million, or 12.3%, to €75.5 million in the three-month period ended March 31, 2014 from €67.2 million in the three-month period ended March 31, 2013. This increase was primarily due to an 8.3% increase in the volume of tiles sold, mainly attributable to favorable weather conditions, and to positive economic developments in the United Kingdom in the later period, as well as to positive price developments and our strong components business. Revenues in the later period were also positively impacted by foreign exchange effects attributable to the British pound.

Operating EBITDA for our Western Europe segment almost doubled, increasing by €4.7 million to €9.5 million in the three-month period ended March 31, 2014 from €4.8 million in the three-month period ended March 31, 2013. This substantial increase was attributable to the volume increase and positive pricing development in the later period and to efficiency gains in variable costs of production, as well as a reduction in selling and administrative expenses achieved through the implementation of our operational improvement plan, Project Step 200+. In addition, capacity utilization rates of our plants were higher in the later period.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Western Europe segment decreased by €15.0 million, or 4.9%, to €292.5 million in the year ended December 31, 2013 from €307.5 million in the year ended December 31, 2012. This decrease was primarily due to a general decline in the construction market and the negative impact of foreign currency fluctuations between the euro and the British pound. Average prices in the year ended December 31, 2013 in Western Europe decreased slightly compared to the year ended December 31, 2012, with prices in France lower than the previous year, except in the United Kingdom, where prices slightly increased.

Operating EBITDA for our Western Europe segment increased by €0.9 million, or 3.3%, to €28.3 million in the year ended December 31, 2013 from €27.4 million in the year ended December 31, 2012. This increase was primarily due to the positive impact of cost savings achieved through the implementation of our operational improvement plan, Project Step 200+, and certain efficiency savings, such as the closure of a concrete tile plant and the implementation of right-sizing measures in all other plants.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Western Europe segment decreased by €27.3 million, or 8.2%, to €307.5 million in the year ended December 31, 2012 from €334.8 million in the year ended December 31, 2011. This decrease was primarily due to a severe decline in the construction industry in France and the Netherlands, which led to an overall decline in sales of our products in those regions that was partially offset by increased sales of our roofing component products in the United Kingdom. Average prices in the year ended December 31, 2012 in Western Europe increased slightly compared to the year ended December 31, 2011, with prices in the United Kingdom higher than the previous year, except for France and the Benelux, where prices slightly decreased.

Operating EBITDA for our Western Europe segment decreased by €8.5 million, or 23.7%, to €27.4 million in the year ended December 31, 2012 from €35.9 million in the year ended December 31, 2011. This decrease was primarily due to a reduction in sales that was partially offset by fixed cost savings.

Central, Northern & Eastern Europe

Our Central, Northern & Eastern Europe segment comprises our roof tile and roofing components manufacturing and selling activities in Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia, Sweden and (in prior periods) Ukraine. The following table provides key indicators for the Central Europe segment for the periods indicated:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013[(1)]	**2014**	**2011[(2)]**	**2012[(2)]**	**2013[(2)]**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	64.3	85.5	486.0[(3)]	458.0[(3)]	428.1[(3)]
Operating EBITDA	(2.9)	7.2	60.7[(3)]	54.4[(3)]	59.2[(3)]
in % of revenues	*(4.5)%*	*8.4%*	*12.5%*	*11.9%*	*13.8%*
Depreciation and amortization	5.9	6.1	27.3	22.6	20.2
Operating income	(8.8)	1.0	33.4	31.8	39.0
Non-operating result	(0.1)	0.1	(5.8)	(33.6)	(10.3)
EBIT	(8.8)	1.1	27.6	(1.8)	28.7
Capital expenditure	(2.8)	(0.5)	(19.2)	(10.9)	(12.7)
Capital employed	260.0	230.0	251.9	223.9	206.0
Volume of tiles sold (millions of m^2)	3.7	4.9	32.7	29.1	27.5
Headcount at end of period (FTEs)	1,773	1,519	1,932	1,848	1,511

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Central, Northern & Eastern Europe segment increased by €21.3 million, or 33.1%, to €85.5 million in the three-month period ended March 31, 2014 from €64.3 million in the three-month period ended March 31, 2013. This increase was primarily due to a 32.4% increase in the volume of tiles sold mainly attributable to favorable weather conditions and positive economic developments in Germany, Poland, Sweden, Norway and Denmark, as well as to positive price developments in all countries (with more moderate price increases in Germany compared to other countries) and our strong components business. Revenues in the later period were also negatively impacted by foreign exchange effects of €1.3 million attributable to Russia and the Nordic countries.

Operating EBITDA for our Central, Northern & Eastern Europe segment improved substantially by €10.1 million to a positive €7.2 million in the three-month period ended March 31, 2014 from negative €2.9 million in the three-month period ended March 31, 2013. This substantial increase was attributable to the volume increase and strong components business in the later period, decreases in fixed costs of production and selling and administrative expenses, as well as a lower increase in variable costs compared to revenues, achieved through the implementation of our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Central, Northern & Eastern Europe segment decreased by €29.9 million, or 6.5%, to €428.1 million in the year ended December 31, 2013 from €458.0 million in the year ended December 31, 2012. This decrease was primarily due to a decline in the German pitched roof market which led to decreased sales of concrete roof tiles and clay roof tiles. Revenues from our Nordic and Baltic regions were also negatively impacted by foreign currency fluctuations. Average prices in the year ended December 31, 2013 in Central, Northern & Eastern Europe increased slightly compared to the year ended December 31, 2012, but Germany selectively reduced the average selling price, especially in clay, to support its market position.

Operating EBITDA for our Central, Northern & Eastern Europe segment increased by €4.8 million, or 8.8%, to €59.2 million in the year ended December 31, 2013 from €54.4 million in the year ended December 31, 2012. This increase was primarily due to the positive impact of cost savings achieved through the implementation of our operational improvement plan, Project Step 200+, and productivity improvements, such as the closure of our clay tile plant in Poland (with market demand now being supported by imported tiles mostly from Germany) and the liquidation of our Ukrainian subsidiary.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Central, Northern & Eastern Europe segment decreased by €28.0 million, or 5.8%, to €458.0 million in the year ended December 31, 2012 from €486.0 million in the year ended December 31, 2011. This decrease was primarily due to a decline in the German pitched roof market driven by a weaker renovation market that was partially offset by costs savings. Declines in Sweden, Denmark and Poland also contributed to decreased revenues that were partially offset by increased sales in Norway, Russia and Ukraine and the positive impact of foreign currency translations.

Operating EBITDA for our Central, Northern & Eastern Europe segment decreased by €6.3 million, or 10.3%, to €54.4 million in the year ended December 31, 2012 from €60.7 million in the year ended December 31, 2011. This decrease was primarily due to decreased sales of concrete roof tiles and clay roof tiles in Germany and Poland, and lower capacity utilization, especially in the production of concrete tiles, in our Nordic and Baltic regions, which was partially offset by cost savings achieved through the implementation of our operational improvement plan, Project Step 200+ in the second half of the year 2012. Average prices in the year ended December 31, 2012 in Central, Northern & Eastern Europe increased significantly compared to the year ended December 31, 2011, especially in Germany and Poland.

Southern Europe

Our Southern Europe segment comprises our roof tile and roofing components manufacturing and selling activities in Albania, Austria, Bosnia, Bulgaria, Croatia, the Czech Republic, Hungary, Italy, Romania, Serbia, Slovakia, Slovenia and Turkey. The following table provides key indicators for the Southern Europe segment for the periods indicated:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013(1)	**2014**	**2011(2)**	**2012(2)**	**2013(2)**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	27.4	30.6	223.8(3)	206.1(3)	198.4(3)
Operating EBITDA	(1.4)	0.9	41.1(3)	25.3(3)	28.7(3)
in % of revenues	*(5.2)%*	*2.9%*	*18.4%*	*12.3%*	*14.5%*
Depreciation and amortization	4.9	4.9	9.6	21.6	19.7
Operating income	(6.3)	(4.0)	31.4	3.6	9.0
Non-operating result	(0.6)	0.0	(12.3)	(37.1)	(9.6)
EBIT	(6.9)	(4.0)	19.2	(33.5)	(0.6)
Capital expenditure	(0.2)	(0.8)	(14.4)	(9.9)	(5.1)
Capital employed	172.4	139.1	170.7	159.0	141.2
Volume of tiles sold (millions of m^2)	2.5	2.8	20.2	18.1	18.0
Headcount at end of period (FTEs)	1,199	1,012	1,339	1,236	1,019

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Southern Europe segment increased by €3.2 million, or 11.7%, to €30.6 million in the three-month period ended March 31, 2014 from €27.4 million in the three-month period ended March 31, 2013. This increase was primarily due to improved average sales prices, especially in Italy and southeastern Europe, and a 12.0% increase in the volume of tiles sold (mainly in countries other than Italy and Turkey) attributable to favorable weather conditions. Revenues in the later period were also negatively impacted by foreign exchange effects of €0.9 million attributable to Turkey and certain countries in southeastern Europe.

Operating EBITDA for our Southern Europe segment improved substantially, by €2.3 million to a positive €0.9 million in the three-month period ended March 31, 2014 from negative €1.4 million in the three-month period ended March 31, 2013. This substantial increase was attributable to the higher volumes and, especially, positive pricing developments in the later period, as well as to decreases in fixed costs of production and selling and administrative expenses achieved through a significant headcount reduction and other measures under our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Southern Europe segment decreased by €7.7 million, or 3.7%, to €198.4 million in the year ended December 31, 2013 from €206.1 million in the year ended December 31, 2012. This decrease was primarily due to declining sales due to challenging market conditions in most countries that was partially offset by revenue growth of 5.8% in Italy, mostly driven by our tile business and modest growth in Bulgaria, Romania and Turkey. Our revenues were also negatively affected by fluctuation in foreign exchange rates. Average prices in the year ended December 31, 2013 in Southern Europe decreased slightly compared to the year ended December 31, 2012.

Operating EBITDA for our Southern Europe segment increased by €3.4 million, or 13.4%, to €28.7 million in the year ended December 31, 2013 from €25.3 million in the year ended December 31, 2012. This increase was primarily due to increased sales in Italy, efficiency savings generated by the temporary closure of our clay tile plant in Salandra, Italy (with market demand being supported by our clay tile plant in Castelletto, Italy) and the positive impact of our cost savings measures through the implementation of our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Southern Europe segment decreased by €17.7 million, or 7.9%, to €206.1 million in the year ended December 31, 2012 from €223.8 million in the year ended December 31, 2011. This decrease was primarily due to a 22.4% decrease in sales in Italy, which affected all product lines except our solar business, and declining sales in the Czech Republic which was partially offset by the positive impact of our cost savings achieved through the implementation of our operational improvement plan, Project Step 200+ in the second half of the year 2012.

Operating EBITDA for our Southern Europe segment decreased by €15.8 million, or 38.4%, to €25.3 million in the year ended December 31, 2012 from €41.1 million in the year ended December 31, 2011. This decrease was primarily due to declining sales in most of our markets, with fixed cost savings only partially managing to offset this decline. Average prices in the year ended December 31, 2012 in Southern Europe increased significantly compared to the year ended December 31, 2011, especially in Italy, while they remained stable in Turkey.

Asia & Africa

Our Asia & Africa segment comprises our roof tile and roofing components manufacturing and selling activities in China, India, Indonesia, Malaysia and South Africa. It comprises our activities in the developed roofing markets of Malaysia and South Africa and exposes us to selected growing regional markets in southeastern Asia. Also reported in this segment are the results of operations of ten joint ventures in various southeast Asian markets that we have disposed of over the period from August 2013 to May 2014. The following table provides key indicators for the Asia & Africa segment for the periods indicated:

	For the three months ended March 31,		For the year ended December 31,		
	2013[(1)]	**2014**	**2011[(2)]**	**2012[(2)]**	**2013[(2)]**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	28.3	27.0	133.4[(3)]	146.7[(3)]	136.3[(3)]
Operating EBITDA	2.3	3.3	18.8[(3)]	20.8[(3)]	22.9[(3)]
in % of revenues	*8.3%*	*12.3%*	*14.1%*	*14.2%*	*16.8%*
Depreciation and amortization	2.2	2.3	9.9	9.6	8.0
Operating income	0.4	1.0	8.9	11.3	14.8
Non-operating result	(0.3)	0.0	(2.0)	(8.6)	5.9
EBIT	0.1	1.0	6.9	2.6	20.7
Capital expenditure	(0.4)	(0.2)	(6.8)	(8.1)	(15.3)
Capital employed	23.6	26.3	37.2	19.5	25.4
Volume of tiles sold (millions of m^2)	5.8	6.1	26.6	28.0	28.1
Headcount at end of period (FTEs)	1,983	1,844	2,194	2,171	1,875

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting," "—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. The result of operations of nine of the ten southeast Asian joint ventures referred to above are reported using proportional consolidation for all periods prior to our adoption of IFRS 11.

(3) Audited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Asia & Africa segment decreased by €1.3 million, or 4.6%, to €27.0 million in the three-month period ended March 31, 2014 from €28.3 million in the three-month period ended March 31, 2013. This decrease was due to negative foreign exchange effects of €3.6 million that more than offset organic growth (including increases in volumes and prices in local currencies) in the later period.

Operating EBITDA for our Asia & Africa segment increased by €1.0 million, or 41.5%, to €3.3 million in the three-month period ended March 31, 2014 from €2.3 million in the three-month period ended March 31, 2013. This increase was achieved despite the decline in revenue in the later period by virtue of decreases in fixed costs of production and selling and administrative expenses achieved through the implementation of our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Asia & Africa segment decreased by €10.4 million, or 7.1%, to €136.3 million in the year ended December 31, 2013 from €146.7 million in the year ended December 31, 2012. This decrease was primarily due to the negative impact of foreign currency fluctuations, particularly between the South African rand and the euro, together with a weaker market in China that was partially offset by growth in Indonesia and Malaysia. Average prices in the year ended December 31, 2013 in Asia and South Africa increased in most of the Asian countries and in South Africa compared to the year ended December 31, 2012.

Operating EBITDA for our Asia & Africa segment increased by €2.1 million, or 10.1%, to €22.9 million in the year ended December 31, 2013 from €20.8 million in the year ended December 31, 2012. This increase was primarily due to a 14.6% increase in revenues (in local currency terms) in South Africa, the positive impact of cost savings achieved through the implementation of our operational improvement plan, Project Step 200+, and efficiency savings generated by the sale of our operations in Thailand and the Philippines.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Asia & Africa segment increased by €13.3 million, or 10.0%, to €146.7 million in the year ended December 31, 2012 from €133.4 million in the year ended December 31, 2011. This increase was primarily due to growth in Indonesia, India and Malaysia, driven by strong sales of our concrete roof tiles and supported by stable clay roof tile and roofing component sales. Average prices in the year ended December 31, 2012 remained stable in China and decreased slightly in Malaysia, while they increased in South Africa, compared to the year ended December 31, 2011.

Operating EBITDA for our Asia & Africa segment increased by €2.0 million, or 10.6%, to €20.8 million in the year ended December 31, 2012 from €18.8 million in the year ended December 31, 2011. This increase was primarily due to increased sales in the countries mentioned above.

Chimneys & Energy Systems

Our Chimneys & Energy Systems segment comprises our manufacturing and sales of ceramic and steel chimneys, energy systems and certain other products under the "Schiedel" brand in more than 15 countries in Europe. The main markets for our Chimneys & Energy Systems segment are Germany, Austria, the Czech Republic and the United Kingdom. The following table provides key indicators for the Chimneys & Energy Systems segment for the periods indicated:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013(1)	**2014**	**2011(2)**	**2012(2)**	**2013(2)**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	30.8	35.0	207.0(3)	194.0(3)	181.4(3)
Operating EBITDA	(3.9)	(0.0)	23.2(3)	20.1(3)	23.0(3)
in % of revenues	*(12.8)%*	*(0.1)%*	*11.2%*	*10.4%*	*12.7%*
Depreciation and amortization	2.5	2.5	11.4	10.7	11.0
Operating income	(6.5)	(2.5)	11.9	9.4	12.0
Non-operating result	0.2	0.0	(4.5)	(12.7)	(11.1)
EBIT	(6.3)	(2.5)	7.3	(3.3)	0.9
Capital expenditure	(0.6)	(0.6)	(9.5)	(6.3)	(7.1)
Capital employed	88.8	72.6	99.5	75.7	59.9
Chimneys (thousands of kilometers)	0.4	0.5	2.8	2.5	2.5
Headcount at end of period (FTEs)	1,295	1,173	1,488	1,352	1,178

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Chimneys & Energy Systems segment increased by €4.2 million, or 13.6%, to €35.0 million in the three-month period ended March 31, 2014 from €30.8 million in the three-month period ended March 31, 2013. This increase was primarily due to a 16.8% increase in volumes attributable to favorable weather conditions, mainly in Germany, Austria and the United Kingdom, and positive economic developments in certain countries, as well as to better pricing.

Operating EBITDA for our Chimneys & Energy Systems segment improved substantially, increasing by €3.9 million to a slightly negative figure in the three-month period ended March 31, 2014 from negative €3.9 million in the three-month period ended March 31, 2013. This substantial increase was attributable both to the volume and price increases in the later period, as well as to a decrease in fixed costs of production achieved through the implementation of our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Chimneys & Energy Systems segment decreased by €12.6 million, or 6.5%, to €181.4 million in the year ended December 31, 2013 from €194.0 million in the year ended December 31, 2012. This decrease was primarily due to decreased sales in Austria and the Czech Republic, driven by lower volumes, that was partially offset by volume growth in Germany and the United Kingdom.

Operating EBITDA for our Chimneys & Energy Systems segment increased by €2.9 million, or 14.4%, to €23.0 million in the year ended December 31, 2013 from €20.1 million in the year ended December 31, 2012. This increase was primarily due to cost savings achieved through the implementation of our operational improvement plan, Project Step 200+, and efficiency savings generated by exiting low-performing and non-core markets.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Chimneys & Energy Systems segment decreased by €13.0 million, or 6.3%, to €194.0 million in the year ended December 31, 2012 from €207.0 million in the year ended December 31, 2011. This decrease was primarily due to decreased sales in a number of Eastern Europe markets that was partially offset by increases in Germany, Austria, Russia and Norway.

Operating EBITDA for our Chimneys & Energy Systems segment decreased by €3.1 million, or 13.4%, to €20.1 million in the year ended December 31, 2012 from €23.2 million in the year ended December 31, 2011. This decrease was primarily due to decreased revenues and was partially offset by cost savings achieved through the implementation of our operational improvement plan, Project Step 200+.

Central Products & Services

Our Central Products & Services segment comprises three elements: our manufacturing facilities for components in Germany; our technical centers in Heusenstamm (Germany) and Crawley (UK); and our holding company entities, mainly in Germany and Luxembourg. The following table provides key indicators for the Central Products & Services segment for the periods indicated:

	For the three months ended March 31,		**For the year ended December 31,**		
	2013(1)	**2014**	**2011(2)**	**2012(2)**	**2013(2)**
	(€ in million, unless indicated otherwise) (unaudited)		**(€ in million, unless indicated otherwise) (unaudited, unless indicated otherwise)**		
Revenues	25.1	27.9	149.3(3)	120.8(3)	109.2(3)
Operating EBITDA	(2.3)	(0.1)	(11.7)(3)	(16.1)(3)	(1.9)(3)
in % of revenues	*(9.3)%*	*(0.4)%*	*(7.8)%*	*(13.3)%*	*(1.7)%*
Depreciation and amortization	1.5	1.5	18.2	10.5	7.0
Operating income	(3.7)	(1.5)	(29.8)	(26.6)	(8.9)
Non-operating result(4)	(1.6)	0.0	4.0	(20.0)	(34.6)
EBIT(4)	(5.3)	(1.5)	(25.9)	(46.6)	(43.5)
Capital expenditure	(0.1)	(0.2)	(4.7)	(4.2)	(2.9)
Capital employed	47.5	47.8	99.3	54.9	60.7
Headcount at end of period (FTEs)	454	414	817	553	482

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting,*" "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Segment Reporting," "—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Audited.

(4) Excludes Group consolidations.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Revenues for our Central Products & Services segment increased by €2.8 million, or 10.9%, to €27.9 million in the three-month period ended March 31, 2014 from €25.1 million in the three-month period ended March 31, 2013. This increase was primarily attributable to inter-segment sales of centrally produced components to different entities within the Group. Although sales to external customers almost doubled over the periods under discussion, the positive effect of external sales on total revenues of the segment was limited due to their low amounts.

Operating EBITDA for our Central Products & Services segment improved substantially, increasing by €2.2 million to a negative €0.1 million in the three-month period ended March 31, 2014 from negative €2.3 million in the three-month period ended March 31, 2013. This substantial increase was mainly attributable to sales of components in the later period, including higher volumes and better performance, and to cost savings in all areas due to the implementation of our operational improvement plan, Project Step 200+.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Revenues for our Central Products & Services segment decreased by €11.6 million, or 9.6%, to €109.2 million in the year ended December 31, 2013 from €120.8 million in the year ended December 31, 2012. This decrease was primarily due to the sale of our operations in Mexico and Brazil, the revenues of which had previously been recorded in this segment.

Operating EBITDA for our Central Products & Services segment increased by €14.2 million, or 88.2%, to negative €1.9 million in the year ended December 31, 2013 from negative €16.1 million in the year ended December 31, 2012. This increase was primarily due to cost savings generated by headcount reductions and the sale of our loss generating Mexican tile business.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Revenues for our Central Products & Services segment decreased by €28.5 million, or 19.1%, to €120.8 million in the year ended December 31, 2012 from €149.3 million in the year ended December 31, 2011. This decrease was primarily due to a lower demand for component products.

Operating EBITDA for our Central Products & Services segment decreased by €4.4 million, or 37.6%, to negative €16.1 million in the year ended December 31, 2012 from negative €11.7 million in the year ended December 31, 2011. This decrease was primarily due to lower margin contribution from component products and an increase in selling and administrative costs at the level of the holding company of our Group.

Liquidity and Capital Resources

We historically financed our liquidity needs and working capital requirements primarily with cash from operations. We preferred to use cash from operations rather than borrowing under the revolving portion of our Refinanced Credit Facilities. In the future, we expect to finance a greater part of our working capital requirements with borrowings under our Revolving Credit Facility. The amount of our cash and cash equivalents was €156.5 million and €143.0 million as of March 31, 2013 and 2014, respectively, and €233.2 million, €275.0 million and €208.3 million as of December 31, 2011, 2012 and 2013, respectively.

Cash Flows

The following table summarizes our cash flows for the periods indicated. The financial data presented below has been derived from and should be read in conjunction with our audited consolidated financial statement as of and for the years ended December 31, 2011, 2012 and 2013 and our unaudited interim consolidated financial statements as of and for the three-month periods ended March 31, 2013 and 2014 included elsewhere in this Prospectus. Adjusted free cash flow is not a measure of financial performance under IFRS and should not be considered as a measure of liquidity or an alternative to result for the period or any other performance measure derived in accordance with IFRS. By eliminating potential differences in free cash flows between periods caused by factors such as acquisitions and dispositions, restructurings, litigation and other non-recurring or infrequent events, we believe adjusted free cash flow can provide a useful additional basis for comparing the current liquidity position of the underlying operations being evaluated.

	For the three months ended March 31,		For the year ended December 31,		
	2013[1]	2014	2011[2]	2012[2]	2013[2]
	(€ in million) (unaudited)		(€ in million) (audited, unless indicated otherwise)		
Net cash from (used in) operating activities	(104.6)	(58.4)	98.9	76.6	25.8
Net cash from (used in) investing activities	(7.2)	(5.9)	(92.7)	(32.4)	(30.1)
Free cash flow	**(111.8)**	**(64.4)**	**6.2**	**44.1**	**(4.3)**
Net cash from (used in) financing activities	(4.4)	0.1	(29.2)	(2.9)	(59.5)
Net cash flow	**(116.2)**	**(64.2)**	**(23.0)**	**41.2**	**(63.8)**
Cash and cash equivalents at the beginning of the period	273.5	207.5	255.8	233.2	275.0
Effect of exchange rate fluctuations on cash and cash equivalents	(0.8)	(0.2)	0.4	0.6	(3.0)
Cash and cash equivalents at the end of the period	**156.5**	**143.0**	**233.2**	**275.0**	**208.3**
Adjustments on 'free cash flow' (above):					
Acquisitions and dispositions[4]	(3.9)	(0.3)	27.7	(20.6)	(15.5)
Debt restructuring[4]	0.0	0.0	0.0	8.5	24.0[3]
Operational restructuring[4]	11.2	10.4	14.2	33.6	77.6
Litigation[4]	0.1	0.3	4.4	4.4	6.1
Adjusted free cash flow[4]	**(104.4)**	**(54.0)**	**52.5**	**70.0**	**87.9**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Represents fees and expenses incurred in 2013 in connection with the 2013 Scheme of Arrangement.

(4) Unaudited.

Comparison of the Three Months Ended March 31, 2014 and March 31, 2013

Net cash from operating activities increased by €46.2 million, or 44.2%, to negative €58.4 million in the three-month period ended March 31, 2014 from negative €104.6 million in the three-month period ended March 31, 2013. This increase was mainly attributable to improved operating result (EBIT) and profitability in the later period, as well as to a decrease in cash as a result of movements in working capital reflecting reductions in inventories, trade accounts receivable and trade accounts payable in the earlier period. These effects were partially offset by higher payouts from provisions in the first three months of 2014.

Net cash used in investing activities decreased by €1.3 million, or 18.1%, to €5.9 million in the three-month period ended March 31, 2014 from €7.2 million in the three-month period ended March 31, 2013. This decrease was primarily due to a major sustaining capital expenditure project at our Vittinge clay plant in Sweden aimed at quality and productivity improvement, which affected our cash flows in the earlier period and was finalized in 2013. We did not execute any major capital expenditure projects in the first three months of 2014.

Net cash from financing activities increased by €4.5 million to positive €0.1 million in the three-month period ended March 31, 2014 from negative €4.4 million in the three-month period ended March 31, 2013. In the earlier period, cash used in financing activities primarily reflected the implementation of a recourse factoring program in France, which was changed to a non-recourse factoring program and therefore had no effect on our cash flows in the three months ended March 31, 2014.

Comparison of the Years Ended December 31, 2013 and December 31, 2012

Net cash from operating activities decreased by €50.8 million, or 66.3%, to €25.8 million in the year ended December 31, 2013 from €76.6 million in the year ended December 31, 2012. This decrease was mainly attributable to lower cash generation through working capital which decreased from €35.7 million to €8.2 million and to net cash outflows to execute the Project Step 200+, consisting mostly of severance payments, garden leave and other expenses. Lower cash from operations is also impacted by the outflows in executing the amend & extend refinancing.

Net cash used in investing activities decreased by €2.3 million, or 7.1%, to €30.1 million in the year ended December 31, 2013 from €32.4 million in the year ended December 31, 2012. This decrease was primarily due to the execution of several projects in 2012, such as the consolidation of our fittings production in Germany, the relocation of certain expenditures in Norway and the U.K. and certain IT investments in Asia and in our Chimneys & Energy Systems segment. Our single largest investment project in 2013 was the rebuilding of the clay curing chambers at our plant in Sweden.

Net cash used in financing activities increased by €56.6 million to €59.5 million in the year ended December 31, 2013 from €2.9 million in the year ended December 31, 2012. This increase was primarily due to a €50.0 million repayment of our Refinanced Credit Facilities that was agreed as part of the 2013 Scheme of Arrangement and some costs incurred in the implementation of a factoring program in France.

Comparison of the Years Ended December 31, 2012 and December 31, 2011

Net cash from operating activities decreased by €22.3 million, or 22.5%, from €98.9 million in the year ended December 31, 2011 to €76.6 million in the year ended December 31, 2012. This decrease was primarily due to a decrease in Operating EBITDA and higher interest and financing fees.

Net cash used in investing activities decreased by €60.3 million, or 65.0%, from €92.7 million in the year ended December 31, 2011 to €32.4 million in the year ended December 31, 2012. This decrease was mainly due to the purchase of the remaining 50% of Bramac in June 2011 and was offset by a sale and lease back transaction of our office building in Oberursel (Germany) in September 2012.

We made substantial large capital expenditures through the purchase of the Washington chimney plant in the U.K. and the installation of a components production line in Berlin (Germany).

Net cash used in financing activities decreased by €26.3 million, or 90.1%, from €29.2 million in the year ended December 31, 2011 to €2.9 million in the year ended December 31, 2012. This decrease was primarily due to the repayment of the local debt owed by Bramac.

Working Capital

Our working capital consists of inventories, trade accounts receivable less trade accounts payable, augmented by other receivables such as VAT receivables, advance payments and tax prepayments, less other payables consisting of customer rebates and other items payable.

Our working capital generally mirrors developments in our operating business. Seasonal patterns therefore tend to cause material fluctuations in our working capital. We typically increase inventory levels from January to April to ensure that we are able to satisfy our customers in the spring, summer and autumn seasons when demand for our products has historically been high. We therefore experience higher working capital needs during the period from January to April than later in the year. Our working capital position then tends to begin to improve from May onwards as construction activity begins to increase with the onset of summer, and thereafter usually continues to improve up until and including December, after which the cycle starts over again. Please see "*—Factors Affecting Our Results of Operations—Seasonality and Weather Conditions, and Working Capital Fluctuations*."

The development of our inventory levels has therefore not necessarily mirrored the development of sales to the same degree as trade accounts payable and trade accounts receivable. Trade accounts receivable generally develops in line with the development of sales until the month of December, when sales are typically the lowest due to the onset of winter. Our trade accounts payable, which primarily relates to raw material purchases, generally follows the developments in inventory levels.

We have introduced a number of initiatives to improve the management of our working capital. We instituted a comprehensive review of our product portfolio, which resulted in slow-moving product lines being discontinued. We also introduced a new enterprise resource planning system and monthly reviews of our global inventory to quickly identify inventory on hand, which resulted in better inventory management, a more-efficient delivery process and a reduction in inventory and related costs. Moreover, we implemented a management cash flow incentive program that rewards key management at each of our business units with bonuses that are paid for achieving certain working capital targets. We have also revised our monitoring of receivables to identify and reduce the amount of overdue receivables. These initiatives, among others, reduced the number of days of working capital significantly from 2009 to 2013. Continuing to improve cash management has been one of our key priorities and we have achieved this improvement in our working capital without generally increasing our trade accounts payable.

The following table provides a breakdown of our working capital as of the dates indicated:

	As of March 31,		As of December 31,		
	2013[(1)]	**2014**	**2011[(2)]**	**2012[(2)]**	**2013[(2)]**
	(€ in million) (unaudited)		**(€ in million) (audited)**		
Inventories	246.1	221.1	237.5	222.6	196.7
Trade accounts receivable	137.8	123.3	155.9	133.6	103.0
Other current assets	31.5	38.3	31.5	31.9	40.1
Trade accounts payable	(98.8)	(98.2)	(134.5)	(129.1)	(98.0)
Other short term liabilities	(121.8)	(128.2)	(162.1)	(143.2)	(143.9)
Working capital	**194.8**	**156.3**	**128.3**	**115.7**	**98.0**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Comparison of March 31, 2014 and March 31, 2013

Working capital decreased by €38.5 million, or 19.8%, to €156.3 million as of March 31, 2014 from €194.8 million as of March 31, 2013. This decrease was primarily due to a reduction in inventories and trade accounts receivable that was partially offset by an increase in other current assets. Inventories declined mainly due to our strict working capital management and efforts to keep inventory on hand low despite an increase in sales volumes in the later period. Trade accounts receivable in the three-month period ended March 31, 2014 were positively impacted by the implementation of a non-recourse factoring program in France later in 2013, which also resulted in an increase in other current assets, as a portion of factored receivables was reported as a hold back reserve. The increase in other short term liabilities was mainly attributable to higher sales and accordingly higher accrued but unpaid customer bonuses in the later period.

Comparison of December 31, 2013 and December 31, 2012

Working capital decreased by €17.7 million, or 15.3%, to €98.0 million as of December 31, 2013 from €115.7 million as of December 31, 2012. This decrease was primarily to due to a reduction in inventories and trade accounts receivable that was partially offset by a decrease in trade accounts payable and an increase in other current assets. Inventories declined mainly in finished goods due to improved sales generation in November and December 2013. Trade accounts receivable were impacted by the implementation of a non-recourse factoring program in France.

The reduction in short-term liabilities was mainly driven by lower customer bonuses that are typically accrued until December and are paid out in the first quarter of the following year as full year revenues were lower than in 2012.

Comparison of December 31, 2012 and December 31, 2011

Working capital decreased by €12.6 million, or 9.8%, to €115.7 million as of December 31, 2012 from €128.3 million as of December 31, 2011. This decrease was primarily to due to a decrease in inventories and trade accounts receivable that was partially offset by a decrease in trade account payables and other short term liabilities. Inventories mainly decreased due to lower raw materials and working progress. Trade receivables declined mainly because sales in the last quarter of 2012 were lower than in the last quarter of 2011, generating a lower balance especially in Italy and France. In addition, Chimneys & Energy Systems had executed a cash collection project in the year. The offsetting effect of lower short term liabilities is attributable to lower customer bonuses at the end of the year due to lower sales.

Capital Expenditures

Our capital expenditure, which we define as additions of property, plant and equipment and intangible assets, is divided between sustaining capital expenditure and development capital expenditure. Our sustaining capital expenditure includes the replacement of worn-out pallets and other plant equipment. Our development capital expenditure includes plant enhancements primarily through the purchase of equipment to develop new products or upgrade existing products. We have historically financed our capital expenditure primarily from cash flows from operating activities.

In order to optimize our cash flows we have developed disciplined, centralized approval procedures for capital expenditure budgeting and spending. These procedures require that each of our operating segments submit a capital expenditures budget before the beginning of a given fiscal year. These budgets include the total amount requested to be spent by such operating segment or capital expenditures during the forthcoming year and a detailed breakdown of all proposed capital expenditures of €100,000 or more. Each of these budgets is then discussed with management of the relevant operating segments and, once agreed, approved. Any capital expenditure of over €100,000 is nevertheless subject to further approval at the time it is intended to be made, and may be prohibited or postponed if current trading or expected sales volumes would make it imprudent. In addition, during the first six months of each year no more than a third of an operating segment's budgeted capital expenditure will typically be approved in order to ensure that the majority of our capital expenditures are made once the slower winter season is over and expected sales volumes for the year as a whole can be estimated more accurately. Historically we have typically spent no more than one-third of the total amount of our capital expenditures in any given year in the first six months of such year.

In the period under review, our liquidity position improved as a result of more effective control of our capital expenditure.

The following table shows the breakdown of our total addition to intergroup assets and property, plant and equipment by sustaining and development capital expenditure for the periods indicated:

	For the three months ended March 31,		For the year ended December 31,		
	2013(1)	2014	2011(2)	2012(2)	2013(2)
	(€ in million) (unaudited)		(€ in million) (unaudited, unless indicated otherwise)		
Sustaining capital expenditure	3.4	2.8	52.6	33.2	38.9
Development capital expenditure	1.1	0.4	15.9	20.0	11.8
Addition to intergroup assets and property plant and equipment(3)	**4.5**	**3.2**	**68.5(4)**	**53.1(4)**	**50.7(4)**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Represents additions to intangible assets and property plant and equipment accrued during the period, while capital expenditures show investments in intangible assets and property, plant and equipment, paid during the reporting period.

(4) Audited.

The following table shows our capital expenditure for the periods indicated:

	For the three months ended March 31,		Year ended December 31,		
	2013[(1)]	2014	2011[(2)]	2012[(2)]	2013[(2)]
	(€ in million) (unaudited)		(€ in million) (unaudited, unless indicated otherwise)		
Property, plant and equipment	4.5	2.5	67.1	50.8	46.2
Intangible assets	0.0	0.7	1.4	2.3	4.5
Addition to intergroup assets and property plant and equipment[(3)]	**4.5**	**3.2**	**68.5[(4)]**	**53.1[(4)]**	**50.7[(4)]**

(1) As restated in the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014. For more information, see "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(3) Represents additions to intangible assets and property plant and equipment accrued during the period, while capital expenditures show investments in intangible assets and property, plant and equipment, paid during the reporting period.

(4) Audited.

While we believe that our plants are generally in good condition and adequate for our existing needs, we will continue to invest in our production facilities, particularly in key growth regions, in order to improve productivity, product quality and energy efficiency as well as to extend capacity to meet expected demand for our existing and potential new products. We expect that going forward capital expenditures in the medium term will remain constant or slightly higher than the €51.3 million in total capital expenditures made for the year ended December 31, 2013.

We have budgeted to spend approximately €62 million on capital expenditures in 2014, of which approximately €51 million is related to replacement of equipment. The remaining portion of capital expenditures we have budgeted to spend in 2014 will be used to serve additional customers, develop new products or update existing products.

Liabilities to Parent Company and Non-Financial Liabilities

The following table provides a breakdown of our liabilities to parent company and non-financial liabilities as of the dates indicated:

	As of March 31,	As of December 31,		
	2014	2011[(1)]	2012[(1)]	2013[(1)]
	(€ in million) (unaudited)	(€ in million) (audited)		
Liabilities to parent company	7.7	16.0	8.2	8.2
Non-financial liabilities	282.5	336.9	324.0	290.5
Thereof trade payables	*98.2*	*134.5*	*129.1*	*98.0*
Thereof tax liabilities	*40.4*	*34.1*	*37.4*	*34.1*
Thereof other liabilities	*143.8*	*168.4*	*157.5*	*158.5*

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Comparison of March 31, 2014 and December 31, 2013

Liabilities to parent company represent obligations to the Selling Shareholder resulting from certain positive cash balances under the former intra-group cash pooling agreement, which amounted to €7.7 million as of March 31, 2014 and €8.2 million as of December 31, 2013. These liabilities are recorded as short-term liabilities.

Non-financial liabilities declined by €8.0 million, or 2.8%, from €290.5 million as of December 31, 2013 to €282.5 million as of March 31, 2014, primarily due to a decrease in other liabilities that was partially offset by an increase in tax liabilities. Other liabilities declined by €14.7 million, or 9.3%, from €158.5 million as of December 31, 2013 to €143.8 million as of March 31, 2014, primarily due to a decline in liabilities to customers. Tax liabilities rose by €6.3 million, or 18.5%, from €34.1 million as of December 31, 2013 to €40.4 million as of March 31, 2014, mainly as a result of increased corporate taxes and VAT in the later period.

Comparison of December 31, 2013 and December 31, 2012

Liabilities to parent company remained stable and amounted to €8.2 million as of December 31, 2013 and 2012.

Non-financial liabilities declined by €33.5 million, or 10.3%, from €324.0 million as of December 31, 2012 to €290.5 million as of December 31, 2013, primarily due to a decrease in trade payables. Trade payables declined by €31.1 million, or 24.1%, from €129.1 million as of December 31, 2012 to €98.0 million as of December 31, 2013, reflecting our continued effort to reduce net working capital.

Comparison of December 31, 2012 and December 31, 2011

Liabilities to parent company declined by €7.8 million, or 48.8%, from €16.0 million as of December 31, 2011 to €8.2 million as of December 31, 2012 and included an amount of €5.0 million waived under our shareholder loans. In addition, an amount of €0.9 million was repaid to reduce our obligations to the Selling Shareholder resulting from certain positive cash balances under the former intra-group cash pooling agreement in the year ended December 31, 2011.

Non-financial liabilities declined by €12.9 million, or 3.8%, from €336.9 million as of December 31, 2011 to €324.0 million as of December 31, 2012, due to a decrease in each of the line items. Over the same period, trade payables declined by €5.4 million, or 4.0%, from €134.5 million to €129.1 million reflecting our effort to reduce net working capital. Other liabilities decreased by €10.9 million, or 6.5%, from €168.4 million as of December 31, 2011 to €157.5 million as of December 31, 2012, primarily due to a decline in liabilities to employees and to customers, which was partially offset by an increase in liabilities relating to derivatives.

Financial Liabilities

The following table summarizes our financial liabilities as of March 31, 2014, and the related amounts falling due within the periods indicated, assuming that the Refinancing 2014 would had become effective immediately prior to the end of the first three-month period ended March 31, 2014. The following table does not show our liabilities to parent company which are presented under "—*Liabilities to Parent Company and Non-Financial Liabilities*."

	Payments due by year			
	Less than 1 year	**Between 1 – 5 years**	**More than 5 years**	**Total**
	(€ in million)			
Liabilities to banks	3.5	0.0	0.0	3.5
Term loan	0.0	0.0	250.0	250.0
Revolving credit facility(1)	—	—	30.0	30.0
Notes	0.0	0.0	315.0	315.0
Financial leases	0.2	0.8	0.0	1.1
Financial liabilities	**3.7**	**0.8**	**595.0**	**599.6**

(1) After the completion of the Refinancing, an additional €10 million was drawn under the Revolving Credit Facility.

Contingent Liabilities

The following table summarizes our contingent liabilities as of March 31, 2014, and the related amounts falling due within the periods indicated:

	Payments due by year			
	Less than 1 year	**Less than 1 – 5 years**	**More than 5 years**	**Total**
	(€ in million)			
Operating leases	19.3	31.8	19.7	70.8
Purchase commitments	30.6	10.3	4.5	45.4
Other financial obligations	3.0	2.6	1.2	6.8
Commitments for the acquisition of property plant and equipment	1.7	0.0	0.0	1.7
Contingent liabilities and other financial obligations	**54.6**	**44.7**	**25.4**	**124.6**

Equity, Pension Obligations and Provisions

Equity

The following table provides a breakdown of our equity as of the dates indicated.

	As of March 31, 2014	As of December 31,		
		2011(1)	2012(1)	2013(1)
	(€ in million) (unaudited)	(€ in million) (audited)		
Subscribed capital	0.0	0.0	0.0	0.0
Additional paid-in capital(2)	302.0	297.0	302.0	302.0
Retained earnings	(281.9)	65.8	(196.2)	(266.4)
Foreign currency translation reserve	(22.5)	(18.3)	(11.1)	(22.1)
Total equity attributable to the shareholders of the parent	(2.4)	344.4	94.7	13.5
Non-controlling interests	**2.4**	**(4.3)**	**(3.8)**	**2.7**
Total equity	**0.0**	**340.2**	**90.9**	**16.2**

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

(2) Represents 3,000,000,000 profit participating loan certificates, each with a nominal value of €0.01, issued by us to Monier Holdings S.C.A. on October 16, 2009.

Comparison of March 31, 2014 and December 31, 2013

Total equity declined from €16.2 million as of December 31, 2013 to €0.0 million as of March 31, 2014, primarily driven by negative developments in retained earnings. Retained earnings amounted to negative €266.4 million in the year ended December 31, 2013 and to negative €281.9 million in the three-month period ended March 31, 2014, as a result of losses generated by our business in the periods under discussion.

Comparison of December 31, 2013 and December 31, 2012

Total equity declined more than five times, from €90.9 million as of December 31, 2012 to €16.2 million as of December 31, 2013, primarily driven by negative developments in retained earnings. Retained earnings amounted to negative €196.2 million in the year ended December 31, 2012 and to negative €266.4 million in the year ended December 31, 2013, as a result of losses generated by our business in the periods under discussion. In the year ended December 31, 2013, retained earnings also included actuarial gains for the year, net of tax, that amounted to positive €5.5 million.

Comparison of December 31, 2012 and December 31, 2011

Total equity declined more than three times, from €340.2 million as of December 31, 2011 to €90.9 million as of December 31, 2012, primarily driven by negative developments in retained earnings. Retained earnings amounted to positive €65.8 million in the year ended December 31, 2011 and to negative €196.2 million as of December 31, 2012, as a result of losses generated by our business in the periods under discussion. In the year ended December 31, 2012, retained earnings also included actuarial gains for the year, net of tax, that amounted to negative €49.7 million.

Pension Obligations

We have obligations under defined benefit and defined contribution pension schemes. Our subsidiaries operate various pension schemes, covering both defined contribution and defined benefit plans. The majority of our pension plans are defined benefit pension schemes, most of which are not funded. To the extent that our plans are not fully funded, the difference is reflected as a provision in our accounts. Defined benefit plans are comprised of a variety of post-employment benefit arrangements. They generally provide payments in case of death, disability or retirement to former employees and their survivors. The various legal and constructive defined benefit obligations are situated in Germany, the Netherlands, other European countries and in the United States.

Almost all employees in Germany participate in a pension plan. We also have pension plans in the Netherlands, other European countries and the United States. Our plans in the United States and Austria are funded plans. Defined benefit plans in the relevant countries are designed based on local needs and requirements. Nearly all of these plans outside Germany are closed for new entrants. Our pension plans in Germany are unfunded pension plans. The current pension plan in Germany is a scheme based on yearly benefit units. A certain percentage of the pensionable income is accrued on a notional account together with a guaranteed return and we are not obliged to fund any pension deficits. Respective book reserves have been made. At retirement the accrued account balance is converted into a pension with an option for spouse benefits. The plan allows for employee participation via salary sacrifice.

Under IAS 19 (revised 2011) employee benefits are either categorized as defined benefit ("**DB**") or defined contribution ("**DC**") plans. Employee benefit programs that are not DC plans are to be categorized as DB plans. For these benefits, a liability has to be recognized in the statement of financial position. The majority of our pension plans are DB plans.

Under DC plans, an entity pays fixed contributions into a separate entity (a fund) to finance the benefits and does not have any further obligation from that arrangement. Contributions to a DC plan are recognized in earnings in the year that they are due.

The benefit liabilities are valued annually by qualified actuaries and are calculated using the projected unit credit method. The exact amount of the pension liability resulting from a DB plan is not known with certainty at the balance sheet date. Assumptions are to be made about future wage increases, employee turnover, mortality and disability rates as well as retirement ages and all other items that influence the amount and timing of the payment. The assumptions used for the valuation reflect our best estimate of future developments and were determined in accordance with market conditions and best practice in each relevant country. As prescribed by IAS 19 (revised 2011) the discount rate was determined by reference to market yields at the balance sheet date on high quality corporate bonds consistent with the currency and term of the obligations.

Under IAS 19 (revised 2011), the balance sheet liability equals the difference between the DB obligation and plan assets, adjusted for any effect from the asset ceiling if applicable

The liability recognized in our statement of financial position in respect of DB pension plans is the present value of the DB obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past-service costs. Several actuarial assumptions are used to determine the present value of the DB liability and pension expense for the upcoming year. Actuarial assumptions for our DB obligations include future wage increases, employee turnover, mortality and disability rates as well as retirement ages and all other items that influence the amount and timing of pension payments. As of December 31, 2013, liabilities arising from DB plans amounted to €332.3 million (€339.2 million as of December 31, 2012 and €268.2 million as of December 31, 2011), while the fair value of plan assets amounted to €15.2 million (€15.2 million as of December 31, 2012 and €12.7 million as of December 31, 2011). More than 87% of our net liabilities arising from DB plans were attributable to Germany, as of December 31, 2013.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in our statement of comprehensive income in the period in which they arise, including discount rates applied to the plans. The net of tax actuarial gain for 2013 amount to €5.5 million, compared to actuarial losses of €49.7 million and losses of €4.1 million in 2012 and 2011, respectively. As no updated actuarial valuation was requested as of March 31, 2014 due to immaterial changes, the Group does not present actuarial gains and losses in other comprehensive income for the first three months of 2014.

Our total pension expense recognized in the income statement was €16.2 million in 2013 (compared to €17.5 million in 2012 and €18.4 million in 2011), and we expect that our total pension expense will remain at or around this level in the next few years. For DC plans, we have no further payment obligation once the contributions have been paid. Contributions are recognized as an expense when they are paid.

Provisions

The following table provides a breakdown of our provisions for other risks as of the dates indicated.

	As of March 31,	As of December 31,		
	2014	**2011[(1)]**	**2012[(1)]**	**2013[(1)]**
	(€ in million) (unaudited)	**(€ in million) (audited)**		
Warranty	66.1	74.7	70.6	66.1
Litigation	16.4	19.1	16.6	17.0
Restructuring	35.8	16.2	57.1	45.7
Environmental	5.5	5.5	5.0	5.5
Site Restoration	6.6	5.7	6.1	6.5
Other	33.4	22.7	24.7	34.0
Total	**163.8**	**143.8**	**180.0**	**174.8**

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013. These figures accordingly do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

Provisions for Warranty

In several of our markets, we provide comprehensive system guarantees for our complete roofing solutions in addition to long-term product guarantees. These system guarantees cover, for example, the weather-tightness of tiles in conjunction with components on an entire roof for periods ranging between ten and 15 years. The warranty provision is determined for various product groups at entity level. A factor is applied to revenues entailing warranties that are determined on the basis of historical warranty expenses. In the consolidated statement of financial position, warranty provisions are disclosed as a non-current liability. Additions during the year are an estimate of the probability of future product claims applied to the sales figures of the year and statistical estimates. Our management assesses utilization within the next years. As the warranty provisions are based on historical data, there is a level of uncertainty that cannot be explicitly quantified. The decrease in the warranty provision for 2013 primarily reflects lower sales and utilization of existing provisions.

Provisions for Litigation

The provisions are based on estimates by legal advisors. The majority of the provisions relate to potential product claims. Utilization of the provision is expected to occur within the next few years.

Provision for Restructuring

The restructuring provision includes the necessary direct expenditure arising from the restructuring and is not associated with the ongoing activities of the Group. The restructuring provision covers resolved and announced restructuring activities. The majority of the provisions relate to personnel expenses incurred in connection with our operational improvement plan, Project Step 200+. The decrease in the restructuring provision in the first three months of 2014 reflects the usage of provisions to make severance and garden leave payments to employees made redundant in the course of 2013 under our operational improvement plan.

Critical Accounting Policies

The preparation of the consolidated financial statements requires assumptions and estimates to be made which have an effect on the carrying amounts of recognized assets and liabilities, income and expenses and contingent liabilities. The assumptions and estimates mainly relate to the determination of the entities to be included in consolidation, asset impairment testing, and the uniform Group calculation of useful lives for property, plant and equipment. The assumptions and estimates are based on parameters which are derived from the information available at the time. In particular, the circumstances prevailing at the time of preparing the consolidated financial statements and assumptions regarding the realistic future development of the business environment are used to estimate our future business performance. Where these conditions develop differently than assumed and beyond the control of management, the actual figures may differ from those anticipated.

The key assumptions concerning future and other key sources of estimating uncertainties as of the reporting date which entail a significant risk of a material adjustment to the carrying amounts of assets and liabilities having to be made within the next fiscal year are explained below.

Impairment of Non-Financial Assets

We assess whether there are any indications of impairment for all non-financial assets at each reporting date. Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indications exist. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate to calculate the present value of those cash flows.

We perform the impairment test for goodwill, other intangible assets and tangible assets at the level of the relevant cash-generating units. If an impairment loss is identified, it is firstly allocated to goodwill. Any remaining impairment loss is allocated *pro rata* to the other assets in the cash-generating unit unless the impairment loss would reduce an individual asset's carrying amount below its recoverable amount or zero.

If the fair value of a strategic business unit for which an impairment loss is recognized in a prior period exceeds its carrying amount, the impairment loss is reversed up to its residual book value as if the impairment loss had not been recognized, except when the impairments previously recorded relate to goodwill.

Against the background of the development of the world economy, current corporate planning, upon which forecasts for future cash flows are based, is subject to a significant level of uncertainty. This increases the risk of further impairment in coming years, though part of the impairment may be subsequently reversed once the economy recovers.

If an indication that an impairment loss recognized for an asset other than goodwill may no longer exist or may have decreased, an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

Deferred Tax Assets

Deferred tax assets are recorded for all unused tax loss carry-forwards to the extent that it is probable that taxable profit will be available against which the loss carry-forwards can be utilized. The calculation of the amount of the deferred tax assets requires the use of judgment on the part of management regarding the amount and timing of future taxable income and future tax planning strategies. This judgment is particularly relevant in times of adverse market conditions.

Pensions and Other Post-Employment Benefits

The expense from defined post-employment benefit plans is determined using actuarial calculations. Actuarial measurement is based on assumptions regarding the discount rates, expected return on plan assets, future wage and salary increases as well as mortality and future pension increases. As these plans are of a long-term nature, such estimates entail a high degree of judgment.

Provisions

Provisions are measured pursuant to IAS 37 at the amount of the best estimate of the expenditure that would be required to meet the present obligation as of the reporting date. Such estimates are subject to judgment.

Warranty provisions are based on historic quality rates for established products as well as estimates regarding quality rates for new products, costs to remedy, and types of defects predicted. Such estimates entail a significant degree of judgment.

Possible results of legal disputes are evaluated using the information available and in consultation with our legal advisors. If we consider that a court ruling is likely to lead to future cash outflows, we recognize the present value of the expected cash outflows as a provision to the extent that it considers them reliably measurable. These provisions cover the estimated payments to plaintiffs, court costs, lawyers' fees and any potential settlement payments.

Trade Receivables

In addition to valuation allowances for trade receivables, which are based on qualitative evidence of impairment, we recognize allowances for trade receivables based on their maturities. As this method comprises classifications and the determination of valuation adjustments as percentages, such estimates may entail judgment.

Impairment Test for Associates

We determine the recoverable amount of our investments in associates based on Operating EBITDA multiples.

Quantitative and Qualitative Disclosures of Market Risks

We conduct our business throughout the world and are therefore exposed to numerous potential risks. The goal of our management is to minimize risks and take advantage of opportunities in order to systematically and continuously improve shareholder value and achieve targets.

We constantly and systematically identify external and internal risks in all business areas and subsidiaries and evaluate them consistently throughout the Group with respect to their potential level of damage and the likelihood of the events occurring. Appropriate provisions are recognized in the balance sheet. During the budget periods and in the context of annual closing and pre-closing, risks are identified by the local management boards. A documented process is in place to report and evaluate ad hoc risks as they may occur in the course of the year. A risk summary is generated and presented during budget discussions and forms part of the quarterly business performance presentations in which risk-reduction measures are decided.

The managers of our subsidiaries are directly responsible for the early identification, control, communication and implementation of risk containment measures.

Political and Legislative Changes

Our presence in growth markets implies exposure to such risks as GDP volatility, significant currency fluctuations, political, financial and social uncertainty and unrest, high rates of inflation, less certainty regarding legal rights and the potential nationalization or expropriation of private assets, any of which could damage or disrupt its business in a given country. With operations spread over several countries, our risks are minimized by not having one of these individual markets accounting for a significant portion of our business.

Energy Prices

Our activities consume significant amounts of energy and fuel, the costs of which are very volatile. Energy costs have significantly impacted and can be expected to continue to impact operations and profitability in the future. For this reason, our central purchasing department has a strong focus on energy contracts and all our major energy contracts are negotiated and managed centrally. We have a strategy to hedge our exposure to energy price fluctuations over a two- to three-year period. We have benefited from falling gas prices since the beginning of 2014.

Financial Risks

We are exposed to the following risks in connection with our financial instruments, which mainly comprise financial assets, other assets and liabilities:

Exchange Rate Risks

In light of our international operations, we are exposed to exchange rate risks. Further information is provided in note 34 to our audited financial statements as of and for the year ended December 31, 2013. We reduce the risk associated with the volatility of key currencies and the resulting economic exchange rate risk by having production facilities for tiles in almost all countries. However, though sold throughout the world, roofing accessories are produced mainly in Germany.

We conduct operations in most of the major European countries, as well as in several markets in Asia & Africa. As a result of our international presence, we are exposed to foreign exchange risk arising from revenues generated in countries outside the Eurozone and denominated in local currencies, primarily in the British pound, the Malaysian ringgit, the Polish zloty and the South African rand, and from financial obligations denominated in currencies other than the euro, primarily in British pounds.

In cases where we are unable to match revenues received in foreign currencies with costs paid in the same currency, our results of operations are consequently impacted by currency exchange fluctuations.

As of December 31, 2013, a hypothetical 3.0% weakening or strengthening of the British pound, the Malaysian ringgit, the Polish zloty and the South African rand against the euro with all other variables held constant, would have resulted in an approximate reduction/ increase in Operating EBITDA for the year by €0.6 million, €0.6 million, €0.1 million and €0.5 million, respectively (2012: €0.4 million, €0.6 million, €0.1 million and €0.5 million, respectively), primarily as a result of foreign exchange gains/losses on the translation of euro-denominated monetary assets and liabilities in the entities with functional currencies other than the euro.

Interest Rate Risks

Our exposure to market risk for changes in interest rates relates primarily to our debt obligations. We will have currency rate exposure due to rate changes on the Notes because they will bear interest at a floating rate plus a margin. Indebtedness under our Revolving Credit Facility and our Term Loan bears interest at a floating rate, based on EURIBOR (or, in case of the Revolving Credit Facility, certain optional currency floating rates) plus a margin. See "*Material Agreements—Senior Facilities Agreement*." We have not currently hedged our variable interest rate exposure using customary market hedging instruments, but are obliged to hedge 66 2/3 percent of our interest rate risk from the Notes and the Term Loan Facility until October 5, 2014 for a period of two years from the utilization of this loan in April 2014.

Credit Risks

We are exposed to credit risks from our operating and financing activities. Defaults occur when individual business partners cannot meet their contractual obligations, which could result in a financial loss. To reduce the credit risk, financing transactions are generally only concluded with financial institutions with excellent credit ratings.

There is no material credit risk from derivatives as of the date of this Prospectus. The maximum credit risk relating to non-derivative financial instruments corresponds to the amount of receivables. Outstanding receivables are monitored continuously at operational level. Business relations with critical major customers and the associated credit risks are subject to credit rating monitoring by the credit committee.

Legal Risks

Appropriate provisions have been recognized to account for all legal risks to the extent that their amount and probability can be measured. Please also refer to Provisions for other risks (Note 31) in the notes to our audited financial statements.

Our business in core and smaller markets is subject to applicable competition and antitrust laws, rules and regulations. In general, these laws are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. Rules and regulations may become subject to investigations and proceedings by national and supranational competition and antitrust authorities for alleged infringements of competition or antitrust laws. This may result in fines or other forms of liability, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

Commodity Risks

We are subject to commodity risks with respect to price change mainly in the electricity, gas and fuel markets and other raw materials (cement/sand). Occasionally, we use financial instruments to manage our exposure to these risks. Price increases can be passed on to customers with a time delay.

As of December 31, 2013, no commitments existed pursuant to IFRS 7 or IAS 39.

Cash Flow Risks

One of our main tasks is to allocate resources and ensure the Group's liquidity situation. Taking this goal into consideration, we optimize our financing and limit our financial risks. To support this process, a treasury reporting system was introduced at the end of 2007 and is being continuously developed. Our overall liquidity risk is reduced by closely monitoring our companies and their control of cash flows. All activities relating to financial instruments are performed under the control of the central treasury department. The trade and accounting processes are performed separately.

INDUSTRY

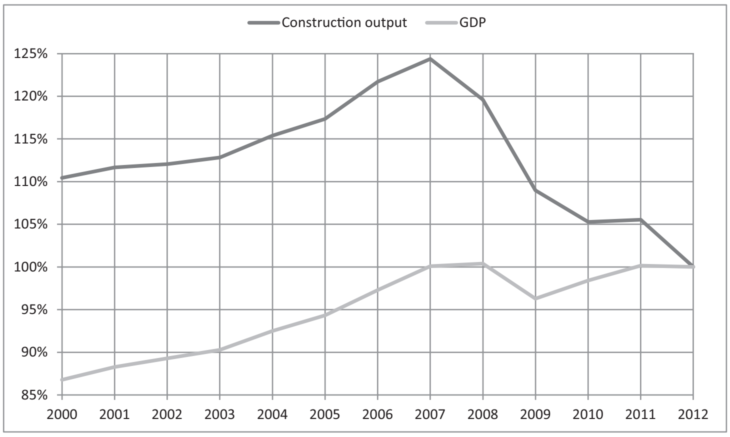
The Construction Industry

Overview

The roofing and chimney industries are an integral part of the construction industry and are thus directly affected by developments in the construction sector and changes in the level of construction activity. Several macroeconomic factors influence the size and growth of the construction industry, including changes in GDP growth rates, changes in household income and inflation, business cycles, government debt, the availability of credit for potential home owners and investors, tax incentives and subsidies, interest rate levels, the state of the housing market and demographic trends.

Historically, levels of construction output have demonstrated a strong correlation with general economic growth: during periods of GDP growth, construction output generally increases and during periods of stagnating or decreasing GDP, construction output decreases. This is shown in the following chart, which compares the GDP growth rates from 2000 to 2012 to the total construction output growth from 2000 to 2012 (shown at constant prices with 2012 = 100%) for the 19 European countries covered by the Euroconstruct Report (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom, the "EC-15 countries," and the Czech Republic, Hungary, Poland and the Slovak Republic, the "EC-4 countries," together, the "EC-19 countries"). Though the total construction output has generally been decreasing since the onset of the financial crisis in 2007 (except in 2011), Euroconstruct forecasts indicate that a turnaround is expected to commence in 2014 (*Source: Euroconstruct, November 2013*). In 2013, peak volumes were substantially lower than their maximum values within the last ten years in most of our markets.

Total construction output growth compared to GDP growth (EC-19)



Source: Euroconstruct, November 2013

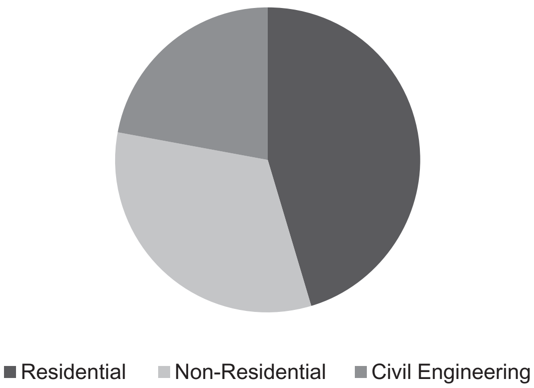
Historical Developments

Driven by GDP, housing markets in several European countries experienced a period of sustained growth until 2007, thriving on low interest rates, growing household income and, in some cases, government subsidies and other initiatives supporting residential building activity (for example, in the United Kingdom and the Netherlands). During this period, house prices rose rapidly in several countries further stimulating residential construction, which peaked in 2007 across Europe. The years 2008 and 2009 were characterized by a fall in GDP of European countries on account of the international financial crisis. The economic slowdown severely impacted construction output in Europe, causing a decline of almost 22% from 2007 to 2013, with certain European markets declining much more sharply than the European average. Though the overall construction output experienced a slight revival in 2011, the euro and sovereign debt crisis and the resulting negative GDP developments in 2012 and 2013 sent the construction sector back into decline. The current level of construction output is still significantly below pre-recession levels. However, GDP (*Source: IMF, October 2013*) and overall construction (*Source: Euroconstruct, November 2013*) are expected to show moderate growth in all EC-19 countries from 2014 to 2016.

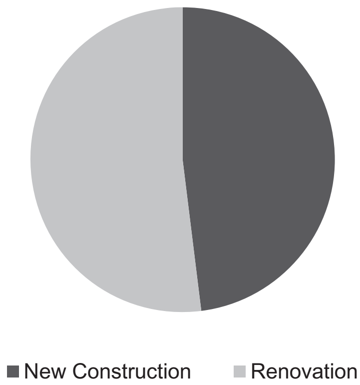
Structure of the Industry

The construction industry can be broken down into the residential, non-residential and civil engineering sectors. Residential construction activity was estimated to account for approximately 45% of the overall construction market in the EC-19 countries in 2013, while non-residential construction and civil engineering were estimated to account for 33% and 22%, respectively (*Source: Euroconstruct, November 2013*). In terms of end market, the construction industry is split between new construction and renovation. Renovation activity is estimated to account for 52% of the overall construction activity and new construction for the remaining 48% of overall construction activity in the EC-19 countries in 2013 (*Source: Euroconstruct, November 2013*). The market split between renovation and new construction in the EC-15 countries and in other European countries tend to have different dynamics: renovation has a higher market share in most of the EC-15 countries, while new construction generally has a higher share in the EC-4 (*Source: Euroconstruct, November 2013*).

Overall construction by type (2013)



Overall construction by end market (2013)



Source: Euroconstruct, November 2013 (partially based on Euroconstruct estimates).

As a manufacturer of pitched roof systems, we primarily operate in the residential segment of the construction market because pitched roofs are mainly used in residential housing. Although some non-residential (*i.e.,* commercial) buildings have pitched roofs, a significant proportion of these buildings have flat roofs. While we offer a comprehensive range of products for pitched roofs, our offer for flat roofs is limited to several components. In terms of end markets, the new construction market is more relevant for our business, as every newly constructed building needs a roof, while renovations do not always encompass a renovation of the roof or of its components.

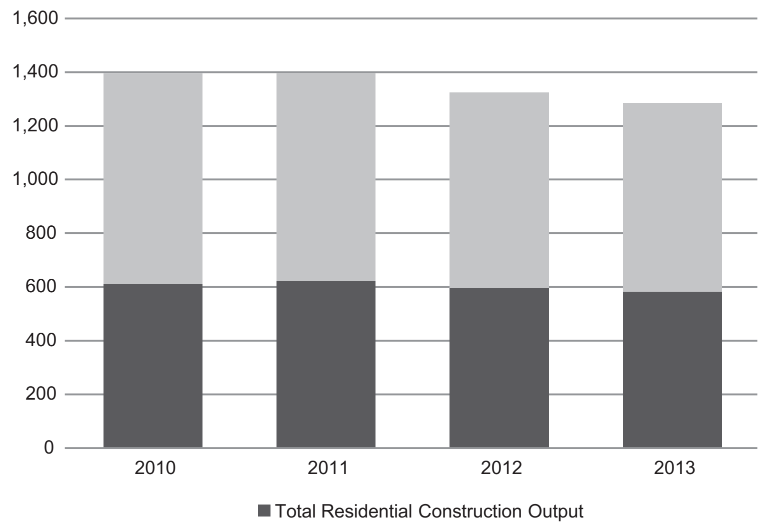
As a manufacturer of ceramic and steel chimneys, we also primarily focus on the residential construction market, primarily single-family houses. In terms of end markets, our chimneys are used for new build, retrofitting in houses where no chimney was installed upon construction, and for renovation. Our main product category, ceramic chimneys, is primarily used in residential new build and therefore the residential new construction market is also the most relevant market segment for our chimney business.

The Residential Construction Market

Market Size

For the EC-19 countries, total residential construction was valued at €595.9 billion in 2012 and was estimated to decrease to €583.0 billion in 2013 (*Source: Euroconstruct, November 2013*). The following graph shows shares of the residential construction output in the total construction output in the EC-19 countries from 2010 to 2013. During this period, residential construction output made up, or is expected to make up, between 44% and 46% of the total construction output (*Source: Euroconstruct, November 2013*).

Residential construction output as a portion of total construction output in Europe (EC-19) in billions of euro

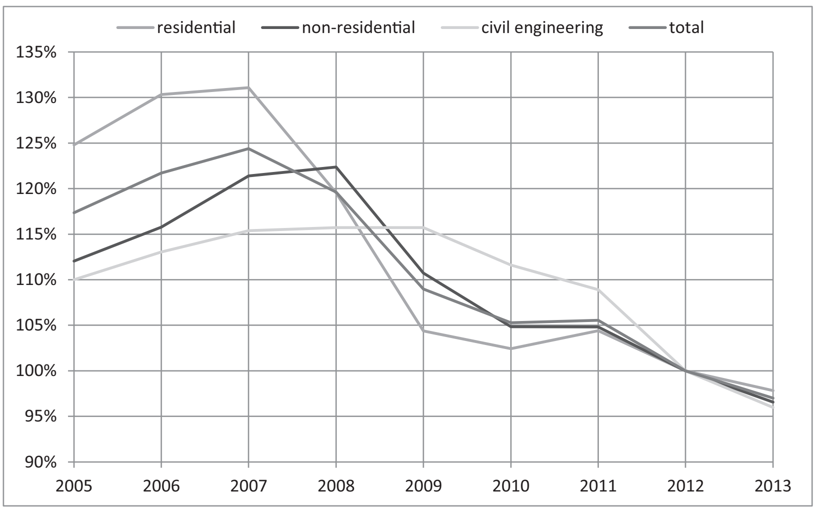


Source: Euroconstruct, November 2013 (2013 numbers are partially based on Euroconstruct estimates).

Market Structure

Changes in the construction market manifest themselves differently in the residential construction and the non-residential and civil engineering construction markets. The residential construction market reacts more quickly and dynamically to changes in the general economic environment than the other two markets. As such, the residential construction market is more volatile.

Historical development of the construction markets (at constant prices, 2012 = 100%)



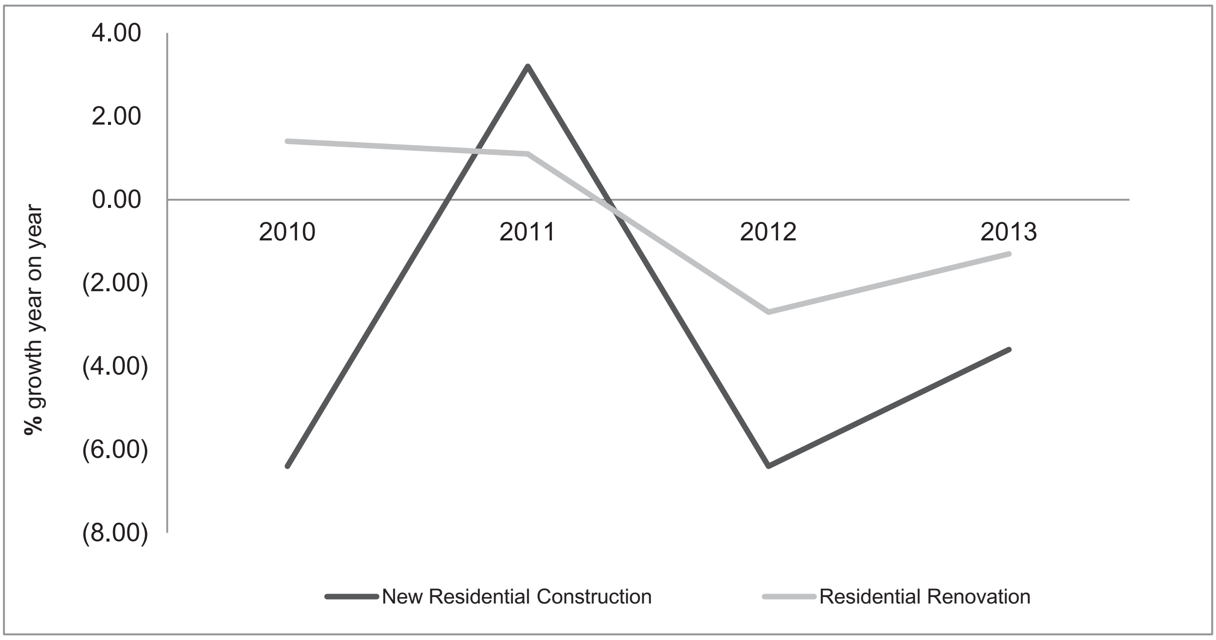
Source: Euroconstruct, November 2013 (2013 numbers are partially based on Euroconstruct estimates).

Much like the construction market as a whole, the residential construction market can also be divided into the new residential construction and residential renovation segments. Renovation activity dominated the residential construction market in the EC-19 countries in recent years and was estimated to represent approximately 61% of this market, or

€355.8 billion in value, while new residential construction was estimated to account for the remaining €227.2 billion, or approximately 39%, of this market in 2013 (*Source: Euroconstruct, November 2013; the figures are partially based on Euroconstruct estimates*).

Historically, the renovation segment has demonstrated greater resilience and lower volatility in terms of its construction output levels when compared to the new construction market. Most notably, the residential renovation market shrank by 3.5% at the height of the financial crisis in 2009 in the EC-19 countries, while the new residential construction market experienced a far greater decline of 22.8% during the same period. The chart below, which compares the year-on-year percentage growth rates of new residential construction to those of the residential renovation market for the period between 2010 and 2013 for the EC-19 countries, demonstrates that the annual growth rate of the new residential construction market is more volatile than that of residential renovations. The new residential construction market is both quicker to decline and to recover, while the residential renovation market is more resilient to market fluctuations.

New residential construction compared to residential renovation (EC-19)



Source: Euroconstruct, November 2013 (2013 numbers are partially based on Euroconstruct estimates).

Expected Developments in the Residential Construction Market

With the exception of the Czech Republic and Spain, Euroconstruct predicts that the compound annual growth rate for the residential construction output of all other EC-19 countries will be positive for the period from 2013 to 2016. This turnaround is largely a result of increased demand following the improvement of economic prospects and the positive impact of demographic effects. Factors positively affecting construction activity include some backlog from the crisis, continued low levels of interest rates, growth in the number of households as a result of more people living alone longer and intra-European migration. Anticipated demographic effects are expected to lead to an increase in residential renovations driven by the growing demand for low-barrier and barrier-free housing for senior living in countries like Germany. However, renovations driven by demographic changes largely pertain to the interior as opposed to the exterior aspects of buildings and therefore have a very limited effect on the roofing and chimney industries.

Additionally, the trend toward more energy-efficient and environmentally friendly buildings may help contribute to the recovery that is expected to commence in 2014 (*Source: Euroconstruct, November 2013*). In December 2002, the European Parliament and the Council adopted Directive 2002/91/EC (that was amended in 2010 by Directive 2010/31/EU) aimed at promoting the improvement of the energy performance of buildings in the European Union that sets the common general framework and minimum energy performance requirements for existing and newly constructed buildings. Although the implementation of the directive by individual member states varies significantly from country to country in terms of both required measures and implementation schedules, many governments have already established programs to promote energy-efficient buildings or are about to do so. For example, Germany's Federal Ministry of Transport, Construction and Urban Development is promoting energy conservation in existing buildings through a program aimed at reducing the demand for heating by 20% from 2008 levels by 2020, with the overarching goal of making the country's entire building stock climate neutral by 2050. In France, the Sustainable Building Plan (*Plan Bâtiment Durable*), launched in 2009, set a goal of reducing energy consumption levels of existing buildings by 38% from the then-current levels by 2020. To this end, the French State set an objective to renovate 400,000 housing units for energy efficiency starting in 2013. The United Kingdom introduced the Code for Sustainable Homes in 2007, which aims to make all new homes carbon dioxide neutral from 2016 onwards and shall then be extended to apply to all other buildings from 2019 onwards. Moreover, the launch of the "Green Deal" in the United Kingdom in October 2012 was an additional way of incentivizing individuals and businesses to improve the energy efficiency of their home and/or business by granting them the loans that they may need to complete these measures. Energy-efficient construction and refurbishment projects will be essential for achieving these goals and, accordingly, we expect an increase in the number of projects related thereto.

The Roofing Industry

The roofing industry is the sub-segment of the construction industry that is the most relevant to our business. The roofing industry can be divided into two main segments: pitched roofs, which are primarily used in low- to medium-rise residential buildings, and flat roofs, which are primarily used in commercial buildings and high rise residential buildings. Pitched roofs generally offer better rain tightness, durability and ventilation of the building structure, as well as better aesthetics, but are more expensive to construct than flat roofs. The primary focus of our business is the pitched roofing industry.

The seasonality of demand for roofing products corresponds with that of the construction industry at large: the roofing industry is also subject to seasonal fluctuations in sales and experiences increased sales volumes during the main construction season that typically lasts from May through October in most of the European regions. Severe adverse weather conditions such as rain, extreme cold or snow can reduce demand by disrupting or curtailing outdoor construction activity as observed in early 2013.

Climatic conditions, the historical availability of building materials and geography have all led to a diversity of architectural styles across regions and have influenced the pitch and construction of pitched roofs, as well as their material, shape and color. Concrete and clay tiles, metal, slate, asphalt shingles and fiber cement are all used for pitched roofs. Of this range, tiles are probably the most traditional material; they can be produced from clay or cement. Fiber cement and metal are primarily used in weight-sensitive constructions, as these materials are substantially lighter than tiles. However, fiber cement is more expensive than other materials, while metal offers poor sound protection. We manufacture and sell a comprehensive range of concrete and clay tiles and complementary roofing components designed to cover various functional and aesthetic aspects of pitched roof construction.

Market Trends

The roofing industry in Europe is undergoing two main trends: (i) a reduction in the pitch of roofs; and (ii) an increase in the complexity of roofs toward integrated roofing systems with energy-generating elements and other high-end technological solutions.

The trend towards a reduction in pitch is driven by a number of factors. The most important driver is energy efficiency, which is promoted on different levels, from EU directives to local initiatives. By decreasing the pitch, one reduces the surface area of the roof and the building as a whole and thereby reduces heat losses. As such, less energy (*i.e.*, heating or cooling) is required to optimize the indoor climate. The second driver is height restrictions imposed by regional building codes and zoning laws, in particular, in historical city centers and areas designated for low-rise residential construction. Additional drivers are increasing demand for residential floor space and rising residential real estate prices in a number of geographic markets, in particular, in urban areas. Given these factors, an increasing number of roofs are becoming inhabited spaces in the form of attic studios or mansard apartments, where low pitch roofs offer more living space at a fraction of the total roof cost. Traditionally, the benchmark for low pitch roofs was set at ten degrees. The ten-degree pitch was considered to offer advantages of the low pitch roof without compromising its rain-tightness and keeping its cost in the economically reasonable range. Recent technology developments and innovations reduced the lower barrier of the pitch that is both acceptable to industry participants and is considered economically feasible to seven degrees.

The general trend towards increasing the energy efficiency of roofs has resulted in a shift in their functionality. Roofs have gone from being a simple rain-protective structure to being a complex weather-tight system with ventilation and energy-generating elements, such as solar panels. Modern roofs can also offer heat-reflective, heat-absorbent, smog-eating and other functions when required by the local market or weather conditions. Roofs are therefore no longer a passive component of a house, but rather an important active part. As a result, roofs are becoming more complex as they are made of innovative materials and require more components. Insulation, ventilation, solar panels, airtight membrane elements and underlays are essential for increasing the energy efficiency of a roof. This trend towards roof complexity has also shifted purchasing preferences of roofers, constructors and house owners. Purchasing a complete roofing system is often seen as the simplest way to ensure that all elements of a roofing solution are compatible and can be installed efficiently. We believe that roof complexity correlates with the market share of complete roofing solutions and will continue to grow in line with the increasing complexity of roofs in the future.

The Roof Tile Industry

Overview

Concrete tiles and clay tiles are the two main roof tile products. Markets for roof tiles are local in nature and subject to regional preferences and purchasing habits.

Concrete and clay roof tiles vary in form, quality, durability, color, surface, weight and size. Concrete tiles range from uncoated tiles and classic red polymer-coated tiles to tiles with functional coatings, as well as tiles that are designed to imitate traditional clay tiles, wood or slate shingles in their appearance. Selected concrete tiles can also be used for low-pitched roofs. Clay tiles come in a variety of sizes and surfaces, including single-colored, multi-colored and glazed tiles, and are popular for their aesthetic appeal. Although each type of tiles has its own advantages and disadvantages, local preference drove the development of regional pitched roof markets into "concrete markets" or "clay markets." Concrete tiles offer a number of advantages over clay tiles such as greater resistance and durability, cost effectiveness, ease of installation and greater local availability given the widespread availability of the raw materials required for their production (primarily, cement and sand). Currently, pitched roof markets in Sweden and the United Kingdom are dominated by concrete tiles. Traditional clay tiles were chosen by customers mainly for their aesthetic, but due to technological improvements in clay tile resistance and dimensional stability, these tiles are now able to compete with concrete tiles in functionality. Clay tiles retain color better than concrete tiles do. Additional factors driving the demand for clay tiles, particularly in renovations, are the general perception of clay tiles as being made from a more natural and organic substance than concrete tiles, and the general tendency of homeowners to replace old clay tiles with new tiles made of the same material. Currently, pitched-roof markets in France, southern Italy and Germany are dominated by clay tiles.

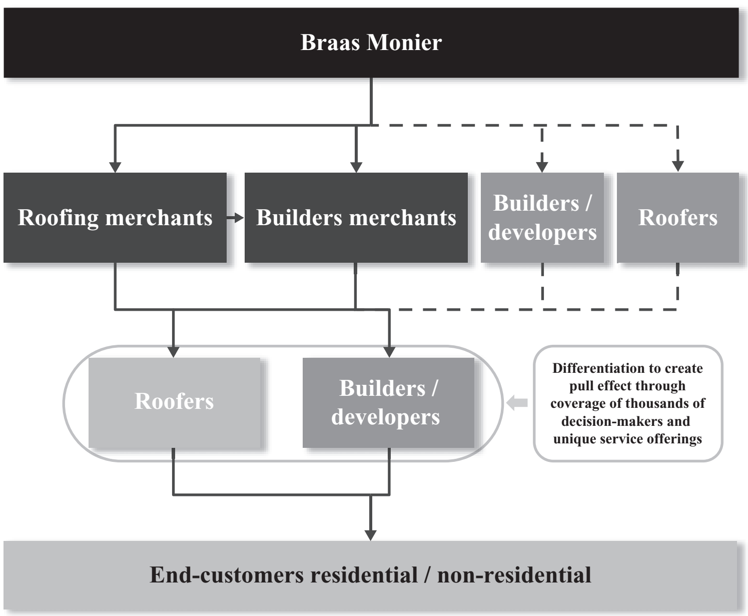
A higher initial investment and higher fixed costs are associated with the production of clay tiles compared to concrete tiles. We estimate the cost of a new clay plant to be approximately four to five times higher than the cost of a new concrete plant. This is mainly due to the fact that a greater number of steps are involved in the manufacturing process of clay tiles and that a larger scale is required for the operations of these production plants to become economically feasible, which therefore results in higher capital expenditure. In addition, clay tile production involves certain high-temperature processes that lead to high CO_2 emissions. These lengthy processes also increase the costs associated with maintenance shutdowns. In terms of variable costs, clay tile manufacture is slightly more labor-intensive, consumes more energy and requires specific combinations and blends of clay sources to optimize final product quality. These factors contribute to higher costs associated with the clay tile production compared to concrete tile production. Due to better aesthetics of clay roof tiles, manufacturers are generally able to charge higher prices per square meter for clay tiles than they are for concrete tiles.

The roof tile market is regional given the transportation costs involved in shipping the finished products. Due to the high weight-to-value ratio of tiles, it is generally not cost efficient to transport concrete roof tiles farther than a 200-300 kilometer radius and clay roof tiles farther than a 400-500 kilometer radius from their respective production sites. This can also lead to regional differences in market prices for tiles.

Routes to the Market

The roof tile business, including the distribution channels for roofing products, is country and region specific. In a typical distribution channel in Europe, manufacturers sell their products mainly through builders' merchants, *i.e.*, either specialized roofers' merchants or general builders' merchants. Merchants usually arrange transportation and carry in stock roofing materials for local roofers; in addition, they provide them with certain related advisory services. Smaller portions of roofing products are sold directly to roofing contractors and house builders. Constructors and house builders in turn distribute roofing products further to end customers and home owners.

The flow chart below presents a typical marketing and distribution channel used by roof tile manufacturers and suppliers in the residential segment of the European housing construction industry.



The European roofing industry is also characterized by high brand loyalty with established long-term customer relationships, which restrains switching between brands. To enhance customer loyalty, all major roof tile manufacturers provide certain additional services incidental to the roofing business of their end customers.

Customers

Roof tiles are primarily marketed to roofing and building professionals through builders' merchants and, to a lesser extent, to house builders. End users are private, corporate or public owners of residential and non-residential buildings.

Business-to-Business Segment

In the business-to-business segment, the principal participants are national and regional construction companies, prefabricated house manufacturers, housing developers and contractors. These customers purchase, primarily via merchants, significant volumes for use in large housing developments and are focused on cost-effective product solutions, a steady supply chain and reliable service from roofing suppliers. Large house builders' orders are typically characterized by high volumes with more standardized product ranges, which results in less room for price differentiation.

Business-to-Consumer Segment

In the business-to-consumer segment, the principal participants are small- and medium-sized roofing contractors, retailers and private homeowners that are typically accessed through the builders' merchant distribution channels. For end consumers in the residential renovation segment, the replacement of a roof is likely to be a once-in-a-lifetime investment, where aesthetics and durability outweigh price in the decision-making process. Consequently, product ranges in the business-to-consumer market are more diverse in order to provide the end consumer greater choice.

Market Trends

Historical and Geographic Preferences

The market penetration of concrete and clay tile materials varies significantly from country to country as a result of regional building traditions, consumer preferences for certain materials or shapes, specific weather conditions, historic availability of materials and our customers' financial means. Architects and public authorities who determine the local zoning requirements also play a significant role in influencing the choice of products by the end consumer.

In certain areas of Europe (including the Nordic countries, the United Kingdom, northern Italy and Austria), concrete tiles are the most popular roofing material for pitched roofs due to their high frost resistance, which is crucial in the Alpine and northern regions. To achieve comparable frost-resistance performance, clay tiles require innovative capital-intense technologies and appropriate clay blends which raise their sales prices well above the level of concrete tiles offering similar frost-resistant characteristics. In other areas of Europe (including southern Italy, southern France and Turkey), where weather conditions do not require high frost resistance of roofs, clay tiles are more popular than concrete tiles as a result of tradition and availability of clay pits.

Concrete tiles are generally preferred in the new build segment, particularly in the business-to-business segment, whereas clay tiles are preferred in the renovation segment, particularly in the business-to-consumer segment. As a result of their widespread availability and superior function, concrete tiles achieved a high market share in Germany during the post-World War II era. Over time, however, functional and aesthetic improvements helped clay tiles regain market share in Germany, with the current clay/concrete mix having remained stable over the past few years.

Expansion of Growth Markets

In recent years, the roofing industry has seen significant expansion in several growth markets, especially in southeastern Asia and South Africa.

In Malaysia, for instance, residential and non-residential markets saw strong growth due to favorable government initiatives that attracted several new entrants to the construction sector. We believe that Malaysia has, meanwhile, become a stable, mature roofing market that will not show typical growth market development patterns going forward.

China's business-to-consumer market remains quite rural and is dominated by inferior quality clay tiles produced by small local manufacturers. The business-to-business market is dominated by concrete tiles. The Chinese government has promoted the preservation of clay-rich agricultural land, which in turn has affected the supply of raw materials to producers of clay tiles in China. As a result, the production of clay tiles has been steadily reduced, which has led to the development of a small niche quality-driven clay tiles market that is mainly supported by imports.

The Indian pitched roof market, which is particularly concentrated in the regions that experience heavier rainfall, is currently dominated by inferior-quality clay tiles and metal sheet roofing. Although the concrete market is very small, it is expected to grow in the coming years driven by a burgeoning middle class and consumer preference for a wide selection of quality building materials.

The Indonesian pitched roof market has shown significant growth in the past two years and is expected to continue growing in the next few years.

The South African pitched roof market has shown significant growth in the past three years and is expected to continue in the next few years. The residential market growth is consistently ahead of GDP numbers.

Roofing Components

Overview

The roofing components market includes a wide range of products related to roof construction, including safety components, snow guard tiles, ventilation, underlays, ridge and hip products, roof outlets, abutments, fixings and on-rafter insulation panels. Overall, the global market for roofing components has developed better than the roofing market. The penetration of components, or the quantity and value of components sold per square meter of roof, has grown steadily in recent years. This evolution is driven by a variety of factors:

- the trend towards more energy-efficient buildings, requiring more and better components (*e.g.*, on-rafter insulation, ventilation outlets and breathable membranes);

- stronger standards and regulations, due to changes in legislation (for example, mandatory use of a certain amount of storm clips, dry fixings replacing mortar);

- replacement of traditional handcrafted solutions and materials with industrial solutions (*e.g.*, Wakaflex substituting for lead, ridge and hip rolls substituting for mortar); and

- maturing of markets and an increasing level of roof quality in some parts of the world (*e.g.*, Eastern Europe and Asia).

We believe that an international presence in the roof tile market is a key prerequisite for achieving consistent and continued growth in the roofing components segment. This approach helps producers exploit the synergies that exist between the core roof tile segment and the roofing components segment and allows them to benefit from existing marketing and sales channels. In addition, the lower weight-to-value ratio of roofing components compared to tiles makes their centralized production and transportation across regions economically feasible. As such, the market for roofing components is not as geographically limited as the market for roof tiles.

Market Trends

The roofing components market has historically been dominated by handicraft solutions, with skilled roofers undertaking repairs or adjustments on an ad-hoc basis or other tradesmen working on a roof-by-roof basis. For example, instead of using a modern dry fixing solution for ridge and hip, a roofer may have simply applied mortar, which deteriorates over time. The development of standardized roofing solutions, as well as a declining labor pool of skilled roofers, has contributed to the rapid development of the market for time-efficient, long-lasting roofing solutions that comprise a range of roofing components. Demand levels for roofing components are in line with the demand for other roofing products and are linked to overall new construction and renovation activities. Nevertheless, the adoption rate and overall market penetration of roofing components is generally linked to the size of the roofing market and varies significantly from country to country. One of the key barriers to greater market penetration of roofing components is the willingness of roofers to apply new technologies and incorporate complete roofing solutions, including roofing components, in the package they recommend to the end customer.

A separate sub-segment of roofing components comprises photovoltaic and solar thermal solutions, including photovoltaic roof tiles and photovoltaic panels for in-roof installation. We expect the solar roof sub-segment of roofing components to be a growth area for as long as renewable energy sources remain an important part of the energy mix and are promoted and supported by national governments and local authorities.

Chimneys & Energy Systems

Chimneys

The principal types of chimneys are mineral, metal and plastic (mainly polypropylene). Each of the mineral, metal and plastic chimneys is aimed at a specific market and addresses a different end consumer. The target market for mineral chimneys is mainly the new construction market; metal chimneys typically target the renovation and retrofitting markets as well as application in the industrial and non-residential construction; and plastic chimneys are used in all three construction segments—new build, renovation and retrofitting—for boilers featuring condensing-boiler technology.

The market for chimneys experienced noticeable decline from 2007 to 2010, followed by a year of moderate growth in 2011 and by another decline in 2012 and 2013, in line with the construction market overall. As ceramic chimney systems are mainly associated with new residential construction, especially in countries like Germany, Austria, Poland and the Czech Republic, the effects of the decline were more pronounced in this segment compared to the decline in the steel and plastic chimney segments. We believe that future growth in this market will be driven mainly by economic recovery and product upgrades in the growth markets, such as Eastern Europe, and the increased adoption of energy-efficient, sustainable solutions in mature markets, such as Western Europe.

Energy Systems

Many countries in Europe have ecologically friendly regulatory regimes. Directive 2002/91/EC, which relates to the energy performance of buildings and was inspired by the Kyoto Protocol, was a significant milestone in the promotion of the sustainable construction market. The Directive mandated that certain categories of buildings meet minimum energy requirements and that all buildings undergo certain energy certification prior to their sale. The 2010 amendments to the Directive have further tightened the applicable energy requirements with respect to buildings, while the passive house standard and similar certifications calling for enhanced energy efficiency in buildings have become law in many European jurisdictions and continue to gain traction in others. National regulations, such as the *Energieeinsparverordnung* in Germany and Part L of the Building Regulations in the United Kingdom, contribute to a regulatory environment that promotes sustainable building and creates demand for ecologically friendly products, such as heating systems and energy-efficient stoves. In addition, increasing airtightness of modern buildings leads to the increasing importance of ventilation systems with advanced evaporation and heat recovery functions.

Competition

Roof Tiles

In the roof tile market segment, our primary competitors are mostly regional or national companies with a limited cross-border presence. Our biggest multinational competitors are Etex and Wienerberger. Producers primarily compete at the regional level based on price, product quality and customer service. Etex and Wienerberger compete with us in numerous regions across Europe, while local competitors such as Imerys in France, Terreal in France and Italy, Benders in the Nordic countries, Nelskamp in Germany and the Netherlands and Roeben in Germany and Poland compete with us on a country-by-country basis.

We estimate that in 2013, our market positions by volume in the pitched roof market segment (including concrete and clay roof tiles) in our key geographic markets included number one positions in Germany, Italy, the Netherlands (*Source: B+L Report*) and the Nordic countries (*Source: Company estimate*) and top three positions in France, the United Kingdom, Poland and the Czech Republic (*Source: B+L Report*). Furthermore, we estimate we held the number one market position in each of China, Indonesia, Malaysia and South Africa (*Source: B+L Report*) and in India (*Source: Company estimate*) in 2013.

The concrete tiles market segment presents a higher degree of consolidation and we are the single largest manufacturer and supplier of concrete roof tiles in each of Germany, France, Italy and the Netherlands (*Source: B+L Report*), among other regions.

The clay tiles market segment is more fragmented than the concrete tiles market segment, and comprises a large number of local players. We estimate that we are one of the top three manufacturers and suppliers of clay roof tiles in each of France, Italy, the Netherlands and the United Kingdom (*Source: B+L Report*), among other regions.

Roofing Components

Competition in the roofing components market is relatively fragmented and localized. Our competitors are mainly specialists and tend to be smaller regional operators that focus on a narrow range of products. Our complete roof system, which integrates our roof tile and roofing components product lines, is unique and has been well regarded for years. Wienerberger and, to a lesser extent, Etex, offer a similar, albeit more limited, range of roofing components. Dörken, a well-established German supplier of building membranes for all major applications in construction, is a leading competitor for underlays. Juta offers a small but cost-efficient range of roofing components and has a growing presence in Central and Southern Europe. Ubbink is a competitor in ventilation and roof outlets from the Netherlands and is active in markets across Europe. The other specialist component suppliers that we compete with in the various component product areas include Mage, Fleck, F.O.S., Lehmann, Puren and Linzmeier (all in Germany), as well as MDM (Poland) and, at the local level, Sk Tuote (Finland), Lakiter Europa (Hungary) and JA Plast (Denmark).

Chimneys & Energy Systems

The chimneys market is a moderate growth market in most of Europe. Our main competitors in Europe are smaller, regional operators, whose product range is not as wide and expertise is not as extensive as Schiedel’s. The ceramic chimney market is highly fragmented, especially in Eastern European countries like Poland and the Czech Republic. In the ceramic chimneys segment, our competitors, except for a few larger industry players like Erlus, Tona or Plewa in Germany, generally only operate in a single country.

Given the high degree of fragmentation throughout Europe (with the exception of France), we compete with a few competitors, including the clear market leader, Poujoulat, in France, Dinak and Negarra in Spain, and Raab and Jeremias in Germany, which expanded their operations beyond original home countries and now operate in several countries. At the national level, our competitors in the steel chimney market are mainly high-quality steel specialists and national operators such as Joncoux and Isotip in France, SF Blue in the United Kingdom and Beza in Italy.

We expect a moderate increase in the ongoing consolidation in the European chimney market in the next few years. We believe this will affect the steel chimney market more than it will the ceramic chimney market due to the lower level of consolidation in the steel chimney market.

In the energy systems market, we compete with several competitors, such as Vaillant, Buderus, Zehnder, Maico, Vallox, Hoval and Pluggit, which provide ventilation solutions built in at a later stage of a building's construction. Schiedel is so far the only supplier offering a mechanical, concrete, shaft-based ventilation with and without heat recovery for the residential housing market that is built-in at an early stage in the construction process. Schiedel offers a combined chimney and stove solution called Kingfire that offers spaces savings compared to traditional stand-alone stoves from competitors such as Wamsler, Hark, Kago, Spatherm, Tulikivi, Jotul or smaller specialized companies and is frequently used in prefabricated houses.

BUSINESS

Overview

We are a leading manufacturer and supplier of pitched roof products, including both roof tiles and roofing components, in Europe, parts of Asia and South Africa, based on volumes sold. We have been making pitched roof products for almost a century, and our expertise, developed over this extended period of time, covers all steps of the manufacturing process and makes us a preeminent roofing manufacturer. We are one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof construction. We estimate that we are the single largest manufacturer and supplier by volume of concrete roof tiles in each of Germany, France, Italy and the Netherlands, among others, as well as the second largest manufacturer and supplier by volume in the United Kingdom (*Source: B+L Report*). In addition, we are one of the top three manufacturers and suppliers by volume of clay roof tiles in each of France, Italy, the Netherlands and the United Kingdom (*Source: B+L Report*). In the market for roofing components, which is relatively fragmented and comprises many local competitors, we believe we hold market-leading positions in respect of many of our roofing components products. We also manufacture and supply chimneys and energy systems. This market is highly fragmented and we believe we are the leading manufacturer and supplier of ceramic chimneys in Europe and steel chimneys in the United Kingdom. Our portfolio of industry-leading brands includes Braas, Monier, Bramac, Redland, Wierer and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems.

Our principal product categories are:

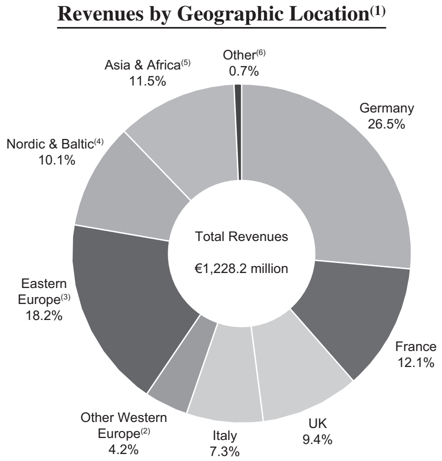
- ***Roof Tiles***. We manufacture a comprehensive range of concrete and clay roof tiles for residential and non-residential construction and operate in the new build and renovation markets. We aim to tailor our product range to meet customer needs and market trends. Our concrete tiles vary in form, quality, durability, color, finish and size. Our clay tiles also come in a variety of sizes and surface finishes, including single-colored, multicolored and premium-glazed tiles. For the year ended December 31, 2013, our roof tile product category generated revenues of €758.0 million, which represented 61.7% of our consolidated revenues.

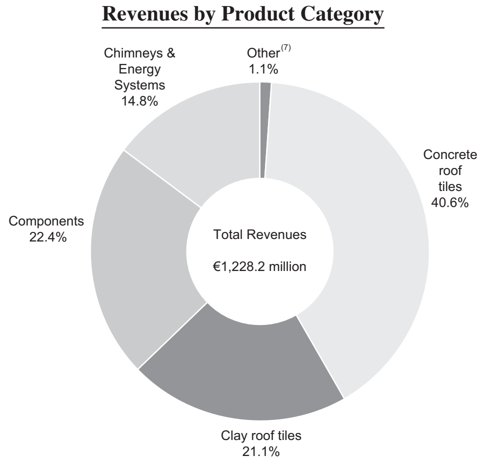
- ***Roofing Components***. Our portfolio comprises 12 roofing components product lines and manufacture the vast majority of the products within those lines. Underlays, ridges and hips, abutments and roof outlets are the main products within our range of roofing components. Our roofing components product portfolio also includes insulation products that we purchase from third-party suppliers. Roofing components complement our roof tile offering. Both product categories can be combined into premium-class roofing solutions for our customers. Our ability to market and sell integrated roofing solutions sets us apart from our smaller competitors. For the year ended December 31, 2013, our roofing components product category (including solar roof systems) generated revenues of €274.7 million, which represented 22.4% of our consolidated revenues.

- ***Chimneys & Energy Systems***. We manufacture ceramic and steel chimneys, as well as energy systems in Europe. Our ceramic chimneys are generally used for new residential construction, while our steel chimneys are typically used in residential renovation. Our energy systems comprise a range of ventilation and stoves and heating products, including chimney-integrated stoves. For the year ended December 31, 2013, our chimneys and energy systems product category generated revenues of €182.3 million, which represented 14.8% of our consolidated revenues.

We operate 107 plants in 27 countries and sell our products in more than 50 countries. We have a long-established presence in regions with mature roofing markets, such as Europe, Asia and South Africa, and since 2010, we have increased our focus on these markets and divested our activities in the Americas and other non-core markets. We have also established and are further developing our presence in selected growth markets, including China, India, Indonesia, Turkey and Russia. In 2011, we expanded our market presence and increased our market share in southeastern Europe by raising our shareholding in Bramac, a leading supplier of a wide range of pitched roof systems in this region, from 50% to 100%.

The chart below illustrates our revenues (including freight charges) by geographic location and product category in 2013:





(1) By origin of sales.

(2) Includes Belgium and the Netherlands.

(3) Includes Austria, Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

(4) Includes Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden.

(5) Includes China, India, Indonesia, Malaysia, the Philippines and South Africa.

(6) Includes Turkey.

(7) Includes artificial slate, sand, bricks and other products and services.

In the three-month period ended March 31, 2014, we generated €250.0 million in revenues and €20.7 million of Operating EBITDA, and for the year ended on December 31, 2013, we generated €1,228.2 million in revenues and €160.2 million in Operating EBITDA. During the last two years, we have initiated a major operational improvement plan called Project Step 200+ aimed at optimizing our cost structure and improving productivity. The headcount reductions (including pursuant to facility closures) implemented in 2013 achieved actual cost savings of approximately €33 million. In addition, we estimate that had these employees been terminated as of January 1, 2013 and had positions eliminated in 2013 been eliminated on January 1, 2013, we would have achieved additional cost savings of approximately €23 million. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Operational Improvement Plans*."

History

Our business dates back to 1919, when the Redhill Tile Company, renamed Redland in 1946, produced its first concrete roof tiles in the United Kingdom. Since then, our business has grown both organically and through a series of acquisitions.

In the 1950s, Redland expanded into Asia and Australia and also established itself as a significant market player in Germany by acquiring a majority stake in Braas. In the 1960s and 1970s, Redland went through a period of rapid intercontinental expansion by acquiring Monier Ltd. in Australia, participating in several joint ventures across Asia and strengthening its European business by establishing several subsidiaries in these markets. In 1987, Redland sold the majority of the Monier Ltd. divisions, but retained the concrete roof tile business, which it further developed by launching production of roof tiles in the United States.

In the 1990s, Braas acquired the Schiedel group, which was the leading producer of chimney systems in Europe. In the following years, both Braas and Schiedel consolidated their European position by expanding into Scandinavia and Poland. These acquisitions collectively formed the basis for the strong brands and market positions from which we benefit today.

In 1996, Redland reorganized its roofing businesses by merging two well-known brands, Braas and Redland. In the course of the following year, Lafarge acquired Redland and reorganized the entire group's roofing operations under the name Lafarge Roofing, which grew at a steady pace in the 2000s.

In 2007, PAI Partners purchased a 65% majority stake in our Group. Subsequently, our roofing division was renamed Monier.

Facing the first downturn in the construction industry caused by the global financial crisis, we undertook a financial restructuring process that was completed in 2009, as a result of which our senior lenders became our current majority owners. See "*Information on the Selling Shareholder—Background on the Shareholder Structure—2009 Restructuring*." Between

2010 and 2012, we sold our operations in certain non-core regional markets, such as Brazil, Mexico and the United States, and liquidated our loss-making operations in Japan. Since then, we have principally focused on consolidating our European presence while also developing our operations in Asia and South Africa. In 2011, we acquired our joint venture partner's 50% interest in Bramac and significantly strengthened our presence in southeastern Europe as a result.

In late 2012, we initiated a major operational improvement plan named Project Step 200+ that was aimed at optimizing our cost structure and improving productivity in an effort to reduce our costs and improve margins in response to the economic downturn affecting Europe at that time. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Operational Improvement Plans*." In 2013, we amended and extended the terms of our Refinanced Credit Facilities pursuant to the 2013 Scheme of Arrangement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—U.K. Scheme of Arrangement*."

In March 2014, the Company changed its name from Monier Participations S.à r.l. to Braas Monier Building Group S.à r.l. and subsequently changed its legal form to a Luxembourg public limited liability company (*société anonyme*) and its name to Braas Monier Building Group S.A.

Our Competitive Strengths

We believe the following strengths have contributed to our success historically and are key factors in our efforts to deliver profitable future growth.

A market leader in pitched roof solutions in Europe, parts of Asia and South Africa

We are a leading manufacturer and supplier of pitched roof solutions in Europe, parts of Asia and South Africa. We believe we are the leading supplier by volume sold of concrete roof tiles in most of our core regions. We estimate that in 2013, our market positions by volume in the pitched roof market segment (including concrete and clay roof tiles) in our key geographic markets included number one positions in Germany, Italy (*Source: B+L Report*) and the Nordic countries (*Source: Company estimate*) and a top three position in each of France, the United Kingdom, Poland and the Czech Republic (*Source: B+L Report*). In the market for roofing components, which is relatively fragmented and comprises many local competitors, we believe we hold market-leading positions in respect of many of our roofing components products (*Source: Company estimate*). We believe that our strong market positions, combined with our ability to bundle our roof tiles and roofing components to offer integrated roofing systems to our customers, support and increase our market visibility and brand recognition, give us a competitive advantage over lesser-known manufacturers and suppliers of pitched roof solutions, improve our sales and help to grow our market share.

Balanced profile across products, geographies and market segments

Our business is diversified across products, geographic regions (including selected growth markets), customers and new build versus renovation, which we believe makes us less vulnerable to localized macroeconomic issues in any single country.

- *Product diversification*. In addition to the broad range of pitched roof products we manufacture for use in residential and commercial buildings, including concrete and clay roof tiles, we manufacture and sell roofing components (such as underlays, ridges and hips, abutments and roof outlets), steel and ceramic chimneys, as well as energy systems. Our roofing components product portfolio also includes insulation products, which we purchase from third-party suppliers. For the year ended December 31, 2013, revenues generated by each of our concrete roof tiles, clay roof tiles, roofing components (including solar roof systems), chimney and energy systems and other (which includes artificial slate, sand, bricks and other products and services) product categories represented 40.6%, 21.1%, 22.4%, 14.8% and 1.1%, respectively, of our consolidated revenues (including freight charges).

- *Geographic diversification*. Our active manufacturing plants are located in 27 countries and we have offices in 36 countries (including our headquarters in Luxembourg and the offices of our joint ventures). Our geographically diverse market base represents a well-balanced portfolio of developed markets and faster-growing growth markets. In the year ended December 31, 2013, we generated revenues by sales from Germany (26.5%), France (12.1%), the United Kingdom (9.4%), Italy (7.3%), other Western European countries (4.2%), Eastern Europe (18.2%), Nordic and Baltic (10.1%), Asia & Africa (11.5%) and other countries (0.7%), in each case including freight charges.

- *Diversified customer base*. We sell our products mostly through builders' merchants, which are frequently organized in purchasing cooperatives, to end customers. We have over 5,000 direct customers with no customer responsible for more than 7% of our consolidated revenues in 2013. This diverse customer base minimizes our dependence on any single customer on a Group-wide basis. Our top 20 customers represented approximately 25% of our consolidated revenues in the year ended December 31, 2013 (including freight charges).

- *Attractive exposure to both new construction and renovation businesses.* We sell our products in both the residential new build and renovation markets. The European construction market is relatively evenly split between the two businesses. Generally, new residential constructions strongly correlate with cyclical market developments, while the renovation industry remains relatively unaffected by market conditions. Our exposure to the renovation market makes us less susceptible to cyclical swings in the construction industry, while the residential new build market typically allows us to extract additional revenues at times of economic growth.

Well-invested asset base, loyal customers and strong brands in a market where entry requires significant investment

We currently operate a dense, well-invested network of 107 manufacturing plants in 27 countries. We believe that our industry is characterized by significant initial investments and a high level of required expertise. For example, the construction of a manufacturing facility in developed markets requires investment of on average approximately €15 million for a concrete tile plant and approximately four to five times more for a clay tile plant. Due to the high weight-to-value ratio of our raw materials and products, it is not usually cost efficient to transport these materials or products over longer distances, which generally requires the close proximity of raw material sources and limits competition to local and regional competitors. As a result of the regional nature of demand and supply, and the considerable capital expenditures required to build a single plant, any new entrant would be required to make substantial investments in multiple production sites and raw material sources to service the market in a cost-efficient manner. In addition, we believe we have developed, over almost a century, extensive expertise and longstanding customer relationships. We have been supplying a significant majority of our customers for more than ten years.

Our product portfolio also enjoys high brand recognition among consumers, customers and other participants in the roofing industry. According to a research study by the marketing consulting group GfK, commissioned by us in February 2011 (the "**GfK Study**"), Braas, Redland and Monier enjoyed the highest brand recognition of all major pitched roof brands in Germany, the United Kingdom and Malaysia. According to the GfK Study, this results from a combination of factors, including our reputation for high-quality standards, convenience and the range and diversity of our product range. For its integrated roofing solutions, "Braas" was also recognized as "Brand of the Century" (*Marke des Jahrhunderts*) by Deutsche Standards EDITIONEN GmbH in 2012. To emphasize the important role the Braas brand pays in Germany, our single largest market measured by revenue, we changed our corporate name and began operating under the name "Braas Monier Building Group S.à r.l" at the Group level in March 2014. We believe that the strength of our brands is one of the most significant factors that contributes to our competitive position. It also helps us to achieve premium pricing for our products and provides us with a solid platform to further strengthen our existing market positions and expand our operations into new markets.

Proven capability to manage our business and deliver strong financial results in the face of challenging economic conditions

In 2009, in order to address the first wave of a downturn in the construction industry caused by the global financial crisis of 2008 to 2009, we undertook a number of initiatives designed to improve our profitability and operational efficiency. These included our "World Class Monier" optimization program, which was aimed at reducing our cost of materials, enhancing the flexibility of our production capacity, optimizing our sales force, improving our working capital, controlling capital expenditures, streamlining operations and optimizing cash management. As a result, we secured better prices for raw materials and unified them across the Group and reduced our working capital from a 12-month rolling average of 36 days in 2011 (€128.4 million at year end) and 33 days in 2012 (€115.7 million at year end) to 30 days in 2013 (€98.0 million at year end). We also reduced our capital expenditures, especially in mature markets, without compromising productivity or product quality and reduced our headcount by more than 15%. In addition, we streamlined our portfolio by disposing of selected operations in non-core regional markets.

In late 2012, facing another downturn in the European construction market, we implemented a comprehensive repositioning program named Project Step 200+ that established strategic goals to achieve significant cost savings and enhanced productivity. Actions taken to date pursuant to Project Step 200+ include the further streamlining of our portfolio through the disposal of smaller, non-core and partially loss-making businesses and idle assets, the strategic resizing of our operations in core regions to adjust to lower demand levels in the European construction market and a significant improvement of our cost structure by focusing on reducing fixed costs, improving sourcing costs and our supply chain, increasing flexibility in production and enhancing sales force efficiency. We have also streamlined our headquarter functions and undertaken a substantial headcount reduction of 1,230 FTEs during 2013. As a result of these measures, we have been able to record Operating EBITDA of €160.2 million in 2013, a significant improvement from 2012 where we achieved Operating EBITDA of €132.0 million. We have achieved this improvement in Operating EBITDA despite a decline in revenues to €1,228.2 million in the year ended December 31, 2013 from €1,314.9 million in the year ended December 31, 2012. In addition, we have succeeded in maintaining our 12-month rolling average working capital days at around the low levels achieved in 2011 and 2012, as described above. We realized approximately €33 million of actual cost savings in 2013 attributable to personnel cost savings from Project Step 200+ headcount reductions. In addition, we estimate that had these employees been terminated as of January 1, 2013 and had positions otherwise eliminated in 2013 been eliminated on January 1, 2013, we would have realized additional cost savings of approximately €23 million.

We believe that the measures currently taken by us to reposition our business have substantially increased our operational efficiency in challenging economic conditions and, together with the additional repositioning measures we intend to take in connection with Project Step 200+, will help to enable us to deliver strong financial results during future periods of market downturn.

Well positioned to benefit from further market recovery and incremental future growth in growth markets and from sales of energy-efficient products

We believe that we are well positioned to benefit from a further cyclical recovery in the residential and commercial construction sectors and expect to capture significant growth from high-growth geographical markets in southeastern Europe and Asia, as well as from the promising market for sustainable, energy-efficient building products.

According to the Euroconstruct Report of November 2013, following the significant fall in GDP levels and construction activity since 2011, the building construction industry, of which the roofing industry is a sub-segment, is expected to undergo a turnaround and experience an increase in output in 2014. According to Euroconstruct, the volume of construction output in Europe is forecast to experience a modest recovery in the next few years. In certain of our core markets, such as Germany, the United Kingdom and Italy, we expect to see a gradual recovery in the residential construction sectors and believe that as the market leader in pitched roof markets, we are well-positioned to benefit from this recovery.

We believe that markets in southeastern Europe will experience attractive growth in the medium term if their residents become more affluent. In June 2011, we acquired the remaining 50% interest in our joint venture Bramac, the leading supplier of roofing materials in southeastern Europe. Full ownership and integration of Bramac allowed us to realize certain operational efficiencies from the transfer of know-how in clay and synergies with our other operations in the region. Moreover, it gave us the opportunity to further penetrate these markets by growing our roofing components business, expanding our integrated roofing systems approach and developing the market for clay tiles (initially through imports from Germany and Italy).

We believe that we are also well positioned to continue to benefit from the positive growth trends in selected geographic markets in Southeastern Asia, and we enjoy a leading market position in several of them. We plan to leverage our current leading market position to further penetrate selected Asian markets through an expansion of our local manufacturing activities. In India, we have secured a site for the construction of a new concrete production plant, and in China, the construction of a new concrete production plant is under consideration. In Malaysia, residential markets have seen strong growth due to favorable government initiatives.

As European regulations increasingly promote the reduction of carbon emissions from buildings and the use of sustainable products in construction, we believe that demand for sustainable, energy-efficient building products will increase in the future. In particular, we have identified integration of energy systems, including solar, into our roofing systems as an attractive business opportunity. We have invested in R&D programs to develop superior, easy to install and long-lasting roofing systems that allow for the flexible integration of environmentally friendly roofing elements. We believe that we have a considerable competitive advantage over competitors in the solar roofing market, as traditional suppliers of solar products are typically companies with limited access to roofing know-how to develop, test and install full solar roofing systems.

Highly experienced management team

We are led by an experienced senior management team that is in the process of implementing a significant corporate restructuring and business repositioning program through Project Step 200+, which has already successfully improved our profitability and operational efficiency and made significant improvements to working capital and control of capital expenditure. Our CEO Pepyn Dinandt, CFO Matthew Russell and Global Industrial Director Gerhard Mühlbeyer, have a combined experience of over 60 years in the roofing and construction industry and are supported by a committed senior management team with an average of 14 years' experience working for the Group.

Our Strategy

Since the end of 2012, our strategy has been guided by the goals set by our comprehensive repositioning program, Project Step 200+, and, upon its completion, by the subsequent growth initiative program, GTB 250. So far, we have succeeded in simplifying our business model and streamlining our manufacturing operations, and have developed a highly competitive cost structure as a result. Building on our competitive strengths, we intend to continue developing our business in line with the goals set by Projects Step 200+ and GTB 250 by pursuing the following strategies:

Focusing further on product innovation and developing cost efficient, energy-efficient roof systems

We intend to expand and diversify our product portfolio across our principal product categories and remain responsive to customer demand for technically advanced and sophisticated roofing products and solutions. In implementing this strategy, we plan to expand our product innovation and R&D efforts, with a particular emphasis on environmentally friendly, energy-efficient and sustainable products that address heightened environmental awareness in the industry. We believe that with our central R&D and local production facilities, we are well positioned to develop cost-efficient and energy-efficient roof systems in order to meet increasing consumer demand for sustainable and energy-efficient building products and services (such as solar, insulation, ventilation and airflow management systems). We believe there is a developing trend away from the "passive" roof, which only provides shelter, to an "active" roof, which integrates additional functions such as energy generation. For example, we have developed and offer to our customers in Germany, Austria and certain other European countries the low-pitch solution "Bramac /BRAAS 7 Grad Dach," an innovative system that allows the lowering of the roof pitch to seven degrees and therefore reduces the surface area of a building and limits energy losses. In addition, we manufacture a comprehensive range of products designed to improve airtightness of a building, including airtight membranes, glues, tapes and underlays. We intend to approximately maintain our current level of R&D spending but allocate a higher proportion to products supported by these favorable macro trends with a view to producing superior, easy-to-install and long-lasting roof systems, including systems that allow for the flexible integration of active solar roof elements in both new build and renovation projects. We plan to continue to develop energy-efficient chimney and ventilation systems under our Schiedel brand and other energy-efficient roofing components to complement our offerings. We believe we can leverage our existing relationships with distributors, installers and sales partners to expand the market for our energy-efficient solutions.

Leveraging our existing capacity in line with market recovery, while retaining our highly competitive cost structure

We intend to leverage our existing capacity in line with a market recovery in order to capture market growth. Euroconstruct expects that the European construction industry will return to moderate growth starting in 2014 (*Source: Euroconstruct, November 2013*) after two years of almost continuous decline. We believe that despite our substantial asset disposals and significant headcount reductions undertaken in the last few years as part of Project Step 200+, we are well positioned to utilize our spare production capacity to meet increasing market demand. Most of our recent disposals concerned non-core assets and activities in regions where we do not anticipate market growth. At the same time, adjustments to our manufacturing footprint in core regions were implemented in a way that has preserved nearly all of our production plants, equipment and quarries, as well as retained our key personnel. For example, our recent headcount reductions predominantly affected employees in central functions and sales back offices, but had a very limited effect on local sales personnel, the most customer-sensitive area. We believe that our manufacturing facilities in core geographic markets have the necessary asset base to resume production at full capacity when the market recovers.

In addition, we intend to increase our capacity while maintaining the competitive cost structure that we have achieved by simplifying our business model and streamlining our operations. We believe that this cost structure is largely sustainable and will positively affect our results going forward. Cost savings measures under Project Step 200+ were focused primarily on fixed costs, dispositions of low-performing, partially loss-making activities and idle assets, reducing working capital requirements, improving sourcing costs and our supply chain, as well as on reducing employee-related expenses. The achieved cost improvements are in areas that do not strongly correlate with production volumes and we believe that we will be able to retain our highly competitive cost structure despite an anticipated increase in production. We intend to continue to further improve our cost structure by realizing economies of scale offered by our purchasing, procurement and production processes, as well as through efficient energy sourcing, the sharing of best practices across regions and know-how transfers between our operations.

Increasing our penetration of the roofing components market, primarily in Europe and Asia

As a leading international supplier of roofing components, we plan to leverage our strong track record of innovation to develop a broader range of roofing component products to increase our market shares, particularly in Europe and Asia. We believe that roofing components is a highly attractive segment of the roofing industry due to a number of factors. First, this market sub-segment currently offers higher gross profit and Operating EBITDA margins compared to roof tiles, our main product, as well as attractive returns on equity. Second, most of our competitors acting on a global or international scale do not produce comprehensive ranges of roofing components comparable to our roofing components portfolio. In this segment we mainly compete with smaller regional manufacturers that do not enjoy high levels of brand recognition or economies of scale, and are often not able to produce premium class products. In addition, roofing components have a lower weight-to-value ratio than roof tiles, which makes central production and transportation over longer distances economically feasible. As a result, we are able to realize economies of scale by centralizing the production of roofing components under different brands at one location and delivering them to customers in different regional markets across Europe. Our roofing components complement our concrete and clay roof tiles and, in addition to selling roofing components as a separate product, we offer them to our customers as part of roofing solutions. Going forward, we intend to continue to roll out our integrated roofing solutions across regions, which we believe presents an attractive opportunity to grow our components business.

Leveraging our brands to further strengthen our leadership positions in Europe and internationally

We also intend to leverage our Braas, Monier, Bramac, Redland, Wierer, Coverland and Schiedel brands, as well as Klöber, to further strengthen leadership positions in Europe, Asia and South Africa. We have, for example, established our Braas brand as a secondary brand in Italy and selected regional markets of southeastern Europe, where the Braas brand already enjoys a good reputation for clay tiles. In recognition of the important role the Braas brand plays in Germany, our single largest market measured by revenue, we changed our corporate name and began operating under the name "Braas Monier Building Group" at the Group level in March 2014. We will continue to invest in marketing our branded portfolio through our existing sales force, distribution networks and other advertising and promotion channels, and continue to develop our roofers' club networks. For example, we intend to use our roofers' club to increase our presence in specific customer segments where we are currently underrepresented, such as second tier builders and merchants in certain geographic regions. We also intend to improve the efficiency of our sales force by providing special training and introducing new incentive schemes. We see an opportunity to gain market share across our diverse markets through the introduction of innovative products and the expansion of our brands' reach without compromising our ability to demand premium prices for our branded product offerings. We will continue to optimize the pricing of our products by adjusting price levels and introducing discount structures for certain customers, as well as our product mix, among others.

Expanding our existing product portfolio and making opportunistic acquisitions in our core regions

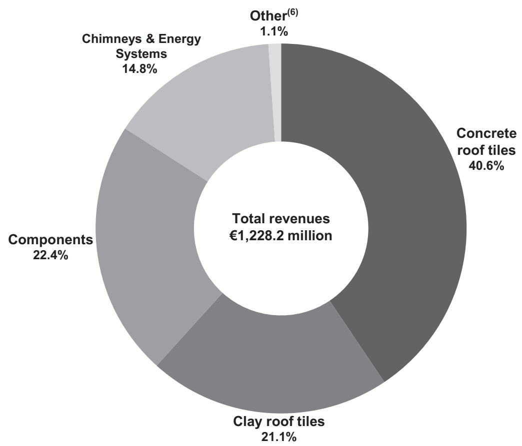
In line with our historic strategy, we intend to participate in the consolidation of the pitched roof industry in a disciplined manner and regularly evaluate acquisition opportunities. Our external growth strategy is based on strengthening our core businesses, including the development of our product range to fully cover certain product niches in selected geographic markets, *e.g.*, small tiles in Germany, renovation products in France, tile surfaces in central and eastern Europe, as well as components, and on the gradual expansion into adjacent products, including chimneys and energy-efficient systems. We will particularly focus our future sales efforts on products that we believe have potential to grow market shares. We intend to further leverage our existing business platform in Europe and continue the expansion of our business in Asia and selected growth markets. We aim, in particular, to increase cross-selling opportunities for our integrated roofing systems and chimneys in Western Europe, enter into the relatively fragmented clay tile market in Southern Europe, and improve the geographical footprint of our roofing components portfolio. We believe, for example, that the German market offers an attractive opportunity to grow our insulation, abutment and underlays products under our Braas brand.

Our Principal Products and Brands

We manufacture and sell a broad range of pitched roof products for residential and commercial buildings. Our three principal product categories are roof tiles, roofing components, and chimneys and energy systems. Our roof tile products comprise clay and concrete tiles. Our roofing components portfolio consists of 12 core product lines, of which underlays, ridges and hips, abutments, roof outlets and insulation products represent the main categories. Finally, our chimneys and energy systems products consist mainly of ceramic and steel chimneys, as well as energy systems. In addition, we combine our offerings of roof tiles and roofing components to provide integrated roofing solutions that enable customers to fully equip their pitched roofs from a single manufacturer. For the year ended December 31, 2013, our roof tile, roofing components, chimneys and energy systems and other (such as artificial slate, sand, bricks and other products and services) product categories generated revenues of €758.0 million (concrete and clay tiles combined), €274.7 million, €182.3 million and €13.2 million, which represented 61.7%, 22.4%, 14.8% and 1.1%, respectively, of our consolidated revenues (including freight charges).

The chart below illustrates our revenue by product category in 2013.

Revenues by Product Category



Our business is primarily local in nature, as it is not cost effective to source raw materials far from production sites or to ship some of our products, mainly roof tiles, over long distances. We market and sell our products under different brands and trademarks designed for the respective local markets. Tiles and roofing components are principally marketed under our Braas, Monier, Bramac, Redland, Wierer and Coverland brands, and our chimneys and energy systems are primarily marketed under our Schiedel brand. We also use the brand Klöber for roofing components sold separately, including specific products designed to complement systems of our competitors who do not offer a full range of their own roofing components. Sales under our Monier and Braas brands, which constitute our largest product categories by sales, represented 30.2% and 26.0% of our consolidated revenues in the year ended December 31, 2013, respectively. Sales under our Schiedel and Klöber brands represented 14.8% and 4.5%, respectively, of our consolidated revenues for the year ended December 31, 2013 (including freight charges).

The table below lists our main brands by geographic regions:

	Established	
BRAAS	1953	Germany, Poland, Russia, Italy, Turkey, Southern Europe
MONIER	1969	France, Asia, Nordics and Baltics, Benelux, Italy
Redland	1919	UK
BRAMAC	1966	South-Eastern Europe
Coverland	1976	South Africa
WIERER	1963	Italy
KLÖBER	Components focus 1960	UK, Czech Republic, Germany, Benelux, France
SCHIEDEL	Chimneys focus 1946	Europe

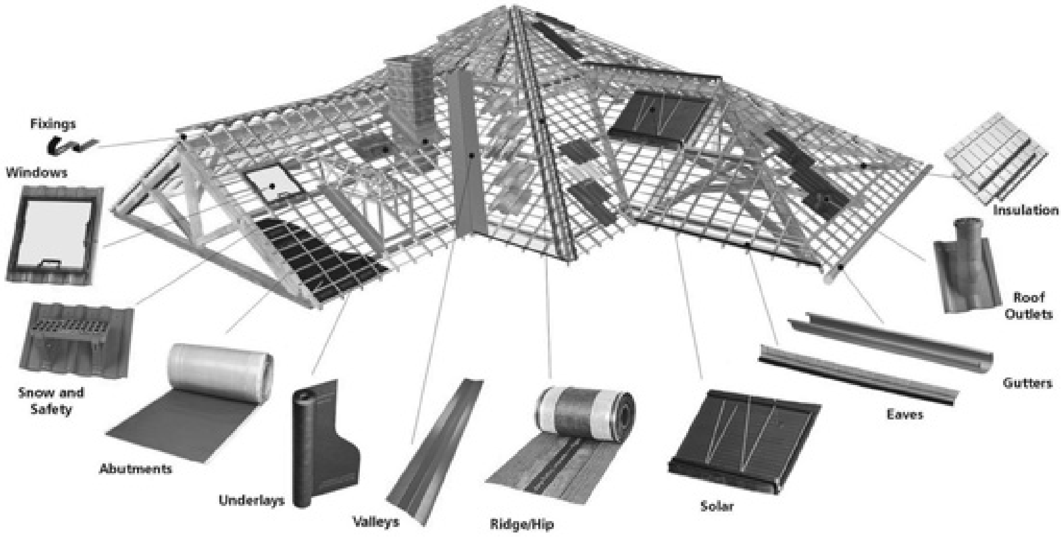
Roof Tiles

Our roof tile product category focuses on the production and sale of high-quality concrete and clay roof tiles used in the construction of pitched roofs in new build as well as renovation projects. Although it varies greatly from country to country in Europe, we believe our customers have a slight preference for concrete tiles in new builds and for clay tiles for renovation. In the United Kingdom, we also offer roof tiles made of artificial slate.

The main brands under which we market and sell our roof tile products are Braas, Monier, Bramac, Redland and Wierer. We manufacture concrete tiles in a variety of colors, sizes, surfaces and styles. Our concrete tiles are known for their functionality, durability and ecological soundness. They also offer a range of different qualities, including high durability, ease of installation, dirt-repellence, algae resistance and smog reduction. Due to our energy-efficient production process, the production of concrete tiles has a comparatively low environmental footprint. Our clay tiles come in a variety of sizes, surfaces and styles, including single-colored, multicolored and premium-glazed tiles. Some of our clay tiles have a traditional and natural look and offer handcrafted appeal. We offer modern as well as traditional profiles in our range of clay tiles, which support a wide array of architectural and building styles. Our large-size tiles are ideal for industrial-scale modern buildings, while our smaller tiles are more suitable for renovation, as well as restoration projects and newly built smaller houses. Some of our recent and popular roof tile products include "Protegon," a roof tile launched by Braas in Germany in 2012 and then rolled out into other regional markets that has a new "round nose" design and a surface with infrared-reflecting pigments (which reduces surface temperature), "Bramac Montero," a line of concrete tiles we launched in 2011 that has a grained surface allowing for snow retention and a high degree of resistance to granule erosion, which usually results in dirt pickup, breakage and the growth of algae, "Auranox," an innovative roof tile that breaks down the nitric oxide molecules that pollute the air, thereby improving air quality, and "Provence," a line of concrete tiles launched in China in 2008 to respond to a booming trend for Mediterranean-style housing designs.

Roofing Components

Our roofing components product category offers 12 product lines including underlays, ridges and hips, abutments, roof outlets and insulation, as illustrated in the picture below.



We manufacture most of our major roofing components, including underlays, ridges and hips, abutments and roof outlets, while insulation and most of our other, less important, components are sourced externally. We market and sell our roofing components under our different roof tile brands tailored for the respective regional markets. Roofing components are marketed alongside our range of concrete and clay tiles as part of a complete integrated roofing solution, a key differentiating feature of our operations in contrast to our competitors. In addition, our Klöber business unit provides components for pitched roofs, including specific products designed to complement systems of our competitors who do not offer a full range of their own roofing components. Klöber primarily sells directly to builders' merchants and seeks to generate demand for its products through marketing directly to installers, leveraging its international brand awareness, image and reputation.

Our roof ventilation outlets provide for bathroom and kitchen ventilation and are manufactured with regard to color and size to complement our roof tiles. We produce abutments, which are utilized to create a seal around a chimney and are used as a popular and more efficient alternative to lead. Our underlays are fitted under roof tiles and allow for rain-tight conditions when building a roof and are reflective to keep heat out of the home. They also create a vapor barrier allowing for greater energy efficiency. Ridge and hip rolls are placed under the ridge of the pitched roof to allow for roof ventilation while preventing water penetration. Our insulation is placed under the underlays and is also reflective, again allowing for greater energy efficiency. The fixings we sell are used to keep our tiles affixed to the roof. We also manufacture and sell snow and safety components, valleys, eaves and gutters. In addition, we sell solar photovoltaic systems, solar thermal panels and roof windows.

Chimneys and Energy Systems

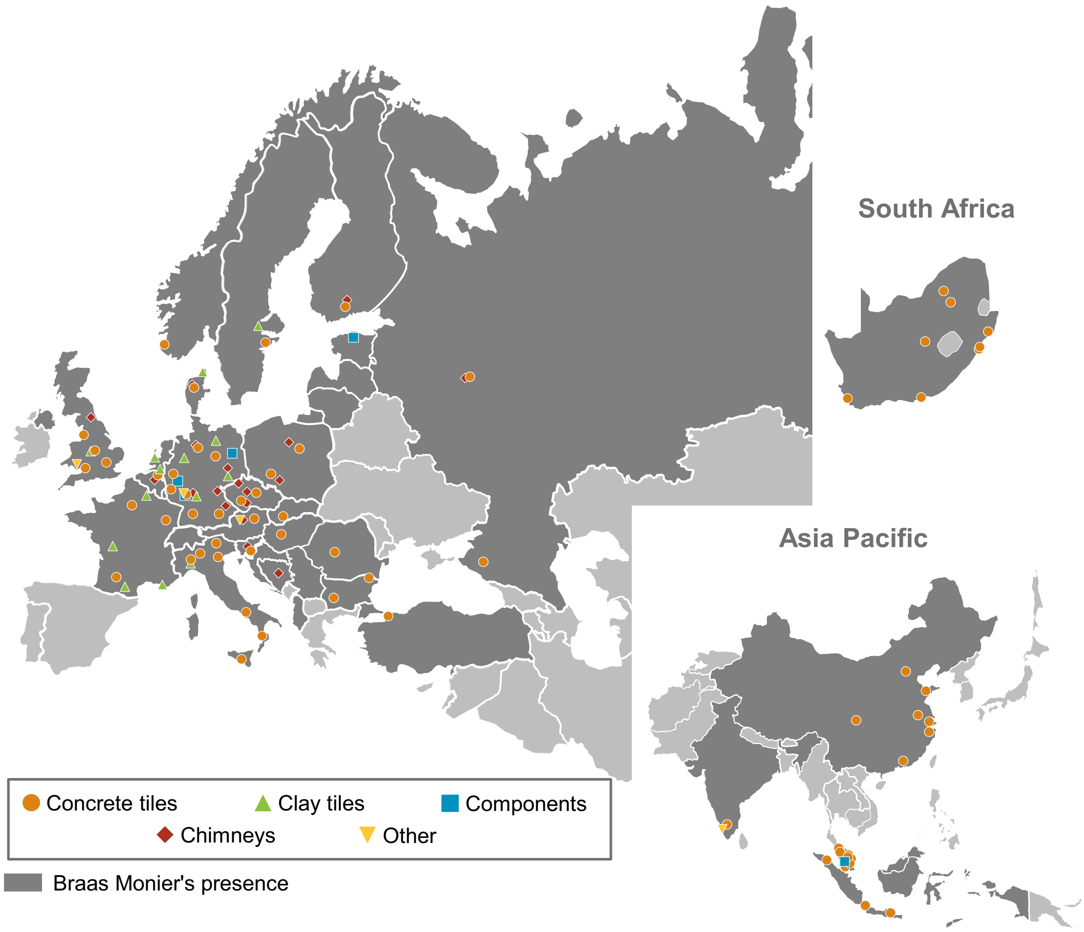
In our chimneys and energy systems product category, we produce and sell ceramic and steel chimneys, as well as ventilation and chimney-integrated stoves to customers in Europe. We market and sell our chimneys and energy systems products primarily under our Schiedel brand. Our ceramic chimneys are most often used for new residential construction, while steel is often used in residential renovation and retrofitting.

We have a strong position in the mineral chimney market (which includes ceramic chimneys), where we have been able to establish technologically superior chimney systems with high-performance ceramic inner liners as the leading product. Over the next few years, we plan to exploit our strong position in the mineral chimney market to increase our overall market share in the steel chimney market. Our customers are usually builders' merchants, manufacturers of prefabricated houses, sanitary wholesalers and renovation partners.

Chimneys serve as ventilation mechanisms that allow for the evacuation of flue gas and smoke from fireplaces and boilers. Our ceramic chimneys are technologically advanced, especially when compared to traditional concrete and brick shafts. They are especially popular in prefabricated house manufacturing and tend to be more expensive than concrete and brick shafts. Steel chimneys are typically used in residential and commercial renovation and retrofitting and do not offer the same technological advantages as ceramic chimneys. Our energy systems include ventilation systems and chimney-integrated stoves that are used not only for energy creation, but also as part of heat regeneration systems, which become increasingly important at a time of rising energy prices.

Properties

The following map shows the geographic locations of our main production plants:



As of December 31, 2013, we operated a total of 107 production plants in 27 different countries. Our main production facilities comprise 66 concrete tile plants, 14 clay tile plants, 18 chimney plants and five components plants and four other plants that manufacture certain ancillary products for our business, such as bricks, slate tiles and clay coatings.

We own most of the real estate that we use. We hold lease and hereditary building rights for the remainder of our properties (including clay pits). In addition to production-related properties, we have a number of properties used for administrative, technical and sales purposes, including our premises in Oberursel, Germany, where the headquarters of Braas GmbH (formerly: Monier Braas GmbH), Monier Roofing Components GmbH and Klöber GmbH are located. Our Group headquarters are located in Luxembourg. Most of our non-production-related facilities are leased. Clay pits, from which we source raw materials, are generally owned or leased by us or otherwise accessible to us on the basis of contractual arrangements. As of December 31, 2013, we had property, plant and equipment with a book value of €637.3 million.

Purchasing and Production

Purchasing

The cost and availability of raw material supplies is critical to our operations. As purchasing is of strategic importance for our competitive position, we have optimized our processes over the last several years. In order to leverage the purchasing power and benefit from volume-based discounts, purchases of important industrial materials, energy supplies and logistics services are centrally managed or coordinated via a global purchasing strategy, which is overseen by a price and action controlling system maintained by our central purchasing team. We aim to integrate the best available market, method and technology know-how to optimize our cost base and improve our operational performance. We have developed an internet-based database for price inputs that is used across our principal product categories. To help ensure a constant supply of essential raw materials, such as clay and cement, we enter into long-term contracts with our suppliers. Our contracts for the mining and supply of clay are entered into for periods of up to 20 years, and our contracts for the purchase of cement and sand are entered into for periods that vary, depending on the region of sourcing, between a few months (such as in Malaysia) and several years. We do not typically agree to minimum purchasing volume commitments in the raw material contracts we enter into. We actively monitor the prices of the raw materials, and request quotes from our existing and alternative suppliers on a regular basis. The contracts we enter into typically fix the price we are to pay. We place our orders according to our plan of production, and commitments are typically fixed upon the placing of an order.

The raw materials required to produce our extensive range of products are specific to each product and segment. For tiles, the principal raw materials purchased are cement (concrete tiles), clay (clay tiles), surface coatings, colorants, sand and water. Due to the bulky nature of these materials and the corresponding high transportation costs involved, the majority are purchased from suppliers local to each manufacturing facility. Therefore, at the Group level there is very limited dependence on any one particular supplier. For roofing components, the principal raw materials purchased are polypropylene for the production of underlays, poly-iso-buthylene and aluminum grid for the production of wakaflex, aluminum and polyester for the production of ridges and hips, and plastic for the production of gutters.

With regard to sand and cement supply, we negotiate with suppliers typically located near our production facilities. In terms of energy purchasing (purchasing prices for gas and electricity are key factors in clay tile production costs), we centrally coordinate the purchasing process and typically enter into multi-year contracts that often allow us to buy and subsequently resell unused energy. To the extent resale is allowed by an energy contract, which depends on the geographical market where the energy is sourced, we are able to mitigate the losses we would incur by having to pay for unused volumes of energy as a result of plant shutdowns. We source the surface coatings required for clay tile production primarily from small local suppliers, while we typically purchase colorants (primarily inorganic pigments) for concrete tile production from the global supplier Lanxess.

Production Processes

As of December 31, 2013, we operated a total of 107 production plants in 27 countries, of which 18 were located in Western Europe, 36 were in Central, Northern and Eastern Europe, 25 were in Southern Europe and 28 were in Asia and South Africa. We manufacture concrete roof tiles in 66 plants, clay tiles in 14 plants, roofing components in five plants and chimneys and energy systems in 18 plants. In the year ended December 31, 2013, the production plants in Western Europe, Central, Northern & Eastern Europe and Southern Europe accounted for 21.6%, 28.9% and 18.8% of our total roof tiles output by volume, respectively, while our production plants in Asia & Africa accounted for approximately 30.7%. In the year ended December 31, 2013, the average utilization rate of our total production capacity was 53.7%, with our clay and concrete roof tile production plants operating at 66.9% and 50.9% of full capacity, respectively, which allows us to increase our production with limited incremental capital expenditure. Due to the capital-intensive nature of clay tile production, our clay tile plants are well-loaded. In our concrete tile business, we prioritize optimizing geographical distribution over maximizing capacity load in order to be able to benefit from lower transportation costs.

We aim to enhance our operations through constant improvements in product quality and properties, delivery performance and the efficiency of our production processes. We aim to achieve cost efficiency primarily through efficient raw material and energy management, and the optimization of our plant network and production processes, as well as the implementation of best practices and new technologies across our plant network. We have implemented a worldwide benchmarking database with all relevant key performance indicators to identify fields for further optimization and take action to make necessary improvements. One of our strategic advantages is our flexibility in adjusting production capacity to changes in demand for our products by increasing or reducing the number of shifts and the use of temporary labor in our production plants to keep our costs low at times of low demand. Thus, we believe we can respond quickly to changes in actual market demand and mitigate negative effects of low capacity utilization.

Production Process for Roof Tiles

The manufacturing processes for clay tiles and concrete tiles are markedly different and influence the pricing and market shares of these tiles. For many years, a combination of factors such as insufficient quality of clay and blends, as well as a less developed manufacturing technology led to concrete tiles outperforming clay tiles, particularly with respect to frost resistance. Technological advances in the manufacturing process of clay tiles, however, have significantly improved the performance and durability of clay tiles, which has in turn increased their market share in many markets.

Our concrete tiles are made from cement, sand, water and pigments. In certain areas that suffer from a sand deficit, we are also able to substitute sand with crushed stone. These materials are deposited into a batch mixer where pigments are added. From the batch mixer, the concrete mix is extruded on moving aluminum pallets and cut to form individual tiles. A pre-cure coating is then added and the tiles are placed in curing chambers for a period of 12 to 18 hours. The tiles are placed on a racker and either acid washed or coated with color, in each case to prevent effervescence. We then collate and package the tiles, which are placed in a stockyard for up to 28 days for the concrete to harden.

Due to the fact that sizes and shapes of manufactured concrete tiles can be changed by replacing the aluminum pallets used for extruding the concrete mix and other tooling used in the manufacturing process and such change is reversible, each of our concrete tile plants produces a wide range of tiles and regularly switches from one type of tile to another.

Our clay tiles are made using locally sourced clay. This clay is deposited into a box feeder from which it cascades into a primary crusher. It is then moved to a pan mill where water is added following which the mixture is fed through two series of roll mills. It is then mixed, soured and put through a screen feeder, after which the mixture is transferred into a vacuum extruder, cut, pressed and then placed into a dryer for up to 24 hours. The tiles are then glazed, placed into a kiln for up to twelve hours, dehacked and finally sorted and packaged.

The pressing forms used in the clay tile manufacturing process limit the ability of a particular clay plant to vary the sizes and shapes of tiles that such plant is able to manufacture. A switch from a flat to a profiled clay tile model usually requires substantial investment and is not easily reversible. As a result, a product range that is manufactured by each of our clay plants is usually limited to a few tile models.

Production Process for Roofing Components

Our portfolio of roofing components comprises over 3,000 different products. The production processes can vary greatly from one product to another. The main production processes in our core segments include: (i) injection molding, thermoforming and painting for roof outlets; (ii) compounding, extrusion, lamination, sanforizing and gluing for abutments; (iii) creping, welding and gluing techniques for ridge and hip products; and (iv) coating, lamination and conversion of fleeces and underlays, as well as other processes such as stamping, punching, extrusion, welding, and using melting furnaces for aluminum casting.

Production Process for Chimneys

Our ceramic chimneys are made from lightweight concrete and ceramic which are used to manufacture the outer component (the blockstone) and the inner component (the ceramic liner) of a ceramic chimney, respectively. To produce the outer blockstone, we place lightweight concrete into a concrete-shaping machine and then dry it on boards. To manufacture the inner ceramic liner, we first mix clay, fireclay and water in a batch mixer and proceed to transport the mix into an extruder where, by molding, the liner acquires its pipe shape with the spigot and the socket. The pipe-shaped material is then dried in a flow drier at 70°C for 48 hours and subsequently burned in a kiln at 1280°C for 24 hours.

Our steel chimneys are made from stainless steel, which arrives in our factories rolled up in coils. We unroll the coils, cut the raw material according to technical drawings, bend and form it and then weld it to single-walled or double-walled pipes.

Customers

Our sales activities focus on decision-makers and intermediaries. Therefore, our business is frequently characterized by a two-stage sales model. While our sales and marketing activities are directed at decision-makers, such as roofers, architects, construction companies, developers and private builders, we typically do not maintain contractual relationships with these decision-makers. Instead, sales are primarily made through builders' merchants as intermediaries whom we also invoice. Sales to builders' merchants account for the largest part of our sales. Builders' merchants are frequently organized in purchasing cooperatives that provide marketing and billing services for the individual builders' merchant. We negotiate annual framework agreements with these cooperatives, including payment terms and discounts.

Direct business with roofers and construction companies occurs less frequently, typically in the commercial construction sector and in growth markets lacking established builders' merchant structures. In the year ended December 31, 2013, all our top five customers were builders' merchants. No one customer accounted for greater than 7% of our consolidated revenues in 2013.

Pricing

We generally publish annual price lists for each of our main product categories and across our geographic markets. Our price lists are typically finalized and distributed to our customers before the end of each calendar year, with the revised prices taking effect some time during the first quarter of the subsequent year. The exact date of the price increase can vary from market to market. Under certain circumstances, we also revise our prices mid-year, for example, to reflect increases in raw material costs or to reflect inflation in countries with higher inflation rates. Our yearly pricing update process has historically resulted in us being able to pass on varying portions of price increases of raw materials, energy and other input factors to our customers. The prices of some of the raw materials we use, particularly cement, stainless steel and aluminum, are cyclical and volatile. However, we may not always be able to raise product prices immediately, and a temporary decline in demand for our products could affect our ability to pass on price increases of raw materials and other inputs. Furthermore, we often agree to certain discounts and rebates with our customers as it is customary in our industry. These discounts can be negotiated as part of yearly agreements, or can be decided upon case-by-case as we bid for large projects. See "*Risk Factors—Market and Business Related Risks—Our business may be negatively affected by volatility in raw material prices and inability to pass on the price increases to our customers, our inability to retain or replace any of our key suppliers, unexpected supply shortages or disruptions in the supply chain*."

Sales and Marketing

We sell our products into more than 50 countries across four continents. In the year ended December 31, 2013, we generated revenues by sales from Germany (26.5%), France (12.1%), the United Kingdom (9.4%), Italy (7.3%), other Western European countries (4.2%), Eastern Europe (18.2%), Nordic and Baltic (10.1%), Asia & Africa (11.5%) and other countries (0.7%), in each case including freight charge. Our sales and marketing strategy is designed to reach all decision-makers responsible for the use and purchase of building materials for pitched roofs. Our sales teams target decision-makers, such as roofers, constructors, architects, developers and builders' merchants, depending on the particular markets. We aim to consult and cooperate with decision-makers at an early phase of the relevant building project. In the decision-making process for the choice of pitched roof products, we believe that we benefit from the broad recognition of our brands, their reputation for quality, aesthetics and our offering of customer-specific pitched roof solutions. Our sales representatives also negotiate prices with customers, primarily on the basis of projected annual roofer demand, and typically conduct billing either through builders' merchants (indirect business) or less frequently directly with end customers. As of December 31, 2013, we had 1,532 employees in sales, distribution and marketing. The compensation of our sales force is partly performance-based.

We use several types of marketing measures, including trade fairs, workshops, advertisements and public relations. Brochures, technical documentation and the internet also play an important role in our marketing activities, and we usually send our customers promotional materials when a new product is launched that explain the features, specifications and prices for such new product. The majority of our marketing activities are developed specifically for each regional market.

We maintain training facilities for roofers, merchants, architects and constructors, where we represent our products to roofers and train and certify them to install our roofing systems. In certain countries we provide system guarantees in addition to product guarantees on our entire roofing solutions only in those cases where all elements of the roof were purchased from us and installed by a roofer certified by us. Our main training center, the so-called "Braas Akademie," offers training programs on our products and technologies, marketing and sales, rules and regulations in the roofing industry, as well as certain supplemental and special trainings. The facility employs four specialists, including a manager, two technical trainers and a sales trainer. It also invites external experts for presentations on special topics. Part of our premises in Heusenstamm, including a classroom for seminars and an in-door showroom with samples of our products and an installed full-scale model roof for practical trainings, is exclusively used by the Braas Akademie. Apart from the main training center of the Braas Akademie in Heusenstamm, we have four additional training facilities in Mainburg, Monheim, Obergräfenhain and Petershagen. Training programs offered by the Braas Akademie in Germany have proven to be a successful tool to enhance our relationships with roofers and builders' merchants, as well as to promote our new products and roofing systems. Based on the positive results in Germany, we plan to roll out the Braas Akademie experience to our other core markets. We intend to open two training centers in France in the near term.

Furthermore, to promote customer loyalty, we set up the "Braas Roofers' Club" in Germany, which is an incentive scheme with approximately 1,600 current members that include roofing contractors, carpenters and home owners. It is a rewards program under which members receive bonus points depending on their sales of our Braas products and further benefit from various customer relationship services. We also offer our members training courses and documents, office equipment, as well as certain consulting services and believe that our Braas Roofers' Club is a successful initiative that has created and will continue to strengthen member loyalty.

We market Klöber products separately from our other products. The brand Klöber is used for sales of roofing components sold separately, including specific products designed to complement systems of our competitors who do not offer a full range of their own roofing components. The Klöber unit has its own sales personnel and uses its own sales channels.

Logistics and Distribution

We do not own trucks or other means of transportation and generally rely on third-party carriers and logistics subcontractors. Depending on our customers' requirements, pitched roofing materials and complementary components are either sold for pick up at our production facilities or delivered directly to the respective construction site or to the builders' merchant's warehouse. Our logistics management focuses on improvements in service and inventory levels along our supply chain, *i.e.*, the movement of goods from our suppliers and of products to our customers. Delivery times to the builders' merchant's warehouse or the respective customer's construction site depend on the type of product and final destination. The primary means of transportation are trucks, as we usually distribute our concrete tiles and ceramic chimneys within a 200-300 kilometer radius and our clay tiles within a 400-500 kilometer radius around the respective plants. To the extent required, particularly with transportation over longer distances for our roofing components and certain of our chimneys and energy systems products, we also transport our products by ship.

Competition

We face competition in the markets for our pitched roof products from other global manufacturers and regional and specialized competitors. In our European markets for roof tiles, concrete and clay tiles compete not only with each other but also with substitute products such as fiber cement slates, natural slates, metal coverings and other products. Market shares and demand for roof tiles vary considerably by country and may be subject to strong regional variations due to differences in traditions of construction methods and availability of raw materials.

We believe that in the residential construction sector the most important competitive factors are: (i) product quality and innovation; (ii) prices; (iii) the offering of solutions addressing important trends in energy-efficient and ecological construction based on stand-alone or combined applications of roofing; (iv) the offering of customer-specific application services; (v) a comprehensive plant network; (vi) strong brand recognition; and (vii) the ability to supply complete roofing systems.

For more information on our competitors, see "*Industry—Competition.*"

Research and Development

We continually seek to improve the quality of our existing products and processes, as well as to introduce new offerings through our internal R&D capabilities and focused investment in new technology. For example, in 2007 we introduced "Auranox," the first fully mineral smog-eating concrete coating. In 2012, we launched "Protegon," our concrete tile with a new "round nose" design and a surface with infrared-reflecting pigments (reducing surface temperature), which as of December 2013 accounted for approximately 8.4% of our Braas sales in Germany. We were the inventor of the concrete extrusion process that led to the launch of the new concrete roof tile industry in 1950s, and many types of equipment used in concrete tile manufacturing today were originally designed and built by us. In addition, we have improved many processes used in clay tile production. We own approximately 110 registered families of patents and benefit from extensive knowhow of technologies relating to manufacturing processes of nearly all products in our product portfolio.

We operate four technology and R&D centers in Germany, Austria and the United Kingdom and currently employ approximately 80 qualified specialists across these centers (in addition to the product development specialists throughout our business units). In the years ended December 31, 2013, December 31, 2012 and December 31, 2011, we spent €14.0 million, €19.5 million and €16.1 million, respectively, on our R&D activities(1).

Our centers in Heusenstamm, Germany, and Crawley, United Kingdom, focus on roof tiles and fittings (including solar and photovoltaic roof tiles). Our Heusenstamm center is equipped with a unique wind tunnel and an analytical laboratory and our Crawley center works mostly on product design. Our centers in Germany and Austria are focused on chimney and ventilation systems, while roofing components are typically developed on-site in our plants in Germany, South Africa and Malaysia.

(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011. These figures do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*" and Note 3 to the Group's interim consolidated financial statements as of and for the three months ended March 31, 2014.

The following table lists and describes some of our recent significant product and project innovations:

Launch Year	Product or Project	Description
Roof Tiles		
Concrete Tiles and Surfaces		
2013	Coppo del Borgo (I)	New large format tile simulating the aesthetics of a clay monk and nun tile with economics in laying and better weather performance.
2012	Protegon (DE)	New Technology characterized by a new type of nose cut and infrared reflecting pigments on the tiles' surface.
2012	Glazuron–Protector Plus (SK)	Unique slurry based coating system with complete round nose coverage.
2010	Innotec/Richmond 10 (F, UK)	Flat Tile designs with a thin leading edge for the new modern architecture in a wide range of colors and surfaces.
Clay Tiles		
2013	Feriane (F)	New bold roll offer for Central West France offering canal-type aesthetics to take market share.
2013	Rosemary Craftsman (UK)	Launch of high margin plain tile imitating "hand made" aesthetics.
2012	Achat 12V/10V (GE)	New tile formats to replace old Achat 10/12 tile, providing greater variability in laying and improved aesthetics.
2011	NOVA (S, N, SF)	Interlocking "hollow" tile to be offered in B2B markets.
Roofing Components		
2013	Figaroll 2 Ridge&Hip roll	New R&H roll combining the advantage of the original Figaroll and Figaroll Plus with improved breathability.
2013	Venduct DN 150 Roof Outlets	Roof Outlet system with increased diameters for better ventilation performance.
2012	Easy-Form sealing (Solar Patch)	Tile-sized Easy-Form product with a sealing collar; ensures rain resistance and allows for fast installation.
2012	Watertight Underlay	Vapor-resistant watertight underlay system for low-pitched roofs.
2012	Divoroll Maximum Plus	Substitute for bituminous solutions with innovative synthetic underlay and improved UV stability.
Chimneys and Energy Systems		
2012	Kingfire Parat II	Heating stove in a concrete shaft using either wood logs or pellets; can be used either as a room heater or water heater.
2012	Kingfire Parat III	Similar to Kingfire Parat II, providing for greater volume; to be used as a full heating system.

Information Technology

Due to our decentralized group structure with three principal product categories and the chimneys and energy systems unit operating largely independently from the other units, our information technology system is fragmented and is mainly locally driven. Certain information technology solutions, applications and know-how are, however, provided on a centralized basis, such as the operation of a global reporting system and a global SAP-based enterprise resource planning template as well as certain other proprietary strategic information technology solutions for production and logistics.

The hosting of our central information technology systems and our central information technology infrastructure is mainly outsourced to external providers.

Intellectual Property

As of December 31, 2013, we owned 917 trademarks worldwide. These trademarks primarily relate to our approximately 350 brand names and logos as well as certain others trademarks (such as Braas). Our most important trademarks are Braas, Monier, Schiedel, Redland, Bramac and Coverland, as well as Klöber. As of the same date, we owned 801 patents and 963 design models. We actively use only a limited number of our patents and utility models in our production processes and product offerings. Protection of process innovations and other technology is essential to our business. Our central intellectual property department has, among other things, issued a Group-wide policy for know-how protection, which aims to protect our trade secrets such as in relation to processes, equipment and recipes on a sustained basis, including guidance on the protection of know-how for which no patent applications are filed. We rely upon unpatented proprietary expertise, continuing technological process innovations and other trade secrets to develop and maintain our competitive position.

We are not aware of any material legal proceedings that have been brought against us for infringement of a patent or trademark or of any challenges against any of our patents that could have a material adverse effect on our business. In limited circumstances, we have entered into licensing agreements regarding intellectual property rights and/or know-how with the joint ventures in which we participate, former businesses we sold and third parties, while licensing agreements with third parties which are material to our business units are generally related to inbound-licensing.

Employees

As of March 31, 2014, we had a total of 7,231 full-time employees (FTEs) (December 31, 2013: 7,389 FTEs; December 31, 2012: 8,619 FTEs; December 31, 2011: 9,354 FTEs)[(1)].

We have not suffered any material work stoppages or strikes in recent years, and we consider relations with our employees, works councils and unions to be good. We are subject to mandatory collective bargaining agreements (*Tarifverträge*) with most of our employees in our German production facilities (as well as in production facilities including in France, Italy, Austria and Sweden) and strikes have occurred in the past, and may occur in the future. As German law prohibits asking employees whether they are members of unions, we do not know how many of our employees are unionized. In general, our employees in Germany fall within the scope of the German Dismissal Protection Act (*Kündigungsschutzgesetz*), which limits our ability to terminate individual employment relationships unilaterally. We are also subject to the German Anti-Discrimination Act (*Allgemeines Gleichbehandlungsgesetz*) and comparable legislation in other countries in which we operate.

We operate a number of Company-sponsored supplementary long-term DB pension arrangements. These pension plans and individual pension commitments provide for the payment of old-age, long-term disability and survivors' benefits (spouses' and orphans' pensions). Subject to certain conditions, an employee's rights under those pension plans and individual pension commitments vest. In most cases, benefits payable are determined on the basis of an employee's length of service, earnings and position in our Company. The largest part of the pension liabilities relate to German pension obligations (87.8% as of December 31, 2013), with most of the DB plans currently closed for new entrants.

Environment, Health and Safety

Our operations and properties are subject to environmental and occupational health and safety laws and regulations in each of the jurisdictions in which we operate. These laws govern, among other things, discharges of pollutants, the use, storage and disposal of hazardous substances and waste, and the clean-up of contaminated properties. Violations of environmental laws, applicable authorizations or permits can result in significant fines or civil or criminal sanctions. In addition, the discovery of contamination at our facilities could require us to incur substantial clean-up costs. See "*Regulatory Environment*."

Environmental authorizations or permits required for some of our operations may be reviewed, modified or revoked by the issuing authorities. We believe that we are in material compliance with the environmental laws applicable to our business. As of December 31, 2013, our environmental and occupational health and safety costs have not significantly affected our results of operations or financial position.

Insurance

We have obtained liability, product liability, property, directors' and officers', and other insurance coverage (with customary deductibles in most programs) to the extent we believe necessary to operate our business. We believe our liability insurance is sufficient to meet our needs in light of potential future litigation and claims asserted against us. For certain risks that we believe are minor, we have determined that the purchase of an insurance policy is not necessary. We regularly review our insurance program together with our insurance broker. We cannot guarantee, however, that we will not incur losses beyond the limits or outside the coverage of our insurance policies. In addition, longer interruptions of business in one or more of our plants can, even if insured, result in loss of sales, profits, customers and market share.

Legal Proceedings

We are involved in a number of legal proceedings that have arisen in the ordinary course of our business. Other than as discussed below, we do not expect the legal proceedings in which we are involved to have a material adverse effect on our business or consolidated financial position. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

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(1) As reported in the Group's audited consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011. These figures do not reflect the revisions made to the Group's accounting for joint ventures upon its adoption of IFRS 11 in 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Financial Information—Changes in Accounting for Joint Ventures*."

Wallace/McAdams Class Action Litigation and Individual Warranty Claims in the United States

A class action was brought against Monier Inc. on behalf of individuals or entities in the State of California that own structures with slurry-coated roof tiles, or that paid to repair or replace such tiles, that were sold by Monier Inc. or its predecessors between January 1, 1978 and August 14, 1997. Plaintiffs alleged that Monier represented to every class member that the tiles would have a 50-year life, permanent color and would be maintenance-free, when it knew and failed to disclose that the tiles would erode to bare concrete in less than 50 years. Plaintiffs claimed that Monier's alleged misrepresentations violate the California Consumer Legal Remedies Act and constitute unfair competition in violation of the California Business and Professions Code.

Plaintiffs claimed approximately $450 million in compensatory damages or, alternatively, the total amount of money received by Monier as a result of its sales to the class. The plaintiffs also sought punitive damages, attorneys' fees and costs. Monier denied the plaintiffs' allegations and asserted several defenses, including that treatment of this case as a class action was improper and that plaintiffs' statistical sampling methods were flawed. We have not booked in a provision for the potential liability because Lafarge agreed, in connection with the sale of its roofing division to Monier in 2007, to indemnify Monier Inc. for any damages incurred in connection with faulty products sold in the United States between January 1, 1978 and August 14, 1997. In 2010, we entered into a settlement agreement with Lafarge which expressly preserves the indemnification arrangement of 2007. Thus far, Lafarge has honored its indemnification obligations with respect to the payment of all legal fees and costs for the class action and has not given any indication that it will not continue to do so or that it will not satisfy any judgment rendered against Monier in that action. Although the indemnification obligation has no monetary cap, it expires in 2022. In addition, we cannot predict whether or to what extent Lafarge may decide to challenge the validity or scope of the indemnification arrangement; if such a challenge were made and were successful or if Lafarge became unable to fulfill its indemnification obligations, then we could be responsible in whole or in part for any damages incurred in connection with the class action or with individual claims independent from the class action.

Trial commenced on October 22, 2012 and, on January 3, 2013, the jury issued a verdict in favor of the plaintiffs and awarded the class approximately U.S.$7.4 million in compensatory damages but rejected its claim for punitive damages. During the trial, testimony was taken from both plaintiff and defense experts on the accuracy of a particular statistical sampling methodology proposed by the plaintiffs to prove the size of the class. Following the trial, the court granted Monier's motion to exclude plaintiffs' expert testimony on the ground that plaintiffs' methodology was inconsistent with statistical principles and without any legal authority. Accordingly, the court found that there was no evidence establishing the size of the class, our liability or the amount of damages and set aside the verdict. Therefore, judgment was entered on February 11, 2013 in our favor and we were awarded our costs of the proceedings. The plaintiffs appealed the judgment and the ruling referenced therein and we filed a protective cross-appeal to preserve our rights with respect to reversible errors we contend were committed by the trial court.

Criminal, Civil and Administrative Proceedings Relating to Alleged Procurement Fraud and Antitrust Violations in Brazil

There are two ongoing (civil and criminal) sets of investigations and one ongoing series of administrative proceedings against Bosch Termotecnologia Ltda. (formerly known as Heliotek Máquinas e Equipamentos Ltda. ("**Heliotek**")), a Brazilian producer of solar thermal installations in which we owned a 51% interest, in each case in relation to the same alleged antitrust violations. We sold our interest in Heliotek in 2012, but undertook to indemnify the buyer for consequences of this litigation.

In the first quarter of 2009, CDHU, a state-owned company responsible for public housing programs in the State of São Paulo, approached ABRAVA, an industry association for producers of refrigeration, heating and ventilation systems, in order to gather more information on the ideal technical specifications of the water-heating solar systems it intended to purchase in connection with its public housing programs. ABRAVA provided CDHU with the expert knowledge it needed free of charge. At the time of these events, one of the key managers of Heliotek was also an officer of ABRAVA. In March 2009, CDHU issued a call for tenders for the purchase of solar systems. Bidders were invited to present offers for six different blocks/lots and Heliotek was awarded lot "B" located in the City of Campinas. In the ongoing (i) civil, (ii) criminal investigations initiated in early 2010 by the Public Prosecutor's Office of São Paulo and (iii) the administrative proceedings initiated in late 2011 by CADE (the Brazilian federal antitrust agency), each has alleged price fixing, market allocation and other antitrust violations have occurred due to the fact that: (a) in three of the six lots some of the bids presented during the first phase contained identical prices; (b) there were very few attempts to improve prices during the second phase and (c) all bidders that presented coinciding bids during the first phase and most of those who waived the right to improve their prices in the second one were members of ABRAVA.

The civil and criminal investigations by the Public Prosecutor's Office are pre-trial fact-finding efforts and neither has so far resulted in legal action against Heliotek. If public prosecutors fail to file a civil lawsuit, an aggrieved party may still be entitled to file one against Heliotek. In relation to criminal actions, the district court will only allow an action to be filed if there is a minimum level of prima facie evidence against the defendant.

CADE summoned Heliotek among other defendants in early February 2012. Heliotek filed its defense on July 27, 2012. Following the conclusion of discovery, Heliotek filed its closing arguments in mid-March 2014. In March 2014, CADE's superintendent recommended that the charges against Heliotek be dropped due to a lack of evidence. The proceedings against Heliotek will now be examined by CADE's Administrative Court. While the recommendation of CADE's superintendent is not binding, it usually carries weight with the Administrative Court. If the case against Heliotek succeeds, we may have to pay indemnification, which we do not consider to be material for the Group, and may potentially be exposed to claims arising from civil litigation. We have not made any provisions in our financial statements in respect of this litigation. The criminal investigation against our former officer has not advanced recently and is viewed by our counsel as awaiting the outcome of the CADE proceedings.

MATERIAL AGREEMENTS

Securityholders' Agreement

See "*Information on the Selling Shareholder—Securityholders' Agreement*."

Senior Facilities Agreement

On April 9, 2014, the Company as group parent, various other Group companies, as well as Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited as arrangers, and BNP Paribas as agent and security agent (in such capacity, the "**Security Agent**"), entered into a senior facilities agreement (the "**Facilities Agreement**"), see also "*The Offering—Interests of Parties Participating in the Offering*"). The Facilities Agreement governs a senior term loan facility of €250,000,000 (the "**Term Loan Facility**") and a senior revolving credit facility of €100,000,000 (the "**Revolving Credit Facility**," and together with the Term Loan Facility, the "**Facilities**"). Loans under the Revolving Credit Facility can be drawn in euro, but also in certain other European currencies and in USD. As of April 17, 2014, loans of €250,000,000 under the Term Loan Facility and €30,000,000 under the Revolving Credit Facility were outstanding. The loans under the Facilities rank *pari passu* in right of payment with the Notes (see "*—€315 million Senior Secured Floating Rate Notes*").

The proceeds of the Term Loan Facility were used towards the refinancing of the existing debt that has been restructured and the financing of the refinancing costs (see "*Management's Discussion & Analysis of Financial Conditions and Results of Operations—Factors Affecting Results of Comparability of Financial Information—U.K. Scheme of Arrangement*" and "*Information on the Selling Shareholder—Background on the Shareholder Structure—2009 Restructuring*"). Loans under the Revolving Credit Facility can be utilized for various purposes (including "general corporate purposes") and are available to Braas Monier Building Group Holding S.à r.l., Braas Monier Building Group Services GmbH, Monier B.V., Monier Finance S.à r.l. and other Group entities that accede as additional borrowers in accordance with the provisions of the Facilities Agreement.

The Facilities Agreement does not provide for fixed periodic repayments of principal. Outstanding loans under the Term Loan Facility are scheduled to be repaid in October 2020; the Revolving Credit Facility matures six years from the utilization of the Term Loan Facility.

The net cash proceeds from the Offering received by the Company have to be used for a mandatory prepayment as follows: (i) if the Leverage Ratio (as defined below under "*—Leverage Ratio*") at the end of the calendar quarter prior to the listing or admission is greater than 3.75, 50% of the net proceeds shall be applied in prepayment of the Term Loan Facility to the extent required to reduce the Leverage Ratio to 3.75; and (ii) to the extent that the Leverage Ratio is (or becomes, taking into account the application of any prepayment under (i) above) greater than 3.25 but less than or equal to 3.75, 25% of the (remaining) net proceeds shall be applied in prepayment of the Term Loan Facility to the extent required to reduce the Leverage Ratio to 3.25.

The Facilities Agreement provides that mandatory prepayments must also be made, after the first utilization, from the Excess Cash Flow[(1)] once a year as follows: (i) if the Leverage Ratio is greater than 2.75, 50% of the Excess Cash Flow shall be used for the prepayment of the loan to the extent required to reduce the Leverage Ratio to 2.75; and (ii) to the extent that the Leverage Ratio is (or becomes, taking into account the application of any prepayment under (i) above) greater than 2.25 but less than or equal to 2.75, 25% of the Excess Cash Flow shall be used for the loan prepayment to the extent required to reduce the Leverage Ratio to 2.25.

Subject to certain exceptions and threshold amounts, mandatory prepayments are also required to be made under the Facilities Agreement upon the occurrence of a change of control, upon the sale of all or substantially all of the assets of the Group, from the proceeds of other material asset disposals or insurance proceeds received in respect of the loss or destruction of material assets.

Each borrowing under the Facilities Agreement bears interest at a rate per annum equal to the aggregate of (a) the applicable margin (as described below) and (b) EURIBOR for the relevant period, or, in relation to any loan not in euro, STIBOR (Stockholm interbank offered rate for Swedish kronor), NIBOR (Oslo interbank offered rate for Norwegian krone), WIBOR (rate equal to deposits in Polish złoty on the interbank market in Warsaw), PRIBOR (rate equal to deposits in Czech crown on the interbank market in Prague) or LIBOR, as the case may be. As of April 17, 2014, the outstanding nominal loan amount was not hedged against interest rate fluctuations, but we are obliged to hedge 66 2/3 percent of our interest rate risk from the Notes and the Term Loan Facility until October 5, 2014 for a period of two years from the utilization of this loan in April 2014.

(1) "**Excess Cash Flow**" is (simplified and if positive) the annual (for 2014 from the date of the first utilization) consolidated group cash flow minus consolidated debt service, mandatory prepayments, intra-group items, pending payments and a *de minimis* amount of €5 million.

Leverage Ratio

The Facilities Agreement provides for applicable margins as follows: 4.50% per annum in relation to loans under the Term Loan Facility and 4.00% per annum in relation to loans under the Revolving Credit Facility. If no event of default has occurred and is continuing, and at least twelve months have expired since the first utilization, then the margins for each loan will be as follows:

Leverage Ratio(1)	**Term Loan Facility Margin in % p.a.**	**Revolving Credit Facility Margin in % p.a.**
Greater than 3.00	4.50	4.00
Greater than 2.50 but equal to or less than 3.00	4.25	3.75
Greater than 2.00 but equal to or less than 2.50	4.00	3.50
Equal to or less than 2.00	4.00	3.25

(1) "**Leverage Ratio**" is (simplified) the ratio of the Consolidated Total Net Debt to the (previous four-quarter) Consolidated Pro Forma EBITDA where (i) "**Consolidated Total Net Debt**" means principal amount of all financial indebtedness of the defined group companies (excluding, inter alia, hedging indebtedness, pension obligations, indebtedness from operating leases, subordinated shareholder loans, contingent liabilities under guarantees and indemnities) less the aggregate amount of cash and cash equivalents held by these group companies, and (ii) "**Consolidated Pro Forma EBITDA**" means the profits of these group companies (adjusted for acquisitions and disposals, without profits and losses among group companies and also excluding certain non-recurring items) before interest, tax, depreciation, amortization and impairment costs.

The Facilities are guaranteed by certain material Group companies and certain other Group companies in order to meet a guarantor and security coverage test which provides that members of the Group representing at least 75% of the consolidated EBITDA and assets of the Group have (subject to certain agreed security principles) provided guarantees and security for the Facilities (tested annually by reference to the annual financial statements of the Company). The benefits of the guarantees and security interests are shared with certain other creditors, in particular the holders of the Notes, and is governed by the Intercreditor Agreement (see "—*Intercreditor Agreement*").

The Facilities Agreement contains customary financial covenants that are tested quarterly and under certain circumstances only semi-annually in relation to the following financial metrics: (i) the Leverage Ratio (as defined above), the allowed maximum of which decreases over the term and, in addition, reflects the seasonality of the business(1), and (ii) the Interest Cover Ratio(2) the allowed minimum of which continuously increases over the term.(3) Upon the repayment of the Term Loan Facility in full these financial covenants are dis-applied and replaced with a minimum EBITDA covenant (tested quarterly) whereby minimum consolidated pro forma EBITDA (as defined therein) must not be less than €90 million.

The Facilities Agreement also includes a number of other customary affirmative and negative covenants and other payment restrictions. These covenants contain, *inter alia*, limitations on loans, guarantees, dividends, incurrence of debt, acquisitions and mergers.

The Facilities Agreement sets out certain events of default (subject to materiality, cure periods and other exceptions where appropriate), including, without limitation, payment default, breaches of financial covenants, failure to comply with other obligations, insolvency and cross-defaults. In an event of default, the Agent may accelerate the loans under the Facilities Agreement.

€315 million Senior Secured Floating Rate Notes

On April 9, 2014, the subsidiary BMBG Bond Finance S.C.A. (the "**Notes Issuer**") issued senior secured floating rate notes due 2020 in an aggregate principal amount of €315 million (the "**Notes**"). The note indenture of April 17, 2014 (the "**Indenture**") has been entered into between, *inter alia*, the Notes Issuer, the Company and certain other Group companies, as well as Citibank, N.A., London Branch, as notes trustee (in such capacity, the "**Trustee**"), BNP Paribas as Security Agent and Citibank, N.A., London Branch, as paying agent.

(1) The Leverage Ratio has to be equal to or below 4.45 when tested the first time as of September 30, 2014 and equal to or below 1.95 when tested the last time before maturity of the Term Loan Facility as of September 30, 2020. The highest maximum Leverage Ratio allowed during the term of the Term Loan Facility is at 4.96 (tested as of March 31, 2015), the lowest maximum Leverage Ratio allowed is at 1.75 (tested as of December 31, 2019).

(2) "**Interest Cover Ratio**" is (simplified) the ratio of the (previous four-quarter) Consolidated Pro Forma EBITDA to Consolidated Total Net Cash Interest Expenses where (i) "**Consolidated Pro Forma EBITDA**" means the profits of these group companies (adjusted for acquisitions and disposals, without profits and losses between group companies and excluding certain non-recurring items) before interest, tax, depreciation, amortization and impairment costs and (ii) "**Consolidated Total Net Cash Interest Expenses**" means the aggregate of interest and recurring fees from the Facilities Agreement plus any interest, fees and consideration for other financial indebtedness, including the interest portion for financial leases and excluding intra-group interest expenses, non-cash interest items and non-recurring fees.

(3) During the term of the Term Loan Facility, the Interest Cover Ratio must be between, at least, 2.74 (when tested as of September 30, 2014) and, at least, 3.93 (when tested as of September 30, 2020).

The proceeds of the offering of the Notes have been on-lent by the Notes Issuer to Monier Finance S.à r.l. ("**FinCo**") and used to repay a portion of the Company's outstanding indebtedness. The Notes are obligations of the Notes Issuer and are guaranteed, or will have to be guaranteed by the end of May 2014, by the same Group companies that have issued guarantees for the Facilities (the "**Guarantors**"). In the year ended December 31, 2013, the Notes Issuer and the Guarantors generated 90.1% of our Operating EBITDA and 75.7% of our consolidated revenues and as of December 31, 2013 held 80.3% of our consolidated total assets.

Rank

Subject to the provisions of the Intercreditor Agreement (see below, "—*Intercreditor Agreement*"), which governs the ranks of the Notes and other financial indebtedness of the Group, the Notes are general senior obligations of the Notes Issuer, rank *pari passu* in right of payment with any existing and future indebtedness of the Notes Issuer that is not subordinated, including the obligations of the Notes Issuer under the Facilities Agreement and certain other hedging obligations, and mature on October 15, 2020. The guarantees by the Guarantors (the "**Guarantees**") constitute general senior obligations and, subject to the Intercreditor Agreement, also rank *pari passu* in right of payment with any existing and future indebtedness of that Guarantor that is not subordinated, including obligations under the Facilities Agreement.

Principal, Maturity and Interest

The Notes have been issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Notes can be redeemed, in their entirety or in part, at any time on or after April 15, 2015 at their principal plus accrued and unpaid interest, plus an additional amount of one percent of the redeemed principal in case of a redemption in 2015. If the Notes are redeemed prior to April 15, 2015, a make-whole premium would also be payable.

Interest on the Notes accrues at a rate equal to the sum of (i) three-month EURIBOR plus (ii) a margin of five percent per annum. Interest on the Notes accrues from April 17, 2014 and is payable in cash quarterly in arrears. As of April 17, 2014, the outstanding amounts under the Notes were not hedged against interest rate fluctuations, but we are obliged to hedge 66 2/3 percent of our interest rate risk from the Notes and the Term Loan Facility until October 5, 2014 for a period of two years from the utilization of this loan in April 2014.

Security

The Guarantees are secured by substantially all of the assets of the Company and its subsidiaries, including share pledges, account pledges, receivables pledges, rights pledges, real estate and pledges of fixed assets. The benefit of these security interests is shared with other creditors, in particular the lenders under the Facilities Agreement, and governed by the Intercreditor Agreement (see below "—*Intercreditor Agreement*"), in particular the lenders under the Facilities Agreement.

Covenants

The indenture includes a number of other customary affirmative and negative covenants and payment restrictions. These covenants contain, *inter alia*, limitations on the incurrence of indebtedness, dividends, liens, disposals, acquisitions and mergers.

It is not required that certain financial ratios be maintained over the term of the Notes. Subject to detailed provisions and exceptions in the Indenture, the Notes Issuer and certain material subsidiaries that are bound by the covenants of the Indenture may only incur new financial indebtedness if on the date of such incurrence after giving effect to the incurrence (i) the Fixed Charge Coverage Ratio(1) for the Notes Issuer and such subsidiaries would have been at least 2.0 and (ii) to the extent that the financial indebtedness is senior and secured, the Consolidated Senior Secured Leverage Ratio(2) for the Notes Issuer and such subsidiaries would have been no greater than 3.0. Dividends and other distributions by the Notes Issuer and certain material subsidiaries are also restricted. They are (subject to further conditions) permitted, so long as no default has occurred and if on the date of a dividend payment, the Consolidated Leverage Ratio(3) for the Notes Issuer and such subsidiaries does not exceed 3.0 after giving effect to such payments.

(1) "**Fixed Charge Coverage Ratio**" is (simplified) the ratio of the consolidated EBITDA for the four most recent fiscal quarters for which internal consolidated financial statements are available to the fixed charges (including consolidated interest and related expenses and certain types of dividends) for such four fiscal quarters.

(2) "**Consolidated Senior Secured Leverage Ratio**" is (simplified) the ratio of the consolidated senior secured financial indebtedness to the consolidated EBITDA for the four most recent fiscal quarters for which internal consolidated financial statements are available.

(3) "**Consolidated Leverage Ratio**" is (simplified) the ratio of consolidated outstanding financial indebtedness to the consolidated EBITDA for four most recent quarters for which internal consolidated financial statements are available.

Events of Default

The Indenture sets out certain events of default (subject to materiality, cure periods and other exceptions where appropriate), including, without limitation, non-payment of due amounts, failure to comply with other obligations and cross-defaults. If an event of default has occurred and is continuing, the Indenture provides that the Trustee can accelerate the Notes and/or declare amounts outstanding under the Notes immediately due and payable.

Intercreditor Agreement

To establish the relative rights of certain of our creditors under our financing arrangements, the Selling Shareholder, the Notes Issuer, the Company, Monier Building Group Holding S.à r.l. ("**Braas Monier S.à r.l.**") and each of the Guarantors, (together with any subsidiary of the Company that accedes to the intercreditor agreement as a debtor, (each, a "**Debtor**" and together, the "**Debtors**")) and together with any members of the Group that provide any financial accommodation to a Debtor or Debtors in excess of a *de minimis* amount and/or subject to other exceptions, have entered into an intercreditor agreement (the "**Intercreditor Agreement**") with, *inter alia*, the Security Agent, the Trustee, the lenders under our Facilities Agreement and the facility agent under our Facilities Agreement. The Intercreditor Agreement sets out, *inter alia*, the relative ranking of certain debt of the Debtors, when payments can be made with respect to debt of the Debtors, when enforcement action can be taken with respect to that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Proceeds Loan

The proceeds loan has been concluded between the Notes Issuer and FinCo (the "**Proceeds Loan Agreement**"). Pursuant to the Proceeds Loan Agreement, the Notes Issuer has lent the proceeds from the offering of the Notes to FinCo (the "**Proceeds Loan**"). Interest is payable in cash quarterly, concurrently or prior to the relevant interest payment dates for the Notes. Proceeds Loan has the same maturity date as the Notes. Except as otherwise required by law, all payments under the Proceeds Loan are made without deductions or withholding for, or on account of, any applicable tax. The Proceeds Loan Agreement provides that FinCo shall repay the Proceeds Loan in such amounts and on such days so as to ensure that the Issuer can make payments with respect to repayments, redemptions or repurchases of the relevant Notes. The Proceeds Loan was assigned by way of security to the Security Agent for the benefit of holders of the Notes and the lenders under the Facilities Agreement pursuant to an English law security assignment.

REGULATORY ENVIRONMENT

Overview

General Regulatory Framework

We are subject to numerous laws, rules and regulations at national, state and municipal levels, particularly building, environmental and occupational health and safety laws, rules and regulations as well as technical standards. At the European level, the regulatory environment of our business includes several EU directives and regulations, which are either implemented by the individual Member State of the European Union through national legislation or apply directly. Our business is primarily comprised of the production of roof tiles, roofing components and chimney and energy systems. In many countries we use natural resources from our own quarries and sand pits. Therefore, laws, rules, regulations and technical standards that affect our operations relate mostly but not solely to energy saving, environmental protection (particularly in relation to soil and ground and surface water contamination and air emissions), recultivation, reclamation and renaturation, as well as occupational health and safety. In addition, in several countries we have to comply with numerous workplace safety and accident prevention statutes.

General Regulatory Risks

We expect that in most countries in which we do or intend to do business, laws, rules and regulations, including environmental laws and regulations, will over time become more comprehensive and stringent and enforcement will increase. We also expect that many environmental laws and regulations will be harmonized at the EU level over the near- to medium-term. To a certain, limited extent, however, member states will still be able to adopt laws and regulations that are more stringent than those required by the European Union.

We are also required to obtain and maintain permits from governmental authorities for many of our operations. As the regulatory framework applicable to us is subject to revision and continuous development, the future cost of compliance with applicable regulatory requirements and technical standards cannot be predicted precisely. Additional or more stringent laws, rules, regulations and technical standards could increase our costs or limit our ability to continue our business operations in the same manner as we did in the past.

Soil and Water

General Regulatory Framework

We are subject to several laws relating to the use and contamination of soil as well as ground and surface water in the jurisdictions in which we operate. Usually, the use of water requires a permit and is strictly regulated to avoid any contamination of ground or surface water, such as through the disposal of sewage or wastewater and the handling of potentially dangerous materials. For example, the discharge of any pollutant substances into the surface water may be subject to a permit whereas the discharge of any such substances into the groundwater may generally be impermissible. If a contamination of ground or surface water occurs or is discovered, primarily the landowner or the party who caused such contamination usually is subject to a comprehensive range of remediation obligations, which can be costly. Noncompliance with such obligations may result in administrative fines and criminal liability.

We use water in our production processes for our concrete and clay roof tiles, solar systems, chimney plants and other products. Moreover, water is also used for the cleaning of our production installations. Some of our plants have installed a wastewater treatment system which allows for the reusage and recycling of water. Even if water is recycled and reused, considerable quantities of water are necessary in our production process. For many activities involving water at our plants and sites, appropriate permits to use and discharge water typically must be obtained and maintained. Any such requirements as well as the terms of the permits we hold can materially affect our operations by restricting the discharge of pollutant substances and wastewater which, for instance, exceeds certain temperatures and certain maximum levels, directly or indirectly into public waters. We may be required to incur significant capital expenditures and operating costs in order to maintain and upgrade our production sites and facilities to comply with applicable laws, regulations and permits and to obtain and maintain all necessary permits.

In addition, pursuant to applicable laws, regulations or other provisions in relation to soil protection, owners of land and facilities operators responsible for disposing of or releasing hazardous substances may be required to take every necessary precaution to prevent soil contamination. On a strict liability basis, if any contamination does occur, those in charge could be responsible for investigation and remediation measures and the costs incurred in connection therewith. In certain jurisdictions and cases, a person who has disposed of waste on a contaminated site may also be held liable for the entire costs of remediation, irrespective of whether they caused all of the contamination, the lawfulness of the disposal or the actions of other parties. Noncompliance with the obligations under the applicable laws and regulations may result in administrative fines or criminal liability.

General Regulatory Risks

We cannot exclude the possibility that our operations have in the past or may in the future cause contamination of properties that we own or operate, although we have procedures in place to avoid suck risk. This may result in liabilities and administrative and/or criminal proceedings. Additionally, contamination of soil and groundwater may be discovered at our sites in the future and may result in obligations to investigate, contain, monitor or remediate soil and/or groundwater at our facilities, imposing substantial and unanticipated costs on us. The obligation to submit a soil status report when applying for a new permit governed by the emissions control regulations (which was introduced by the Directive on Industrial Emissions, "**IED**," see below) may trigger additional requests and orders by the authorities.

Emissions

General Regulatory Framework

In many countries, the emission of air pollutants, noise, odors and vibrations is governed by specific laws and regulations. The operation of industrial facilities is typically subject to permits and operators of these facilities are required to prevent impermissible emissions. Operators of facilities are required to maintain all installations in compliance with the respective permits with respect to the reduction of certain emissions and implementation of safety measures. In some cases, a continuous improvement or retrofitting of installations to meet state-of-the-art safety standards may be required. Compliance with these requirements is monitored by local authorities and operators may be required to submit emission reports on a regular basis. Non-compliance with these requirements may result in administrative fines and could also constitute a criminal offense. Most of our production plants have in the past emitted and will continue to emit air pollutants, noise, odors and vibrations. The relevant laws and provisions are quite often subject to amendments and modifications. In the European Union, the IED had to be implemented by the member states by January 7, 2013.

General Regulatory Risks

Modified laws and provisions like the IED result in the application of stricter regulations to our business. We may be required to incur significant capital expenditures to upgrade our production plants by installing new or improving existing technical equipment to comply with maximum emission levels that may become applicable in the future. Noncompliance with the specific laws and regulations or other sets of provisions may result in administrative fines and criminal liability. Under specific circumstances, we may also incur liability for environmental damage caused by our operations.

Waste

General Regulatory Framework

In many jurisdictions, we are subject to statutory provisions regarding waste management. These provisions govern permissible methods of and responsibility for the discharge and recycling of waste, recovery of energy or reuse. In particular, the discharge of waste is often restricted to licensed facilities. Noncompliance with the applicable laws, regulations or other sets of provisions may result in administrative fines or criminal charges.

General Regulatory Risks

In some jurisdictions, such as Germany, the regulatory framework governing the treatment of waste will be further amended in the future, which may result in increased costs to us. If our operations do not comply with the applicable laws, the imposition of administrative fines or criminal charges may be possible.

Handling and Storage of Hazardous Substances

General Regulatory Framework

In many jurisdictions, the handling and storage of hazardous substances is governed by specific laws and regulations. Therefore, in some countries substances are rated by risk with different requirements relating to storage and handling depending on the risks determined. The relevant provisions aim to prevent accidents or injury and ensure a high degree of safety. Certain hazardous substances must not be produced or used at all.

We use several hazardous substances in our plants, including cement, in the production of concrete roof tiles or resolvents for colors in our Chinese plants. We keep and update hazardous substances registers in our plants containing data as to the amount used, the marking and the application site of the relevant substances. We sell and distribute limited amounts of hazardous substances as such or in articles, such as adhesives used with roofing accessories, as parts of our products.

General Regulatory Risks

While we are not aware of any use of asbestos in buildings used by us, we cannot exclude the possibility that our buildings may contain asbestos-contaminated material. Currently, under most applicable environmental laws, the remediation of bound or encapsulated asbestos is not required. If, however, a building is to be demolished or refurbished, precautions may be necessary and the material must be properly disposed of. Noncompliance with the applicable laws, regulations and other provisions may also result in other legal consequences such as liability cases.

It is possible that conflicts arising in connection with the use of hazardous substances in our plants and the interests of the population living in the vicinity of such a plant may result in the refusal of permits to expand operations or allow changes in use, operations restrictions or even the relocation of the concerned plant, which can lead to considerable costs to us. According to the latest judgment by the European Court of Justice of 15 September 2011, case C-53/10 (*Land Hessen v. Franz Mücksch OHG*), the Directive on the control of major-accident hazards involving dangerous substances must be interpreted as meaning that member states must ensure that account is taken of the need, in the long term, to maintain appropriate distances between establishments when issuing planning permissions. Although existing and operational installations which benefit from the principle of preservation of the status quo, such installations remain subject to the separation rule imposed by the Federal Immission Control Act. The separation rule stipulates that mutually exclusive types of use shall be isolated. By consequence, it cannot be ruled out that the aforementioned judgment by the European Court of Justice relates to existing and operational installations as well as new installations. A planning permission is indispensable for capacity expansions, rendering an application of the judgment by the European Court of Justice for existing and operational installations possible. However, the applicability both of the separation rule as imposed by the Federal Immission Control Act and/or of the judgment by the European Court of Justice remain subject to a case-by-case evaluation. By consequence, the extent and impact of the aforementioned restrictions cannot be determined beforehand in a general manner especially as the principle of proportionality remains to be observed in each case.

Excavation of Raw Materials

General Regulatory Framework

In some jurisdictions, the excavation of raw materials is subject to special operating permits and occasionally to mining rights. Such permits may be subject to stringent requirements to ensure an environmentally sound excavation process in compliance with environmental laws. Permits typically require remediation, recultivation and renaturation of the mining areas after the excavation of raw materials, and operators are obligated to bear any cost in connection with such reclamation obligations. Noncompliance with the applicable laws, regulations or other sets of provisions may result in administrative fines or criminal liability.

General Regulatory Risks

In many countries we use natural resources from our own quarries and sand pits. If those quarries and pits are located in environmentally sensitive areas they may be subject to particularly stringent regulations governing mining activities and subsequent remediation, recultivation and renaturation obligations. This may result in rising costs to us.

Health and Safety

General Regulatory Framework

We have to comply with applicable laws and regulations to protect employees against occupational injuries in all of the jurisdictions in which we operate. Under such laws and regulations, employers typically must establish the conditions and the flow of work in a manner that effectively prevents dangers to employees. In particular, employers must observe certain medical and hygienic standards and comply with certain occupational health and safety requirements, such as permissible maximum levels of noise at the workplace, the use of protective clothing and requirements relating to maximum temperatures and air ventilation.

We regularly monitor the noise level of our plants and keep and update a noise register. In addition, our employees at these sites are obligated to use ear protection and undergo a preventive noise examination by our occupational physician. In addition, we continue to implement additional noise reduction measures.

General Regulatory Risks

Not complying with health and safety provisions may result in liabilities and administrative fines or criminal charges.

REACH

General Regulatory Framework

In the European Union, a specific regulatory regime for the control of the use of chemical products is in place, requiring all affected industries to ensure and demonstrate the safe manufacture, use and disposal of chemicals. The REACH

Regulation, which came into effect in 2007, especially requires the registration with the European Chemicals Agency ("**ECHA**") of all chemicals manufactured in or imported into the European Union in quantities of one tonne or more per annum. Further, producers of articles must generally notify ECHA if their articles include a substance falling within a specific hazard class (*e.g.*, carcinogenic or mutagenic) and the substance is present in quantities over one tonne per annum in a concentration exceeding 0.1 weight by weight. In other jurisdictions similar and further regulations may exist. Although we use substances falling within the scope of REACH (such as cement), we do not manufacture or import them into the European Union. Further, our products do not include substances which would trigger a notification obligation under REACH. We are, therefore, not directly subject to the REACH Regulation as a manufacturer, but only as a downstream user. As such, we must mainly comply with information obligations.

General Regulatory Risks

If our production processes are modified in the future we may be obligated to comply with more extensive obligations under the REACH Regulation. Furthermore, we may be obligated to comply with similar regulations of other jurisdictions involved. The REACH Regulation provides for penalties for infringement of its provisions; comparable regulations and risks may exist in other jurisdictions. In addition, we could be affected if a hazardous material we use in our production process is restricted or unavailable as a result of such regulations. In addition, the list of substances triggering a notification obligation when included in articles is amended on a continuous basis. We may, therefore, be subject to a notification obligation in the future.

Technical Approvals for Construction Products

General Regulatory Framework

In many jurisdictions, the manufacture and sale of construction materials is subject to technical regulations and approval requirements. For instance, the EU Regulation on the marketing of construction products sets conditions for the placing or making available on the market of construction products and on the use of "CE" marking on those products. In addition, other technical approval requirements and mechanisms may apply. In certain jurisdictions additional approval requirements may apply.

General Regulatory Risks

Noncompliance with technical approval requirements may result in legal consequences such as liability cases and administrative fines or criminal charges.

Climate Change Law

General Regulatory Framework

We operate a total of 107 production plants in addition to other industrial facilities. Our operations result in the release of substantial quantities of carbon dioxide. The emission of carbon dioxide is subject to a constantly developing body of laws and regulatory requirements addressing the challenges of global climate change by reducing greenhouse gas emissions, promoting higher efficiency in the use of energy from conventional sources and increasing the use of energy from renewable sources.

In many of the regions in which we operate, regulatory requirements address the challenges of global climate change. The primary objectives of climate change regulation are the reduction of greenhouse gas emissions, higher efficiency in the use of energy from conventional sources and the increasing use of energy from renewable sources. In the European Union, regulations attempt to both reduce greenhouse gas emissions and to establish a mechanism for trading in carbon dioxide emission certificates. One of the European instruments designed to reduce greenhouse gas emissions is the Emissions Trading System (the "**ETS**"), which was launched in 2005. The ETS intends to considerably reduce greenhouse gas emissions by a "cap and trade system." This means the total amount of greenhouse gases the industry is allowed to emit is limited. Operators must surrender one allowance for each ton of greenhouse gases emitted/reported, or risk being fined.

For the time being, a specific amount of allowances is issued to operators affected by the ETS free of charge. For the following trading period, from 2013 to 2020, the amount of free allowances allocated to operators will be determined on the basis of a product benchmark, historical activities levels and an adjustment factor. The amount of allowances operators are obligated to surrender are measured based on a monitoring plan which operators are obligated to compile in accordance to monitoring guidelines issued by the European Commission. Plant operators that emit fewer tons of greenhouse gases than their stock of allowances cover are allowed to sell their excess allowances on the open market. Plant operators that emit more tons of greenhouse gases than their stock of allowances cover are required to buy additional allowances on the market.

The cap of greenhouse gas emissions will be reduced every year. From 2013 until 2020 the quantity of emission allowances issued each year under the ETS is reduced annually by a linear factor of 1.74% annually of the average annual total quantity of emission allowances issued in the European Union between 2008 and 2012. Beyond this “cross-sectoral correction factor,” a further one-time deduction of 5.73% is applied by the Commission in order to prevent a transgression of the industrial cap. In addition, from 2013 onwards, a full auctioning of emission allowances is gradually introduced for the manufacturing sector by reducing the allocation of emission allowances issued free of charge from 80% in 2013 to 30% in 2020 and to 0% in 2027. An exemption from the general auctioning mechanism is available for certain energy-intensive industries that are likely to relocate plants to countries with less-stringent climate protection laws, a phenomenon known as “carbon leakage.” Operators from these industries may continue to receive 100% of their allowances free of charge. Through the end of 2014, this applies to our clay tile plants participating in the ETS. The European Commission will determine every five years–the next time with effect from 2015–which sectors and subsectors are threatened by carbon leakage. Thus, there can be no assurance that the sectors, such as ours, which were previously regarded as being exposed to carbon leakage will again be considered as being threatened by carbon leakage in 2015.

Besides the ETS, climate change is the subject of a number of other regulations and provisions. For example, the Commission has approved the German environmental tax scheme applicable to the most energy intensive users (*Spitzenausgleich*) on condition that beneficiaries introduce and maintain environmental management systems. The introduction and maintenance of such systems—in our case an energy management system according to ISO 50001—generate continuous costs. Furthermore, the European Union is currently considering an amendment of the Directive governing energy taxes. This amended Directive might introduce a CO_2 tax that is likely to affect installations not covered by the ETS.

General Regulatory Risks

Compliance with existing, new or proposed regulations governing greenhouse gas emissions might lead to a need to reduce carbon dioxide emissions, to purchase greenhouse gas allowances from third parties, or to make other changes to our businesses, all of which could result in significant additional costs or a reduced demand for our products. In addition, we require large quantities of energy in various forms for our production processes. Existing, new and proposed regulations relating to the emission of carbon dioxide by our energy suppliers could result in materially increased energy costs for our operations and we may be unable to pass on these increased energy costs to our customers, which could have a material adverse effect on our business, financial condition and results of operations. Our installations may also be subject to new CO_2 taxes, resulting in higher operating costs.

If the number of free greenhouse gas allowances will not fully cover our actual emissions, we will need to purchase a significant—and steadily increasing—share of allowances in the future, which will result in substantial additional costs.

Furthermore, if we miss surrendering a number of allowances within the relevant annual deadline, a penalty of at least €100 for each unsubmitted allowance will be due. The increase of the penalty is coupled to the increase in the Index of Consumer Prices for the euro area over 2012 as a base year. Payment of the penalty does not provide an exemption from submitting the allowances. Such penalty might lead to costs which could have a material adverse effect on our business, financial condition and results of operations.

Other Regulations

Under the German Renewable Energies Act (so-called “**EEG-Act**”), network operators are obliged to purchase electricity produced within their network area from renewable energy sources. The purchase prices are fixed by law as feed-in tariffs. If the price obtained by network operators for the electricity produced from renewable energy sources on the spot market is not sufficient to cover the financial burden resulting from the purchase obligation at feed-in tariffs, network operators are allowed to demand an EEG-surcharge as compensation from all end-users. According to Sec. 40 et seq. of the EEG, the amount of the surcharge for energy-intensive users can, upon application, be limited by the authority. We are subject to the EEG-Act as a consumer of electricity only.

Currently, we do not meet the conditions under which the EEG-surcharge will be limited. However, as the EEG is currently subject to reform, the adoption of the new rules being expected in the late summer of 2014, and the legislator might introduce facilitations of the conditions under which the EEG-surcharge will be limited. As a consequence, we might be able to benefit from a limitation of the EEG-surcharge in the future.

DESCRIPTION OF THE GOVERNING BODIES OF BRAAS MONIER BUILDING GROUP S.A.

Overview

Before the Company changed its legal form from a limited liability company (*société à responsabilité limitée*) to a public limited liability company (*société anonyme*), it was managed by a management board, though the ultimate decision-making authority was Monier Holdings GP S.A., the designated manager of the Selling Shareholder. Since the change of the legal form in March 2014, the Company's governance is set up as a one-tier structure managed by a Board of Directors which must be composed of a minimum of three members and a maximum of 10 members, to be appointed by the general meeting of shareholders of the Company for a maximum term of six years. The directors are revocable without prior notice (*ad nutum*). The current Board of Directors is composed of ten members.

Board of Directors

The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfil the Company's corporate object, with the exception of the actions reserved by law or by the Company's Articles of Association to the general meeting of shareholders (in particular all decisions affecting the Articles of Association, such as for example capital increases, capital reductions, mergers, a change of the legal form of the Company). Decisions of the Board of Directors are adopted at meetings where at least a majority of the directors are present or represented and resolutions are adopted with the affirmative vote of a majority of the directors present or represented at such meeting.

In accordance with article 60 of the law of August 10, 1915 governing commercial companies, as amended, the Company's daily management and the Company's representation in connection with such daily management may be delegated to one or several members of the Board of Directors or to any other person, shareholder or not, acting alone or jointly. Their appointment, revocation and powers shall be determined by a resolution of the Board of Directors.

Composition and Biographical Information

The table below lists the current members of the Company's Board of Directors.

Name	Age	Member since(1)	Appointed until	Responsibilities/principal occupation outside the Company
Executive Director				
Pepyn Dinandt	52	2014	2017	Chief Executive Officer
Non-Executive Directors				
Joseph Knoll	35	2014	2017	Director of York Capital Management
Pierre-Marie De Leener	56	2014	2017	Chairman of the Board of Directors, Independent Director
Werner Paschke	64	2014	2017	Independent Director
Jean-Pierre Clavel	66	2014	2017	Independent Director
Fabrice Nottin	35	2014	2017	Senior Principal at Apollo Management International LLP
Gilles Vanel	54	2014	2017	Co-Head of Leveraged Finance France at BNP Paribas
Winston Ginsberg	47	2014	2017	Managing Director of TowerBrook Capital Partners
Guy Harles	59	2014	2017	Co-chairman of Arendt & Medernach, Independent Director
Francis Carpenter	71	2014	2017	Managing Partner of AyersRock.Lux, Independent Director

(1) The directors were elected and appointed by an extraordinary shareholders' meeting of the Company held on June 4, 2014.

The following description provides summaries of the *curricula vitae* of the current members of the Company's Board of Directors and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Pepyn Dinandt is the only Executive Director and the Chief Executive Officer of our Group since July 2008. Mr. Dinandt started his career at Hewlett Packard before joining McKinsey & Company, then held several management positions in a number of industries. He was notably the chief executive officer of Mannesmann Plastics Machinery GmbH. Mr. Dinandt holds a degree in Economics from the University of Wales.

Alongside his office as Chief Executive Officer of our Company, Mr. Dinandt is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Tejas Cobert S.A. (director); and

Previously:

- Conergy AG (member of the supervisory board); and
- Monier Holdings GP S.A. (member of the board of directors).

Joseph Knoll is currently a Director of York Capital. Mr. Knoll joined York Capital in 2008 and is based in London. From 2003 to 2008, Mr. Knoll was employed by Morgan Stanley and was a founding member of the Principal Investing Group. Prior to joining Morgan Stanley, Mr. Knoll was employed at Merrill Lynch in the Leverage Finance department of Investment Banking. Mr. Knoll graduated from Yeshiva University with a degree in finance and holds both dual British and American citizenships.

Alongside his office as member of the Board of Directors of our Company, Mr. Knoll is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Ingleby (1827) Ltd. (director);
- Ingleby (1928) Ltd. (director);
- Primrose Solar (1) Limited (director);
- Primrose Solar (2) Limited (director);
- Primrose Solar (3) Limited (director);
- Primrose Solar (4) Limited (director);
- Primrose Solar Projects (2) Limited (director);
- Shoebill Real Estate Farnborough GP Limited (director);
- Shoebill Real Estate Reading GP Limited (director);
- Shoebill Real Estate Elstree GP Limited (director);
- Shoebill Limited Partner Real Estate Limited (director);
- YOA Holdco Limited (director); and
- Monier Holdings GP S.A. (member of the board of directors).

Other than listed above, Mr. Knoll has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Pierre-Marie De Leener is an independent director on the Company's Board of Directors. Between 2008 and 2012, Mr. De Leener held various positions at PPG Industries and was most recently a member of its Executive Committee from 2010 to 2012. He was the CEO of Sigmakalon Group from 1998 to 2008 and member of the TOMALFINA operating committee from 1998 to 2001. He was the CEO of Fina Italiana from 1989 to 1995 and of Fina Research from 1995 to 1998. Mr. De Leener graduated from the Catholic University of Louvain with a master's degree in chemical engineering, and bachelor's degree in economics and philosophy.

Alongside his office as member of the Board of Directors of our Company, Mr. De Leener is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Previously:

- PPG Industries N.V. (executive vice president, member of the executive committee);

- Transitions – US – F (director);
- PPG Europe (chairman of the board);
- PPG Univer S.p.a. (chairman of the board); and
- Monier Holdings GP S.A. (member of the board of directors).

Werner Paschke is an independent director of on the Company's Board of Directors and several other companies, including Constellium N.V. and Schustermann & Borenstein GmbH. In previous years, he was a Supervisory Board member at Conergy AG, Coperion GmbH and several smaller companies. Between 2003 and 2006 Mr. Paschke served as Managing Director and Chief Financial Officer of Demag Holding (KKR/Siemens) in Luxembourg. From 1992 to 2003, he worked for Continental AG, and was "*Generalbevollmächtigter*" from 1994, responsible for corporate controlling, and later accounting. Between 1988 and 1992, he was Chief Financial Officer for General Tire Inc., Akron Ohio, U.S., and from 1973 to 1987 he held different positions at Continental AG in finance, distribution, marketing and controlling. Mr. Paschke holds a degree in economics (*Diplomkaufmann*) from the University of Münster/Westphalia and is a 1993 graduate of the International Senior Management Program at Harvard University.

Alongside his office as member of the Board of Directors of our Company, Mr. Paschke is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Constellium N.V. (member of the board of directors);
- Monier Holdings GP S.A. (member of the board of directors); and
- Schustermann & Borenstein GmbH (member of the advisory board).

Previously:

- Conergy AG (member of the supervisory board); and
- Coperion GmbH (member of the superviory board).

Jean-Pierre Clavel was formerly employed at British Plaster Board (BPB) PLC between 1990 and 2005. He was the Executive Director of BPB PLC between 2000 and 2005 and served as the CEO of St. Gobain Gypsum (formerly BPB) between 2006 and 2010. In addition, Mr. Clavel held several mandates as Vice President and President of the European Building Materials Association between 1997 and 2002, as Director of the CSTB (*Centre Scientifique et Technique du Batiment*) between 2000 and 2009 and as President of the Eurogypsum Association between 2008 and 2010. He also served as chairman of the board of directors of Monier Holdings GP S.A. between 2010 and 2013. Mr. Clavel graduated from ESSEC Business School Paris in 1970.

Alongside his office as member of the Board of Directors of our Company, Mr. Clavel is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Previously:

- BPB Group Operations Limited (director);
- BPB Limited (director);
- BPB Group Finance Limited (director);
- Saint-Gobal Adwych Limited (director);
- BPB United Kingdom Limited (director); and
- Monier Holdings GP S.A. (member of the board of directors).

Fabrice Nottin joined Apollo Management International LLP in 2011 as a Senior Principal. Prior to Apollo Management International LLP, Mr. Nottin was a Senior Principal at Lion Capital where he focused on private equity investments in the European Consumer and Retail sector for over six years. Prior to that time, Mr. Nottin was a member of the Mergers & Acquisitions Group of UBS Investment Bank in London. Mr. Nottin received his BA in Finance and Strategy from ESSEC Business School in France.

Alongside his office as member of the Board of Directors of our Company, Mr. Nottin is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Jewel UK Midco Limited (director);
- Jewel UK Topco Limited (director);
- Timbers- Fnotting Limited (director);
- Jewel UK Bidco Limited (director);
- Aurum Holdings Limited (director); and
- Monier Holdings GP S.A. (member of the board of directors).

Previously:

- Contessa (Ladieswear) Limited (director);
- Xunely Limited (director);
- Contessa (Holdings) Limited (director);
- Lion/Silk Investments 1 Limited (director);
- Lion/Silk Investments 2 Limited (director);
- La Senza Limited (director);
- La Senza Girl Limited (director);
- Keppelington Limited (director);
- La Senza Europe Limited (director);
- Lion Silk Funding Facility Limited (director);
- Lion/Silk Funding Lux 1 S.à r.l. (director);
- Lion/Silk Funding Lux 2 S.à r.l. (director);
- Lion Polaris Lux 1 S.à r.l. (director);
- Picard Bondco S.A. (director);
- Lion/Polaris Lux 3 S.A. (director);
- Lion/Polaris Lux 4 S.A. (director);
- Lion/Polaris Lux Topco S.à r.l. (director);
- Picard PIKco SA (director);
- Lion Adventure Coorpeatief U.A. (director);
- Lion Adventure Holding BV (director);
- Lion Adventure BV (director);
- Stak Lion Adventure (director);
- Lion Capital LLP (director);

- Lion Capital General Partner LLP (director);
- Lion Capital Carry LP (director);
- Lion Capital Carry II LP (director);
- Lion Capital Fund II SBS (director);
- Lion/Face Investments 1 Limited (director);
- Lion/Face Investments 2 Limited (director);
- Lion Polaris (director);
- Lion Polaris II (director);
- Bever Zwerfsport Investments BV (director); and
- Picard Surgélés S.A.S (director).

Gilles Vanel is the Co-Head of Leveraged Finance France at BNP Paribas in Paris and has worked for the company since 1989. Prior to joining BNP Paribas he worked as an auditor at Natexis Group for four years and he spent a year working for the Ministry of Finance in Cote d'Ivoire. Mr. Vanel has a degree in financial management and taxation from Université Panthéon Sorbonne (Paris I) in Paris.

Alongside his office as member of the Board of Directors of our Company, Mr. Vanel is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Calilux S.à r.l. Luxembourg (manager); and
- Monier Holdings GP S.A. (representative for BNP which is a member of the board of directors).

Other than listed above, Mr. Vanel has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Winston Ginsberg is currently a Managing Director of TowerBrook. Prior to joining TowerBrook, Mr. Ginsberg was a General Partner and co-founder of Elwin Capital Partners. During that time he was also a founder and Executive Chairman of OfficeTiger, one of the world's largest outsourcing companies. Mr. Ginsberg was a member of the Principal Investment Area and the Mergers & Acquisitions department of Goldman Sachs in London and New York. Prior to Goldman Sachs, he was a member of the Mergers & Acquisitions department of Lazard Frères & Co. in New York. Mr. Ginsberg earned his M.A. from Pembroke College, Cambridge and received his M.B.A. from Harvard Business School in Cambridge, Massachusetts.

Alongside his office as member of the Board of Directors of our Company, Mr. Ginsberg is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Autodis S.A. (director);
- GSE Holdings S.A.S. (director);
- GSE S.A.S. (director);
- Kaporal 5 S.à r.l. (director);
- Kaporal France SAS (director);
- Parts Holdings Coöperarief U.A. (director);

- Poppy Bidco Limited (director);
- Poppy Finco Limited (director);
- Poppy Holdco Limited (director);
- Poppy Holdings BV (director);
- Poppy Holdings Coöperarief U.A. (director);
- TowerBrook Foundation Limited (director);
- TowerBrook Capital Partners L.P. (partner);
- TowerBrook Capital Partners (U.K.) LLP (partner);
- TowerBrook Investors GP II, L.P. (partner);
- TowerBrook Investors GP III, L.P. (partner);
- TowerBrook Investors GP IV, L.P. (partner);
- TCP Team Co-Invest, L.P. (partner);
- TowerBrook Capital Partners Special II, L.P. (partner);
- TowerBrook Capital Partners Special III, L.P. (partner); and
- TCP Team Co-Invest IV, L.P. (partner).

Previously:

- Monier Holdings GP S.A. (member of the board of directors).

Guy Harles is a founding partner and co-chairman of Arendt & Medernach and has worked there since 1988. Prior to joining the Luxembourg Bar he worked in the finance department of Arbed S.A. (now part of ArcelorMittal), the Luxembourg steel conglomerate. Guy Harles holds a Master's degree in law from the Université Robert Schuman de Strasbourg (France), as well as an advanced degree (DESS in banking and finance) from the same university.

Alongside his office as member of the Board of Director's the Company, Mr. Harles is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Braas Monier Group:

Currently:

- ARKUM (chairman of the board of directors);
- Arlvest SA Holding (chairman of the board of directors);
- Suridam Holding S.A. (chairman of the board of directors);
- Arendt Services S.A. (chairman of the board of directors);
- Alfa 2011 S.A, SPF (director);
- ARKUM (director);
- Arlvest Limited (director);
- Arlvest SA Holding (director);
- Beta 2011 S.A, SPF (director);
- Blue Azalee Ltd. (director);

- Bugatti International S.A. (director);
- Casino de Jeux du Luxembourg - Mondorf- les - Bains - Luxemburger Spielbank (director);
- CMI Insurance (Luxembourg) S.A. (director);
- Delta 2011 S.A, SPF (director);
- Gamma 2011 S.A, SPF (director);
- L Real Estate (director);
- New Luxis S.A. (director);
- Nordic Employer's Mutual Insurance Association (director);
- NOVED S.A. SPF (director);
- Patek Holdings Ltd. (director);
- Ridgecrest Services Limited (director);
- Suridam Holding S.A. (director);
- Swiss Re Europe Holdings S.A. (director);
- Swiss Re International SE (director);
- UBI Banca International S.A. (director);
- Arendt Services S.A. (director);
- DYNAMIQUE RESIDENTIEL S.A. (director);
- Vauban Participations S.A. (director);
- Arendt Regulatory Solutions S.A. (director);
- gategroup Finance (Luxembourg) S.A. (director);
- SOCIETE CIVILE A.M. ST. EXUPERY (partner);
- CEP III Co-Investment S.à r.l. SICAR (manager);
- CEP IV Participations S.à r.l. (manager);
- CERE III L Co-Invest S.à r.l. (manager);
- CERE III U Co-Invest S.à r.l. (manager);
- CERE III W Co-Invest S.à r.l. (manager);
- CERE St. Lazare 1 S.à r.l. (manager);
- CERE St. Lazare 2 S.à r.l. (manager);
- CEREP II S.à r.l. (manager);
- CEREP III S.à r.l. (manager);

- CEREP Management S.à r.l. (manager);
- CEREP S.à r.l. (manager);
- CETP II Participations S.à r.l. SICAR (manager);
- CETP III Participations S.à r.l. (manager);
- CHANBLUE, SOCIETE CIVILE (manager);
- Changreen, Société Civile (manager);
- CIEP Hestya S.à r.l. (manager);
- CIEP I S.à r.l. (manager);
- CIEP II S.à r.l. (manager);
- CIEP III S.à r.l. (manager);
- Estée Lauder Luxembourg S.à r.l. (manager);
- ILP III Participations S.à r.l. (manager);
- SOCIETE CIVILE A.M. ST. E:XUPERY (manager);
- Stichting Bokum (manager);
- TCG Asnières 1 S.à r.l. (manager);
- TCG Asnières 2 S.à r.l. (manager);
- The Carlyle Group (Luxembourg) S.à r.l. (manager);
- UKSL II S.à r.l. (manager);
- VODAFONE INTERNATIONAL 1 S.À R.L. (manager);
- CB Richard Ellis SPE III Holdings S.à r.l. (manager);
- CB Richard Ellis SPE II Holdings S.à r.l. (manager);
- CBRE Global Investors Luxembourg S.à r.l. (manager);
- CB Richard Ellis European Warehousing S.à r.l. (manager);
- Vodafone Investments Luxembourg S.à r.l. (manager);
- Estée Lauder S.à r.l. (manager);
- ILP Acquisitions S.à r.l.
- McD Europe Holdings S.à r.l. (manager);
- WP Luxco II S.à r.l. (manager);
- WP FlexPack Holdings (manager);
- Gate Gourmet Holding I S.à r.l. (manager);

Previously:

- Medpharm Investments S.A. (deregistered) (director);
- Family Estate Services S.A. (director);
- Mainland Corporation S.A. (director);
- SGG S.A. (director);
- Arnoweb S.A. (director);
- Swiss Re Management (Luxembourg) S.A. (deregistered) (director);
- The Institute for Global Financial Integrity, a.s.b.l. (director);
- Geldilux-TS-2005 S.A. (deregistered) (director);
- Comvergence S.A. (deregistered) (director);
- MONDADORI INTERNATIONAL S.A., (deregistered) (director);
- Alcantara Engineering S.A. (deregistered) (director);
- Compagnie de Banque Privee Quilvest S.A. (director);
- Air Cater S.A. (Gate Gourmet), (in liquidation) (director);
- E.L.M. International Ltd. (director);
- Luxinvest Holdings Ltd. (director); Pink Rose Ltd. (director);
- Rise Properties Ltd. (director);
- Autres Group Inc. (director); Pine Global Inc. (director);
- Rickerby Limited (director);
- Seton House International S.A. (deregistered) (director);
- MB Venture Capital (Jersey) Ltd, (deregistered) (director);
- S.Q. BETEILIGUNGS A.G.H. (director);
- Mu Vi Re S.A. (director);
- Marc Blondeau (Luxembourg) S.A. (director);
- Geldilux-TS-2008 S.A. (deregistered) (director);
- MB VENTURE CAPITAL S.A.(deregistered) (director);
- Geldilux-TS-2007 S.A. (deregistered) (director);
- Quilvest Switzerland Ltd (director);
- Arlvest (Hong Kong) Limited, (in liquidation) (director);
- gategroup Finance (Luxembourg) S.A. (director);
- TREFINANCE S.A. (director);
- Moonrise S.A. (director);

- Fairview (Strategic Land) Limited (director);
- Marchfield Developments Limited (director);
- Swiss ReFinance (Luxembourg) S.A. (director);
- Procastor Holding S.A. (director);
- MMK Finance S.A. (director);
- Procastor S.à r.l. (manager);
- Armour Luxembourg S.à r.l. (manager);
- Neumarkter S.à r.l. (manager);
- Urbis Property S.à r.l. (manager);
- VREF Holding S.à r.l. (manager);
- Wert BEV I S.à r.l. (manager);
- Wert BEV S.à r.l. (manager);
- Wert Investment Holdings S.à r.l. (manager);
- Wert ITI S.à r.l. (manager);
- Wert OPT S.à r.l. (manager);
- ITXC IP Holdings (manager);
- CEP II Stahl S.à. r.l., radiée (manager);
- SOCIETE CIVILE Chanred, (deregistered) (manager);
- CETP II Co-Investment S.à r.l. SICAR, (deregistered) (manager);
- Public Safety Luxembourg, S.à r.l. (manager);
- Vodafone Global S.à r.l., (deregistered) (manager);
- DES HOLDING S.à r.l. (manager);
- Seton House Services Luxembourg, S.à r.l., (deregistered) (manager);
- AIM Services S.à r.l. (manager);
- Eagle S.à r.l. (deregistered) (manager);
- PREMIUM AIRCRAFT INTERIORS GROUP LUXEMBOURG, S.à r.l. (deregistered) (manager);
- SETON HOUSE LUXEMBOURG, S.à r.l. (deregistered) (manager);
- Bosph Real Estate Holdings 1 S.à r.l. (manager);
- Bosph Real Estate Holdings 2 S.à r.l. (manager);
- Dacapo S.à r.l. (manager);
- AIG Luxembourg Financing Ltd (manager);
- CBRE Global Investors Open-Ended GP S.à r.l. (manager);

- Gate Gourmet Luxembourg III S.à r.l. (manager);
- Gate Gourmet Holding I S.à r.l. (manager);
- Gate Gourmet Luxembourg III A S.à r.l. (manager);
- Gate Gourmet Luxembourg III B S.à r.l. (manager);
- Gate Gourmet Luxembourg IV S.à r.l. (manager);
- gategroup Financial Services S.à r.l. (manager);
- Martival Group Limited (manager);
- CCEEP Participations S.à r.l. (deregistered) (manager);
- CETP UC4 S.à r.l. (in liquidation) (manager);
- CEP III Investment 2 S.à r.l. (manager);
- Leverlake Investments S.à r.l. (manager);
- Leverlake S.à r.l. (manager);
- DIAC Holdings S.à r.l. (manager);
- CEREP Ashley S.à r.l. (manager);
- CEREP BH JV S.à r.l. (manager);
- CEREP Broadwalk S.à r.l. (manager);
- CEREP GAB S.à r.l. (manager);
- CEREP Grosvenor S.à r.l. (manager);
- Ulysses Finance S.à r.l. (manager);
- Ulysses Luxembourg S.ar.l. (manager);
- Ulysses Participation S.à r.l. (manager);
- STORM A HOLDINGS S.ar.l. (manager);
- STORM B HOLDINGS S.ar.l. (manager);
- Europe Voyager Holdings S.à r.l. (manager);
- Fairfield Elsenham limited (manager);
- Marchfield (Strategic Land) Limited (manager);
- Build Germany 1 S.a r.l (manager);
- Build Germany 2 S.à r.l. (manager);
- Build Hotel II S.à r.l. (manager);
- CEREP 3 Piccadilly Place S.à r.l. (manager);
- CEREP 4 Piccadilly Place S.à r.l. (manager);
- CEREP Eastside S.à r.l. (manager);

- CEREP Esslingen S.à r.l. (manager);
- CEREP III Bournemouth S.à r.l. (manager);
- CEREP III Investment R S.à r.l. (manager);
- CEREP III TW S.à r.l. (manager);
- CEREP Investment T S.à r.l. (manager);
- CEREP Ivry Seine S.à r.l. (manager);
- CEREP Montrouge S.à r.l. (manager);
- CEREP Redcliffe S.à r.l. (manager);
- CEREP Valmy S.à r.l. (manager);
- UKSA 60 CR Office S.à r.l. (manager);
- UKSA 60 CR Retail S.à r.l. (manager);
- UKSA 60 CR S.à r.l. (manager);
- UKSA City University S.à r.l. (manager);
- UKSA Ewer Street S.à r.l. (manager);
- UKSA Hammersmith S.à r.l. (manager);
- UKSA Isledon S.à r.l. (manager);
- CEP II Co-Investment S.à r.l. (manager);
- CETP Co-Investment S.à r.l. SICAR (manager);
- CETP Participations S.à r.l. SICAR (manager);
- Build France S.à r.l. (manager);
- Build Hotel S.à r.l. (manager);
- CERE II B Co-Invest FinanceS. a r. 1. (manager);
- CERE II B Co-Invest S.à r.l. (manager);
- CERE II Coinvest Finance S.à r.l. (manager);
- CERE II Coinvest S.à r.l. (manager);
- CERE II F Co-Invest Finance S.à r.l. (manager);
- CERE II F Co-Invest S.à r.l. (manager);
- CEREP Air 2 S.à r.l. (manager);
- CEREP Ambroise S.à r.l. (manager);
- CEREP ARES GP S.à r.l. (manager);
- CEREP ARES S.à r.l. (manager);
- CEREP Atlantide 1 S.à r.l. (manager);

- CEREP Atlantide 2 S.à r.l. (manager);
- CEREP BAC S.à r.l. (manager);
- CEREP Bellini 1 S.à r.l. (manager);
- CEREP Bellini 2 S.à r.l. (manager);
- CEREP Benelux Students S.à r.l. (manager);
- CEREP Bryggen Waterfront S.à r.l. (manager);
- CEREP City Office S.à r.l. (manager);
- CEREP Cityliving S.à r.l. (manager);
- CEREP Cumbemauld S.à r.l. (manager);
- CEREP CVM S.À R.L. (manager);
- CEREP Esplanade 2 S.à r.l. (manager);
- CEREP Esplanade 3 S.à r.l. (manager);
- CEREP II Investment Fifteen S.à r.l. (manager);
- CEREP II Investment Nine S.à r.l. (manager);
- CEREP II Investment Six S.à r.l. (manager);
- CEREP II Investment Ten S.à r.l. (manager);
- CEREP II Investment Twelve S.à r.l. (manager);
- CEREP III Denmark S.à r.l. (manager);
- CEREP III Eastern S.à r.l. (manager);
- CEREP III Finland S.à r.l. (manager);
- CEREP III France S.à r.l. (manager);
- CEREP III Germany B S.à r.l. (manager);
- CEREP III Germany S.à r.l. (manager);
- CEREP III H S.à r.l. (manager);
- CEREP III I S.à r.l. (manager);
- CEREP III Investment AA S.à r.l. (manager);
- CEREP III Investment E S.à r.l. (manager);
- CEREP III Investment G S.à r.l. (manager);
- CEREP III Investment H S.à r.l. (manager);
- CEREP III Investment I S.à r.l. (manager);
- CEREP III Italy S.à r.l. (manager);
- CEREP III Spain S.à r.l. (manager);

- CEREP III Sweden S.à r.l. (manager);
- CEREP III UK S.à r.l. (manager);
- Cerep Investment Birmingham S.à r.l. (manager);
- CEREP Investment Brahms S.à r.l. (manager);
- CEREP Investment Bristol S.à r.l. (manager);
- CEREP Investment Ex Libri S.à r.l. (manager);
- CEREP Investment Fastighets S.à r.l. (manager);
- CEREP Investment France S.à r.l. (manager);
- CEREP Investment Freeport S.à r.l. (manager);
- CEREP Investment I S.à r.l. (manager);
- CEREP Investment Orosdi S.à r.l. (manager);
- CEREP Investment Oxford S.à r.l. (manager);
- Cerep Investment Pare de Seine S.à r.l. (manager);
- CEREP Investment U S.à r.l. (manager);
- CEREP Investment Wefora S.à r.l. (manager);
- CEREP Investment Z S.à r.l. (manager);
- CEREP Italy S.à r.l. (manager);
- CEREP Manresa S.à r.l. (manager);
- CEREP Monument Investment S.à r.l. (manager);
- CEREP NCC Triplet S.à r.l. (manager);
- CEREP Pic Place S.a r.l (manager);
- Cerep Picasso 1 S.à r.l. (manager);
- Cerep Picasso 2 S.à r.l. (manager);
- CEREP Poole S.à r.l. (manager);
- CEREP Strategic Land S.à r.l. (manager);
- CEREP Students S.à r.l. (manager);
- CEREP T S.à r.l. (manager);
- CEREP Thames S.à r.l. (manager);
- CEREP Tour Air 2 S.à r.l. (manager);
- CEREP USA S.À R.L. (manager);
- Colmore Plaza JV S.à r.l. (manager);
- SPE II Borealis S.à r.l. (manager);

- UK Students 60 CR S.à r.l. (manager);
- UK Students City S.à r.l. (manager);
- UK Students Ewer Street S.à r.l. (manager);
- UK Students Hammersmith S.à r.l. (manager);
- UK Students IHC S.à r.l. (manager);
- UK Students Isledon S.à r.l. (manager);
- UK STUDENTS JV S.À R.L. (manager);
- UKSL S.à r.l. (manager);
- Utah JV S.à r.l. (manager);
- VENUS GP S.à r.l. (manager);
- Venus JV S.à r.l. (manager);
- VENUS MP S.à r.l. (manager);
- Merrill Lynch Equity S.à r.l. (manager);
- Bellas Telecommunications (manager);
- Hellas Telecommunications (Luxembourg), en Administration (insolvency proceedings) (manager);
- Hellas Telecommunications I (manager);
- Hellas Telecommunications IV en "Administration" (insolvency proceedings) (manager);
- Taunus Holdings Limited (manager);
- Alnitak S.à r.l. (manager);
- Menkent S.à r.l. (manager);
- Suhail S.à r.l. (manager);
- CEREP III Trowbridge S.à r.l. (manager);
- Petrotec S.à r.l. (radiee) (manager);
- MLOC European Real Estate S.à r.l. (deregistered) (manager);
- easycash S.à r.l. (deregistered) (manager);
- MLOCG European Real Estate S.à r.l. (deregistered) (manager); and
- Bertarelli S.C.A. (deregistered) (member of the supervisory board).

Francis Carpenter is founder and Managing Partner of AyersRock.Lux. He has many years of financial experience, including more than 20 years with the European Investment Bank Group ("**EIB**"). Whilst at the EIB, Mr. Carpenter was Head of Lending and Project Finance UK,& North Sea, Head of Credit Risk, and for six years Secretary General, the highest non-external appointment at the EIB; as Secretary General he oversaw Governance, (budget, audit & related corporate issues), HR,&IT, initiated or oversaw major organisational and operational changes, as well as two capital increases. After EIB, from 2002 to 2008, he was CEO of the European Investment Fund ("**EIF**"), a European fund of funds with over €6 billion invested in mid-cap private equity and in venture capital. Mr. Carpenter holds an Honours Degree from the University of Oxford, UK, and passed a Graduate Degree at the Institut d'Etudes Politiques, Paris, in finance and economics, and while working at Citibank, New York, attended the New School for Social Sciences, in finance.

Alongside his office as member of the Board of Directors of the Company, Mr. Carpenter is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following commercial companies and partnerships outside the Group:

Currently:

- 17 Capital LLP (co-founder, investor and member of the supervisory board and of three related Luxembourg sub funds);
- Istanbul Venture Capital Initiative (iVCi) (chair of the investment committee);
- Vivalys Patrimonia Management (member of the management board (*conseil de gérance*));
- AyersRock.Lux Sàrl (sole owner and signatory); and
- IP Group Plc (independent non-executive director, chairman of remuneration committee, member of audit and nomination committees, this directorship ends on July 30, 2014).

Previously:

- CDC International (senior advisor);
- Institutional Investors Roundtable (member of the steering committee);
- Cogent Partners (senior advisor);
- Bulgarian Development Bank (BDB) (member of the supervisory board); and
- NESTA (senior advisor).

Senior Management

The table below lists the senior management members of the Company (the "**Senior Management**").

Name	Age	Responsibilities
Matthew Russell	37	Chief Financial Officer
Gerhard Mühlbeyer	59	Global Industrial Director

Matthew Russell is the Chief Financial Officer of our Group since October 2013. Prior to joining our Group, he held the position of Director Group Reporting, Controlling and Consolidation at HeidelbergCement AG until November 2012. Previously he had served as the company's Head of Planning & Controlling from 2007 to 2010. Mr. Russell began his career in the building materials industry with Hanson plc, where he held several financial positions before moving to Germany in August 2007, following the takeover by HeidelbergCement. Mr. Russell holds a master's degree in Chemistry from the University of Oxford and is a Chartered Accountant and fellow of the Institute of Chartered Accountants in England and Wales.

Other than his office as Chief Financial Officer of our Group, Mr. Russell has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Gerhard Mühlbeyer is the Global Industrial Director of the Company, which he joined in 2013. Previously, Mr. Mühlbeyer was Director Competence Center Materials at HeidelbergCement AG from 2008 to 2013. Prior to this, Mr. Mühlbeyer worked at HeidelbergCement AG as General Manager Aggregates Europe from 2005 to 2008 and at Lehigh Cement Allentown as Senior Vice President from 2001 to 2005. Mr. Mühlbeyer holds a degree in business administration from University of Mannheim.

Alongside his office as Global Industrial Director of our Group, Mr. Mühlbeyer was within the last five years a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group.

Other than his office as Global Industrial Director of our Group, Mr. Mühlbeyer has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Management Service Agreements and Service Agreements with Independent Directors

We have two service agreements with each of Pepyn Dinandt, Matthew Russell, and Gerhard Mühlbeyer. One is concluded between them and Braas Monier Building Group Services GmbH (formerly: Monier Group Services GmbH and before, Monier Group GmbH) ("**Braas Monier Services**"), and the other between them and Braas Monier Building Group S.à r.l. (formerly: Monier Group S.à r.l.) ("**Braas Monier S.à r.l.**"). Both are wholly owned subsidiaries of the Company. The current term of such agreements with Mr. Dinandt ends on June 30, 2016, with Matthew Russell on September 30, 2017 and those with Gerhard Mühlbeyer have an indefinite term. The agreements provide for an aggregate maximum total compensation (including bonus payments) and ancillary benefits for each of Mr. Dinandt, Mr. Russell and Mr. Mühlbeyer.

The service agreements with Mr. Dinandt and Mr. Russell contain customary non-compete clauses providing for a term of 12 months after termination of the agreement. The service agreements entered into with Braas Monier Services and Braas Monier S.à r.l can be terminated for due cause without a notice period. In other respects, a notice period of six months for Mr. Russell, and twelve months for Mr. Dinandt and Mr. Mühlbeyer, is to be observed. In the event of termination with notice by Braas Monier Service and Braas Monier S.à r.l., Braas Monier Service and Braas Monier S.à r.l. will pay Mr. Dinandt a severance payment. Such severance payment will be equal to two annual base salaries as of June 30, 2014 (the "**Starting Severance Payment**"). Such Staring Severance Payment will be reduced by each monthly payment Mr. Dinandt receives subsequently under its service agreements with Braas Monier Service and Braas Monier S.à r.l. In addition, Mr. Dinandt receives a bonus of 50 per cent of its annual base salary.

If no new service agreements between Braas Monier Service, Braas Monier S.à r.l. and Mr. Dinandt are concluded until December 31, 2015, the remaining portion of Mr. Dinandt shares which are subject to a lock-up (see "*—Existing Management Equity Program*") are released as soon as the separation between Braas Monier Service, Braas Monier S.à r.l. and Mr. Dinandt will be agreed. Mr. Mühlbeyer is entitled to a multiple of 1.5 to 2.75 times of the fixed compensation under his service agreements. Such multiple is declining over the next quarters and as of Q3 2015 and thereafter, will amount to 1.5 times his fixed compensation.

In addition, we have service agreements with the independent directors serving on the Board of Directors. Such service agreements are not meant to establish any separate service or employment relationship between the Company and the independent director in addition to the office on the Board of Directors of the Company for any such independent director. The independent directors have been appointed as director by resolution on June 4, 2014 of the extraordinary shareholders meeting in accordance with the Articles of Association and applicable law. The respective term of office runs from June 4, 2014 until the annual general meeting of the shareholders of the Company on the second Wednesday of the month of May 2017.

Compensation of the Board of Directors and Members of the Senior Management

For the years ended December 31, 2013, 2012 and 2011, the aggregate annual compensation (including bonuses) payable to the management board of Braas Monier S.à r.l. (acting as the Group's operating holding company until March 28, 2014) based on aforementioned service agreements (including remuneration for their other positions within the Group) was approx. €4.1 million, €3.4 million and €4.0 million, respectively, in addition to benefits in kind such as company cars, mobile phones and contributions under pension plans. For the years ended December 31, 2013, 2012 and 2011, no accruals have been made by the Issuer or its subsidiaries for pension, retirement or similar benefits but we paid on Mr. Dinandt's behalf the contributions to a pension plan (defined benefit obligations plan) in an amount of approximately €0.4 million, €0.3 million and €0.3 million.

For each of the years ended December 31, 2013, 2012 and 2011, the directors sitting on the board of directors of Monier Holdings GP S.A. (which managed the Company until March 28, 2014) collectively received an annual compensation (including bonuses) in the aggregate amount of approximately €0.3 million.

Since the change of the legal form of the Company to a public limited liability company (*société anonyme*) in March 2014, the Company has been managed by the Board of Directors. The Board of Directors is, pursuant to article 17.2 of the Articles of Association, vested with the broadest powers to act in the name of the Company and to take any actions necessary or useful to fulfill the Company's corporate purpose, with the exception of the powers reserved by law or by these Articles of Association to the general meeting of shareholders.

The directors of the Board of Directors who represent any indirect shareholder of the Company receive no compensation.

The independent directors serving on the Board of Directors receive for the fulfillment of the duties as an independent director a directors fee which was set in accordance with article 19.1 of the Articles of Directors by the extraordinary shareholders meeting as of June 4, 2014 to €75,000 per annum. The chairman of the Audit Committee and the Nomination and Remuneration Committee (see "*—Board of Committees*") will receive an additional €25,000 and €40,000 respectively per annum as compensation for chairing the respective committee.

The daily business of the Company and the Group is managed in accordance with the Articles of Association, bylaws of the Board of Directors and any applicable law by the Chief Executive Officer ("**CEO**") and member of the Board of Directors, Pepyn Dinandt, the Chief Financial Officer ("**CFO**"), Matthew Russell, and the Global Industrial Director of the Company ("**GID**"), Gerhard Mühlbeyer. The service agreements with Pepyn Dinandt, Matthew Russell and Gerhard

Mühlbeyer provide for a fixed salary, an annual bonus payment and participation in a stock option plan as well as ancillary benefits (see "*—Short-Term Incentive Program*," "*—New Long-Term Incentive Program*" and "*—Ancillary Benefits*"). Currently, Pepyn Dinandt, Matthew Russell and Gerhard Mühlbeyer are indirectly invested in the Company's share capital through their EMEP Investment (see "*—Existing Management Equity Program*"). The Company intends, however, to implement a stock participation program in the future (see "*—New Long-Term Incentive Plan*") in which Mr. Dinandt, Mr. Russell and Mr. Mühlbeyer will participate.

Short-Term Incentive Program

The short-term incentive is an annual bonus payment dependent upon results from normal business activities and is measured by performance based on terms agreed upon by Braas Monier Services and each of Mr. Dinandt, Mr. Russell, and Mr. Mühlbeyer on an individual basis for each year of service. Mr. Dinandt's bonus payment is capped at 104.6512% of his fixed compensation, while Mr. Russell's and Mr. Mühlbeyer's respective annual bonus payment is capped at 100% of their total fixed compensation under their agreements with Braas Monier Services and Braas Monier S.à r.l. The annual bonus payment of Mr. Dinandt will be conducted in the following way: 50 per cent of the annual bonus payment will be paid in cash and the remaining 50 per cent in restricted stock units (the "**RSUs**"). Each RSU represents a share of the Company. The price for the RSU's is based on the stock price of the Company at the date of conversion (*i.e.*, the date when the bonus become due and payable). The RSUs are subject to a three-year holding period (the "**Holding Period**"), and will vest on a pro-rata basis, i.e. one third each year after the respective grant date. At the end of each Holding Period all vested RSUs will be converted in to unrestricted Company shares. In the case of a termination of the service agreements with Braas Monier Services and Braas Monier S.à r.l. by either party Mr. Dinandt is only entitled to receive the vested part of the RSUs.

New Long-Term Incentive Program

The Group has implemented for executive directors and selected senior executives a new long-term incentive plan after the dissolution of the EMEP which runs for the term 2014 to 2017 (the "**New Long-Term Incentive Program**"). The New Long-Term Incentive Program aims to reward the Group's senior executives for entrepreneurial performance and their long-term commitment to the Group. The Board of Directors has approved the terms and conditions of the New Long-Term Incentive Program. As of June 4, 2014, the Board of Directors intends to grant approximately 30 senior executives of the Group (the "**Participants**") the opportunity to benefit from any options granted with regard to shares of the Company under the New Stock Option Plan (as defined below). Under the new stock option plan (the "**New Stock Option Plan**" or "**NSOP**") the Participants are granted equity-settled stock options (the "**Stock Options**") in four annual tranches. The Stock Options may also be cash settled at the Board of Directors discretion. The exercise price of the Stock Option will equal the then-current share price of the Company at each granting date (the "**Strike Price**"). The Stock Options carry no dividend right. The overall plan volume should not dilute the shareholders of the Company by more than five per cent based on the number of shares of the Company. The granted Stock Options vest over a period of three years when specific performance targets are achieved. After the vesting period, each option entitles the option holder to purchase one share of the Company at the Strike Price for a period of three years. The shares required to underlay the NSOP are (i) created by utilizing the authorized capital of the Company, (ii) taken from treasury shares, if any, or (iii) settled in cash at the discretion of the Company. The Stock Options vest in four steps: (i) 50% of the initially granted Stock Options vest if the arithmetic mean of the closing prices of the Company's shares increases by at least 15% for 20 consecutive trading days on the Frankfurt Stock Exchange within the third year of the performance period (the "**Relevant Share Price**"); (ii) 65% vests if the Relevant Share Price increases by at least 20% within the third year of the performance period for 20 consecutive trading days; (iii) 80% vests if the Relevant Share Price increases 30% within the third year of the performance period for 20 consecutive trading days; and (iv) 100% vests if the Relevant Share Price increases by 40% within the third year of the performance period for 20 consecutive trading days compared to the Strike Price. The NSOP provides for a cap of 300% of the share price. In case the minimum performance threshold of a 15% Relevant Share Price increase over the performance period is not met, the granted options are subject to forfeiture. In addition, the NSOP provides for good, bad leaver and retirees provisions.

Ancillary benefits

In addition, Pepyn Dinandt, Matthew Russell, and Gerhard Mühlbeyer are entitled to ancillary benefits that include, among other things, payments to pension plans (defined benefit obligations plan), continued payment of compensation in case of sickness, a death and disability insurance, a company car for business and private use, as well as reimbursement of certain travel expenses.

Existing Management Equity Program

The EMEP Investors hold, through two investment vehicles controlled by Monier Holdings GP S.A. (*i.e.*, MEP Monier Management Participation GbR and MEP Monier Management Participation GmbH & Co. KG) stapled debt and equity instruments including shares and other equity-related instruments of the Selling Shareholder as well as interest in the Management PIK ("**Management PIK/Equity Strips**") under the management equity program (the "**Existing Management Equity Program**" or "**EMEP**"). The EMEP Investors include Pepyn Dinandt, Pierre-Marie De Leener, Jean-Pierre Clavel, Werner Paschke, Matthew Russell, Gerhard Mühlbeyer and other managers of the Group.

The price paid by managers for these Management PIK/Equity Strips was the fair value as of the time of investment (the "**Investment Cost**"), which is determined based on valuations of the board of Monier Holdings GP S.A. or an expert as well as of current trading indications of the Management PIK/Equity Strips. The EMEP includes good and bad leaver provisions in the event that a manager leaves the Company; depending on the cause and time of leaving and on whether the vesting has occurred, managers receive either the fair value of their investment or the initial investment cost (or the lower of fair value and pecuniary value, respectively). Hence, the proceeds the EMEP Investors receive for their vested EMEP Investments are to a certain extent directly linked to the offer price of the Shares and the proceeds of the Selling Shareholder under the Offering.

The EMEP will be dissolved subsequently to the closing of the Offering, all time-related EMEP Investments will be deemed fully vested at the time of the Offering, any unvested performance related EMEP Investments will be bought back at Investment Cost, the vested portions of the EMEP Investments will be bought back at fair market value, *i.e.*, the amount of the net proceeds of the Offering corresponding on a pro-rata basis to the vested portions of the EMEP Investments based on the total indirect shareholding in the Company and the interest in the Management PIK and profit participating loans ("**PPLs**") held by the pooling vehicles of the EMEP. The full indirect shareholding of the EMEP in the Company will be indirectly divested in the Offering. Monier Cayman Management Ltd. will buy back the EMEP Investments. The vested portions of the EMEP Investments will be funded through the net proceeds of the Offering received by the Selling Shareholder while the buyback of unvested EMEP Investments is funded out of an escrow account containing the Investment Costs paid for the unvested EMEP Investments.

The following table shows the indirect shareholdings of our members of the Board of Directors and executive officers:

	Indirect shareholding[(1)]
Jean-Pierre Clavel	30,165
Werner Paschke	20,110
Pepyn Dinandt	324,299
Matthew Russell[(2)]	100,557
Gerhard Mühlbeyer	110,613
Pierre-Marie De Leener	60,334
Total	**646,078**

(1) Rounded to the nearest whole number. Indirect shareholding calculated as respective EMEP Investment times number of Company Existing Shares indirectly attributable to the EMEP investment vehicle.

(2) Matthew Russell is also entitled to receive a bonus upon closing of the Offering equal to 75% of the proceeds from his EMEP Investment.

Pepyn Dinandt (CEO) and Matthew Russell (CFO) are obliged to acquire Shares of the Company from the Selling Shareholder after the closing of the Offering in an amount equal to their after-tax proceeds from the sale of their EMEP Investments. The other managers, including Gerhard Mühlbeyer as well as the independent directors Jean-Pierre Clavel, Werner Paschke and Pierre-Marie De Leener participating in the EMEP are also required to acquire Shares of the Company from the Selling Shareholder after the closing of the Offering with their after-tax proceeds from the sale of their EMEP Investments. The participants in the Existing Management Equity Program, other than Pepyn Dinandt and Matthew Russell, will not need to re-invest into Shares of the Company an amount of their after-tax proceeds which is proportional to half of the divestment of the Selling Shareholder in the Offering. For example, if the Selling Shareholder divests 60% of its Shares in the Company in the Offering, the participants in the Existing Management Equity Program, other than Pepyn Dinandt and Matthew Russell, will not need to re-invest into Shares of the Company in an amount equal to 30% of their respective after-tax proceeds received from the sale of their respective vested EMEP Investments. All Shares of the Company acquired by the CEO, CFO and the other participants in the Existing Management Equity Program after the closing of the Offering from the Selling Shareholder at the offer price will be subject to lock-up agreements. The lock-up period for management members is staggered, *i.e.* during a period from 6 to 36 months for the CEO and CFO and 6 to 24 months for other managers and independent directors the lock-up for such shares expires in several steps. In addition, the Management Lock-up applies. If the service agreement between the CEO, Braas Monier S.à r.l. and Braas Monier Building Group Services GmbH is not extended beyond December 31, 2015, all of the shares held by the CEO in the Company which are subject to the Management Lock-up are released at the later of (i) the twelve-month anniversary of the date on which the Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), or (ii) the earliest date on which either party to the service agreement receives written notice that the service agreement will not be extended beyond December 31, 2015.

Management PIK Instrument

In connection with the EMEP, on April 14, 2010 Monier Holdings S.C.A. as borrower entered into a management PIK instrument with MEP Monier Management Participation GbR and MEP Monier Participation GmbH & Co. KG (which are partnerships organized under German law) as lenders (the "**Management PIK Instrument**"). The Management PIK Instrument was put in place as an equivalent to the purchaser loan component of the PIK/Equity Strips for the Existing Management Equity Program. The main difference with that component is that, under the Management PIK, interest accrues as of the respective drawdown date rather than as of the date of the 2009 Restructuring.

Following the 2009 Restructuring (see "*Information on Selling Shareholders—Background on the Selling Shareholder Structure—2009 Restructuring*") and in connection with the Existing Management Equity Program, the Selling Shareholder granted loans to certain managers of our Group. As of the date of the Offering, the aggregate principal amount outstanding under such loans was €34,500.

These loans are repayable on the earlier of (i) an Exit Event (as defined below) and (ii) the date upon which notice of the termination of the relevant manager's employment is given. An "Exit Event" means the earlier to occur of (a) December 31, 2017 and (b) the acquisition of securities in Monier Holdings S.C.A. representing more than 50% of the fully diluted share capital of Monier Holdings S.C.A. or the acquisition of all or substantially all of the assets of Monier Holdings S.C.A. by one or more persons acting in concert, none of whom held securities in Monier Holdings S.C.A. on October 16, 2009.

Following the closing of the Offering the Management PIK Instrument will be repaid by the Selling Shareholder out of the net proceeds received under the Offering.

Board Committees

The Board of Directors has established the following committees:

The ***Audit Committee*** oversees our auditing, accounting, financial reporting and internal control functions and issues recommendations with regard to, among other things, the appointment of an approved independent auditor and the approval of its services to the Board of Directors. The Audit Committee is currently composed of three members of the Board of Directors, each of them appointed by the Board of Directors. On the date of this Prospectus, the members of the committee are Werner Paschke, Winston Ginsberg and Joseph Knoll.

The ***Nominating and Remuneration Committee*** considers and recommends nominees for appointment as officers and for election as directors to the Board of Directors. In addition, it makes recommendations concerning compensation and the management equity program. The Nomination and Remuneration Committee is currently composed of three members of the Board of Directors, each of whom is appointed by the Board of Directors. On the date of this Prospectus, the members of the committee are Pierre-Marie de Leener, Guy Harles and Francis Carpenter.

Shareholdings of the Board of Directors and Senior Mangement

Pepyn Dinandt, Jean-Pierre Clavel, Werner Paschke and Pierre-Marie De Leener, serving on the Company's Board of Directors, as well as Matthew Russell and Gerhard Mühlbeyer, as members of the board of Braas Monier S.à r.l. are invested in the EMEP (see "*—Existing Management Equity Program*"). Upon closing of the Offering, Guy Harles will acquire Shares from the Selling Shareholder at the offer price for an aggregate amount of €75,000. These Shares will be subject to a three-year lockup (with one third of the Shares to be released after each year).

Internal Control and Risk Management

The Company seeks to identify the external and internal risks that could affect any of our businesses or subsidiaries, and we consistently evaluate these risks throughout our Group with respect to the likelihood of their occurrence and the potential damage they may cause. Appropriate provisions are recognized in our financial statements.

The Company has, at a Group level, put in place a documented process for our local management teams to report and evaluate ad hoc risks that they have identified during the course of the year. A document summarizing potential risks is generated and presented during budget discussions and forms part of the quarterly business performance presentations in which mitigating measures are resolved. Directors of our subsidiaries are directly responsible for the early identification, control, communication and implementation of countermeasures to mitigate risks.

Certain Information Regarding the Members of the Board of Directors

During the last five years, no current member of the Board of Directors has been convicted of any fraudulent offences. In addition, no public incriminations and/or sanctions have been made by statutory or regulatory authorities (including professional associations) in relation to current members of the Board of Directors.

Except as set out below, current member of the Board of Directors, acting in the capacity of a member of a management or supervisory body or as founder of an issuer, has been associated with any bankruptcies and/or insolvencies, receiverships or liquidations nor has any current member of the Board of Directors ever been deemed by a court to be unfit for membership in a management or supervisory body of a company or to be unfit to exercise management duties for or manage the business of an issuer during the past five years. No family relationships exist among the current members of the Board of Directors.

Mr. Guy Harles was a member of the board of directors of the Spanish company Air Cater S.A. which was declared insolvent in the end of 2010. The board of directors of Air Cater S.A. had to file for insolvency of Air Cater S.A. after its principal client, Air Comet, representing 80% of the revenue, stopped its business at the end of 2009 and was unable to pay its debts. No charges in connection with the insolvency were retained against the directors of Air Cater S.A.. Except for the following potential conflicts of interest, there are not conflicts of interest or potential conflicts of interests between the duties of members of the Board of Directors vis-à-vis the Company and their private interests or other duties. A potential conflict of interest for Mr. Guy Harles may arise, in case the decision to appoint Arendt & Medernach as provider of legal services to the Company or one if its affiliates is tabled for decision by the Board of Directors. The members of the Board of Directors Mr. Nottin, Mr. Ginsberg and Mr. Knoll, simultaneously perform executive functions at Apollo Management International, TowerBrook Capital Partners and York Capital Management, respectively, each of which are affiliates of Apollo, TowerBrook and York our Principal Shareholders controlling the Selling Shareholder; if the interests of the Principal Shareholders should diverge from those of the Company, conflicts of interest may arise for Mr. Nottin, Mr. Ginsberg and Mr. Knoll.

General Shareholders' Meeting

Pursuant to article 10.2 of the Articles of Association, the general shareholders' meetings shall be held at the registered office or any other place in Luxembourg indicated in the convening notice for the general shareholders' meeting. Except as otherwise provided in the Articles of Association or by law, the convening notice shall be published at least 30 days before the date chosen for the general shareholders' meeting in the Luxembourg Official Gazette, in a Luxembourg newspaper, in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Economic Area in a manner ensuring fast access to it on a non-discriminatory basis, as well as on the website of the Company (www.braas-monier.com).

The Articles of Association provide that the annual general shareholders' meeting is held on the the second Wednesday of the month of May at 10:00 am (CEST). If such day is a public holiday, the meeting shall be held on the next following business day, at the same hour. Other meetings of shareholders may be held at such place and time as may be specified in the respective convening notice of meeting. Decisions at the annual general meeting of shareholders are taken with the simple majority of the votes validly cast at the meeting, regardless of the quorum present at such meeting. The same applies to all other ordinary general meetings (*i.e.*, general meetings of shareholders which do not resolve on the amendment of the Articles of Association), unless otherwise foreseen in the Articles of Association.

Subject to more stringent provisions contained in the Articles of Association, the extraordinary general shareholders' meeting (*i.e.*, in particular general meetings of shareholders called to resolve on amendments of the Articles of Association) shall not validly deliberate unless at least half of the capital is represented. If this condition is not satisfied on first call, a second general shareholders' meeting may be convened and the time to convene the second general shareholders' meeting is reduced to 17 days at least before the date chosen for the general shareholders' meeting. Such convening notice shall include the agenda and indicate the date and the results of the previous meeting. The second meeting shall validly deliberate regardless of the proportion of the capital represented. In both cases resolutions are adopted with an majority of two thirds of the votes validly cast. Abstention and nil votes will not be taken into account.

The convening notices are communicated, in the timeframe stated in the preceding paragraphs, to the registered shareholders, as well as to the directors and the approved independent auditor (*réviseur d'entreprises agréé*). Such communication must be by mail unless the addressees have individually, expressly and in writing, accepted to receive the convening notice by another means of communication, the performance of this formality not needing to be justified. When all the Shares are in registered form, the Company may simply communicate the convening notices by registered mail unless the addressees have individually, expressly and in writing, accepted to receive the communication by another means of communication.

Each Share entitles the holder to one vote. The decisions of the general shareholders' meeting are binding on all shareholders, even absentees, dissenting and incapacitated persons.

One or several shareholders, representing in the aggregate at least five percent of the Company's share capital, may request the addition of one or several items to the agenda of any general shareholders' meeting and file draft resolutions in this respect. Such request must be sent to the Company's registered office by registered letter or by electronic mail at least twenty-two days prior to the date of the general shareholders' meeting and shall be accompanied by a motivation or a draft resolution as well as by a proof of the shareholding of such shareholders and the address or e-mail address which the Company may use in order to deliver the acknowledgement of receipt of such request. The Company will acknowledge the receipt of such requests within forty-eight hours of receipt and will make available a revised agenda at the latest fifteen days prior to the general meeting of shareholders, if necessary.

Each shareholder has the right to ask questions regarding the items on the agenda of the general shareholders' meeting. As soon as the convening notice is published, shareholders have the right to ask questions in writing regarding the items on the agenda. Shareholders wishing to exercise this right must submit their questions to the Company at least six days before the general shareholders' meeting, along with a proof of the shareholding of such shareholder as of the Record Date (as defined below). Pursuant to the law in force, the right of a shareholder to participate in a general meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the general shareholders' meeting at midnight (00:00) (Luxembourg time), which is known as the "**Record Date**." At the latest at the Record Date, the shareholder must communicate in writing to the Company his intention to take part in the general shareholders' meeting in accordance with the terms of the convening notice. In order to participate in the general shareholders' meeting and to exercise the voting rights attached to their shares, shareholders must first provide the Company with the documents evidencing their status as shareholder and the number of shares they hold at the Record Date, in accordance with the terms of the convening notice.

In case of shares held through the operator of a securities settlement system or with a professional depository or sub-depository designated by such depository, a holder of shares wishing to attend a general shareholders' meeting shall obtain from such operator or depository or sub-depository a certificate (the "**Operator Certificate**") certifying the number of shares recorded in the relevant account on the Record Date. The certificate shall be submitted to the Company at its registered address no later than twenty-four hours (24h) before the general meeting. The voting right can also be exercised through a proxy. The Board of Directors may set further details and a different period for the submission of the certificate and/or the proxy and/or the voting form in the convening notice for the meeting. Concrete forms and communication channels can be established in the convening notice for the granting and cancellation of a proxy to a proxy holder whose appointment has been arranged for by the Company.

A shareholder may act at any general shareholders' meeting by appointing another person, shareholder or not, as his proxy in writing by a signed document transmitted by mail, facsimile or electronic mail certified by electronic signature in accordance with articles 1322-1 and 1322-2 of the Luxembourg Civil Code. One person may represent several or even all shareholders. In the event that the shareholder votes through proxies, the proxy together with the Operator Certificate has to be filed at the same time at the registered office of the Company or with any agent of the Company, duly authorized to receive such proxies. The convening notice of the meeting can establish relief from this requirement.

Each shareholder may vote at a general shareholders' meeting through a signed voting form sent by mail, facsimile or electronic mail to the Company's registered office or to the address specified in the convening notice. The shareholders may only use voting forms provided by the Company which contain at least their names and addresses, the place, date and time of the meeting, the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three boxes allowing the shareholder to vote in favour of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes, the number and class of shares voted. The Company will only take into account voting forms received twenty-four hours (24h) before the shareholders' general meeting which they relate to and accompanied by the Operator Certificate. The Board of Directors may arrange for the appointment of a representative to exercise shareholders' voting rights in accordance with the instructions given by the respective shareholder.

The Board of Directors may determine further conditions concerning the identification of shareholders, their representatives and their instructions to vote or, if applicable, the security of electronic communication that must be fulfilled by the shareholders for them to take part in any shareholders' general meeting.

The Board of Directors has the right to postpone the meeting for a maximum of four weeks. The Board of Directors must do so if requested by shareholders representing at least 20 percent of the Company's subscribed capital. Such postponement shall cancel all decisions taken. The Board of Directors is not required to adjourn a meeting again which has already been adjourned once.

The annual general shareholders' meeting shall examine, in particular, the reports of the Board of Directors and the approved independent auditor (*réviseur d'entreprises agréé*) and, if thought fit, approve the annual accounts. It shall also determine the allocation of the profit and decide by special vote on the discharge of the directors from any duties.

The Board of Directors may convene extraordinary general shareholders' meetings as often as the Company's interests so require. A general shareholders' meeting must be convened upon the request of one or more shareholders who together represent at least one tenth of the Company's capital. In such event, the requesting shareholders shall indicate in their request the items to be put on the agenda and the Board of Directors shall convene the general meeting so as to be held within the month of the request addressed to it.

Appointment, Removal and Term of Office of Members of the Board of Directors

The members of the Board of Directors are appointed by the general meeting of shareholders which determines their remuneration and term of office. The term of office of a director may not exceed six years and each member of the Board of Directors shall hold office until a successor is appointed. Members of the Board of Directors may be re-appointed for successive terms. Each shareholder who holds at 25 percent of the shares in the Company has the right to propose to each general meeting of shareholders a list of up to 3 candidates to be appointed as directors of the Company by the general meeting of shareholders. The general meeting of shareholders shall proceed to a vote on any such proposal. Each director is appointed by the general meeting of shareholders at a simple majority of the votes validly cast. Any director may be removed from office at any time with or without cause by the general meeting of shareholders at a simple majority of the votes validly cast.

Corporate Governance

The corporate governance rules of the Company are based on applicable Luxembourg laws, the Company's Articles of Association and its internal regulations, in particular the bylaws of the Board of Directors.

The information on the corporate governance of the Company is published on the Company's website (www.braas-monier.com). It will contain, among others, the Articles of Association and the voluntary declaration of compliance regarding the German Corporate Governance Code (the "**Code**"), adopted in February 2002 and last amended on May 13, 2013, of the Board of Directors.

As a Luxembourg public limited liability company (*société anonyme*) that is listed on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange in Germany, we are not required to comply with the Ten Principles of the Corporate Governance of the Luxembourg Stock Exchange applicable to Luxembourg incorporated companies that are listed in Luxembourg nor with the German corporate governance regime applicable to stock corporations organized in Germany. Nonetheless, we have decided to follow, on a voluntary basis, to a certain extent, the German corporate governance rules. However, certain rules will apply to our Company only to the extent allowed by Luxembourg corporate law and subject to certain reservations stemming from our Company's corporate structure and especially the Luxembourg single board structure we have chosen under Luxembourg law instead of the two-tier system within one legal entity that the German corporate governance rules assume.

The Code includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting, and audit of financial statements. The Code and any amendments to it are published in the Federal Gazette (*Bundesanzeiger*). While the recommendations and suggestions of the Code are not mandatory, Section 161 of the German Stock Corporation Act (*Aktiengesetz*) – which is not applicable to us – requires the management and supervisory board of a listed company organized in Germany to disclose which recommendations were and will be followed and which recommendations were not or will not be followed. This so-called "declaration of compliance" (*Entsprechenserklärung*) must be made available to shareholders on a permanent basis. In contrast, divergence from suggestions contained in the Code need not be disclosed.

We plan, during each fiscal year, on a voluntary basis, to issue a statement to a certain extent comparable to that required for stock corporations organized in Germany pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*) – which does not apply to us – , which will be published on our website www.braas-monier.com and kept available there for five years. However, as a Luxembourg company with a single board structure, our corporate regime is in many respects different from the two-tier system of management board and supervisory board presupposed by the German corporate governance rules. Accordingly, we will only be able to follow the German corporate governance rules to the extent allowed by Luxembourg corporate law and to the extent they are applicable to a one-tier board structure. Based on these reservations we have decided to comply with the recommendations of the Code with the following exceptions:

- Section 3.8 of the Code: The directors' and officers' insurance policy does not necessarily provide for the same deductible. Equal deductibles do not seem required to ensure that directors and officers act responsibly and solely in the interest of the Company.

- Sections 3.10, 5.4.1, 6.3, and 7.1.3 of the Code: The Company's annual report does not contain a separate corporate governance report containing the information recommended by the Code. The expenses associated with creating a separate corporate governance report seem unreasonable. Shareholders' need for information is ensured by full compliance with disclosures required by law.

- Section 4.1.5 of the Code: The Company aims to provide for diversity, in particular an appropriate degree of female representation, among both directors and officers. These commitments seem sufficient to ensure diversity and female representation also on lower managerial levels.

- Section 4.2.2 of the Code: In setting compensation for the Executive Officers the Board of Directors will not consider in particular the terms of the development of the relationship between the compensation of the executive managers and senior management over time. This additional requirement does not seem necessary to ensure adequate compensation.

- Section 4.2.3 of the Code: Compliance with the provision regarding the severance payment cap seems not required to ensure adequate compensation.

- Section 4.2.5 of the Code: The Company's annual report does not contain a separate compensation report containing the information recommended by the Code. The expenses associated with creating a separate compensation report seem unreasonable. Shareholders' need for information is ensured by full compliance with disclosures required by law.

- Section 5.4.6 of the Code: The remuneration of directors will not be listed individually but globally. A global disclosure seems sufficient to ensure shareholders‘ need for information in full compliance with disclosures required by law.

- Sections 6.1, 6.2, 6.3, 6.4, 7.1.2, 7.1.4, and 7.1.5 of the Code: The Company will ensure adequate disclosure and publication of information and access to information in full compliance with applicable laws and regulation. This seems sufficient to ensure shareholders' need for information.

Similar disclosures will be included in the "declaration of compliance" voluntarily issued by us on an annual basis.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We are party to various agreements with our shareholders and Senior Management, as detailed below.

Transactions with the Selling Shareholder

On June 5, 2014, the Company repaid approximately €2.6 million of interest owed to the Selling Shareholder under the Company PPLs by transferring to the Selling Shareholder a receivable of the same amount owed by the Selling Shareholder to the Company.

In consideration for the payment of €1 by the Company to the Selling Shareholder, the Selling Shareholder transferred to the Company on June 5, 2014 receivables in the aggregate amount of approximately €8.2 million owed to the Selling Shareholder by the Company, Braas Monier S.à r.l., Braas Monier Services and Monier Special Holdings S.à r.l.

Transactions with Our Lenders under the Refinanced Credit Facilities Agreement and the PIK/Equity Strips

The Consenting Lenders acquired ownership of our Group as a result of the 2009 Restructuring. Such lenders were granted stapled debt and equity instruments (including any successor or replacement instruments, the "**PIK/Equity Strips**") in respect of Monier Holdings GP S.A. and the Selling Shareholder, including: purchaser loans, profit participating loans, First Lien Warrants (as defined in "*Information on the Selling Shareholder—Background of the Shareholder Structure—Shareholders Debt and Equity Instruments—First Lien Warrants*"), Second Lien Warrants, as well as shares of Monier Holdings GP S.A. and the Selling Shareholder. See "*Information on the Selling Shareholder—Background on the Shareholder Structure.*"

The Consenting Lenders, who became our shareholders, also entered into the Securityholders' Agreement, which governs the administration of the Selling Shareholder and Monier Holdings GP S.A. See "*Information on the Selling Shareholder—Securityholders' Agreement*."

Management Fees

For the years ended December 31, 2013, 2012 and 2011, the service fees paid by the Selling Shareholder and the Company to Monier Holdings GP S.A. in connection with the management of our Group were €623,164.58, €479,598.20 and €588,513, respectively.

Existing Management Equity Program

Certain managers of our Group hold Shares and other equity-related instruments in our Group under a management equity program. See "*Description of the Governing Bodies of Braas Monier Building Group S.A.—Share Participation Plans—Existing Management Equity Program*."

The Company has provided a loan in the amount of €150,000 to Matthew Russell for the purpose of investing in the Group's Existing Management Equity Program. This loan will be fully repaid upon closing of the Offering.

Transactions with Alter Domus

Mr. Frank Przygodda and Mr. Valéry Beuken, members of the board of managers of Braas Monier S.à r.l., are respectively a director and a manager of Alter Domus in Luxembourg. Alter Domus provides our Group with management, domiciliation and other corporate services. Alter Domus also provides management, domiciliation and other corporate services to the Company, Braas Monier S.à r.l. and other members of the Group.

Transactions with Arendt & Medernach

Mr. Guy Harles, who serves as director on the Company's board of directors is a partner of Arendt & Medernach. Arendt & Medernach provides our Group with legal services in relation to Luxembourg law, including in connection with the IPO.

Consulting Services

Jean-Pierre Clavel and Werner Paschke, both serving as non-executive directors on the Company's Board of Directors, each had a consulting agreement with Braas Monier S.à r.l. dated November 27, 2012 pursuant to which they provided consulting services to Braas Monier S.à r.l. to identify potential areas of operational improvements within the Group. Mr. Clavel and Mr. Paschke were paid approximately €202,500 and €177,500 (excluding VAT and expenses), respectively, in the year ended December 31, 2013 in consideration for their consulting services.

Other

Certain affiliates of our shareholders perform certain investment banking, commercial banking and other financial advisory services for our Group. See "*The Offering—Interests of Parties Participating in the Offering*."

INFORMATION ON THE SELLING SHAREHOLDER

Shareholder Structure (Before and After the Offering)

The Company is wholly owned by the Selling Shareholder, which itself is owned by the Securityholders (as defined below) (approximately 97.0%), Monier Holdings GP S.A. (approximately 0.0000088%) and investment vehicles through which certain managers of our Group participate in our EMEP (approximately 3.0%). The original "**Securityholders**" are those Consenting Lenders who still hold their PIK/Equity Strips which, among others, include shares of the Selling Shareholder, and were granted to them in connection with the 2009 Restructuring (see "*—Background on the Shareholder Structure—2009 Restructuring*"). The PIK/Equity Strips can be transferred among existing Securityholders or acquired by new Securityholders. As a result of such transactions, the identity and shareholdings of the Securityholders in the Selling Shareholder can change.

The share capital of the Company as of the day of its incorporation on October 7, 2009 amounted to €12,500. On March 28, 2014, the legal form of the Company has been changed from a limited liability company (*société à responsabilité limitée*) to a public limited liability company (*société anonyme*), and the share capital of the Company has been increased by €18,500 from €12,500 to €31,000. On June 6, 2014 the existing 3,100,000 shares have been cancelled and the share capital of the Company has been increased to €350,000, through the issuance of 35,000,000 shares with a par value (*valeur nominale*) of €0.01 each. In exchange for the Company PPLs which were cancelled, the Selling Shareholder received 35,000,000 shares of the Company (the "**Company Recapitalization**") out of which the Existing Shares and the Over-Allotment Shares are offered.

The authorized share capital of the Company excluding the issued share capital amounts to €192,500, divided into 19,250,000 shares with a par value (*valeur nominale*) of €0.01 each.

The following table sets forth the direct shareholders of the Company immediately prior to the Offering, and the expected shareholdings upon completion of the Offering.

	(Direct) ownership (in %)		
Shareholder	immediately prior to the Offering	upon completion of the Offering (assuming no exercise of Greenshoe Option and issuance of New Shares in full)	upon completion of the Offering (assuming full exercise of Greenshoe Option and issuance of New Shares in full)
Monier Holdings S.C.A.(1)	100%	49	42
Public float	n/a	51	58

(1) Monier Holdings S.C.A. is controlled by its general partner Monier Holdings GP S.A. which is jointly controlled by Lily (Lux) S.à r.l., TowerBrook Investors III, L.P., TowerBrook Investors III (Parallel), L.P., TowerBrook Investors III Executive Fund, L.P. and York Global Finance 51 S.à r.l.

The Company is directly controlled by the Selling Shareholder due to its ownership of all voting rights in the Company prior to the Offering. The voting rights of the Selling Shareholder do not differ in any respect from the rights attached to any other shares, including the Offer Shares.

The following table sets forth the indirect shareholders of the Company, and direct/indirect shareholders of the Selling Shareholder, immediately prior to the Offering, and their expected shareholdings upon completion of the Offering.

	Indirect Ownership (in %)			
Indirect Shareholder(1)	immediately prior to the Offering	immediately prior to the Offering (reflecting conversion of First Lien Warrants)	upon completion of the Offering (reflecting the indirect sale by the Selling Shareholder and conversion of the First Lien Warrants into Shares of the Selling Shareholder) (assuming no exercise of Greenshoe Option and issuance of New Shares in full)	upon completion of the Offering (reflecting the indirect sale by the Selling Shareholder and conversion of the First Lien Warrants into Shares of the Selling Shareholder) (assuming full exercise of Greenshoe Option and issuance of New Shares in full)
York Capital(2)	23.5	21.2	10.5	8.9
TowerBrook(3)	20.1	20.0	9.9	8.3
Apollo(4)	19.3	18.1	9.0	7.6
BNP Paribas	10.5	9.4	4.7	3.3
Babson Capital Europe Limited	3.5	3.1	1.5	1.3
Existing Management Equity Program (EMEP)(5)	3.0	2.7	—	—

(1) Includes only Securityholders with an indirect shareholding in the Selling Shareholder in excess of 3%.

(2) Refers to funds affiliated with, managed and/or advised by, York Capital Management Global Advisors, LLC ("**York Capital**" and together with Apollo and TowerBrook, the "**Principal Shareholders**"). York Global Finance 51 S.à r.l. owns 22.1% of the shares of Monier Holdings GP S.A. York European Opportunities Investments Master Fund, L.P. owns 26.97% of York Global Finance 51 S.à r.l. York European Opportunities Domestic Holdings, LLC is the general partner of York European Opportunities Investments Master Fund, L.P. York Credit Opportunities Investments Master Fund, L.P. owns 26.76% of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Investments Master Fund, L.P. York Credit Opportunities Fund, L.P. owns 16.26% of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Fund, L.P. York Select Master Fund, L.P. owns 8.82% of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select Master Fund, L.P. York Select, L.P. owns 7.28% of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select, L.P. York Multi-Strategy Master Fund, L.P. owns 6.07% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Multi-Strategy Master Fund, L.P. York Capital Management, L.P. owns 3.11% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Capital Management, L.P. York European Focus Master Fund, L.P. owns 1.92% of York Global Finance 51 S.à r.l. York European Focus Domestic Holdings, LLC is the general partner of York European Focus Master Fund, L.P. York European Strategies Trading Limited owns 1.92% of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of York European Strategies Trading Limited. Jorvik Multi-Strategy Master Fund, L.P. owns 0.69% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of Jorvik Multi-Strategy Master Fund, L.P. Permal York, Ltd. owns 0.19% of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of Permal York, Ltd. York Capital Management Global Advisors, LLC controls York European Opportunities Domestic Holdings, LLC, York Credit Opportunities Domestic Holdings, LLC, York Select Domestic Holdings, LLC, Dinan Management, LLC, York European Focus Domestic Holdings, LLC and York Managed Holdings, LLC. James Dinan controls 100% of the voting rights held by York Capital Management Global Advisors, LLC.

(3) "**TowerBrook**" refers to funds affiliated with, managed and/or advised by, TowerBrook Capital Partners L.P.. TowerBrook Investors III, L.P. owns 14.2% of the shares of Monier Holdings GP S.A. TowerBrook Investors III Executive Fund, L.P. owns 0.4% of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III, L.P. is the general partner of TowerBrook Investors III, L.P. and TowerBrook Investors III Executive Fund, L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III, L.P. TowerBrook Investors III (Parallel), L.P. owns 6.5% of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III (Parallel), L.P. is the general partner of TowerBrook Investors III (Parallel), L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III (Parallel), L.P. Neal Moszkowski and Ramez Sousou jointly control TowerBrook Investors Ltd. They each hold approximately 50% of the voting rights in TowerBrook Investors Ltd.

(4) "**Apollo**" refers to funds affiliated with, managed and/or advised by, Apollo Management VII, L.P. and Apollo Global Management LLC and its subsidiaries. Lily (Lux) S.à r.l. owns 20.2% of the shares of Monier Holdings GP S.A. Lily (Lux) Holdings S.à r.l. is the sole shareholder of Lily (Lux) S.à r.l. Lily, L.P. is the sole shareholder of Lily (Lux) Holdings S.à r.l. Apollo Management VII, L.P. is the manager of Lily, L.P. AIF VII Management, LLC is the general partner of Apollo Management VII, L.P. Apollo Management L.P. is the sole member of AIF VII Management, LLC. Apollo Management GP, LLC is the general partner of Apollo Management L.P. Apollo Management Holdings, L.P. is the sole member of Apollo Management GP, LLC. Apollo Management Holdings GP, LLC is the general partner of Apollo Management Holdings, L.P. Leon Black, Joshua Harris and Marc Rowan are the managers of Apollo Management Holdings GP, LLC and as such they jointly control Apollo Management Holdings GP, LLC, with each of them having an equal vote (i.e., 33.33%).

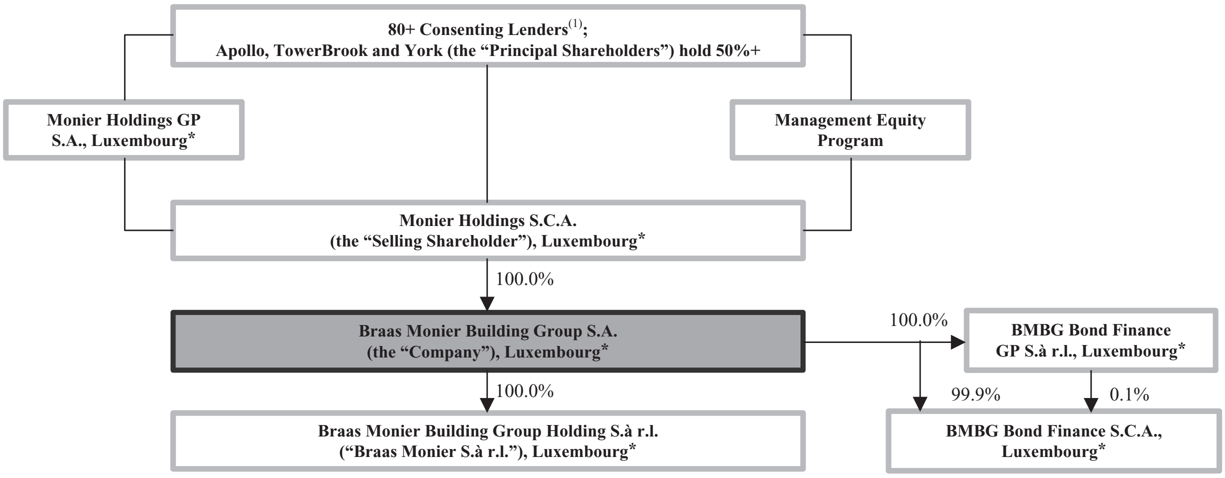
(5) EMEP will hold no indirect shareholding after the closing of the Offering.

A portion of the Existing Shares being offered and sold by the Selling Shareholder (amounting to approximately 15,326,087, 15,539,216 and 15,714,286 Existing Shares at the low end, mid-point and high end of the Price Range, respectively) are economically attributable to such PIK/Equity Strips of the Existing Management Equity Program (see "*Description of the Governing Bodies of the Braas Monier Building Group S.A.—Existing Management Equity Program.*"). The proceeds from the sale of such Existing Shares will be lent by the Selling Shareholder to the parent undertaking of the Existing Management Equity Program for the purposes of financing the repurchase of Existing Management Equity Program investments from the participants in that program, as a result of which a total of €19.1 million, €21.3 million or €23.4 million of the proceeds from the Offering at the low end, mid-point and high end of the Price Range, respectively, are expected to flow indirectly to participants in the Existing Management Equity Program, including the CEO and the CFO.

The remaining proceeds from the Offering will be distributed, mainly to the Securityholders, in accordance with the respective provisions of the Articles of Association, the Securityholders' Agreement and the terms and conditions of instruments comprising the PIK/Equity Strips.

The "**Principal Shareholders**" collectively hold an amount of ordinary shares in the Selling Shareholder sufficient to control the Selling Shareholder, and also hold a controlling stake in Monier Holdings GP S.A., the general partner of the Selling Shareholder. Such controlling shareholdings in the Selling Shareholder and Monier Holdings GP S.A. enable Apollo, TowerBrook and York Capital to make decisions relating to our Group, and to appoint the directors on the board of Monier Holdings GP S.A.

The following chart shows, in simplified form, the Company's shareholder structure immediately prior to the Offering:



(1) Consenting Lenders acquired the Group in the 2009 Restructuring. See "*—Background on the Selling Shareholder Structure—2009 Restructuring*."

For information on selling restrictions applicable to the Selling Shareholder relating to the sale of Shares in the Company (see "*Underwriting—Selling Restrictions*").

Background on the Shareholder Structure

2009 Restructuring

The lenders under the senior secured credit facilities agreement (the "**Refinanced Credit Facilities Agreement**") originally dated February 26, 2007 (as amended and restated from time to time), between, amongst others, Braas Monier S.à r.l., BNP Paribas S.A. as agent and Security Agent and BNP Paribas S.A., J.P. Morgan plc, Mizuho Corporate Bank, Ltd, Société Générale and Banc of America Securities Limited as senior mandated lead arrangers (in the version valid on October 19, 2009) (the "**Consenting Lenders**") acquired ownership of our Group as a result of the restructuring of the Group's financial indebtedness that was completed on October 16, 2009 (the "**2009 Restructuring**") and for the purposes of the 2009 Restructuring, established a Luxembourg holding structure consisting of the Selling Shareholder, Monier Holdings GP S.A. and the Company to acquire the shares in Braas Monier S.à r.l. in exchange for immediate cash consideration and deferred consideration in the form of commitments under the purchaser loan agreement (the "**Purchaser Loan**"). The Shares in the Company were subsequently contributed to the Company. In addition, following the 2009 Restructuring, approximately 38% of our total first lien debt under our Refinanced Credit Facilities Agreement remained in place. The remaining portion of our debt under the Refinanced Credit Facilities Agreement, representing approximately 62% of our total first lien debt and 100% of our second lien debt (the "**Warehouse Debt**") was, together with the shareholder loans that were owed to previous owners of our Group by the Company and certain subsidiaries of the Company (the "**Pledged Claims**"), acquired by the Consenting Lenders and were subsequently (i) sold to the Selling Shareholder in exchange for the Holdings PPLs (as defined below), then (ii) sold by Monier Holdings S.C.A. to the Company in exchange for the Company PPLs (as defined below). The Warehouse Debt was further downstreamed to Monier Special Holdings S.à r.l. in exchange for the Warehouse PPLs. In addition, certain of the Consenting Lenders also acquired First Lien Warrants (see "*—Shareholders Debt and Equity Instruments—First Lien Warrants*") and Second Lien Warrants (see "*—Shareholders Debt and Equity Instruments—Second Lien Warrants*") issued by Monier Holdings GP S.A. and the Selling Shareholder.

Shareholders' Debt and Equity Instruments

As a result of the 2009 Restructuring, the Consenting Lenders and their affiliates, valid transferees and designees received PIK/Equity Strips that each consist of a combination of Purchaser Loans, Holdings PPLs (as defined below) shares in Monier Holdings GP S.A. ("**GP Shares**"), shares in the Selling Shareholder ("**SCA Shares**"), First Lien Warrants and/or Second Lien Warrants (as defined below). The proportions (which are to be adjusted in accordance with the Securityholders' Agreement) of such securities in the PIK/Equity Strips vary from holder to holder.

Pursuant to the terms of the Securityholders' Agreement, the securities including the shares in the Selling Shareholder that make up each holder's PIK/Equity Strips are "stapled" together so that going forward all such securities must be transferred together or not at all (except for certain affiliate transactions).

As a result of transfer of PIK/Equity Strips the shareholdings in the Selling Shareholder can change.

Profit Participating Loans

In the context of the 2009 Restructuring, the following back-to-back PPLs were issued by certain companies, providing the respective holders of such PPLs with a right to receive certain payments from the unsustainable senior and second lien debt (*i.e.*, the Warehouse Debt) and certain shareholder loans of our Group owed to the previous owners and transferred to the lenders (*i.e.*, the Pledged Claims) when payments on these loans are made.

Profit participating loans have been issued by Monier Special Holdings S.à r.l. to the Company (the "**Warehouse PPLs**"). On October 16, 2009, Monier Special Holdings S.à r.l. issued profit participation loan certificates in an aggregate amount of €300.0 million to the Company in exchange for the transfer by the Company of certain unsustainable senior and second lien debt (*i.e.*, the Warehouse Debt). All of the Warehouse PPLs have been fully redeemed by May 26, 2014 in connection with a transfer and subsequent capitalization of part of the Warehouse Debt in various jurisdictions.

Profit participating loans issued by the Company to the Selling Shareholder (the "**Company PPLs**"). On October 16, 2009, the Company issued profit participation loan certificates in an aggregate amount of €300,009,998 to Selling Shareholder in exchange for the transfer by the Selling Shareholder of the Warehouse Debt and the Pledged Claims. The term of the Company PPLs is 30 years. The Company PPLs have been cancelled in connection with the Company Recapitalization.

Profit participating loans issued by the Selling Shareholder to Consenting Lenders under the Refinanced Credit Facilities Agreement (the "**Holdings PPLs**"). On October 16, 2009, Selling Shareholder issued profit participation loan certificates in an aggregate amount of €422 thousand to all Consenting Lenders in exchange for the transfer by the Company of the loans and claims underlying the Company PPLs. The term of the Holdings PPLs is 30 years. The Holdings PPLs are unsecured. The Holdings PPLs are subordinated to any third-party debt and are subordinated to the Purchaser Loans. As at March 31, 2014, the interest payable under the Holdings PPLs amounted to approximately €21 million.

First Lien Warrants

In connection with the 2009 Restructuring, Monier Holdings GP S.A. and the Selling Shareholder authorized the issuance of 965,387.0583 first lien warrants dated October 16, 2009 (the "**First Lien Warrants**"). Each First Lien Warrant is exercisable at a price of €0.01 into one Class A ordinary share of Monier Holdings GP S.A. (the "**Class A GP Shares**") and one SCA Share. According to the provisions governing the First Lien Warrants, the First Lien Warrant must be exercised in connection with a public offering of Monier Holdings GP S.A., the Selling Shareholder and/or any subsidiary of Selling Shareholder, such as the Company. Hence, all First Lien Warrants will be exercisable upon closing of the Offering, and exchanged into Class A GP Share and one SCA share for a price of €0.01.

Second Lien Warrants

Monier Holdings GP S.A. and the Selling Shareholder also authorized the issuance of 210,769.1553 second lien warrants dated October 16, 2009 (the "**Second Lien Warrants**"). As of December 31, 2013, 208,134.5411 Second Lien Warrants remained outstanding. Each Second Lien Warrant is exercisable into one SCA Share at a price of €0.01 and one Holdings PPL at a price equal to the greater of (i) the Cash Settled Exercise Price (as defined below) and (ii) €0.10. The Second Lien Warrants are exercisable only upon a public offering of Monier Holdings GP S.A., the Selling Shareholder and/or any subsidiary of Selling Shareholder, such as the Company or a change of control in the Selling Shareholder prior to October 16, 2089 (the "**Final Date**") and must be exercised by a holder in whole and not in part. Alternatively, the board of Monier Holdings GP S.A. may elect in good faith to pay, in relation to each Second Lien Warrant, in cash to each holder an amount equal to the greater of (x) zero, and (y) the difference of (A) the total pecuniary value of the relevant SCA Shares and Holdings PPLs minus (B) the Cash Settled Exercise Price (as defined below). Following receipt of such cash settlement, all Second Lien Warrants shall be cancelled and the holders shall have no further rights pursuant to such Second Lien Warrants. For the purposes of this paragraph, "**Cash Settled Exercise Price**" means, in relation to each Second Lien Warrant, (i) €177.92 minus (ii) the aggregate amount of cash interest that the holder of such Second Lien Warrant would have received had such holder held the relevant Holdings PPLs continuously since the date of issuance.

All Second Lien Warrants that remain outstanding following the earliest of (i) a public offering of Monier Holdings GP S.A., the Selling Shareholder and/or any subsidiary of the Selling Shareholder, such as the Company, (ii) a change of control of the Selling Shareholder, and (iii) the Final Date shall be cancelled and holders shall have no further rights with respect to such Second Lien Warrants. The holders of Second Lien Warrants are not entitled to any voting rights in respect of the Selling Shareholder by reason of their ownership of the Second Lien Warrants. All outstanding Second Lien Warrants will be exercisable upon closing of the Offering, but the Selling Shareholder expects that none of the Second Lien Warrants will be exercised because the sum of the Cash Settled Exercise Price payable for the one Holdings PPL and the exercise price for the SCA Share is greater than the sum of the prices for the underlying Holdings PPL and SCA Share.

Securityholders' Agreement

On October 16, 2009, the Selling Shareholder, Monier Holdings GP S.A. and certain Securityholders of the Group entered into an agreement concerning the administration of Monier Holdings GP S.A. and of Selling Shareholder and its subsidiaries (the "**Securityholders' Agreement**"). The Securityholders' Agreement was amended and restated and approved at the shareholders' meeting of Monier Holdings GP S.A. dated April 9, 2010, at the shareholders' meeting of Monier Holdings GP S.A. dated April 30, 2012, as well as at the shareholders' meeting of Monier Holdings GP S.A. dated June 6, 2014.

Board Composition

The Securityholders' Agreement sets forth the rights of the shareholders of Monier Holdings GP S.A. to appoint members of the board of directors of Monier Holdings GP S.A. (the "**GP Board**"). Currently, the GP Board consists of ten directors: (i) three directors appointed by the majority vote of all holders of the GP Shares, provided that at all times at least one of such directors is independent from the securityholders and the Group and is a Luxembourg resident; (ii) two directors appointed by the majority vote of the Class A GP Shares (excluding any such shares held by the Principal Shareholders), provided that at least one of such directors is independent from the securityholders and the Group; (iii) four directors appointed by the majority vote of the class B ordinary shares of Monier Holdings GP S.A. (the "**Class B GP Shares**"); and (iv) one director who is the CEO of the Group, selected by a majority of the GP Board.

If any securityholder, other than any Principal Shareholders, holds greater than fifty percent (50%) of the GP Shares after the conversion of all Class B GP Shares into Class A GP Shares pursuant to the terms of the Securityholders' Agreement, the GP Board composition changes to: (i) seven directors appointed by the majority vote of the Class A GP Shares, provided that at least two of such directors shall be independent from the securityholders and the Group and at least one of such directors shall be a Luxembourg resident; (ii) two directors appointed by a majority vote of the Lead Lenders, provided that the Lead Lenders collectively hold at least seventy-five percent (75%) of the GP Shares they held on October 16, 2009 and if they do not so hold, such directors shall be appointed by a majority vote of all holders of GP Shares; and (iii) one director who is the CEO of the Group, selected by a majority of the GP Board.

Pursuant to the Securityholders' Agreement, solely for the purposes of determining the persons entitled to vote in relation to the appointment of certain directors, for so long as any First Lien Warrants remain outstanding, the holders of Class B GP Shares shall only vote in respect of an aggregate number of Class B GP Shares equal to "BV" (rounded to the nearest whole number), where BV is calculated according to the following formula:

$$BV = \frac{(a)(b)}{(a + w)}$$

where:

- "a" is the aggregate number of outstanding Class A GP Shares;
- "b" is the aggregate number of outstanding Class B GP Shares; and
- "w" is the aggregate number of Class A GP Shares into which the outstanding First Lien Warrants could be converted,

provided that in the event of an issuance of new Class A GP Shares and/or Class B GP Shares the GP Board acting reasonably and in good faith may adjust the foregoing formula if required in order to achieve the intended purpose of such formula.

Board and Securityholders' Approval

The GP Board is entrusted with the management of Monier Holdings GP S.A. The Securityholders' Agreement provides that most decisions are made by a simple majority of the members of the GP Board who are present or represented and voting at a meeting, provided certain quorum requirements are met. Certain actions are subject to the consent of a majority or certain supermajorities of the shareholders of Monier Holdings GP S.A. The Securityholders' Agreement is structured to ensure that the GP Board is the ultimate decision-making authority of the Selling Shareholder and its subsidiaries.

Other Provisions

The Securityholders' Agreement contains other provisions, including in connection with the cooperation by the securityholders to facilitate a public offering of the Group's securities.

If the Selling Shareholder or Monier Holdings GP S.A. proposes to issue new securities (other than in connection with certain customary carve-outs), each securityholder shall have the right (the "**Pre-Emptive Right**") to subscribe for an amount of such securities *pro rata* on the basis of the proportion of issued and outstanding securities such securityholder holds; provided that each such securityholder shall only be entitled to subscribe for such securities pursuant to the Pre-Emptive Right in the same proportions of all classes and types of securities as comprise the aggregate securities to be issued; provided further that if new GP Shares are to be issued, each securityholder shall only be entitled to subscribe for such shares if such securityholder already holds GP Shares. Such Pre-Emptive Right does not relate to the New Shares or any other securities issued by the Company.

GENERAL INFORMATION ON THE COMPANY AND THE GROUP

Formation, Incorporation, Commercial Name, Fiscal Year and Registered Office

The Company was incorporated by the Selling Shareholder on October 7, 2009. In March 2014, the Company changed its name from Monier Participations S.à r.l. to Braas Monier Building Group S.à r.l and subsequently changed its legal form to a Luxembourg public limited liability company (*société anonyme*) and its name to Braas Monier Building Group S.A.

As of the date of this Prospectus, the Company is registered with the Luxembourg Trade and Companies Register under the legal name Braas Monier Building Group S.A. and the registration number is B 148558. The Company is a Luxembourg public limited liability company (*société anonyme*) incorporated in Luxembourg and governed by Luxembourg law. It is the holding company of the Group and its business is primarily conducted under the commercial name "Braas Monier" or "Braas Monier Building Group." The Company's fiscal year is the calendar year.

The Company's registered office is at 5, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg (tel.: +352 4818284087).

The original Articles of Association were published in the Luxembourg Official Gazette (*Mémorial C, Recueil des Sociéet és et Associations*) under number 2112 on October 28, 2009. The Articles of Association were amended most recently on June 6, 2014 and the publication in respect thereof in the Luxembourg Official Gazette was not yet effected.

History and Development

See "*Business—History*."

Duration of the Company and Corporate Purpose

The Company was established for an unlimited period of time.

Pursuant to article 2 of the Articles of Association, the Company's corporate purpose is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may further:

- hold directly or indirectly participations in any form in companies acting as manufacturer or supplier of pitched roof products, including both roof tiles and roofing components, as well as any other form of roofing materials, components, chimneys, related products and building materials generally.

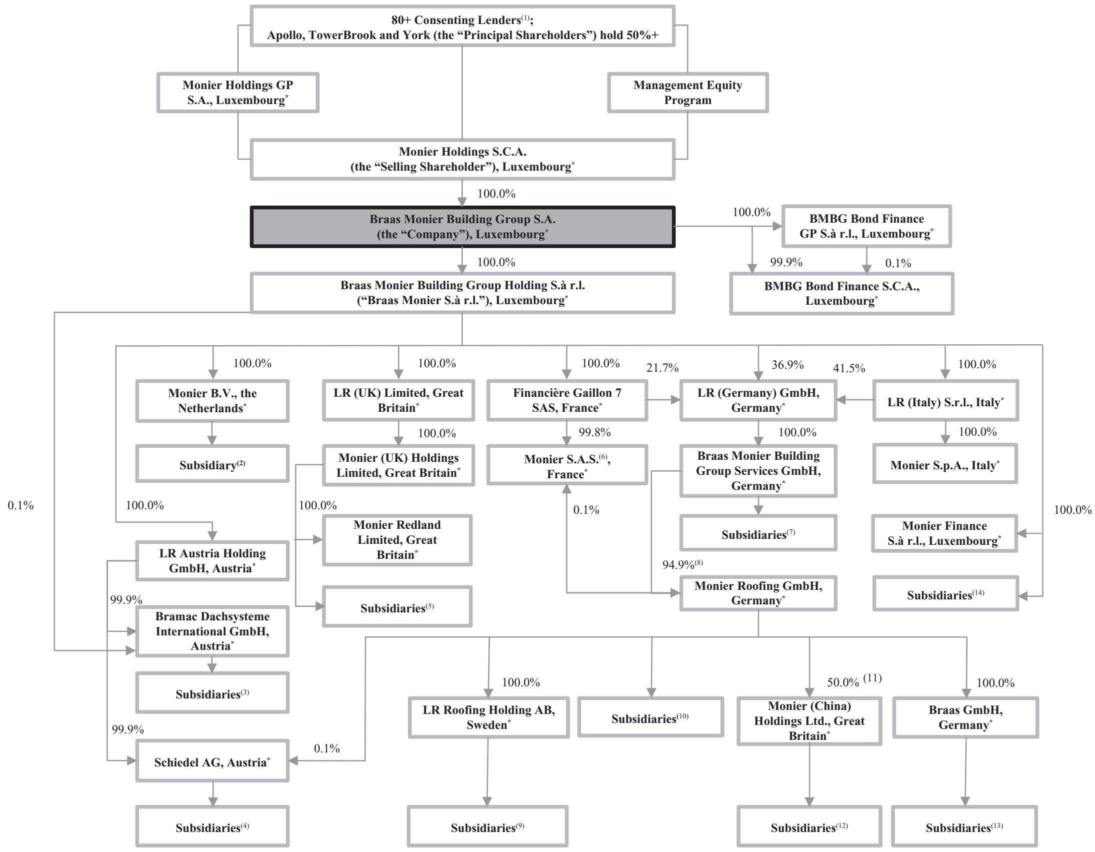
- guarantee, grant security, grant loans or otherwise assist the companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company.

- raise funds especially through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue securities of any type.

- carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the pursuing of these purposes.

Group Structure

The following diagram sets forth a summary of the Company's most significant subsidiaries and of the shareholders of the Company as of the date of this Prospectus. The shareholdings are calculated on the basis of the economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation. The shareholdings presented below are rounded to two decimal points.



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* Indicates the country of incorporation.

(1) Consenting Lenders acquired the Group in the 2009 Restructuring. See "*Information on the Selling Shareholder—Background on the Shareholder Structure—2009 Restructuring*."

(2) Includes Monier Roof Products Belgium N.V.

(3) Includes Bramac Dachsteinproduktion und Baustoffindustrie Kft., Bramac spol. s.r.o., Bramac Stresne Systemy spol. s.r.o., Bramac Pokrovni sitemi d.o.o., Bramac Sisteme per cati Sh.p.k., Bramac Pokrovni Sistemi EOOD, Bramac Sisteme de Invelitori S.R.L., Bramac Dachsteinproduktion und Baustoffindustrie d.o.o., Bramac Krovni Sistemi d.o.o. and Bramac Krovni Sistemi d.o.o.

(4) Includes Schiedel Moodulkorstnad OÜ, Schiedel Dumvadu Sistemas SIA, Schiedel kaminu sistemos UAB, Schiedel TOV, Schiedel SRL, Schiedel Sistemi oxhaku sh.p.k., Schiedel Sistemi Dimnjaka d.o.o., Schiedel Kominni Sistemi EOOD, Schiedel Diminski Sistemi d.o.o., Schiedel a.s., Schidel dimnjacki sistemi d.o.o., Schidel Sisteme de Cosuri Srl, Schiedel Slovensko s.r.o., Schiedel Kemenygyar Kft., Schiedel Proizvodnja Dimnjaka d.o.o., Schiedel d.o.o. za savjetovanje i zastupanje, Klöber-Hpi Gradevinski sustavi d.o.o., Schiedel Beteiligungsgesellschaft mbH, Schiedel Sp. z.o.o., Schiedel GmbH & Co. KG, Bemal N.V., Sistem Baca Cözümleri Sanayi ve Ticaret Anonim Sirketi, OOO Schiedel, SK Technik GmbH, Schiedel Savuhormistot Oy, Schiedel Skorsteiner AS, Schiedel Skorstenssystem, Schiedel Skorstene A/S, Schiedel Chimney Systems Ireland Ltd, Schiedel Chimney Systems Ltd., Schiedel Rite-Vent Ltd., Rite-Vent Holdings Ltd. and Rite-Vent Ltd.

(5) Includes Redland Engineering Limited, Monier Technical Centre Limited and Dovetail Roofing Accessories Limited.

(6) Monier S.A.S. is the only subsidiary.

(7) Includes Monier Yapi Cözüleri San. Ve Tic. A.S., Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sireketi, Monier Holding Co. Ltd., Monier Roofing Pvt. Ltd., Monier Braas Sp. Z.o.o. and HPi – CZ spol. s.r.o. and Klöber-HPi s.r.o.

(8) The remaining 5.1% is held by MR Beteiligungs GmbH & Co. KG, which is a wholly owned subsidiary of the Company but is considered to be an insignificant subsidiary.

(9) Includes Monier Roofing AB, Monier AS, Monier OÜ, Monier S.I.A., Monier UAB, Monier Holdings ApS, Monier A/S and Monier OY.

(10) Includes Klöber-HPi France S.à r.l., Klöber Benelux SPRL, Klober Ltd., Klöber GmbH, Monier Roofing Components GmbH, Monier Technical Centre GmbH, Rudolf H. Braas Sozialfonds GmbH, Monier Holdings Sdn Bhd, Monier Asia Pacific Sdn Bhd, Perak Brickworks Sdn Bhd, Monier Logistics Services Sdn Bhd, Monier Malaysia Sdn Bhd, Kayangan Perzka Sdn Bhd, Monier Sdn Bhd, Advanced Technical Laminates Manufacturing Sdn Bhd, Klöber Roofing Accessories Malaysia Sdn. Bhd., PT Monier, Meisterfonds der Monier GmbH, and OOO Braas-DSK.

(11) The remaining 50.0% is held by Monier Yapi Cözüleri San. Ve Tic. A.S., which is a wholly owned subsidiary of the Company but considered non-significant.

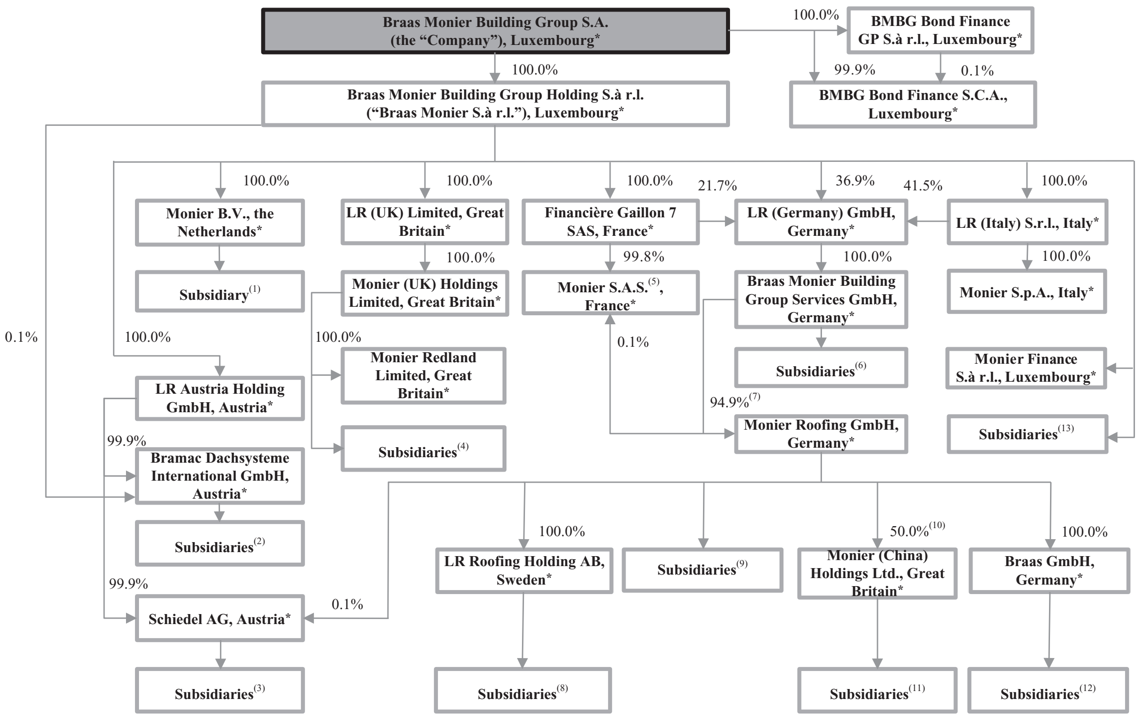
(12) Includes Monier Roofing Systems (Nanjing) Co, Ltd., Monier Roofing Systems (Qingdao) Co, Ltd., Monier Roofing Systems (Shaoxing) Co, Ltd., Monier Roofing Systems (Chengdu) Co, Ltd., Monier Roofing Systems (Foshan) Co, Ltd., Monier (Shanghai) Management Co, Ltd., Monier Roofing Systems (Beijing) Co, Ltd., and Monier Roofing Systems (Suzhou) Co, Ltd.

(13) Includes Braas Schweiz AG and Rupp Keramik GmbH.

(14) Includes Monier Special Holdings S.à r.l., Financière Roofing (Pty) Ltd., Monier Roofing SA (Pty) Ltd., LR, Inc., and Monier Inc.

Significant Subsidiaries

The following table provides an overview of the Company's most significant subsidiaries. The shareholdings reflect the Company's direct and indirect economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation.



* Indicates the country of incorporation.

(1) Includes Monier Roof Products Belgium N.V.

(2) Includes Bramac Dachsteinproduktion und Baustoffindustrie Kft., Bramac spol. s.r.o., Bramac Stresne Systemy spol. s.r.o., Bramac Pokrovni sitemi d.o.o., Bramac Sisteme per cati Sh.p.k., Bramac Pokrovni Sistemi EOOD, Bramac Sisteme de Invelitori S.R.L., Bramac Dachsteinproduktion und Baustoffindustrie d.o.o., Bramac Krovni Sistemi d.o.o. and Bramac Krovni Sistemi d.o.o.

(3) Includes Schiedel Moodulkorstnad OÜ, Schiedel Dumvadu Sistemas SIA, Schiedel kaminu sistemos UAB, Schiedel TOV, Schiedel SRL, Schiedel Sistemi oxhaku sh.p.k., Schiedel Sistemi Dimnjaka d.o.o., Schiedel Kominni Sistemi EOOD, Schiedel Diminski Sistemi d.o.o., Schiedel a.s., Schidel dimnjacki sistemi d.o.o., Schidel Sisteme de Cosuri Srl, Schiedel Slovensko s.r.o., Schiedel Kemenygyar Kft., Schiedel Proizvodnja Dimnjaka d.o.o., Schiedel d.o.o. za savjetovanje i zastupanje, Klöber-Hpi Gradevinski sustavi d.o.o., Schiedel Beteiligungsgesellschaft mbH, Schiedel Sp. z.o.o., Schiedel GmbH & Co. KG, Bemal N.V., Sistem Baca Cözümleri Sanayi ve Ticaret Anonim Sirketi, OOO Schiedel, SK Technik GmbH, Schiedel Savuhormistot Oy, Schiedel Skorsteiner AS, Schiedel Skorstenssystem, Schiedel Skorstene A/S, Schiedel Chimney Systems Ireland Ltd, Schiedel Chimney Systems Ltd., Schiedel Rite-Vent Ltd., Rite-Vent Holdings Ltd. and Rite-Vent Ltd.

(4) Includes Redland Engineering Limited, Monier Technical Centre Limited and Dovetail Roofing Accessories Limited.

(5) Monier S.A.S. is the only subsidiary.

(6) Includes Monier Yapi Cözüleri San. Ve Tic. A.S., Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sireketi, Monier Holding Co. Ltd., Monier Roofing Pvt. Ltd., Monier Braas Sp. Z.o.o. and HPi – CZ spol. s.r.o. and Klöber-HPi s.r.o.

(7) The remaining 5.1% is held by MR Beteiligungs GmbH & Co. KG, which is a wholly owned subsidiary of the Company but is considered to be an insignificant subsidiary.

(8) Includes Monier Roofing AB, Monier AS, Monier OÜ, Monier S.I.A., Monier UAB, Monier Holdings ApS, Monier A/S and Monier OY.

(9) Includes Klöber-HPi France S.à r.l., Klöber Benelux SPRL, Klober Ltd., Klöber GmbH, Monier Roofing Components GmbH, Monier Technical Centre GmbH, Rudolf H. Braas Sozialfonds GmbH, Monier Holdings Sdn Bhd, Monier Asia Pacific Sdn Bhd, Perak Brickworks Sdn Bhd, Monier Logistics Services Sdn Bhd, Monier Malaysia Sdn Bhd, Kayangan Perzka Sdn Bhd, Monier Sdn Bhd, Advanced Technical Laminates Manufacturing Sdn Bhd, Klöber Roofing Accessories Malaysia Sdn. Bhd., PT Monier, Meisterfonds der Monier GmbH, and OOO Braas-DSK.

(10) The remaining 50.0% is held by Monier Yapı Çözümleri Sanayi ve Ticaret AŞ, which is a wholly owned subsidiary of the Company but considered non-significant.

(11) Includes Monier Roofing Systems (Nanjing) Co, Ltd., Monier Roofing Systems (Qingdao) Co, Ltd., Monier Roofing Systems (Shaoxing) Co, Ltd., Monier Roofing Systems (Chengdu) Co, Ltd., Monier Roofing Systems (Foshan) Co, Ltd., Monier (Shanghai) Management Co, Ltd., Monier Roofing Systems (Beijing) Co, Ltd., and Monier Roofing Systems (Suzhou) Co, Ltd.

(12) Includes Braas Schweiz AG and Rupp Keramik GmbH.

(13) Includes Monier Special Holdings S.à r.l., Financière Roofing (Pty) Ltd., Monier Roofing SA (Pty) Ltd., LR, Inc., and Monier Inc.

Independent Auditor

KPMG Luxembourg société à responsabilité limitée, 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg, was appointed as the approved independent auditor (*réviseur d'entreprises agréé*) of the Company, for the fiscal years ended December 31, 2013, 2012 and 2011. KPMG has audited and issued an unqualified auditor's report with respect to the consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, and the unconsolidated financial statements for the year ended December 31, 2013.

KPMG conducted its audits in accordance with International Standards on auditing as adopted for Luxembourg by the CSSF. KPMG is a member of the Luxembourg Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises*) qualifying as *cabinet de révision agréé*.

Notifications, Supplements to the Prospectus, Paying Agent

Notifications in connection with the Offering will be published on the Company's website (www.braas-monier.com) and on the website of the Luxembourg Stock Exchange (www.bourse.lu) in accordance with article 10 of the Luxembourg Prospectus Law. Any supplements to the Prospectus will be published in accordance with article 13 of the Luxembourg Prospectus Law. Printed copies of each such notification and supplements will be made available at the Company's office at 5, rue Guillaume Kroll, L-1882 Luxembourg.

The paying agent is BNP Paribas Securities Services Frankfurt Branch. The mailing address of the paying agent is Europa-Allee 12, 60327 Frankfurt am Main, Germany.

DESCRIPTION OF SHARE CAPITAL OF BRAAS MONIER BUILDING GROUP S.A. AND APPLICABLE REGULATIONS

Current Share Capital and Shares

At the date of the Prospectus, our share capital amounts to €350,000 and is divided into 35,000,000 shares, each with a par value (*valeur nominale*) of €0.01. The share capital has been fully paid up. The shares were created pursuant to Luxembourg law.

Development of the Share Capital since the Company's Foundation

The share capital of the Company as of the day of its incorporation on October 7, 2009 amounted to €12,500. On March 28, 2014, the legal form of the Company has been changed from a limited liability company (*société à responsabilité limitée*) to a public limited company (*société anonyme*), and the share capital of the Company was increased by €18,500 from €12,500 to €31,000. On June 6, 2014 the existing 3,100,000 shares have been cancelled and the share capital of the Company was increased to €350,000 through the issuance of 35,000,000 new shares each with a par value (*valeur nominale*) of €0.01. The share capital is divided into 35,000,000 shares each with a par value (*valeur nominale*) of €0.01. In exchange for the Company PPLs which were cancelled, the Selling Shareholder received 35,000,000 shares of the Company.

Certification and Transferability of the Shares

Title to Shares in bearer form is evidenced by one or more bearer share certificate(s). The Company's current share capital which is represented by shares in bearer form is certificated by a global share certificate deposited with Clearstream. Upon issuance, the New Shares will be certified by a global share certificate also to be deposited with Clearstream. The Articles of Association provide that as long the Existing Shares and the New Shares are deposited with a securities settlement system, they each may only be represented by a single share certificate.

The Articles of Association provide that Shares of the Company may be in registered form or in bearer form, at the option of the shareholder.

Authorized Capital

The authorized share capital of the Company excluding the issued share capital amounts to €192,500, divided into 19,250,000 shares each with a par value (*valeur nominale*) of €0.01. During a period of five years from the date of publication of the resolutions of the extraordinary general meeting of shareholders held on June 6, 2014 or, as the case may be, of the resolution renewing or modifying such authorization in the Luxembourg Official Gazette (*Mémorial*), the Board of Directors is authorized to issue shares, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized capital, to such persons and on such terms as it shall see fit, and specifically also to proceed to such issue without reserving a preferential subscription right for the existing shareholders. This authorization may be renewed once or several times by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of the Articles of Association, each time for a period not exceeding 5 years from the date of publication of the resolutions of the extraordinary general meeting of shareholders.

Securities Other Than Shares

The Group has issued securities other than the shares. For a description of the Notes issued by BMBG Bond Finance S.C.A. and guaranteed by the Company as well as other financing arrangements, see "*Material Agreements*."

Authorization to Acquire and Sell Treasury Shares

At the date of the Prospectus, the Board of Directors is currently authorized by the general shareholders' meeting to acquire own shares.

The Company does not currently hold any of its own shares, nor does a third party on behalf of the Company.

According to article 7.2 of the Articles of Association, the Company may, to the extent and under the terms permitted by law, repurchase its own shares.

Without prejudice to the principle of equal treatment of shareholders in the same situation and the provisions of the Luxembourg Market Abuse Law, pursuant to the 1915 Companies Act, the Company may acquire its own shares either itself or through a person acting in its own name but on the Company's behalf subject to the following statutory conditions:

(1) the authorization to acquire shares is to be given by a general shareholders' meeting, which determines the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorization is given and which may not exceed five years and, in the case of acquisition for value, the maximum and minimum consideration;

(2) the acquisitions must not have the effect of reducing the net assets of the Company below the aggregate of the subscribed capital and the reserves which may not be distributed under the law or the Articles of Association; and

(3) only fully paid-up shares may be included in the transaction.

At the time each authorized acquisition is carried out, the Board of Directors must ensure that the statutory conditions mentioned in the preceding paragraph are complied with.

Where the acquisition of the Company's own shares is necessary in order to prevent serious and imminent harm to the Company, no authorization will be required from the general shareholders' meeting. In such a case, the next general shareholders' meeting must be informed by the Board of Directors of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

No authorization will likewise be required from the general shareholders' meeting in the case of shares acquired either by the Company itself or by a person acting in his own name but on behalf of the Company for the distribution thereof to the staff of the Company. The distribution of any such shares must take place within 12 months from the date of their acquisition.

None of the abovementioned statutory conditions, except for the condition described under

(2) above, apply to the acquisition of:

(a) shares acquired pursuant to a decision to reduce the capital or in connection with the issue of redeemable shares;

(b) shares acquired as a result of a universal transfer of assets;

(c) fully paid-up shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract;

(d) shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in particular, in the event of a merger, the division of the Company, a change in the Company's object or form, the transfer abroad of its registered office or the introduction of restrictions on the transfer of shares;

(e) shares acquired from a shareholder in the event of failure to pay them up; and

(f) fully paid-up shares acquired pursuant to an allotment by court order for the payment of a debt owed to the Company by the owner of the Shares.

Shares acquired in the cases indicated under (b) to (f) must, however, be disposed of within a maximum period of three years after their acquisition, unless the nominal value, or, in the absence of nominal value, the accounting par value of the shares acquired, including shares which the Company may have acquired through a person acting in its own name, but on behalf of the Company, does not exceed ten per cent of the subscribed capital.

If the shares so acquired are not disposed of within the period prescribed, they must be cancelled. The subscribed capital may be reduced by a corresponding amount. Such a reduction is compulsory where the acquisition of shares and their subsequent cancellation results in the Company's net assets having fallen below the amount of the subscribed capital and the reserves which may not be distributed under the law or the Articles of Association.

Any shares acquired in contravention of the above conditions (a) to (f) must be disposed of within a period of one year after the acquisition. Have they not been disposed of within that period, they must be cancelled.

In those cases where the acquisition by the Company of its own shares is permitted in accordance with the foregoing, the holding of such shares is subject to the following conditions: (i) among the rights attaching to the shares, the voting rights in respect of the Company's own shares are suspended; and (ii) if the said shares are included among the assets shown in the balance sheet, a non-distributable reserve of the same amount is to be created among the liabilities.

Where the Company has acquired own shares in accordance with the abovementioned, the annual report of the Board of Directors must indicate: (i) the reasons for acquisitions made during the fiscal year, (ii) the number and the nominal value of the shares acquired and disposed of during the fiscal year and the proportion of the subscribed capital which they represent, (iii) in the case of acquisition or disposal for value, the consideration for the shares, and (iv) the number and nominal value of all the shares acquired and held in the Company's portfolio as well as the proportion of the subscribed capital which they represent.

At the date of the Prospectus, the Board of Directors is currently authorized by the general shareholders' meeting to acquire own shares.

General Rules on Allocation of Profits and Dividend Payments

All Shares are entitled to participate equally in dividends when, as and if declared by the general meeting of shareholders and/or the Board of Directors out of funds legally available for such purposes. The Offer Shares offered in the Offering will be entitled to full profit participation. Pursuant to the Luxembourg Company Law and the Articles of Association, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general meeting of shareholders. The Articles of Association provide that the annual general meeting of shareholders is held on the second Wednesday of the month of May at 10:00 am (CEST). If such day is a public holiday, the meeting shall be held on the next following business day, at the same hour. The amount of distribution to shareholders may not exceed the amount of the profits at the end of the last fiscal year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, minus any losses carried forward and sums to be placed in reserve in accordance with the law or the Articles of Association.

Under Luxembourg law, at least five percent (5%) from the Company's annual net profits shall be allocated to the Company's legal reserve. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of the Company's reserve amounts to ten percent (10%) of the Company's issued share capital but shall again be compulsory if the legal reserve falls below such ten percent threshold.

Under the terms and conditions provided by law and upon recommendation of the Board of Directors, the annual general meeting of shareholders will determine how the remainder of the Company's annual net profits will be used in accordance with Luxembourg law and the Articles of Association.

Under the terms and conditions provided by Luxembourg law and as set out in the Articles of Association, the Board of Directors may proceed to the payment of interim dividends. The conditions under the Luxembourg Company Law and the Articles of Association for the payment of interim dividends are as follows:

- the Board of Directors has drawn up interim balance sheets of the company showing the distributable reserves;

- the amount to be distributed may not exceed total profits made since the end of the last fiscal year for which the accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements of the law or of the articles;

- the decision of the Board of Directors to distribute an interim dividend may not be taken more than two months after the date at which the interim accounts above have been drawn up;

- in its report to the Board of Directors, the independent auditor (*réviseur d'entreprises agréé*) of the Company shall confirm in a report that the above conditions have been satisfied.

Where the payments on account of interim dividends exceed the amount of the dividend subsequently decided upon by the general meeting of shareholders, they shall, to the extent that there is an overpayment, be deemed to have been paid on the account of the next dividend.

Under the Luxembourg Company Law claims for dividends lapse in favor of the Company five years after the date on which such dividends were declared.

The share premium, assimilated premium or other distributable reserve, if any, may be freely distributed to the shareholder(s) by a resolution of the shareholder(s) or of the director(s), subject to any legal provisions regarding the inalienability of the share capital and of the legal reserve.

General Provisions Governing the Liquidation of the Company

The general meeting of shareholders may decide at any time to dissolve and liquidate the Company, subject to the quorum and majority requirements for an amendment to the Articles of Association. The quorum is at least fifty percent (50%) of all the Shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of Shares present or represented. A majority of sixty-six point sixty-six percent (66.66%) of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting.

In the event of a loss of at least half of the subscribed capital, the Board of Directors must convene an extraordinary general shareholders' meeting within two months as of the date on which the Board of Directors discovered or should have ascertained this undercapitalization. At this extraordinary general shareholders' meeting, shareholders will resolve on the possible dissolution of the Company. The quorum is at least fifty percent (50%) of all the Shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of Shares present or represented. A majority of sixty-six point sixty-six percent (66.66%) of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting. Where the loss equals or exceeds of seventy-five percent (75%) of the subscribed share capital, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of shareholders representing twenty-five percent (25%) of the votes cast at the meeting.

The Company, once dissolved, is deemed to exist for as long as necessary for its proper liquidation. If the Company is dissolved for any reason, the general shareholders' meeting will have the most extensive powers to appoint the liquidator(s), determine their powers and fix their remuneration. The powers of the Board of Directors in office will end at the time when the liquidators are appointed. In the event that the general shareholders' meeting fails to appoint the liquidator(s), the directors then in office will automatically become the liquidators of the Company.

The principal duty of the liquidators consists of winding up the Company by paying its debts, realizing its assets and distributing them to the shareholders. If the financial situation so warrants, pre-payments of liquidation dividends may be made by the liquidator in accordance with the Luxembourg law.

In the event of the Company's dissolution, the liquidation shall be carried out by one or several liquidators appointed by the general meeting of shareholders resolving on the Company's dissolution which shall determine the liquidators'/liquidator's powers and remuneration.

After all the debts and liabilities of the Company are paid or funds are deposited to that effect, the liquidation surplus will be used to reimburse in cash or securities the amount paid up on the Shares. If all the Shares are not equally paid up, the liquidator(s) shall restore equality either by a call for funds or a prior distribution. The balance of the liquidation surplus will be distributed equally between all Shares.

General Provisions Governing Share Capital Increases and Decreases

The share capital may be increased by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of the Articles of Association of the Company.

The Articles of Association of the Company may further authorize the Board of Directors to increase the share capital of the Company by a certain maximum amount fixed in the articles of association. In case of an increase of the share capital through a decision of the Board of Directors, such decision needs to be recorded in a notarial deed.

Share capital increases may be made out of share premium against payment in cash or payment in kind. In case of a share capital increase of the Company against payment in kind, in principle a report from an independent auditor is required to confirm that the value of the contribution corresponds at least to the nominal value of the newly issued shares.

In the case of a share capital increase against payment in cash, existing shareholders have a preferential subscription right *pro rata* to their participation in the share capital prior to its increase (no preferential subscription right applies in case of a share capital increase against contribution in kind). The Board of Directors shall determine the period of time during which such preferential subscription right may be exercised and which may not be less than thirty (30) days from the opening of the subscription period which shall be announced in a notice setting such subscription period which shall be published in the Luxembourg Official Gazette (*Mémorial*) and two newspapers published in Luxembourg. Such right may be waived by the relevant shareholders and it may as well be limited or suppressed by the general meeting of shareholders or by the management body deciding the share capital increase. The decision to limit or suppress the preferential subscription right must be justified in a written report of the management body to the general meeting of shareholders, indicating in particular the proposed subscription price for the new shares. The New Shares will be issued by excluding the preferential subscription right of existing shareholders.

The share capital may be decreased by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of the articles of association of the Company. In case of a share capital decrease all shareholders have the right to participate *pro rata* in the share capital reduction. In the event of a decrease of the share capital with a repayment to the shareholders or a waiver of their obligation to pay up their Shares, creditors whose claims predate the publication of the minutes of the extraordinary general shareholders' meeting may, within 30 days from such publication, apply for the constitution of a security to the judge presiding the chamber of the local court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters. The judge may only reject such an application if the creditor already has adequate safeguards or if such security is unnecessary having regard to the assets of the Company. No payment may be made or waiver given to the shareholders until such time when the creditors have obtained satisfaction or until the judge presiding the chamber of the local court (*Tribunal d'Arrondissement*) dealing with commercial matters has ordered that their application should not be acceded to. No creditor protection rules apply in the case of a reduction in the subscribed capital for the purpose of offsetting losses incurred which are not capable of being covered by means of other own funds or to include sums in a reserve provided that such reserve does not exceed ten percent (10%) of the reduced subscribed capital.

Luxembourg Law on Dematerialized Securities

Pursuant to the law of April 6, 2013 on dematerialized securities published in the Luxembourg Official Gazette (*Mémorial A*) on April 15, 2013, the Company has the option to issue new shares in dematerialized form or convert its Shares into shares in dematerialized form instead of bearer or registered forms. Such issue or conversion into shares in dematerialized form would be subject, inter alia, to a prior amendment to the Articles of Association approved by a general meeting of shareholders.

Mandatory Takeover Bids and Exclusion of Minority Shareholders

Mandatory Bids, Squeeze-Out and Sell-Out Rights under the Luxembourg Takeover Law

The Luxembourg law of May 19, 2006 implementing Directive 2004/25/EC of the European Parliament and the Council of April 21, 2004 on takeover bids (the "**Luxembourg Takeover Law**") provides that if a person, acting alone or in concert, obtains voting securities of the Company which, when added to any existing holdings of the Company's voting securities, give such person voting rights representing 33 ⅓ percent of all of the voting rights attached to the voting securities in the Company, this person is obliged to make an offer for the remaining voting securities in the Company at a fair price. In a mandatory bid situation the "fair price" is considered to be the highest price paid by the offeror or by the persons acting in concert with the offeror for the voting securities during the 12-month period preceding the mandatory bid.

Following the implementation of the Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, any voluntary bid for the takeover of our Company and any mandatory bid will be subject to shared regulation by the CSSF pursuant to the Luxembourg Takeover Law, which has implemented the Takeover Directive into Luxembourg law, and by the BaFin pursuant to the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Under the shared regulation regime, German takeover law applies to the matters relating to the consideration offered, the bid procedure, the contents of the offer document and the procedure of the bid. The German Regulation on the Applicability of the Takeover Code (*WpÜG-Anwendbarkeitsverordnung*) specifies the applicable provisions in more detail. Matters regarding company law (and related questions), such as, for instance, the question relating to the percentage of voting rights which give control over a company and any derogation from the obligation to launch a bid or regarding information to be provided to employees of the offeree company, will exclusively be governed by Luxembourg law.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and after such offer the offeror holds voting securities representing not less than 95 percent of the share capital that carry voting rights to which the offer relates and 95 percent of the voting rights, the offeror may require the holders of the remaining voting securities to sell those securities to the offeror. The price offered for such securities must be a "fair price." The price offered in a voluntary offer would be considered a "fair price" in the squeeze-out proceedings if not less than 90 percent of the securities representing share capital that carry voting rights were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price." The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and if after such offer the offeror (and any person acting in concert with the offeror) holds voting securities carrying more than 90 percent of the voting rights, the remaining security holders may require that the offeror purchase the remaining voting securities. The price offered in a voluntary offer would be considered "fair" in the sell-out proceedings if 90 percent of the securities representing share capital that carry voting rights of the Company to which the offer relates were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price." The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

Where the Company has issued more than one class of voting securities, the rights of squeeze-out and sell-out described in the last two preceding paragraphs can be exercised only in the class in which the applicable thresholds have been reached.

Luxembourg Mandatory Squeeze-Out and Sell-Out Law

The Company may also be subject to the Luxembourg law of July 21, 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer (the "**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**"). These provide that if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of shares or other voting securities representing at least 95 percent of the voting share capital and 95 percent of the voting rights of the Company: (i) such owner may require the holders of the remaining shares or other voting securities to sell those remaining securities (the "**Mandatory Squeeze-Out**"); and (ii) the holders of the remaining shares or securities may require such owner to purchase those remaining shares or other voting securities (the "**Mandatory Sell-Out**"). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF.

Amendment to the Rights of Shareholders

Any amendments to the rights of the shareholders set out in the Articles of Association require the amendment of the Articles of Association. An amendment to the Articles of Association must be approved by an extraordinary general shareholders' meeting of the Company held in front of a Luxembourg public notary in accordance with the quorum and majority requirements applicable to an amendment to the Articles of Association. A two-thirds (2/3) majority of the votes cast by the shareholders present or represented is required at any such general shareholders' meeting. The Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

Shareholdings Disclosure Requirements

Luxembourg Transparency Law

Holders of the shares and derivatives or other financial instruments linked to the shares may be subject to notification obligations pursuant to the Luxembourg law of January 11, 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended (the "**Luxembourg Transparency Law**"). The following description summarizes these obligations. The Company's shareholders are advised to consult with their own legal advisers to determine whether the notification obligations apply to them.

The Luxembourg Transparency Law provides that, if a person acquires or disposes of a shareholding in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of five percent, ten percent, 15 percent, 20 percent, 25 percent, 33 1/3 percent, 50 percent or 66 2/3 percent of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below the abovementioned thresholds as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by the Company.

The same notification requirements apply to a natural person or legal entity to the extent he/she/ it is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

(a) voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer;

(b) voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;

(c) voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his/her/its intention of exercising them;

(d) voting rights attaching to shares in which that person or entity has the life interest;

(e) voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;

(f) voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at his/her/its discretion in the absence of specific instructions from the shareholders;

(g) voting rights held by a third party in its own name on behalf of that person or entity;

(h) voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his/her/its discretion in the absence of specific instructions from the shareholders.

The notification requirements also apply to a natural person or legal entity who holds, directly or indirectly, financial instruments that result in an entitlement to acquire, on such holder's own initiative alone, under a formal agreement, shares to which voting rights are attached and already issued.

The notification to the Company and to the CSSF must be effected as soon as possible, but not later than six trading days following a transaction or four trading days following information of an event changing the breakdown of voting rights by the issuer. Upon receipt of the notification, but no later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Luxembourg Transparency Law.

As long as the notifications have not been made to the Company in the manner prescribed, the exercise of voting rights relating to the shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted as of the moment the shareholder makes the notification.

Where within the 15 days preceding the date for which the general shareholders' meeting has been convened, the Company receives a notification or becomes aware of the fact that a notification has to be or should have been made in accordance with the Luxembourg Transparency Law, the Board of Directors may postpone the general shareholders' meeting for up to four weeks.

In accordance with article 8(4) of the Luxembourg Transparency Law, the disclosure requirements do not apply to the acquisition or disposal of a major holding by a market maker (*teneur de marché*) in securities insofar as the acquisition or disposal is effected in his capacity as a market maker in securities and insofar as the acquisition is not used by the market maker to intervene in the management of the Company.

Luxembourg Mandatory Squeeze-Out and Sell-Out Law

Pursuant to article 3 of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, any individual or legal entity, acting alone or in concert with another, who (i) becomes the owner directly or indirectly of a number of shares or other voting securities representing at least 95 percent of the voting share capital and 95 percent of the voting rights of the Company, (ii) falls below one of the thresholds under (i) above or (iii) acquires additional shares or other voting securities while having already crossed the thresholds under (i) above, such person must notify the Company and the CSSF of the exact percentage of its holding, the transaction that triggered the notification requirement, the effective date of such transaction, its identity and the ways the shares or other voting securities are being held.

The notification to the Company and the CSSF must be effected as soon as possible, but not later than four working days after obtaining knowledge of the effective acquisition or disposal or of the possibility of exercising or not the voting rights. Upon receipt of the notification, but no later than three working days thereafter, the Company must make public all the information contained in the notification in a manner ensuring fast access to the information and on a non-discriminatory basis.

Disclosure of Transactions of Persons Holding Management Responsibilities

Pursuant to article 17 of the Luxembourg Market Abuse Law, persons discharging managerial responsibilities within the Company and, as applicable, persons who have a close link with such persons must notify the CSSF and the Company of all transactions effectuated in their name and relating to shares admitted to trading on a regulated market, derivatives or other financial instruments relating to the shares. The disclosure must be made within five business days following the conclusion of each individual operation. The information must be accessible to the public.

For the purpose of the Luxembourg Market Abuse Law, "persons discharging managerial responsibilities within the Company" include (i) members of the administrative, management or supervisory bodies of the Company and (ii) senior executives having regular access to inside information relating, directly or indirectly, to the Company, and the power to make managerial decisions affecting the future developments and business prospects of the Company.

Persons closely associated with a person discharging managerial responsibilities within the Company include the following persons:

- the spouse of the person discharging managerial responsibilities, or any partner of that person considered by national law as equivalent to the spouse,

- according to national law, dependent children of the person discharging managerial responsibilities,

- other relatives of the person discharging managerial responsibilities, who have shared the same household as that person for at least one year on the date of the transaction concerned,

- any legal person, trust estate or other trust, or any association without legal personality, whose managerial responsibilities are discharged by a person discharging managerial responsibilities within the Company or by another person closely associated with such person, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.

As the Company intends to list its shares on the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), section 15a of the German Securities Trading Act (*Wertpapierhandelsgesetz*) will apply.

Under section 15a of the German Securities Trading Act, persons holding managerial responsibilities within listed stock corporations are required to notify the stock corporation and BaFin within five business days of their own transactions involving shares of the Company or related financial instruments, including, in particular, derivatives. This obligation also applies for related parties of persons holding managerial responsibilities.

Notification is not required if the total sum of all transactions involving a person holding managerial responsibilities and his or her related parties is less than €5,000 for the calendar year. Persons holding managerial responsibilities for these purposes refer to any managing partner or member of the company's management, administrative or supervisory bodies and any person who has regular access to insider information and is authorized to make important managerial decisions. Related parties include spouses, registered civil partners, dependent children and other relatives who have been living in the same household as the person holding managerial responsibilities for at least one year when the relevant transaction is made. Notice is also required for legal entities in which a person holding managerial responsibilities and/or any of the aforementioned parties holds supervisory responsibilities, which are controlled by a person holding managerial responsibilities or such parties, which were established for the benefit of a person holding managerial responsibilities or such a party or the economic interests of which are substantially equivalent to those of a person holding managerial responsibilities or such a party. Negligent or willful non-compliance with these notification requirements may result in the imposition of a statutory fine on the person holding managerial responsibilities or related party.

UNDERWRITING

General

We, the Selling Shareholder and the Underwriters entered into the Underwriting Agreement, dated June 10, 2014 relating to the offer and sale of the Offer Shares in connection with the Offering.

The Offering consists of up to 23,013,201 ordinary shares each with a par value (*valeur nominale*) of €0.01 and carrying the same dividend rights as the Existing Shares, comprising up to 4,347,827 New Shares, up to 15,714,286 Existing Shares and an additional up to 2,951,088 Over-Allotment Shares made available to J.P. Morgan as Stabilization Manager on behalf of the Underwriters by way of a share loan to cover potential over-allotments. 18.9% of the Offer Shares are newly issued shares by the Company and 81.1% of the Offer Shares stems from the holdings of the Selling Shareholder, assuming placement of the maximum number of New Shares and Existing Shares and assuming full exercise of the Greenshoe Option.

The Offering consists of a public offering of the Offer Shares in the Federal Republic of Germany and private placements of the Offer Shares in certain jurisdictions outside the Federal Republic of Germany. The Offering will commence on June 11, 2014 and is expected to end on June 24, 2014. In the United States, the Offer Shares will be offered for sale by the Underwriters to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Outside the United States, the Offer Shares will be offered and sold to professional and institutional investors in reliance on Regulation S under the Securities Act. Any offer and sale of the Offer Shares in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Securities Exchange Act of 1934.

The offer price for each Offer Share is expected to be determined jointly by us, the Selling Shareholder and the Joint Bookrunners on or about June 24, 2014 on the basis of an order book prepared during the bookbuilding process.

Under the terms of the Underwriting Agreement and subject to certain conditions, in particular the execution of a pricing agreement, each Underwriter is obliged to acquire the number of Base Shares set forth below opposite the Underwriter's name:

Underwriters	Maximum Number of Base Shares to be acquired(1)	Percentage of Underwritten Base Shares(2)
BNP PARIBAS	6,459,806	28.1%
J.P. Morgan	6,459,806	28.1%
UBS	6,459,806	28.1%
Berenberg	1,210,494	5.3%
Goldman Sachs International	2,423,290	10.5%
Total	23,013,201	100.0%

(1) Assuming exercise of Greenshoe Option in full; share figures may not add up exactly due to rounding.
(2) May not add up exactly to 100% due to rounding.

Underwriting Agreement

In the Underwriting Agreement, dated June 10, 2014, the Underwriters agreed to underwrite and purchase the Base Shares with a view to offering them to investors in this offering. The Underwriters agreed to remit to the Company the offer price of the New Shares (less agreed commissions and expenses), at the time the Shares are delivered, which is expected to be two bank working days after admission to trading. The Underwriters further agreed to acquire up to 15,714,286 Existing Offer Shares (as well as up to 2,951,088 additional Existing Shares with regard to a possible over-allotment) from the Selling Shareholder and to sell such Shares as part of the Offering. The Underwriters agreed to remit the purchase price of the Existing Offer Shares (less agreed commissions) to the Selling Shareholder at the time the Shares are delivered.

The obligations of the Underwriters are subject to various conditions, including, among other things, (i) the absence of a material adverse event, *e.g.*, a material adverse change in or affecting the business, prospects, management, consolidated financial position, shareholders' equity, or results of operations of the Company, or a suspension or material limitation in trading in securities generally on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the London Stock Exchange or the New York Stock Exchange (ii) receipt of customary certificates, legal opinions, auditor letters, and (iii) the introduction of the Offer Shares to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of the Offer Shares. The Underwriters have provided and may in the future provide services to the Company and the Selling Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with the Company and the Selling Shareholder in their capacity as financial institutions. (For a more detailed description of the interests of the Underwriters in the Offering, see "*The Offering—Interests of Parties Participating in the Offering*.")

Commission

The Underwriters will offer the Offer Shares at the offer price. The Company (for the Shares offered from the capital increase) and the Selling Shareholder (for the Shares offered from its own holdings) will pay the Underwriters a basic commission of about 1.75% of their respective gross proceeds from the Offering. In addition to this base commission, the Company and the Selling Shareholder will pay the Underwriters an additional discretionary fee of up to 1.25% of their respective gross proceeds from the Offering, payable entirely at the sole discretion of the Company and the Selling Shareholder (the "**Discretionary Fee**"). The decision to pay any performance fee and its amount are within the sole discretion of the Company and the Selling Shareholder, and such distribution is to be made within 60 days after the Closing Date of the Offering. The Company and the Selling Shareholder will also agree to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering. In addition, the Selling Shareholder will pay the Underwriters a selling commission of 1.75% as base commission of the offer price for each Over-Allotment Share that is purchased at the price for the Offer Shares and at the Selling Shareholder's sole discretion a discretionary fee of additional 1.25% of the offer price for each Over-Allotment Share sold. This selling commission will become payable upon payment of the offer price of the respective Over-Allotment Shares to the Selling Shareholder.

Greenshoe Option and Securities Loan

To cover a potential over-allotment, the Selling Shareholder will make available up to 2,951,088 additional Shares to the Underwriters free of charge through a share loan. In addition, the Selling Shareholder will grant the Underwriters the option of acquiring up to 2,951,088 Shares at the offer price less agreed commissions (the "**Greenshoe Option**"). This Greenshoe Option will terminate 30 calendar after the commencement of trading of the Offer Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Termination/Indemnification

The Underwriting Agreement provides that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the Shares have been allotted and listed, up to delivery and settlement. Grounds for termination include, in particular, if:

- there has been any adverse change, or any development involving a prospective adverse change, in or affecting the general affairs, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Group;

- the Company or the Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case is in the reasonable judgment of the Joint Global Coordinators so material and adverse as to make it impractical or inadvisable to proceed with the Offering or the delivery of the offered Shares on the terms and in the manner contemplated in the Prospectus;

- a suspension or material limitation in trading (except for technical reasons) (a) in any of the Company's securities, (b) in securities generally on the Frankfurt Stock Exchange, the London Stock Exchange, the New York Stock Exchange;

- a general moratorium on banking activities in any member state of the European Union or the United States declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the Federal Republic of Germany, Luxembourg, the United Kingdom or the United States;

- a change or development involving a prospective change in German or Luxembourg taxation materially affecting the Company, the Shares or the transfer thereof or the imposition of exchange controls by the Federal Republic of Germany, Luxembourg, the United Kingdom or the United States;

- the outbreak or escalation of hostilities or the declaration of a national emergency or war, which have a material adverse effect on the financial markets in the Federal Republic of Germany, Luxembourg, the United Kingdom or the United States; or

- the occurrence of any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls, which have a material adverse effect on the financial markets in the Federal Republic of Germany, Luxembourg, the United Kingdom or the United States.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Selling Shareholder agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

Selling Restrictions

The distribution of this Prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company, the Selling Shareholder or the Underwriters to permit a public offering of the Offer Shares anywhere other than Germany and Luxembourg or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required.

The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Offer Shares may not be offered, sold, or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the U.S. securities laws and in compliance with all other applicable U.S. legal regulations. In the Underwriting Agreement, the Underwriters have represented and warranted that they have not offered or sold and will refrain from offering or selling the Offer Shares in or into the United States except to persons they reasonably believe to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act, and outside the United States except in accordance with Rule 903 of Regulation S under the Securities Act and in compliance with other U.S. legal regulations, and that neither they nor any third party acting on their behalf, have undertaken or will undertake, (i) "direct selling efforts" as defined in Regulation S under the Securities Act or (ii) "general 209 Advertising" or "general solicitation," each as defined in Regulation D under the Securities Act in relation to the Offer Shares.

The Company does not intend to register either the Offering or any portion of the Offering in the United States or to conduct a public offering of Shares in the United States. This Prospectus has solely been approved by the CSSF and a notification of the approved Prospectus has been submitted to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany and Luxembourg except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. Each of the Underwriters will represent and warrant to the Company and the Selling Shareholder that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from, or otherwise involving the United Kingdom.

The Underwriters have further represented and warranted in the Underwriting Agreement that they have not and will not publicly offer the Offer Shares in any of the member states of the European Economic Area which have implemented Directive 2003/71/EC as amended (the "**Prospectus Directive**") (each a "**Relevant Member State**") from the date of the implementation of the Prospectus Directive, unless (i) a prospectus for the Offer Shares that has been approved by the CSSF has been previously published and, where appropriate, notified to the competent authority of the Relevant Member State; (ii) the offer is exclusively intended for so-called qualified investors within the meaning of the Prospectus Directive; (iii) the offer is made to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of Directive 2010/73/EU, 150 natural or legal persons (other than qualified investors); or (iv) the offer takes place under other circumstances in which the publication of a prospectus by the Company is not required under Article 3 of the Prospectus Directive, to the extent that this exemption has been implemented in the Relevant Member State.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section presents a number of key German taxation principles which generally are or can be relevant to the acquisition, holding or transfer of shares both by a shareholder (an individual, a partnership or corporation) that has a tax domicile in Germany (that is, whose place of residence, habitual abode, registered office or place of management is in Germany) and by a shareholder without a tax domicile in Germany. The information is not exhaustive and does not constitute a definitive explanation of all possible aspects of taxation that could be relevant for shareholders. This section does not cover the treatment of certain special companies such as those engaged in the financial and insurance sectors and pension funds. The information is based on the tax law in force in Germany as of the date of this Prospectus (and its interpretation by administrative directives and courts) as well as typical provisions of double taxation treaties that Germany has concluded with other countries. Tax law can change – sometimes retrospectively. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an alternative assessment to be correct that differs from the one described in this section.

This section cannot replace tailored tax advice to individual shareholders. Shareholders are therefore advised to consult their tax advisers regarding the tax implications of the acquisition, holding or transfer of shares and regarding the procedures to be followed to achieve a possible reimbursement of German withholding tax. Only such advisors are in a position to take the specific tax-relevant circumstances of individual shareholders into due account.

Taxation of Shareholders Tax Resident in Germany

Taxation of Dividend Income

Shares held as Non-Business Assets

Dividends received by a shareholder who is subject to an unlimited tax liability in Germany and holds his or her shares as non-business assets are, as a general rule, taxed as capital investment income (*Einkünfte aus Kapitalvermögen*) and, as such, subject to a 25 percent flat tax plus 5.5 percent solidarity surcharge thereon resulting in an aggregate tax rate of 26.375 percent (flat tax regime, *Abgeltungsteuer)*, plus church tax, if applicable.

If the shares are held in a custodial account with a German resident credit institution, financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including in each case a German branch of such foreign institution), a securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a securities trading bank (*inländische Wertpapierhandelsbank*) (the "**German Disbursing Agent**") (*inländische Zahlstelle*) the German Disbursing Agent generally withholds German tax at a rate of 25 percent (plus 5.5 percent solidarity surcharge thereon and, if applicable, church tax) on the gross amount of the dividends paid by the Company. However, the German Disbursing Agent must reduce the amount of the German withholding tax by the amount of tax withheld in Luxembourg (15 percent of the dividends as described under "*Taxation in the Grand Duchy of Luxembourg—Withholding Tax*"). The German tax resident individual's personal income tax liability with respect to dividends is generally satisfied through the withholding. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). The Company does not assume any responsibility for the withholding of German tax at source. Shareholders who are subject to an unlimited tax liability in Germany and hold their shares as non-business assets may provide to the German Disbursing Agent either a non-assessment certificate (*Nichtveranlagungsbescheinigung*) issued by their competent local tax office or an exemption declaration (*Freistellungsauftrag*) in the maximum amount of the saver's allowance (*Sparer-Pauschbetrag*) of €801 (or, for couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly, €1,602).

Upon application of shareholders who are subject to church tax under the applicable regional church tax law (*Landeskirchensteuergesetz*) and who hold their shares as non-business assets, church tax on their investment income will generally be withheld and remitted by a German Disbursing Agent. In this case the church tax withheld by a German Disbursing Agent will be final. The withheld church tax is not deductible as a special expense (*Sonderausgabe*) by assessment. However, the German Disbursing Agent can decrease the flat tax (solidarity surcharge included) by 26.375 percent of the church tax which has to be deducted from the dividends. If church tax is not withheld, shareholders who are subject to church tax are committed to report the dividends in their income tax return. In this case, the church tax is imposed by assessment. With regard to dividends received after December 31, 2014, church tax will be automatically deducted unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office.

The individual shareholder is taxed on his or her aggregate capital investment income, less the saver's allowance. Income-related expenses are not tax-deductible. Private investors can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible. Further, in such a case, tax withheld in Luxembourg (15 percent of the dividends as described under "*Taxation in the Grand Duchy of Luxembourg—Withholding Tax*") can generally be credited against the German tax liability on the Luxembourg dividends received by the German tax resident individual. The current double tax treaty between the Federal Republic of Germany and the Grand Duchy of Luxembourg does not provide for a reduction of Luxembourg withholding tax on dividends for individuals below the 15% Luxembourg domestic withholding tax rate currently levied in Luxembourg.

Shares held as Business Assets

If the shares form part of a German business (including a German permanent establishment of a foreign business investor), the taxation of dividends differs depending on whether the shareholder is a corporation, a sole proprietor or a partnership. The flat tax regime does not apply to dividends paid on shares held by a German tax resident shareholder as business assets.

(i) Corporations:

For corporations subject to an unlimited corporate income tax liability in Germany, dividends are, as a general rule, effectively 95 percent tax exempt from corporate income tax (including solidarity surcharge). Five percent of the dividend income is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge. However, dividends received by a shareholder holding a participation of less than ten percent in the share capital of the Company at the beginning of the calendar year (a "**Portfolio Participation**") (*Streubesitzbeteiligung*) are not exempt in the amount of 95 percent from corporate income tax (including solidarity surcharge thereon). Participations of at least ten percent acquired during a calendar year are deemed to be acquired at the beginning of the calendar year. Participations held through a partnership that is a partnership being engaged or deemed to be engaged in a business ("**Co-Entrepreneurship**") (*Mitunternehmerschaft*) are attributable to the shareholders *pro rata* in the amount of their participations.

Dividends are fully subject to trade tax, unless the shareholder holds at least ten percent of the registered share capital of the Company at the beginning of the relevant tax assessment period; the ten percent threshold derives from the fact that the Company is a Luxembourg public limited liability company (*société anonyme*) and therefore falls under the Parent-Subsidiary-Directive (EU Directive 2011/96/EU of the Council dated November 30, 2011). In the latter case, effectively 95 percent of the dividends are also exempt from trade tax. Business expenses actually incurred in connection with the dividends are deductible for corporate income tax and – subject to certain restrictions – also for trade tax purposes.

Tax withheld on the dividends in Luxembourg is generally not creditable against the corporate income tax liability of the corporate shareholder in Germany. However, it should generally be creditable against corporate income tax imposed on Luxembourg capital investment income to the extent it relates to dividends from Portfolio Participations.

A full relief from Luxembourg withholding tax on dividends under the Parent-Subsidiary-Directive *inter alia* requires a direct participation of at least ten percent in the Company and a minimum holding period of 12 months. The current double tax treaty between the Federal Republic of Germany and the Grand Duchy of Luxembourg which entered into force on 1 January 2014 inter alia requires a participation of at least ten percent in the Company for a partial relief from Luxembourg withholding tax on dividends (*i.e.*, a reduction to a withholding tax rate of five percent).

Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax on dividends paid by the Company to a corporate shareholder.

(ii) Sole proprietors (individuals):

Where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany, 60 percent of the dividends are taxed at the applicable individual income tax rate plus 5.5 percent solidarity surcharge on such income tax (partial income taxation method, *Teileinkünfteverfahren*) totaling up to a maximum rate of around 47.5 percent, plus church tax, if applicable. Correspondingly, only 60 percent of any business expenses related to the dividends may be deducted for income tax purposes. Dividends are fully subject to trade tax, unless the sole proprietor holds at least ten percent of the Company's registered share capital at the beginning of the relevant tax assessment period. In this case, the net amount of the dividend (*i.e.*, after deduction of the business expenses directly connected to it) is exempt from trade tax. In general, business expenses are deductible for trade tax purposes but certain restrictions may apply. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

Tax withheld in Luxembourg (15 percent of the dividends as described under "*Taxation in the Grand Duchy of Luxembourg—Withholding Tax*") should be creditable against the German personal income tax liability with respect to the dividend income.

If the shares are held in a custodial account with a German Disbursing Agent, the German Disbursing Agent is not obliged to withhold German tax on dividends paid by the Company provided that the individual certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

(iii) Partnerships:

If the shareholder is a Co-Entrepreneurship, the individual income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsection (i) and (ii) apply accordingly. Trade tax, however, is assessed and levied at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany; this applies irrespective of whether the dividends are attributable to individual partners or corporate partners. Due to a lack of case law and administrative guidance, it is currently unclear how the new rules for the taxation of dividends from Portfolio Participations (see subsection (i) above) might impact the trade tax treatment at the level of the partnership. Shareholders are strongly recommended to consult their individual tax advisors. The trade tax paid by the partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax on a lump-sum basis.

The creditability of the tax withheld in Luxembourg against the German corporate or personal income tax depends on whether the partner is a corporation or an individual. If the partner is a corporation, the principles explained for corporations above apply (see "*(i) Corporations*" above). If the partner is an individual, the principles explained for individuals above apply (see under "*(ii) Sole proprietors (individuals)*" above).

If the shares are held in a custodial account with a German Disbursing Agent, no German withholding tax arises provided that the partnership certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

German Controlled Foreign Corporation Rules (Außensteuergesetz)

Tax residents of Germany will have to include in their income (and file corresponding special tax returns with regard to) distributed and undistributed earnings of a foreign company in which they hold directly or indirectly shares if the foreign company qualifies as a low taxed controlled foreign corporation, for German tax purposes. Neither the (partial) exemption of dividends from German tax nor the reduced tax rates under the flat regime (*Abgeltungssteuer*) apply to these amounts; however, a subsequent dividend paid by the foreign company within seven years from the attribution of income pursuant to the controlled foreign corporation rules will be exempt from German taxation in the hands of the investor to the extent of such previously attributed amount. A foreign company generally qualifies as a controlled foreign corporation if the majority of its shares is held by German tax residents and certain expatriates and further requirements are met. However, with regard to certain passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) of a foreign company (including, among other things, interest and capital gains from the disposal of financial instruments but excluding dividends received, and including passive portfolio income generated by a foreign subsidiary of such foreign company) the German shareholders will be required to include these amounts into income on a *pro rata* basis regardless of whether the majority of the shareholders is resident in Germany. The inclusion will take place if the passive portfolio income of such foreign company (as determined under German tax accounting principles) is subject to income tax of less than 25 percent. Note that such passive low taxed portfolio income may in particular arise in respect of repayments of the German Warehouse Debt and payments or accrual of interest on the German Warehouse Debt (see *"Risk Factors—Financial Risks—A repayment of German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("Außensteuergesetz")" and "Risk Factors—Financial Risks—The accrual or payment of interest on the German Warehouse Debt may result in German tax resident shareholders in the Company realizing taxable income under the German controlled foreign corporation rules as set out in the German Foreign Tax Act ("Außensteuergesetz")"*). However, a German shareholder may escape such taxation of undistributed earnings if he holds less than one percent of the issued share capital of the Company at the end of the Company's fiscal year and can show to the satisfaction of the German tax authorities that regular and substantial trading in the Company's main class of shares takes place at a recognized stock exchange.

Taxation of Capital Gains

Shares held by Individual Shareholders as Non-Business Assets

Capital gains from the sale of shares which an individual shareholder holds as non-business assets are generally subject to a 25 percent flat tax (plus 5.5 percent solidarity surcharge thereon, resulting in an aggregate withholding tax rate of 26.375 percent), plus church tax, if applicable. Losses from the sale of such shares can only be used to offset capital gains from the disposal of shares in stock corporations during the same year or in subsequent years. The amount of the taxable capital gain from the sale is the difference between (a) the proceeds from the sale and (b) the cost of acquisition of the shares and the expenses directly related to the sale. Income-related expenses may not be deducted from capital gains. If the shares are deposited with or administered by a German Disbursing Agent, the tax on the capital gains is generally settled by way of withholding through the German Disbursing Agent which is required to deduct a withholding tax of 26.375 percent (including solidarity surcharge), plus church tax, if applicable, of the capital gains from the sale proceeds and remit it to the tax authority. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25 percent (plus solidarity surcharge and church tax thereon, where applicable).

If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder's legal predecessor, directly or indirectly held at least one percent of the share capital of the Company at any time during the five years preceding the sale of shares (a "**Qualified Participation**"), the flat tax regime does not apply and, rather, 60 percent of any capital gain resulting from the sale is taxable as business income at the shareholder's individual income tax rate plus 5.5 percent solidarity surcharge (and church tax, if applicable) on such income tax. Conversely, 60 percent of a capital loss from the disposal of the shares is generally recognized for tax purposes. Withholding tax is also deducted by a German Disbursing Agent in the case of a Qualified Participation, but this does not have the effect of a settlement of the shareholder's tax liability. Upon the shareholder's assessment to income tax, the withheld and remitted tax is credited against the individual income tax liability. To the extent that the amounts withheld exceed the individual income tax liability of the shareholder, they will be refunded.

Shares held as Business Assets

Gains on the disposal of shares held by an individual or corporation as business assets are in principle not subject to the 25 percent flat tax plus 5.5 percent solidarity surcharge thereon (and church tax, if applicable). Withholding tax must only be withheld in the case of a German Disbursing Agent. The tax withheld, however, is not considered to be final as under the flat tax regime. The amount of tax withheld is credited against the shareholder's individual or corporate income tax liability and any amounts withheld in excess of such individual or corporate income tax liability will be refunded. Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax (i) in the case of a corporate shareholder, or (ii) if the shareholder holds the shares as assets of a business in Germany and certifies this on an officially prescribed form to the German Disbursing Agent. If a German Disbursing Agent nonetheless withholds tax on capital gains, the tax withheld and remitted (including solidarity surcharge, and church tax, if applicable) will be credited against the individual income tax or corporate income tax liability and any excess amount will be refunded.

The taxation of capital gains from the disposal of shares held as business assets depends on whether the shareholder is a corporation, a sole proprietor or a partnership:

(i) *Corporations:*

For corporations subject to an unlimited corporate income tax liability in Germany, capital gains from the sale of shares are, as a general rule and currently irrespective of any holding period or percentage level of participation, effectively 95 percent exempt from corporate income tax (including solidarity surcharge) and trade tax. Five percent of the capital gains is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge; business expenses actually incurred in connection with the capital gains from a tax perspective are generally tax-deductible. Losses from the sale of shares and other reductions in profit in connection with the shares are generally not deductible for corporate income tax and trade tax purposes. Capital gains are, irrespective of the percentage level of shareholding, effectively 95 percent exempt from trade tax.

(ii) *Sole proprietors (individuals):*

60 percent of capital gains from the sale of shares are taxed at the individual income tax rate plus 5.5 percent solidarity surcharge (plus church tax, if applicable) on such income tax where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany. Correspondingly, only 60 percent of the capital losses, other reductions in profit in connection with the shares and business expenses resulting from a share sale may be deducted for income tax purposes. Only 60 percent of the capital gains are subject to trade tax. Correspondingly, subject to general restrictions, only 60 percent of the business expenses resulting from a share sale may generally be deducted for trade tax purposes. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

(iii) *Partnerships:*

If the shareholder is a Co-Entrepreneurship, the individual income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsection (i) and (ii) apply accordingly. Trade tax, however, is assessed and levied at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany. Generally, 60 percent of a capital gain attributable to an individual partner and 5 percent of a capital gain attributable to a corporate partner are taxable. Capital losses or other reductions in profit in connection with the shares sold are not taken into account for purposes of trade tax to the extent they are attributable to a partner that is a corporation, and subject to general restrictions only 60 percent of these losses or expenses are taken into account to the extent they are attributable to a partner who is an individual.

The trade tax paid by the partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax in accordance with such lump-sum method.

Taxation of Shareholders not Tax Resident in Germany

Taxation of Dividend Income

Shareholders who are not tax resident in Germany are only subject to taxation in Germany in respect of their dividend income if their shares form part of the business assets of a permanent establishment or a fixed place of business in Germany, or constitute business assets for which a permanent representative has been appointed in Germany. In general, the situation described above for shareholders tax resident in Germany who hold their shares as business assets applies accordingly ("*—Taxation of Shareholders Tax Resident in Germany—Taxation of Dividend Income—Shares held as Business Assets*"). The withholding tax, if any, deducted and remitted to the tax authorities (including solidarity surcharge) is either credited against the individual income tax or corporate income tax liability or refunded in the amount of an excess of such liability.

Taxation of Capital Gains

Capital gains from the disposal of shares by a shareholder not tax resident in Germany are only taxable in Germany if the selling shareholder holds the shares through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany. In such a case, the description above for German tax resident shareholders who hold their shares as business assets applies accordingly ("*—Taxation of Shareholders Tax Resident in Germany—Taxation of Capital Gains—Shares held as Business Assets"*).

Inheritance and Gift Tax

The transfer of shares to another person upon death or by way of gift is generally subject to German inheritance and gift tax if:

(i) the decedent, the person making the gift, the heir, the person receiving the gift or the other person acquiring the assets has at the time of the transfer of the assets, his or her domicile or ordinary residence, place of management or registered office in Germany, or is a German citizen who has not permanently resided in a foreign country for longer than five years without having a German residence, or

(ii) the shares belong to business assets of the decedent or the person making the gift for which a permanent establishment was maintained in Germany or for which a permanent representative was appointed.

Currently, there is no double taxation treaty on inheritance tax and gift tax in force between the Federal Republic of Germany and the Grand Duchy of Luxembourg. Special rules apply to German citizens living outside Germany and to former German citizens.

Other Taxes

In general, no value-added tax, stamp duty or similar transfer taxes are assessed in Germany on the purchase, sale or other forms of transfer of shares. Entrepreneurs may, however, opt for the payment of value-added tax on such transactions that are generally tax exempt provided that the service is rendered to the business of another business owner.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax ("**FTT**") (presumably on secondary market transactions on financial transactions involving at least one financial intermediary). It is currently uncertain whether and when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force.

Wealth tax (*Vermögensteuer*) is currently not imposed in Germany.

TAXATION IN THE GRAND DUCHY OF LUXEMBOURG

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Prospectus. It does not purport to be a comprehensive description of all the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Offering and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This information is based on the laws in force Luxembourg on the date of this Prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position. Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature or to any other concepts refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Company

Income Tax

From a Luxembourg tax perspective, Luxembourg companies are considered as being resident in Luxembourg provided that they have either their registered office or their central administration in Luxembourg.

The Company is a fully taxable Luxembourg company. The net taxable profit of the Company is subject to corporate income tax and municipal business tax at ordinary rates in Luxembourg.

For the year 2014, the maximum aggregate corporate income tax and municipal business tax rate amounts to 29.22% (including the solidarity surcharge) for companies located in Luxembourg-City. A minimum corporate income tax applies to Luxembourg resident companies. For companies which do not require a business license or the approval of a supervisory authority and which own financial assets, transferable securities and cash at bank exceeding 90% of their total balance sheet, such minimum corporate income tax amount to €3,210 (including the solidarity surcharge) per year.

Liability to such corporation taxes extends to the Company's worldwide income (including capital gains), subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (loi concernant l'impôt sur le revenu), as commented and currently applied by the Luxembourg tax authorities ("**LIR**"). Under LIR, all income of the Company will be taxable in the fiscal period to which it economically relates and all deductible expenses of the Company will be deductible in the fiscal period to which they economically relate. Under certain conditions, dividends received by the Company from qualifying participations and capital gains realised by the Company on the sale of such participations, may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime.

Under the participation exemption regime, dividends derived from shares may be exempt from income tax if (i) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**") and (ii) at the time the dividend is put at the Company's disposal, the latter has held or committed itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Qualified Subsidiary or (b) a direct participation in the Qualified Subsidiary of an acquisition price of at least €1.2 million ("**Qualified Shareholding**"). A Qualified Subsidiary means (a) a company covered by Article 2 of the Council Directive 2011/96/EU dated November 30, 2011 (the "**Parent-Subsidiary Directive**") or (b) a non-resident capital company (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions.

Capital gains realized by the Company on shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on shares may be exempt from income tax at the level of the Company if at the time the capital gain is realized, the Company has held or commits itself to hold for an uninterrupted period of at least 12 months shares representing a direct participation in the share capital of the Qualified Subsidiary (i) of at least 10% or of (ii) an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which shares have been disposed of and the lower of their cost or book value.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Net Worth Tax

The Company is subject to Luxembourg net worth tax at the rate of 0.5% applied on its net assets as determined for net worth tax purposes. Net worth is referred to as the unitary value (*valeur unitaire*), as generally determined on January 1 of each year. The unitary value is in principle calculated as the difference between (i) assets estimated at their fair market value (*valeur estimée de réalisation*), and (ii) liabilities *vis-à-vis* third parties.

Under the participation exemption regime, a Qualified Shareholding held in a Qualified Subsidiary by the Company is exempt from net worth tax.

Other taxes

The incorporation of the Company through a contribution in cash to its share capital as well as further share capital increase or other amendment to the articles of incorporation of the Company are subject to a fixed registration duty of €75.

Withholding Tax

Dividends paid by the Company to its shareholders are generally subject to a 15% withholding tax in Luxembourg. Under certain conditions, a corresponding tax credit may be granted to the shareholders. Responsibility for the withholding of the tax is assumed by the Company.

The applicable withholding tax rate may be reduced under a double tax treaty concluded by Luxembourg.

A withholding tax exemption applies under the participation exemption regime if cumulatively (i) the shareholder is an eligible parent ("Eligible Parent") and (ii) at the time the income is made available, the shareholder has held or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding. Holding a participation through a tax transparent entity is deemed to be a direct participation in the proportion of the net assets held in this entity. An Eligible Parent includes notably (a) a company covered by Article 2 of the Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, (c) a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in a Member State of the European Economic Area other than an EU Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof or (d) a Swiss capital company (*société de capitaux*) which is subject to corporate income tax in Switzerland without benefiting from an exemption.

No withholding tax is levied on capital gains and liquidation proceeds.

Taxation of the Shareholders

Tax Residency of the Shareholders

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposal of the shares or the execution, performance or enforcement of his/her rights thereunder.

Income Tax

For the purposes of this paragraph, a disposal may include a sale, an exchange, a contribution, a redemption and any other kind of alienation of the participation.

Luxembourg Resident Shareholders

Luxembourg Resident Individuals

Dividends and other payments derived from the shares held by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rates. Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from the Company may however exempt from income tax.

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative if the shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of the Substantial Participation ("**Substantial Participation**"). A shareholder is also deemed to alienate a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a Substantial Participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a Substantial Participation more than six months after the acquisition thereof are taxed according to the half-global rate method (*i.e.,* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the Substantial Participation).

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Luxembourg Resident Companies

Dividends and other payments derived from the shares held by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption regime are not met, 50% of the dividends distributed by the Company to a Luxembourg fully taxable resident company are nevertheless exempt from income tax.

Under the participation exemption regime, dividends derived from the shares may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is for instance a Luxembourg resident fully taxable company ("**Qualified Parent**") and (ii) at the time the dividend is put at the shareholder's disposal, the shareholder has held or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding. Liquidation proceeds are assimilated to dividends and may be exempt under the same conditions.

Capital gains realized by a Luxembourg fully taxable resident company on the disposal of the shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on the shares may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is a Qualified Parent and (ii) at the time the capital gain is realized, the shareholder has held or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Company or (b) a direct participation in the Company of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Luxembourg Resident Companies Benefiting from a Special Tax Regime

A shareholder which is a Luxembourg resident company benefiting from a special tax regime, such as (i) an undertaking for collective investment governed by the law of December 17, 2010, as amended, (ii) a specialized investment fund governed by the law of February 13, 2007, as amended or (iii) a family wealth management company governed by the law of May 11, 2007, as amended, is exempt from income tax in Luxembourg. Dividends and capital gains derived from the shares are thus not subject to Luxembourg income tax in their hands.

Luxembourg Non-Resident Shareholders

Non-resident shareholders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares are attributable, are not liable to any Luxembourg income tax, whether they receive payments of dividends or realize capital gains on the disposal of the shares, except capital gains realized on a Substantial Participation before the acquisition or within the first six months of the acquisition thereof, that are subject to income tax in Luxembourg at ordinary rates (subject to the provisions of any relevant double tax treaty) and except for the withholding tax mentioned above. A participation is deemed to be substantial where a shareholder holds or has held, either alone or, in case of an individual shareholder, together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A shareholder is also deemed to alienate a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a Substantial Participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

Non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the shares are attributable, must include any income received, as well as any gain realized on the disposal of the shares, in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption regime are not fulfilled, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative are however exempt from income tax. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime, dividends derived from the shares may be exempt from income tax if cumulatively (i) the shares are attributable to a qualified permanent establishment ("**Qualified Permanent Establishment**") and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it has held or commits itself to hold a Qualified Shareholding in the Company. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital company (*société de capitaux*) resident in a State having a double tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in a Member State of the European Economic Area other than an EU Member State. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Under the participation exemption regime, capital gains realized on the shares may be exempt from income tax if cumulatively (i) the shares are attributable to a Qualified Permanent Establishment and (ii) at the time the capital gain is realized, the Qualified Permanent Establishment has held or committed itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation in the share capital of the Company of at least 10% or (b) a direct participation in the Company of an acquisition price of at least €6 million.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realized by a Luxembourg non-resident shareholder (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the shares are held) are not taxable in Luxembourg unless (a) the shareholder holds a Substantial Participation in the Issuer and the disposal of the shares takes place less than six months after the Shares were acquired or (b) the shareholder has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

Under the participation exemption regime, a Qualified Shareholding held in a Qualified Subsidiary by a Qualified Parent or attributable to a Qualified Permanent Establishment may be exempt from Luxembourg corporate income tax.

Net Worth Tax

Luxembourg resident shareholders, as well as non-resident shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, are subject to Luxembourg net worth tax on such shares, except if the shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law of December 17, 2010, as amended, (iii) a securitization company governed by the law of March 22, 2004, as amended, on securitization, (iv) a company governed by the law of June 15, 2004, as amended, on venture capital vehicles, (v) a specialized investment fund governed by the law of February 13, 2007, as amended or (vi) a family wealth management company governed by the law of May 11, 2007, as amended.

Under the participation exemption regime, a Qualified Shareholding held in a Qualified Subsidiary by a Qualified Parent or attributable to a Qualified Permanent Establishment may be exempt from Luxembourg net worth tax.

Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable to the Shareholder upon the acquisition, holding or disposal of the shares. However, a fixed registration duty of €12 may be due upon registration of the shares in Luxembourg in the case of legal proceedings before Luxembourg courts, in case the shares must be produced before an official Luxembourg authority, or in the case of a registration of the shares on a voluntary basis.

No inheritance tax is levied on the transfer of the shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

The disposal of the shares is not subject to a Luxembourg registration tax or stamp duty, unless recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

UNITED STATES FEDERAL INCOME TAXATION

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

This section describes the material United States federal income tax consequences to a U.S. holder (as defined below) of owning shares. It applies to you only if you acquire your shares in this offering and you hold your shares as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a tax-exempt organization,
- a life insurance company,
- a person liable for alternative minimum tax,
- a person that actually or constructively owns 10% or more of our voting stock,
- a person that holds shares as part of a straddle or a hedging or conversion transaction,
- a person that purchases or sells shares as part of a wash sale for tax purposes, or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions all as currently in effect, as well as on the U.S.-Luxembourg Income Tax Treaty (the "**Treaty**"). These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the shares should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the shares.

You are a U.S. holder if you are a beneficial owner of shares and you are:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

You should consult your own tax advisor regarding the United States federal, state and local and other tax consequences of owning and disposing of shares in your particular circumstances.

Dividends

Under the United States federal income tax laws, and subject to the passive foreign investment company, or PFIC, rules discussed below, if you are a U.S. holder, the gross amount of any dividend we pay out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) is subject to United States federal income taxation. If you are a noncorporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the shares for more than 60 days during the

121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends we pay with respect to the shares may be qualified dividend income. You should consult your own tax advisor regarding the treatment of our dividends as qualified dividend income.

You must include any Luxembourg tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the euro payments made, determined at the spot euro/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the shares and thereafter as capital gain. However, we do not expect to calculate earnings and profits in accordance with United States federal income tax principles. Accordingly, you should expect generally to treat distributions we make as dividends.

Subject to certain limitations, the Luxembourg tax withheld in accordance with the Treaty and paid over to Luxembourg will be creditable or deductible against your United States federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates.

Dividends will be income from sources outside the United States and, depending on your circumstances, will be either “passive” or “general” income for purposes of computing the foreign tax credit allowable to you.

Capital Gains

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your shares, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your shares. Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Medicare Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. holder’s “net investment income” for the relevant taxable year and (2) the excess of the U.S. holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000, depending on the individual’s circumstances). A U.S. holder’s net investment income generally includes its dividend income and its net gains from the disposition of shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the shares.

PFIC Rules

We believe that shares should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

In general, if you are a U.S. holder, we will be a PFIC with respect to you if for any taxable year in which you held our shares:

- at least 75% of our gross income for the taxable year is passive income or
- at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation’s income.

If we are treated as a PFIC, and you are a U.S. holder that did not make a mark-to-market election, as described below, you will be subject to special rules with respect to:

- any gain you realize on the sale or other disposition of your shares and
- any excess distribution that we make to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the shares during the three preceding taxable years or, if shorter, your holding period for the shares).

Under these rules:

- the gain or excess distribution will be allocated ratably over your holding period for the shares,
- the amount allocated to the taxable year in which you realized the gain or excess distribution will be taxed as ordinary income,
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If you own shares in a PFIC that are treated as marketable stock, you may make a mark-to-market election. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your shares at the end of the taxable year over your adjusted basis in your shares. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the shares will be adjusted to reflect any such income or loss amounts.

Your shares will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in your shares, even if we are not currently a PFIC. For purposes of this rule, if you make a mark-to-market election with respect to your shares, you will be treated as having a new holding period in your shares beginning on the first day of the first taxable year beginning after the last taxable year for which the mark-to-market election applies.

In addition, notwithstanding any election you make with regard to the shares, dividends that you receive from us will not constitute qualified dividend income to you if we are a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own shares during any year that we are a PFIC with respect to you, you may be required to file Internal Revenue Service ("**IRS**") Form 8621.

Information with Respect to Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of $50,000 (and in some circumstances a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the shares.

Backup Withholding and Information Reporting

If you are a noncorporate U.S. holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale of shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

Payment of the proceeds from the sale of shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

FINANCIAL INFORMATION

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Braas Monier Building Group S.A.

Unaudited Interim Consolidated Financial Statements
(prepared in accordance with IFRS)
as of and for the first three months ended March 31, 2014

Interim consolidated financial statements

Consolidated statement of income for the first quarter 2014
(Thousands of euros)

	Note	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[1]	Jan. 1, 2012 – Dec. 31, 2012[1]	Jan. 1, 2011 – Dec. 31, 2011[1]
Revenues	(4)	250,035	215,714	1,219,065	1,303,238	1,354,677
Cost of sales	(6)	-189,682	-176,998	-898,302	-992,172	-1,016,798
Gross profit		**60,353**	**38,716**	**320,763**	**311,066**	**337,879**
Selling expenses	(7)	-39,302	-41,857	-158,987	-178,320	-179,245
Administrative expenses	(7)	-25,003	-25,588	-96,584	-112,939	-114,975
Other operating income	(8)	508	4,307	13,265	21,375	23,674
Other operating expenses	(9)	-442	-3,905	-14,089	-16,887	-5,806
Restructuring expenses		0	-8,921	-72,402	-73,376	-15,673
Impairments		0	0	-9,561	-124,942	-8,314
Reversal of impairments		0	0	23,286	822	0
Result from associates		163	425	614	2,813	2,254
Earnings before interest and taxes (EBIT)		**-3,723**	**-36,823**	**6,305**	**-170,388**	**39,794**
Finance income		1,435	7,030	3,313	17,714	8,478
Finance costs		-19,958	-13,130	-88,211	-83,627	-77,861
Earnings before taxes (EBT)		**-22,246**	**-42,923**	**-78,593**	**-236,301**	**-29,589**
Income taxes	(11)	6,643	5,241	9,596	22,597	-5,488
Profit (loss) for the period		**-15,603**	**-37,682**	**-68,997**	**-213,704**	**-35,077**
Thereof attributable to:						
Equity holders of the parent company		-15,471	-37,376	-70,903	-212,241	-33,728
Non-controlling interests		-132	-306	1,906	-1,463	-1,349

(1) Adjusted amounts, see note (3)

Consolidated statement of other comprehensive income for the first quarter 2014
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013(1)	Jan. 1, 2012 – Dec. 31, 2012(1)	Jan. 1, 2011 – Dec. 31, 2011(1)
Profit (loss) for the period	**-15,603**	**-37,682**	**-68,997**	**-213,704**	**-35,077**
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gains and losses on pension plans	0	-2,284	7,142	-68,365	-4,540
Income tax effect	0	0	-1,600	18,625	425
Items that are or may be reclassified to profit or loss					
Foreign exchange differences	-611	-7,223	-9,987	7,572	883
Foreign exchange differences from at-equity accounted investments	-2	219	-1,270	-366	-3,332
Other comprehensive income for the period, net of tax	**-613**	**-9,288**	**-5,715**	**-42,534**	**-6,564**
Total comprehensive income for the period, net of tax	**-16,216**	**-46,970**	**-74,712**	**-256,238**	**-41,641**
Thereof attributable to:					
Equity holders of the parent company	-15,898	-46,185	-76,397	-254,708	-40,404
Non-controlling interests	-318	-785	1,685	-1,530	-1,237

(1) Adjusted amounts, see note (3)

Consolidated cash flow statement for the first quarter 2014
(Thousands of euros)

	Note	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[1]	Jan. 1, 2012 – Dec. 31, 2012[1]	Jan. 1, 2011 – Dec. 31, 2011[1]
EBIT		**-3,723**	**-36,823**	**6,305**	**-170,388**	**39,794**
Adjustments for:						
Amortization, depreciation	(13)	24,660	24,559	91,164	108,410	104,449
(Reversal of) Impairment losses on non-current assets, net		0	0	-13,725	124,120	8,314
(Gains) / losses on the disposal of non-current assets	(8, 9)	0	-2,869	-2,948	-9,730	0
(Gains) / losses on the sale of equity investments	(8, 9)	0	0	-4,284	1,258	-10,025
Result from associates		-163	-425	-614	-2,813	-2,254
Dividends received		0	834	2,329	1,722	1,969
Interest and finance fees paid		-9,543	-6,082	-42,627	-33,232	-22,207
Interest received		209	23	828	1,129	1,680
Net income tax paid		-744	656	-5,460	-5,458	-22,923
Change in provisions		-12,298	-2,489	-12,636	25,027	-9,641
Change in working capital						
Change in inventories		-26,762	-27,100	21,177	15,587	5,205
Change in trade and other receivables		-20,498	-8,530	10,938	25,494	3,933
Change in trade and other payables		-9,565	-46,358	-23,586	-5,140	7,313
Net cash from operating activities		**-58,427**	**-104,604**	**26,861**	**75,986**	**105,607**
Investments in intangible assets and property, plant and equipment	(13)	-6,304	-11,123	-50,827	-58,169	-66,470
Acquisition of consolidated companies less cash received		0	0	0	-5,000	-38,612
Acquisition of other financial assets		0	-26	0	0	0
Proceeds from the disposal of property, plant and equipment and intangible assets		111	3,981	6,373	24,702	3,370
Proceeds from the disposal of subsidiaries and other financial assets		269	0	14,780	5,977	10,908
Net cash from / (used in) investing activities		**-5,924**	**-7,168**	**-29,674**	**-32,490**	**-90,804**
Net cash from / (used in) operating and investing activities		**-64,351**	**-111,772**	**-2,813**	**43,496**	**14,803**
Decrease in loans		0	-4,402	-707,216	0	-26,222
Increase in loans		107	0	646,719	515	0
Proceeds from capital increases		20	0	0	0	0
Dividends paid to parent company		0	0	0	-3,000	0
Net cash from / (used in) financing activities		**127**	**-4,402**	**-60,497**	**-2,485**	**-26,222**
Change in cash and cash equivalents		**-64,224**	**-116,174**	**-63,310**	**41,011**	**-11,419**
Cash and cash equivalents at the beginning of the period		**207,481**	**273,487**	**273,487**	**231,798**	**243,077**
Effect of exchange rate fluctuations on cash and cash equivalents		-229	-818	-2,696	678	140
Cash and cash equivalents at the end of the period		**143,028**	**156,495**	**207,481**	**273,487**	**231,798**

(1) Adjusted amounts, see note (3)

Consolidated statement of financial position as of March 31, 2014
(Thousands of euros)

	Note	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013[1]	Dec. 31, 2012[1]	Dec. 31, 2011[1]
Non-current assets						
Goodwill	(13)	43,657	45,940	43,788	45,201	75,089
Other intangible assets	(13)	239,048	246,170	241,916	250,909	262,865
Property, plant and equipment	(13)	611,563	654,188	631,001	671,210	820,182
Investments accounted for using the equity method		7,713	21,843	7,706	22,012	22,266
Other financial assets		3,418	1,067	3,125	1,249	8,666
Other non-current assets		2,828	4,511	3,140	4,096	6,628
Deferred tax assets		24,939	24,021	13,289	17,983	18,572
Total non-current assets		**933,166**	**997,740**	**943,965**	**1,012,660**	**1,214,268**
Current assets						
Inventories		221,084	246,140	194,481	219,989	233,665
Trade accounts receivables		123,316	137,774	101,323	131,023	153,314
Other current assets		38,285	31,542	39,715	31,341	31,148
Cash and cash equivalents		143,028	156,495	207,481	273,487	231,798
Assets held for sale		4,626	2,769	4,832	5,727	1,712
Total current assets		**530,339**	**574,720**	**547,832**	**661,567**	**651,637**
Total assets		**1,463,505**	**1,572,460**	**1,491,797**	**1,674,227**	**1,865,905**
Equity						
Subscribed capital	(14)	31	13	13	13	13
Additional paid-in capital		302,017	302,015	302,015	302,015	297,010
Retained earnings		-281,862	-235,873	-266,391	-196,213	65,768
Foreign currency translation reserve		-22,538	-17,600	-22,111	-11,075	-18,348
Total equity attributable to the shareholders of the parent		**-2,352**	**48,555**	**13,526**	**94,740**	**344,443**
Non-controlling interests		2,356	-4,613	2,674	-3,828	-4,285
Total equity		**4**	**43,942**	**16,200**	**90,912**	**340,158**
Non-current liabilities						
Provisions for pension liabilities and similar obligations	(15)	317,400	327,567	316,918	323,725	255,304
Deferred tax liabilities		19,536	44,429	19,567	43,842	90,036
Long term portion of provisions for other risks	(16)	106,870	109,350	110,949	110,443	118,387
Long term liabilities to parent companies	(17)	0	0	0	0	5,005
Long term liabilities to banks	(17)	655,015	693,960	654,433	690,547	677,138
Long term tax liabilities	(17)	20,546	18,892	18,873	18,982	21,852
Other long term liabilities	(17)	15,646	11,633	14,577	14,281	6,303
Total non-current liabilities		**1,135,013**	**1,205,831**	**1,135,317**	**1,201,820**	**1,174,025**
Current liabilities						
Trade accounts payable	(17)	98,227	98,839	96,855	127,094	131,707
Short term tax liabilities	(17)	19,845	15,725	14,824	17,792	11,986
Short term portion of provisions for other risks	(16)	56,923	69,128	63,657	69,399	25,305
Short term liabilities to parent companies	(17)	7,702	8,092	8,197	8,197	10,966
Short term loans and liabilities to banks	(17)	17,603	9,074	12,482	15,184	8,594
Other short term liabilities	(17)	128,188	121,829	144,265	143,829	163,164
Total current liabilities		**328,488**	**322,687**	**340,280**	**381,495**	**351,722**
Total equity and liabilities		**1,463,505**	**1,572,460**	**1,491,797**	**1,674,227**	**1,865,905**

(1) Adjusted amounts, see note (3)

Consolidated statement of changes in equity for the first quarter 2014
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2014	**13**	**302,015**	**-266,391**	**-22,111**	**13,526**	**2,674**	**16,200**
Foreign exchange effects	0	0	0	-427	**-427**	-186	**-613**
Other comprehensive income	**0**	**0**	**0**	**-427**	**-427**	**-186**	**-613**
Consolidated loss for the period	0	0	-15,471	0	**-15,471**	-132	**-15,603**
Total comprehensive income	**0**	**0**	**-15,471**	**-427**	**-15,898**	**-318**	**-16,216**
Capital increase	18	2	0	0	**20**	0	**20**
Balance as of Mar. 31, 2014	**31**	**302,017**	**-281,862**	**-22,538**	**-2,352**	**2,356**	**4**

Consolidated statement of changes in equity for the first quarter 2013
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2013	**13**	**302,015**	**-196,213**	**-11,075**	**94,740**	**-3,828**	**90,912**
Actuarial gains and losses	0	0	-2,284	0	**-2,284**	0	**-2,284**
Foreign exchange effects	0	0	0	-6,525	**-6,525**	-479	**-7,004**
Other comprehensive income	**0**	**0**	**-2,284**	**-6,525**	**-8,809**	**-479**	**-9,288**
Consolidated loss for the period	0	0	-37,376	0	**-37,376**	-306	**-37,682**
Total comprehensive income	**0**	**0**	**-39,660**	**-6,525**	**-46,185**	**-785**	**-46,970**
Balance as of Mar. 31, 2013	**13**	**302,015**	**-235,873**	**-17,600**	**48,555**	**-4,613**	**43,942**

Consolidated statement of changes in equity for the fiscal year 2013
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2013(1)	**13**	**302,015**	**-196,213**	**-11,075**	**94,740**	**-3,828**	**90,912**
Actuarial gains and losses	0	0	5,542	0	**5,542**	0	**5,542**
Foreign exchange effects	0	0	0	-11,036	**-11,036**	-221	**-11,257**
Other comprehensive income	**0**	**0**	**5,542**	**-11,036**	**-5,494**	**-221**	**-5,715**
Consolidated loss for the period	0	0	-70,903	0	**-70,903**	1,906	**-68,997**
Total comprehensive income	**0**	**0**	**-65,361**	**-11,036**	**-76,397**	**1,685**	**-74,712**
Change in consolidated group	0	0	-4,817	0	**-4,817**	4,817	**0**
Balance as of Dec. 31, 2013(1)	**13**	**302,015**	**-266,391**	**-22,111**	**13,526**	**2,674**	**16,200**

(1) Adjusted amounts, see note (3)

Consolidated statement of changes in equity for the fiscal year 2012
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2012[1]	**13**	**297,010**	**65,768**	**-18,348**	**344,443**	**-4,285**	**340,158**
Actuarial gains and losses	0	0	-49,740	0	**-49,740**	0	**-49,740**
Foreign exchange effects	0	0	0	7,273	**7,273**	-67	**7,206**
Other comprehensive income	**0**	**0**	**-49,740**	**7,273**	**-42,467**	**-67**	**-42,534**
Consolidated loss for the period	0	0	-212,241	0	**-212,241**	-1,463	**-213,704**
Total comprehensive income	**0**	**0**	**-261,981**	**7,273**	**-254,708**	**-1,530**	**-256,238**
Waiver of shareholder loan	0	5,005	0	0	**5,005**	0	**5,005**
Change in consolidated group	0	0	0	0	**0**	1,987	**1,987**
Balance as of Dec. 31, 2012[1]	**13**	**302,015**	**-196,213**	**-11,075**	**94,740**	**-3,828**	**90,912**

(1) Adjusted amounts, see note (3)

Consolidated statement of changes in equity for the fiscal year 2011
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2011[1]	**13**	**300,010**	**103,611**	**-15,787**	**387,847**	**-3,048**	**384,799**
Actuarial gains and losses	0	0	-4,115	0	**-4,115**	0	**-4,115**
Foreign exchange effects	0	0	0	-2,561	**-2,561**	112	**-2,449**
Other comprehensive income	**0**	**0**	**-4,115**	**-2,561**	**-6,676**	**112**	**-6,564**
Consolidated loss for the period	0	0	-33,728	0	**-33,728**	-1,349	**-35,077**
Total comprehensive income	**0**	**0**	**-37,843**	**-2,561**	**-40,404**	**-1,237**	**-41,641**
Dividends paid	0	-3,000	0	0	**-3,000**	0	**-3,000**
Balance as of Dec. 31, 2011[1]	**13**	**297,010**	**65,768**	**-18,348**	**344,443**	**-4,285**	**340,158**

(1) Adjusted amounts, see note (3)

Notes to the interim consolidated financial statements

Segment reporting

Western Europe[1]
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	74,380	66,350	284,847	299,132	326,085
Inter-segments revenues	1,104	841	4,926	5,336	5,311
Revenues	75,484	67,191	289,773	304,468	331,396
year-to-year change	*12.3%*	—	*-4.8%*	*-8.1%*	—
Operating EBITDA[2]	9,464	4,777	27,830	26,731	35,078
in % of revenues	*12.5%*	*7.1%*	*9.6%*	*8.8%*	*10.6%*
Depreciation & amortization	7,306	7,502	25,658	34,064	31,627
Result from associates	82	19	-71	342	435
Operating income[2]	2,240	-2,706	2,101	-6,991	3,886
in % of revenues	*3.0%*	*-4.0%*	*0.7%*	*-2.3%*	*1.2%*
Non-operating result[2]	0	-6,854	-1,895	-81,644	-633
EBIT	2,240	-9,560	206	-88,635	3,253

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure[3]	-1,004	-527	-7,569	-13,658	-13,697
Capital employed[2] / [4]	207,157	221,757	202,555	221,225	303,626
Return on capital employed[2] / [5]	—	—	*1.0%*	*-2.7%*	*1.2%*
Volumes sold tiles in msqm[2] / [7]	5.2	4.8	20.4	21.4	24.5
Average employees[2] / [6] / [7]	1,291	1,422	1,376	1,501	1,569
Employees as of period ended[2] / [7]	1,269	1,396	1,305	1,441	1,561

(1) Incl. France, United Kingdom, Netherlands, Belgium
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided through average of opening and closing capital employed for the period
(6) Average of employees determined on a monthly basis (also considering the beginning of the period)
(7) Unaudited supplementary information

Central, Northern & Eastern Europe[1]
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	82,633	62,198	417,141	445,044	470,297
Inter-segments revenues	2,899	2,077	10,940	12,908	15,659
Revenues	85,532	64,275	428,081	457,952	485,956
year-to-year change	*33.1%*	—	*-6.5%*	*-5.8%*	—
Operating EBITDA[2]	7,155	-2,911	59,190	54,430	60,671
in % of revenues	*8.4%*	*-4.5%*	*13.8%*	*11.9%*	*12.5%*
Depreciation & amortization	6,149	5,882	20,207	22,649	27,279
Operating income[2]	1,006	-8,793	38,983	31,781	33,392
in % of revenues	*1.2%*	*-13.7%*	*9.1%*	*6.9%*	*6.9%*
Non-operating result[2]	64	-53	-10,305	-33,557	-5,810
EBIT	1,070	-8,846	28,678	-1,776	27,582

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure[3]	-502	-2,764	-12,682	-10,860	-19,183
Capital employed[2] / [4]	229,983	259,966	206,031	223,940	251,895
Return on capital employed[2] / [5]	—	—	*18.1%*	*13.4%*	*12.9%*
Volumes sold tiles in msqm[2] / [7]	4.9	3.7	27.5	29.1	32.7
Average employees[2] / [6] / [7]	1,516	1,800	1,675	1,890	1,911
Employees as of period ended[2] / [7]	1,519	1,773	1,511	1,848	1,932

(1) Incl. Germany, Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland, Russia, Ukraine
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided through average of opening and closing capital employed for the period
(6) Average of employees determined on a monthly basis (also considering the beginning of the period)
(7) Unaudited supplementary information

Southern Europe[1]

(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	30,217	27,286	197,337	205,724	199,439
Inter-segments revenues	336	70	1,083	342	260
Revenues	30,553	27,356	198,420	206,066	199,699
year-to-year change	*11.7%*	—	*-3.7%*	*3.2%*	—
Operating EBITDA[2]	900	-1,414	28,727	25,286	39,121
in % of revenues	*2.9%*	*-5.2%*	*14.5%*	*12.3%*	*19.6%*
Depreciation & amortization	4,912	4,920	19,744	21,645	6,497
Result from associates	0	0	0	0	-1,415
Operating income[2]	-4,012	-6,334	8,983	3,641	31,209
in % of revenues	*-13.1%*	*-23.2%*	*4.5%*	*1.8%*	*15.6%*
Non-operating result[2]	0	-597	-9,619	-37,126	-8,881
EBIT	-4,012	-6,931	-636	-33,485	22,328

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure[3]	-757	-188	-5,061	-9,856	-13,154
Capital employed[2] / [4]	139,139	172,445	141,222	159,025	170,692
Return on capital employed[2] / [5]	—	—	*6.0%*	*2.2%*	*23.4%*
Volumes sold tiles in msqm[2] / [7]	2.8	2.5	18.0	18.1	17.7
Average employees[2] / [6] / [7]	1,016	1,214	1,149	1,288	926
Employees as of period ended[2] / [7]	1,012	1,199	1,019	1,236	1,339

(1) Incl. Italy, Austria, Chech Republic, Slovakia, Hungary, Turkey, Romania, Slovenia, Croatia, Bosnia, Bulgaria, Serbia, Albania
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided through average of opening and closing capital employed for the period
(6) Average of employees determined on a monthly basis (also considering the beginning of the period)
(7) Unaudited supplementary information

Asia & Africa[1]

(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	26,986	28,288	135,169	145,467	132,210
Inter-segments revenues	42	0	84	42	86
Revenues	27,028	28,288	135,253	145,509	132,296
year-to-year change	*-4.5%*	—	*-7.0%*	*10.0%*	—
Operating EBITDA[2]	3,323	2,348	22,772	20,596	18,631
in % of revenues	*12.3%*	*8.3%*	*16.8%*	*14.2%*	*14.1%*
Depreciation & amortization	2,316	2,234	7,960	9,452	9,794
Result from associates	13	307	-105	1,690	1,548
Operating income[2]	1,020	421	14,707	12,834	10,385
in % of revenues	*3.8%*	*1.5%*	*10.9%*	*8.8%*	*7.8%*
Non-operating result[2]	0	-324	5,923	-8,628	-2,047
EBIT	1,020	97	20,630	4,206	8,338

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure[3]	-205	-378	-15,332	-8,040	-6,588
Capital employed[2] / [4]	26,344	23,632	25,387	18,262	36,000
Return on capital employed[2] / [5]	—	—	*67.4%*	*47.3%*	*25.9%*
Volumes sold tiles in msqm[2] / [7]	6.1	5.8	28.0	27.9	26.4
Average employees[2] / [6] / [7]	1,853	2,041	1,966	2,157	2,177
Employees as of period ended[2] / [7]	1,844	1,983	1,875	2,145	2,168

(1) Incl. Malaysia, China, Indonesia, India, Philippines, Thailand and South Africa
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided through average of opening and closing capital employed for the period
(6) Average of employees determined on a monthly basis (also considering the beginning of the period)
(7) Unaudited supplementary information

Chimneys & Energy Systems
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	34,364	30,820	181,335	192,115	200,647
Inter-segments revenues	662	0	96	36	26
Revenues	35,026	30,820	181,431	192,151	200,673
year-to-year change	*13.6%*	—	*-5.6%*	*-4.2%*	—
Operating EBITDA(1)	-46	-3,944	22,988	19,865	22,504
in % of revenues	*-0.1%*	*-12.8%*	*12.7%*	*10.3%*	*11.2%*
Depreciation & amortization	2,467	2,511	10,981	10,572	11,492
Result from associates	0	0	0	65	315
Operating income(1)	-2,513	-6,455	12,007	9,358	11,327
in % of revenues	*-7.2%*	*-20.9%*	*6.6%*	*4.9%*	*5.6%*
Non-operating result(1)	15	163	-11,070	-12,734	-4,532
EBIT	-2,498	-6,292	937	-3,376	6,795

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure(2)	-567	-561	-7,085	-6,305	-9,493
Capital employed(1) / (3)	72,619	88,816	59,928	75,719	94,603
Return on capital employed(1) / (4)	—	—	*17.7%*	*11.0%*	*11.6%*
Chimneys sold in thousands of meters(1) / (6)	494	423	2,455	2,481	2,821
Average employees(1) / (5) / (6)	1,176	1,328	1,266	1,405	1,445
Employees as of period ended(1) / (6)	1,173	1,295	1,178	1,352	1,459

(1) Non-IFRS-GAAP figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided through average of opening and closing capital employed for the period
(5) Average of employees determined on a monthly basis (also considering the beginning of the period)
(6) Unaudited supplementary information

Central Products & Services
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	1,455	772	3,236	15,756	25,999
Inter-segments revenues	26,398	24,340	99,207	98,257	114,624
Revenues	27,853	25,112	102,443	114,013	140,623
year-to-year change	*10.9%*	—	*-10.1%*	*-18.9%*	—
Operating EBITDA(1)	-101	-2,328	-3,077	-17,729	-13,550
in % of revenues	*-0.4%*	*-9.3%*	*-3.0%*	*-15.5%*	*-9.6%*
Depreciation & amortization	1,510	1,510	6,614	10,028	17,760
Result from associates	68	99	790	716	1,371
Operating income(1)	-1,543	-3,739	-8,901	-27,041	-29,939
in % of revenues	*-5.5%*	*-14.9%*	*-8.7%*	*-23.7%*	*-21.3%*
Non-operating result(1)	0	-1,552	-34,609	-20,281	1,437
EBIT	-1,543	-5,291	-43,510	-47,322	-28,502

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure(2)	-163	-126	-2,503	-4,229	-4,366
Capital employed(1) / (3)	47,754	47,522	54,130	47,252	62,586
Return on capital employed(1) / (4)	—	—	*-17.6%*	*-49.2%*	*-43.6%*
Volumes sold tiles in msqm(1) / (6)	n/a	n/a	n/a	n/a	n/a
Average employees(1) / (5) / (6)	414	466	444	619	735
Employees as of period ended(1) / (6)	414	454	419	487	751

(1) Non-IFRS-GAAP figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided through average of opening and closing capital employed for the period
(5) Average of employees determined on a monthly basis (also considering the beginning of the period)
(6) Unaudited supplementary information

Reconciliation of information on reportable segments to IFRS measures
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
External revenues	250,035	215,714	1,219,065	1,303,238	1,354,677
Inter-segments revenues	31,441	27,328	116,336	116,921	135,966
Revenues	281,476	243,042	1,335,401	1,420,159	1,490,643
year-to-year change	*15.8%*	—	*-6.0%*	*-4.7%*	—
Operating EBITDA[1]	20,695	-3,472	158,430	129,179	162,455
in % of external revenues	*8.3%*	*-1.6%*	*13.0%*	*9.9%*	*12.0%*
Depreciation & amortization	24,660	24,559	91,164	108,410	104,449
Result from associates	163	425	614	2,813	2,254
Operating income[1]	-3,802	-27,606	67,880	23,582	60,260
in % of external revenues	*-1.5%*	*-12.8%*	*5.6%*	*1.8%*	*4.4483%*
Non-operating result[1]	79	-9,217	-61,575	-193,970	-20,466
(Reversal of) Impairment losses on non-current assets	*0*	*0*	*13,725*	*-124,120*	*-8,314*
Restructuring expenses	*0*	*-8,921*	*-72,402*	*-73,376*	*-15,673*
Acquisitions and disposals of assets	*0*	*2,869*	*6,577*	*11,618*	*10,025*
Litigation	*0*	*0*	*-2,344*	*-1,049*	*-1,903*
Others	*79*	*-3,165*	*-7,131*	*-7,043*	*-4,601*
EBIT	-3,723	-36,823	6,305	-170,388	39,794

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Capital expenditure[2]	-3,199	-4,544	-50,232	-52,948	-66,482
Capital employed[1] / [3]	738,806	830,697	704,812	762,923	930,564
Return on capital employed[1] / [4]	—	—	*9.2%*	*2.8%*	*6.6%*
Volumes sold tiles in msqm[1] / [6]	18.8	16.5	93.0	95.9	100.9
Chimneys sold in thousands of meters[1] / [6]	485	423	2,455	2,481	2,821
Average employees[1] / [5] / [6]	7,265	8,270	7,875	8,858	8,761
Employees as of period ended[1] / [6]	7,231	8,101	7,307	8,507	9,210

(1) Non-IFRS-GAAP figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided through average of opening and closing capital employed for the period
(5) Average of employees determined on a monthly basis (also considering the beginning of the period)
(6) Unaudited supplementary information

1. Reporting Entity

Braas Monier Building Group S.A. (hereinafter the “Company”) is a Luxembourg financial holding company incorporated on October 7, 2009 under the name “Monier Participations S.à r.l.” for an unlimited period subject to general company law. Subscribed capital corresponds to the amount disclosed by Braas Monier Building Group S.A., Luxembourg, in its separate financial statements.

The condensed consolidated interim financial statements of the Company as of the three months ended March 31, 2014 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly controlled entities. The ultimate shareholder of Braas Monier Building Group S.A. is Monier Holdings S.C.A. and Monier Holdings GP S.A.

The Group´s main activity involves the production of concrete and clay roof tiles as well as roof components and their global distribution. In addition, some Group companies develop, produce and sell chimney systems and trade in solar components.

The Company`s accounting period begins on January 1 and ends on December 31 of each year.

2. Basis of Preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted in the EU, and do not include all of the information required for full annual financial statements. Therefore, these interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of the year ended December 31, 2013.

The results for the first three months ending March 31, 2014 are not necessarily indicative of results to be expected for the entire year.

b) Judgements and estimates

To a certain extent, the preparation of the condensed consolidated interim financial statements requires assumptions and estimates to be made which have an effect on the carrying amounts of recognized assets and liabilities, income and expenses and contingent assets and liabilities. The assumptions and estimates mainly relate to the determination of the entities to be included in consolidation, asset impairment testing, and the uniform group-wide calculation of useful lives for property, plant and equipment. The assumptions and estimates are based on parameters which are derived from the information available at the time. In particular, the circumstances prevailing at the time of preparing the consolidated financial statements and assumptions regarding the realistic future development of the business environment were used to estimate the Company’s future business performance. In case these conditions develop differently than assumed and beyond the control of management, the actual figures may differ from those anticipated. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of the year ended December 31, 2013.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of the year ended December 31, 2013, except as described below, where the equity method of accounting is applied to previously proportionately consolidated joint ventures.

From 1 January 2014, the Group has applied the new accounting standards IFRS 10, IFRS 11, IFRS 12, and IAS 28 Revised.

Under IFRS 11, the Group has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

As a result, the method of accounting for joint ventures has changed. Joint ventures are now included in the consolidated financial statements on the basis of the share of the investee’s net assets held by the Group. As these standards have been applied with retrospective effect from January 1, 2011, and this has an impact on almost all items in the statement of financial position and statement of profit or loss, all the prior-year figures in the Group’s interim financial statements have been adjusted.

As a result of IFRS 11, the following joint ventures have been reassessed due to the adoption of IFRS 11:

2013	Braas Monier Group shareholding interest	Previous treatment	Revised treatment
CPAC Monier Philippines Inc., Manila / Philippines	50%	proportionately	at-equity
RBB N.V., Tessenderlo / Belgium	50%	proportionately	at-equity
Spunbond Holdings (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Potter & Moore International SA (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem International (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunbond Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity

2012	Braas Monier Group shareholding interest	Previous treatment	Revised treatment
CPAC Monier Philippines Inc., Manila / Philippines	50%	proportionately	at-equity
RBB N.V., Tessenderlo / Belgium	50%	proportionately	at-equity
Spunbond Holdings (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Potter & Moore International SA (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem International (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunbond Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity

2011	Braas Monier Group shareholding interest	Previous treatment	Revised treatment
CPAC Monier Philippines Inc., Manila / Philippines	50%	proportionately	at-equity
RBB N.V., Tessenderlo / Belgium	50%	proportionately	at-equity
Spunbond Holdings (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Potter & Moore International SA (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunchem International (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Spunbond Africa (Pty) Ltd., Mount Edgecombe / South Africa	50%	proportionately	at-equity
Earthcore Industries, LLC, Jacksonville / USA	50%	proportionately	at-equity
Bramac Group*	50%	proportionately	at-equity

* Restatement regarding consolidation of Bramac Group only refers to first half of financial year 2011

Applying at-equity accounting for these joint ventures affects reported consolidated financial statements as follows:

Impact on income statement:

– In 2013

Impact on income statement
(Thousands of euros)

Increase/decrease	Dec. 31, 2013 as reported	IFRS 11 Adjustment	Dec. 31, 2013 adjusted
Revenues	1,228,168	-9,103	1,219,065
Cost of sales	-905,678	7,376	-898,302
Selling expenses	-159,197	210	-158,987
Administrative expenses	-96,956	372	-96,584
Other operating income	-13,265	26,530	13,265
Other operating expenses	-14,492	403	-14,089
Restructuring expenses	-72,402	0	-72,402
Impairments	-9,561	0	-9,561
Reversal of impairments	23,386	-100	23,286
Result from associates	-96	710	614
Finance income	3,615	-302	3,313
Finance costs	-88,270	59	-88,211
Income taxes	9,321	275	9,596

– In 2012

Impact on income statement
(Thousands of euros)

Increase/decrease	**Dec. 31, 2012 as reported**	**IFRS 11 Adjustment**	**Dec. 31, 2012 adjusted**
Revenues	1,314,897	-11,659	1,303,238
Cost of sales	-1,000,934	8,762	-992,172
Selling expenses	-178,612	292	-178,320
Administrative expenses	-113,648	709	-112,939
Other operating income	21,432	-57	21,375
Other operating expenses	-16,887	0	-16,887
Restructuring expenses	-73,411	35	-73,376
Impairments	-124,942	0	-124,942
Reversal of impairments	822	0	822
Result from associates	1,603	1,210	2,813
Finance income	17,742	-28	17,714
Finance costs	-83,779	152	-83,627
Income taxes	22,013	584	22,597

– In 2011

Impact on income statement
(Thousands of euros)

Increase/decrease	**Dec. 31, 2011 as reported**	**IFRS 11 adjustment**	**Dec. 31, 2011 adjusted**
Revenues	1,392,146	-37,469	1,354,677
Cost of sales	-1,042,500	25,702	-1,016,798
Selling expenses	-184,786	5,541	-179,245
Administrative expenses	-119,169	4,194	-114,975
Other operating income	24,053	-379	23,674
Other operating expenses	-6,499	693	-5,806
Restructuring expenses	-15,673	0	-15,673
Impairments	-8,314	0	-8,314
Result from associates	1,473	781	2,254
Finance income	8,804	-326	8,478
Finance costs	-78,385	524	-77,861
Income taxes	-6,227	739	-5,488

Impact on balance sheet

– In 2013

Impact on statement of financial position
(Thousands of euros)

Increase/decrease	Dec. 31, 2013 as reported	IFRS 11 Adjustment	Dec. 31, 2013 adjusted
Assets:			
Goodwill	43,788	0	43,788
Other intangible assets	241,916	0	241,916
Property, plant and equipment	637,315	-6,314	631,001
Investments accounted for using the equity method	290	7,416	7,706
Other financial assets	2,986	139	3,125
Other non-current assets	3,140	0	3,140
Deferred tax assets	13,289	0	13,289
Inventories	196,717	-2,236	194,481
Trade accounts receivables	103,040	-1,717	101,323
Other current assets	40,134	-419	39,715
Cash and cash equivalents	208,290	-809	207,481
Assets held for sale	4,832	0	4,832
Total	**1,495,737**	**-3,940**	**1,491,797**
Equity:			
Total equity attributable to the shareholders of the parent	13,526	0	13,526
Non-controlling interests	2,674	0	2,674
Liabilities:			
Provisions for pension liabilities and similar obligations	317,176	-258	316,918
Deferred tax liabilities	21,028	-1,461	19,567
Long term portion of provisions for other risks	111,128	-179	110,949
Long term liabilities to banks	654,759	-326	654,433
Long term tax liabilities	18,873	0	18,873
Other long term liabilities	14,577	0	14,577
Trade accounts payable	97,969	-1,114	96,855
Short term tax liabilities	15,192	-368	14,824
Short term portion of provisions for other risks	63,657	0	63,657
Short term liabilities to parent companies	8,197	0	8,197
Short term loans and liabilities to banks	13,085	-603	12,482
Other short term liabilities	143,896	369	144,265
Total	**1,495,737**	**-3,940**	**1,491,797**

– In 2012

Impact on statement of financial position

(Thousands of euros)

Increase/decrease	Dec. 31, 2012 as reported	IFRS 11 Adjustment	Dec. 31, 2012 adjusted
Assets:			
Goodwill	45,362	-161	45,201
Other intangible assets	250,923	-14	250,909
Property, plant and equipment	680,118	-8,908	671,210
Investments accounted for using the equity method	10,475	11,537	22,012
Other financial assets	1,069	180	1,249
Other non-current assets	4,096	0	4,096
Deferred tax assets	17,983	0	17,983
Inventories	222,579	-2,590	219,989
Trade accounts receivables	133,598	-2,575	131,023
Other current assets	31,856	-515	31,341
Cash and cash equivalents	275,042	-1,555	273,487
Assets held for sale	5,727	0	5,727
Total	**1,678,828**	**-4,601**	**1,674,227**
Equity:			
Total equity attributable to the shareholders of the parent	94,740	0	94,740
Non-controlling interests	-3,828	0	-3,828
Liabilities:			
Provisions for pension liabilities and similar obligations	323,970	-245	323,725
Deferred tax liabilities	45,873	-2,031	43,842
Long term portion of provisions for other risks	110,519	-76	110,443
Long term liabilities to banks	690,547	0	690,547
Long term tax liabilities	18,982	0	18,982
Other long term liabilities	14,281	0	14,281
Trade accounts payable	129,109	-2,015	127,094
Short term tax liabilities	18,375	-583	17,792
Short term portion of provisions for other risks	69,451	-52	69,399
Short term liabilities to parent companies	8,197	0	8,197
Short term loans and liabilities to banks	15,403	-219	15,184
Other short term liabilities	143,209	620	143,829
Total	**1,678,828**	**-4,601**	**1,674,227**

– In 2011

Impact on statement of financial position
(Thousands of euros)

Increase/decrease	Dec. 31, 2011 as reported	IFRS 11 Adjustment	Dec. 31, 2011 adjusted
Assets:			
Goodwill	75,243	-154	75,089
Other intangible assets	263,601	-736	262,865
Property, plant and equipment	834,516	-14,334	820,182
Investments accounted for using the equity method	9,116	13,150	22,266
Other financial assets	5,736	2,930	8,666
Other non-current assets	6,628	0	6,628
Deferred tax assets	18,673	-101	18,572
Inventories	237,482	-3,817	233,665
Trade accounts receivables	155,888	-2,574	153,314
Other current assets	31,475	-327	31,148
Cash and cash equivalents	233,191	-1,393	231,798
Assets held for sale	1,735	-23	1,712
Total	**1,873,284**	**-7,379**	**1,865,905**
Equity:			
Total equity attributable to the shareholders of the parent	344,443	0	344,443
Non-controlling interests	-4,285	0	-4,285
Liabilities:			
Provisions for pension liabilities and similar obligations	255,579	-275	255,304
Deferred tax liabilities	92,442	-2,406	90,036
Long term portion of provisions for other risks	118,478	-91	118,387
Long term liabilities to parent companies	5,005	0	5,005
Long term liabilities to banks	677,138	0	677,138
Long term tax liabilities	21,852	0	21,852
Other long term liabilities	6,303	0	6,303
Trade accounts payable	134,466	-2,759	131,707
Short term tax liabilities	12,225	-239	11,986
Short term portion of provisions for other risks	25,320	-15	25,305
Short term liabilities to parent companies	10,966	0	10,966
Short term loans and liabilities to banks	11,282	-2,688	8,594
Other short term liabilities	162,070	1,094	163,164
Total	**1,873,284**	**-7,379**	**1,865,905**

Impact on other comprehensive income

– *In 2013*

Impact on other comprehensive income
(Thousands of euros)

Increase/decrease	Dec. 31, 2013 as reported	IFRS 11 adjustment	Dec. 31, 2013 adjusted
Actuarial gains and losses on pension plans	7,142	0	7,142
Income tax effect	-1,600	0	-1,600
Foreign exchange differences	-11,257	1,270	-9,987
Foreign exchange differences from at-equity accounted investments	0	-1,270	-1,270

– *In 2012*

Impact on other comprehensive income
(Thousands of euros)

Increase/decrease	Dec. 31, 2012 as reported	IFRS 11 adjustment	Dec. 31, 2012 adjusted
Actuarial gains and losses on pension plans	-68,365	0	-68,365
Income tax effect	18,625	0	18,625
Foreign exchange differences	7,206	366	7,572
Foreign exchange differences from at-equity accounted investments	0	-366	-366

– *In 2011*

Impact on other comprehensive income
(Thousands of euros)

Increase/decrease	Dec. 31, 2011 as reported	IFRS 11 adjustment	Dec. 31, 2011 adjusted
Actuarial gains and losses on pension plans	-4,540	0	-4,540
Income tax effect	425	0	425
Foreign exchange differences	-2,449	3,332	883
Foreign exchange differences from at-equity accounted investments	0	-3,332	-3,332

Impact on cash flow statement

– *In 2013*

Impact on cash flow statement
(Thousands of euros)

Increase/decrease	Dec. 31, 2013 as reported	IFRS 11 Adjustment	Dec. 31, 2013 adjusted
Net cash from operating activities	25,810	1,051	26,861
Net cash from / (used in) investing activities	-30,138	464	-29,674
Net cash from / (used in) financing activities	-59,460	-1,037	-60,497
Change in cash and cash equivalents	**-63,788**	**478**	**-63,310**

– *In 2012*

Impact on cash flow statement
(Thousands of euros)

Increase/decrease	Dec. 31, 2012 as reported	IFRS 11 Adjustment	Dec. 31, 2012 adjusted
Net cash from operating activities	76,590	-604	75,986
Net cash from / (used in) investing activities	-32,443	-47	-32,490
Net cash from / (used in) financing activities	-2,900	415	-2,485
Change in cash and cash equivalents	**41,247**	**-236**	**41,011**

– In 2011

Impact on cash flow statement
(Thousands of euros)

Increase/decrease	Dec. 31, 2011 as reported	IFRS 11 Adjustment	Dec. 31, 2011 adjusted
Net cash from operating activities	98,882	6,725	105,607
Net cash from / (used in) investing activities	-92,677	1,873	-90,804
Net cash from / (used in) financing activities	-29,173	2,951	-26,222
Change in cash and cash equivalents	**-22,968**	**11,549**	**-11,419**

4. Revenues

Net revenues by country
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[1]	Jan. 1, 2012 – Dec. 31, 2012[1]	Jan. 1, 2011 – Dec. 31, 2011[1]
Germany	68,418	48,904	325,294	336,967	358,882
France	38,163	37,084	148,071	160,110	180,266
United Kingdom	32,005	26,189	115,531	113,734	112,496
Italy	13,050	13,894	89,234	88,464	114,087
Malaysia	12,760	13,269	55,911	60,648	55,950
Austria	8,466	6,611	46,838	52,336	40,811
Poland	8,564	5,927	44,101	52,189	61,209
Norway	7,628	7,346	43,224	46,193	41,593
South Africa	7,346	8,004	36,764	39,418	33,371
Czech Republic	6,410	5,500	40,145	48,870	50,601
Sweden	6,022	4,925	34,200	33,772	34,783
Netherlands	7,318	5,726	32,885	38,221	45,853
China	3,728	3,767	28,729	31,058	32,042
Russia	3,321	3,702	24,627	24,675	21,939
Other	26,836	24,866	153,511	176,583	170,794
Total net revenues	**250,035**	**215,714**	**1,219,065**	**1,303,238**	**1,354,677**

(1) Adjusted amounts, see note (3)

Net revenues by product group
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[1]	Jan. 1, 2012 – Dec. 31, 2012[1]	Jan. 1, 2011 – Dec. 31, 2011[1]
Concrete roof tiles	93,914	83,126	495,144	520,920	514,828
Clay roof tiles	55,506	45,521	259,348	284,712	313,466
Components	62,886	53,660	269,205	289,232	307,442
Chimneys	35,046	30,837	182,259	192,163	200,777
Other	2,683	2,570	13,109	16,211	18,164
Total net revenues	**250,035**	**215,714**	**1,219,065**	**1,303,238**	**1,354,677**

(1) Adjusted amounts, see note (3)

Unit sales by product group (unaudited supplementary information)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[1]	Jan. 1, 2012 – Dec. 31, 2012[1]	Jan. 1, 2011 – Dec. 31, 2011[1]
Concrete roof tiles (millions of sqm)	14.4	12.8	72.8	74.2	75.4
Clay roof tiles (millions of sqm)	4.4	3.7	20.2	21.7	25.5
Chimneys (thousands of m)	485	423	2,455	2,481	2,821

(1) Adjusted amounts, see note (3)

5. Operating segments

Segment reporting reflects the results of the operating segments regularly evaluated by the chief operating decision maker. Within the Group, the function of chief operating decision maker is exercised by the Board of Directors.

Compared to the last annual financial statements as of December 31, 2013 the measurement of segment profit or loss has changed due to a realignment of internal management reporting. As a result, Operating EBITDA, Operating income, Non-operating result, EBIT, Capital expenditure, Capital employed, Return on capital employed and Volumes sold tiles (Chimney sold), as included in internal reports reviewed by the Board of Directors, are used to measure performance because management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the same industries.

The segment reporting comprises six reportable segments. The Western Europe Segment area includes the Benelux countries, France and the United Kingdom. Germany, Poland, Russia as well as Nordics & Baltics are included in the area Central, Northern & Eastern Europe. The Southern Europe area includes Italy and Turkey as well as the Bramac Group. Asia (including China, India, Malaysia, Indonesia and Thailand) and Africa are presented as one operating segment, because management believes, that both regions are comparable in terms of economic environment and market requirements. The major product lines in these regional operating segments are concrete tiles and clay tiles. The product line Chimneys & Energy Systems is presented as a separate operating segment. The manufacturing facilities of the product line components are included in the segment Central Products & Services.

6. Cost of sales

Cost of sales
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[(1)]	Jan. 1, 2012 – Dec. 31, 2012[(1)]	Jan. 1, 2011 – Dec. 31, 2011[(1)]
Variable costs	139,591	126,185	668,017	724,754	747,014
Fixed costs	29,721	29,391	151,792	170,251	176,751
Amortization, depreciation	20,370	21,422	78,493	97,167	93,033
Cost of sales	**189,682**	**176,998**	**898,302**	**992,172**	**1,016,798**

(1) Adjusted amounts, see note (3)

In the first three months of 2014, variable costs include cost of materials of EUR 91,005k (March 31, 2013: EUR 82,545k; December 31, 2013: EUR 458,370k; December 31, 2012: EUR 503,427k; December 31, 2011: EUR 522,739k). Materials are raw materials, such as cement, sand, clay, additives and packaging materials, supplies and purchased goods. In the first three months of 2014, the cost of sales also includes research and development costs of EUR 2,491k (March 31, 2013: EUR 3,537k; December 31, 2013: EUR 13,997k; December 31, 2012: EUR 19,473k; December 31, 2011: EUR 16,072k).

7. Selling and administrative expenses

Selling and administrative expenses
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013[(1)]	Jan. 1, 2012 – Dec. 31, 2012[(1)]	Jan. 1, 2011 – Dec. 31, 2011[(1)]
Selling expenses	39,302	41,857	158,987	178,320	179,245
Administrative expenses	25,003	25,588	96,584	112,939	114,975
Selling and administrative expenses	**64,305**	**67,445**	**255,571**	**291,259**	**294,220**

(1) Adjusted amounts, see note (3)

Selling expenses include all types of costs linked directly or indirectly to sales activities, including marketing costs and debt risks. Administrative expenses also include the cost of managing central headquarters. Selling expenses include depreciation for the first three months ended March 31, 2014 of EUR 2,622k (March 31, 2013: EUR 1,947k; December 31, 2013: EUR 7,883k; December 31, 2012: EUR 6,884k; December 31, 2011: EUR 6,886k). Administrative expenses include depreciation for the first three months ended March 31, 2014 of EUR 1,668k (March 31, 2013: EUR 1,190k; December 31, 2013: EUR 4,788k; December 31, 2012: EUR 4,359k; December 31, 2011: EUR 4,530k).

8. Other operating income

Other operating income
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013(1)	Jan. 1, 2012 – Dec. 31, 2012(1)	Jan. 1, 2011 – Dec. 31, 2011(1)
Gain from the disposal of non-current assets	228	3,753	6,115	11,742	3,457
Gain from the disposal of equity investments	0	0	4,284	3,417	10,164
Income from the reversal of provisions	17	257	427	3,943	6,811
Miscellaneous income	263	297	2,439	2,273	3,242
Other operating income	**508**	**4,307**	**13,265**	**21,375**	**23,674**

(1) Adjusted amounts, see note (3)

9. Other operating expenses

Other operating expenses
(Thousands of euros)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013(1)	Jan. 1, 2012 – Dec. 31, 2012(1)	Jan. 1, 2011 – Dec. 31, 2011(1)
Valuation allowance	0	2,279	2,943	2,380	0
Litigation costs	0	0	2,344	1,048	1,903
Loss on the disposal of non-current assets	10	0	1,211	103	808
Loss on the disposal of equity investments	0	0	0	4,675	0
M&A and consulting costs	0	0	0	2,391	1,963
Miscellaneous expenses	432	1,626	7,591	6,290	1,132
Other operating expenses	**442**	**3,905**	**14,089**	**16,887**	**5,806**

(1) Adjusted amounts, see note (3)

10. Seasonality of operations

Climatic conditions such as cold spells, snow, heavy or prolonged rainfall have a negative effect on construction activities and demand for the Group's products. Demand for roofing as well as chimney products is seasonal (lower in the winter than in the summer months). Sales volumes recorded during the first and last quarter are lower than in the second and third quarters due to the negative impact of the weather on construction activities. Results for the first and fourth quarters of the year are therefore generally lower than those for the second and third quarters.

11. Income tax expenses

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the first three months ended March 31, 2014 was 29.86% (March 31, 2013: 12.21%; December 31, 2013: 12.21%; December 31, 2012: 9.56%; December 31, 2011: 18.55%).

12. Personnel expenses and employees

Employees as of period end
(Full-time equivalent number of employees)

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013(1)	Dec. 31, 2012(1)	Dec. 31, 2011(1)
Employees in fully consolidated entities	7,231	8,101	7,307	8,507	9,210

(1) Adjusted amounts, see note (3)

Average employees
(Full-time equivalent number of employees)

	Jan. 1, 2014 – Mar. 31, 2014	Jan. 1, 2013 – Mar. 31, 2013	Jan. 1, 2013 – Dec. 31, 2013(1)	Jan. 1, 2012 – Dec. 31, 2012(1)	Jan. 1, 2011 – Dec. 31, 2011(1)
Employees in fully consolidated entities	7,265	8,270	7,875	8,858	8,761

(1) Adjusted amounts, see note (3)

Personnel expenses
(Thousands of euros)

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013(1)	Dec. 31, 2012(1)	Dec. 31, 2011(1)
Personnel expenses	80,300	85,444	330,765	374,620	371,997

(1) Adjusted amounts, see note (3)

13. Property, plant and equipment and intangible assets

In the first three month ended March 31, 2014, the Group acquired property, plant & equipment in the amount of EUR 2,528k as well as intangible assets in the amount of EUR 671k (March 31, 2013: EUR 4,521k and EUR 23k, respectively; December 31, 2013: EUR 45,681k and EUR 4,551k, respectively; December 31, 2012: EUR 50,725k and EUR 2,223k, respectively; December 31, 2011: EUR 65,154k and EUR 1,314k, respectively). In total, the Group acquired assets in the amount of EUR 3,199k in the first three months ended March 31, 2014 (March 31, 2013: EUR 4,544k; December 31, 2013: EUR 50,232k; December 31, 2012: EUR 52,948k; December 31, 2011: EUR 66,468k).

In the first three months ended March 31, 2014, the Group´s depreciation & amortization amounted to EUR 24,660k (March 31, 2013: EUR 24,559k; December 31, 2013: EUR 91,164k; December 31, 2012: EUR 108,410k; December 31, 2011: EUR 104,449k), thereof EUR 20,938 referring to property, plant & equipment and EUR 3,722k referring to intangible assets (March 31, 2013: EUR 21,327k and EUR 3,232k, respectively; December 31, 2013: EUR 79,056k and EUR 12,108k, respectively; December 31, 2012: EUR 94,698k and EUR 13,712k, respectively; December 31, 2011: EUR 85,055k and EUR 19,394k, respectively).

The impairment test in accordance with IAS 36 (Impairment of Assets) is generally performed annually at year-end or in case of indications of impairments (triggering events). There were no indications of impairments in the first three months 2014 and in the corresponding period.

14. Capital and reserves

There has been an increase of EUR 18k of the company's subscribed capital between January 1, 2014 and March 31, 2014. In addition, the additional paid-in capital was increased by EUR 2k within this period. On March 31, 2014 subscribed capital amounted to EUR 31k (March 31, 2013: EUR 13k; December 31, 2013: EUR 13k; December 31, 2012: EUR 13k; December 31, 2011: EUR 13k).

15. Employee benefits

Provisions for pension liabilities have been determined on the basis of the actuarial valuation as of December 31, 2013. Based on this valuation, interest expenses and current service costs were posted on a pro-rata basis. These amounts were recognized as an utilization of the pension liability. At year end, the Group recognizes actuarial gains and losses in other comprehensive income. As no updated actuarial valuation was requested as of March 31, 2014 due to immaterial changes, the Group does not present actuarial gains and losses in other comprehensive income for the first three months (March 31, 2013: EUR -2,284k; December 31, 2013: EUR 7,142k; December 31, 2012: EUR -68,365k; December 31, 2011: EUR -4,540k). During the first three months ended March 31, 2014, the Group's defined pension liability increased by EUR 482k to EUR 317,400 (March 31, 2013: EUR 327,567k; December 31, 2013: EUR 316,918k; December 31, 2012: EUR 323,725k; December 31, 2011: EUR 255,304k).

16. Provisions for other risks

Provisions for other risks
(Thousands of euros)

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013(1)	Dec. 31, 2012(1)	Dec. 31, 2011(1)
Warranty	66,141	70,774	66,091	70,583	74,696
Litigation	16,376	16,324	16,823	16,482	18,964
Restructuring	35,802	56,684	45,653	57,016	16,234
Environmental	5,500	4,923	5,541	5,005	5,506
Site restoration	6,575	6,053	6,544	6,092	5,649
Other	33,399	23,720	33,954	24,664	22,643
Total	**163,793**	**178,478**	**174,606**	**179,842**	**143,692**

(1) Adjusted amounts, see note (3)

The decrease in restructuring provisions in the first quarter 2014 of EUR 9,851k is mainly driven by personnel related payments made in conjunction with the restructuring program.

17. Liabilities

Liabilities, short and long term
(Thousands of euros)

	Mar. 31, 2014	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Liabilities to banks	**672,618**	**17,603**	**655,015**	**0**
Liabilities to parent company	**7,702**	**7,702**	**0**	**0**
thereof: debt to shareholders	7,702	7,702	0	0
Trade payables	**98,227**	**98,227**	**0**	**0**
Tax liabilities	**40,391**	**19,845**	**20,546**	**0**
Other liabilities	**143,834**	**128,188**	**15,640**	**6**
thereof: obligation to employees	51,774	51,763	11	0
thereof: obligation to customers	32,280	32,280	0	0
thereof: cost accruals (rent, electricity)	19,898	19,444	454	0
thereof: financial leases	1,072	235	831	6
thereof: derivatives	14,330	0	14,330	0
thereof: obligations to affiliates	2,679	2,679	0	0
thereof: other	21,801	21,787	14	0
Liablities	**962,772**	**271,565**	**691,201**	**6**

	Mar. 31, 2013	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Liabilities to banks	**703,034**	**9,074**	**693,584**	**376**
Liabilities to parent company	**8,092**	**8,092**	**0**	**0**
thereof: debt to shareholders	8,092	8,092	0	0
Trade payables	**98,839**	**98,839**	**0**	**0**
Tax liabilities	**34,617**	**15,725**	**18,892**	**0**
Other liabilities	**133,462**	**121,829**	**11,633**	**0**
thereof: obligation to employees	55,423	55,381	42	0
thereof: obligation to customers	24,436	24,436	0	0
thereof: cost accruals (rent, electricity)	19,455	18,594	861	0
thereof: financial leases	1,744	468	1,276	0
thereof: derivatives	9,332	0	9,332	0
thereof: obligations to affiliates	1,297	1,297	0	0
thereof: other	21,775	21,653	122	0
Liablities	**978,044**	**253,559**	**724,109**	**376**

	Dec. 31, 2013[1]	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Liabilities to banks	**666,915**	**12,482**	**654,433**	**0**
Liabilities to parent company	**8,197**	**8,197**	**0**	**0**
thereof: debt to shareholders	8,197	8,197	0	0
Trade payables	**96,855**	**96,855**	**0**	**0**
Tax liabilities	**33,697**	**14,824**	**18,873**	**0**
Other liabilities	**158,842**	**144,265**	**14,570**	**7**
thereof: obligation to employees	53,832	53,821	11	0
thereof: obligation to customers	46,356	46,356	0	0
thereof: cost accruals (rent, electricity)	18,886	18,432	454	0
thereof: financial leases	1,275	289	979	7
thereof: derivatives	12,937	0	12,937	0
thereof: obligations to affiliates	1,922	1,922	0	0
thereof: other	23,634	23,445	189	0
Liablities	**964,506**	**276,623**	**687,876**	**7**

(1) Adjusted amounts, see note (3)

Liabilities, short and long term
(Thousands of euros)

	Dec. 31, 2012[(1)]	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Liabilities to banks	**705,731**	**15,184**	**690,199**	**348**
Liabilities to parent company	**8,197**	**8,197**	**0**	**0**
thereof: debt to shareholders	8,197	8,197	0	0
Trade payables	**127,094**	**127,094**	**0**	**0**
Tax liabilities	**36,774**	**17,792**	**18,982**	**0**
Other liabilities	**158,110**	**143,829**	**14,269**	**12**
thereof: obligation to employees	55,281	55,239	42	0
thereof: obligation to customers	46,944	46,944	0	0
thereof: cost accruals (rent, electricity)	17,151	16,375	776	0
thereof: financial leases	1,905	522	1,371	12
thereof: derivatives	11,771	0	11,771	0
thereof: obligations to affiliates	2,430	2,430	0	0
thereof: other	22,628	22,319	309	0
Liabilities	**1,035,906**	**312,096**	**723,450**	**360**

(1) Adjusted amounts, see note (3)

(Thousands of euros)	Dec. 31, 2011[(1)]	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Liabilities to banks	**685,732**	**8,594**	**676,655**	**483**
Liabilities to parent company	**15,971**	**10,966**	**5,005**	**0**
thereof: debt to shareholders	15,971	10,966	5,005	0
Trade payables	**131,707**	**131,707**	**0**	**0**
Tax liabilities	**33,838**	**11,986**	**21,852**	**0**
Other liabilities	**169,467**	**163,164**	**6,284**	**19**
thereof: obligation to employees	59,915	59,642	273	0
thereof: obligation to customers	54,590	54,590	0	0
thereof: cost accruals (rent, electricity)	18,122	17,362	760	0
thereof: financial leases	2,813	817	1,977	19
thereof: derivatives	2,800	0	2,800	0
thereof: obligations to affiliates	4,175	4,175	0	0
thereof: other	27,052	26,578	474	0
Liabilities	**1,036,715**	**326,417**	**709,796**	**502**

(1) Adjusted amounts, see note (3)

Liabilities to banks
(Thousands of euros)

	Mar. 31, 2014	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	607,758	0	607,758	0
Capex and revolving facility	47,257	0	47,257	0
Other loans and bank overdrafts	3,495	3,495	0	0
Accrued interests and other financial fees	14,108	14,108	0	0
Contractual liabilities	**672,618**	**17,603**	**655,015**	**0**
Liabilities to banks	**672,618**	**17,603**	**655,015**	**0**

Liabilities to banks
(Thousands of euros)

	Mar. 31, 2013	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	647,213	0	647,213	0
Capex and revolving facility	50,182	0	50,182	0
Other loans and bank overdrafts	4,957	4,565	16	376
Accrued interests and other financial fees	7,953	7,953	0	0
Contractual liabilities	**710,305**	**12,518**	**697,411**	**376**
Fees connected to senior loan	-7,271	-3,444	-3,827	0
Liabilities to banks	**703,034**	**9,074**	**693,584**	**376**

	Dec. 31, 2013(1)	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	605,621	0	605,621	0
Capex and revolving facility	47,074	0	47,074	0
Other loans and bank overdrafts	2,930	2,930	0	0
Accrued interests and other financial fees	11,290	9,552	1,738	0
Contractual liabilities	**666,915**	**12,482**	**654,433**	**0**
Liabilities to banks	**666,915**	**12,482**	**654,433**	**0**

(1) Adjusted amounts, see note (3)

	Dec. 31, 2012(1)	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	645,019	86	644,933	0
Capex and revolving facility	50,091	160	49,931	0
Other loans and bank overdrafts	8,644	8,257	39	348
Accrued interests and other financial fees	10,145	10,125	20	0
Contractual liabilities	**713,899**	**18,628**	**694,923**	**348**
Fees connected to senior loan	-8,168	-3,444	-4,724	0
Liabilities to banks	**705,731**	**15,184**	**690,199**	**348**

(1) Adjusted amounts, see note (3)

	Dec. 31, 2011(1)	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	633,230	0	633,230	0
Capex and revolving facility	49,606	0	49,606	0
Other loans and bank overdrafts	6,885	6,058	444	383
Accrued interests and other financial fees	7,315	5,565	1,650	100
Contractual liabilities	**697,036**	**11,623**	**684,930**	**483**
Fees connected to senior loan	-11,304	-3,029	-8,275	0
Liabilities to banks	**685,732**	**8,594**	**676,655**	**483**

(1) Adjusted amounts, see note (3)

18. Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations
(Thousands of euros)

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013(1)	Dec. 31, 2012(1)	Dec. 31, 2011(1)
Operating leases	70,771	68,988	75,184	75,983	53,224
Purchase commitments	45,354	33,907	46,489	32,501	39,368
Other financial obligations	6,770	6,555	6,761	7,654	11,618
Commitments for the acquistion of property, plant and equipment	1,680	2,363	1,963	2,614	7,106
Contingent liabilities and other financial obligations	**124,575**	**111,813**	**130,397**	**118,752**	**111,316**

(1) Adjusted amounts, see note (3)

19. Financial instruments

The carrying amounts of the financial instruments are broken down by category pursuant to IAS 39, as are the fair values as of March 31, 2014:

Financial Instruments
(Thousands of euros)

	Category pursuant to IAS 39	Book Value	Fair value through profit or loss	Amortized acquisition cost	Value pursuant to IAS 17	Fair-Value
Cash and cash equivalents	L & R	143,028	0	143,028	0	143,028
Trade receivables	L & R	123,316	0	123,316	0	123,316
Other assets	L & R	10,431	0	10,431	0	10,431
Other financial assets	L & R	3,418	0	3,418	0	3,418
Non-current interest-bearing loans	A.C.	655,015	0	655,015	0	655,015
Current interest-bearing loans	A.C.	17,603	0	17,603	0	17,603
Current liabilities to parent company	A.C.	7,702	0	7,702	0	7,702
Trade payables	A.C.	98,227	0	98,227	0	98,227
Other current liabilities	A.C.	109,335	0	109,100	235	109,335
Other non-current liabilities	A.C.	1,302	0	465	837	1,302
Other non-current liabilities	FL at FVtP/L	14,330	14,330	0	0	14,330

Abbreviations used above

L&R	Loans and receivables
FA at FVtP/L	Financial assets at fair value through profit or loss
FL at FVtP/L	Financial liabilities at fair value through profit or loss
A.C.	Amortized costs
n/a	not applicable

The fair values of the financial assets and liabilities are presented at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

- Long term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on such parameters as interest rates, specific country risk factors, a customer's individual creditworthiness and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for expected losses on these receivables. As of March 31, 2014, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

As of March 31, 2014, the Group held the following financial instruments measured at fair value and used the following hierarchy for determining and disclosing their fair value by the valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: unobservable inputs for the asset or liability.

The Group does not hold any Level 1 and Level 3 financial instruments.

Liabilities measured at fair value
(Thousands of euros)

	Mar. 31, 2014	Level 2
Interest rate floor	14,330	14,330

	Mar. 31, 2013	Level 2
Interest rate floor	9,332	9,332

	Dec. 31, 2013[(1)]	Level 2
Interest rate floor	12,937	12,937

(1) Adjusted amounts

	Dec. 31, 2012[(1)]	Level 2
Interest rate floor	11,771	11,771

(1) Adjusted amounts

	Dec. 31, 2011[(1)]	Level 2
Interest rate floor	2,800	2,800

(1) Adjusted amounts, see note (3)

During the reporting period ending March 31, 2014, no transfers between Level 1 and Level 2 fair value measurements, or any transfers into or out of Level 3 have occurred.

20. Related parties

Related parties of Braas Monier Building Group S.A. pursuant to IAS 24 are:

- Monier Holdings S.C.A. and Monier Holdings GP S.A., the ultimate shareholder of the Monier Group;
- Consenting first lien lenders who control Monier Holdings GP S.A.;
- Companies founded in the course of the implementation of the Management Equity Program;
- Other consolidated affiliates of the Monier Group;
- Joint ventures in which Braas Monier Building Group S.A. or any of its subsidiaries is a venture partner;
- Members of the management board and
- Associates.

All transactions with related parties are executed on the basis of international methods of price comparison pursuant to IAS 24 and on terms equivalent to the arm’s length principle. Services provided to related parties principally include deliveries for production, development services, and financial services as well as legal and advisory services.

Members of the management of Braas Monier Building Group S.A. are also members of supervisory boards or management boards of other entities with which business is conducted.

Mr. Frank Przygodda, a member of the board of managers of Braas Monier Building Group S.à r.l., is a director of Alter Domus in Luxembourg. Alter Domus also provides management, domiciliation and other corporate services to the Group.

In the ordinary course of its business, the Group buys certain modules, inverters and mounting systems used in the solar roof system from Conergy AG, a manufacturer of components for solar installations. Mr. Werner Paschke, a director of Monier Holdings GP S.A., and Mr. Pepyn Dinandt, the Chief Executive Officer, are also members of the supervisory board of Conergy AG. The Group does not consider these transactions to be material, either individually nor in the aggregate.

Transactions with key management personnel

There were no significant transactions concerning key management personnel in the first three months ended March 31, 2014, nor in the comparative period.

Other related party transactions

Related parties
(Thousands of euros)

Sales and services to / from related parties		**Sales to related parties**	**from related parties**	**Receivables from related parties**	**Payables to related parties**
Associates	Jan. 1 –Mar. 31, 2014	0	0	0	0
	Jan. 1 –Mar. 31, 2013	751	0	140	0
	Jan. 1 – Dec. 31, 2013(1)	3,106	0	0	0
	Jan. 1 – Dec. 31, 2012(1)	3,159	0	13	0
	Jan. 1 – Dec. 31, 2011(1)	3,152	0	430	0
Joint ventures	Jan. 1 –Mar. 31, 2014	0	3,385	8	2,447
	Jan. 1 –Mar. 31, 2013	4	2,984	14	1,220
	Jan. 1 – Dec. 31, 2013(1)	13	13,038	42	1,680
	Jan. 1 – Dec. 31, 2012(1)	5	14,538	16	2,364
	Jan. 1 – Dec. 31, 2011(1)	178	15,188	656	3,800
Direct / indirect shareholder	Jan. 1 –Mar. 31, 2014	0	0	15	0
	Jan. 1 –Mar. 31, 2013	0	0	0	0
	Jan. 1 – Dec. 31, 2013(1)	0	0	0	0
	Jan. 1 – Dec. 31, 2012(1)	0	0	28	0
	Jan. 1 – Dec. 31, 2011(1)	0	0	0	0

(1) Adjusted amounts, see note (3)

Receivables / Payables concerning loans to / from related parties		**Interests to related parties**	**concerning loans from related parties**	**concerning loans to related parties**
Joint ventures	Mar. 31, 2014	0	279	198
	Mar. 31, 2013	0	340	42
	Dec. 31, 2013(1)	0	280	208
	Dec. 31, 2012(1)	0	360	32
	Dec. 31, 2011(1)	0	5,892	342
Non-consolidated companies	Mar. 31, 2014	0	0	1,274
	Mar. 31, 2013	0	0	1,292
	Dec. 31, 2013(1)	0	0	1,293
	Dec. 31, 2012(1)	0	0	1,310
	Dec. 31, 2011(1)	0	0	1,425
Direct / indirect shareholder	Mar. 31, 2014		2,546	7,702
	Mar. 31, 2013	0	1,391	8,198
	Dec. 31, 2013(1)	0	2,310	8,202
	Dec. 31, 2012(1)	0	1,045	8,197
	Dec. 31, 2011(1)	0	2,014	15,971

(1) Adjusted amounts, see note (3)

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balance is secured.

21. Subsequent events

On April 10, 2014, BMBG Bond Finance S.C.A., a subsidiary of Braas Monier Building Group S.A., announced that it has priced EUR 250,000k in aggregate principal amount of senior secured floating rate loans due 2020 (the "Senior Secured Loans") and EUR 315,000k in aggregate principal amount of senior secured floating rate notes due 2020 (the "Floating Rate Notes"). The Senior Secured Loans bear interest at a rate of three-month EURIBOR plus 450 basis points per annum and the Floating Rate Notes bear interest at a rate of three-month EURIBOR plus 500 basis points per annum, with interest on the Floating Rate Notes to be paid quarterly in arrears. The consummation of the offering of the Senior Secured Loans and Floating Rate Notes occurred on April 17, 2014. The net proceeds of the offering were used to refinance certain existing senior debt facilities provided to subsidiaries of the Group.

Luxembourg, Luxembourg, June 10, 2014
The Board of Braas Monier Building Group S.A.

Monier Participations S.à r.l.*

Audited consolidated financial statements
(prepared in accordance with IFRS)
for the years ended December 31, 2013, 2012 and 2011
(now Braas Monier Building Group S.A.)

* The Company changed its name from Monier Participations S.à r.l. to Braas Monier Building Group S.à r.l and subsequently changed its legal form to a Luxembourg public limited liability company (*société anonyme*) and currently operates as Braas Monier Building Group S.A.

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To the Partner of
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

We have audited the accompanying consolidated financial statements of Monier Participations S.à r.l., which comprise the consolidated statements of financial position as at 31 December 2013, 2012 and 2011, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Monier participations S.à r.l. as of 31 December 2013, 2012 and 2011 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Luxembourg, 21 March 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Ph. Meyer

Consolidated statement of income for fiscal year 2013
(Thousands of euros)

	Note	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
Revenues	(7,8)	1,228,168	1,314,897	1,392,146
Cost of sales	(9)	-905,678	-1,000,934	-1,042,500
Gross profit		**322,490**	**313,963**	**349,646**
Selling expenses	(10)	-159,197	-178,612	-184,786
Administrative expenses	(10)	-96,956	-113,648	-119,169
Other operating income	(11)	13,265	21,432	24,053
Other operating expenses	(12)	-14,492	-16,887	-6,499
Restructuring expenses	(13)	-72,402	-73,411	-15,673
Impairments	(14)	-9,561	-124,942	-8,314
Reversal of impairments	(14)	23,286	822	0
Result from associates	(15)	-96	1,603	1,473
Earnings before interest and taxes (EBIT)		**6,337**	**-169,680**	**40,731**
Finance income	(16)	3,615	17,742	8,804
Finance costs	(16)	-88,270	-83,779	-78,385
Earnings before taxes (EBT)		**-78,318**	**-235,717**	**-28,850**
Income taxes	(17)	9,321	22,013	-6,227
Loss for the year		**-68,997**	**-213,704**	**-35,077**
Thereof attributable to:				
Equity holders of the parent company		-70,903	-212,241	-33,728
Non-controlling interests	(18)	1,906	-1,463	-1,349

Consolidated statement of other comprehensive income for fiscal year 2013
(Thousands of euros)

	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
Loss for the year	**-68,997**	**-213,704**	**-35,077**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Actuarial gains and losses on pension plans	7,142	-68,365	-4,540
Income tax effect	-1,600	18,625	425
Items that are or may be reclassified to profit or loss			
Foreign exchange differences	-11,257	7,206	-2,449
Other comprehensive income for the year, net of tax	**-5,715**	**-42,534**	**-6,564**
Total comprehensive income for the year, net of tax	**-74,712**	**-256,238**	**-41,641**
Thereof attributable to:			
Equity holders of the parent company	-76,397	-254,708	-40,404
Non-controlling interests	1,685	-1,530	-1,237

Consolidated cash flow statement for fiscal year 2013
(Thousands of euros)

	Note	Jan. 1, 2013 – Dec. 31, 2013	Jan. 1, 2012 – Dec. 31, 2012	Jan. 1, 2011 – Dec. 31, 2011
EBIT		**6,337**	**-169,680**	**40,731**
Adjustments for:				
Amortization, depreciation	(20, 21)	91,813	109,295	108,327
(Reversal of) Impairment losses on non-current assets, net	(14)	-13,725	124,120	8,314
(Gains) / losses on the disposal of non-current assets	(11)	-2,545	-9,786	0
(Profit) / loss on the sale of equity investments	(11)	-4,284	1,258	-10,025
Result from associates	(15)	96	-1,603	-1,473
Dividends received		323	353	540
Interest and finance fees paid		-42,677	-33,434	-22,704
Interest received		857	1,192	1,767
Net income tax paid		-6,026	-5,905	-24,176
Change in provisions		-12,540	25,033	-14,439
Change in working capital				
Change in trade and other receivables		10,877	25,688	-147
Change in inventories		20,892	15,753	2,031
Change in trade and other payables		-23,588	-5,694	10,136
Net cash from operating activities		**25,810**	**76,590**	**98,882**
Investments in intangible assets and property, plant and equipment	(20, 21)	-51,324	-58,287	-68,489
Acquisition of consolidated companies less cash received	(5)	0	-5,000	-38,612
Proceeds from the disposal of subsidiaries and other financial assets		14,781	5,977	10,909
Proceeds from the disposal of property, plant and equipment and intangible assets		6,405	24,867	3,515
Net cash from / (used in) investing activities		**-30,138**	**-32,443**	**-92,677**
Net cash from / (used in) operating and investing activities		**-4,328**	**44,147**	**6,205**
Decrease in loans		-707,216	0	-29,173
Increase in loans		647,756	100	0
Dividends paid to parent company		0	-3,000	0
Net cash from / (used in) financing activities		**-59,460**	**-2,900**	**-29,173**
Change in cash and cash equivalents		**-63,788**	**41,247**	**-22,968**
Cash and cash equivalents at the beginning of the period		**275,042**	**233,191**	**255,798**
Effect of exchange rate fluctuations on cash and cash equivalents		-2,964	604	361
Cash and cash equivalents at the end of the period	(28)	**208,290**	**275,042**	**233,191**

Consolidated statement of financial position as of December 31, 2013
(Thousands of euros)

	Note	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
Non-current assets					
Goodwill	(20)	43,788	45,362	75,243	75,319
Other intangible assets	(20)	241,916	250,923	263,601	261,984
Property, plant and equipment	(21)	637,315	680,118	834,516	838,560
Investments accounted for using the equity method	(22)	290	10,475	9,116	8,056
Other financial assets	(23)	2,986	1,069	5,736	6,368
Other non-current assets	(26)	3,140	4,096	6,628	8,447
Deferred tax assets	(17)	13,289	17,983	18,673	31,177
Total non-current assets		**942,724**	**1,010,026**	**1,213,513**	**1,229,911**
Current assets					
Inventories	(24)	196,717	222,579	237,482	225,839
Trade accounts receivables	(25)	103,040	133,598	155,888	149,554
Other current assets	(26)	40,134	31,856	31,475	35,835
Cash and cash equivalents	(28)	208,290	275,042	233,191	255,798
Assets held for sale	(27)	4,832	5,727	1,735	15
Total current assets		**553,013**	**668,802**	**659,771**	**667,041**
Total assets		**1,495,737**	**1,678,828**	**1,873,284**	**1,896,952**
Equity	(29)				
Subscribed capital		13	13	13	13
Additional paid-in capital		302,015	302,015	297,010	300,010
Retained earnings		-266,391	-196,213	65,768	103,611
Foreign currency translation reserve		-22,111	-11,075	-18,348	-15,787
Total equity attributable to the shareholders of the parent		**13,526**	**94,740**	**344,443**	**387,847**
Non-controlling interests		2,674	-3,828	-4,285	-3,048
Total equity		**16,200**	**90,912**	**340,158**	**384,799**
Non-current liabilities					
Provisions for pension liabilities and similar obligations	(30)	317,176	323,970	255,579	247,740
Deferred tax liabilities	(17)	21,028	45,873	92,442	127,708
Long term portion of provisions for other risks	(31)	111,128	110,519	118,478	103,680
Long term liabilities to parent companies	(32)	0	0	5,005	3,695
Long term liabilities to banks	(32)	654,759	690,547	677,138	659,402
Long term tax liabilities	(32)	18,873	18,982	21,852	919
Other long term liabilities	(32)	14,577	14,281	6,303	4,290
Total non-current liabilities		**1,137,541**	**1,204,172**	**1,176,797**	**1,147,434**
Current liabilities					
Trade accounts payable	(32)	97,969	129,109	134,466	127,396
Short term tax liabilities	(32)	15,192	18,375	12,225	24,754
Short term portion of provisions for other risks	(31)	63,657	69,451	25,320	39,132
Short term liabilities to parent companies	(32)	8,197	8,197	10,966	8,850
Short term loans and liabilities to banks	(32)	13,085	15,403	11,282	21,862
Other short term liabilities	(32)	143,896	143,209	162,070	142,725
Total current liabilities		**341,996**	**383,744**	**356,329**	**364,719**
Total equity and liabilities		**1,495,737**	**1,678,828**	**1,873,284**	**1,896,952**

Consolidated statement of changes in equity for fiscal year 2013
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2013	**13**	**302,015**	**-196,213**	**-11,075**	**94,740**	**-3,828**	**90,912**
Actuarial gains and losses	0	0	5,542	0	**5,542**	0	**5,542**
Foreign exchange effects	0	0	0	-11,036	**-11,036**	-221	**-11,257**
Other comprehensive income	**0**	**0**	**5,542**	**-11,036**	**-5,494**	**-221**	**-5,715**
Consolidated loss for the period	0	0	-70,903	0	**-70,903**	1,906	**-68,997**
Total comprehensive income	**0**	**0**	**-65,361**	**-11,036**	**-76,397**	**1,685**	**-74,712**
Change in consolidated group	0	0	-4,817	0	**-4,817**	4,817	**0**
Balance as of Dec. 31, 2013	**13**	**302,015**	**-266,391**	**-22,111**	**13,526**	**2,674**	**16,200**

Consolidated statement of changes in equity for fiscal year 2012
(Thousands of euros)

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2012	**13**	**297,010**	**65,768**	**-18,348**	**344,443**	**-4,285**	**340,158**
Actuarial gains and losses	0	0	-49,740	0	**-49,740**	0	**-49,740**
Foreign exchange effects	0	0	0	7,273	**7,273**	-67	**7,206**
Other comprehensive income	**0**	**0**	**-49,740**	**7,273**	**-42,467**	**-67**	**-42,534**
Consolidated loss for the period	0	0	-212,241	0	**-212,241**	-1,463	**-213,704**
Total comprehensive income	**0**	**0**	**-261,981**	**7,273**	**-254,708**	**-1,530**	**-256,238**
Waiver of shareholder loan	0	5,005	0	0	**5,005**	0	**5,005**
Change in consolidated group	0	0	0	0	**0**	1,987	**1,987**
Balance as of Dec. 31, 2012	**13**	**302,015**	**-196,213**	**-11,075**	**94,740**	**-3,828**	**90,912**

Consolidated Statement of Changes in Equity for Fiscal Year 2011

	Attributable to equity holders of the parent						
	Subscribed capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of Jan. 1, 2011	**13**	**300,010**	**103,611**	**-15,787**	**387,847**	**-3,048**	**384,799**
Actuarial gains and losses	0	0	-4,115	0	**-4,115**	0	**-4,115**
Foreign exchange effects	0	0	0	-2,561	**-2,561**	112	**-2,449**
Other comprehensive income	**0**	**0**	**-4,115**	**-2,561**	**-6,676**	**112**	**-6,564**
Consolidated loss for the period	0	0	-33,728	0	**-33,728**	-1,349	**-35,077**
Total comprehensive income	**0**	**0**	**-37,843**	**-2,561**	**-40,404**	**-1,237**	**-41,641**
Dividends paid	0	-3,000	0	0	**-3,000**	0	**-3,000**
Balance as of Dec. 31, 2011	**13**	**297,010**	**65,768**	**-18,348**	**344,443**	**-4,285**	**340,158**

Notes to the consolidated financial statements

Consolidation and measurement

(1) Background and nature of the business

Monier Participations S.à r.l. (hereinafter the "Company") is a Luxembourg financial holding company incorporated on October 7, 2009 as a "Société à responsabilité limitée" for an unlimited period subject to general company law. Subscribed capital corresponds to the amount disclosed by Monier Participations S.à r.l., Luxembourg, in its separate financial statements.

On October 16, 2009, the Company entered into a Shares and MCPECs Contribution Agreement with Monier Holdings S.C.A. and thus acquired for EUR 1.00 the entire capital of Monier Group S.à r.l. (formerly Financière Daunou 9 S.à r.l.), a Société à responsabilité limitée, having its registered office in Luxembourg, composed of 7,400,000 shares having aggregate nominal value of EUR 7,400,000.

The main activity of Monier Participations S.à r.l. and its subsidiaries (hereinafter also referred to as the "Monier Group" or the "Group") comprises the production of concrete and clay roof tiles and their global distribution. In addition, some group companies trade in roofing accessories and solar components and develop, produce and sell chimney systems.

The Company`s accounting period begins on January 1 and ends on December 31 of each year.

The consolidated financial statements of Monier Participations S.à r.l. for the fiscal year ended December 31, 2013 were authorized for issue in accordance with a resolution of the directors on March 21, 2014.

(2) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These are the Group's first consolidated financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. The company did not present consolidated financial statements for previous years. These consolidated financial statements include for December 31, 2013, 2012, 2011 the statement of income and other comprehensive income, the statement of cash flows and the statement of changes in equity and related notes for the year ended December 31, 2013, 2012, 2011. In addition comparative information for the opening statement of financial position at January 1, 2011 is included. The disclosure of financials for 2011 is done on a voluntary basis. In accordance with IFRS 1 the Group elected to measure its assets and liabilities at the carrying amounts that are included in the parent's consolidated financial statements (Monier Holdings S.C.A.).

The consolidated financial statements were prepared on a historical cost basis except for derivative financial instruments, measured at fair value, and the defined benefit asset, recognized as plan asset plus unrecognized past service cost less the present value of the defined benefit obligation. The consolidated financial statements are presented in Euros. All values are rounded to the nearest thousand (EUR) except where indicated otherwise. Differences of EUR 1k may occur due to rounding.

The consolidated financial statements of Monier Group were prepared in accordance with International Financial Reporting Standards (IFRS) as set forth by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as adopted for use in the European Union.

In 2012, the Group initiated significant restructuring measures, which were continued in 2013 and are aimed at "right-sizing" the Group, both in its regional organisation and management structure. The completion of the restructuring measures also impacts the 2013 results. However, disregarding the restructuring expenses, the restructuring measures had a positive impact on the Group's result at unchanged demand levels, made the Group more resistant to negative market developments and allow it to react flexibly to positive market developments.

In November 2013, the Group successfully finalized a refinancing process with the Lenders under the Amended Senior Facility Agreement that involved a "Scheme of Arrangement" following UK law. In this context, the term loans of the Group were extended from April 2015 to April 2018. In addition, the Group repaid EUR 50 million of its debt. The Group also agreed upon a new definition of the financial indicators set in the loan agreements (financial covenants).

The extension of the existing loan agreement ensures the ongoing liquidity of the Group. In addition, the management expects that the Group will comply with the financial covenants set out in the Amended and Restated Senior Facility Agreement.

As a result, management has prepared these consolidated financial statements on a going concern basis.

(3) Principles of consolidation

The consolidated financial statements comprise the financial statements of Monier Participations S.à r.l. and its subsidiaries as of December 31, 2013. The financial statements of the companies included in the Monier Group were prepared using uniform accounting principles as of the reporting date of the consolidated financial statements.

Subsidiaries are fully consolidated from the date of acquisition, the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method pursuant to IFRS 3 based on the fair values at the acquisition date. The difference remaining between the consideration transferred and the net assets identified after the recognition of fair values is recorded as goodwill. Details on goodwill, intangible assets and the impairment test are presented in the notes to the statement of financial position under Note (20).

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are fully eliminated pursuant to IAS 27.

All joint venture companies jointly controlled by Monier Participations S.à r.l. are included proportionately in the consolidated financial statements.

Investments in associates are accounted for using the equity method pursuant to IAS 28.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented in the income statement and under equity in the consolidated statement of financial position separately from the parent's equity.

For further information regarding the application of IFRS 3 and IAS 27, please refer to Note (6) Summary of Significant Accounting Policies.

(4) Acquisitions and disposals

Companies sold in 2013

On August 23, 2013, the Group sold its direct interests of 25.0% in Thai Ceramic Holding Co., Ltd., Thailand, along with the indirect shareholding in Thai Ceramic Roof Tile Co., Ltd., Thailand, and 24.9% in CPAC Roof Tile Co., Ltd., Thailand, along with its indirect shareholdings in CPAC Monier (Laos) Co., Laos, and CPAC Monier Vietnam Co., Ltd., Vietnam, to its partner and the majority shareholder The Siam Fibre-Cement. Co., Ltd., Thailand.

All these entities sold were accounted for in Group's Consolidated Financial Statements using the equity method according to IAS 28. The disposal of the associates resulted in a gain of in total EUR 5,839k.

On November 21, 2013, the Group sold its 50% interest in CPAC Monier Philippines Inc., Philippines, to Cementhai Roof Holdings (Philippines), Inc., Philippines. In the first eleven months of 2013, the entity generated revenues of about EUR 2m (100%). The disposal of the formerly proportionate consolidated entity did not have any material effect on profit and loss or on the Group's cash flow.

On December 18, 2013, the Group sold its shares in Monier Roofing Co., Ltd., Thailand, to SCG Building Materials Co., Ltd., Thailand. In 2012, the fully consolidated entity generated revenues of EUR 4m. The disposal of the entity did not have any material effect on profit and loss or on the Group's cash flow.

In 2013 proceeds from the disposal of subsidiaries and other financial assets contain EUR 15,034k purchase price received and EUR -283k disposed cash.

Companies sold in 2012

On April 4, 2012, the Group sold its 50% interest in the Earthcore Industries LLC ("Earthcore") joint venture to the joint venture partner, Icerock LLC in Jacksonville, Florida. Earthcore is a Chimneys & Energy systems business and contributed only a minor amount to the Group's consolidated EBIT in 2011. The interest in Earthcore was acquired in 2006. This sale is part of the Group's strategy to streamline regional footprints and dispose of non-core operations. The disposal of the 50% interest in Earthcore did not have any material effect on profit and loss or on the Group's cash flow.

Effective on August 31, 2012, the Group sold its 51% stake in Heliotek Maquinas e Equipamentos Ltda, Sao Paulo, Brazil (Heliotek), a Brazilian manufacturer of solar thermal systems, to Bosch Thermotechnology. In 2011, Heliotek generated revenues of about EUR 12m and employed around 120 people. This sale is part of the Group's strategy to optimize its geographical portfolio and to strengthen its presence in European, Asian and African growth markets. The disposal of the 51% interest in Heliotek did not have any material effect on profit and loss or on the Group's cash flow.

Effective November 15, 2012, the Group sold roof tile manufacturer Redland Clay Tiles (the former Mexico Business Unit) with its two entities California Clay Tile de Mexico, S.A. de C.V., Paso del Aguila, Mexico, and Clay Tile Venture Inc. Irvine, USA, again as part of its strategy to optimize the geographic portfolio. JJI Holdings, an investment company, has become the new beneficial owner of the companies. Redland Clay Tiles has plants in Mexico and primarily sells its products in California and Mexico.

With the sale of Redland Clay Tiles the Group has completely withdrawn from markets in North and South America and is now focusing solely on Europe, Asia and Africa.

The disposals mentioned above did not have any major impact on the Group´s financial position, cash flow or profit and loss. The cumulated gain resulting from these disposals amounts to EUR 2,147k; in total cash was sold in the amount of EUR 1,147k.

In 2012 proceeds from the disposal of subsidiaries and other financial assets contain EUR 4,700k purchase price received, EUR 1,153k disposed cash and cash inflows of EUR 2,430k from intercompany receivables.

Companies sold in 2011

In the context of the acquisition of the remaining 50% of the equity of Bramac Dachsysteme International GmbH and Bramac Dachsysteme Holding GmbH, both based in Pöchlarn, Austria (Bramac), the Group sold its 50% stake in Wibra Tondachziegel Beteiligungs GmbH, Austria, to its previous Joint Venture partner Wienerberger AG, Austria, for EUR 10m. Wibra Tondachziegel Beteiligungs GmbH, Austria, held 50% in Tondach Gleinstätten AG, Austria, the parent company of the Tondach Group.

In 2011 proceeds from the disposal of subsidiaries and other financial assets contain EUR 10,000k related to purchase price received related to the deconsolidation of Wibra Tondachziegel Beteiligungs GmbH and the entities of the Tondach Group and cash inflows of EUR 909k related to other financial assets.

Companies acquired in 2013

There were no acquisitions in 2013.

Companies acquired in 2012

There were no acquisitions in 2012.

Companies acquired in 2011

Effective on June 30, 2011 Monier Participations S.à r.l. (via its subsidiaries Schiebra Beteiligungsverwaltungs GmbH, Vienna, Austria, and LR Austria Holding GmbH, Vienna, Austria) acquired Wienerberger AG's 50% stake in Bramac Dachsysteme International GmbH, Pöchlarn, Austria, and in Bramac Dachsysteme Holding GmbH, Pöchlarn, Austria (hereinafter referred to as Bramac). Previously, Monier and Wienerberger had been joint-venture partners, each holding 50% of the equity in Bramac. The agreement was signed on January 31, 2011.

The purchase price for the acquired 50% of Bramac equity amounted to EUR 50.0m. The purchase price was made up of the base purchase price of EUR 45.0m and the contingent purchase price of EUR 5.0m. The latter payment was contingent on Wienerberger being unable to acquire the majority of Tondach shares within one year of the contract signing date. As the criterion was not fulfilled, the EUR 5.0m were paid in the 1st quarter of 2012.

The purchase price for the 50% of equity acquired takes into account the synergies from achieving full control. The fair value of Monier's 50% (pre Purchase Price Allocation, "PPA") stake in Bramac recognized at the acquisition date amounted to EUR 45.0m. Thus, the total purchase price for 100% of equity amounted to EUR 95.0m.

As a result of the acquisition of the remaining 50% holding in Bramac, the Group's cash and cash equivalents increased by EUR 6.4m. This amount represents 50% of Bramac's cash and cash equivalents. The EUR 7.2m gain from the deconsolidation of the previously held 50% stake in Bramac was recognized in the annual result. The acquisition resulted in goodwill of EUR 0.5m, attributable to the workforce acquired and the synergies resulting from the full control of Bramac. None of the goodwill recognized is expected to be deductible for tax purposes.

The following table shows the allocation of the purchase price to the assets and liabilities resulting from the above-mentioned business combination. The IFRS carrying amounts include the PPA assigned to the previously hold 50% stake in Bramac.

	IFRS carrying amounts at the acquisition date	Purchase price allocation	Fair values at the acquisition date
	(thousands of euros)		
Brand name	34,971	-2,027	32,944
Customer relationships	10,379	5,181	15,560
Other intangible assets	238	-21	217
Tangible assets	64,955	3,174	68,129
Other financial assets	146	0	146
Deferred tax assets	6,312	62	6,374
Current assets	51,396	5,286	56,682
Total assets	**168,397**	**11,655**	**180,052**
Long-term and medium-term debt	23,682	0	23,682
Pension provision, non-current	3,499	0	3,499
Contingent liabilities	0	248	248
Other provisions for contingencies and losses	25,919	-4,320	21,599
Deferred taxes	14,314	-690	13,624
Current liabilities	22,829	0	22,829
Total liabilities	**90,243**	**-4,762**	**85,481**

The gross carrying amount of the receivables acquired (100%) was EUR 17.3m at acquisition date, and the net carrying amount EUR 15.5m (equivalent to the fair value). Other provisions for contingencies and losses dropped by EUR 4.3m due to the first-time adoption of the Group`s accounting policies for provisions. Contingent liabilities recognized in accordance with IFRS 3.23 amounted to EUR 0.25m. The depreciable non-current assets have useful lives of 7-20 years. The fair values of the assets and liabilities were determined mainly using observable market prices. If market prices could not be determined, methods based on the income approach (e.g. relief from royalty method, multi-period excess earnings method) were used to measure the assets acquired and liabilities assumed.

The inclusion of Bramac as of July 1, 2011 (compared to the pre-acquisition 50.0% pro rata consolidation) increased Monier Group’s sales revenue by EUR 33.6m and the loss by EUR 2.2m. If Bramac had been included as of January 1, 2011, the Group’s sales revenue before consolidation (compared to the pre-acquisition 50.0% pro rata consolidation) would have been EUR 24.2m higher and loss after tax would have been lower by EUR 0.9m. The EUR 0.9m are calculated using the depreciation of the old PPA of the 50% stake in Bramac for the first six months of 2011 and the new depreciation for the remaining six months.

(5) Consolidated Group

A list of all companies included in the consolidated financial statements is shown in Note (37) (list of equity investments).

Consolidated Group: number of companies	Full consolidation	Proportionate consolidation	Measurement using the equity method
As of January 1, 2013	**133**	**7**	**13**
Sold in this year	-1	-1	-6
Merged	-1	0	0
Liquidated	-7	0	0
As of December 31, 2013	**124**	**6**	**7**

Companies established in 2013

The Group established/founded no companies in 2013.

Companies liquidated in 2013

The liquidation of companies this year did not materially affect the Group’s consolidated financial statements.

Companies established in 2012

The Group established/founded no companies in 2012.

Companies liquidated in 2012

The liquidation of companies this year did not materially affect the Group's consolidated financial statements.

Companies established in 2011

The establishment of MR Beteiligungs GmbH & Co. KG, Oberursel, Germany, on March 22, 2011 did not have any material effects on the Group´s financial position, cash flow or profit and loss.

The only change in consolidation scope involved the acquisition of the remaining 50% equity of Bramac.

(6) Summary of significant accounting policies

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will accrue to the Group and the revenue can be reliably measured. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership associated with the goods have passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of the consideration received excluding cash discounts, rebates and VAT or other charges.

Interest income

Interest income is recognized as the interest accrues (using the effective interest method, i.e., the rate used to discount estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset).

Borrowing costs

In the relevant period, no borrowing costs were capitalized pursuant to IAS 23.

Dividends

Dividend income is recognized at the time when the legal claim for payment arises.

Intangible assets other than goodwill

Intangible assets acquired separately are recognized at cost upon initial recognition. The cost of an intangible asset acquired in a business combination is its fair value at acquisition date. Following initial recognition, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. With the exception of capitalizable development costs which, however, have not been incurred to date, costs for internally generated intangible assets are recognized in the income statement in the period in which they are incurred.

A distinction is made between intangible assets with limited useful lives and those with indefinite useful lives.

- Intangible assets with limited useful lives are amortized over their useful economic lives on a straight-line basis (unless otherwise indicated) and assessed for impairment if there are any indications that the assets may be impaired. Amortization of such assets is recognized in the income statement in the expense category consistent with the function of the intangible asset.

- Intangible assets with indefinite useful lives are not amortized but tested for impairment at least annually at the level of the cash-generating units. The assumption is reviewed annually to determine whether the indefinite life assessment continues to be plausible and adopted if necessary. The Group recognizes acquired trademarks as intangible assets with indefinite useful lives because trademarks are legally protected and independent of the technical useful lives of the products of the Monier Group. Furthermore, the production of roof tiles is a stable industry and it is not reasonable that the products will become obsolete at some point in the future.

The Group uses the following expected useful lives for its intangible assets:

	Years
Goodwill	indefinite
Trademarks	indefinite
Customer relationships	10 to 15
Technologies	2 to 5
Software	3

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Goodwill resulting from a business combination is initially recognized at cost, and calculated as the excess amount of the cost of the business combination less the Group's share in the net fair value of the identifiable assets, liabilities and contingent assets / liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the unit's operation is disposed, the goodwill associated with such operation is included in the carrying amount of the operation when determining the gain or loss on its disposal. The portion of goodwill disposed is measured on the basis of the relative values of the disposed operation and the retained portion of the cash-generating unit. For the sale of a subsidiary, the difference between the selling-price and the net assets plus the accumulated foreign currency translation differences and non-amortized goodwill is recognized in the income statement.

Goodwill is not amortized, but is tested annually for impairment. The impairment test is carried out more frequently if events or changes in circumstances indicate possible impairment. The carrying amounts of all strategic business units of the Monier Group were tested for impairment by comparing their carrying amounts with their recoverable amounts. The recoverable amount is defined as the higher of the two values: fair value less costs of disposal or value in use.

In such cases where the carrying amount of the cash-generating unit is higher than its recoverable amount, the difference constitutes an impairment loss. Impairment losses on the goodwill of the respective strategic business unit are recognized in a separate line in the income statement, with the impairment charge being determined as set out above. Impairment losses recognized for goodwill may not be reversed in a subsequent period. The Monier Group performs its annual impairment test of goodwill in the fourth quarter of the year.

For the purpose of impairment testing pursuant to IAS 36, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units which benefit from the synergy effects of the business combination. In accordance with this requirement, the Monier Group uses the affected strategic business units. The Group has strategic business units represented by the respective group entities in those countries in which the Group operates. For impairment purposes, the carrying amount of the relevant cash-generating unit has to be compared with the recoverable amount, which is the higher of the two values: fair value less expected costs of disposal and value in use. The Monier Group generally applies the value in use of the relevant cash-generating unit to determine the recoverable amount of goodwill and indefinite-life intangible assets.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Cost comprises all direct costs and necessary overheads. Business premises, factories and residential buildings, machines and technical equipment as well as furniture and fixtures are depreciated on a straight-line basis over their expected useful lives as follows:

	Years
Buildings	20 to 50
Machines and technical equipment	15 to 20
Furniture and fixtures	3 to 7
IT hardware	3

Property, plant and equipment are derecognized upon disposal or when no further economic benefits are expected from their continued use or sale. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The residual values, useful lives and depreciation methods are reviewed and adjusted as necessary at the end of each fiscal year.

Impairment of non-financial assets

On each reporting date, the Group assesses whether there are any indications that an asset may be impaired. If any such indications exist or annual impairment testing is required for an asset, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the fair value of an asset, a group of assets or a cash-generating unit less cost to sell and value in use, and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation model is used to determine the fair value less cost to sell. This is based on valuation multipliers or other available fair value indicators.

To reduce the carrying amounts of the assets of the strategic business units, the impairment loss is allocated firstly to goodwill and then to the other assets of the strategic business units pro rata on the basis of the carrying amount of each asset. When allocating impairment losses, the carrying amount of an asset is not reduced below the higher of fair value less cost to sell, value in use or zero. Impairment losses charged on continuing operations are recognized in a separate line in the income statement.

With the exception of goodwill, assets are assessed on each reporting date as to whether there are any indications that any impairment losses previously recognized no longer exist or have decreased. Where indications exist, the Group estimates the recoverable amount. An impairment loss which has been recognized previously is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. However, this amount may not exceed the carrying amount which would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in a prior year. Such reversals are recognized in the income statement.

Interests in joint ventures

The Group has interests in joint ventures. A joint venture is defined as a contractual arrangement between two or more parties to undertake economic activities that are subject to joint control. A jointly controlled entity is a joint venture, which entails the formation of a separate entity in which each venture has an interest. The Group accounts for its interests in significant joint ventures on the basis of proportionate consolidation pursuant to IAS 31. The Group records its share in the assets, liabilities, income and expenses of the joint venture in the relevant captions in the consolidated financial statements. The financial statements of the joint ventures are prepared as of the same reporting date as the parent company using uniform accounting principles. Recognition of the portion of gains or losses resulting from transactions with the joint venture reflects the substance of these transactions. When the Group purchases assets from a joint venture, it does not recognize its share in the profit of the joint venture generated from the transaction until it resells the assets to an unrelated party. Joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

The Group includes all of its joint ventures in its consolidated financial statements in accordance with the proportionate consolidation method. For further information on proportionately consolidated joint ventures, please refer to Note (35).

Investments in associates

Investments in associates are accounted for using the equity method pursuant to IAS 28. An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Pursuant to the equity method, investments in associates are carried at cost in the statement of financial position plus post-acquisition changes in the Group's share of the associate's net assets. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized or separately tested for impairment. The income statement reflects the Group's share in the profit or loss of the associate.

Profits and losses from transactions between the Group and an associate are eliminated up to the amount of the investment in the associate. The reporting dates of the associate and the Group are identical and both use consistent accounting principles for similar transactions and events in similar circumstances.

After applying the equity method, the Group determines whether it is necessary to recognize additional impairment losses on the Group's investments in its associates. On each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal are recognized in the income statement.

Inventories

Raw materials, consumables and supplies as well as merchandise and replacement parts are measured at the lower of acquisition cost or net realizable value. Work in process and finished goods are measured at the lower of cost of conversion or net realizable value. In addition to direct material and labour costs, the cost of conversion also includes a proportion of the required materials, labour overheads and production-based depreciation. The net realizable value is the estimated selling price in the course of ordinary business operations less the estimated cost of completion and estimated cost to sell. Raw materials, supplies, spare parts and merchandise are valued in accordance with the FIFO or the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term investments which can be readily converted to cash with a maximum remaining term—calculated from the acquisition date—of three months or less, such as overnight deposits.

Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate. When financial assets are recognized initially, they are measured at fair value plus, in the case of investments not measured at fair value through profit or loss, transaction costs.

The Group determines the classification of its financial assets on initial recognition and, when permitted and appropriate, re-evaluates this designation at the end of each fiscal year. Currently, the Group does not classify any financial assets as available for sale or held to maturity.

All regular purchases and sales of financial assets are recognized on the transaction date, which is the date the Group commits to purchasing or selling the asset. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially measured at fair value and subsequently at amortized cost; using the effective interest method less any allowance for impairment. Gains and losses are recognized in the income statement if the loans and receivables are derecognized or impaired. These values generally correspond to the nominal value. Recognizable credit risks are accounted for by appropriate allowances.

As for all financial assets, a valuation allowance is recognized if the carrying amount of receivables exceeds the recoverable amount or a bad debt loss is probable. Objective criteria for such write-downs are high probability of bankruptcy or the debtor being in significant financial difficulty.

Non-current, non-interest bearing receivables are stated at present value. Foreign currency receivables are translated at the closing rate on the reporting date, with any foreign currency gains or losses being recorded in the income statement.

Fair value

The fair value of investments actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, the fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is largely the same, a discounted cash flow analysis or other valuation models.

Amortized cost

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Pensions

The Group's pension schemes are both defined benefit and defined contribution in nature. Under defined contribution plans, the entity pays contributions to public or private pension insurance schemes on the basis of statutory or contractual requirements, or voluntarily. No further payment obligations arise for the entity from the payment of contributions. The current contribution payments are disclosed as an expense in the relevant year under the functional cost areas and, therefore, in the operating result. All other pension schemes are defined benefit plans and comprise plans financed by provisions and funds. Early retirement benefits and other termination benefits, which have the character of an obligation similar to a pension, are also accounted for in the pension provisions.

The pension obligations are calculated pursuant to IAS 19 (revised 2011) using the projected unit credit method. The future obligations are calculated using actuarial principles taking changes and fluctuations into account. The relevant additions to provisions for the expected benefits upon reaching pensionable age are distributed over the entire period of employment.

Differences between the expected benefit liabilities and plan assets and their actual value at the balance sheet date are called actuarial gains/losses. The Group uses the so-called OCI approach pursuant to IAS 19 (revised 2011) for the recognition of actuarial gains and losses. Under this approach actuarial gains and losses are recognized immediately in other comprehensive income (OCI) in the period in which they occur.

Taxes

Current tax assets and liabilities

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities and calculated based on the applicable tax rates and tax laws as of the reporting date. Current tax relating to items which are recognized directly in equity is recognized in equity and not in the income statement.

Deferred taxes

Deferred taxes are recognized using the liability method for temporary differences as of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with the exception of deferred tax liabilities resulting from the initial recognition of goodwill, or an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Furthermore, deferred tax liabilities are not recognized if they result from taxable temporary differences relating to investments in subsidiaries, associates and interests in joint ventures if the entity controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses carried forward and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses carried forward and unused tax credits can be utilized. Deferred tax assets are not recognized if they result from deductible temporary differences which arise from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. They are similarly not recognized if they result from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures to the extent that it is probable that the temporary differences will be reversed within three to five years and no sufficient tax profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which at least part of the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability settled. They are calculated based on the tax rates (and applicable tax laws) as of the reporting date.

Deferred tax assets and deferred tax liabilities are offset against each other when the Group has an enforceable right to offset the current tax assets against the current tax liabilities and these assets and liabilities relate to income taxes levied by the same tax authority for the same taxable entity.

Provisions

Provisions are recognized for obligations which are incurred through past events and are likely to result in an economic outflow and for which a reliable estimate can be made. The other provisions are measured pursuant to IAS 37 at the amount of the best estimate of the expenditure that would be required to meet the present obligation as of the reporting date. If obligations are not expected to result in cash outflows until after one year or longer, the provisions are carried at the present value of the expected cash outflows. Reimbursements from third parties are recognized separately from provisions, but only when the reimbursement is virtually certain.

If the revised estimate reduces the obligation, the provision is released accordingly and the income recorded in the functional expense categories where the expense was originally recorded when recognizing the provision.

Legal disputes and administrative procedures are reviewed on a case-by-case basis.

Due to the nature of the Group’s business, a significant portion of its provisions relate to warranty cases. Regular warranty expenses are classified under cost of sales. Warranty cases that relate to major series are classified under other operating expenses.

Financial liabilities

Financial assets and financial liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

All liabilities are initially recognized at fair value less transaction costs. After initial recognition, liabilities are measured at amortized cost using the effective interest method. Foreign currency liabilities are translated at the closing rate at the reporting date, with any foreign currency gains or losses being recorded in the income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset which takes a substantial period of time to get ready for its intended use or sale (qualifying asset) are capitalized. All other borrowing costs are recognized as an expense in the period in which they were incurred.

Leases

Leased assets regarded in substance as purchases of assets with long-term financing (finance leases) are recognized pursuant to IAS 17. Finance leases, under which all of the risks and rewards associated with ownership of the leased asset are primarily transferred to the Group, are capitalized on the inception date of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability over the term of the lease. Finance charges are expensed immediately. Amortization is charged straight-line over the useful lives of the assets. If a subsequent transfer of ownership of the leased asset is uncertain, the term of the lease agreement is used when this is shorter.

Other leases under which the lessor primarily retains all of the risks and rewards associated with ownership of the asset are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the income statement under the conditions stated in the leasing contract over the term of the lease.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and interest rate caps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives during the year are taken directly to profit or loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate cap / floor contracts is determined by reference to market values for similar instruments.

However, derivative financial instruments used by the Group do not meet the strict criteria for hedge accounting.

Foreign currency translation

Receivables and payables denominated in foreign currency are translated as of the reporting date using the closing rate. Foreign currency gains or losses on intercompany loans are not eliminated from the income statement as part of the consolidation process, since the foreign currency risk involved is considered to be an exposure to the Group. The annual financial statements of the consolidated foreign subsidiaries are translated from their functional currency (IAS 21) into Euros, which is the Group's presentation currency. For all foreign companies, the functional currency is mainly the respective local currency, since they operate predominantly within their currency area. Accordingly, all assets and liabilities are translated at the effective rate on the reporting date. Equity is translated using historical rates. Income and expenses are translated using average rates for the year (for simplification purposes). Annual profits or losses in the income statement are also translated at the average rates for the year. Differences arising from the translation of assets and liabilities denominated in foreign currency compared to their translation in the prior year as well as translation differences between the income statement and the statement of financial position are recognized directly in other comprehensive income.

The most important exchange rates used in the consolidated financial statements developed in relation to the Euro as follows:

	Dec. 31, 2013		Dec. 31, 2012	
currency	Balance sheet exchange rate	Income statement average rate	Balance sheet exchange rate	Income statement average rate
GBP	0.8299	0.8490	0.8110	0.8106
USD	1.3753	1.3291	1.3182	1.2908
ZAR	14.4509	12.9199	11.1857	10.5152
CZK	27.3224	26.0417	25.1256	25.1889
DKK	7.4627	7.4571	7.4627	7.4460
NOK	8.3472	7.8555	7.3421	7.4627
SEK	8.8574	8.6655	8.5763	8.6730
PLN	4.1545	4.2159	4.0800	4.1684
MYR	4.5290	4.2105	4.0323	3.9714

	Dec. 31, 2011		Jan. 1, 2011	
currency	Balance Sheet exchange rate	Income statement average rate	Balance Sheet exchange rate	Income statement average rate
GBP	0.8351	0.8690	0.8566	0.8557
USD	1.2979	1.3982	1.3416	1.3200
ZAR	10.4822	10.0806	8.8810	9.6154
CZK	25.5102	24.5700	25.1256	25.2525
DKK	7.4294	7.4516	7.4516	7.4460
NOK	7.7459	7.7760	7.8003	8.0000
SEK	8.8968	8.9847	9.0171	9.4787
PLN	4.4563	4.1271	3.9635	3.9920
MYR	4.1135	4.2753	4.1374	4.2337

Significant accounting judgment, estimates and assumptions

To a certain extent, the preparation of the consolidated financial statements requires assumptions and estimates to be made which have an effect on the carrying amounts of recognized assets and liabilities, income and expenses and contingent liabilities. The assumptions and estimates mainly relate to the determination of the entities to be included in consolidation, asset impairment testing, and the uniform Group calculation of useful lives for property, plant and equipment. The assumptions and estimates are based on parameters which are derived from the information available at the time. In particular, the circumstances prevailing at the time of preparing the consolidated financial statements and assumptions regarding the realistic future development of the business environment are used to estimate the Company’s future business performance. Where these conditions develop differently than assumed and beyond the control of management, the actual figures may differ from those anticipated.

The key assumptions concerning future and other key sources of estimating uncertainties as of the reporting date which entail a significant risk of a material adjustment to the carrying amounts of assets and liabilities having to be made within the next fiscal year are explained below.

Impairment of non-financial assets

The Group assesses whether there are any indications of impairment for all non-financial assets at each reporting date. Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually and at other times when such indications exist. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate to calculate the present value of those cash flows.

The Group performs the impairment test for goodwill, other intangible assets and tangible assets at the level of the relevant cash-generating units. If an impairment loss is identified, it is firstly allocated to goodwill. Any remaining impairment loss is allocated pro rata to the other assets in the cash-generating unit unless the impairment loss would reduce an individual asset’s carrying amount below its recoverable amount or zero.

If the fair value of a strategic business unit for which an impairment loss is recognized in a prior period exceeds its carrying amount, the impairment loss is reversed up to its residual book value as if the impairment loss had not been recognized, except when the impairments previously recorded relate to goodwill.

Against the background of the development of the world economy, current corporate planning, upon which forecasts for future cash flows are based, is subject to a significant level of uncertainty. This increases the risk of further impairment in coming years, though part of the impairment may be subsequently reversed once the economy recovers.

If an indication that an impairment loss recognised for an asset other than goodwill may no longer exist or may have decreased, an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed.

Deferred tax assets

Deferred tax assets are recorded for all unused tax loss carry-forwards to the extent that it is probable that taxable profit will be available against which the loss carry-forwards can be utilized. The calculation of the amount of the deferred tax assets requires the use of judgment on the part of management as regards the amount and timing of the future taxable income and the future tax planning strategies. This judgment is particularly relevant in times of adverse market conditions.

Pensions and other post-employment benefits

The expense from defined post-employment benefit plans is determined using actuarial calculations. Actuarial measurement is based on assumptions as regards the discount rates, expected return on plan assets, future wage and salary increases as well as mortality and future pension increases. As these plans are of a long-term nature, such estimates entail a high degree of judgment.

Provisions

Provisions are measured pursuant to IAS 37 at the amount of the best estimate of the expenditure that would be required to meet the present obligation as of the reporting date. Such estimates are subject to judgment.

Warranty provisions are based on historic quality rates for established products as well as estimates regarding quality rates for new products, costs to remedy, and types of defects predicted. Such estimates entail a significant degree of judgment.

Possible results of legal disputes are evaluated using the information available and in consultation with Group lawyers. If the Group considers that a court ruling is likely to lead to future cash outflows, it recognizes the present value of the expected cash outflows as a provision to the extent that it considers them reliably measurable. These provisions cover the estimated payments to plaintiffs, court costs, lawyers' fees and any potential settlement payments.

Trade receivables

In addition to valuation allowances for trade receivables, which are based on qualitative evidence of impairment, the Group recognizes allowances for trade receivables based on their maturities. As this method comprises classifications and the determination of valuation adjustments as percentages, such estimates may entail judgment.

Impairment test for associates

The Group determines the recoverable amount of its investments in associates based on EBITDA multiples.

Standards and interpretations adopted as from 2013

The IASB and the IFRIC have published the following standards and interpretations which have already been endorsed by the EU in the so-called comitology procedure and which must be applied for fiscal years 2013 onwards. Overall, the first-time mandatory application of these new standards and interpretations in fiscal year 2013 has not had any significant effect on the Group's consolidated financial statements.

Amendments to IFRS 1—Government Loans

The amendment concerns the accounting for government loans at below-market rates by an IFRS first-time adopter. For government loans existing at the date of transition, the measurement according to the previous accounting principles may be maintained. The valuation rules according to IAS 20.10A in conjunction with IAS 39 are thus only valid for such government loans which are entered into after the date of transition. The amendment has no impact on the consolidated accounts of the Group.

Amendments to IFRS 1—Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

With this amendment of IFRS 1, the references to the date of 1 January 2004 as the fixed date of transition used hitherto are replaced by "date of transition to IFRS."

Furthermore, IFRS 1 now includes rules for cases in which a company could not adhere to the IFRS rules for some time because its functional currency was subject to hyperinflation. The amendment has no impact on the consolidated accounts of the Group.

Amendments to IFRS 7—Offsetting Financial Assets and Financial Liabilities

With this amendment to IFRS 7, the Notes to the financial statements are extended to include offset and offsetable financial instruments. The amendment has no impact on the consolidated accounts of the Group as there are no offsetable financial instruments.

IFRS 13—Fair Value Measurement

The fair value measurement in IFRS accounts is regulated in a uniform manner with this standard. All fair value measurements required by other standards have to follow the uniform guidelines of IFRS 13 from now on; specific rules exist still only for IAS 17 and IFRS. The standard replaces and expands the disclosure requirements concerning the measurement at fair value in other IFRS.

The fair value according to IFRS 13 is defined as the exit price, i.e. the price that would be obtained by the sale of an asset or the price that would be payable to transfer an obligation. As already known from the fair value measurement of financial assets, a 3-step hierarchical system is introduced which is tiered with regard to the dependence on observable market prices.

In accordance with the transition requirements of IFRS 13, the Group has applied the new valuation requirements prospectively and makes no information available from the previous year for comparison with the new figures. The foregoing notwithstanding, the amendment had no significant impact on the measurements of the Group's assets and liabilities.

Amendments to IAS 1—Presentation of Items of Other Comprehensive Income

This amendment changes the presentation of items of "other comprehensive income" in the statement of comprehensive income. The items of other comprehensive income items which are subsequently reclassified (recycled) in the income statement under certain conditions, are from now on presented separately from the "other comprehensive income" items, which are never reclassified (recycled). If the items are reported on a gross basis, i.e. without deferred tax accounting, deferred taxes are no longer reported in one amount, but allocated to the two groups of items. The amendment has no impact on the consolidated accounts of the Group.

The Group has complied with the amended disclosure requirements. Comparative information has been adapted accordingly.

Amendments to IAS 12—Recovery of underlying assets

In the case of investment property (real estate held as financial investment), it is often difficult to assess whether temporary tax differences in connection with continued use or the sale of a property are reversed. The amendment of IAS 12 has now made it clear that the valuation of deferred taxes on the basis of the rebuttable presumption entails such a reverse when property is sold.

The amendment has no impact on the consolidated accounts of the Group.

IAS 19—Employee Benefits (revised 2011)

The most significant change from the revision of IAS 19 (revised 2011) concerns the accounting of retirement benefits of defined benefit plans.

Up to now, there was a right to choose how the so-called actuarial gains and losses could be booked in the financial statement: These can either (a) be recognised in the income statement; (b) in other comprehensive income; or (c) delayed according to the so-called corridor method. With the revised version of IAS 19, this right to choose has been abandoned for a more transparent and more comparable presentation, so that only an immediate and complete entry in the year of occurrence is authorised. The entry must be mandatorily made under other comprehensive income. In addition, past service costs must now be booked in the year of occurrence directly under profit and loss.

Furthermore, the expected earnings from plan assets were up to now determined on the basis of management's expectations for the performance of the investment portfolio. With the application of IAS 19 (revised 2011), only a standardised return from plan assets at the discount rate of pension obligations at the beginning of the period is authorised.

In addition to the changes to the reporting method, the notes to the financial statements have also undergone changes, e.g. in the form of sensitivity analyses.

Since the Group had booked actuarial gains and losses fully in the year of occurrence under other comprehensive income already before the application of IAS 19 (revised 2011), there was no significant impact from the retroactive conversion.

The revised definition of termination benefits affects the accounting of the promised step-up contributions for phased retirement agreements. Up to now, the step-up contributions were classified as termination benefits and were consequently returned with the overall amount at the time a part-time employment contract for near retirees was concluded. Pursuant to the changed definition of termination benefits, with the application of IAS 19 (revised 2011), the step-up contribution no longer meets the conditions for termination benefits. In essence, it pertains to other long-term employee benefits, which are accumulated over the employee's period of service.

As a result of the changed definition of termination benefits, the promised step-up contributions in connection with part-time employment contracts for near retirees no longer represent other long-term employee benefits.

The amendment of IAS 19 (revised 2011) did not have any material effects on the items of the statement of financial position, the statement of comprehensive income, and the statement of changes in equity for the previous years.

IFRIC 20—Stripping Costs in the Production Phase of a Surface Mine

The accounting of stripping costs in the mining industry was standardised with this interpretation. If, as expected, revenues are generated from the further use of stripping, the stripping costs are to be booked as inventories in accordance with IAS 2. In addition, an intangible asset is realised which is to be activated together with the "mining" asset, if access to further natural resources is improved and the preconditions defined in the interpretation are fulfilled. This intangible asset is to be depreciated over the expected useful life.

The interpretation has no impact on the consolidated accounts of the Group.

Improvements to IFRS 2009—2011

Five standards were amended in connection with the annual improvement project. The adaptation of the wording in the individual IFRS will lead to a clarification of the existing rules. In addition, there are changes that impact the accounting, disclosure and valuation as well as the notes to the financial statements. The standards concerned are IAS 1, IAS 16, IAS 32, IAS 34 and IFRS 1.

The amendments have no significant impact on the consolidated accounts of the Group.

New standards and interpretations not yet (early) adopted in fiscal year 2013

For the following new or amended standards and interpretations, which the Monier Group is not obliged to adopt until future fiscal years, no early application is planned. Unless otherwise specified, the effects on the financial statements are currently being assessed.

a) EU Endorsement has already taken place

IFRS 10—Consolidated Financial Statements

The concept of control is redefined in a more comprehensive manner with this standard. If a company controls another company, the parent company has to consolidate the subsidiary. According to the new concept, there is control if the potential parent company has, on the basis of voting or other rights, decision-making powers over the subsidiary, participates in positive or negative variable returns from the subsidiary, and can impact such returns through its decision-making powers.

The new standard is to be applied for the first time in financial years that commence on or after 1 January 2014. Subject to certain exceptions, IFRS 10 is to be applied retrospectively.

The Group is to determine the impact from the amendment of the standard. We do not expect any material impact of the application of IFRS 10 on Group`s consolidated financial statements.

IFRS 11—Joint Arrangements

IFRS 11 provides new regulations for the accounting of joint arrangements. According to the new concept, it is necessary to decide whether a joint operation or a joint venture is at issue. A joint operation entails that the jointly controlling parties have direct rights on the assets and liabilities for debts. The individual rights and obligations are booked proportionally in the consolidated accounts. In a joint venture, the joint controlling parties on the other hand have rights to the net assets. This right is depicted in the consolidated accounts through the use of the equity method, and the right to proportional inclusion in the consolidated accounts is thereby eliminated.

The new standard is to be applied for the first time in financial years that commence on or after 1 January 2014. There are specific requirements for the transition e.g. from proportionate consolidation to the equity method.

Since the Group currently includes joint ventures proportionately in the consolidated accounts, the application of IFRS 11 in conjunction with the amended IAS 28 leads in essence to a clear change in the structure of the consolidated income statement as well as on the consolidated statements of financial position. Application to the relationships in 2013 would for instance entail lower revenue of ca. EUR 9.1m combined with an improved result from associates of EUR 0.7m. There were no effects on the overall result pursuant to the current appraisal. We expect the effects for 2014 to be of similar scope.

IFRS 12—Disclosure of Interests in Other Entities

This standard regulates the disclosure requirements relating to shares in other companies. The required information is considerably more comprehensive than that required hitherto pursuant to IAS 27, IAS 28 and IAS 31.

The new standard is to be applied for the first time in financial years that commence on or after 1 January 2014.

Amendments to IFRS 10, IFRS 11 and IFRS 12—Transition Guidance

The amendments contain a clarification and additional facilitation for the transition to IFRS 10, IFRS 11 and IFRS 12. For instance, appropriate comparative information is required only for the prior comparative period. Furthermore, the obligation to provide comparative information for periods before the initial application of IFRS is done away with as regards the notes to the financial statements on non-consolidated structured entities.

The amendments of the IFRS 10, IFRS 11 and IFRS 12 are to be applied for the first time in financial years that commence on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27—Investment Entities

The amendments contain a definition for investment entities and exclude such companies from the scope of application of IFRS 10 Consolidated Financial Statements.

Investment entities accordingly do not consolidate companies they control in their IFRS consolidated accounts, whereby this exception to the general principles is not to be seen as a right of choice. Instead of a full consolidation, they measure the stakes held for investment purposes at fair value and book periodic fluctuations in terms of their value under profit or loss.

The amendments have no impact on the consolidated accounts of the investment entities, unless the parent company is itself an investment entity.

The amendments are to be applied for the first time in financial years which commence on or after 1 January 2014.

Amendments to IAS 27—Separate Financial Statements

In connection with the adoption of the IFRS 10 Consolidated Financial Statements, the rule for the control principle and the requirements for drawing up the consolidated accounts were taken out of IAS 27 and dealt with conclusively in IFRS 10 (cf. comments on IFRS 10). As a result, IAS 27 henceforth continues only the accounting rules for subsidiaries, joint ventures and affiliated companies in IFRS single-entity financial statements.

The amendment is to be applied for the first time in financial years which commence on or after 1 January 2014.

Amendments to IAS 28—Investments in Associates and Joint Ventures

In connection with the adoption of IFRS 11 Joint Arrangements, IAS 28 was also adapted. IAS 28 regulates, as previously, the application of the equity method. However, the scope of application has been expanded considerably by the adoption of IFRS 11, because in future, not only stakes in associates but also in joint ventures (cf. IFRS 11) must be valued in accordance with the equity method. The application of the proportionate consolidation for joint ventures is thereby cancelled.

Another amendment concerns accounting in accordance with IFRS 5, if only a part of the share in an affiliated company or a joint venture is intended for sale: IFRS 5 is to be applied to the part to be sold, while the remaining part (to be retained) is to continue to be booked according to the equity method until the first part is sold.

The amendment is to be applied for the first time in financial years which commence on or after 1 January 2014.

Amendments to IAS 32—Offsetting Financial Assets and Financial Liabilities

This supplement to IAS 32 clarifies the preconditions for the offsetting of financial instruments. The supplement explains the significance of the current legal claim to offsetting and clarifies which procedures with gross settlement can be considered as net settlement within the meaning of the standard.

The amendment of IAS 32 is to be applied for the first time in financial years that commence on or after 1 January 2014.

Amendment to IAS 36—Recoverable Amount Disclosures for Non-Financial Assets

A new required disclosure about the goodwill impairment test has been introduced as a result of a follow-up amendment from IFRS 13 Fair Value Measurement, namely: the recoverable amount of cash-generating units, irrespective of whether a reduction in value was actually carried out. Since this note to the financial statement was introduced unintentionally, it will be stricken out again with that amendment in May 2013.

On the other hand, additional information ensues from this amendment if a reduction in value has actually been carried out and the recoverable amount was determined at fair value.

The amendments are to be applied for the first time in financial years that commence on or after 1 January 2014.

Amendment to IAS 39—Novation of Derivatives and Continuation of Hedge Accounting

As a result of this amendment, in spite of a novation of a hedging instrument on a central counterparty owing to legal requirements, under certain conditions, derivatives continue to be designated as hedging instruments in continuing hedging relationships.

The amendments are to be applied for the first time in financial years that commence on or after 1 January 2014.

b) EU Endorsement remains pending

IFRS 9—Financial Instruments

The accounting and valuation of financial instruments according to IFRS 9 will replace IAS 39.

Financial assets will in future be classified and valued in two groups: at amortised costs and at fair value. The Group of financial assets at amortised costs consists of such financial assets which provide only for claim to interest and redemption payment at pre-determined points in time and which are moreover held under a business model, whose object is the holding of assets. Under certain conditions, a fair value option can be designated for financial assets of the first category.

Changes in the value of financial assets under the fair value option are in principle to be entered under profit or loss. The option of entering changes in value under other comprehensive income may nonetheless be exercised for certain equity instruments; dividend claims from these assets must nonetheless be entered under profit or loss.

The requirements for financial liabilities are essentially taken over from IAS 39. The main difference concerns the entry of changes in value of financial liabilities measured at fair value. In future, these are to be booked as follows: the part linked to own credit risk is to be booked under other comprehensive income, and the remaining part of the change in value is to be booked under profit and loss.

The point of initial application of IFRS 9 is still open at this time, but it is not expected before 1 January 2017.

IFRS 9—Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39

The purpose of the new hedge accounting model under IFRS is to attain a closer connection between the risk management system and financial reporting. The types of hedging relationships authorised henceforth are "cash flow hedge accounting," "fair value hedge accounting," and "hedge of a net investment in a foreign operation."

The circle for underlying and hedging transactions has been expanded in each case. As a result, there are now particular groups of underlying transactions—to the extent that the underlying transactions qualify individually for a designation—as well as net positions and net zero positions that can be designated. Every financial instrument, which is booked at fair value, is in principle suitable as a hedging instrument, with the exception of liabilities for which the fair value option was exercised as well as equity instruments under the fair value through other comprehensive income (FVOCI) option according to the Phase I rules.

Under IFRS 9, the fluctuations margins of 80% to 125% for effectiveness measurement required by IAS 39 are dispensed with, so that no retrospective effectiveness test need be carried out any longer. The prospective effectiveness test continues to be required as is the registration of any ineffectiveness. A hedging relationship may be terminated only if the defined ad hoc conditions are met; this means that if the risk management objectives remain unchanged, the hedging relationships must be continued without fail.

As regards the risk management strategy, the impact of the risk management on future payment flows as well as the impact of hedge accounting on the accounts, extended notes to the financial statements must be provided.

In addition, the reporting of default risks for fair value option liabilities in other comprehensive income (with no impact on income) is now isolated, i.e. possible without the application of residual requirements from IFRS 9.

The initial application of the new rules on hedge accounting follows the rules on the first application of IFRS 9. Because of the transition from IAS 39 to IFRS 9, hedging relationships must not be terminated, provided that the conditions and quality characteristics continue to be met. The existing regulations according to IAS 39 can still be used optionally under IFRS 9.

Amendments to IFRS 9 and IFRS 7—Mandatory Effective Date and Transition Disclosures

The amendments make it possible to forego adjusted data of the previous year the first time IFRS 9 is applied. Originally, this simplification was possible only for the early application of IFRS before 1 January 2012.

The simplification entails additional notes to the financial statements according to IFRS 7 at the date of transition.

The point of initial application of these amendments, by analogy with the regulations of IFRS 9, is still open at this time, but not to be expected before 1 January 2017.

Amendments to IAS 19 (revised 2011)—Defined Benefit Plans: Employee Contributions

The amendments clarify the rules concerning the employee contributions or contributions from third parties during the periods of employment, if the contributions are connected to the employment period. Furthermore, facilities are created if the contributions are independent from the number of years of employment

Subject to subsequent adoption in EU law, the amendments are to be applied for the first time in financial years that commence on or after 1 July 2014.

IFRIC 21—Levies

"IFRIC 21 Levies" is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It clarifies in particular the question as to when a current obligation arises when governments impose levies and a provision or obligation has to be recognised. Penalties and levies in particular which ensue from public contracts, or which fall under the scope of another IFRS, such as IAS 12 Income Taxes, do not fall under the scope of the interpretation. According to IFRIC 21, a liability for levies is to be recognised if the obligating event occurs. This obligating event, which establishes the liability, in turn ensues from the wording of the underlying standard. Its formulation is an important factor for the purpose of accounting.

Subject to subsequent adoption in EU law, the amendments are to be applied for the first time in financial years that commence on or after 1 January 2014.

Improvements to IFRS 2010—2012

Seven standards were amended under the annual improvement project. The adaptation of the wording of individual IFRS should clarify the existing rules. Furthermore, there are amendments with effects on notes to the financial statements. The following standards are concerned: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Subject to subsequent adoption in EU law, the amendments are to be applied for the first time in financial years that commence on or after 1 July 2014, or the amendment to IFRS 2 Share-based payments, which is allowed on or after 1 July 2014.

Improvements to IFRS 2011—2013

Four standards were amended under the annual improvement project. The adaptation of the wording of individual IFRS should clarify the existing rules. The following standards are concerned: IFRS 1, IFRS 3, IFRS 13 and IAS 40.

Subject to subsequent adoption in EU law, the amendments are to be applied for the first time in financial years that commence on or after 1 July 2014.

(7) Revenues

Net revenues include freight income of EUR 56,301k (2012: EUR 57,536k, 2011: EUR 60,825k).

Unit sales by product group (unaudited supplementary information)

	2013	2012	2011
Concrete roof tiles (millions of sqm)	73	75	79
Clay roof tiles (millions of sqm)	20	22	25
Chimney systems (thousands of m)	2,455	2,485	2,833

(8) Operating segments

Reportable segments

	2013	2012	2011
	(Thousands of euros)		
Western Europe			
External revenue	287,579	302,175	329,473
Inter-segments revenue	4,926	5,336	5,311
Segment revenue	**292,504**	**307,511**	**334,784**
Operating EBITDA	28,342	27,381	35,904
Central, Northern & Eastern Europe			
External revenue	417,141	445,044	470,235
Inter-segments revenue	10,940	12,908	15,783
Segment revenue	**428,081**	**457,952**	**486,018**
Operating EBITDA	59,190	54,430	60,671
Southern Europe			
External revenue	197,337	205,724	223,589
Inter-segments revenue	1,083	342	260
Segment revenue	**198,420**	**206,066**	**223,849**
Operating EBITDA	28,727	25,286	41,108
Asia & Africa			
External revenue	136,186	146,648	133,326
Inter-segments revenue	84	42	86
Segment revenue	**136,270**	**146,691**	**133,413**
Operating EBITDA	22,874	20,839	18,831
Result from associates	-96	1,603	1,473
Chimneys & Energy Systems			
External revenue	181,335	193,985	206,927
Inter-segments revenue	96	36	26
Segment revenue	**181,431**	**194,021**	**206,953**
Operating EBITDA	22,988	20,122	23,241
Central Products & Services			
External revenue	8,590	21,321	28,597
Inter-segments revenue	100,567	99,503	120,735
Segment revenue	**109,157**	**120,824**	**149,332**
Operating EBITDA	-1,896	-16,093	-11,657
Total			
Segment revenue	1,345,864	1,433,064	1,534,347
Inter-segments revenue	117,696	118,167	142,201
External revenue	**1,228,168**	**1,314,897**	**1,392,146**
Operating EBITDA	160,225	131,964	168,099
Result from associates	-96	1,603	1,473

Reconciliation of information on reportable segments to IFRS measures

	2013	2012	2011
	(Thousands of euros)		
(i) Revenue			
Total revenue	1,345,864	1,433,064	1,534,347
Inter-segments revenue	-117,696	-118,167	-142,201
External revenue	1,228,168	1,314,897	1,392,146
(ii) EBITDA			
Operating EBITDA	160,225	131,964	168,099
Adjustments*:			
Operational restructuring, net of exceptional amortization	72,402	73,411	15,673
Acquisitions and disposals	-8,785	-10,438	-7,312
Litigation	2,344	1,048	1,903
Others**	9,743	5,811	1,936
Result from associates	96	-1,603	-1,473
Depreciation, amortization and impairment losses	-78,088	-233,415	-116,641
Earnings before interest and taxes (EBIT)	6,337	-169,680	40,731
Finance income	3,615	17,742	8,804
Finance costs	-88,270	-83,779	-78,385
Earnings before taxes (EBT)	-78,318	-235,717	-28,850

* Adjustments are presented on a net basis

** Includes valuation allowance, fees related to mergers & aquisitions, consulting costs and income from the reversal of provisions

Basis for segmentation

The definition of operating segments and the presentation of segment results are based on the management approach in line with IFRS 8, and follow internal reports to the Board of Managers of Monier Group as the chief operating decision maker who decides on the allocation of resources to the individual segments. Monier Group's segment reporting is based on the Group's internal division into geographical regions and product lines. These divisions are managed separately because they require different technology and marketing strategies.

Monier Group is divided into the following six operating segments:

(1) Western Europe (MWE)
(2) Central, Northern & Eastern Europe (MCNE)
(3) Southern Europe (MSE)
(4) Asia (MA) & Africa
(5) Chimneys & Energy Systems
(6) Central Products & Services

The Western Europe Group area includes the Benelux countries, France and the United Kingdom. Germany, Poland, Russia as well as Nordics & Baltics are included in the area Central, Northern & Eastern Europe. The Southern Europe area includes Italy and Turkey as well as the Bramac Group. The Group area Asia & Africa is made up of China, India, Malaysia, Indonesia, Thailand and South Africa. The major product lines in all of these regions are concrete tiles and clay tiles. The product line Chimneys & Energy Systems is presented in a separate segment. The manufacturing facilities of the product line components are included in the segment Central Products & Services.

Operating segment EBITDA and segment revenues, as included in internal reports reviewed by the Board of Managers, are used to measure performance because management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate in the same industries. Operating EBITDA is a non-IFRS figure.

In the column 'reconciliation', intra-Group relationships between the segments are eliminated as well as the additional ordinary result not included in segment figures.

Monier Group does not generate more than 10% of its revenues with any single external customer.

Geographical information

The geographic information below analyses Monier Group's revenue and non-current assets by countries. Non-current assets are defined as the sum of total intangible assets and total property, plant and equipment. In presenting the following information, external revenue and assets have been based on the geographic location of legal entities within the Group:

External revenue by country

	2013	2012	2011
	(Thousands of euros)		
Germany	325,294	336,967	356,223
France	148,071	160,110	180,266
United Kingdom	115,531	113,734	112,483
Italy	89,234	88,464	113,994
Malaysia	55,911	60,648	55,950
Austria	46,838	52,336	46,191
Poland	44,101	52,189	61,209
Norway	43,224	46,193	41,588
South Africa	42,125	44,986	38,569
Czech Republic	40,145	48,870	58,229
Sweden	34,200	33,772	34,783
Netherlands	32,885	38,221	45,853
China	28,729	31,058	32,042
Russia	24,627	24,675	21,939
Other	157,254	182,673	192,827
Total Revenue	**1,228,168**	**1,314,897**	**1,392,146**

Non-current assets by country

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Germany	268,031	283,398	313,581	336,379
France	96,926	91,365	167,176	176,576
United Kingdom	83,219	92,294	93,350	92,228
Italy	91,724	99,457	134,253	138,390
Malaysia	41,412	43,965	46,325	49,191
Austria	85,227	81,792	86,526	88,920
Poland	12,083	11,256	20,717	24,898
Norway	4,274	6,582	7,541	9,747
South Africa	5,908	7,398	11,189	14,062
Czech Republic	32,755	40,227	42,330	24,459
Other	201,460	218,669	250,372	221,013
Total non-current assets	**923,019**	**976,403**	**1,173,360**	**1,175,863**

Information on products

Monier Group's major products are concrete roof tiles, clay roof tiles, roofing components and chimney systems. Information on revenues from external customers for each product is presented in the following:

Net revenues by product group

	2013	2012	2011
	(Thousands of euros)		
Concrete roof tiles	498,636	524,803	537,326
Clay roof tiles	259,364	284,750	313,480
Components	274,696	294,988	315,688
Chimneys & Energy Systems	182,259	194,033	207,057
Other	13,213	16,323	18,595
Total net revenues	**1,228,168**	**1,314,897**	**1,392,146**

(9) Cost of sales

Cost of sales

	2013	2012	2011
	(Thousands of euros)		
Variable costs	673,245	730,821	766,260
Fixed costs	153,315	172,084	180,338
Amortization / depreciation	79,118	98,029	95,902
Cost of sales	**905,678**	**1,000,934**	**1,042,500**

Variable costs include cost of materials at EUR 463,491k (2012: EUR 505,804k; 2011: EUR 529,083k). Materials are raw materials, such as cement, sand, clay, additives and packaging materials, supplies and purchased goods. The cost of sales also includes research and development costs of EUR 13,997k (2012: EUR 19,473k; 2011: EUR 16,072k).

(10) Selling and administrative expenses

Selling and administrative expenses

	2013	2012	2011
	(Thousands of euros)		
Selling expenses	159,197	178,612	184,786
Administrative expenses	96,956	113,648	119,169
Selling and administrative expenses	**256,153**	**292,260**	**303,955**

Selling expenses include all types of costs linked directly or indirectly to sales activities, including marketing costs and debt risks. Administrative expenses also include the cost of managing central headquarters.

Selling expenses include depreciation of EUR 7,902k (2012: EUR 6,852k; 2011: EUR 7,498k) and administrative expenses of EUR 4,793k (2012: EUR 4,414k; 2011: EUR 4,927k).

(11) Other operating income

Other operating income

	2013	2012	2011
	(Thousands of euros)		
Gain from the disposal of non-current assets	6,115	11,799	3,636
Gain from the disposal of equity investments	4,284	3,417	10,164
Income from the reversal of provisions	427	3,943	6,811
Miscellaneous income	2,439	2,273	3,442
Other operating income	**13,265**	**21,432**	**24,053**

In 2013 the Group continued its program of strategic divestments with the sale of its 50% interest in CPAC Monier Philippines Inc., Philippines, its 75% stake in Monier Roofing Co. Ltd., Thailand and its other associates in Thailand, Vietnam and Laos, together resulting in a gain of EUR 4,284k.

In 2012 the Group sold, its 51% stake in Heliotek Maquinas e Equipamentos Ltda, Sao Paulo, Brazil and its 100% share in Mexican roof tile manufacturer Redland Clay Tiles, together resulting in a gain of EUR 3,417k.

An office building in Germany was sold and leased back in 2012. The gain from this transaction explains the significant increase in the item “Gain from the disposal of non-current assets” in 2012.

In 2011 and in conjunction with the acquisition of the remaining 50% stake in Bramac, the Group sold its 50% stake in Wibra Tondachziegel Beteiligungs GmbH, Austria, to its previous Joint Venture partner Wienerberger AG, Austria. The deconsolidation of Wibra Tondachziegel Beteiligungs GmbH and the entities of the Tondach Group led to a gain of EUR 10,000k.

(12) Other operating expenses

Other operating expenses

	2013	2012	2011
	(Thousands of euros)		
Valuation allowance	2,943	2,380	0
Litigation costs	2,344	1,048	1,903
Loss on the disposal of non-current assets	1,614	103	808
Loss on the disposal of equity investments	0	4,675	0
M&A and consulting costs	0	2,391	1,963
Miscellaneous expenses	7,591	6,290	1,825
Other operating expenses	**14,492**	**16,887**	**6,499**

Miscellaneous expenses comprise costs in conjunction with onerous contracts and IT costs.

In 2012, the Group continued its programme of strategic divestments with the sale of its 50% interest in the Earthcore Industries, LLC resulting in a loss of EUR 4,675k.

(13) Restructuring expenses

Restructuring expenses of EUR -72,402k (2012: EUR -73,411k; 2011: -15,673) are listed separately and relate in particular to measures restructuring the industrial footprint and streamlining sales functions, which are expected to lead to a long-term reduction in costs, in turn improving the cost efficiency of Monier subsidiaries in production, sales and administration.

(14) Impairments / Reversal of impairments

Impairments

	2013	2012	2011
	(Thousands of euros)		
Impairments on intangible assets	-750	-33,966	-696
Reversal of impairments on intangible assets	8	15	0
Impairments on tangible assets	-8,811	-90,976	-7,618
Reversal of impairments on tangible assets	23,278	807	0
Impairments	**13,725**	**-124,120**	**-8,314**

The reversal of impairments on tangible assets mainly comprises plants in France that were partially impaired in prior years. These reversals are a result of the current business plan that improved in connection with the successfully implemented restructuring program in April 2013. In connection with the restructuring we reduced our headcount and streamlined our processes. As a result we increased our margins. In addition to this positive internal development, the overall market development improved and shows a positive trend.

The impairments on tangible assets mainly comprise asset impairments in the UK, Hungary and Bulgaria.

The high non-recurring write-downs on production facilities in 2012 had to be recognized in France, the Netherlands and Italy. The key cause was the expected sustained underutilization of production capacities.

In 2011 impairment testing gave rise to impairment losses of EUR 8,314k with EUR 6,576k relating also to the underutilization of production capacities.

(15) Result from associates

Result from associates

	2013	2012	2011
	(Thousands of euros)		
Operating result	2,316	952	-2,471
Financial result	-958	-1,261	-1,982
Income taxes	-158	19	1,243
Net result from associates	**1,200**	**-290**	**-3,210**
Elimination of unrecognized losses	0	1,893	4,683
Impairment loss recognized on investments in associates	-1,296	0	0
Result from associates	**-96**	**1,603**	**1,473**

The table shows the Group's share in the profit or loss of associates.

Losses amounting to EUR 0 (2012: EUR 1,893k; 2011: EUR 4,683k) were not recognized in the Group's result, as the Group was under no obligation to share the losses of those associates. The losses in 2012 resulted from the business activities of the Uralita Group (Spain and Portugal).

Cumulative pro-rata losses of associates amounted to EUR 7,152k at the end of 2013 (2012: EUR 7,152k; 2011: EUR 5,941k).

Impairment losses on investment in associates amounting to EUR 1,296k refer to CPAC Monier (Cambodia) Ltd., Cambodia.

(16) Finance income and finance costs

Finance income and finance costs

	2013	2012	2011
	(Thousands of euros)		
Finance income:			
Exchange gains	2,770	16,571	6,782
Short term bonds	845	1,171	2,022
Finance income	**3,615**	**17,742**	**8,804**
Finance costs:			
Interests on liabilities to shareholder	**0**	**-2**	**0**
Senior loan—interests accrued	-10,105	-11,554	-12,319
Senior loan—interests to pay	-14,073	-11,135	-10,733
Short term bonds	-1,092	-1,725	-1,912
Other facilities (revolving and capex)	-1,862	-1,932	-3,150
Interests on liabilities to banks	**-27,132**	**-26,346**	**-28,114**
Interest costs	**-27,132**	**-26,348**	**-28,114**
Pension interest	-11,065	-13,639	-13,608
Interest floor	-1,166	-8,971	-2,142
Unrealized exchange losses on Group's internal debt	-5,947	-4,601	-17,581
Commitment and agency fees	-1,883	-7,306	-9,672
Amortized restructuring fees	-8,019	-3,215	-3,179
Exchange losses on external debt	-7,956	-6,603	-1,707
Interest cap	0	-1	-1,006
Miscellaneous	-25,102	-13,095	-1,376
Finance related costs	**-61,138**	**-57,431**	**-50,271**
Finance costs	**-88,270**	**-83,779**	**-78,385**

In 2012 a project was initiated which was continued in 2013 to revise and extend the Group's current financing. The project also includes conceptual workstreams to restructure existing debt.

Until 2012 the portion of the finance fees related to the debt restructuring in 2009 had been amortized over the term of the individual loan portions according to the effective interest method. In 2012, the amortization of the fees impacted the financial result by EUR 3,215k. The remaining accrued transaction costs amounting to EUR 8,019k from the 2009 refinancing, were released in 2013 in conjunction with the current refinancing which was classified as an extinguishment of the loans. Finance fees amounting to EUR 24,000k in connection with the amend and extend process are recognized in miscellaneous items.

In 2011 unrealized exchange losses increased due to the development of the ZAR—EUR exchange rate in connection with intercompany loans held in South Africa.

(17) Income taxes

The following table reconciles expected and effective tax expenses pursuant to IAS 12.81. Expected tax income is calculated by multiplying pre-tax profit with the tax rate of 29.22% (prior years: 28.8%) corresponding to the Luxembourg income tax rate.

Reconciliation of expected tax rate

	2013	2012	2011
	(Thousands of euros)		
Profit/(loss) before income tax	**-78,318**	**-235,717**	**-28,850**
Group tax rate %	**29.2**	**28.8**	**28.8**
	22,869	**67,886**	**8,309**
Differences in tax rates	296	-7,535	16,437
Tax income and expenses from prior years	-3,340	35,699	19,588
Permanent differences	-10,096	-28,466	-12,311
Tax free income / non-decuctible expenses / other minor adjustments	11,151	-25,929	-22,574
Valuation allowance for DTA and change valuation allowance for DTA as well as tax loss carryforwards	-11,559	-19,642	-15,676
Income taxes	**9,321**	**22,013**	**-6,227**
Thereof current income taxes	-10,932	-5,607	-28,564
Thereof deferred income taxes	20,253	27,620	22,337

The effect on tax income and expense from prior years mainly comprises changes due to adjustments of prior year tax balance sheet items of EUR -1,408k (2012: EUR 21,270k).

Permanent differences result from the classification of balance sheet differences between IFRS and tax base that will not lead to a reversal effect on tax income.

Tax free income, non-deductible expenses and minor adjustments mainly result from local or state tax regulations.

The effects of valuation allowances mainly comprise EUR -11,437k (2012: EUR -6,339k) of valuation allowances for tax loss carry-forwards, EUR -2,195k (2012: EUR 0) of effects on expiring loss carry-forwards in 2013 and EUR 2,500k (2012: EUR -13,285) of a reversal of adjustments on temporary differences.

The movement in valuation allowances for tax loss carry-forwards results primarily from an increase in allowances in 2013 of EUR -9,417k concerning France, EUR -9,363k concerning Luxembourg and EUR -2,081k concerning USA while allowances in Austria EUR 6,494k, UK EUR 1,748k and the Netherlands EUR 1,258k were reversed.

Pursuant to IAS 12 using the balance sheet liability method, measurement differences between the tax figures and the IFRS carrying amounts are covered by deferred taxes. Applying IAS 12.74, the deferred tax assets are netted with the deferred tax liabilities for each entity. They are also netted between entities in fiscal unities. Deferred taxes were determined using the respective local tax rate effects.

Deferred tax assets and liabilities

	Dec. 31, 2013		Dec. 31, 2012		Dec. 31, 2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	(Thousands of euros)					
Intangible assets	6,328	54,500	6,640	58,461	0	55,376
Property, plant and equipment	7,634	50,782	7,165	57,721	0	50,048
Investments in subsidiaries	0	483	0	630	0	952
Inventories	6,110	137	6,055	162	5,267	260
Receivables and other assets	3,668	1,169	2,968	632	2,846	1,094
Financial debt/instruments	2,384	271	388	1,122	602	3,721
Provisions for losses and contingencies	54,734	381	64,430	1,037	35,457	1,107
Current liabilities	9,615	2,377	8,503	3,684	5,426	692
Other assets / liabilities	61,316	27,505	56,202	19,737	0	17,033
Adjustments on temporary differences	-64,299	0	-67,055	0	-16,688	0
Loss carry forwards net	42,376	0	30,000	0	23,604	0
Subtotal	**129,866**	**137,605**	**115,296**	**141,186**	**56,514**	**130,283**
Netting	-116,577	-116,577	-97,313	-97,313	-37,841	-37,841
Consolidated statement of financial position	**13,289**	**21,028**	**17,983**	**45,873**	**18,673**	**92,442**

Out of the movement of the net deferred tax position EUR 20,151k (2012: EUR 45,879k, 2011: EUR 22,762k), EUR 20,253k (2012: EUR 27,620k, 2011: EUR 22,337k) were included in the income statement and EUR -735k (2012: EUR 18,625k, 2011: EUR 425k) were recognized in other comprehensive income. The remaining movement was caused by a reclassification to current liabilities amounting to EUR 633k and de-consolidation of subsidiaries in 2012 EUR 511k. Deferred tax assets are recognized only to the extent that the realization of the related benefit is probable. Appropriate tax structuring measures are also taken into consideration for the assessment of probability as well as past performance and the respective prospects for the foreseeable future.

The Group has significant tax loss carry-forwards of EUR 1,383,025k (2012: 1,320,934k; 2011: 996,686k). The realization of EUR 1,172,218k (2012: EUR 1,216,767k; 2011: EUR 918,544k) of the related tax benefits is not deemed probable. The Group recognized deferred tax assets on loss carry-forwards of EUR 42,376k (2012: EUR 30,000k; 2011: EUR 23,604k).

Expiration of tax losses including interest carryforwards

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
	(Thousands of euros)		
Expiring next year	2,560	10,562	7,051
Expiring in 2 years	2,897	5,368	11,394
Expiring in 3 years	2,006	3,761	10,821
Expiring in 4 years	5,409	5,250	10,249
Expiring in 5 years	24,199	33,687	2,769
Not expiring in foreseeable future	1,345,954	1,262,306	954,402
Total	**1,383,025**	**1,320,934**	**996,686**

The tax losses not expiring in foreseeable future include EUR 42,508k (2012: EUR 8,533k) of interest loss carry-forwards. The increase mainly results from the first time recognition of interest loss carryforwards in Italy which were fully impaired.

Tax losses not expiring in the foreseeable future are mainly attributable to Monier Group S.à r.l., Luxembourg (2013: EUR 834,859k, 2012: EUR 764,405k; 2011: EUR 599,075k), Financière Gaillon 7, France (2013: EUR 204,001k; 2012: EUR 240,349; 2011: EUR 66,546k), LR Austria Holding GmbH, Austria (2013: EUR 71,836k; 2012: EUR 54,385k; 2011: EUR 45,481k), LR (UK) Ltd., UK (2013: EUR 41,780k; 2012: EUR 50,413k; 2011: EUR 45,207k) and LR Roofing Holding AB, Sweden (2013: EUR 33,452k; 2012: EUR 44,458k; 2011: EUR 35,207k).

The Group does not recognize deferred tax liabilities for un-remitted earnings of non-Luxembourg subsidiaries to the extent that they are expected to be permanently invested in international operations. These earnings, the amount of which cannot be practicably calculated, could become subject to additional tax if they are remitted as dividends or if the Group was to sell its shareholdings in subsidiaries.

(18) Non-controlling interests

This item, also within equity, comprises the non-controlling interests in subsidiaries not directly or indirectly attributable to the Monier Group. They are assigned to two subsidiaries (2012: three subsidiaries, 2011: four subsidiaries) as at December 2013 where Monier Group has control, but owns less than 100% of the shares.

(19) Personnel expenses and employees

Employees

	2013	2012	2011
Employees in fully consolidated entities	7,307	8,507	9,210
Employees in proportionately consolidated entities*)	82	112	144
Total	**7,389**	**8,619**	**9,354**

*) proportionally weighted

In 2013, personnel expenses totaled EUR 333,626k (2012: EUR 377,386k; 2011: EUR 381,697k). As of December 31, 2013, the Group employed 7,389 employees (2012: 8,619; 2011: 9,354), with 7,834 as the 2013 average headcount (2012: 9,040; 2011: 9,226). The decrease in headcount is mainly attributable to the restructuring activities.

(20) Intangible assets

Intangible assets—development in 2013

	Costs						
	Goodwill	**Trademarks**	**Customer Relationship Asset**	**Technology**	**Other**	**Other intangible assets**	**Goodwill and other intangible assets**
	(Thousands of euros)						
Dec 31, 2012	**83,863**	**179,422**	**90,749**	**32,435**	**22,380**	**324,986**	**408,849**
Derecognition of subsidiaries and joint ventures	-303	0	0	0	0	0	-303
Additions	0	0	0	0	4,551	4,551	4,551
Disposals	0	0	0	0	-3	-3	-3
Reclassifications	0	0	-407	0	4,068	3,661	3,661
Effect of foreign exchange	-2,651	-1,520	-3,442	-255	-1,946	-7,163	-9,814
Dec 31, 2013	**80,909**	**177,902**	**86,900**	**32,180**	**29,050**	**326,032**	**406,941**

	Accumulated amortization and impairment						
	Goodwill	**Trademarks**	**Customer Relationship Asset**	**Technology**	**Other**	**Other intangible assets**	**Goodwill and other intangible assets**
Dec 31, 2012	**38,501**	**2,540**	**26,429**	**32,435**	**12,659**	**74,063**	**112,564**
Derecognition of subsidiaries and joint ventures	-142	0	0	0	0	0	-142
Amortization for the year	0	0	7,093	0	5,019	12,112	12,112
Impairment	0	0	0	0	750	750	750
Reversal of impairment	0	0	0	0	-8	-8	-8
Disposals	0	0	0	0	-2	-2	-2
Reclassifications	0	0	-407	0	378	-29	-29
Effect of foreign exchange	-1,238	-22	-1,302	-255	-1,191	-2,770	-4,008
Dec 31, 2013	**37,121**	**2,518**	**31,813**	**32,180**	**17,605**	**84,116**	**121,237**

	Net book values						
	Goodwill	**Trademarks**	**Customer Relationship Asset**	**Technology**	**Other**	**Other intangible assets**	**Goodwill and other intangible assets**
Dec 31, 2012	**45,362**	**176,882**	**64,320**	**0**	**9,721**	**250,923**	**296,285**
Dec 31, 2013	**43,788**	**175,384**	**55,087**	**0**	**11,445**	**241,916**	**285,704**

Intangible assets—development in 2012

	Costs						
	Goodwill	**Trademarks**	**Customer Relationship Asset**	**Technology**	**Other**	**Other intangible assets**	**Goodwill and other intangible assets**
	(Thousands of euros)						
Dec 31, 2011	**82,342**	**178,275**	**89,741**	**32,112**	**23,903**	**324,031**	**406,373**
Derecognition of subsidiaries and joint ventures	0	0	0	0	-5,323	-5,323	-5,323
Additions	0	0	0	0	2,247	2,247	2,247
Disposals	0	0	0	0	-337	-337	-337
Reclassifications	0	0	0	0	1,775	1,775	1,775
Effect of foreign exchange	1,521	1,147	1,008	323	115	2,593	4,114
Dec 31, 2012	**83,863**	**179,422**	**90,749**	**32,435**	**22,380**	**324,986**	**408,849**

	Accumulated amortization and impairment						
	Goodwill	Trademarks	Customer Relationship Asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
Dec 31, 2011	**7,100**	**2,524**	**17,193**	**30,388**	**10,325**	**60,430**	**67,530**
Derecognition of subsidaries and joint ventures	0	0	0	0	-3,303	-3,303	-3,303
Amortization for the year	0	0	8,690	1,724	3,309	13,723	13,723
Impairment	31,223	0	255	0	2,488	2,743	33,966
Reversal of impairment	0	0	0	0	-15	-15	-15
Disposals	0	0	0	0	-210	-210	-210
Effect of foreign exchange	178	16	291	323	65	695	873
Dec 31, 2012	**38,501**	**2,540**	**26,429**	**32,435**	**12,659**	**74,063**	**112,564**

	Net book values						
	Goodwill	Trademarks	Customer Relationship Asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
Dec 31, 2011	**75,243**	**175,751**	**72,548**	**1,724**	**13,578**	**263,601**	**338,844**
Dec 31, 2012	**45,362**	**176,882**	**64,320**	**0**	**9,721**	**250,923**	**296,285**

Intangible assets—development in 2011

	Costs						
	Goodwill	Trademarks	Customer Relationship Asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
			(Thousands of euros)				
Jan 1, 2011	**82,470**	**163,433**	**82,572**	**32,038**	**24,607**	**302,650**	**385,120**
Acquired through acquisition of a subsidary	460	32,944	15,560	0	217	48,721	49,181
Derecognition of subsidaries and joint ventures	0	-17,964	-7,047	0	-119	-25,130	-25,130
Additions	0	0	0	0	1,351	1,351	1,351
Disposals	0	0	0	0	-297	-297	-297
Reclassifications	0	0	0	0	2,636	2,636	2,636
Effect of foreign exchange	-588	-138	-1,344	74	-4,492	-5,900	-6,488
Dec 31, 2011	**82,342**	**178,275**	**89,741**	**32,112**	**23,903**	**324,031**	**406,373**

	Accumulated amortization and impairment						
	Goodwill	Trademarks	Customer Relationship Asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
			(Thousands of euros)				
Jan 1, 2011	**7,151**	**2,526**	**9,561**	**19,974**	**8,605**	**40,666**	**47,817**
Derecognition of subsidaries and joint ventures	0	0	-1,497	0	-57	-1,554	-1,554
Amortization for the year	0	0	8,694	10,344	3,655	22,693	22,693
Impairment	0	0	696	0	0	696	696
Disposals	0	0	0	0	-143	-143	-143
Reclassifications	0	0	0	0	368	368	368
Effect of foreign exchange	-51	-2	-261	70	-2,103	-2,296	-2,347
Dec 31, 2011	**7,100**	**2,524**	**17,193**	**30,388**	**10,325**	**60,430**	**67,530**

	Net book values						
	Goodwill	Trademarks	Customer Relationship Asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
			(Thousands of euros)				
Jan 1, 2011	**75,319**	**160,907**	**73,011**	**12,064**	**16,002**	**261,984**	**337,303**
Dec 31, 2011	**75,243**	**175,751**	**72,548**	**1,724**	**13,578**	**263,601**	**338,844**

Impairment test

The value in use of a strategic business unit is determined by discounting the future pre-tax net cash flows expected on the basis of the ongoing operations of the strategic business unit (cash generating unit, CGU).

Since April 1, 2013, the Group is organised by region with a Group Management Team consisting of the Group CEO, the Group CFO and the Group Industrial Director (GID). This simplification of the operational model was part of a comprehensive repositioning program under the name “STEP 200+”. In this context, the Group reviewed its organizational structure and implemented a substantial restructuring program which leads to structurally lower costs and a more efficient headcount structure. This implies an increased number of double-functions on regional, country and plant level, and a significant reduction of non-customer-relevant service levels.

The regions are structured as follows:

Asia & Africa: China, India, Malaysia, Indonesia, Thailand, South Africa

Central, Northern & Eastern Europe: Germany, Poland, Russia (formerly Central & Eastern Europe), Nordics & Baltics

Southern Europe: Italy, Turkey (formerly Southern Europe), Bramac

Western Europe: France, Benelux, UK

Chimneys & Energy Systems: formerly Chimneys

Central Products & Services: Component business in Germany and South Africa, excluding Klöber

The number of CGUs has thus been reduced from 10 in 2012 to 6 in 2013. In 2012 CGUs were structured as follows:

Benelux, France, Nordics & Baltics, UK, Central & Eastern Europe, Southern Europe, Bramac, Asia & Africa, Components and Chimneys

In 2011 the overall number of CGUs was 20. These units were defined as follows:

Benelux, France, Nordics & Baltics, UK, Italy, Germany, Bramac, Eastern Europe, Turkey, China, India, Indonesia, Malaysia, Philippines, Thailand, South Africa, Heliotek, Mexico (Clay tile Venture), Components and Chimneys (Schiedel, Earthcore)

Cash flows are forecast based on the Monier Group’s current mid-term business plan at the end of the year. Each plan reflects the market information of the strategic business unit. Management uses both external market information and internal information from the Group’s sales departments. Estimates of cash flows following the end of the planning period are based on the expected inflation rate of the respective region.

When determining the value in use for the purpose of impairment testing of goodwill and indefinite-life intangible assets, the Group applies the weighted average cost of capital (WACC) method on a pre-tax basis. The pre-tax capitalization rates of the respective cash-generating units were between 10.70% (2012: 9.67%; 2011: 10.95%) and 16.60% (2012: 15.09%; 2011: 24.34%). The pre-tax rates of the major units were as follows:

	2013	
	WACC(pre-tax)	Long-term growth
Western Europe	10.70%	0.81%
Central, Nothern & Eastern Europe	11.15%	0.90%
Southern Europe	13.30%	0.91%
Asia & Africa	16.60%	2.03%
Chimneys & Energy Sytems	12.03%	1.00%
Components	13.02%	0.93%

	2012	
	WACC(pre-tax)	Long-term growth
Benelux	10.30%	0.84%
France	9.67%	0.90%
Nordics & Baltics	10.69%	1.04%
UK	10.48%	1.00%
Central & Eastern Europe	11.46%	1.00%
Southern Europe	14.07%	1.21%
Bramac	12.55%	1.17%
Asia & Africa	15.09%	1.44%
Components	12.21%	1.17%
Chimneys	11.89%	1.12%

	2011	
	WACC(pre-tax)	Long-term growth
Benelux	11.37%	0.88%
France	10.95%	0.88%
Nordics & Baltics	11.73%	1.15%
UK	11.43%	1.10%
Italy	11.55%	0.88%
Germany	12.34%	0.88%
Bramac	13.04%	0.00%
Eastern Europe	15.01%	2.00%
Turkey	20.20%	2.85%
China	16.29%	2.18%
India	17.39%	2.12%
Indonesia	13.40%	2.12%
Malaysia	14.36%	1.50%
Philippines	18.46%	2.12%
Thailand	24.34%	2.12%
South Africa	15.03%	2.90%
Heliotek	17.32%	2.25%
Mexico (Clay tile Venture)	13.95%	2.25%
Components	11.40%	0.88%
Chimneys	12.76%	0.00%

The future pre-tax net cash flows of the respective CGUs are derived from the Group's 5 year business plan. Key assumptions of the business plan are in particular production and sales volumes, selling prices and procurement prices. The assumptions are based on both own estimates of the Group management as well as external market studies.

With respect to revenues, specific growth rates for each region were taken into account for each year in the mid-term business plan ranging from 3.2% (2012: 0.6%; 2011: 4.48%) in industrial countries up to a compounded annual growth rate of 7.7% (2012: 7.1%; 2011: 24.0%) in emerging markets.

Allocation of goodwill in 2013

Considering the new structure we allocated the Goodwill to the strategic business units using a relative value approach. Goodwill has been allocated to the strategic business units for impairment testing as follows:

Goodwill

	Closing Dec. 31, 2012	Additions/ change in consolid. group	Foreign currency translations	Impairment	Closing Dec. 31, 2013	Note
			(Thousands of euros)			
Western Europe	2,448	0	0	0	**2,448**	(a)
Central, Northern & Eastern Europe	33,046	0	-825	0	**32,221**	(b)
Southern Europe	460	0	0	0	**460**	(c)
Asia & Africa	5,520	-161	-588	0	**4,771**	
Chimneys & Energy Systems	3,888	0	0	0	**3,888**	—
Total	**45,362**	**-161**	**-1,413**	**0**	**43,788**	

Note: The goodwill was formerly allocated as follows:

(a) Benelux

(b) Components

(c) Southern Europe and Bramac

The impairment test gave no rise to impairment losses related to goodwill. The recoverable amount of the CGUs is as follows:

Western Europe: EUR 347.2m
Central, Northern & Eastern Europe: EUR 501.7m
Southern Europe: EUR 196.4m
Asia & Africa: EUR 81.3m
Chimneys & Energy Systems: EUR 153.4m
Central Products & Services: EUR 43.8m

Impairments are recorded in a separate line in the income statement.

Sensitivities in 2013

An increase of 1% in the WACC applied to the determination of the value in use of the respective regions would not have resulted in any impairment losses in 2013. This is also true for a decrease of 0.5% in the long-term growth rate as well as a decrease of 10% in the derived free cash flow.

Allocation of goodwill in 2012

In 2012 Goodwill has been allocated to the strategic business units for impairment testing as follows:

Goodwill
(Thousand of euros)

	Closing Dec. 31, 2011	Additions/ change in consolid. group	Foreign currency translation	Impairment	Closing Dec. 31, 2012
			(Thousands of euros)		
Bramac	460	0	0	0	**460**
Benelux	2,448	0	0	0	**2,448**
Nordic & Baltics	25,072	0	937	0	**26,009**
Southern Europe	30,932	0	291	-31,223	**0**
Asia & Africa	5,406	0	114	0	**5,520**
Components	7,037	0	0	0	**7,037**
Chimneys	3,888	0	0	0	**3,888**
TOTAL	**75,243**	**0**	**1,342**	**-31,223**	**45,362**

In 2012, the impairment test gave rise to impairment losses on goodwill to the amount of EUR 31,223k. The key cause was the expected sustained underutilization of production capacities due to significant falls in demand on account of from worsening market dynamics.

Impairments were recorded in a separate line in the income statement.

Sensitivities in 2012

An increase of 1% in the WACC applied to in the value in use of the strategic business units would lead in 2012 to impairment losses of EUR 9,315k in France, EUR 8,301k in Southern Europe and EUR 4,969k for the strategic business unit Bramac.

A decrease of 0.5% in the long-term growth rate applied would result in impairment losses of EUR 3,554k in France, EUR 2,453k in Southern Europe and EUR 1,152k for the strategic business unit Bramac.

A decrease of 10% in the derived free cash flow would result in impairment losses of EUR 7,914k in France, EUR 8,503k in Southern Europe and EUR 5,986k for the Bramac business unit.

Allocation of goodwill in 2011

In 2011 Goodwill has been allocated to the strategic business units for impairment testing as follows:

Goodwill

	Jan. 1, 2011	Additions/ change in consolid. group	Foreign currency translations	Impairment	Dec. 31, 2011
			(Thousands of euros)		
Benelux	**2,448**	0	0	0	**2,448**
Nordic & Baltics	**24,737**	0	335	0	**25,072**
Bramac	**0**	460	0	0	**460**
Italy	**26,059**	0	0	0	**26,059**
Turkey	**5,778**	0	-905	0	**4,873**
Malaysia	**5,224**	0	30	0	**5,254**
Philippines	**148**	0	4	0	**152**
Components	**7,037**	0	0	0	**7,037**
Chimneys	**3,888**	0	0	0	**3,888**
Total	**75,319**	**460**	**-536**	**0**	**75,243**

In 2011, the impairment test gave rise to impairment losses on intangible assets (other than goodwill) of EUR 696k.

Sensitivities in 2011

An increase of 1% in the WACC applied in derivation of the value in use of the strategic business units would lead in 2011 to impairment losses of EUR 24,879k in France, EUR 12,804k in Germany, EUR 10,948k in UK, EUR 1,030k in Eastern Europe, EUR 1,050k in China and EUR 12,701k in the strategic business unit Chimneys.

A decrease of 0.5% in the long-term growth rate applied would result in impairment losses of EUR 4,116k in France.

A decrease of 10% in the derived free cash flow would result in impairment losses of EUR 17,649k in France, EUR 5,126k in Germany, EUR 6,983k in UK, EUR 846k in Eastern Europe, EUR 854 in China and EUR 12,861k in the Chimneys business unit.

Allocation of trademarks in 2013

In 2013 Trademarks with indefinite useful lives acquired through business combinations have been allocated to strategic business units for impairment testing as follows:

Trademarks

	Dec. 31, 2012	Additions / change in consolid. group	Foreign currency translation	Impairment	Dec. 31, 2013
			(Thousands of euros)		
Western Europe	**30,433**	0	-693	0	**29,740**
Central, Northern & Eastern Europe	**59,878**	0	0	0	**59,878**
Southern Europe	**45,227**	0	-805	0	**44,422**
Chimneys & Energy Systems	**41,344**	0	0	0	**41,344**
Total	**176,882**	**0**	**-1,498**	**0**	**175,384**

Customer relationship assets and technology are amortized using the straight-line method. The remaining useful life for customer relationship assets is 9 years for Western European and 4 years for Eastern European companies.

Other intangible assets include franchises, industrial rights and similar rights measured at cost net of straight-line amortization and impairment losses.

Depending on the use of the asset, amortization is recognized in the income statement under either cost of sales or selling and administrative expenses.

Allocation of trademarks in 2012

In 2012 Trademarks with indefinite useful lives acquired through business combinations have been allocated to strategic business units for impairment testing as follows:

Trademarks

	Dec. 31, 2011	Additions / change in consolid. group	Foreign currency translation	Impairment	Dec. 31, 2012
			(Thousands of euros)		
UK	**29,508**	0	877	0	**30,385**
Southern Europe	**10,830**	0	0	0	**10,830**
Central & Eastern Europe	**53,493**	0	0	0	**53,493**
Bramac	**31,768**	0	226	0	**31,994**
Components	**8,808**	0	28	0	**8,836**
Chimneys	**41,344**	0	0	0	**41,344**
TOTAL	**175,751**	**0**	**1,131**	**0**	**176,882**

Allocation of trademarks in 2011

In 2011 Trademarks with indefinite useful lives acquired through business combinations have been allocated to strategic business units for impairment testing as follows:

Trademarks

	Jan. 1, 2011	Additions / change in consolid. group	Foreign currency translation	Impairment	Dec. 31, 2011
	(Thousands of euros)				
UK	**28,766**	0	742	0	**29,508**
Italy	**10,830**	0	0	0	**10,830**
Germany	**53,493**	0	0	0	**53,493**
Bramac	**17,485**	15,133	-850	0	**31,768**
Components	**8,989**	-153	-28	0	**8,808**
Chimneys	**41,344**	0	0	0	**41,344**
TOTAL	**160,907**	**14,980**	**-136**	**0**	**175,751**

(21) Property, plant and equipment

Property, plant and equipment - development in 2013

	Costs				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
	(Thousands of euros)				
Dec 31, 2012	**213,450**	**205,129**	**614,172**	**39,353**	**1,072,104**
Derecognition of subsidaries and joint ventures	0	0	-3,422	0	**-3,422**
Additions	396	2,825	22,791	20,166	**46,178**
Disposals	-1,656	-1,811	-4,116	-65	**-7,648**
Reclassifications	3,488	735	25,199	-33,083	**-3,661**
Reclassified to assets held for sale	-5,064	-435	-156	0	**-5,655**
Effect of foreign exchange	-3,645	-2,715	-7,353	-840	**-14,553**
Dec 31, 2013	**206,969**	**203,728**	**647,115**	**25,531**	**1,083,343**

	Accumulated depreciation and impairment				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
Dec 31, 2012	**23,356**	**72,075**	**292,831**	**3,724**	**391,986**
Derecognition of subsidaries and joint ventures	0	0	-1,824	0	**-1,824**
Depreciation for the year	1,909	15,606	62,178	0	**79,693**
Impairment	3,057	1,494	4,253	7	**8,811**
Reversal of impairment	-5,681	-8,125	-9,130	-342	**-23,278**
Disposals	-174	-714	-2,200	0	**-3,088**
Reclassified to assets held for sale	-823	0	0	0	**-823**
Effect of foreign exchange	-372	-1,065	-3,901	-111	**-5,449**
Dec 31, 2013	**21,272**	**79,271**	**342,207**	**3,278**	**446,028**

	Net book values				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
Dec 31, 2012	**190,094**	**133,054**	**321,341**	**35,629**	**680,118**
Dec 31, 2013	**185,697**	**124,457**	**304,908**	**22,253**	**637,315**

Property, plant and equipment—development in 2012

	Costs				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
	(Thousands of euros)				
Dec 31, 2011	**220,102**	**206,658**	**579,507**	**46,438**	**1,052,705**
Derecognition of subsidaries and joint ventures	-232	0	-3,380	-1,838	**-5,450**
Additions	1,847	3,401	19,971	25,600	**50,819**
Disposals	-10,040	-10,352	-7,465	-27	**-27,884**
Reclassifications	356	2,720	26,862	-31,397	**-1,459**
Reclassified to assets held for sale	0	0	-6,550	0	**-6,550**
Effect of foreign exchange	1,417	2,702	5,227	577	**9,923**
Dec 31, 2012	**213,450**	**205,129**	**614,172**	**39,353**	**1,072,104**

	Accumulated depreciation and impairment				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
Dec 31, 2011	**8,307**	**38,955**	**167,091**	**3,836**	**218,189**
Derecognition of subsidaries and joint ventures	-25	0	-1,609	-179	**-1,813**
Depreciation for the year	3,407	21,136	71,028	1	**95,572**
Impairment	12,405	14,799	63,760	12	**90,976**
Reversal of impairment	0	-29	-778	0	**-807**
Disposals	-1,145	-3,727	-8,323	0	**-13,195**
Reclassifications	356	0	0	0	**356**
Reclassified to assets held for sale	0	0	-823	0	**-823**
Effect of foreign exchange	51	941	2,485	54	**3,531**
Dec 31, 2012	**23,356**	**72,075**	**292,831**	**3,724**	**391,986**

	Net book values				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
Dec 31, 2011	**211,795**	**167,703**	**412,416**	**42,602**	**834,516**
Dec 31, 2012	**190,094**	**133,054**	**321,341**	**35,629**	**680,118**

Property, plant and equipment—development in 2011

	Costs				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
	(Thousands of euros)				
Jan 1, 2011	**215,203**	**197,112**	**518,469**	**38,314**	**969,098**
Acquired through acquisition of a subsidary	13,202	24,528	28,169	2,230	**68,129**
Derecognition of subsidaries and joint ventures	-8,048	-14,634	-15,412	-237	**-38,331**
Additions	223	4,953	21,451	40,512	**67,139**
Disposals	-787	-1,249	-2,925	-106	**-5,067**
Reclassifications *	1,073	-2,632	34,565	-33,907	**-901**
Reclassified to assets held for sale	0	0	-1,735	0	**-1,735**
Effect of foreign exchange	-764	-1,420	-3,075	-368	**-5,627**
Dec 31, 2011	**220,102**	**206,658**	**579,507**	**46,438**	**1,052,705**

	Accumulated depreciation				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
	(Thousands of euros)				
Jan 1, 2011	**5,243**	**27,167**	**94,701**	**3,427**	**130,538**
Derecognition of subsidaries and joint ventures	0	-2,940	-291	0	**-3,231**
Depreciation for the year	2,878	14,838	67,826	92	**85,634**
Impairment	243	411	6,607	357	**7,618**
Disposals	-30	-252	-866	-9	**-1,157**
Effect of foreign exchange	-27	-269	-886	-31	**-1,213**
Dec 31, 2011	**8,307**	**38,955**	**167,091**	**3,836**	**218,189**

	Net book values				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
	(Thousands of euros)				
Jan 1, 2011	**209,960**	**169,945**	**423,768**	**34,887**	**838,560**
Dec 31, 2011	**211,795**	**167,703**	**412,416**	**42,602**	**834,516**

(22) Investments accounted for using the equity method

Investments accounted for using the equity method

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
CPAC Monier (Cambodia) Ltd. (25.0%)	290	1,150	861	692
CPAC Roof Tile Co., Ltd. (0%; 2012, 2011: 24.9%)	0	4,405	4,305	3,980
Thai Ceramic Holding Co., Ltd. (0%; 2012, 2011: 25.0%)	0	4,192	3,278	2,755
CPAC Monier Vietnam Co., Ltd. (0%; 2012, 2011: 24.9%)	0	728	672	629
Tejas Corbert S.A. (47.0%)	0	0	0	0
Investments in associates	**290**	**10,475**	**9,116**	**8,056**

Investments in associates are accounted for in accordance with the equity method. Increases and decreases in the carrying amount of these investments may result from recognizing the investor's share in profit or loss or from any other changes in the investee's equity. Distributions received reduce the carrying amount. More information about the complete investment structure is shown in note 37 (list of equity investments).

In 2013, the Group recognized impairment losses on associates by an amount of EUR 1,296k for CPAC Monier (Cambodia) Ltd. (2012: EUR 0k; 2011: EUR 0k). Three of the Asian minorities (Thai Ceramic Holding Co., Ltd., CPAC Roof Tile Co., Ltd. and CPAC Monier Vietnam Co., Ltd.) have been sold within the year.

The exposure to further impairment losses is limited to the carrying amount of EUR 290k. The carrying amounts may be reinstated if the recoverable amounts increase.

Key financials of equity investments

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Revenues	36,871	55,196	68,805	—
Profit/(loss) for the year before impairment (see Note 15)	-96	1,603	-3,210	—
Non-current assets	37,934	84,522	84,293	152,357
Current assets	17,343	48,763	47,410	73,706
Provisions, tax liabilities	3,047	3,224	3,224	7,403
Non-current liabilities	666	20,579	20,571	20,380
Current liabilities	21,738	60,904	58,889	112,102

(23) Other financial assets

Other financial assets

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Receivables from factoring (long term)	2,100	0	0	0
Long-term investments	746	889	2,790	3,582
Loans to joint ventures	140	180	2,946	2,786
Other financial assets	**2,986**	**1,069**	**5,736**	**6,368**

(24) Inventories

Inventories

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Raw materials, production supplies	53,310	62,682	68,681	64,618
Work in progress and finished goods	131,928	148,423	146,793	143,535
Merchandise	11,479	11,474	22,008	17,686
Inventories	**196,717**	**222,579**	**237,482**	**225,839**

In 2013 inventories amounting to EUR 463,491k (2012: EUR 505,564k; 2011: EUR 529,083k) were recorded as cost of sales.

Valuation allowance on inventories

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Opening balance	33,084	32,325	34,867	30,651
Allocations recognized in profit or loss	10,449	10,490	8,370	11,410
Exchange rate fluctuations	-569	70	-145	548
Change in scope / reclassifications	-2,759	-355	636	-741
Utilization	-4,178	-6,143	-5,848	-5,315
Reversal	-1,283	-3,303	-5,555	-1,686
Balance at year-end	**34,744**	**33,084**	**32,325**	**34,867**

The net amount of valuation allowances on inventories of EUR 9,166k (2012: EUR 7,187k; 2011: EUR 2,815k) is recognized as cost of sales in the income statement.

(25) Trade accounts receivables

Aging of trade receivables

		Neither past due nor impaired			Past due (already impaired)		
	Trade accounts receivable, net	Not due yet	Less than 30 days	30-60 days	61-90 days	91-180 days	More than 180 days
	(Thousands of euros)						
December 31, 2013	**103,040**	**85,992**	**10,273**	**2,609**	**1,263**	**858**	**2,045**
December 31, 2012	**133,598**	**107,174**	**18,158**	**4,870**	**1,766**	**780**	**850**
December 31, 2011	**155,888**	**129,285**	**17,670**	**3,651**	**1,777**	**1,150**	**2,355**
January 1, 2011	**149,554**	**113,896**	**21,296**	**5,974**	**3,509**	**2,275**	**2,604**

Valuation allowance on trade receivables

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Opening balance	19,373	17,560	17,094	17,711
Allocation recognized in profit of loss	4,671	4,987	3,715	4,726
Exchange rate fluctuations	-988	65	-526	507
Change in scope / reclassification	-308	67	1,029	-773
Utilization	-2,608	-2,243	-2,427	-2,425
Reversal	-1,145	-1,063	-1,325	-2,652
Balance at year-end	**18,995**	**19,373**	**17,560**	**17,094**

If there is objective evidence of impairment and it is probable that it will not be possible to collect all amounts due (principal and interest) in line with the contractual terms of receivables classified as originated, an impairment is recognized.

Valuation allowances on bad debts are recognized as selling expenses in the income statement.

In 2012 an entity of the Group entered into a recourse factoring agreement. The trade accounts receivables therefore were not derecognized because the credit risk was not transferred to the factor. At December 31, 2012 the transferred receivables amounted to EUR 21,423k, whereof considering reserves constituted—EUR 6,398k had been pre-financed. The associated liability was recorded as liability to banks. In July 2013, the Group established a non-recourse factoring program. As of December 31, 2013, receivables were transferred to the factor and derecognized in the amount of EUR 15.4m. Potential default risks from the transferred receivables are covered by a credit insurance.

(26) Other assets

Other assets

	Dec. 31, 2013	thereof due < 1 year	thereof due > 1 year	Dec. 31, 2012	thereof due < 1 year	thereof due > 1 year
			(Thousands of euros)			
Tax receivables	16,199	13,379	2,820	19,772	16,451	3,321
Prepayments	7,785	7,783	2	7,313	7,309	4
Receivables from factoring	7,592	7,592	0	0	0	0
Receivables from employees	2,436	2,120	316	1,305	892	413
Receivables from other related parties	2,310	2,310	0	1,045	1,045	0
Deposits	1,427	1,427	0	987	701	286
Receivables from affiliates	21	21	0	21	21	0
Mineral rights	0	0	0	86	14	72
Other assets	5,504	5,502	2	5,423	5,423	0
Other receivables and other assets	**43,274**	**40,134**	**3,140**	**35,952**	**31,856**	**4,096**

	Dec. 31, 2011	thereof due < 1 year	thereof due > 1 year	Jan. 1, 2011	thereof due < 1 year	thereof due > 1 year
Tax receivables	18,100	13,272	4,828	22,200	16,971	5,229
Prepayments	7,490	7,476	14	8,329	8,312	17
Receivables from factoring	0	0	0	0	0	0
Receivables from employees	1,840	967	873	2,066	1,205	861
Receivables from other related parties	2,014	2,014	0	464	464	0
Deposits	1,194	914	280	1,252	1,209	43
Receivables from affiliates	758	758	0	850	850	0
Mineral rights	93	15	78	121	0	121
Other assets	6,614	6,059	555	9,000	6,824	2,176
Other receivables and other assets	**38,103**	**31,475**	**6,628**	**44,282**	**35,835**	**8,447**

(27) Assets held for sale

Assets held for sale of EUR 4,832k (Dec. 31, 2012: EUR 5,727k; Dec. 31, 2011: EUR 1,735k; Jan. 1, 2011: 15) consist mainly of land and buildings no longer needed for operational purposes in the Netherlands, the UK and Schiedel Romania. We expect to sell the assets held for sale within the next 12 months. Impairments on these assets did not apply.

(28) Cash and cash equivalents

Cash and cash equivalents

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
		(Thousands of euros)		
Checks, cash on hand, bank balances	207,973	274,952	224,741	247,588
Short-term investments	317	90	8,450	8,210
Cash and cash equivalents	**208,290**	**275,042**	**233,191**	**255,798**

As of December 31, 2011, short term investments included temporarily restricted cash amounting to EUR 7,610k (Jan. 1, 2011: EUR 7,500k). The restriction remained until October 2012.

(29) Equity

As of December 31, 2013, total equity amounted to EUR 16,200k (Dec. 31, 2012: EUR 90,912k; Dec. 31, 2011: EUR 340,158k; Jan. 1, 2011: EUR 384,799k). The development of equity and reserves are shown in the consolidated statement of changes in equity.

Subscribed capital

Subscribed capital (EUR 13k) corresponds to the amount disclosed by Monier Participations S.à r.l. in its separate financial statements. The shares in the Company were acquired by Monier Holdings SCA on October 7, 2009.

Additional paid in capital

On October 16, 2009, 3,000,000,000 Profit Participating Loan Certificates (PPLs) each with a nominal value of € 0.01 were issued by Monier Participations S.à r.l. to Monier Holdings S.C.A. The interest rate of the PPLs is variable and depends on the respective income and expenses which Monier Participations S.à r.l. has in relation to PPLs issued by Monier Special Holdings S.à r.l. to Monier Participations S.à r.l with, as underlying, certain loans granted to subsidiaries of the Group by Monier Special Holdings S.à r.l. (warehouse debt). The term of the PPLs is 30 years. The issuer and the holder of the PPLs agreed, that the declaration of amounts becoming payable under the PPLs remains at the discretion of Monier Participations S.à r.l.

Dividends to parent company in 2011 comprise a scheduled cash payment of EUR 3,000k under the conditions of the PPLC. The payment was made in January 2012.

In 2012, shareholder loans were waived in the amount of EUR 5,005k.

Retained earnings / foreign currency translation reserve

Retained earnings contain actuarial gains (losses) of EUR 5,542k (2012: EUR -49,740k; 2011: EUR -4,115k), net of tax.

The foreign currency translation reserve includes effects of EUR -11,257k (2012: EUR 7,206k; 2011: EUR -2,449k).

Non-controlling interests

Non-controlling interests at December 31, 2013 comprise the equity of the non-controlling shareholders in the entities OOO Braas DSK-1, Russia and Monier Holding Co. Ltd., Thailand. In December 2013 the Group sold its shares in Monier Roofing Co. Ltd., Thailand.

Non-controlling interests at December 31, 2012 comprised the equity of the non-controlling shareholders in the entities OOO Braas DSK-1, Russia, Monier Holding Co. Ltd., Thailand and Monier Roofing Co. Ltd., Thailand. In August 2012 the Group sold its shares in Heliotek Maquinas e Equipamentos Ltda.

Non-controlling interests at December 31, 2011 comprised the equity of the non-controlling shareholders in the entities OOO Braas DSK-1, Russia, Monier Holding Co. Ltd., Thailand, Heliotek Maquinas e Equipamentos Ltda., Brazil and Monier Roofing Co. Ltd., Thailand.

(30) Provisions for pension liabilities and similar obligations

Employee benefits

Many of the Group employees around the world benefit from employee benefit programs. These include short-term employee, post-employment and other long-term employee benefits. Within these pensions are the most wide-spread. The amount of benefit depends on annual income and/or position in the company and years of service.

Almost all employees in Germany participate in a pension plan. But there are also pension plans outside Germany, especially in the Netherlands and other European countries and the U.S. There are funded plans in the US and Austria.

Defined benefit plans in the relevant countries are designed based on local needs and requirements. Nearly all of these plans outside Germany are closed for new entrants. The current pension plan in Germany is a scheme based on yearly benefit units. A certain percentage of the pensionable income is accrued on a notional account together with a guaranteed return. At retirement the accrued account balance is converted into a pension with an option for spouse benefits. Pension payments are subject to an annual indexation of 1% or 1.65%. The plan allows for employee participation via salary sacrifice.

Under IAS19 (revised 2011) employee benefits are either categorised as defined benefit (DB) or defined contribution (DC) plans. Employee benefit programs that are not DC plans are to be categorised as DB plans. For these benefits a liability has to be recognized in the statement of financial position. The majority of the pension plans in the Group are DB plans.

Under DC plans, an entity pays fixed contributions into a separate entity (a fund) to finance the benefits and does not have any further obligation from that arrangement. Contributions to a DC plan are recognized in earnings in the year that they are due.

The benefit liabilities are valued annually by qualified actuaries and are calculated using the projected unit credit method. The exact amount of the pension liability resulting from a DB plan is not known with certainty at the balance sheet date. Assumptions are to be made about future wage increases, employee turnover, mortality and disability rates as well as retirement ages and all other items that influence the amount and timing of the payment. The assumptions used for the valuation reflect the Group's best estimate of future developments and were determined in accordance with market conditions and best practice in each relevant country. As prescribed by IAS19 (revised 2011) the discount rate was determined by reference to market yields at the balance sheet date on high quality corporate bonds consistent with the currency and term of the obligations.

Under IAS19 (revised 2011), the balance sheet liability equals the difference between the DBO and plan assets, adjusted for any effect from the asset ceiling if applicable.

The amounts recognized in the statement of financial position are as follows:

Provisions for pension and similar obligations
(Thousands of euros)

Amounts recognized in the statement of financial position	**December 31, 2013**		
	Total	**Germany**	**Others**
	(Thousands of euros)		
Present value of obligation	-332,331	-278,354	-53,977
Fair value of plan assets	15,155	0	15,155
Surplus/(deficit)	-317,176	-278,354	-38,822
Amount not recognized as an asset according to the ceiling of IAS 19.64	0	0	0
Net liability recognized in statement of financial position	**-317,176**	**-278,354**	**-38,822**
thereof liability	-317,176	-278,354	-38,822
thereof asset	0	0	0
Experience adjustments on plan liabilities (gain)/loss	-1,564	-431	-1,133
Experience adjustments on plan assets (gain)/loss	-1,357	0	-1,357

Amounts recognized in the statement of financial position	**December 31, 2012**		
	Total	**Germany**	**Others**
	(Thousands of euros)		
Present value of obligation	-339,168	-280,336	-58,832
Fair value of plan assets	15,198	0	15,198
Surplus/(deficit)	-323,970	-280,336	-43,634
Amount not recognized as an asset according to the ceiling of IAS 19.64	0	0	0
Net liability recognized in statement of financial position	**-323,970**	**-280,336**	**-43,634**
thereof liability	-323,970	-280,336	-43,634
thereof asset	0	0	0
Experience adjustments on plan liabilities (gain)/loss	-597	-1,398	801
Experience adjustments on plan assets (gain)/loss	-1,100	0	-1,100

Amounts recognized in the statement of financial position	December 31, 2011		
	Total	Germany	Others
	(Thousands of euros)		
Present value of obligation	-268,230	-218,489	-49,741
Fair value of plan assets	12,652	0	12,652
Surplus/(deficit)	-255,578	-218,489	-37,089
Amount not recognized as an asset according to the ceiling of IAS 19.64	0	0	0
Net liability recognized in statement of financial position	**-255,578**	**-218,489**	**-37,089**
thereof liability	-255,578	-218,489	-37,089
thereof asset	0	0	0
Experience adjustments on plan liabilities (gain)/loss	-1,233	-2,071	838
Experience adjustments on plan assets (gain)/loss	571	0	571

Amounts recognized in the statement of financial position	January 1, 2011		
	Total	Germany	Others
	(Thousands of euros)		
Present value of obligation	-259,083	-213,493	-45,590
Fair value of plan assets	11,443	0	11,443
Surplus/(deficit)	-247,640	-213,493	-34,147
Amount not recognized as an asset according to the ceiling of IAS 19.64	-34,147	0	-34,147
Net liability recognized in statement of financial position	**-247,640**	**-213,493**	**-34,147**
thereof liability	-247,740	-213,493	-34,247
thereof asset	100	0	100
Experience adjustments on plan liabilities (gain)/loss	-2,815	-2,175	-640
Experience adjustments on plan assets (gain)/loss	-653	0	-653

Pension liabilities

The following tables set forth the changes in the defined benefit obligation, the changes in fair value of plan assets and the net amount recognized in the balance sheet for the various defined benefit plans:

Changes in the present value of the defined benefit obligation	2013		
	Total	Germany	Others
	(Thousands of euros)		
Defined benefit obligation at the beginning of year	-339,168	-280,336	-58,832
Current service cost	-6,589	-5,582	-1,007
Interest cost	-11,065	-9,329	-1,736
Past service cost	725	0	725
Settlements	280	0	280
Actuarial gains/(losses)—Experience	1,564	431	1,133
Actuarial gains/(losses)—Demographic assumptions	-2,050	0	-2,050
Actuarial gains/(losses)—Financial assumptions	6,505	4,144	2,361
Business combinations and transfers	114	257	-143
Benefit payments	16,336	12,061	4,275
Exchange rate differences on foreign plans	1,017	0	1,017
Defined benefit obligation at the end of the year	**-332,331**	**-278,354**	**-53,977**
—Including commitments that are wholly unfunded	-305,084	-278,354	-26,730
—Including commitments that are wholly or partly funded	-27,247	0	-27,247

The past service cost in 2013 refers to a curtailment following a restructuring exercise.

In addition, dismissals led to a settlement. Since settlement payments exceed the decrease in the DBO, an additional settlement loss of EUR 10k had to be recognized in profit and loss.

Changes in the present value of the defined benefit obligation	2012		
	Total	Germany	Others
	(Thousands of euros)		
Defined benefit obligation at the beginning of year	-268,230	-218,489	-49,741
Current service cost	-4,490	-3,480	-1,010
Interest cost	-13,639	-11,272	-2,367
Actuarial gains/(losses)—Experience	597	1,398	-801
Actuarial gains/(losses)—Demographic assumptions	0	0	0
Actuarial gains/(losses)—Financial assumptions	-70,062	-60,176	-9,886
Business combinations and transfers	-47	0	-47
Benefit payments	16,311	11,683	4,628
Exchange rate differences on foreign plans	392	0	392
Defined benefit obligation at the end of the year	**-339,168**	**-280,336**	**-58,832**
—Including commitments that are wholly unfunded	-308,971	-280,336	-28,635
—Including commitments that are wholly or partly funded	-30,197	0	-30,197

Changes in the present value of the defined benefit obligation	2011		
	Total	Germany	Others
	(Thousands of euros)		
Defined benefit obligation at the beginning of year	-259,083	-213,493	-45,590
Current service cost	-5,616	-4,733	-883
Interest cost	-13,608	-11,220	-2,388
Actuarial gains/(losses)	-3,969	-658	-3,311
Business combinations and transfers	-2,139	0	-2,139
Benefit payments	16,655	11,615	5,040
Exchange rate differences on foreign plans	-470	0	-470
Defined benefit obligation at the end of the year	**-268,230**	**-218,489**	**-49,741**
—Including commitments that are wholly unfunded	-249,523	-218,489	-31,034
—Including commitments that are wholly or partly funded	-18,707	0	-18,707

Changes in the fair value of plan assets	2013		
	Total	Germany	Others
	(Thousands of euros)		
Fair value of plan assets at beginning of year	15,198	0	15,198
Interest income on plan assets	536	0	536
Actuarial gains/(losses)	1,357	0	1,357
Employer contributions	320	0	320
Benefit payments	-1,656	0	-1,656
Exchange rate differences on foreign plans	-602	0	-602
Fair value of plan assets at end of year	**15,155**	**0**	**15,155**
Acutal return (loss) on plan assets	1,895	0	1,895

Changes in the fair value of plan assets	2012		
	Total	Germany	Others
	(Thousands of euros)		
Fair value of plan assets at beginning of year	12,652	0	12,652
Interest income on plan assets	655	0	655
Actuarial gains/(losses)	1,100	0	1,100
Employer contributions	2,228	0	2,228
Benefit payments	-1,217	0	-1,217
Exchange rate differences on foreign plans	-220	0	-220
Fair value of plan assets at end of year	**15,198**	**0**	**15,198**
Acutal return (loss) on plan assets	1,755	0	1,755

Changes in the fair value of plan assets	2011		
	Total	Germany	Others
	(Thousands of euros)		
Fair value of plan assets at beginning of year	11,443	0	11,443
Expected return on plan assets	786	0	786
Actuarial gains/(losses)	-571	0	-571
Business combinations and transfers	862	0	862
Employer contributions	389	0	389
Benefit payments	-633	0	-633
Exchange rate differences on foreign plans	376	0	376
Fair value of plan assets at end of year	**12,652**	**0**	**12,652**
Acutal return (loss) on plan assets	215	0	215

Change of net liability recognized in financial statements	December 31, 2013		
	Total	Germany	Others
	(Thousands of euros)		
Net liability at beginning of year	-323,970	-280,336	-43,634
Adjustment due to IAS 19 (revised 2011)	0	0	0
Amounts recognized in profit or loss	-16,167	-14,742	-1,425
Remeasurements recognized in OCI	7,142	4,406	2,736
Business combinations and transfers	114	257	-143
Employer contribution	320	0	320
Benefit payments paid directly from the company	14,970	12,061	2,909
Change in asset ceiling [IAS 19.64ff]	0	0	0
Exchange rate differences on foreign plans	415	0	415
Net liability at end of year	**-317,176**	**-278,354**	**-38,822**

Change of net liability recognized in financial statements	December 31, 2012		
	Total	Germany	Others
	(Thousands of euros)		
Net liability at beginning of year	-255,578	-218,489	-37,089
Amounts recognized in profit or loss	-17,474	-14,752	-2,722
Remeasurements recognized in OCI	-68,365	-58,778	-9,587
Business combinations and transfers	-47	0	-47
Employer contribution	2,226	0	2,228
Benefit payments paid directly from the company	15,094	11,683	3,411
Change in asset ceiling [IAS 19.64ff]	0	0	0
Exchange rate differences on foreign plans	172	0	172
Net liability at end of year	**-323,970**	**-280,336**	**-43,634**

Change of net liability recognized in financial statements	December 31, 2011		
	Total	Germany	Others
	(Thousands of euros)		
Net liability at beginning of year	-247,740	-213,493	-34,247
Amounts recognized in profit or loss	-18,438	-15,953	-2,485
Remeasurements recognized in OCI	-4,540	-658	-3,882
Business combinations and transfers	-1,277	0	-1,277
Employer contribution	389	0	389
Benefit payments paid directly from the company	16,022	11,615	4,407
Change in asset ceiling [IAS 19.64ff]	0	0	0
Exchange rate differences on foreign plans	6	0	6
Net liability at end of year	**-255,578**	**-218,489**	**-37,089**

A breakdown of the amounts recognized in profit or loss is provided in the pension expense section below.

Pension expense

The expense that is to be recognized in profit or loss for benefits comprises several components, which are to be disclosed separately. Under the revised accounting standard IAS19 (revised 2011), the service cost includes the current service cost as well as the effects of any plan amendments, curtailments or settlement gains or losses that occurred during the year. Current service cost is the increase in the DBO resulting from employee service in the current period. According to IAS19 (revised 2011), a net interest on the net defined benefit liability is determined based on the discount rate used for the valuation of the defined benefit obligation at the beginning of the year. The net interest is the balance of the interest cost on the DBO, which is the increase arising in the DBO during a period because of the fact that the benefits are one period closer to settlement, and the interest income on plan assets, determined with the discount rate at the beginning of the year, and, if applicable, adjusted by the interest on any effect of the asset ceiling.

In the financial year 2013 the Group recognized pension expenses of EUR 16.2m (2012: EUR 17.5m; 2011: EUR 18.4m) in profit and loss. The P&L expense for the financial years 2011—2013 consist of the following components:

Amounts recognized in profit or loss	2013		
	Total	Germany	Others
	(Thousands of euros)		
Current service cost	-6,589	-5,582	-1,007
Past service cost	725	0	725
(Losses)/gains on settlements and Other	-10	0	-10
Interest cost on DBO	-11,065	-9,329	-1,736
Interest income on plan assets	538	0	538
Immediate recognition of gains / (losses) for jubilee plans	234	169	65
Total included in 'employee benefits P&L expense'	**-16,167**	**-14,742**	**-1,425**

Amounts recognized in profit or loss	2012		
	Total	Germany	Others
	(Thousands of euros)		
Current service cost	-4,490	-3,480	-1,010
Interest cost on DBO	-13,639	-11,272	-2,367
Interest income on plan assets	655	0	655
Total included in 'employee benefits P&L expense'	**-17,474**	**-14,752**	**-2,722**

Amounts recognized in profit or loss	2011		
	Total	Germany	Others
	(Thousands of euros)		
Current service cost	-5,616	-4,733	-883
Interest cost on DBO	-13,608	-11,220	-2,388
Interest income on plan assets	786	0	786
Total included in 'employee benefits P&L expense'	**-18,438**	**-15,953**	**-2,485**

In addition the Group recognized a gain of EUR -7,142k directly in other comprehensive income in 2013 (2012: loss of EUR 68,365k; 2011: loss of EUR 4,540k). Moreover the group recognized actuarial gains (losses) of EUR -234k in other comprehensive income for jubilee.

Cash flow

Pension payments from pension plans that are not covered by assets have to be paid directly by the Company and reduce liquidity at the time of payment. Benefit payments of funded arrangements are paid from the plan assets and do not affect the Company's liquidity at the time of payment. But, in this case, employer contributions to the plan assets reduced the liquid operating income in prior periods.

In the financial year 2013 benefit payments amounted to EUR 16.3m (2012: EUR 16.3m; 2011: EUR 16.7m), of which EUR 14.7m (2012: EUR 15.1m; 2011: EUR 16.0m) were paid by the Monier Group directly. Employer contributions to the plan assets amounted to EUR 0.3m (2012: EUR 2.2m; 2011: EUR 0.4m).

Assumptions

The weighted-average value of the assumptions for the defined benefit plans used to determine the benefit liability and the expense are as follows:

Actuarial assumptions at the end of the year	December 31, 2013		
	Total	Germany	Others
Discount rate	3.55%	3.50%	3.83%
Return on Plan Assets	3.55%	n.a.	3.55%
Rate of compensation increase	2.26%	2.25%	2.28%
Post-retirement pension increases	1.65%	1.65%	1.68%

The mortality tables applied are country-specific. For Germany, adjusted Heubeck 2005 G tables were used which already allow for recent mortality improvements that can be seen from the available data provided by the German Federal Bureau of Statistics. The adjustments to the Heubeck tables are reviewed annually on appropriateness.

The assumptions as at the end of the year are also used for the calculation of the benefit expense of the following year. The respective calculations for the financial years 2012 and 2011 were based on the following actuarial assumptions:

Actuarial assumptions at the end of the year	December 31, 2012		
	Total	Germany	Others
Discount rate	3.42%	3.40%	3.54%
Return on Plan Assets	3.66%	n.a.	3.66%
Rate of compensation increase	2.25%	2.25%	2.26%
Post-retirement pension increases	1.65%	1.65%	1.67%

Actuarial assumptions at the end of the year	December 31, 2011		
	Total	Germany	Others
Discount rate	5.22%	5.30%	4.88%
Return on Plan Assets	5.11%	n.a.	5.11%
Rate of compensation increase	2.75%	2.75%	2.73%
Post-retirement pension increases	1.75%	1.75%	1.75%

Actuarial assumptions at the end of the year	January 1, 2011		
	Total	Germany	Others
Discount rate	5.39%	5.40%	5.34%
Return on Plan Assets	6.80%	n.a.	6.80%
Rate of compensation increase	2.74%	2.75%	2.70%
Post-retirement pension increases	1.75%	1.75%	1.75%

The discount rate assumptions reflect the market yields at the balance sheet date of high-quality fixed income investments corresponding to the currency and duration of the liabilities.

Plan Risks

Defined Benefit plans carry general risks related to the assumptions made in the calculation of the Defined Benefit Obligation like discount rate risk and risks related to future increases of the individual entitlements, as well as longevity risk. Currency and investment risks could also have an impact. Monier has investigated these risks and the discount rate is the only assumption for which a reasonably possible change is deemed to have a significant impact from a group perspective. Sensitivity information about the impact of a change in that assumption is shown below.

The majority of the defined benefit liability is allocated to the unfunded plans in Germany. Monier does not expect a significant risk for the Group neither from currency translation developments nor the capital market risk. In Germany the pension plan that is open to new entrants is only linked to the career average salary and grants fixed benefit increases after retirement. This significantly reduces the risk exposure to unexpected salary and inflation increases.

Sensitivity information and average duration of liabilities

According to IAS19.145, sensitivities are to be calculated for each significant actuarial assumption.

An increase (decrease) of the discount rate assumption by 25 basis points as at December 31, 2013 would have decreased the DBO by EUR 12m (increased the DBO by EUR 12m).

An increase (decrease) of the rate of pension progression assumption by 25 basis points as at December 31, 2013 would have increased the DBO by around EUR 6m (decreased the DBO by EUR 6m).

An increase (decrease) of the rate of compensation assumption by 25 basis points as at December 31, 2013 would have increased the DBO by around EUR 10m (decreased the DBO by EUR 10m).

A longer life expectancy by one year would have increased the DBO by around EUR 10m.

The average weighted duration of liabilities is 15.2 years as at December 31, 2013 (15.0 years as at December 31, 2012 and 12.9 years as at December 31, 2011).

Plan assets

Some pension plans outside Germany have been externally financed by funds. Investments made by the funds are made with respect to the duration of the liabilities and are reviewed regularly.

At December 31, 2013 (December 31, 2012; December 31, 2011; January 1, 2011) the defined benefit plans' asset allocations by asset category are as follows:

	December 31, 2013		
Major categories of plan assets	**Total**	**Germany**	**Others**
Equity (quoted market-price)	57.21%	n.a.	57.21%
Bonds (quoted market-price)	36.13%	n.a.	36.13%
Other (without quoted market price)	6.66%	n.a.	6.66%
Total	100.00%	n.a.	100.00%

	December 31, 2012		
Major categories of plan assets	**Total**	**Germany**	**Others**
Equity (quoted market-price)	48.09%	n.a.	48.09%
Bonds (quoted market-price)	39.73%	n.a.	39.73%
Other (without quoted market price)	12.18%	n.a.	12.18%
Total	100.00%	n.a.	100.00%

	December 31, 2011		
Major categories of plan assets	**Total**	**Germany**	**Others**
Equity (quoted market-price)	49.84%	n.a.	49.84%
Bonds (quoted market-price)	42.69%	n.a.	42.69%
Other (without quoted market price)	7.47%	n.a.	7.47%
Total	100.00%	n.a.	100.00%

	January 1, 2011		
Major categories of plan assets	**Total**	**Germany**	**Others**
Equity (quoted market-price)	63.42%	n.a.	63.42%
Bonds (quoted market-price)	36.58%	n.a.	36.58%
Total	100.00%	n.a.	100.00%

Contributions to the plan assets are made in view of the development of the liabilities and take account of legally prescribed minimum funding requirements as well as local tax requirements.

In 2013 the Group contributed EUR 0.3m (2012: EUR 2.2m; 2011: EUR: 0.4m) to its pension plan assets. The expected contribution for 2014 is EUR 0.2m.

Other long-term employee benefits

Other long-term employee benefits include among others long-service leave or sabbatical leave and jubilee benefits.

IAS19 (revised 2011) requires a different method of accounting for other long-term employee benefits than for post-employment benefits: actuarial gains and losses and past service cost are recognized immediately.

The Group provides jubilee benefits to employees in and outside Germany. The resulting liabilities are part of the pension liabilities and are not disclosed separately.

In this category the German subsidiaries also recognize old-age part time arrangements in accordance with IAS19 (revised 2011), these are for materiality reasons also included in the pension liabilities.

Effect from revision of IAS 19—Employee Benefits (revised 2011)

The results have been valued using the revised reporting standard IAS19 (2011). Since the Group already applied the OCI approach before and the expected return on assets had already been equal to the discount rate in the US, the change of the standard had no material impact on the results (see also note 6).

(31) Provisions for other risks

Provisions for other risks

	Dec. 31, 2012	Change in the consolidated group/exchange differences/ reclassifications	Utilization	Reversal	Addition	Dec. 31, 2013	thereof short term	thereof long term
			(Thousands of euros)					
Warranty	**70,583**	-1,150	17,062	777	14,497	**66,091**	0	66,091
Litigation	**16,558**	-378	1,662	263	2,747	**17,002**	6,186	10,816
Restructuring	**57,051**	-9	37,033	4,114	29,758	**45,653**	40,192	5,461
Environmental	**5,005**	-8	192	0	736	**5,541**	195	5,346
Site restoration	**6,092**	43	135	50	594	**6,544**	1,779	4,765
Other	**24,681**	-566	3,150	91	13,080	**33,954**	15,305	18,649
Total	**179,970**	**-2,068**	**59,234**	**5,295**	**61,412**	**174,785**	**63,657**	**111,128**

Provisions for other risks

	Dec. 31, 2011	Change in the consolidated group/exchange differences/ reclassifications	Utilization	Reversal	Addition	Dec. 31, 2012	thereof short term	thereof long term
			(Thousands of euros)					
Warranty	**74,696**	-47	8,853	1,760	6,547	**70,583**	0	70,583
Litigation	**19,055**	242	1,835	1,469	565	**16,558**	5,038	11,520
Restructuring	**16,234**	1,022	11,315	1,171	52,281	**57,051**	51,138	5,913
Environmental	**5,506**	10	351	160	0	**5,005**	360	4,645
Site restoration	**5,649**	185	122	54	434	**6,092**	518	5,574
Other	**22,658**	-1,921	2,245	4,699	10,888	**24,681**	12,397	12,284
Total	**143,798**	**-509**	**24,721**	**9,313**	**70,715**	**179,970**	**69,451**	**110,519**

Provisions for other risks

	Jan. 1, 2011	Change in the consolidated group/exchange differences/ reclassifications	Utilization	Reversal	Addition	Dec. 31, 2011	thereof short term	thereof long term
			(Thousands of euros)					
Warranty	**68,864**	9,148	11,687	2,025	10,396	**74,696**	0	74,696
Litigation	**22,527**	82	966	5,033	2,445	**19,055**	4,402	14,653
Restructuring	**15,883**	-771	7,560	959	9,641	**16,234**	12,670	3,564
Environmental	**4,949**	9	309	0	857	**5,506**	600	4,906
Site restoration	**4,948**	297	377	102	883	**5,649**	304	5,345
Other	**25,641**	-2,418	2,166	3,799	5,400	**22,658**	7,344	15,314
Total	**142,812**	**6,347**	**23,065**	**11,918**	**29,622**	**143,798**	**25,320**	**118,478**

Provisions for warranty

The warranty provision is determined for various product groups at entity level. A factor is applied to revenues entailing warranties that are determined on the basis of historical warranty expenses. In the consolidated statement of financial position, warranty provisions are disclosed as a non-current liability. Additions during the year are an estimate of the probability of future product claims applied to the sales figures of the year and statistical estimates. Group management assesses utilization within the next years. As the warranty provisions are based on historical data, there is a level of uncertainty that cannot be explicitly quantified. The current year's decrease mainly reflects lower sales.

Provision for litigation

To protect the Company's own position no further information is provided. The provision is based on estimates by legal advisors. The majority of the provisions relate to potential product claims. Utilization of the provision is expected to occur within the next few years.

Provision for restructuring

The restructuring provision includes the necessary direct expenditure arising from the restructuring and is not associated with the ongoing activities of the Group. The restructuring provision covers resolved and announced restructuring activities. The majority of the provisions relate to personnel expenses and it is expected that restructuring will be completed by 2014. The 2013 addition of EUR 29,758k (2012: EUR 52,281k, 2011: EUR 15,673k) and utilization of EUR 37,033k results from the restructuring program described in Note (13).

"Other" comprises numerous smaller amounts for largely contractual obligations.

(32) Liabilities

Liabilities, short and long term
(Thousands of euros)

	Dec. 31, 2013	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
		(Thousands of euros)		
Liabilities to banks	**667,844**	**13,085**	**654,759**	**0**
Liabilities to parent company	**8,197**	**8,197**	**0**	**0**
Trade payables	**97,969**	**97,969**	**0**	**0**
Tax liabilities	**34,065**	**15,192**	**18,873**	**0**
Other liabilities	**158,473**	**143,896**	**14,570**	**7**
thereof: obligation to employees	54,039	54,028	11	0
thereof: obligation to customers	46,391	46,391	0	0
thereof: cost accruals (rent, electricity)	18,950	18,496	454	0
thereof: financial leases	1,275	289	979	7
thereof: derivatives	12,937	0	12,937	0
thereof: obligations to affiliates	978	978	0	0
thereof: other	23,903	23,714	189	0
Liablities	**966,548**	**278,339**	**688,202**	**7**

	Dec. 31, 2012	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
		(Thousands of euros)		
Liabilities to banks	**705,950**	**15,403**	**690,199**	**348**
Liabilities to parent company	**8,197**	**8,197**	**0**	**0**
Trade payables	**129,109**	**129,109**	**0**	**0**
Tax liabilities	**37,357**	**18,375**	**18,982**	**0**
Other liabilities	**157,490**	**143,209**	**14,269**	**12**
thereof: obligation to employees	55,511	55,469	42	0
thereof: obligation to customers	46,971	46,971	0	0
thereof: cost accruals (rent, electricity)	17,297	16,521	776	0
thereof: financial leases	1,905	522	1,371	12
thereof: derivatives	11,771	0	11,771	0
thereof: obligations to affiliates	1,198	1,198	0	0
thereof: other	22,837	22,528	309	0
Liablities	**1,038,103**	**314,293**	**723,450**	**360**

Liabilities, short and long term
(Thousands of euros)

	Dec. 31, 2011	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
		(Thousands of euros)		
Liabilities to banks	**688,420**	**11,282**	**676,655**	**483**
Liabilities to parent company	**15,971**	**10,966**	**5,005**	**0**
Trade payables	**134,466**	**134,466**	**0**	**0**
Tax liabilities	**34,077**	**12,225**	**21,852**	**0**
Other liabilities	**168,373**	**162,070**	**6,284**	**19**
thereof: obligation to employees	60,162	59,889	273	0
thereof: obligation to customers	54,650	54,650	0	0
thereof: cost accruals (rent, electricity)	18,557	17,797	760	0
thereof: financial leases	2,813	817	1,977	19
thereof: derivatives	2,800	0	2,800	0
thereof: obligations to affiliates	2,133	2,133	0	0
thereof: other	27,258	26,784	474	0
Liabilities	**1,041,307**	**331,009**	**709,796**	**502**

	Jan. 1, 2011	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
		(Thousands of euros)		
Liabilities to banks	**681,264**	**21,862**	**658,343**	**1,059**
Liabilities to parent company	**12,545**	**8,850**	**3,695**	**0**
Trade payables	**127,396**	**127,396**	**0**	**0**
Tax liabilities	**25,673**	**24,754**	**919**	**0**
Other liabilities	**147,015**	**142,725**	**3,554**	**736**
thereof: obligation to employees	56,073	56,073	0	0
thereof: obligation to customers	46,451	46,451	0	0
thereof: cost accruals (rent, electricity)	19,720	18,909	811	0
thereof: interests to 3rd parties	0	0	0	0
thereof: financial leases	3,551	1,068	2,461	22
thereof: derivatives	663	5	0	658
thereof: obligations to affiliates	397	397	0	0
thereof: other	20,160	19,822	282	56
Liabilities	**993,893**	**325,587**	**666,511**	**1,795**

Liabilities to banks

	Dec. 31, 2013	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
		(Thousands of euros)		
Senior loan	605,621	0	605,621	0
Capex and revolving facility	47,074	0	47,074	0
Other loans and bank overdrafts	3,859	3,533	326	0
Accrued interests and other financial fees	11,290	9,552	1,738	0
Contractual liabilities	**667,844**	**13,085**	**654,759**	**0**
Fees connected to senior loan	0	0	0	0
Liabilities to banks	**667,844**	**13,085**	**654,759**	**0**

	Dec. 31, 2012	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	645,019	86	644,933	0
Capex and revolving facility	50,091	160	49,931	0
Other loans and bank overdrafts	8,863	8,476	39	348
Accrued interests and other financial fees	10,145	10,125	20	0
Contractual liabilities	**714,118**	**18,847**	**694,923**	**348**
Fees connected to senior loan	-8,168	-3,444	-4,724	0
Liabilities to banks	**705,950**	**15,403**	**690,199**	**348**

	Dec. 31, 2011	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	633,230	0	633,230	0
Capex and revolving facility	49,606	0	49,606	0
Other loans and bank overdrafts	9,572	8,746	444	383
Accrued interests and other financial fees	7,315	5,565	1,650	100
Contractual liabilities	**699,724**	**14,311**	**684,930**	**483**
Fees connected to senior loan	-11,303	-3,029	-8,275	0
Liabilities to banks	**688,421**	**11,282**	**676,655**	**483**

	Jan. 1, 2011	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior loan	665,528	0	665,528	0
Capex and revolving facility	649	0	0	649
Other loans and bank overdrafts	24,409	20,051	3,948	410
Accrued interests and other financial fees	5,151	5,151	0	0
Contractual liabilities	**695,737**	**25,202**	**669,476**	**1,059**
Fees connected to senior loan	-14,473	-3,340	-11,133	0
Liabilities to banks	**681,264**	**21,862**	**658,343**	**1,059**

In November 2013, the Group successfully finalized a refinancing process with the lenders under the Amended Senior Facility Agreement that involved a "Scheme of Arrangement" following UK law. In this context, the term loans of the Group were extended from April 2015 to April 2018. In addition, the Group repaid EUR 50,000,000.00 of its debt.

The extension of the existing loan agreement ensures the ongoing liquidity of the Group. However, the Group still has to comply with certain financial covenants set out in the Amended Senior Facility Agreement ("SFA").

The "SFA", originally dated February 28, 2007 and amended on June 14, 2007 and October 16, 2009, was amended and restated on November 20, 2013.

The lender participated in the following facilities:

- EUR 605,625k reinstated Term Loan Facility
- EUR 47,006k reinstated Revolving Loan Facility
- EUR 367,274k Purchaser Loan Facility at the level of Monier Holdings S.C.A., which is not part of the consolidated Group.

The reinstated Term and Revolving Loan Facilities are due on April 16, 2018. Interest is paid in cash or is partly PIK interest.

Furthermore New Money Facilities were made available for the Group as follows:

- EUR 80,000k New Money Committed Facility, due in June 2017.

  Tranche 1 of the New Money Committed Facility to the amount of EUR 45,000k expired on October 16, 2012. EUR 25,000k of Tranche 2 of the New Money Committed Facility were cancelled in the context of a third party financing transaction entered into on October 26, 2013 to diversify the Group's funding sources. Therefore as of December 31, 2013, EUR 80,000k of the New Money Committed Facility were outstanding and undrawn.

- Liquidity for working capital and general corporate purposes of the Group.
- An additional EUR 50,000k facility (Additional Liquidity Facilities) on an uncommitted basis.
- An additional EUR 25,000k factoring facility (nonrecourse)

The senior loans, capex and revolving facility have variable interest rates conforming to market interest margins. Interest is split into payable and capitalizable parts.

Liabilities to banks comprise accrued interests and other financial fees of EUR 11,290k (2012: EUR 10,145k, 2011: EUR 7,315k).

Until 2012 the portion of the finance fees related to the debt restructuring in 2009 (EUR 17,048k) had been amortized over the term of the individual loan portions according to the effective interest method. In 2012, the amortization of the fees impacted the financial result by EUR -3,215k (2011: EUR -3,179k). The remaining accrued transaction costs from the 2009 refinancing, were released in 2013 in conjunction with the current refinancing which was classified as an extinguishment of the loans according to IAS 39.40.

The following table shows the undiscounted cash outflows for interest and redemption payments in connection with liabilities to banks:

Year	Interest	Redemption principal and capitalized interests	Total
	(Thousands of euros)		
2014	38,393	0	38,393
2015	41,510	0	41,510
2016	45,753	0	45,753
2017	52,896	1,188	54,084
2018	26,791	684,761	711,552
	205,343	685,949	891,292

Other notes

(33) Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(Thousands of euros)			
Operating leases	75,184	75,983	53,224	45,902
Purchase commitments	46,489	32,501	39,368	51,960
Other financial obligations	6,761	7,654	11,691	15,372
Commitments for the acquistion of property, plant and equipment	1,963	2,614	7,106	1,980
Contingent liabilities and other financial obligations	**130,397**	**118,752**	**111,389**	**115,214**

expected to be paid:		thereof: operating leases
within one year	56,352	20,506
within one to five years	48,454	34,082
within more than five years	25,591	20,596

Operating leases

The Group entered into several rental agreements and leases for vehicles, IT equipment, offices and warehouses, which are operating leases under IAS 17. Operating lease payments in 2013 were EUR 19,597k (2012: EUR 16,266k, 2011: EUR 12,814k).

Effective September 21, 2012 the Group sold an office building in Germany, in conjunction with a corresponding lease-back agreement covering a lease term of at least 15 years. Options to extend the rental contract for five and a further five years are in place. Annual lease payments amount to EUR 1,750k, plus adjustments for inflation. This sale and lease-back transaction was classified as an operating lease pursuant to IAS 17.

Purchase commitments

These include short-term purchase commitments in connection with routine business.

Other

Almost 90% of the Group’s bank accounts and receivables as well as land and buildings, mainly in Europe, have been pledged under the current financial structure.

Pursuant to the share purchase agreement for the sale of the roofing division dated February 28, 2007 (the "SPA"), Lafarge S.A., France, agreed, for a period of 15 years, to indemnify Monier, Inc., USA, and any member of the Monier Group in respect of any and all losses actually suffered arising from, out of or in connection with any obligation or liability of Monier, Inc., USA, having its cause or origin in any fact, event or circumstance arising before February 28, 2007. At this stage it is not possible to measure reliably any possible claim brought against Monier, which will be reimbursed by Lafarge S.A., France.

Disclosures relating to the possibility of any reimbursement and an indication of the uncertainties relating to the amount or timing of any outflow are not made, due to impracticability.

(34) Financial instruments

Principles of financial risk management and financial instruments

The Monier Group is basically exposed to risks from movements in exchange rates, interest rates and commodity prices that affect its assets, liabilities and future transactions. Financial risk management aims to limit and control these market risks through ongoing operational and financial activities. In this context, the Group also uses derivative and non-derivative financial instruments. However, hedge accounting under IAS 39 has not been applied.

Group Treasury is responsible for implementing the finance policy and for ongoing risk management. Consequently, Group Treasury supervises all activities in the area of financial instruments. Certain transactions require the prior approval of the CFO, who is also regularly briefed on current risk exposures.

Currency risks

The Group is exposed to risks related to changes in foreign exchange rates due to the international nature of its business, as it prepares its financial statements in its functional currency, the Euro. Currency translation risk arises through fluctuations of the exchange rate of the currencies of countries that are not part of the European Monetary Union and their impact on the Group's results of operations and balance sheet positions as the Group translates the financial results of its subsidiaries into the Euro. The Group holds subsidiaries in a number of countries outside the Eurozone, including but not limited to the United Kingdom, Czech Republic, Sweden, Malaysia, China, Poland and South Africa.

The individual group companies handle their operating activities mainly in the relevant functional currency. Where companies are exposed to exchange rate risks, e.g. through planned payments outside their own functional currency, they can hedge it with Group Treasury or with banks if trading facilities are in place and Group Treasury approves the transaction. However, all material purchases of production resources (e.g. energy, sand and cement) and product sales occur within the same currency area. Investments held centrally are mostly invested in balance sheet currency, thus not creating any foreign currency risk. In order to minimize transaction costs and naturally hedge local currency needs from operations, a portion of forecasted foreign exchange needs is centrally kept available in foreign currencies.

In addition, the Group is exposed to currency risks from its financing activities, i.e. from loans and liquid funds denominated in foreign currencies. Group Treasury determines the Group's short-term currency risks by applying a cash flow at risk calculation.

The Group basically hedges currency risks by offsetting opposing cash flows (natural hedge) and—in some specific circumstances—through derivative financial instruments. Currency risks that do not affect the Group's cash flows, e.g. resulting from the translation of assets and liabilities of foreign group operations into the Group's reporting currency, are generally not hedged.

As a result of our international presence, the Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the British pounds sterling. After the refinancing of the Group in November 2013, the senior loan denominated in GBP amounts to GBP 40.9m. Valued at the closing rate as of December 31, 2013, the loan is reflected in the balance sheet at an amount of EUR 49.2m (2012: EUR 53.6m). Had the EUR/GBP exchange rate been 10% lower (higher), the loan reported in the statement of financial position would have been EUR 4.9m (EUR 4.9m) lower (higher). This effect would have been reflected in the Group's financial result.

All of the Group's assets and liabilities are translated at the effective rate at the reporting date. Equity is translated using historical rates. Income and expenses are translated using average rates for the year (for simplification purposes). Annual profits or losses in the income statement are also translated at the average rates for the year. Consequently, increases or decreases in the value of the Euro may affect the value of these items with respect to our non-Euro businesses in our consolidated financial statements, even if their value has not changed in their original currency.

Interest rate risks

The Group has secured its financing over the next few years mainly by means of syndicated loans.

Interest payments under such syndicated loans are structured on a floating rate basis, most of them in Euro on a 3-month basis. When approved by Group Treasury long and short-term loans are also arranged locally at legal entity level of which some are also based on a floating rate. These transactions and the associated financial liabilities are thus subject to the risk of changes in interest rates every three months. The Group is currently not engaged in any material fixed interest rate instruments.

The risk management objective of the Group is to limit the impact of interest rate changes on cash flows.

The restated SFA allows the borrowers to hedge interest rate risk. The market is currently under observation but with no hedges in place.

An increase of 100 base points would result in an additional interest expense of EUR 28.8m. By contrast, a decrease of 100 base points would not have any adverse effect on the Group and therefore will not be further quantified.

At the reporting date, floating interest-bearing financial liabilities amount to EUR 668m (mainly comprising a senior loan of EUR 653m).

The following undiscounted cash flows are expected using the forward rates as of today +100 base points:

Year	Forward Rates in %	Forward Rates +100BP in %	Additional cost in millions of euros
2014	0.46	1.46	5.8
2015	0.96	1.96	4.9
2016	1.84	2.84	6.3
2017	2.85	3.85	6.7
2018	3.14	4.14	5.1
Total			**28.8**

Credit risks

The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions. A default can occur if individual business partners cannot meet their contractual obligations and the Group thus suffers a financial loss.

At the level of operations, outstanding receivables are continuously monitored. The Group assesses the credit quality of a customer, taking into account his financial position, past experience and other factors. Individual credit limits are set by utilizing credit management tools from the local ERP system and are based on internal or external ratings, in the context of the delegations made by the board. The utilization of credit limits is regularly monitored. Business relations with critical major customers and the associated credit risks are subject to credit rating monitoring by the credit committee. The risk of default and a potential loss of trade receivables are quantified and insured with the help of credit insurance companies. Relationships with leading insurance companies have been established and insurance contracts concluded.

To reduce credit risk arising from financing activities, transactions are mainly entered into with institutions with a first class credit rating. The maximum exposure is the carrying amount as disclosed in Note (25) Trade receivables and Note (28) Cash and cash equivalents.

Credit risk related to cash and cash equivalents: Credit risk from balances held with banks and financial institutions is managed by Group Treasury in accordance with the Treasury Guideline. Only independently rated parties with a minimum rating of "A" or banks approved by the SFA Agent are accepted.

Investments of surplus funds are made only with approved counterparties and within the credit limit assigned. In addition to ratings provided by rating agencies, CDS levels of banks are monitored on a monthly basis. Investments are regularly adjusted in accordance with the development of these levels.

At fiscal year-end, the Group had no interest hedging instruments in place—therefore we see no credit risk exposure.

Commodity risks

The Group is subject to commodity risks with respect to price changes mainly in the energy (electricity, gas and fuel), sand and cement markets. In 2013, the overall purchased volume in these markets was EUR 150.2m (energy: EUR 52.7m; cement: EUR 52.0m; sand: EUR 32.1m). Clay is mainly procured from own clay pits.

To eliminate or reduce the risk of market fluctuations in commodity prices for better calculation purposes, the entities of the Group use fixed-term supply contracts with fixed prices. Sand and cement prices are generally fixed for at least one year and then renegotiated. In the energy sector the Group currently secures 43% of its needs one year in advance. The remaining part is fixed at least one month ahead of the relevant production period. Nevertheless, in the case of increasing energy prices the fixing can be increased to 100% immediately. Based on the above, the Group did not identify any material commodity risks for year-end 2013.

Capital management and liquidity risks

Capital management optimizes the Group's equity as well as its liabilities. The primary target is to secure and optimize solvency and liquidity within the Group, meaning that the main KPIs are EBITDA and cash flow.

As a result of the restructuring, Group Treasury oversees all financial transactions within the Group with the help of a comprehensive Treasury Guideline. Since 2010, the companies in the Group have been using this Guideline to facilitate their co-operation with the Group's centralized treasury and must seek approval for financing and other treasury-related matters.

All treasury-relevant financial data is managed in the relevant treasury system. Besides the cash position the treasury system also incorporates a rolling financial cash flow planning reflecting the seasonal fluctuation of the operational business and its effects on cash flows. The first quarter is planned on a weekly basis; twelve months planned on a monthly basis. As the liquidity plan is derived from decentralized entity reports, the future financial needs can be quantified and accordingly adjusted if needed.

The Group's overall liquidity risk is reduced by closely monitoring the Group's companies and their control of cash flows. Both long-term and short-term liquidity needs are managed through a centralized Treasury reporting system providing the above-mentioned rolling cash flow forecast. With this mechanism the liquidity risk is reduced, as Group companies' funding needs can be closely monitored and accordingly controlled.

Local accounts have been consolidated and automated cash pools established in Germany, France, Switzerland, the Benelux Countries, Nordic/Baltic region, Czech Republic, Poland, Austria and Italy. With the help of automated cash pooling, Group Treasury centralizes the Group's cash and secures its availability on a daily basis. Beyond the automated cash pools, manual pooling has been established in almost all European countries.

The Group's central financial entities are Monier Group Services GmbH (mainly for long-term financing) and Monier Finance S.à r.l for intra-year working capital financing. Both act as "in-house banks", providing and receiving funding from/to Group entities on a matching maturities basis. Free cash is centralized into the in-house banks via manual and automatic cash pools, optimizing internal and external money market transactions such as loans and deposits, and providing liquidity to the Group entities. Payments to external parties are executed on one day only per week, thus providing better control and higher transparency of outgoing payments.

Entities with accounts not yet included in the cash pool transfer their cash to pre-defined accounts accessible by Group Treasury. As a result, cash balances on local accounts have been significantly reduced. Group Treasury actively quantifies and monitors cash not available at a centralized level on a daily basis. A weekly tracking system has been established to monitor cash available at local level only. This report is communicated to all Regional Financial Directors as well as all local CFOs, thereby creating transparency on entities' "cash performance". Working capital reduction programs have been launched to optimize cash needs. The Group has a senior secured revolving credit facility for EUR 80m to meet short-term cash requirements for future years. This facility was not used in 2013.

A maturity analysis of the Group's financial liabilities as of December 31, 2013 and December 31, 2012 is disclosed in Note (32) Liabilities.

With the successful Scheme of Arrangement closed at the end of November 2013, the Group managed to extend the Reinstated Senior Debt maturity date from 2015 to 2018 and an extension of the non-revolving facilities (NRF) maturity date from June 2014 to June 2017.

The Group has to comply with certain financial covenants set out in the senior facility agreement. The covenants have to be validated every quarter. Sufficient headroom was consistently reported on each deadline.

Legal risks

Financial risks arising from court or arbitration proceedings have been considered through a sufficient level of provisions in the Group companies concerned. Otherwise an adequate amount of insurance or similar coverage is provided for.

Factoring program

In July 2013, the Group established a non-recourse factoring program. As of December 31, 2013, receivables were transferred to the factor in the amount of EUR 15.4 m. However, the factor retains a certain part of the transferred amount, in particular to guarantee that the Factor may exercise all contractual remedies ("Holdback Reserve") and to establish a provision for payments of rebates in respect of the transferred receivables ("Rebate Reserve"). As of December 31, 2013, the Holdback Reserve and the Rebate Reserve amounted to EUR 2.3m and EUR 6.1m, respectively.

The factoring fees reflected in 2013 financial result amount to EUR 0.3m. In 2013, the Group expensed factoring commissions, reflected in other operating expenses, of EUR 0.3m.

Potential default risks from the transferred receivables are covered by a credit insurance.

Financial instruments

The carrying amounts of the financial instruments are broken down by category pursuant to IAS 39, as are the fair values as of December 31, 2013:

	Category pursuant to IAS 39	Book Value	Fair Value through profit or loss	Amortized acquisition cost	Value pursuant to IAS 17	Fair Value
			Thousands of Euros			
Cash and cash equivalents	L & R	208,290	0	208,290	0	208,290
Trade receivables	L & R	103,040	0	103,040	0	103,040
Other assets	L & R	10,143	0	10,143	0	10,143
Other financial assets	L & R	2,986	0	2,986	0	2,986
Non-current interest-bearing loans	A.C.	654,759	0	654,759	0	654,759
Current interest-bearing loans	A.C.	13,085	0	13,085	0	13,085
Current liabilities to parent company	A.C.	8,197	0	8,197	0	8,197
Trade payables	A.C.	97,969	0	97,969	0	97,969
Other current liabilities	A.C.	135,395	0	135,395	0	135,395
Other current liabilities	FL at FVtP/L	131	131	0	0	131
Other non-current liabilities	A.C.	1,451	0	465	986	1,451
Other non-current liabilities	FL at FVtP/L	12,937	12,937	0	0	12,937

Abbreviations used above

L&R	Loans and Receivables
FA at FVtP/L	financial assets at fair value through profit or loss
FL at FVtP/L	financial liabilities at fair value through profit or loss
A.C.	Amortized Costs

Other assets categorized as L & R mainly comprise receivables from a factoring program.

Other current liabilities (categorized as A.C.) mainly comprise customer rebates and discounts as well as cost accruals.

Other non-current liabilities (categorized as FL at FVtP/L) comprise the valuation of the interest floor at EUR 12,937k (Dec. 31, 2012: EUR 11,771k; Dec. 31, 2011: EUR 2,800k; Jan. 1, 2011: EUR 658k).

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on such parameters as interest rates, specific country risk factors, a customer's individual creditworthiness and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for expected losses on these receivables. As of December 31, 2013, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

As of December 31, 2013, the Group held the following financial instruments measured at fair value and used the following hierarchy for determining and disclosing their fair value by the valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

Assets measured at fair value

	Dec. 31, 2013	Level 1	Level 2	Level 3
		(Thousands of euros)		
Foreign exchange contracts—non-hedged	0	0	0	0
Interest rate cap	0	0	0	0

	Dec. 31, 2012	Level 1	Level 2	Level 3
Foreign exchange contracts—non-hedged	23	0	23	0
Interest rate cap	0	0	0	0

	Dec. 31, 2011	Level 1	Level 2	Level 3
Foreign exchange contracts—non-hedged	101	0	101	0
Interest rate cap	7	0	7	0

	Jan. 01, 2011	Level 1	Level 2	Level 3
Foreign exchange contracts—non-hedged	19	0	19	0
Interest rate cap	1,014	0	1,014	0

Liabilities measured at fair value

	Dec. 31, 2013	Level 1	Level 2	Level 3
		(Thousands of euros)		
Interest rate floor	12,937	0	12,937	0

	Dec. 31, 2012	Level 1	Level 2	Level 3
Interest rate floor	11,771	0	11,771	0

	Dec. 31, 2011	Level 1	Level 2	Level 3
Interest rate floor	2,800	0	2,800	0

	Jan. 01, 2011	Level 1	Level 2	Level 3
Foreign exchange contracts—non-hedged	5	0	5	0
Interest rate floor	658	0	658	0

During the reporting period ending December 31, 2013, there were no transfers between Level 1 and Level 2 fair value measurements, nor any transfers into or out of Level 3.

The fair value of the interest rate floor depends on the future development of the market interest rate. The following table shows the fair values of the interest rate floor as well as the impact on profit & loss assuming a change in expected market interest rate (i.e. shift of EUR, USD and GBP 3-month EURIBOR) by +50 base points and -50 base points, respectively.

Interest rate floor Hypothetical change in market interest rate	Fair Value	Impact on profit & loss (before tax)
	(Thousands of euros)	
+ 50 base points	7,370	5,567
- 50 base points	19,621	-6,684

Carrying amounts of each category:

Financial assets

Category	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(thousands of euros)			
Loans and receivables	324,459	409,708	394,814	414,159
Financial assets at fair value through profit or loss	0	23	108	1,033

Financial liabilities

Category	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
	(thousands of euros)			
Amortized cost	910,577	968,604	1,061,637	1,096,537
Financial assets at fair value through profit or loss	13,068	11,771	2,800	663

For further disclosures to financial liabilities, please refer to Note (32).

Net gains or losses by category

2013

Category	Losses	Gains	Net Gains or Losses
	(Thousands of euros)		
Loans and receivables	3,526	0	-3,526
Amortized costs	13,903	2,770	-11,133
Financial assets at fair value through profit or loss	11	0	-11
Financial liabilities at fair value through profit or loss	8,019	0	-8,019

2012

Category	Losses	Gains	Net Gains or Losses
Loans and receivables	3,924	0	-3,924
Amortized costs	11,204	16,571	5,367
Financial assets at fair value through profit or loss	84	0	-84
Financial liabilities at fair value through profit or loss	12,186	0	-12,186

2011

Category	Losses	Gains	Net Gains or Losses
Loans and receivables	2,390	0	-2,390
Amortized costs	32,637	20,149	-12,488
Financial assets at fair value through profit or loss	1,596	0	-1,596
Financial liabilities at fair value through profit or loss	5,268	0	-5,268

Losses from loans and receivables comprise valuation allowances on trade receivables. Gains and losses on assets and liabilities measured at amortized costs result from exchange gains and losses, respectively. Financial assets measured at fair value through profit and loss comprise several minor financial instruments of low materiality. The losses from financial liabilities measured at fair value through profit and loss are mainly driven by change in fair value of the interest floor and the costs due to the amortization of the restructuring fees (see note 16).

The fair value of forward foreign exchange contracts is calculated using market prices that the Group would pay or receive to settle the related agreements.

The non-derivative financial instruments increase interest income by EUR 841k (2012: EUR 1,171k; 2011: EUR 2,022k), interest expenses by EUR 48,099k (2012: EUR 55,831k; 2011: EUR 59,964k) and selling and administrative expenses by EUR 3,526k (2012: EUR 3,924k; 2011: EUR 2,390k).

The maximum credit risk is represented by the carrying amounts of the financial assets shown in the balance sheet.

(35) Notes on the joint ventures included in the consolidated financial statements

Joint ventures, financial information

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Jan. 1, 2011
		(Thousands of euros)		
Number of joint ventures	6	7	8	22
Revenues	9,110	9,792	16,056	—
Expenses	-8,400	-8,647	-13,866	—
Profit for the year	710	1,145	2,190	—
Non-current assets	6,314	8,708	10,175	80,853
Current assets	6,141	8,453	8,313	31,960
Non-current liabilities	464	179	2,180	39,477
Current liabilities	3,630	3,418	6,657	14,627

The summarized financial data presented above represents the Group's share of these items, pro rata consolidated.

Monier Group is venturer of the following joint ventures (all included at 50%):

- RBB N.V., Belgium (joint venture partner: Eternit N.V.)
- Spunbond Holdings (PTY) Ltd., South Africa (five entities, joint venture partner: Strand Group)
- CPAC Monier Philippines Inc., sold on November 21, 2013
-

In 2012 and 2011 the Group benefitted from the following joint ventures (all included at 50%):

- CPAC Monier Philippines Inc., Philippines (joint venture partner: Siam Cement)
- RBB N.V., Belgium (joint venture partner: Eternit N.V.)
- Spunbond Holdings (PTY) Ltd., South Africa (six entities, joint venture partner: Strand Group)
- Earthcore Industries, LLC, USA (a private joint venture partner), sold on April 4, 2012

(36) Events after the reporting period

No significant events occurred after the reporting period until the financial statements were authorized for issue by the Board that would materially alter managements view on the performance of fiscal year 2013.

(37) List of equity investments

Significant companies

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.	
Albania						
1	Bramac Sisteme per cati Sh.p.k.	Tirana	F	100.0		6
2	Schiedel sisteme oxhaku Sh.p.k.	Tirana	F	100.0		4
Austria						
3	LR Austria Holding GmbH	Vienna	F	100.0		89
4	Schiedel AG	Vienna	F	100.0	47	3
5	Schiedel Kaminsysteme GmbH (merged as of 7 December 2013)	Nussbach	F	100.0		4
6	Bramac Dachsysteme International GmbH	Pöchlarn	F	100.0	89	3
Belgium						
7	Monier Roof Products Belgium N.V.	Aalst	F	100.0	89	107
8	RBB N.V.	Tessenderlo	P	50.0		107
9	Klöber Benelux S.P.R.L.	Eupen	F	100.0	57	47
10	Bemal N.V.	Lommel	F	100.0	56	4
Bosnia and Herzegovina						
11	Schiedel Sistemi dimnjaka d.o.o.	Sarajevo	F	100.0		4
12	Bramac Krovni Sistemi d.o.o.	Sarajevo	F	100.0		6
Brazil						
13	M Solar Holding Participações Ltda (liquidated as of 6 August 2013)	Sao Paulo	F	100.0		47
Bulgaria						
14	Bramac pokrivni sistemi EOOD	Silistra	F	100.0		6
15	Schiedel Kominni Sistemi EOOD	Sofia	F	100.0		4
Cambodia						
16	CPAC Monier (Cambodia) Ltd.	Phnom Penh	E	25.0		45
Cayman Islands						
17	FD Defense Limited (liquidated as of 28 March 2013)	George Town	F	100.0		89
China						
18	Monier Roofing Systems (Shaoxing) Co., Ltd.	Shaoxing	F	100.0		65
19	Monier Roofing Systems (Chengdu) Co., Ltd.	Chengdu	F	100.0		65
20	Monier Roofing Systems (Nanjing) Co., Ltd.	Nanjing	F	100.0		65
21	Monier Roofing Systems (Foshan) Co., Ltd.	Guangzhou	F	100.0		65
22	Monier Roofing Systems (Beijing) Co., Ltd.	Beijing	F	100.0		65
23	Monier Roofing Systems (Suzhou) Co., Ltd.	Suzhou	F	100.0		65
24	Moner Roofing Systems (Qing Dao) Co., Ltd.	Qingdao	F	100.0		65
25	Monier (Shanghai) Management Co., Ltd.	Shanghai	F	100.0		65
Croatia						
26	Schiedel Proizvodnja dimnjaka d.o.o.	Golubovec	F	100.0		4
27	Bramac Pokrovni Sistemi d.o.o.	Zagreb	F	100.0		6
28	Klöber-HPI Gradevinski sustavi d.o.o.	Jastrebarsko	F	100.0		29
29	Schiedel d.o.o. za savjetovanje i zastupanje	Golubovec	F	100.0		4
Czech Republic						
30	Bramac stresni systemy spol. s r.o.	Prague	F	100.0		6
31	Schiedel s.r.o.	Nehvizdy	F	100.0		4
32	HPI-CZ, spol. s.r.o.	Plzen	F	100.0	47	45
Denmark						
33	Monier A/S	Moldrup	F	100.0		35
34	Schiedel Skorstene A/S	Karup	F	100.0		56
35	Monier Holding ApS	Aalborg	F	100.0		138

Significant companies

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.
Estonia					
36	OÜ Monier	Tallinn	F	100.0	138
37	Schiedel Moodulkorstnad OÜ	Tallinn	F	100.0	4
Finland					
38	Monier OY	Espoo	F	100.0	138
39	Schiedel Savuhormistot OY	Espoo	F	100.0	56
France					
40	Financière Gaillon 7 S.A.S.	Paris	F	100.0	89
41	Monier S.A.S .	Paris	F	100.0	47 40
42	KLÖBER—HPi France S.A.R.L.	Strasbourg	F	100.0	47
43	Grandes Tuileries de Roumazières S.A.	Roumazieres Loubert	F	51.0	41
Germany					
44	LR (Germany) GmbH	Oberursel	F	100.0	80 40 89
45	Monier Group Services GmbH	Oberursel	F	100.0	44
46	MR Beteiligungs GmbH & Co. KG*	Oberursel	F	100.0	45
47	Monier Roofing GmbH	Oberursel	F	100.0	46 45
48	Monier Braas GmbH	Oberursel	F	100.0	47
49	Monier Roofing Components GmbH	Oberursel	F	100.0	47
50	Monier Technical Centre GmbH	Oberursel	F	100.0	47
51	Rupp Keramik GmbH	Oberursel	F	100.0	47 48
52	Rudolf H. Braas Sozialfonds GmbH	Oberursel	F	100.0	47
53	Meisterfonds der Monier GmbH	Oberursel	F	100.0	47
54	dach.de GbR	Mayen-Katzenberg	E	20.0	48
55	Schiedel Beteiligungsgesellschaft mbH	Munich	F	100.0	4
56	Schiedel GmbH & Co. KG*	Munich	F	100.0	55 47 4
57	Klöber GmbH	Ennepetal	F	100.0	49 47
58	Schiedel SK Technik GmbH	Waldbröl	F	100.0	56
Great Britain					
59	LR (UK) Ltd.	Dorking	F	100.0	89
60	Monier (UK) Holdings Ltd.	Dorking	F	100.0	59
61	Monier Redland Limited (formerly Monier Ltd.)	Dorking	F	100.0	60
62	Monier Technical Centre Ltd.	Crawley	F	100.0	60
63	Dovetail Roofing Accessories Ltd.	Crawley	F	100.0	60
64	Klober Ltd.	Bristol	F	100.0	57
65	Monier (China) Holding Ltd.	Dorking	F	100.0	146 47
66	Redland Engineering Ltd.	Dorking	F	100.0	60
67	Schiedel Chimney Systems Ltd.	Lutterworth	F	100.0	56
68	Schiedel Rite-Vent Ltd.	Washington	F	100.0	67
69	Rite-Vent Holdings Ltd.	Washington	F	100.0	68
70	Rite-Vent Ltd.	Washington	F	100.0	69
71	FD Defence Limited (liquidated as of 2 April 2013)	Crawley	F	100.0	89
72	FD Securities Limited (liquidated as of 2 April 2013)	Crawley	F	100.0	89
73	FD Trustees Limited (liquidated as of 2 April 2013)	Crawley	F	100.0	89
Hungary					
74	Schiedel Kéménygyár Kft.	Veszprem	F	100.0	4
75	Bramac Kft.	Veszprem	F	100.0	6
76	Klöber—HPI Kft. (liquidated as of 5 May 2013)	Mosonmagyaróvár	F	100.0	74
India					
77	Monier Roofing Private LTD	Feroke	F	100.0	47 45
Indonesia					
78	PT Monier	Jakarta	F	100.0	47
Republic of Ireland					
79	Schiedel Chimney Systems Ireland Ltd.	Losset, Carrickmacross,	F	100.0	56

Significant companies

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.
Italy					
80	LR (Italy) S.r.l.	Milan	F	100.0	90
81	Monier S.p.A.	Chienes	F	100.0	80
82	Schiedel S.r.l.	Chienes	F	100.0	4
83	Klöber Italia S.r.l. (liquidated as of 17 December 2013)	Milan	F	100.0	57 47
Laos					
84	CPAC Monier (Laos) Co. (sold as of 23 August 2013)	Laos P.D.R.	E	24.9	144
Latvia					
85	Monier SIA	Riga	F	100.0	36
86	Schiedel Dumvadu Sistemas SIA	Riga	F	100.0	4
Lithuania					
87	Monier UAB	Vilnius	F	100.0	36
88	Schiedel kaminu sistemos UAB	Jonawa	F	100.0	4
Luxembourg					
89	Monier Participations S.à. r.l.	Luxembourg	F	100.0	
90	Monier Group S.à. r.l.	Luxembourg	F	100.0	89
91	Monier Special Holdings S.à. r.l.	Luxembourg	F	100.0	90
92	Monier Finance S.à. r.l.	Luxembourg	F	100.0	90
Malaysia					
93	Monier Asia Pacific Sdn. Bhd.	Kuala Lumpur	F	100.0	94
94	Monier Holdings Sdn. Bhd.	Kuala Lumpur	F	100.0	47
95	Monier Roofing Tiles Sdn. Bhd.	Kuala Lumpur	F	100.0	94
96	Monier Sdn. Bhd.	Kuala Lumpur	F	100.0	94
97	Monier Tiles (Pahang) Sdn. Bhd.	Kuala Lumpur	F	100.0	94
98	Monier Logistics Services Sdn. Bhd.	Kuala Lumpur	F	100.0	94
99	Pantile Sdn. Bhd.	Kuala Lumpur	F	100.0	94
100	Perak Brickworks Sdn. Bhd.	Kuala Lumpur	F	100.0	94
101	Kayangan Pereka Sdn. Bhd.	Kuala Lumpur	E	49.0	95
102	Ceramic Roofing Industries Sdn. Bhd.	Kuala Lumpur	E	40.0	94
103	Advanced Technical Laminates Manufacturing Sdn. Bhd.	Kuala Lumpur	F	100.0	47
104	Gamma Roofing Sdn. Bhd.	Kuala Lumpur	F	100.0	94
105	Klober Roofing Accessories Malaysia Sdn. Bhd.	Kuala Lumpur	F	100.0	103
The Netherlands					
106	Monier B.V. (formerly LR Netherlands B.V.)	Montfoort	F	100.0	90
Norway					
107	Monier AS	Slemmestad	F	100.0	137
108	Schiedel Skorsteiner AS	Oslo	F	100.0	56
Philippines					
109	CPAC Monier Philippines Inc. (sold as of 21 November 2013)	Manila	P	50.0	47
110	CMPI Holdings Inc. (sold as of 21 November 2013)	Makati City	E	20.0	47
111	CMPI Land. Inc. (sold as of 21 November 2013)	Makati City	E	32.0	110 47
Poland					
112	Schiedel Sp. z o.o.	Opole	F	100.0	55
113	Monier Sp. z o.o.	Opole	F	100.0	51 45
114	Klöber—HPI Polska Sp. z o.o.	Wroclaw	F	100.0	45
Portugal					
115	Lusoceram-Empreendimientos Cerámicos S.A.	Lisbon	E	47.0	135
116	Campos—Fábricas cerámicas S.A.	Aveira	E	47.0	135 115

Significant companies

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.	
Russia						
117	OOO Braas-DSK 1	Moscow	F	67.1		47
118	OOO Schiedel Russia	Moscow	F	100.0	56	4
Romania						
119	Bramac Sisteme de Invelitori S.r.l.	Brasov	F	100.0		6
120	Schiedel Sisteme de Cosuri S.r.l.	Brasov	F	100.0		4
Serbia						
121	Schiedel dimnjacki sistemi d.o.o.	Belgrade	F	100.0		4
122	Bramac Krovni Sistemi d.o.o.	Belgrade	F	100.0		6
Slovakia						
123	Schiedel Slovensko s. r.o.	Zamarovce	F	100.0		4
124	Bramac stresné systémy spol. s. r.o.	Nitra	F	100.0		6
125	Klöber—HPI s.r.o.	Sal´á	F	100.0	45	32
Slovenia						
126	Schiedel Dimniski Sistemi, d.o.o.	Prebold	F	100.0		4
127	Bramac stresni sistemi d.o.o.	Skocjan	F	100.0		6
South Africa						
128	Financière Roofing (South Africa) (Pty) Ltd.	Vereeniging	F	100.0		90
129	Monier Roofing SA (Pty) Ltd.	Vereeniging	F	100.0		128
130	Spunbond Holdings (Pty) Ltd.	Mount Edgecombe	P	50.0		49
131	Spunchem Africa (Pty) Ltd.	Mount Edgecombe	P	50.0		130
132	Potter & Moore International SA (Pty) Ltd.	Mount Edgecombe	P	50.0		130
133	Spunchem International (Pty) Ltd.	Mount Edgecombe	P	50.0		130
134	Spunbond Africa (Pty) Ltd.	Mount Edgecombe	P	50.0		132
Spain						
135	Tejas Cobert S.A.	Madrid	E	47.0		47
Sweden						
136	LR Roofing Holding AB	Solna	F	100.0		47
137	Monier Roofing AB	Solna	F	100.0		136
138	Schiedel Skorstenssystem AB	Gothenburg	F	100.0		56
Switzerland						
139	Braas Schweiz AG	Villmergen	F	100.0		48
Thailand						
140	Monier Holding Co. Ltd.	Bangkok	F	49.0	**	45
141	Thai Ceramic Holding Co., Ltd. (sold as of 23 August 2013)	Bangkok	E	25.0		140
142	Thai Ceramic Roof Tile Co., Ltd. (sold as of 23 August 2013)	Bangkok	E	25.0		141
143	Monier Roofing Co. Ltd. (sold as of 18 December 2013)	Bangkok	F	75.0		140
144	CPAC Roof Tile Co., Ltd. (sold as of 23 August 2013)	Bangkok	E	24.9		47
Turkey						
145	Monier Yapi Cözümleri Sanayi ve Ticaret A.S.	Gebze	F	100.0		45
146	Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sirketi	Gebze	F	100.0		145
147	Sistem Baca Çözümleri Sanayi ve Ticaret Anonim Şirket	Istanbul	F	100.0	56	4

Significant companies

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.
Ukraine					
148	Braas Ukraine GmbH	Lviv	F	100.0	47
149	Monier TOV	Kyiv	F	100.0	45 47
150	Monier Projekt Development TOV	Kyiv	F	100.0	149
151	TOV Schiedel	Kyiv	F	100.0	4
United States of America					
152	LR (US) Inc.	Irvine	F	100.0	90
153	Monier Inc.	Irvine	F	100.0	152
Vietnam					
154	CPAC Monier Vietnam Co., Ltd. (sold as of 23 August 2013)	Binh Duong	E	24.9	144

Key

F = Fully consolidated

P = Proportionately consolidated

E = Included under the equity method of accounting

*= . Entities are exempted from their obligation under German law Sec. 264b resp. 264 (3) HGB [German Commercial Code] to prepare, have audited and publish financial statements and a management report in accordance with the requirements applicable to corporations.

**= "de facto control", fully consolidated due to more than 90% of voting rights

(38) Related parties

Related parties of Monier Participations S.à r.l. pursuant to IAS 24 are:

- Monier Holdings S.C.A. and Monier Holdings GP S.A., the ultimate shareholder of the Monier Group;
- Consenting first lien lenders who control Monier Holdings GP S.A.;
- Companies founded in the course of the implementation of the Management Equity Program;
- Other consolidated affiliates of the Monier Group;
- Joint ventures in which Monier Participations S.à r.l. or any of its subsidiaries is a venture partner,
- Members of the management board and
- Associates.

All transactions with related parties are executed on the basis of international methods of price comparison pursuant to IAS 24 and on terms equivalent to the arm's length principle. Services provided to related parties principally include deliveries for production, development services, and financial services as well as legal and advisory services.

All related parties controlled by Monier Group entities are shown in Note (37) (list of equity investments). Members of the management of Monier Participations S.à r.l. are also members of supervisory boards or management boards of other entities with which business is conducted.

Mr. Dominique Robyns, a member of the board of managers of the Company, is the chief executive officer and managing director of Alter Domus in Luxembourg. Alter Domus provides the Group with management domiciliation and other corporate services. Alter Domus also provides management, domiciliation and other corporate services to the Group.

In the ordinary course of our business, the Group buys certain modules, inverters and mounting systems used in the solar roof systems from Conergy AG, a manufacturer of components for solar installations. Mr. Werner Paschke, a director of Monier Holdings GP S.A., and Mr. Pepyn Dinandt, the Chief Executive Officer, are also members of the supervisory board of Conergy AG. The Group does not consider these transactions to be material, either individually or in the aggregate.

The following table sets out the total amount of transactions entered into with related parties for the relevant fiscal year.

Related parties

Sales and services to / from related parties		Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
		(Thousands of euros)			
Associates	2013	3,106	0	0	0
	2012	3,159	0	13	0
	2011	3,152	0	430	0
	2010	3,476	0	187	0
Joint ventures	2013	13	13,038	21	840
	2012	5	14,538	8	1,182
	2011	178	15,188	328	2,539
	2010	6,431	14,197	704	988
Direct / indirect shareholder	2013	0	0	0	0
	2012	0	0	28	0
	2011	0	0	0	0
	2010	0	0	0	0

Receivables / Payables concerning loans to / from related parties		Interests to related parties	Receivables concerning loans from related parties	Payables concerning loans to related parties
Joint ventures	2013	0	140	104
	2012	0	180	16
	2011	0	2,946	0
	2010	0	2,787	0
Non-consolidated companies	2013	0	0	1,293
	2012	0	0	1,310
	2011	0	0	1,425
	2010	0	0	1,425
Direct / indirect shareholder	2013	0	2,310	8,202
	2012	0	1,045	8,197
	2011	0	2,014	15,971
	2010	31,460	460	12,545

All outstanding balances with these related parties are priced on an arm´s length basis and are to be settled in cash. None of the balances is secured.

Compensation of the board of management

	2013	2012	2011
	(Thousands of euros)		
Current empolyee benefits charged	2,492	2,966	3,222
Termination benefits	1,169	0	0
Allocation to pension provision	471	435	816

Benefits paid to former members of management

In 2013, benefits of EUR 1,368k (2012: EUR 1,478k, 2011: EUR 1,342k) were paid to former members of management.

(39) Executive Bodies—General Partner

BNP Paribas S.A., Paris, France; permanently represented by **Gilles Vanel**, Paris, France

Jean-Pierre Clavel, Paris, France

Pepyn Dinandt, Munich, Germany

Winston Maxwell Ginsberg, London, United Kingdom

Joseph Knoll, London, United Kingdom (since May 14, 2013)

Pierre-Marie de Leener, Beverly Hills, United States of America (since December 5, 2013)

Pierre Levi, Neuilly-sur-Seine, France (until February 17, 2014)

Fabrice Nottin, London, United Kingdom (since December 5, 2013)

Werner Paschke, Luxembourg, Luxembourg

Karim Saddi, London, United Kingdom (since February 17, 2014)

Gareth Turner, New York, United States of America

Jeremy Blank, Tel Aviv, Israel (until March 12, 2013)

Pamela Knapp, Erlangen, Germany (until February 13, 2013)

Frank Przygodda, Luxembourg, Luxembourg (since May 14, 2013 until November 22, 2013

Christian Theis, Luxembourg, Luxembourg (since May 14, 2013 until November 22, 2013)

Luxembourg, Luxembourg, March 21, 2014

The sole Manager of Monier Participations S.à r.l., Monier Holdings GP SA,
represented by its Directors

BNP Paribas S.A. represented by Gilles Vanel	Jean-Pierre Clavel	Pepyn Dinandt
Winston Maxwell Ginsberg	Joseph Knoll	Pierre-Marie de Leener
Fabrice Nottin	Werner Paschke	Karim Saddi
Gareth Turner		

Monier Participations S.à r.l.*

Audited unconsolidated annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts as of and for the year ended December 31, 2013 (now Braas Monier Building Group S.A.)

* The Company changed its name from Monier Participations S.à r.l. to Braas Monier Building Group S.à r.l and subsequently changed its legal form to a Luxembourg public limited liability company (*société anonyme*) and currently operates as Braas Monier Building Group S.A.

KPMG

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Email info@kpmg.lu

To the Partner of
Monier Participations S.à.r.l.
5, rue Guillaume Kroll
L-1882 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

We have audited the accompanying annual accounts of Monier Participations S.à r.l. which comprise the balance sheet as at 31 December 2013 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Reviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Monier Participations S.à r.l. as of 31 December 2013, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Luxembourg, 21 March 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Ph. Meyer

ABRIDGED BALANCE SHEET
Financial year from 01/01/2013 to 31/12/2013 (in EUR)

Monier Participations S.à r.l.
5, rue Guillaume Kroll
L-1882 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called			
II. Subscribed capital called but unpaid			
B. Formation expenses			
C. Fixed assets		377,682,387.96	351,644,247.05
I. Intangible fixed assets			
II. Tangible fixed assets			
III. Financial fixed assets	4	377,682,387.96	351,644,247.05
D. Current assets		26,722,945.75	26,054,896.87
I. Inventories			
II. Debtors		26,722,900.50	26,054,087.12
a) becoming due and payable within one year	5.1	25,335.13	15,945.21
b) becoming due and payable after more than one year	5.2	26,697,565.37	26,038,141.91
III. Transferable securities			
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand		45.25	809.75
E. Prepayments			
TOTAL (ASSETS)		404,405,333.71	377,699,143.92

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves		14,671.53	17,986.53
I. Subscribed capital	6.1	12,500.00	12,500.00
II. Share premium and similar premiums			
III. Revaluation reserves			
IV. Reserves	6.2	1,250.00	1,250.00
V. Profit or loss brought forward		4,236.53	6,389.06
VI. Profit or loss for the financial year		-3,315.00	-2,152.53
VII. Interim dividends			
VIII. Capital investment subsidies			
IX. Temporarily not taxable capital gains			
B. Subordinated debts			
C. Provisions			
D. Non subordinated debts		404,390,662.18	377,681,157.39
a) becoming due and payable within one year	7.1	289,677.49	214,138.80
b) becoming due and payable after more than one year	7.2	404,100,984.69	377,467,018.59
E. Deferred income			
TOTAL (LIABILITIES)		404,405,333.71	377,699,143.92

The notes in the annex form an integral part of the annual accounts

PROFIT AND LOSS ACCOUNT
Financial year from 01/01/2013 to 31/12/2013 (in EUR)

Monier Participations S.à r.l.
5, rue Guillaume Kroll
L-1882 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials			
2. Other external charges		63,599.27	75,571.85
3. Staff costs			
a) Salaries and wages			
b) Social security on salaries and wages			
c) Supplementary pension costs			
d) Other social costs			
4. Value adjustments			
a) on formation expenses and on tangible and intangible fixed assets			
b) on current assets			
5. Other operating charges			
6. Value adjustments and fair value adjustments on financial fixed assets			
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities			
8. Interest and other financial charges		26,639,253.52	20,961,520.49
a) concerning affiliated undertakings	8.1	26,639,253.52	20,961,520.49
b) other interest and similar financial charges			
9. Extraordinary charges			10,984,872.84
10. Income tax		3,210.00	2,047.53
11. Other taxes not included in the previous caption		105.00	105.00
12. Profit for the financial year		0.00	0.00
TOTAL CHARGES		26,706,167.79	32,024,117.71

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover			
2. Change in inventories of finished goods and of work and contracts in progress			
3. Fixed assets under development			
4. Reversal of value adjustments			
a) on formation expenses and on tangible and intangible fixed assets			
b) on current assets			
5. Other operating income			
6. Income from financial fixed assets		26,702,852.79	32,021,965.18
a) derived from affiliated undertakings	9.1	26,702,852.79	32,021,965.18
b) other income from participating interests			
7. Income from financial current assets			
a) derived from affiliated undertakings			
b) other income from financial current assets			
8. Other interest and other financial income			
a) derived from affiliated undertakings			
b) other interest and similar financial income			
9. Extraordinary income			
12. Loss for the financial year		3,315.00	2,152.53
TOTAL INCOME		26,706,167.79	32,024,117.71

The notes in the annex form an integral part of the annual accounts

Monier Participations S.à r.l.

Notes to the annual accounts as at December 31, 2013

Note 1—General information

Monier Participations S.à r.l. (hereafter the "Company") was incorporated on October 7, 2009 and is organised under the laws of Luxembourg as a Société à Responsabilité Limitée for an unlimited period.

The registered office of the Company is established at 5, rue Guillaume Kroll, L-1882 Luxembourg.

The Company's financial period starts on January 1 and ends on December 31 of each year.

The Company's purpose is the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities of the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, including, but not limited to, existing loans, claims or receivables as well as any equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

It being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector, the Company may further:

- grant any form of security for the performance of any obligations of the Company or of any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company, or the sole manager or any other officer or agent of the Company or of any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company, and

- lend funds or otherwise assist any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company.

Within the same restriction as in the articles of incorporation of the Company, the Company may carry out all transactions, which directly or indirectly serve its purpose within such purpose, the Company may especially,

- raise funds through borrowing in any form or by issuing any securities or debt instruments, including bonds, by accepting any other form of investment or by granting any rights of whatever nature, subject to the terms and conditions of the laws,

- participate in the incorporation, development and/or control of any entity in the Grand Duchy of Luxembourg or abroad, and

- act as a partner/shareholder with unlimited or limited liability for the debts and obligations of any Luxembourg or foreign entities.

The Company is included in the consolidated accounts of Monier Holdings S.C.A. (R.C.S. Luxembourg B0148539) which is the undertaking which draws up the consolidated accounts of at once the largest and smallest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of this company is located 5, rue Guillaume Kroll, L-1882 Luxembourg and the consolidated accounts can be obtained at this address.

Note 2—Principles, rules and valuation methods

2.1 General principles

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the management body.

2.2 Significant rules and valuation methods

The significant valuation rules of the Company can be summarised as follows:

2.2.1 Formation expenses

The formation expenses are fully amortised during the year in which they are incurred.

2.2.2 Financial fixed assets

Financial fixed assets such as shares in affiliated undertakings, participating interests, loans to these undertakings, securities held as fixed assets, other loans are valued at their historical acquisition cost including the incidental costs of acquisition. Loans granted to affiliated undertakings or other companies and defined as financial fixed assets are valued at their nominal value.

If the Management determines that a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.3 Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4 Foreign currency translation

The Company maintains its books and records in EUR.

All transactions expressed in currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the realisation.

The formation expenses and the fixed assets other than the long-term loans classified as financial assets and expressed in another currency than EUR are translated in EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted in the profit and loss account for the period.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

2.2.5 Debts

Debts are recorded at their repayment value.

2.2.6 Tax

The tax liability estimated by the Company for the financial years for which the Company has not been assessed yet, is recorded under the caption "Non-subordinated debts". The advance payments are disclosed in the assets of the balance sheet under "Debtors".

2.2.7 Substance of the reported balance sheet and profit and loss account

In preparing these annual accounts, the Board of Managers considered the amendments of the Law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings introduced by the Law of December 10, 2010 and their impact on the 2013 annual accounts.

Due to the structure of the financing of the Company, and notably the existence of financial instruments with equity features (MCPECs up to July 26, 2013 and PPLCs see notes 4 and 7.2), the application of the principle of substance over form, applied with reference to IFRS and notably IAS 32, would have impacted the reported capital and reserves and liabilities.

However, considering the Law of July 30, 2013 which, consistently with the Law of December 19, 2002 as applied on 2010 confirms that the application of the principle of substance over form is optional, the Board of Managers decided to maintain its accounting policy and to report consistently with previous years the instruments with equity features in liabilities.

2.2.8 Going concern

In November 2013, Monier Group S.à r.l. and its subsidiaries (together called "the Group") successfully finalized a refinancing process with the Lenders under the Amended and Restated Senior Facility Agreement that involved a "Scheme of Arrangement" following UK law that was finally approved by a UK Court. In this context, the term loans of the Group were extended from April 2015 to April 2018. In exchange for supporting the amended and extended process, the lenders received a mix of margin increases and fees. In addition, the Group repaid EUR 50,000,000.00 of debt.

The extension of the existing loan agreement ensures the ongoing liquidity of the Group. However, the Group still has to comply with certain financial covenants set out in the Amended and Restated Senior Facility Agreement. To comply with the covenants and to allow for the ability of the Group to continue as a going concern the Group depends on the achievement of the assumptions underlying the Group's budgets.

Note 3—Restructuring of the Monier Group

On February 26, 2007, Financière Daunou 13 S.A., a société anonyme having its registered office in Luxembourg and belonging to the Monier group, granted a pledge in favour of BNP Paribas S.A. ("BNP") over its 100% shareholding in Monier Group S.à r.l. (formerly Financière Daunou 9 S.à r.l.), a société à responsabilité limitée having its registered office in Luxembourg; mandatory convertible preferred equity certificates issued by Monier Group S.à r.l. (formerly Financière Daunou 9 S.à r.l.) and certain receivables and shares of Monier Group S.à r.l. as security for various obligations (the "Pledges").

Following an enforcement event, as defined in the agreement with BNP, the obligations became due and payable. As the borrowings were not repaid, BNP Paribas S.A., was instructed to enforce the Pledges by way of private sales to the sole shareholder of the Company, Monier Holdings S.C.A., through a Sales and Purchases Agreement dated October 16, 2009.

The details of the Pledges acquired by Monier Holdings S.C.A. are as follows:

- shares of Monier Group S.à r.l. having a global nominal value of EUR 7,400,000 purchased by Monier Holdings S.C.A. for EUR 1.00 (the "Pledged Shares"),

- mandatory convertible preferred equity certificates issued by Monier Group S.à r.l., having a global nominal value of EUR 594,100,000 and the related accrued interest as at October 16, 2009 amounting to EUR 56,489,008 together purchased by Monier Holdings S.C.A. for EUR 1.00 (the "Pledged MCPECs"),

- an intercompany loan with Monier Group S.à r.l. amounting to EUR 5,000,000 an intra-group loan with Monier Group S.à r.l. amounting to EUR 56,402,894 and the related accrued interest as at October 16, 2009 amounting to EUR 2,216,751 (both due by Monier Group S.à r.l.) as well as a cash deposit and borrowing agreement with Monier Group GmbH amounting to EUR 864,965 and the related interest as at October 16, 2009 amounting to EUR 1,239, all purchased by the Monier Holdings S.C.A. for an aggregate amount of EUR 3,257,477 (the "Pledged Claims"). As per written resolution of the Company dated August 29, 2012, the inter-company loan and the intra-group loan have been waived.

The part of the facilities A, B and C of the Senior Secured Credit Facility dated February 26, 2007 (the "SSCF") which was qualified as unsustainable and the related accrued interest as at October 16, 2009 as well as the amounts due under the Hedging Documents to three banks, amounting together to EUR 1,088,291,105 were transferred to Monier Holdings S.C.A for EUR 296,752,523 (the "Unsustainable Priority Senior Debt").

The facility D of the SSCF and the related accrued interest as at October 16, 2009, amounting to EUR 341,218,393 and qualified as unsustainable, was transferred to Monier Holdings S.C.A. for a cash consideration of EUR 1.00 (the "Second Lien Debt") and in exchange for the issuance of Second Lien Warrants for EUR 23,184.

The Pledges, the Unsustainable Priority Senior Debt and the Second Lien Debt were acquired by Monier Holdings S.C.A. in exchange for a cash consideration of EUR 10,000 and a Purchaser Loan Agreement concluded on October 16, 2009 with BNP Paribas S.A. as agent for various lenders for an amount of EUR 300,000,000.

On October 16, 2009, Monier Holdings S.C.A. entered into a Shares and MCPECs Contribution Agreement and transferred the Pledged Shares and the Pledged MCPECs to the Company for EUR 1.00 each.

Moreover, on October 16, 2009, Monier Holdings S.C.A. transferred the Pledged Claims, the Unsustainable Priority Senior Debt and the Second Lien Debt to the Company for an aggregate amount of EUR 300,009,999 (the "Transfer"). As consideration for the Transfer, Monier Holdings S.C.A. subscribed to profit participating loan certificates issued by the Company for EUR 300,009,998.

On October 16, 2009, the Company transferred the Unsustainable Priority Senior Debt and the Second Lien Debt to Monier Special Holdings S.à r.l. for an amount of EUR 300,000,001 (the "Second Transfer"). As consideration for the Second Transfer, the Company subscribed to profit participating loan certificates issued by Monier Special Holdings S.à r.l. for EUR 300,000,000.

After the closing of the above financial restructuring, Board of Managers believes that the restructuring secures a stable and long-term financial platform for the Monier Group.

Note 4—Financial fixed assets

The development of financial fixed assets during the financial year is as follows:

	Shares in affiliated undertakings	Loans to affiliated undertakings	Total
	EUR	EUR	EUR
Cost at beginning of the year	1.00	351,644,246.05	**351,644,247.05**
Acquisition (contribution in kind)	35,816,961.72	—	**35,816,961.72**
Capitalisation of the year	—	26,038,141.91	**26,038,141.91**
Redemptions	—	(35,816,962.72)	**(35,816,962.72)**
Cost at end of the year	35,816,962.72	341,865,425.24	**377,682,387.96**
Value adjustments at beginning of the year	—	—	**—**
Value adjustments of the year	—	—	**—**
Value adjustments at end of the year	—	—	**—**
Net book value at end of year	**35,816,962.72**	**341,865,425.24**	**377,682,387.96**

Shares in affiliated undertakings

On October 16, 2009, the Company entered into a Shares and MCPECs Contribution Agreement with Monier Holdings S.C.A. (see note 3) and thus acquired for EUR 1.00 the entire capital of Monier Group S.à r.l., a société à responsabilité limitée, having its registered office in Luxembourg, composed of 7,400,000 shares having aggregate nominal value of EUR 7,400,000.

On December 19, 2013, Monier Special Holdings S.à r.l. transferred a receivable (former "Italian Warehouse Debt") from Monier Group S.à r.l. of nominal EUR 130,000,000 and a book value of EUR 35,816,963 to the Company. In this context, Monier Special Holdings S.à r.l. redeemed a portion of the principal amount of certain profit participating loan certificates (the "PPLCs") issued by Monier Special Holdings S.à r.l. to the Company on October 16, 2009, for an aggregate redemption price corresponding to the book value of the receivable in the aggregate amount of EUR 35,816,963.

On December 19, 2013, the Company contributed the "Italian Warehouse Debt" receivable of nominal EUR 130,000,000 held against Monier Group S.à r.l. to the share premium of Monier Group S.à r.l. at its book value of EUR 35,816,963 resulting in an increase of shares in affiliated undertakings of EUR 35,816,963.

As at December 31, 2013, the company in which the Company owns at least twenty per cent of the share capital, or in which it is the member having unlimited liability, can be detailed as follows:

Name of the company	Registered office	% of ownership	Shareholder's equity	Result of the year	Year end date	Net book value as at 31/12/2013
			EUR	EUR		EUR
Monier Group S.à r.l.	5, rue Guillaume Kroll, L-1882 Luxembourg	100%	(140,148,420.42)	619,072,690.83	31/12/2013	35,816,962.72

The Board of Managers is of the opinion that as at December 31, 2013 there is no permanent diminution in value of the shares held in Monier Group S.à r.l.. Accordingly, no value adjustment has been recorded (in 2012: nil).

Loans to affiliated undertakings

On October 16, 2009, the Company acquired the Pledged MCPECs, the Pledged Claims, the Unsustainable Priority Senior Debt and the Second Lien Debt and transferred on the same day the Unsustainable Priority Senior Debt and the Second Lien Debt to Monier Special Holdings S.à r.l. in exchange for profit participating loan certificates (see note 3).

As described above, Monier Special Holdings S.à r.l. redeemed a portion of the principal amount of certain PPLCs for an aggregate redemption price corresponding to the book value of the receivable in the aggregate amount of EUR 35,816,963.

The Pledged Claims have been waived on August 29, 2012 (see note 3).

As at December 31, 2013 the remaining loans granted to affiliated undertakings can be detailed as follows:

Description	Issuer	Maturity date	Interest rate %	Acquisition cost	Nominal value 31.12.2013	Accrued and unpaid interest 31.12.2012	Net book value 31.12.2012	Interest of the financial year	Accrued and unpaid interest 31.12.2013	Acquisition/ Sale/Transfer	Net book value 31.12.2013
				EUR	EUR	(impaired) EUR	EUR	EUR	(Impaired) EUR	EUR	EUR
Profit Participating Loan Certificates ("PPLCs")	Monier Special Holdings S.à r.l.	10/16/2039	(*)	300,000,000.00	341,760,990.94	26,038,141.92	351,539,810.75	26,697,565.37	26,697,565.37	(35,816,961.72) (****)	341,760,990.94
Mandatory Convertible Preferred Equity Certificates ("MCPECs")	Monier Group S.à r.l.	01/31/2057	(**)	1.00	—	(***)	1.00	—	(***)	(1.00)	—
Cash Deposit and borrowing agreement	Monier Group GmbH	—	—	134.30	134.30	—	134.30	—	—	—	134.30
Roll-over loan	Various borrowers	—	5	104,300.00	104,300.00	—	104,300.00	—	—	—	104,300.00
Total				**301,104,435.30**	**341,865,425.24**	**26,038,141.92**	**351,644,246.05**	**26,697,565.37**	**26,697,565.37**	**(35,816,962.72)**	**341,865,425.24**

(*) The PPLCs may bear interest depending on the profit realized by Monier Special Holdings S.à r.l. and as determined in the terms and conditions.

(**) Further to an amendment agreement dated December 17, 2010, the interest rate was reduced from 3.5% to 0% with effect as of the date of the agreement

(***) Please refer to note 3 for interest receivables transferred to Monier Participations S.à r.l. being related to the period prior to the restructuring. On December 16, 2011 the Company agreed to fully waive the accrued interest on the MCPECs for a nominal value of EUR 80,228,254. The amount of EUR 24,605,642 was fully impaired as of December 31, 2010.

(****) See above "Shares in affiliated undertakings". Redemption of the portion of the PPLCs issued by Monier Special Holdings S.à r.l..

As per the board resolution dated August 29, 2012, the Board of Managers decided to fully waive the intra-group loans and the corresponding interest accrued as well as the interest-free loan (pledged claims) totalling a net book value of EUR 10,984,873 due to the management's assessment of the financial situation of Monier Group S.à r.l..

Accordingly, due to the waiver, an extraordinary expense has been recorded in 2012 for a total amount of EUR 10,984,873.

On July 26, 2013, the Company (as "Holder") entered into a second amendment agreement of the MCPECs with its subsidiary Monier Group S.à r.l. (as "Issuer") under which both parties agreed to set an optional redemption price for all MCPECs in issue on the redemption date, at an aggregate amount of EUR 1.00.

Further on the same date, the Issuer and the Holder entered into a redemption agreement under which the Issuer accepted to redeem, with effect as of July 26, 2013, the date of the redemption agreement, all MCPECs issued to the Holder amounting to EUR 594,100,000.00 for an aggregate redemption price of EUR 1.

Prior to the repayment of the MCPECs, the consent of BNP Paribas S.A. (acting as Security Agent to the Amended Senior Facilities Agreement and Pledgee to the MCPECs) was granted to the Company and Monier Group S.à r.l. on July 24, 2013 (see also note 11).

Note 5—Debtors

5.1 Amounts becoming due and payable within one year

As at December 31, 2013, this item is composed as follows:

	2013	2012
	EUR	EUR
Interest accrued on the roll-over loan	19,657.63	14,370.21
Advances of corporate income tax	5,572.50	1,575.00
Advances of net worth tax	105.00	—
Amounts becoming due and payable within one year	**25,335.13**	**15,945.21**

5.2 Amounts becoming due and payable after more than one year

This item represents interest accrued on PPLCs for an amount of EUR 26,697,565.37 (in 2012: EUR 26,038,141.91) (see note 4).

Note 6—Capital and reserves

6.1 Subscribed capital

The subscribed capital, amounting to EUR 12,500.00, is represented by 1,250,000 shares with a nominal value of EUR 0.01 each, fully paid.

6.2 Reserves

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 7—Non subordinated debts

7.1 Amounts becoming due and payable within one year

As at December 31, 2013, amounts becoming due and payable within one year are composed of:

	2013	2012
	EUR	EUR
Advance granted by an affiliated undertaking	208,965.15	127,341.64
Advance granted by the sole shareholder	15,382.50	15,382.50
Interest on loan from the sole shareholder	19,657.63	14,370.21
Current liabilities and accrued expenses	40,309.71	52,226.75
Tax debts	5,362.50	4,817.70
Amounts becoming due and payable within one year	**289,677.49**	**214,138.80**

7.2. becoming due and payable after more than one year

As at December 31, 2013, this item can be detailed as follows:

- Profit Participating Loan Certificates:

Description	Nominal amount 31.12.2013	Net Book Value 31.12.2012	Capitalized (reimbursed) interest of the financial year	Net Book Value 31.12.2013	Accrued interest of the financial year	Total 31.12.2013
	EUR	EUR	EUR	EUR	EUR	EUR
Profit Participating Loan Certificates ("PPLCs")	377,362,718.59	356,406,500.01	20,956,218.58	377,362,718.59	26,633,966.10	403,996,684.69

The PPLCs may bear interest depending on the profit realized by the Company and as determined in the PPLCs terms and conditions and have a maturity date set at October 16, 2039.

- Shareholder loan:
  a loan granted by the sole shareholder of the Company in 2010 for an amount of EUR 104,300 bearing interest at 5%.

Note 8—Interest and other financial charges

8.1 concerning affiliated undertakings

This item is composed of the interest payable accrued during the year on the PPLCs issued, for EUR 26,633,966.10 (in 2012: EUR 20,956,218.58) (see note 7.2), and on the loan granted by the sole shareholder of the Company, for EUR 5,287.42 (in 2012: EUR 5,301.91) (see note 7.1).

Note 9—Income from financial fixed assets

9.1 derived from affiliated undertakings

This item is composed of the interest receivable accrued during the year on the PPLCs for EUR 26,697,565.37 (in 2012: EUR 26,038,141.91), the interest on the intra-group loan granted for EUR 0,00 (in 2012: EUR 5,978,521.36) and the interest on the roll over loan of EUR 5,287.42 (in 2012: 5,301.91) (see note 4).

Note 10—Tax status

The Company is subject in Luxembourg to the applicable general tax regulations.

Note 11—Off-balance sheet Commitments

The Company pledged and assigned some of its assets in favour of BNP Paribas S.A. acting for itself and as security trustee for the benefit of the Secured Parties. The pledged assets consist of the followings:

- the shares held in Monier Group S.à r.l.;
- the PPLCs issued by Monier Special Holdings S.à r.l.;
- the Cash Deposit and Borrowing Agreement due by Monier Group Services GmbH;

The MCPECs were fully repaid on July 26, 2013. However, BNP Paribas S.A. shall remain the pledgee of any future mandatory convertible preferred equity certificates that Monier Group S.à r.l. might issue to the profit of the Company pursuant to the pledge agreement dated October 16, 2009.

In addition, all profit participating loans certificates issued by the Company having a par value of EUR 0.10 each and an aggregate par value of EUR 300,009,998, and all the 1,250,000 shares having a par value of EUR 0.01 each and an aggregate par value of EUR 12,500 have been pledged in favour of BNP Paribas S.A..

Note 12—Subsequent events

As of the date of these annual accounts no significant subsequent events occurred.

GLOSSARY

2009 Restructuring	The restructuring of the Group's financial indebtedness, completed on October 16, 2009.
2013 Scheme of Arrangement	An order from the English High Court, dated November 7, 2013, in respect of certain schemes of arrangement which amended and extended the terms of our Refinanced Credit Facilities and required us to repay €50.0 million of the indebtedness outstanding under our Existing Credit Facilities, effective November 20, 2013.
Apollo	Funds affiliated with, managed and/or advised by, Apollo Management VII, L.P. and Apollo Global Management LLC and its subsidiaries.
Articles of Association	The articles of association of the Company.
Base Shares	Existing Offer Shares, together with the New Shares.
Berenberg	Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany.
B+L Report	Refers to the report "B+L market analysis pitched roof and chimneys 2013-2016," published by B+L Marktdaten GmbH.
BNP PARIBAS	BNP PARIBAS S.A., Paris, France.
Board of Directors	Braas Monier Building Group S.A.'s board of directors.
Braas Monier S.à r.l.	Braas Monier Building Group Holding S.à r.l.
Class A GP Shares	Class A ordinary shares of Monier Holdings GP S.A.
Class B GP Shares	Class B ordinary shares of Monier Holdings GP S.A.
Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
Closing Date	Two German banking days following the first day of trading on the Frankfurt Stock Exchange.
Co-Entrepreneurship	Participations through a partnership that is a partnership being engaged or deemed to be engaged in a business.
Company	Braas Monier Building Group S.A., Luxembourg, Grand Duchy of Luxembourg.
Company PPLs	Profit participating loans issued by the Company to the Selling Shareholder.
Company Recapitalization	An event in which the Selling Shareholder received all 35,000,000 Shares of the Company in exchange for its old Shares of the Company and the Company PPLs, which were cancelled.
Consenting Lenders	Lenders under the Refinanced Credit Facilities at the time of the 2009 Restructuring who acquired the Group in the 2009 Restructuring and received PIK/Equity Strips, including shares in the Selling Shareholder as part of the 2009 Restructuring.
CSSF	The Luxembourg Financial Sector Supervisory Authority (*Commision de Surveillance du Secteur Financier*).
Debtors	Any subsidiary of the Company which accedes to the Intercreditor Agreement as a debtor.
Designated Sponsor(s)	J.P. Morgan.
EEG Act	The German Renewable Energies Act (*Erneuerbare Energien Gesetz*).

ETS	European Union Emission Trading System.
Existing Management Equity Program	A management equity program with respect to shares and other equity-related instruments of the Selling Shareholder.
Existing Offer Shares	Up to 15,714,286 existing shares from the holdings of the Selling Shareholder.
Existing Shares	35,000,000 existing shares in bearer form each with a par value (*valuer nominale*) of €0.01.
Facilities	The Revolving Credit Facility, together with the Term Loan Facility.
Facilities Agreement	The senior facilities agreement between, *inter alia*, the Company, Braas Monier Building Group Holding S.à r.l., Goldman Sachs Bank USA, Deutsche Bank AG, London Branch, BNP Paribas S.A. and J.P. Morgan Limited, dated April 17, 2014, consisting of a new term loan facility in an amount of €250 million, and a new revolving credit facility in an amount of €100 million.
First Lien Warrants	469,711.6242 first lien warrants dated October 16, 2009 issued by Monier Holdings GP S.A. and the Selling Shareholder, and exercisable upon the closing of the public offering.
FSMA	The Financial Services and Markets Act of 2000.
German Disbursing Agent	A German resident credit institution, financial services institution (including in each case a German branch of such foreign institution), a securities trading company or a securities trading bank that holds the Shares in a custodial account.
GfK Study	A research study by the marketing consulting group GfK, commissioned by the Company and its subsidiaries in February 2011.
Goldman Sachs International	Goldman Sachs International, London, United Kingdom.
GP Board	The board of directors of Monier Holdings GP S.A.
GP Shares	Shares in Monier Holdings GP S.A.
Greenshoe Option	The option granted by the Selling Shareholder to the Underwriters in connection with a possible over-allotment, and exercisable by the Stabilization Manager on behalf of the Underwriters, to purchase up to 2,951,088 Over-Allotment Shares at the offer price (less agreed commissions) starting on the date of commencement of trading of the Offer Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) until 11:59 pm Central European Summer Time of the thirtieth day after the date of commencement of trading on the regulated market of the Frankfurt Stock Exchange.
Group	The Company, together with its consolidated subsidiaries.
Guarantors	The Group companies that have issued guarantees for the Facilities.
Holdings PPLs	Profit participating loans issued by the Selling Shareholder to (i) Consenting Lenders as part of the Refinanced Credit Facilities Agreement.
IFRS	International Financial Reporting Standards as adopted by the European Union.
Indenture	The note indenture of April 17, 2014 that has been entered into between, *inter alia*, the Notes Issuer, the Company, certain other Group companies, Citibank, N.A., London Branch, as Trustee, BNP Paribas as the Security Agent and Citibank, N.A., London Branch, as paying agent.

Intercreditor Agreement	An intercreditor agreement dated April 17, 2014, entered into among the Selling Shareholder, the Notes Issuer, the Company, Braas Monier S.à r.l., the Debtors and together with any members of the Group that provide any financial accommodation to a Debtor or Debtors in excess of a de minimis amount and/or subject to other exceptions and, among others, the Security Agent, the Trustee, the lenders under our Senior Facilities Agreement and the facility agent under our Facilities Agreement.
IRS	U.S. Internal Revenue Service.
Joint Bookrunners	Berenberg, Goldman Sachs International and the Joint Global Coordinators, together.
Joint Global Coordinators	BNP PARIBAS, J.P. Morgan and UBS, together.
J.P. Morgan	J.P. Morgan Securities plc, London, United Kingdom.
KPMG	KPMG Luxembourg S.à r.l., Luxembourg, Grand Duchy of Luxembourg.
Lock-up Shares	Any Existing Shares held by the Selling Shareholder or any of its subsidiaries (other than the Company and its subsidiaries) that the Selling Shareholder will not, without prior written consent of the Joint Global Coordinators, offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, during a period ending six months after the Closing Date, as undertaken in the Underwriting Agreement.
Luxembourg Company Law	The Luxembourg law of August 10, 1915 governing commercial companies, as amended.
Luxembourg Mandatory Squeeze-Out and Sell-Out Law	The Luxembourg law of July 21, 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been the subject of a public offer.
Luxembourg Market Abuse Law	Article 7 of the Luxembourg law of May 9, 2006 on market abuse, as amended.
Luxembourg Prospectus Law	The Luxembourg law of July 10, 2005 relating to prospectuses for securities, as amended.
Luxembourg Takeover Law	The Luxembourg law of May 19, 2006 implementing Directive 2004/25/EC of the European Parliament and the Council of April 21, 2004 on takeover bids.
Luxembourg Trade and Company Register	The Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés*).
Luxembourg Transparency Law	The Luxembourg law of January 11, 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended.
Management PIK Instrument	A management PIK instrument entered into on April 14, 2010, as amended and restated from time to time, among Monier Holdings S.C.A. as borrower and MEP Monier Management Participation GmbH & Co. KG and MEP Monier Management Participation GbR as lenders in connection with the Existing Management Equity Program.
Mandatory Sell-Out	In the event that if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of shares or other voting securities representing at least 95 percent of the voting share capital and 95 percent of the voting rights of the Company, the holders of the remaining shares or securities may require such owner to purchase those remaining shares or other voting securities.

Mandatory Squeeze-Out . . . . In the event that if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of shares or other voting securities representing at least 95 percent of the voting share capital and 95 percent of the voting rights of the Company, such owner may require the holders of the remaining shares or other voting securities to sell those remaining securities.

New Shares . . . . Up to 4,347,827 newly issued shares from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Company.

Non-IFRS Measures . . . . Certain other measures that are not required by, or presented in accordance with IFRS or the accounting standards of any other jurisdiction.

Notes . . . . The €315 million Senior Secured Floating Rate Notes due 2020, issued by BMBG Bond Finance S.C.A. on April 17, 2014.

Notes Issuer . . . . BMBG Bond Finance S.C.A.

Offering . . . . The offering consists of up to 23,013,201 ordinary shares in bearer form each with a par value (*valeur nominale*) of €0.01 and carrying the same dividend rights as the Existing Shares.

Offer Period . . . . The offer period commencing on June 11, 2014 and expected to end on June 24, 2014 at 12:00 noon (Central European Summer Time) for retail investors and at 2:00 pm (Central European Summertime) for institutional investors.

Offer Shares . . . . The Over-Allotment Shares, together with the Base Shares.

Over-Allotment Shares . . . . Up to 2,951,088 Existing Shares from the holdings of the Selling Shareholder in connection with a possible over-allotment.

Paying Agent . . . . BNP Paribas Securities Services Frankfurt Branch, Europa-Allee 12, 60327 Frankfurt am Main, Germany.

PIK/Equity Strips . . . . Stapled debt and equity instruments granted (i) to the Consenting Lenders in the 2009 Restructuring, and (ii) under the Existing Management Equity Program, consisting of a combination of GP shares, shares of the Selling Shareholder, First Lien Warrants, Second Lien Warrants, interest in the Purchaser Loan or the Management PIK Instrument, and the Holdings PPLs or successor or replacement instruments exchanged for any of the foregoing.

Pledged Claims . . . . The shareholder loans that were owed to previous owners of our Group by the Company and certain subsidiaries of the Company.

Portfolio Participation . . . . When the shareholder holds a direct participation of less than ten percent in the share capital of the Company at the beginning of the calendar year.

PPLs . . . . Profit participating loans.

Pre-Emptive Right . . . . The right for each securityholder to subscribe (other than in connection with certain customary carve-outs) for an amount of securities *pro rata* on the basis of the proportion of issued and outstanding securities such securityholder holds; provided that each such securityholder shall only be entitled to subscribe for securities pursuant to the pre-emptive right in the same proportions of all classes and types of securities as comprise the aggregate securities to be issued; provided further that if new GP Shares are to be issued, each securityholder shall only be entitled to subscribe for such shares if such securityholder already holds GP Shares.

Proceeds Loan . . . . The proceeds from the offering of the Notes lent by the Notes Issuer to FinCo, pursuant to the Proceeds Loan Agreement.

Proceeds Loan Agreement . . . . Proceeds loan as concluded between the Notes Issuer and FinCo.

Price Range	The price range set for the Offering of the Offer Shares within which purchase orders may be placed.
Pricing Agreement	The pricing agreement relating to the Offer between the Company, the Selling Shareholder and the Intercreditors, dated June 24, 2014.
Principal Shareholders	Apollo, TowerBrook and York Capital, together.
Purchaser Loan	Immediate cash consideration and deferred consideration in the form of commitments under the Purchaser Loan Agreement.
Purchaser Loan Agreement	The purchaser loan agreement originally dated October 16, 2009 (as amended and restated from time to time), between, amongst others, Monier Holdings S.C.A., BNP Paribas S.A. as agent and security agent and the Consenting Lenders.
Qualified Parent	A Luxembourg resident fully taxable company, in relation to the participation exemption regime.
Qualified Participation	A shareholder, or in the case of a gratuitous acquisition, the shareholder's legal predecessor, that directly or indirectly held at least one percent of the share capital of the Company at any time during the five years preceding the sale of shares.
Qualified Permanent Establishment	A qualified permanent establishment to which shares attributable and may be exempt from income tax under the participation exemption regime.
Qualified Subsidiary	A company covered by Article 2 of the Council Directive 2011/96/EU dated November 30, 2011 or a non-resident capital company (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax.
Record Date	The right of a shareholder to participate in a general meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the general shareholders' meeting at midnight (00:00) (Luxembourg time).
Refinanced Credit Facilities	The facilities under the Refinanced Credit Facilities Agreement (as amended and restated from time to time).
Refinanced Credit Facilities Agreement	The senior secured credit facilities agreement originally dated 26 February 2007 (as amended and restated from time to time), between, amongst others, Monier Group S.à r.l., BNP Paribas S.A. as agent and Security Agent and BNP Paribas S.A., J.P. Morgan plc, Mizuho Corporate Bank, Ltd, Société Générale and Banc of America Securities Limited as senior mandated lead arrangers.
Refinancing 2014	The repayment of the Refinanced Credit Facilities in an amount of €666.8 million in full and the payment of associated transaction costs in an amount of €20.3 million with proceeds from (i) the Senior Secured Notes (€315 million), (ii) the Term Loan Facility (€250 million) and a part of the Revolving Credit Facility (€30 million), both established under the Company's Facilities Agreement, and (iii) cash in an amount of €92.1 million.
Regulation S	Regulation S under the Securities Act.
Revolving Credit Facility	A revolving credit facility of €100 million bearing interest at the rate of EURIBOR plus a margin of up to 400 bps depending on the group's financial leverage.
Rule 144A	Rule 144A under the Securities Act.
SCA Shares	Shares in Monier Holdings S.C.A.
Second Lien Warrants	210,769.1553 second lien warrants dated October 16, 2009 issued by the Selling Shareholder, and exercisable upon the closing of the public offering.

Securities Act	The U.S. Securities Act of 1933.
Security Agent	BNP Paribas S.A.
Securityholders	Securityholders are the current holders of PIK/Equity Strips, including shares in the Selling Shareholder. The Consenting Lenders received PIK/Equity Strips in the 2009 Restructuring. The PIK/Equity Strips have been transferred among Consenting Lenders and third parties since the 2009 Restructuring. The Securityholders include the Principal Shareholders and BNP PARIBAS or its affiliates, UBS and Goldman Sachs International through its affiliate ELQ Investors II, Limited. The Securityholders are all parties to the Securityholders' Agreement.
Securityholders' Agreement	An agreement entered into on October 16, 2009, as amended and restated from time to time, between the Selling Shareholder, Monier Holdings GP S.A. and certain Securityholders of the Group concerning the administration of Monier Holdings GP S.A. and of Selling Shareholder and its subsidiaries.
Selling Shareholder	Monier Holdings S.C.A.
Shares	Refers to the ordinary shares currently issued by the Company, together with any New Shares placed and issued in connection with the Offering.
Stabilization Manager	J.P. Morgan.
Stabilization Period	The period starting from the date of commencement of trading of the Offer Shares on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse)* and ending on the thirtieth calendar day after this date.
Term Loan Facility	A term loan facility in an amount of €250.0 million bearing interest at the rate of EURIBOR plus a margin of up to 450 bps depending on the group's financial leverage as part of the comprehensive refinancing, which took place on April 17, 2014.
TowerBrook	Funds affiliated with, managed and/or advised by, TowerBrook Capital Partners L.P.
Trustee	Citibank, N.A., London Branch.
UBS	UBS Limited, London, United Kingdom.
Underwriters	Berenberg, Goldman Sachs and the Joint Global Coordinators, together.
Underwriting Agreement	The Underwriting Agreement relating to the Offering between the Company, the Selling Shareholder and the Underwriters on June 10, 2014.
Warehouse Debt	The remaining portion of our debt under the Refinanced Credit Facilities Agreement, representing approximately 62% of our total first lien debt and 100% of our second lien debt.
Warehouse PPLs	Profit participating loans that have been issued by Monier Special Holdings S.à r.l. to the Monier Building Group S.A.
We, us, our	Refer to the Company, together with its consolidated subsidiaries.
York Capital	Funds affiliated with, managed and/or advised by, York Capital Management Global Advisors, LLC.

RECENT DEVELOPMENTS AND OUTLOOK

Recent Developments

After a very strong first quarter of 2014, which was backed by favorable weather conditions in most European countries, as expected, markets in most regions partially compensated during the month of April. Moreover, most countries in which we operate had one working day less in April 2014 compared to the same month of the previous year, which had a negative effect on our revenues in the current period.

Volumes of clay tiles sold in April 2014 were still above prior year's level, while volumes of concrete tiles leveled the previous year's period. Affected by negative foreign exchange effects, revenues in euro terms came in at €101.0 million, slightly below the level generated in April 2013 (€102.8 million). Excluding these effects, revenues would have shown a marginal growth. Our variable and fixed cost of sales, selling expenses and general and administrative expenses continue to be below last year's period, partly due to carry-over effects of Project Step 200+. Operating EBITDA was up against last year's period by €3.1 million and amounted to €16.5 million.

On April 10, 2014, BMBG Bond Finance S.C.A., a subsidiary of Braas Monier Building Group S.A., announced that it has priced €250.0 million aggregate principal amount of senior secured floating rate loans due 2020 (the "**Senior Secured Loans**") and €315.0 million aggregate principal amount of senior secured floating rate notes due 2020 (the "**Floating Rate Notes**"). The Senior Secured Loans bear interest at a rate of three-month EURIBOR plus 450 basis points per annum and the Floating Rate Notes bear interest at a rate of three-month EURIBOR plus 500 basis points per annum. The consummation of the offering of the Senior Secured Loans and Floating Rate Notes occurred on April 17, 2014. The net proceeds of the offering were used to refinance certain existing senior debt facilities provided to subsidiaries of the Group.

The elimination of the interest rate floor in connection with the refinancing positively affected financial income by €12.9 million in April 2014.

Current Outlook for 2014

Our business is primarily influenced by general market conditions in the markets in which we operate. As a result, budgeting for our revenues in our markets is difficult since economic conditions can fluctuate quickly. Recent market surveys and economic forecasts from leading financial institutions foresee that some European markets are on a robust recovery path (such as the United Kingdom, Germany and Norway), some are stable or only slightly growing (such as Austria) and others are expected to decline further (such as the Netherlands and France).

In budgeting for 2014 management is assuming slight growth in the pitched roof market and assumed slight revenue growth in 2014 driven by volume and price increases. Management believes that the positive trend that has been observed in some markets in the first quarter of 2014 will continue, but at a lower growth rate. In the United Kingdom, as well as in Germany and most Nordic countries, further growth is expected, with the United Kingdom potentially growing at the highest rate. France and the Netherlands would see a further declining market. Our assumption for Eastern Europe is cautiously positive. However, the Czech Republic is expected to decline further. For most of the smaller markets like Slovenia, Romania and Bulgaria almost no guidance can be given, though in the long term growth is a reasonable assumption. Mixed expectations describe the Asian market. We have assumed Malaysia will be flat, China will face a further slight decrease while Indonesia should experience higher growth rates. For South Africa, the current growth path is expected to continue. Chimneys and energy systems as well as the components business are also expected to continue profiting from the general positive European market environment.

From a cost perspective management expects moderate increases in energy and most raw material prices as well as personnel costs. The fixed cost structure will be positively impacted by the roll-over effects from headcount reductions that took place in 2013 under the framework of the cost savings and repositioning program (Project Step 200+). This effect will be most notable in the first half of 2014. We expect significantly lower operational restructuring costs in 2014, however, some provisions made in 2013 will be paid in cash in 2014. Non-recurring expenses in 2014 are expected to consist primarily of financing cost and transaction costs for the initial public offering and to be significantly lower than in 2013.

Based on the described revenue growth assumptions as well as in light of efficiency gains, an improved cost structure and roll-over effects from Project Step 200+, management is confident that the increase in Operating EBITDA will be over-proportional to the Company's expected revenue growth.

These budget figures have not been reviewed, audited or subject to any testing by any third parties. A wide range of factors, many of which are outside our control, may/will affect our actual results, including those described under "*Risk Factors*," such as general economic conditions, consumer preferences and competition. Our results rarely match our estimates or planning scenarios, and because of this our business and our actual results will almost certainly differ from the information presented above. Our results may not be as favorable as any of the scenarios described. We do not currently plan to update this information or release similar information in the future. See "*Forward-Looking Statements*."

ADDRESSES

REGISTERED OFFICES OF THE COMPANY

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