

Sanitec plans for a new financing structure – reducing costs and creating more flexibility

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Sanitec has today entered into a EUR 275 million Multicurrency Term Loan and a Revolving Credit Facility. The company will shortly initiate a process to redeem the existing Senior Secured Floating Rate Notes with the amount of EUR 250 million as well as to terminate the Senior Secured Revolving Credit Facility of EUR 50 million. The new financing structure will reduce Sanitec's costs, and create more flexibility for handling cash and liquidity.

When implemented, the new financing structure will reduce financial expenses by up to EUR 10 million per year which equals an increase in the earnings per share with approximately EUR 0.10, ceteris paribus.

The redemption price of the Senior Secured Floating Rate Notes is 101% of the nominal value of EUR 250 million (with an interest of 4.75% over three months euribor and are due in 2018). In connection with the redemption Sanitec will write off a capitalised fee of approximately EUR 7.5 million. In total the Q2 financial result will be affected by approximately EUR 10 million in one-off financial expenses. All in all the net effect on earnings per share for 2014 will be about EUR -0.05.

The current financing will be replaced by the EUR 275 million Multicurrency Term Loan and a Revolving Credit Facility, provided by Danske Bank, DNB Bank and Nordea. The maturity of the agreement is at least three years.

“The new structure will reduce our cost for financing and create more flexibility, and will not negatively affect the distribution capability to the shareholders”, says Fredrik Cappelen, Chairman of the Board in Sanitec.

Sanitec aims to have the new structure in place end of June 2014.

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About Sanitec – “Home of the Bathroom”

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

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

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