

## Interim report for the period ended 31 March 2015

### KSB Group reports increasing sales revenue

In the current financial year, the economic conditions improved slightly on the whole. Despite ongoing uncertainty in a few key markets, demand in the project business tended to rise. However, the high pressure on prices continued to affect the awarding of major contracts. Alongside the project and general business, KSB began to engage more in business with end users and, in doing so, to promote the direct sale of pumps, valves, service and spare parts to plant operators.

<b>KSB Group</b>		01-03/2015	01-03/2014	Change
Order intake	€ million	<b>554.2</b>	566.5	- 2.2 %
Sales revenue	€ million	<b>515.5</b>	490.9	+ 5.0 %
Employees (31 March)		<b>16,236</b>	16,538	- 1.8 %

#### Order intake and sales revenue

In the first three months of 2015, the Group's incoming orders were down on the strong first quarter of the previous year by € 12.3 million at € 554.2 million. The main reason for the fact that the order intake was 2.2 percent weaker is the smaller number of pump orders. The service business improved markedly, though. The order intake for valves was at roughly the same level as in the previous year.

The consolidated sales revenue from January to March grew by € 24.6 million compared with the first quarter of 2014 to € 515.5 million. This 5.0 percent rise was mainly due to the invoicing of pump and service orders. Sales revenue was still slightly down in the Regions Europe and Middle East / Africa, while the companies in Asia and the Americas / Oceania all posted double-digit growth rates. These benefited from positive currency effects.

## **Change in number of employees**

The number of employees in the Group fell year on year by 1.8 percent to 16,236. As at 31 March 2015, there were 302 fewer people employed at KSB than at the same time the previous year. This development was largely the result of measures aimed at restructuring the German and Chinese Group companies. Staffing levels rose slightly (by a total of 53 employees) in the four companies operating in South East Asia, which expanded their business substantially.

## **Results of operations and financial position**

In the first three months of 2015, KSB significantly improved its consolidated earnings before income taxes compared with the same prior-year quarter. A further increase is needed, however, to achieve the target for the year. The net financial position was down only immaterially on the 2014 year-end value of € 185.5 million.

## **Outlook**

Significant growth in order intake and in sales revenue continues to be targeted for the current financial year. The measures introduced to lower costs will help improve results of operations as the sales revenue increases. Consolidated earnings before income taxes are expected to once again approach the three-digit million mark. The return on sales, which fell in 2014, is anticipated to achieve a medium single-digit percentage in the current year.