

Pure Freude an Wasser



- TPG and DLJ to sell their 87.5% equity interest in GROHE to LIXIL and Development Bank of Japan
- With an implied Enterprise Value of EUR 3.06 bn, this is the largest ever German investment by a Japanese company. The transaction is expected to close in Q1 2014
- GROHE and its subsidiary Joyou remain independent within LIXIL Corporation. CEO David Haines has signed new five-year contract
- GROHE to continue its strategy of sustainable growth, and to continue to be a leading consolidator in the international sanitary industry. LIXIL to support this strategy

Düsseldorf, 26 September 2013 – The GROHE Group, one of the world's leading providers of sanitary fittings, has entered into an agreement with LIXIL Corporation and Development Bank of Japan in relation to the sale of an 87.5% equity interest in GROHE Group from TPG and DLJ Merchant Banking Partners. This transaction represents the largest ever German investment by a Japanese company. The combined sanitary businesses of both groups generate more than EUR 4 bn of annual revenue, making it the largest player in its industry.

GROHE remains independent and continues to implement its plan for long-term, sustainable and profitable growth. With the support of LIXIL, this will also include becoming a leading consolidator in the global sanitary industry, which is still characterized by a high degree of fragmentation.

David J Haines, Chief Executive Officer of GROHE, will remain in this position and has signed a new five-year contract. LIXIL and Development Bank of Japan will have seats on the Supervisory Board of the holding company of GROHE Group S.à.r.l. in Luxemburg.

"For GROHE and Joyou, LIXIL is a perfect match" said David Haines. "It is currently building a strong track record as a global leader in the building materials and housing equipment industry. As a growth-oriented company, LIXIL has always been the preferred partner to support us with our growth strategy, especially in emerging markets."

For Joyou in particular, this new partnership will be of enormous benefit, as our ability to grow and strengthen the brand in the Asia-Pacific region will be enhanced.

"We are proud to have played our part in the remarkable transformation of GROHE over the last 10 years into a truly first-class global business", said Stephen Peel, Managing Partner at TPG. "GROHE and its management will be a great combination with the LIXIL Corporation."

Colin Taylor, Managing Director and Partner at DLJ Merchant Banking Partners, added: "After almost 10 years of supporting GROHE and its terrific management team through an international expansion plan, we are delighted to see a continuation of the company's strategy to be the global market leader in the sanitary industry by joining forces with

LIXIL Corporation."

"GROHE is one of the most well-known brands in the global sanitary market", LIXIL President Yoshiaki Fujimori commented. "In addition to its high standards for quality, GROHE has received high acclaim globally for its leading product design and innovation. We have great respect for what CEO

David Haines and his management team have achieved – bringing GROHE into the LIXIL family allows us to make further progress in building the leading platform in the global sanitary industry whilst also strengthening our distribution network in Asia."

Transaction structure and volume

LIXIL and DBJ will acquire GROHE through a jointly owned entity of which each party will own a 50% voting interest. President Yoshiaki Fujimori said: "The joint acquisition structure enables LIXIL to act on this strategic opportunity while maintaining its current leverage level and the financial flexibility to pursue other strategic opportunities as they arise."

The implied Enterprise Value, including the assumption of debt, is EURO 3.06 bn. The transaction is subject to customary regulatory and antitrust approvals and is expected to close in the first quarter of 2014.

GROHE, TPG and DLJ were advised by Acxit Capital Management, Credit Suisse, Goldman Sachs, Weil LLP and Clifford Chance. LIXIL was advised by BNP Paribas, Moelis & Company, SMBC Nikko and Linklaters.



About Grohe Group

The GROHE Group is one of the world's leading providers of sanitary fittings. Under the global GROHE brand for sanitary products and systems, the GROHE Group sets standards in quality, design, technology and responsibility, providing water to perfection. With the JOYOU brand, the Group addresses the fast growing Chinese market. Spearheaded by GROHE Group S.à.r.l., Luxembourg, the GROHE Group has a global workforce averaging 9,000 (including some 3,400 at Joyou), some 2,300 of whom work at GROHE companies in Germany. In 2012, the GROHE Group generated consolidated sales of some €1,405 million, 85 percent came from outside Germany. The GROHE Group has nine production plants of its own, of which six are located outside Germany (one each in Portugal, Thailand and Canada, and three in China).

About LIXIL

Led by President and CEO Yoshiaki Fujimori, LIXIL Group Corporation (TSE Code: 5938) is a listed holding company posting ¥1.4 trillion (EUR 10.8billion) in consolidated sales in FY2013. The Group engages in a broad spectrum of housing businesses, ranging from the manufacture and sale of building materials and housing equipment to the operation of home centers and a network of homebuilding franchises.

LIXIL Corporation is the largest housing and building materials company in Japan with a vast and unique business portfolio. It is a leader in eight market categories, with a 55% share in exteriors, 50% share in housing sashes and doors, 50% share in curtain walls and 40% share in sanitary wares. LIXIL is also a leading brand in tiles, washstand cabinet units, and bathroom and kitchen units.

Launched in April 2011 under its present structure and name, LIXIL has been active in strategic acquisitions and partnerships in order to fortify and accelerate its growth in overseas markets. It currently operates in more than 30 countries through premium brands offered over a broad product lineup and services. Permasteelisa, Gartner and Shanghai Meite, for example, spearhead our project business (building materials and curtain walls), while LIXIL, American Standard, Inax and Tostem are power players that feature an impressive brand portfolio including kitchen units, bathroom fixtures, windows and doors.

<http://www.lixil-group.co.jp/>

About DLJ Merchant Banking Partners

DLJ Merchant Banking Partners ("DLJMB") is a private equity investor in North America and Europe, with an over 25-year history of leading leveraged buyout and related transactions in the middle-market. DLJMB focuses primarily on control equity investments in middle-market companies. In addition to lead equity investments, DLJMB selectively completes both minority equity and structured equity investments to take advantage of unique market opportunities. DLJMB, as an affiliate of Credit Suisse AG, operates within Credit Suisse Asset Management. The Asset Management business offers products across a broad spectrum of investment classes, including hedge funds, credit, index, real estate, commodities and private equity products, as well as multi-asset class solutions, which include equities and fixed income products. All businesses of Credit Suisse are subject to distinct regulatory requirements; certain products and services may not be available in all jurisdictions or to all client types. Further information about Credit Suisse can be found at www.credit-suisse.com.

About TPG

TPG is a leading global private investment firm founded in 1992 with \$55.3 billion of assets under management and offices in San Francisco, Fort Worth, Austin, Beijing, Chongqing, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, Paris, São Paulo, Shanghai, Singapore and Tokyo. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings. The firm's investments span a variety of industries including industrials, consumer, retail, financial services, travel and entertainment, technology, energy, real estate, media and communications, and healthcare. For more information visit www.tpg.com.

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GROHE Group shares to be acquired by LIXIL Corporation

Grohe

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