

PRESS RELEASE

**Sales to record level of € 2.5 billion and
solid business performance in 2013**

Aliaxis S.A. 2013 Full Year Results

Brussels, April 5, 2014

Aliaxis, a leading global manufacturer and distributor of plastic fluid handling systems, today released its 2013 full year results.

Yves Mertens, CEO of Aliaxis, commented: *“Aliaxis grew its sales to a record € 2.5 billion in 2013, driven mainly by its expansion in Asia. Despite adverse market conditions in Europe and some regions in Latin America, the Group achieved an overall solid business performance, due to the balanced geographic spread of its activities, its rich portfolio of products and the diversified market segments in which it operates. Aliaxis invested a record amount in capital expenditure, demonstrating the Group’s confidence in the future.”*

On April 3th, 2014 the Board of Directors approved the submission of the consolidated 2013 annual accounts to the General Shareholder Meeting which will be held on May 28, 2014.

Highlights

- Revenue of € 2.5 billion, increase of 5.5% compared to 2012 (up 0.2% on a like-for-like¹ basis)
- Acquisition of majority stake in Ashirvad Pipes Pty. Ltd in India and full integration of Vinilit S.A. in Chile
- Operating income (EBIT) increase by 9.0%: € 194 million, compared to € 178 million in 2012²
- Current EBITDA³ of € 304 million, compared to € 299 million in 2012
- Group’s net profit of € 108 million, compared to € 117 million in 2012
- Proposed gross dividend of € 0.36 per share (€ 0.2700 net), an increase by 9.1% compared to gross dividend of € 0.33 per share (€ 0.2475 net) in 2012

¹ Like-for-like being at constant exchange rate and excluding the impact of changes in scope of consolidation

² In 2013, the Group adopted the revised IAS 19 standard on Employee Benefits. This change in accounting policy has been applied retrospectively in accordance with IAS 8.

³ Current EBITDA being EBITDA before non-recurring items

Trading review

Aliaxis has demonstrated a continued strong performance in a number of its key markets, while benefitting from a positive contribution of the businesses the group acquired in recent years. For the first time in the Group's history, Aliaxis reached a turnover of € 2.5 billion.

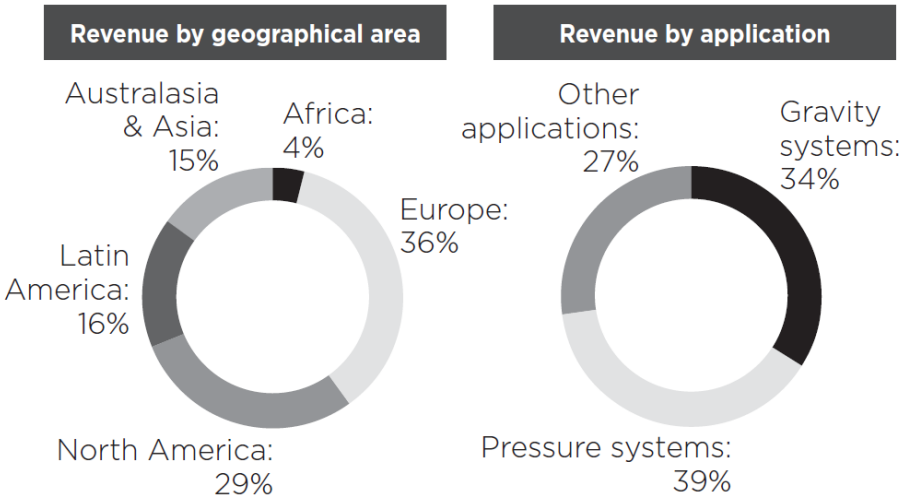
Some regions faced adverse market conditions, but due to the balanced geographic spread of the Group's activities and the rich portfolio of products and the diversified market segments in which it operates, Aliaxis performed well in 2013. The Group also clearly benefited from the positive impact generated by the reorganisations undertaken over the last few years in the underperforming businesses.

Activity levels in the North American markets were again sustained, with a noted improvement in the United States. Similarly, performance in Australasia and Asia was strong. Acquisitions in emerging economies strengthened the Group's presence in growing markets. Changes in consolidation scope were driven by the strategic acquisition of a majority stake in Ashirvad Pipes Pty Ltd in India and by the full integration of Vinilit S.A. in Chile. The Group's businesses in Europe and also in parts of Latin America have not benefited yet from the tailwind of a sustained recovery.

The Euro strengthened compared to the other main currencies in which the Group trades, dampening top and bottom line growth. Raw material prices were less volatile compared to the previous period. Margins remained relatively stable, due to a continued focus on pricing, cost management and improvement measures in some specific areas.

Maintenance capital expenditure remained at normal level, but the Group initiated substantial additional investments in key projects with the aim of strengthening specific activities and boosting growth. As a result, capital expenditure reached € 137 million, which represents 156% of depreciation and amortization. This high level of investment will be sustained in 2014.

The sound level of cash flow generated by the operating activities allowed the Group to maintain a solid balance sheet structure. Financial resources will therefore continue to be available for capital expenditure and selected acquisitions.



Financial review

Financial results

Revenue from sales in 2013 reached € 2,507 million (2012: € 2,377 million), an overall increase by 5.5%. On a like-for-like basis, revenue increased by 0.2%. The fluctuation of foreign exchange rates during the year had a negative impact on revenue of -3.6%, while changes in the scope of consolidation accounted for a revenue increase of 8.9%.

The Group's operating income (EBIT) rose 9.0% to € 194 million (2012²: € 178 million), which equates to an EBIT margin on sales of 7.7 %, compared to 7.5% in 2012. At constant exchange rates and excluding the impact of changes in the scope of consolidation, the increase was 4.0%. Changes in the scope of consolidation accounted for an increase of 8.3% and the exchange rate movements had a negative impact of 3.3%.

EBIT included € 21.4 million (2012: € 18.0 million) non-recurring items, mainly related to a number of industrial reorganization projects in Europe and Latin America. No goodwill impairment was recognized in 2013 (2012: € 21.8 million). Current EBIT⁴ totalled € 215 million (2012: € 218 million).

The net profit attributable to the Group amounted to € 108 million, compared to € 117 million in the previous year.

Dividend

The Board of Directors will propose that the General Meeting of Shareholders on May 28, 2014 approves the distribution of a gross dividend of € 0.36 per share. This dividend will, upon approval by the General Meeting of Shareholders, become payable as of July 1st, 2014.

Outlook

Aliaxis is determined to pursue its long-term growth strategy. Therefore, the Group will strengthen its presence in attractive market segments and regions, especially in the emerging markets in order to benefit from the higher market growth. Furthermore, the Group is confident in its ability to capitalize on improving market conditions and anticipated demand following renewed confidence in economies throughout the globe.

A positive trend in North-America, with a particular improvement in the US housing market, has been noticed. The first signs of economic revival in Europe, will, if confirmed, have a positive impact on the Group's activities. Aliaxis is also expecting a more favourable market environment in most of the other regions. The Group is determined to continue to invest through major capital expenditure and targeted acquisitions, while maintaining a sound financial structure.

⁴ Current EBIT being profit from operations before non-recurring items

Statement from the Auditor

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Ludo Ruysen, has issued an unqualified audit opinion on the consolidated financial statements, and has confirmed that the accounting data reported in this press release do not include any inconsistencies with the IFRS consolidated financial statements.

SUMMARY TRADING INFORMATION

Year ended 31 December (€ million)	2013	2012 restated ²	Increase/ (decrease)
Revenue	2,507	2,377	130
Current EBITDA ³	304	299	5
<i>% of revenue</i>	<i>12.1%</i>	<i>12.6%</i>	
Current EBIT ⁴	215	218	(3)
<i>% of revenue</i>	<i>8.6%</i>	<i>9.2%</i>	
Operating income (EBIT)	194	178	16
<i>% of revenue</i>	<i>7.7%</i>	<i>7.5%</i>	
Profit before income taxes	164	177	(13)
Net profit,	112	118	(6)
<i>attributable to:</i>			
■ <i>Non-controlling interest</i>	4	2	2
■ <i>Equity holders of the Company</i>	108	117	(9)

€ per share, share of Equity holders of the Company ⁵	2013	2012 restated ²	Increase/ (decrease) (%)
Basic earnings per share	1.35	1.45	(6.9%)
Diluted earnings per share	1.34	1.44	(6.9%)
Proposed gross dividend	0.36	0.33	9.1%

⁵ Per share data calculated on the total weighted number of shares in issue, net of treasury shares

SUMMARY CONSOLIDATED FINANCIAL POSITION

At 31 December (€ million)	2013	2012 restated ²	Increase/ (decrease)
Intangible Assets	738	646	92
Property, Plant and Equipment	675	633	42
Non-Current Investments	15	16	(1)
Deferred Tax Assets	22	23	(1)
Employee Benefits	33	7	26
Derivatives	13	31	(18)
Other Non-Current Assets	22	29	(7)
Total Non-Current Assets	1,518	1,385	133
Non-Cash Working Capital	444	455	(11)
Total	1,962	1,840	122
Equity holders of the Company	1,265	1,368	(103)
Non-controlling interests	52	10	42
Total Equity	1,317	1,378	(61)
Deferred Tax Liabilities	78	41	37
Employee Benefits	72	73	(1)
Derivatives	12	26	(14)
Other Non-Current Liabilities	109	19	90
Net Financial Debt	374	303	71
Total	1,962	1,840	122

About Aliaxis

Aliaxis, headquartered in Belgium, is a leading global manufacturer and distributor of mainly plastic fluid handling systems, represented by more than 100 manufacturing and commercial companies in over 40 countries throughout the world. Aliaxis employs 15,700 people around the world and generates € 2.5 billion of annual sales.

The Group's products are used in residential and commercial construction, as well as in industrial and public infrastructure applications. Aliaxis has leading positions in many of the markets in which it operates. Its brands have a strong identity and are firmly established in the markets they serve.

More information on www.aliaxis.com

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