

Business Report 2012/13

FACTS AND FIGURES



€ 3.15 bn turnover in Fiscal 2012/13
Workforce and investments reach all-time highs
Biggest product offensive in company history

3.8 % turnover plus: Miele stays the course of growth



After years of steady growth, the family-owned Miele company has once again made further headway: The world's leading manufacturer of premium domestic appliances achieved sales of EUR 3.15 bn in the 2012/13 financial year ending June 30, 2013. This corresponds to growth of EUR 115 m and a year-on-year increase of 3.8%. Throughout the world, the Miele Group now employs a staff of 17,251. During the period under review, Miele invested to the tune of € 213 m.

Miele remains true to its strategy which involves steady and proportionate growth, irrespective of economic cycles. "Despite restraining factors such as the debt crisis in the Eurozone, we are still well on target", says Olaf Bartsch, Managing Director of Finances and Administration, commenting on the recent release of figures. On the home market, Miele sales amounted to € 955 m, equating to growth of 4.8%. This increased Germany's share of total sales slightly to 30.5%.

A glance at the most recent figures published by the market researchers GfK reveals that Miele not only increased turnover in the important market for built-in appliances over the reporting period but has also grown its market share. In Germany at over-the-counter prices, business with Miele appliances grew at around twice the rate of the branch as a whole. But Miele has also gained market shares in laundry care.

Growing share in the market

This trend - which is reflected to a similar extent in other countries both within and outside Europe - is ascribed by the Gütersloh domestic appliance pioneer to an consistent pursuit of quality and unerring customer orientation. This is succinctly condensed into "Immer Besser", the Miele brand promise of being "Forever Better", and is corroborated by test wins in many countries. With Germany's highly reputable consumer watchdog Stiftung Warentest alone, Miele is the reigning champion in product categories such as ovens, vacuum cleaners, washing machines (front- and top-loaders) and heat-pump dryers.

"Like no other brand in its branch of industry, Miele stands for durability, excellence of results, convenience, elegance, service and brand aura", is the way Heiner Olbrich, Managing Director for Marketing and Sales in the Miele Group sums

up Miele's standing. Similarly, no other product brand, no matter which branch it is from, has been held in such high esteem by Germany's consumers. This is well documented by the GfK "best brands" study from which Miele emerged at the beginning of this year as best product brand of all times. This "best brand ever" is calculated arithmetically on the basis of performance over the past 10 years.

Outside Germany, Miele achieved turnover growth of 3.1%. Above all in the two important overseas markets in the US and Australia, but also in Russia, Miele has experienced strong growth. Drops in turnover due to the economic slump in southern Europe were offset for example by good growth in Great Britain, Scandinavia, Hong Kong and Singapore. Above-average growth came in particular from high-end built-in kitchen appliances and vacuum cleaners.

Further potential for growth

Currently, Miele is represented in 47 countries through its own sales subsidiaries and in a further 50 through distributors and importers. In around 70 metropolises across all continents, Miele's colours are flying high in elegant showrooms, offering a live presentation of the Miele world and affording the opportunity to experience the brand first-hand. Miele locations where flagship stores opened during the past year are Belgrade, Oslo, Tokyo, Madrid, Istanbul and Mexico City.

Looking forward to Fiscal 2013/14 which has just begun, the five-strong Board of Management comprising Olaf Bartsch, Dr Markus Miele, Dr Heiner Olbrich, Dr Eduard Sailer and Dr Reinhard Zinkann, is wary of issuing concrete forecasts on account of continuing market volatility. However, Miele's objective remains to continue to grow in the same order of magnitude.

Biggest product offensive

"The biggest product offensive in the history of our company will put wind in our sails", says Managing Director and Co-Proprietor Markus Miele. Hard on the heels of the extremely successful market launch of the fundamentally new generation 6000 of built-in appliances in May is the pending generation change in laundry care, due to be showcased at the IFA trade show in September. Miele scores highly with numerous technical USPs such as the "M Touch" user interface with which Miele built-in appliances can be operated similar to a smartphone via a high-resolution TFT display. "If we include the S8 premium vacuum cleaner launch last year, Miele has renewed almost its entire fleet of domestic appliances within the space of one and a half years", says Reinhard Zinkann, also Managing Director and Co-Proprietor of the family company founded 114 years ago.

Despite continually difficult framework conditions on the investment goods front, Miele's Professional division grew by 2.3% during the period under review. With its three product fields of laundry technology, commercial dishwashing and disinfection/sterilisation, Miele Professional turnover now stands at € 402 m and contributes 13% to total company sales. The company continues to underline its innovation leadership with solutions such as the first commercial tumble dryers heated by water from a co-generation or district heating plant, which is unrivalled in its energy-efficiency and low impact on the environment, or the world's fastest built-in dishwashers for kitchens in office blocks, kindergartens or cafés (ProfiLine).

In the field of medical technology, Miele Professional made the transition in the last-but-one business year from being a purveyor of machines





to becoming a full-line turnkey supplier to hospitals and surgeries. Here, Miele's System4Med services range as far as planning, constructing, equipping and maintaining entire central sterile supply departments (CSSDs) in hospitals. Currently, hospitals and clinics in 12 countries have already placed their trust in Miele Professional's extended portfolio and the number continues to rise.

Intelligent energy saving

With a view to the intelligent conservation of energy, Miele continues to expand its lead. "Our customers simply expect minimal energy consumption, without entertaining any compromises when it comes to performance and convenience", says Eduard Sailer, Managing Director responsible for technical affairs. Miele provides for these needs for example by offering exclusive features aimed at the automation of detergent dispensing, real-time consumption indicators and the use of renewables. According to Dr Sailer, "work is under full steam to bring these and similar technologies to market fruition and features are permanently undergoing further development". New milestones in this respect are Miele's solar-powered tumble dryer (which has been in series production since May) and a dishwasher with a SolarSave programme, which will hit the market after the IFA trade show. Both appliances are characterised by the fact that they use solar-heated water, which reduces primary energy consumption, depending on the model, by 80 % to 90 %.

Further details on topics related to resource conservation and protection of the environment are provided by the considerably augmented 2013 version of Miele's Sustainability Report ("A Matter of Generations"), which was published in the last quarter of the reporting period. In the most recent ranking table published by the Institute for



Miele Board of Directors (from left to right): Dr. Eduard Sailer, Dr. Markus Miele, Olaf Bartsch, Dr. Reinhard Zinkann, Dr. Heiner Olbrich

Ecological Economy Research (IÖW), the 2011 Miele Sustainability Report ("With a Focus on People") landed in seventh position. This makes Miele the highest-ranking family-owned company, behind only six DAX 30 corporations, and the only domestic appliance manufacturer to make it into the Top Ten (cf. www.miele-sustainability.com).

High-level identification

As per June 30, 2013, Miele employed a staff of 17,251 worldwide. This amounted to 535 employees or 3.2 % more than in the previous year. At 10,379 in Germany, employment levels remained consistently high, with growth of 0.5 %.

At the Miele Group's German locations there are currently 458 young people in one of 35 commercial or technical apprenticeship professions.

Of these, approximately 120 are engaged in one of 9 dual courses of study leading to professional qualifications as well as a bachelor degree in subjects such as mechanical or electrical engineering, business administration or industrial →



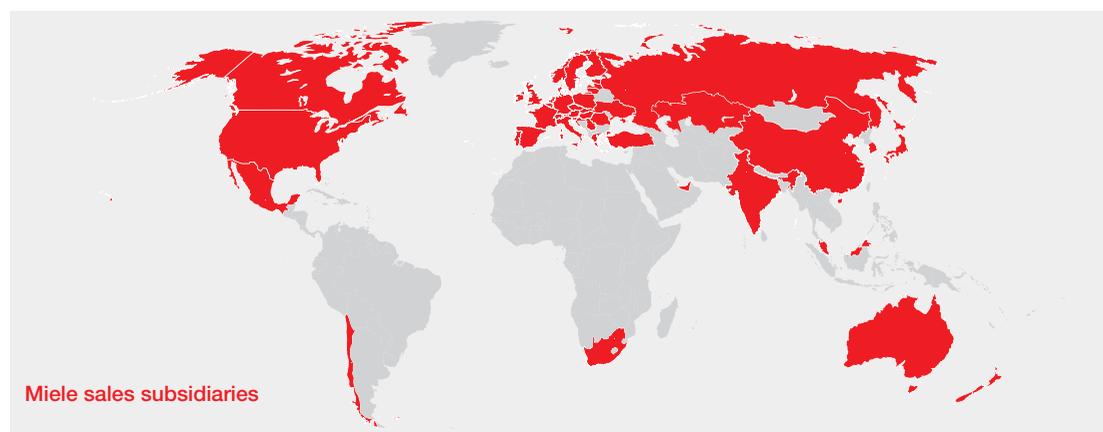
Miele also organised 160 events attended by 3500 Miele employees after-hours.

During the reporting period, no less than 462 employees celebrated 25, 40 or 50 years of working for Miele, bringing the total number of employees commended for long service to 11,590 since the company was founded. In October 2012, Miele joined the Diversity Charta – as a public avowal to the principles of equal opportunity and appreciation of diversity within the company.

engineering. The many vocational educational opportunities at Miele include the Master@Miele programme, allowing young bachelor graduates to study for their master whilst working at Miele. Miele supports this programme with flexitime provisions and supplementary coursework. As part of a cost-free “Open Education” programme,

During the past business year, the Miele Group invested a total of € 213 m, € 27 m or 15 % more than in the previous year. This peak is in particular a result of high-level investments in product innovations and the restructuring of production to manufacture new model generations of built-in and laundry care products.

Miele sales and workforce development



	2008/09	2009/10	2010/11	2011/12	2012/13
Worldwide turnover*	2.77	2.83	2.95	3.04	3.15
thereof in Germany	0.80	0.84	0.87	0.91	0.95
Year-on-year change	-1.3 %	+2.2 %	+4.0 %	+3.1 %	+3.8 %
No. of employees	16,555	16,561	16,624	16,716	17,251
thereof in Germany	10,441	10,324	10,302	10,327	10,379
Year-on-year change	+4.3 %	0 %	+0.4 %	+0.6 %	+3.2 %

* in EUR bn

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