

€ 3.93 bn turnover / Turnover, staffing levels and investment hit all-time highs / Above-average growth in Germany

Miele reports 5.9% sales growth – and more than 1000 additional employees

Gütersloh, August 10, 2017. – Family-owned Miele Company further consolidates worldwide growth at high level. The world's leading manufacturer of premium domestic appliances achieved sales of € 3.93 bn in the 2016/17 financial year which ended on June 30, 2017. This amounts to a year-on-year increase of € 218 m or 5.9%. Built-in appliances and vacuum cleaners made an above-average contribution to this growth. Milestones from the period under review include a majority interest in the Italian medical technology specialist Steelco, the launch of the Miele Venture Capital GmbH and the creation of the new Smart Home business unit. Currently, around 19,500 are in the employment of Miele. During the reporting period, investments totalled € 225 m.

In its own words, the Executive Board of the Miele Group considers current growth to be 'quite satisfactory'. For the third time in succession, Miele's sales growth has been well above the average of the past 10 years, despite the less favourable conditions which prevail in important markets such as Russia, Turkey and (on account of exchange rates) Great Britain. Furthermore, prices have come under continued pressure in virtually all relevant product groups and markets.

The traditional Gütersloh-based company has countered the price-aggressive marketing activities of other manufacturers with its continued focus on quality and innovation leadership within its branch of industry, for instance by offering high-quality flagship models with technical features exclusive to the Miele brand. At the same time, entry-line and promotional models offer better performance and convenience and, in individual cases, occupy new price points. This is coupled with the persistent expansion of Miele's worldwide marketing presence both online and in brick-and-mortar stores, ensuring additional impetus in an ever increasing number of markets.

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As a result, Miele's Executive Board anticipates an appreciable further increase in both turnover and unit sales in the coming financial year.

These expectations are founded in the company's attractive product portfolio, a well-structured set-up in marketing and sales – as well as in the predominantly positive market forecasts for Germany, Europe and the world at large.

Strong growth in the USA, Australia, Canada – and Germany

In Germany, Miele achieved sales of € 1.18 bn, representing an increase of 6.8%. Here, Miele has been the undisputed winner in terms of market share over recent years – and the No. 1 specialist retailer brand for major domestic appliances. Outside Germany, the USA, Australia, Canada, Austria and a number of Asian markets are worthy of special mention. In Great Britain, too, Miele was able to make significant inroads in local currency, although this was more than offset by currency disparity in the run-up to Brexit. In southern Europe, on the other hand, Italy and Spain have staged an impressive comeback. At 70.0%, the share of sales outside Germany has remained practically constant (70.1% in previous year).

On an individual product group level, the success story of the Miele dishwasher continued into the business year just ended – with an increase in unit sales of almost 40% within the space of three years. In the floor care sector, Miele's first bagless vacuum cleaner, the Blizzard CX1, was successfully launched following its trade show premiere at the IFA in 2016. For the first time in a fiscal year, Miele sold more than 2.5 m vacuum cleaners and is once again European market leader (vacuum cleaners with/without dustbags) based on both turnover and unit sales.

With its handleless ArtLine series of built-in appliances featuring doors which open electrically at the touch of a fingertip, Miele has forcefully completed its lineup of products catering for flush-design high-end kitchens. And, in the field of laundry care, Miele's WT1 washer-dryer sets new standards, boasting an aggregate cycle time of less than 3 hours, the web-enabled TwinDos dispensing system – and an 40% increase in unit sales.

Smart Home: New business field, new subsidiary, new cooperation

On the smart domestic appliance front, Miele, pioneer in the field for many years, pointed the way in multiple respects during the reporting period: The new Smart Home business unit has been up and running since last autumn, bringing together R&D, production and marketing under one roof. Promising startups are now supported by Miele via its newly founded subsidiary Miele Venture Capital GmbH, through to direct equity stakes. As regards content, the focus is on business models, technologies and applications relating to topics such as the smart home or Industry 4.0, as well as on innovative production and product technologies. And, at the last LivingKitchen exhibition, the company presented its extended culinary version of the Miele@mobile appliance app: In exclusive collaboration with the Kitchen Stories food portal, more than 1,100 Miele recipes and 200 inspirational food-preparation videos will be accessible from mobile devices.

Steelco now belongs to the Miele Group

The Miele Professional business unit comprising laundry technology, commercial dishwashing as well as medical and laboratory technology recorded sales of € 484 m during the past financial year. This corresponds to an increase of 1.6%, whereby growth was impeded by a one-time effect in the laundry technology sector. Commercial dishwashers, for instance, with their new product range achieved a growth rate of more than 8%. Similar can be said of the service sector. A similarly positive trend is anticipated in the laundry technology field, thanks to the considerably reduced electricity and water consumption of the new Benchmark Plus generation of machines.

In the medical technology field, Miele's market position has improved significantly on account of the fact that the reputable Italian Steelco Group is now part of the Miele Group. In the course of introducing a division of responsibilities, project business involving equipment sales to central sterile supply departments (CSSDs) in hospitals will be concentrated under the Steelco label. Miele, for its part, will concentrate on sales to surgeries and laboratories. In the interests of a long-term partnership, Miele has taken out a majority interest in Steelco, but will continue to manage the brand as a separate and independent company. The overriding aim is to offer clients an even more effective product portfolio and the best possible level of service. The aggregate turnover resulting from the new alliance amounts to around

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€ 250 m, with significant potential for further growth. The new constellation did not have any impact on Miele sales during the year under review.

More personnel in Germany and internationally

As per June 30, 2017, Miele employed a staff of 19,465 worldwide. This amounted to 1,095 employees, or 6.0%, more than in the previous year. Staffing levels rose above average in particular in areas where positive business results necessitated increased capacities, namely at several production plants and at Miele's sales and service subsidiaries. At the close of the reporting period, Miele employed a staff of 10,888, corresponding to a growth of 562 FTEs or 5.4%. Staff numbers increased at all production sites, at Central Headquarters and at Miele Germany.

At the beginning of the new training year due to start on September 1, approx. 500 young persons at German locations will commence an apprenticeship in one of 30 commercial professions or technical trades. Around 120 will embark on a dual course of study combining an apprenticeship with a university degree. This option is available at Miele for instance in business administration, electrical engineering, mechanical engineering, business informatics and industrial engineering.

The advancement and training of employees featured prominently in Miele's 2017 Sustainability Report, published online as a 250-page PDF file on June 30 (www.miele.com/sustainability). Key content also includes information on the energy efficiency of Miele products over their cradle-to-grave life cycle. In this respect, Miele has more than halved the energy and water consumption of its appliances since 2000 without entertaining any compromises in terms of convenience or performance. Similar achievements were accomplished in environmental protection at production facilities: Energy-related CO₂ emissions during the same period were reduced by more than 50%.

High-level investments in production and sales

During the past business year, the Miele Group invested to the tune of € 225 m. This represents € 41 m, or 23%, more than in the previous year. Almost two-thirds of these investments were allocated to locations within Germany, whereof around 60% was ploughed into the development of new appliances as well as in the expansion, conversion and modernisation of production facilities. Significant funds also went into the modernisation and

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extension of administration, sales and logistics in Gütersloh. Particular public attention was attracted by the construction of Miele's first day-care centre for children in Germany, which is due to commence operation on March 1, 2018. New showrooms were opened by Miele in Bolzano, Hong Kong, Madrid, Paris, Split and Stockholm.

The long-announced change on the Executive Board of the Miele Group went as planned: At the end of 2016, Dr. Eduard Sailer entered retirement after 19 successful years as board member responsible for technical affairs. His successor in the post is Dr. Stefan Breit, previously plant manager at Miele's appliance production facility in Gütersloh. As part of a meticulously prepared transition, Dr. Breit was called to the board in April 2016, representing the sixth Executive Director for an intervening period. Further board members, each with equal voting rights, are Olaf Bartsch (Finances/Administration), Dr. Axel Kniehl (Marketing/Sales) and Dr. Markus Miele and Dr. Reinhard Zinkann (Executive Directors and Co-Proprietors).

(1,567 words, 10,224 characters incl. spaces)

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Company profile: Miele is the world's leading manufacturer of premium domestic appliances including cooking, baking and steam-cooking appliances, refrigeration products, coffee makers, dishwashers and laundry and floor care products. This line-up is augmented by dishwashers, washer-extractors and tumble dryers for commercial use as well as washer-disinfectors and sterilisers for use in medical and laboratory applications (Miele Professional).

The Miele company, founded in 1899, has eight production plants in Germany as well as one plant each in Austria, the Czech Republic, China and Romania. 2016/17 turnover amounted to approx. EUR 3.93 bn with sales outside Germany accounting for 70%. Miele is represented with its own sales subsidiaries and via importers in almost 100 countries. The Miele company, now in the fourth generation of family ownership, employs a workforce of around 19,500, 10,900 thereof in Germany. The company headquarters are located in Gütersloh/Westphalia, Germany.

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Photo 1: The Executive Board of the Miele Group (from left to right):

Dr. Stefan Breit (Technology), Dr. Markus Miele (Executive Director and

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Co-Proprietor), Olaf Bartsch (Finances and Administration), Dr. Reinhard Zinkann (Executive Director and Co-Proprietor), Dr. Axel Kniehl (Marketing and Sales). (Photo: Miele)

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