

Half-Year Report as of June 30, 2014

Substantial sales growth with a positive impact on the results

Geberit AG, Rapperswil-Jona, August 12, 2014

The Geberit Group achieved convincing results in the first six months of 2014 in a challenging environment, which were significantly up on the already favorable results from the same period in the previous year. Sales grew by 7.1% to CHF 1256.4 million. In local currencies, this represents an increase of 8.6%. Operating profit increased by 16.6% to CHF 315.6 million, while net income rose by 16.9% to CHF 272.7 million. For 2014 as a whole, Management expects to achieve currency-adjusted sales growth at the upper end of the medium-term target range of four to six percent and an operating cashflow margin slightly above the previous year's level.

In the first half of 2014, the Geberit Group generated sales of CHF 1256.4 million. This represents an increase of 7.1% in Swiss francs or 8.6% in local currencies compared to the same period in the previous year. The convincing sales figures for the first six months are based on the solid positioning in many markets. The favorable weather conditions for the construction industry in large parts of Europe during the first quarter and the comparatively weaker same period in the previous year also facilitated the sales development. The second quarter saw currency-adjusted growth of 6.2% – a value which is above the Group's medium-term targets.

Europe recorded a currency-adjusted increase in sales of 8.4%, with virtually all markets contributing to the growth. Double-digit growth was posted in the United Kingdom/Ireland (+20.2%), Central/Eastern Europe (+12.9%) and Germany (+11.0%). Switzerland (+9.2%), the Iberian Peninsula (+7.1%), Austria (+6.7%), France (+6.3%) and the Benelux Countries (+4.4%) also reported substantial satisfying sales growth. Italy posted a slight increase (+1.2%), whereas the Nordic Countries recorded a drop in sales (-1.4%). Despite the ongoing unfavorable conditions in the public sector – an area of importance to Geberit in this region – America posted growth of 5.5%. The Middle East/Africa (+16.6%) and Far East/Pacific (+11.7%) regions reported satisfying sales growth. In the product areas, at 9.9% (in Swiss francs: +8.7%) Piping Systems posted stronger currency-adjusted growth than Sanitary Systems, which achieved growth of 7.6% (in Swiss francs: +5.9%).

The positive trend with the results was mainly due to the clear volume growth in sales. Higher customer bonuses and an increase in personnel expenses negatively affected the results. The higher personnel expenses are attributable to an increase in the number of employees as well as salary increases. Despite a partly substantial depreciation of some currencies – which however are of lesser significance to Geberit – currency effects did not have a material impact on the results. Operating cashflow (EBITDA) increased by 13.9% to CHF 353.9 million, resulting in an EBITDA margin of 28.2% (previous year 26.5%). Operating profit (EBIT) rose by 16.6% to CHF 315.6 million, resulting in an EBIT margin of 25.1% (previous year 23.1%). A slightly improved financial result compared with the previous year in combination with a higher tax rate led to an increase in net income (up 16.9% to CHF 272.7 million) at a similar rate to the operating results. The return on sales amounted to 21.7% (previous year 19.9%). Earnings per share reached CHF 7.25 (previous year CHF 6.20), which represents a plus of 16.9%. The share buyback program launched at the end of April did not yet have any significant impact on this key figure. The higher net cashflow compared with the previous year –

compensated in part through higher levels of investment in property, plant and equipment – resulted in an increase in free cashflow of 17.5% to CHF 174.5 million.

The financial situation remains very healthy. The equity ratio decreased slightly in comparison to the level at the end of 2013, from 74.8% to 73.0%. As a result of the dividend payment to the shareholders in the amount of CHF 282.0 million and the launch of the share buyback program, net cash (liquid funds less debt) decreased as planned from CHF 601.1 million as per December 31, 2013 to CHF 466.5 million.

The Geberit Group employed 6279 people worldwide as of the end of June 2014. This was 53 additional people or 0.8% more than at the end of 2013. This increase is primarily due to capacity adjustments in the production plants.

Despite moderate global economic growth having been forecast for this period, the construction industry remains challenging in 2014. However, the individual regions/markets and construction sectors are developing very differently. In Europe, volumes in the construction industry are continuing to contract overall. With the exception of a few markets such as Germany, Switzerland and the United Kingdom that are performing positively, most other markets have been seeing a clear fall in demand for some time. However, this downturn is expected to flatten out somewhat in many places during the current year. Non-residential construction is failing to recover, but this is at least partially being compensated by a flat to slightly positive trend in residential construction. In North America, the indicators in public construction projects are currently not pointing to a recovery on a relevant scale, which is significantly affecting the Geberit business in this market. In contrast, robust growth with rising prices and substantial piling up of demand can be seen in residential construction. In the Far East/Pacific region, a stagnating construction industry is expected in China. The outlook for the Middle East and South Africa remains satisfying.

Despite the tense situation in many European markets, the convincing results achieved by the Geberit Group in the first six months give the company every reason to be confident of achieving solid results for 2014 as a whole. Despite a challenging basis for comparison from the second half of 2013, Management expects to achieve currency-adjusted sales growth at the upper end of the medium-term target range of four to six percent and an EBITDA margin slightly above the previous year's level.

As a European market leader in the field of sanitary technology, the Geberit Group is a global provider with sales of CHF 2.3 billion. It employs 6300 people in 41 countries around the world.

Financial key figures as of June 30, 2014

Millions of CHF	1/1 – 30/06/2014	1/1 – 30/06/2013
Sales	1256.4	1173.7
Change in %	+7.1	+2.7
Revenue from sales	1088.9	1024.3
Change in %	+6.3	+2.3
Operating cashflow (EBITDA)	353.9	310.7
Change in %	+13.9	+3.9
Margin in % of sales	28.2	26.5
Operating profit (EBIT)	315.6	270.6
Change in %	+16.6	+4.1
Margin in % of sales	25.1	23.1
Net income	272.7	233.2
Change in %	+16.9	+4.3
Margin in % of sales	21.7	19.9
Earnings per share (CHF)	7.25	6.20
Change in %	+16.9	+6.5
	30/06/2014	31/12/2013
Equity	1616.1	1664.1
Equity ratio in %	73.0	74.8
Net cash	466.5	601.1
Number of employees	6279	6226

Please visit our website www.geberit.com as well as our half-year report on www.geberit.com/halfyearreport for additional information.

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