

Quarterly report as of March 31, 2014

## Off to an excellent start in 2014

Geberit AG, Rapperswil-Jona, April 29, 2014

**The Geberit Group has got off to an excellent start in 2014. Sales grew by 9.6% to CHF 638.5 million. The increase in local currencies was 11.0%. The results increased disproportionately compared to sales. Operating profit (EBIT) increased by 19.1% to CHF 163.2 million, while net income rose by 19.4% to CHF 141.9 million. Management expects to be able to achieve solid results again for 2014 as a whole.**

In the first quarter of 2014, Geberit Group sales increased by 9.6% to CHF 638.5 million in comparison with the previous year. Adjusted for currency effects, this corresponds to an even double-digit growth rate of 11.0%. The excellent start to the year was made possible by the good positioning in many markets. The favorable weather conditions for the construction industry in large parts of Europe and the comparatively weaker first quarter in the previous year also facilitated the sales development. Europe, the largest region, grew by 10.9% on a currency-adjusted basis, although all markets contributed to the growth. America achieved growth of 3.8% despite continuing to be negatively affected by the unfavorable state of the public sector – the area of prime importance to Geberit in this region. The Middle East/Africa (+24.3%) and Far East/Pacific (+16.7%) regions also reported positive sales growth.

The positive results were mainly due to the clear volume growth in sales. Higher customer bonuses and an increase in personnel expenses had a negative impact. The higher personnel expenses are attributable to an increase in the number of employees as well as in salaries. Operating cashflow (EBITDA) increased by 16.1% to CHF 182.1 million, with an EBITDA margin of 28.5% (previous year 26.9%). Operating profit (EBIT) rose by 19.1% to CHF 163.2 million, corresponding to an EBIT margin of 25.6% (previous year 23.5%). The financial result remained at the previous year's level, which is why net income – up 19.4% to CHF 141.9 million – grew at a similar rate to the operating results. The return on sales came to 22.2% (previous year 20.4%). Earnings per share reached CHF 3.77 (previous year CHF 3.16), which represents a plus of 19.3%.

The forecasts for 2014 have remained virtually unchanged since the announcement of the full-year results for 2013 last March. Despite moderate global economic growth being forecast for 2014, the construction industry will remain challenging during this period. The individual regions/markets and construction sectors will develop very differently. In Europe, volumes in the construction industry are continuing to contract overall. Apart from 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, although the downturn is expected to flatten out 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 will significantly affect 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,

mid-single-digit growth is forecast for China in both residential and commercial construction. The outlook for the Middle East and South Africa remains positive.

Owing to the tense situation in the majority of the European construction markets, 2014 will once again be a demanding business year for the Geberit Group. The objective, not only in the few markets that are healthy but also in the large number of markets that are shrinking, is to provide a convincing performance and to continue to gain market shares as in previous years. Management is convinced that the company is very well equipped for its upcoming tasks and that it will once again be able to achieve solid results for 2014 as a whole.

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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 6400 people in 41 countries around the world.

**Financial key figures as of March 31, 2014**

| <b>Millions of CHF</b>      | <b>1/1 – 31/03/2014</b> | <b>1/1 – 31/03/2013</b> |
|-----------------------------|-------------------------|-------------------------|
| Sales                       | 638.5                   | 582.6                   |
| Change in %                 | +9.6                    | +2.4                    |
| Revenue from sales          | 553.9                   | 507.9                   |
| Change in %                 | +9.1                    | +2.0                    |
| Operating cashflow (EBITDA) | 182.1                   | 156.8                   |
| Change in %                 | +16.1                   | +5.7                    |
| Margin in % of sales        | 28.5                    | 26.9                    |
| Operating profit (EBIT)     | 163.2                   | 137.0                   |
| Change in %                 | +19.1                   | +6.2                    |
| Margin in % of sales        | 25.6                    | 23.5                    |
| Net income                  | 141.9                   | 118.8                   |
| Change in %                 | +19.4                   | +7.5                    |
| Margin in % of sales        | 22.2                    | 20.4                    |
| Earnings per share (CHF)    | 3.77                    | 3.16                    |
| Change in %                 | +19.3                   | +10.1                   |
|                             | <b>31/03/2014</b>       | <b>31/12/2013</b>       |
| Equity                      | 1794.3                  | 1664.1                  |
| Equity ratio in %           | 75.2                    | 74.8                    |
| Net cash                    | 592.6                   | 601.1                   |
| Number of employees         | 6350                    | 6226                    |

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