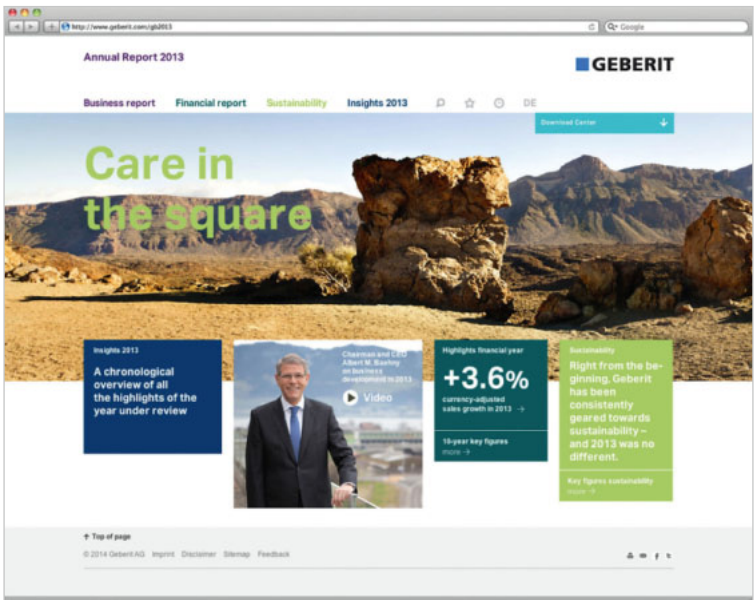


Geberit Group 2013

Summary Report

For reasons of sustainability and due to the increasing importance of electronic media, Geberit has decided no longer to print the Annual Report in its entirety.

In our detailed online Annual Report you will find additional topics concerning Geberit and can download tables and PDF versions of the report.



**Please find a detailed version of the Online Annual Report at
→ www.geberit.com/annualreport**

Key Figures

MCHF

Sales	2,291.6
Change in %	+4.7
Revenue from sales	1,999.9
Change in %	+4.2
Operating cashflow (EBITDA)	592.8
Change in %	+10.5
Margin in % of sales	25.9
Operating profit (EBIT)	510.7
Change in %	+11.9
Margin in % of sales	22.3
Net income	435.8
Change in %	+12.5
Margin in % of sales	19.0
Free cashflow	444.3
Change in %	+13.6
Earnings per share (CHF)	11.59
Change in %	+14.1
Net cash	601.1
Gearing in %	-36.1
Equity	1,664.1
Equity ratio in %	74.8
Number of employees	6,226

Main developments in 2013

Sales

+3.6%

currency-adjusted growth

Earnings per share (in CHF)

11.59

+14.1% compared to prior year

Company

- Market shares gained in many countries despite a challenging environment
- Continued investment in the production infrastructure: Start of operation in India, groundbreaking ceremony in Slovenia, expansion in Italy
- New all-time share price high of over CHF 270 reached

Products

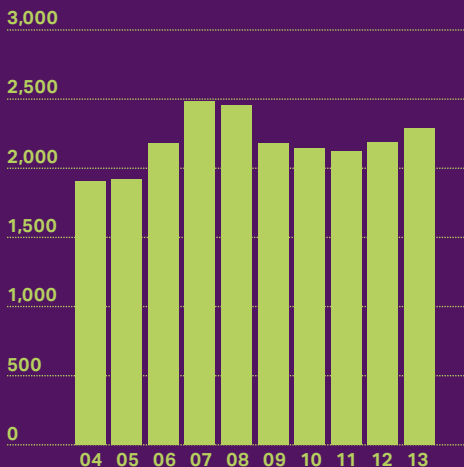
- Successful product launches: shower toilet AquaClean Sela, actuator plates Sigma and roof outlet Pluvia
- Continuation of positive sales development with products introduced in recent years, such as the sanitary modules Monolith

Finance

- Sales growth of 3.6% in local currencies, 4.7% in Swiss francs
- Operating cashflow margin of 25.9% significantly above previous year and above the medium-term target range
- Earnings per share of CHF 11.59 (+14.1%)
- Free cashflow of CHF 444.3 million (+13.6%)
- Continuation of attractive dividend policy: Increase of 13.6% to CHF 7.50 proposed

At a glance

Sales development 2004–2013 (in CHF million)



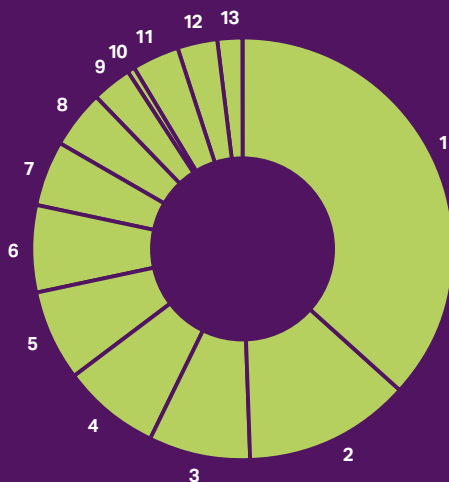
EBIT, EBITDA, Net income Earnings per share (EPS) 2011–2013 (in CHF million)

(EPS: in CHF)



2013 sales by markets/regions

- 1 Germany (36.8%)
- 2 Switzerland (12.7%)
- 3 Benelux (7.8%)
- 4 Italy (7.6%)
- 5 Central/Eastern Europe (6.8%)
- 6 Austria (6.7%)
- 7 Nordic Countries (5.1%)
- 8 France (4.4%)
- 9 United Kingdom/Ireland (3.0%)
- 10 Iberian Peninsula (0.7%)
- 11 America (3.5%)
- 12 Far East/Pacific (3.0%)
- 13 Middle East/Africa (1.9%)



Geberit is consistently geared towards sustainability. With green projects across the globe and innovative water management.



Sustainability is actively practiced at Geberit.

In 2013, as follows:

→ **With our new production plant in Ruše (SI), we are creating a pioneering project in the area of green production.**

→ **International and mobile: As a global company, we focus on graduate apprentices who are enthusiastic about undertaking assignments abroad.**

→ **We support social projects around the globe that center around our core topic of water and basic sanitation, as we did at a Romanian hospice in 2013.**

→ **We provide innovative solutions for green building. A prime example is the "Giant's Causeway Visitor Centre" in Northern Ireland.**

→ **Through our new natural gas truck, we are demonstrating that we do not simply pay lip service to the concept of green logistics.**

Learn more:

www.geberit.com/annualreport

> [sustainability](#)



To our shareholders

The Geberit Group achieved convincing results in 2013. In a continued challenging environment, market shares were gained in many markets through above-average sales increases. Despite continued, substantial investments in organic growth, the results were up on the previous year's values. The healthy sales growth and lower cost of materials in percentage terms compared to the previous year had a positive effect on the results. This was partially offset by higher customer bonuses as well as increased maintenance and personnel expenses. With these results, Geberit noticeably outperformed the European market environment and further consolidated its position as a leading provider of sanitary technology.

Currency-adjusted sales growth slightly below medium-term target range

Cumulative sales in 2013 increased by 4.7% to CHF 2,291.6 million. With a growth of 3.6% in local currencies, total sales were slightly below the medium-term growth expectation of 4 to 6%. In spite of the decline in sales experienced between 2008 and 2011, the longer-term trend remains encouraging. Average growth for the last ten years was 5.0%.

Market shares gained

The following changes in sales figures by markets and regions refer to local currencies.

In a continued challenging environment, market shares were gained in many markets through above-average sales increases. Europe recorded an increase in sales of 3.7%.

While individual markets saw recoveries in the second half of the year, an overall trend of strongly diverging developments continued. Substantial growth was posted in the United Kingdom/Ireland (+18.3%) and Germany (+7.4%). The Nordic Countries (+4.5%), Central/Eastern Europe (+4.1%), the Iberian Peninsula (+3.9%), Switzerland (+2.9%) and France (+1.0%) also made gains. By contrast, the Benelux Countries (-1.7%), Austria (-1.8%) and Italy (-5.0%) recorded drops in sales. Despite a slight recovery, the sales development in America (-0.8%) remained negatively affected by the poor state of the public sector – an area of prime importance to Geberit in this region. Sales in the Far East/Pacific region, which were largely affected by negative business development in China, decreased by 3.8%. However, Middle East/Africa achieved positive sales growth of +23.8%.

Sales for the Sanitary Systems product area increased by 4.4% in Swiss francs to CHF 1,297.6 million. Growth in local currencies was 3.3%. Sales for the Piping Systems product area grew by 5.2% to CHF 994.0 million. The increase in local currencies was 4.0%. Once again, sales for this product area thus improved more than those for the Sanitary Systems area.

Increase in results exceeds sales growth

Thanks to healthy sales growth and efficient cost control, results were up on the previous year's values in a challenging environment in spite of once again continued, substantial investments in organic growth. Operating cashflow (EBITDA) rose by 10.5% to CHF

592.8 million. At 25.9%, the EBITDA margin was significantly higher than the previous year (24.5%) and also above the medium-term target range. Over the last decade, average EBITDA growth of 6.0% was better than the corresponding increase in sales of 5.0%. Operating profit (EBIT) rose by 11.9% to CHF 510.7 million, and the EBIT margin reached 22.3% (previous year 20.9%). Net income increased by 12.5% to CHF 435.8 million, which led to a return on sales of 19.0% (previous year 17.7%). As a percentage of sales, net income thus reached its highest value since going public in 1999. Earnings per share rose by 14.1% to CHF 11.59 – also as a result of a lower number of shares issued.

Increase in free cashflow

The marked upturn in operating cashflow (EBITDA) led to an increase in net cashflow of 8.8% to CHF 548.7 million. Free cashflow grew by 13.6% to CHF 444.3 million. The higher growth posted in comparison to net cashflow resulted from the positive effects of the change in net working capital, which was compensated in part through higher investments in property, plant and equipment. Free cashflow was largely used to pay distributions of CHF 248.2 million to shareholders.

Solid financial foundation with equity ratio of 75%

Once again, the substantial contribution from free cashflow allowed the attractive dividend policy to be continued while also maintaining the extremely solid financial foundation of the Group. Total assets increased from CHF 2,007.4 million to CHF 2,226.0 million,

mainly as a result of the higher cash reserve. As neither shares were bought back nor debts repaid in contrast to previous years, the cash reserve increased substantially. In addition to liquid funds and marketable securities of CHF 612.8 million (previous year CHF 423.1 million), the Group had access to an undrawn operating credit line of CHF 198.3 million. At CHF 11.7 million, debts were slightly under the previous year's value of CHF 14.7 million. This resulted in positive net cash of CHF 601.1 million at the end of 2013 (previous year CHF 408.4 million). The equity ratio further improved from a very solid 71.3% to 74.8%. Based on average equity, the return on equity (ROE) was 28.2% (previous year 27.7%). The return on invested operating capital (ROIC) was 32.1% (previous year 28.9%).

Investment volume in line with medium-term goals

Investments in property, plant and equipment and intangible assets amounted to CHF 98.0 million in 2013 or CHF 12.0 million (+14.0%) more than in the previous year. Investment volume has thus reached around CHF 100 million, the level aimed for over the medium term in order to be prepared for expected growth. As a percentage of sales, the investment ratio was 4.3% (previous year 3.9%). All scheduled larger investment projects were carried out as planned.

Innovation as a central brand value

The Group's innovative power, which is above average in a sector comparison, helps to ensure its sustained success. As successful research and development is a prerequisite for success, the Group invested CHF 50.9 million (previous year CHF 49.8 million) or 2.2% of sales in upcoming products. Expenditures increased by 2.2% year-on-year. The company applied for 20 patents in 2013, bringing the total for the last five years to 101.

More employees once again

At the end of 2013, the Geberit Group employed 6,226 people worldwide – 92 persons or 1.5% more than in the previous year. This increase is primarily due to the – to some extent temporary – adjustment of capacities in the production plants, the start of operation at the new plant in India and the development of various emerging markets. A reduction in capacity in the Chinese plants offsets this growth slightly. Based on the average number of 6,219 employees, sales per employee amounted to TCHF 368.5 or 3.6% more than in the previous year.

Higher distribution

The Board of Directors intends to let the shareholders participate in the positive development of the business and will maintain the attractive distribution policy of previous years. A distribution of CHF 7.50 will be proposed at the General Meeting, an increase of 13.6% over that of 2013. Unlike in previous years, the distribution is to be paid entirely as a regular dividend as reserves from capital contribution are no longer available for distri-

bution. The payout ratio of 65.1% of net income is therefore in the upper range of the 50 to 70% corridor, which was increased by the Board of Directors as a result of the reassessment of the use of liquid funds at the beginning of 2011.

New share buyback program

The Board of Directors decided to initiate a share buyback program. Over a period of two years, shares amounting to a total of a maximum of 5% of the share capital recorded in the Commercial Register will be repurchased via a separate trading line, less withholding tax, and retired by means of a capital reduction. Based on the closing price of Geberit registered shares on March 6, 2014, the value of the shares to be bought back is approximately CHF 530 million.

Geberit thanks you

We credit the pleasing results in 2013, which surpassed those of the previous year, to the outstanding commitment, high motivation and skills of our employees in over 40 countries. We wish to express our thanks and appreciation for their exemplary performance. Our customers in the commercial and trade sectors are again deserving of special thanks for their solidarity and constructive collaboration. Last but not least, we also wish to express our gratitude, esteemed shareholders, for your continued confidence in our company.

Outlook 2014

Despite moderate global economic growth being forecast for this period, the construction industry will remain challenging in 2014.

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/Ireland that are performing positively, most other markets have been seeing a clear fall in demand for some time. Within the construction sector, non-residential construction is failing to recover, but this is at least partially being compensated by a flat to slightly positive trend for residential construction. Furthermore, the renovation sector is developing better than the new building sector. In North America, the relevant indicators in public construction projects are pointing to an uncertain development that 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. Business in Australia is expected to be flat overall, while Southeast Asia is expected to see moderate growth – though with significant differences between regions. The outlook for the Middle East and South Africa is 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 is, not only in the few markets that are healthy but also in the large number of markets that are shrinking, to provide a convincing performance and to

continue to gain market shares as in previous years. The focus will fall on the concerted marketing of the new products introduced in recent years, the more intense penetration of new markets and on the very promising shower toilet business. In line with the Geberit strategy, these measures will be accompanied by efforts to further optimize business processes. The management is convinced that the company is very well equipped for upcoming tasks. With experienced and highly motivated employees, a number of promising products that have been launched in recent years and product ideas for the more distant future, a lean and market-oriented organization, an established cooperation based on trust with our market partners in both commerce and trade and – as a result of our industry leadership in terms of financial results in recent years – an extremely solid financial foundation, Geberit can look to the future with confidence.



Albert M. Baehny
Chairman and CEO



Robert F. Spoerry
Lead Director and Vice Chairman of the Board

Consolidated Balance Sheets

	31.12.2012 ¹	31.12.2013
	MCHF	MCHF
Assets		
Current assets		
Cash and cash equivalents	361.3	538.1
Marketable securities	61.8	74.7
Trade accounts receivable	119.6	114.8
Other current assets and current financial assets	53.0	53.4
Inventories	163.8	170.9
Total current assets	759.5	951.9
Non-current assets		
Property, plant and equipment	521.2	536.4
Deferred tax assets	66.8	55.8
Other non-current assets and non-current financial assets	21.8	36.4
Goodwill and intangible assets	638.1	645.5
Total non-current assets	1,247.9	1,274.1
Total assets	2,007.4	2,226.0

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

	31.12.2012 ¹	31.12.2013
	MCHF	MCHF
Liabilities and equity		
Current liabilities		
Short-term debt	3.8	4.0
Trade accounts payable	58.6	61.6
Tax liabilities and tax provisions	69.9	67.2
Other current provisions and liabilities	140.3	146.7
Total current liabilities	272.6	279.5
Non-current liabilities		
Long-term debt	10.9	7.7
Accrued pension obligation	206.2	188.9
Deferred tax liabilities	47.6	51.2
Other non-current provisions and liabilities	38.8	34.6
Total non-current liabilities	303.5	282.4
Shareholders' equity		
Capital stock	3.9	3.8
Reserves	1,660.6	1,886.2
Cumulative translation adjustments	-233.2	-225.9
Total equity	1,431.3	1,664.1
Total liabilities and equity	2,007.4	2,226.0

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

Consolidated Income Statements

	2012 ¹	2013
	MCHF	MCHF
Sales	2,187.8	2,291.6
Cash discounts and customer bonuses	268.2	291.7
Revenue from sales	1,919.6	1,999.9
Cost of materials	590.7	597.2
Personnel expenses	469.3	475.4
Depreciation expense	74.3	76.6
Amortization of intangibles	5.8	5.5
Other operating expenses, net	323.0	334.5
Total operating expenses, net	1,463.1	1,489.2
Operating profit (EBIT)	456.5	510.7
Financial expenses	-10.7	-4.8
Financial income	4.3	3.4
Foreign exchange loss(-)/gain	-0.8	-4.1
Financial result, net	-7.2	-5.5
Profit before income tax expenses	449.3	505.2
Income tax expenses	61.8	69.4
Net income	387.5	435.8
– Attributable to shareholders of Geberit AG	387.5	435.8
EPS (CHF)	10.16	11.59
EPS diluted (CHF)	10.16	11.58

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

Consolidated Statements of Comprehensive Income

	2012 ¹	2013
	MCHF	MCHF
Net income according to the income statement	387.5	435.8
Cumulative translation adjustments	-4.3	7.3
Cumulative translation adjustments	-4.3	7.3
Cashflow hedge accounting	1.4	0.0
Taxes	-0.4	0.0
Cashflow hedge accounting, net of tax	1.0	0.0
Total other comprehensive income to reclassified to the income statement in subsequent periods, net of tax	-3.3	7.3
Remeasurements of pension plans	64.4	51.6
Taxes	-8.2	-9.0
Remeasurements of pension plans, net of tax	56.2	42.6
Total other comprehensive income not be reclassified to the income statement in subsequent periods, net of tax	56.2	42.6
Total other comprehensive income, net of tax	52.9	49.9
Total comprehensive income	440.4	485.7
– Attributable to shareholders of Geberit AG	440.4	485.7

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

Consolidated Statements of Cashflows

	2012 ¹	2013
	MCHF	MCHF
Cash provided by operating activities		
Net income	387.5	435.8
Depreciation and amortization	80.1	82.1
Financial result, net	7.2	5.5
Income tax expenses	61.8	69.4
Other non-cash income and expenses	31.9	20.7
Operating cashflow before changes in net working capital and taxes	568.5	613.5
Income taxes paid	-58.5	-56.0
Changes in trade accounts receivable	-6.4	-0.7
Changes in inventories	-4.3	-7.3
Changes in trade accounts payable	-1.2	3.0
Changes in other positions of net working capital	-4.1	7.4
Net cash provided by operating activities	494.0	559.9
Cash from/used (-) in investing activities		
Purchase of property, plant & equipment and intangible assets	-86.0	-98.0
Proceeds from sale of property, plant & equipment and intangible assets	1.0	2.8
Marketable securities, net	24.5	-12.1
Interest received	5.6	2.9
Other, net	-3.7	2.5
Net cash from/used (-) in investing activities	-58.6	-101.9

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

	2012 ¹	2013
	MCHF	MCHF
Cash from/used (-) in financing activities		
Repayments of borrowings	-80.5	-4.0
Interest paid	-5.4	-0.5
Distribution	-241.7	-248.2
Purchase/Sale of treasury shares	-198.4	-26.8
Other, net	-1.8	-0.5
Net cash from/used (-) in financing activities	-527.8	-280.0
Effects of exchange rates on cash	-1.3	-1.2
Net increase/decrease (-) in cash	-93.7	176.8
Cash and cash equivalents at beginning of year	455.0	361.3
Cash and cash equivalents at end of year	361.3	538.1

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

Statements of Changes in Equity

	Attributable to shareholders of Geberit AG						Total equity
	Ordinary shares	Re-serves	Treasury shares	Pension plans	Hedge accounting	Cum. transl. adjustments	
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	
Balance at 31.12.2011	4.0	2,065.0	-229.4	-190.2	-1.0	-228.9	1,419.5
Restatement ¹		-5.1		5.1			0.0
Total comprehensive income ¹		387.5		56.2	1.0	-4.3	440.4
Distribution		-241.7					-241.7
Purchase (-)/Sale of treasury shares		5.6	-191.6				-186.0
Management option plans		-0.9					-0.9
Capital reduction	-0.1	-192.5	192.6				0.0
Balance at 31.12.2012	3.9	2,017.9	-228.4	-128.9	0.0	-233.2	1,431.3
Total comprehensive income		435.8		42.6		7.3	485.7
Distribution		-248.2					-248.2
Purchase (-)/Sale of treasury shares		8.0	-9.7				-1.7
Management option plans		-3.0					-3.0
Capital reduction	-0.1	-197.5	197.6				0.0
Balance at 31.12.2013	3.8	2,013.0	-40.5	-86.3	0.0	-225.9	1,664.1

¹ Restatement see -> www.geberit.com/annualreport > financial report, Note 1

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Balance Sheets Geberit AG

	31.12.2012	31.12.2013
	MCHF	MCHF
Assets		
Current assets		
Treasury shares	197.6	0.0
Accounts receivable	63.1	237.5
Total current assets	260.7	237.5
Non-current assets		
Investments	976.3	945.1
Total non-current assets	976.3	945.1
Total assets	1,237.0	1,182.6
Liabilities		
Current liabilities	13.0	5.1
Total current liabilities	13.0	5.1
Shareholders' equity		
Capital stock	3.9	3.8
Legal reserves	357.3	66.9
Free reserves	561.1	698.2
Retained earnings	301.7	408.6
Total shareholders' equity	1,224.0	1,177.5
Total liabilities and shareholders' equity	1,237.0	1,182.6

Income Statements Geberit AG

	2012	2013
	MCHF	MCHF
Income		
Dividends from Group companies	300.0	400.0
Financial income and other operating income	2.9	3.5
Total income	302.9	403.5
Expenses		
Administrative expenses	2.9	3.0
Total expenses	2.9	3.0
Net income	300.0	400.5

Appropriation of available earnings of Geberit AG

Proposal by the Board of Directors to the General Meeting:

	2012	2013
	CHF	CHF
Available earnings		
Net income	299,990,789	400,539,406
Balance brought forward	1,684,725	8,041,491
Withdrawal from legal capital contribution reserves	105,835,596	0
Total available earnings	407,511,110	408,580,897
Transfer to free reserves	150,000,000	110,000,000
Paid distribution of capital contribution reserves	105,835,596	0
Proposed/paid dividend	143,634,023	283,488,203
Balance to be carried forward	8,041,491	15,092,694
Total appropriation of available earnings	407,511,110	408,580,897

Time schedule

2014

General meeting	April 3
Dividend payment	April 10
Interim report first quarter	April 29
Half-year results	August 12
Interim report third quarter	October 30

2015

First information on the year 2014	January 14
Results Full Year 2014	March 10
General meeting	April 1
Dividend payment	April 10
Interim report first quarter	April 29

Subject to minor changes

This summary report and the online annual report 2013 are published in English and German. The German online version of the annual report is binding.

The consolidated financial statements of the Geberit Group are created in accordance with the International Financial Reporting Standards (IFRS). Additional information is available at → www.geberit.com/annualreport > **financial report**.

The statements in this review relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors and other factors beyond the control of the company.

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