Geberit Group 2016

Half-Year Report

Net sales

+6.7%

Acquisition- and currency-adjusted growth

Adjusted operating cashflow (EBITDA)

+18.4%

versus prior year

Adjusted earnings per share

+25.6%

versus prior year

Financial situation

39.0%

Equity ratio

Key figures first half of 2016

	MCHF
Net sales	**1,479.8**
Change in %	+13.2
Adj.* operating cashflow (EBITDA)	**441.9**
Change in %	+18.4
Margin in % of net sales	29.9
Adj.* operating profit (EBIT)	**390.4**
Change in %	+19.9
Margin in % of net sales	26.4
Adj.* net income	**333.2**
Change in %	+23.6
Margin in % of net sales	22.5
Free cashflow	**191.9**
Change in %	+30.9

Adj.* earnings per share (CHF)	**9.04**
Change in %	+25.6

Net debt	**856.0**
Gearing in %	61.0
Equity	1,403.8
Equity ratio in %	39.0
Number of employees (FTE; 30.6.)	**12,119**

*** Adjusted for acquisition and integration costs relating to the Sanitec acquisition**

The highlights in the first half of 2016

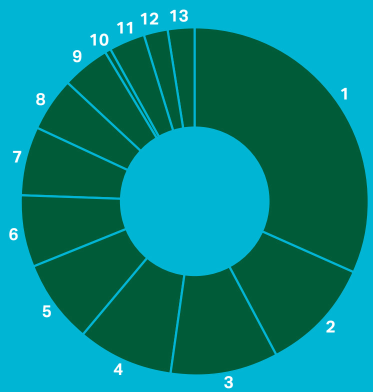
- → Gratifying growth in net sales adjusted for acquisition and currency effects
- → Substantial improvement in adjusted operating profit due to synergies, volume growth and lower raw material prices
- → Disproportionate increase in adjusted earnings per share compared with operating result
- → Integration of Sanitec according to plan
- → End of share buyback programme 2014; cancellation of repurchased shares
- → Sale of Koralle Group

Outlook

- → Ongoing challenging conditions in construction industry
- → Europe: improved environment in some markets compared to 2015
- → America: moderate growth in public construction sector
- → Far East/Pacific: stabilisation in residential construction in China
- → Middle East/Africa: promising outlook for South Africa; weak construction industry in Gulf countries
- → Expectations for full year:
  - Net sales adjusted for acquisition and currency effects of around 5 percent
  - Adjusted EBITDA margin of around 28 percent

At a glance

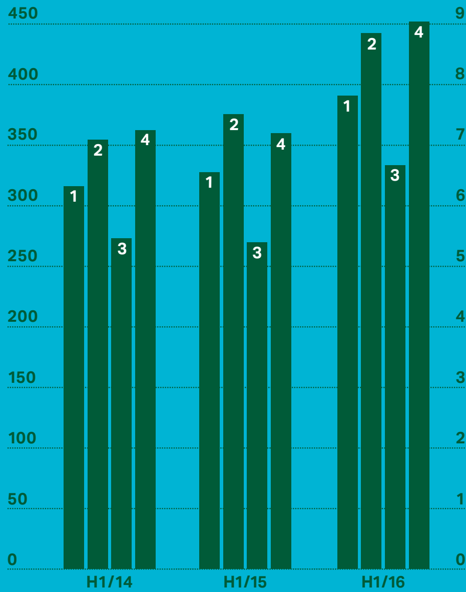
Net sales by markets/regions first half-year 2016



1 Germany (31.7%) 2 Nordic Countries (10.6%)
3 Switzerland (10.1%) 4 Central/Eastern Europe (8.8%) 5 Benelux (7,8%)
6 Italy (6.8%) 7 France (6.4%) 8 Austria (5.0%)
9 United Kingdom/Ireland (4.3%)
10 Iberian Peninsula (0.7%)
11 America (3.2%) 12 Far East/Pacific (2.3%)
13 Middle East/Africa (2.3%)

EBIT, EBITDA, Net income, Earnings per share (EPS) first half-year 2014–2016*

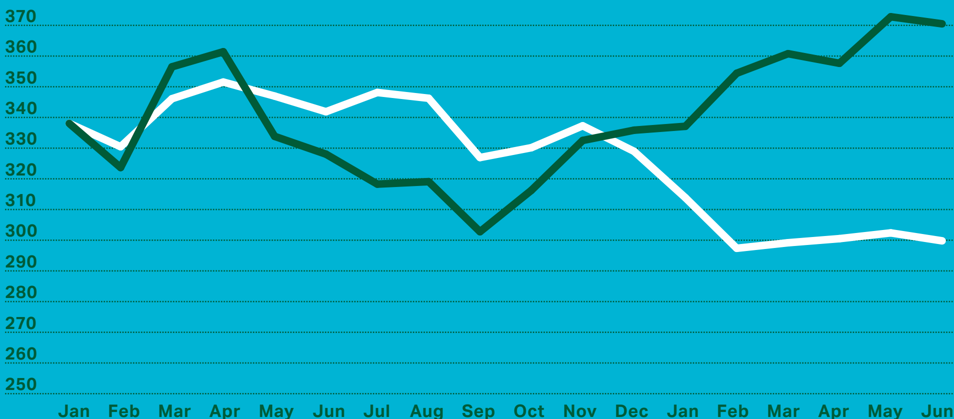
(in CHF million) (EPS: in CHF)



* 2015 and 2016: adjusted for costs in connection with the Sanitec acquisition

1 EBIT
2 EBITDA
3 Net income
4 EPS

Share price development 1 January 2015 until 30 June 2016



■ Geberit share □ Swiss Market Index (SMI) Source: Bloomberg

To our shareholders

The Geberit Group posted very good results for the first half of 2016. Overall, net sales increased by 13.2% to CHF 1,479.8 million in the first six months of the year. Acquisition[1]- and currency-adjusted net sales improved by 6.7%. The adjusted[2] operating profit (adj. EBIT) increased by 19.9% to CHF 390.4 million and adjusted net income grew by 23.6% to CHF 333.2 million. The Sanitec integration is proceeding according to plan. Management expects acquisition- and currency-adjusted net sales to grow by around 5% for 2016 as a whole. The adjusted operating cashflow margin (adjusted EBITDA margin) for the full year should reach around 28%.

Consolidated net sales

In the first half of 2016, the Geberit Group's net sales increased by 13.2% to CHF 1,479.8 million, including positive currency effects of CHF 29 million. Adjusted for acquisition and currency effects, net sales grew by a gratifying 6.7% thanks to convincing developments in many markets in the first half of 2016 and two extra working days compared to the same period in 2015. The construction sector in some markets was also better than in the previous year and sales benefited earlier than expected from the first synergies from the integration of the ceramics business.

Net sales for the second quarter improved by 13.5% to CHF 761.2 million, which is equivalent to currency-adjusted organic growth of 10.2%.

Net sales by market and product area

Europe, the largest region, posted organic growth of 7.5% in local currencies. Strong growth was recorded for the Iberian Peninsula (+17.3%), Central/Eastern Europe (+13.6%), the Nordic Countries (+10.3%), Austria (+10.1%), the Benelux Countries (+9.0%) and France (+8.3%). The large markets of Germany (+6.4%), Italy (+6.0%) and Switzerland (+4.0%) also turned in a convincing performance. In the United Kingdom/Ireland, net sales increased by only 1.8% after a strong performance in the previous year. Compared to the European markets, the results for the Middle East/ Africa (+0.3%), America (-0.4%) and the Far East/Pacific (-4.7%) were below average.

In the product areas, Sanitary Systems posted stronger currency-adjusted growth with 9.0% than Piping Systems with 2.7%. Sanitary Ceramics improved by 4.5% in the whole first half-year.

Results

In the 2016 financial year, the acquisition and integration costs relating to the Sanitec transaction, although much lower than in the previous year, will once again have an impact on the Geberit Group's results. To improve comparability, adjusted figures are provided and commented on. Adjusted operating cashflow (adj. EBITDA) increased by 18.4% to CHF 441.9 million, which corresponds to an adjusted EBITDA margin of 29.9%. The adjusted operating profit (adj. EBIT) rose by 19.9% to CHF 390.4 million, which gives an adjusted EBIT margin of 26.4%. The

[1] Adjusted for the Sanitec net sales January 2016 of CHF 55 million (organic)
[2] Adjusted for acquisition and integration costs relating to the Sanitec acquisition

very good improvement in the operating margins was due to synergies from the integration of the Sanitec business, volume growth and lower prices for raw materials. The operating profit included positive currency effects of CHF 6 million. Adjusted net income improved by 23.6% to CHF 333.2 million, with an adjusted return on net sales of 22.5%. The adjusted earnings per share grew by 25.6% to CHF 9.04 (previous year CHF 7.20). A better financial result and a slight reduction in the number of shares were the primary reasons for this disproportionate growth compared with the operating result. The costs for the Sanitec integration amounted to CHF 4 million as regards EBITDA, CHF 21 million as regards EBIT, and CHF 17 million as regards net income.

The higher net cashflow is explained by the very good operating result and a negative one-off effect in the previous year. Free cashflow increased by 30.9% to CHF 191.9 million in spite of higher investments in property, plant and equipment and a stronger year-on-year increase in net working capital.

Financial situation

The Geberit Group remains in excellent financial health. The equity ratio fell slightly from 41.7% to 39.0%. As a result of the dividend payment of CHF 309.3 million to the shareholders and the last transactions for the share buyback programme, net debt (debt less liquid funds) increased as planned from CHF 679.6 million as at 31 December 2015 to CHF 856.0 million in spite of the positive cashflow.

The General Meeting of 6 April 2016 approved a 1.2% increase in the dividend to CHF 8.40. The payout ratio of 63.3% of net income is in the upper range of the 50 to 70% corridor defined by the Board of Directors, thus continuing the shareholder-friendly distribution policy.

The share buyback programme, which began on 30 April 2014, ended on 29 February 2016. A total of 757,000 registered shares were bought back for CHF 248.0 million. When the programme ended, this represented 2.0% of the share capital registered with the commercial register. The share buyback programme was conducted via a second trading line set up especially for this purpose. The average purchase price per share was CHF 327.55. The General Meeting of 6 April 2016 approved the proposal to cancel the repurchased shares by means of a capital reduction. The shares were cancelled on 20 June 2016.

Number of employees

The Geberit Group employed 12,119 people worldwide at the end of June 2016 (12,126 at the end of 2015).

Investments in property, plant and equipment

CHF 57.4 million (previous year CHF 47.5 million) was invested in property, plant and equipment in the first six months of 2016. The bulk of these investments went toward machinery, building conversions and new building projects, and the procurement of tools and moulds for new products. The single biggest project is the expansion of the central warehouse in Pfullendorf (Germany).

R&D expenses

CHF 33.2 million (previous year CHF 32.9 million) was spent on research and development (R&D), which equals 2.2% of net sales (previous year 2.5%).

Status of Sanitec integration

The integration is proceeding according to plan. Geberit and the former Sanitec sales units have been operating as one company with common ordering and invoicing processes in all markets since 1 January 2016. In 2016, the focus falls on the harmonisation of processes and realisation of synergies.

Sale of the Koralle Group

Because of limited synergies with Geberit's core business, the Koralle Group was sold to AFG Arbonia-Forster-Holding AG on 1 July 2016. Koralle was acquired as part of the Sanitec acquisition in 2015. The provider of shower enclosures, which primarily operates in the Swiss, German and Austrian markets, generated net sales of around EUR 40 million in 2015 with a workforce of 240. The approval of the competition authorities is conditional for the closing of the transaction, which is expected to take place in the third quarter of 2016.

Changes to the Board of Directors

Regi Aalstad was elected as a new member of the Board of Directors at the General Meeting of 6 April 2016. The nomination was made within the context of succession planning, with Robert F. Spoerry having stepped down from the Board of Directors. The shareholders also approved the appointment of Hartmut Reuter (chairman), Regi Aalstad and Jørgen Tang-Jensen to the Compensation Committee. At the constituting meeting of the Board of Directors after the General Meeting, the following members were appointed to the Audit Committee: Felix R. Ehrat (chairman), Thomas M. Hübner and Hartmut Reuter. Furthermore, Hartmut Reuter is the new vice-chairman of the Board of Directors.

Outlook for the full year 2016

The situation for the construction industry will remain challenging in 2016, even though some of the European markets have improved since 2015. The individual regions/markets and construction sectors are still developing differently, however. In Europe, the market environment is expected to be positive for Germany, the Netherlands, Sweden and Poland. No growth is forecast for the Swiss construction industry. The market environment is expected to improve in Italy and France, which have been in crisis in recent years. In North America, moderate growth is predicted in the public sector construction industry, which is important to Geberit's business in the USA, and a continued recovery in residential construction. In the Far East/Pacific region, it is assumed that the residential construction business in China is stabilising. In the Middle East/Africa region, the outlook remains promising for South Africa, while the low oil price is expected to weaken the construction industry in the Gulf countries.

The very good results achieved by the Geberit Group in the first six months are reason enough to be confident about a convincing performance for the full year 2016. Fewer working days in the second half compared to the previous year will pose a challenge. The integration of the Sanitec activities is still a priority. Management expects acquisition- and currency-adjusted net sales to grow by around 5% for the full year 2016. The adjusted operating cashflow margin (adj. EBITDA margin) for the full year should reach around 28%.

16 August 2016

Albert M. Baehny
Chairman

Christian Buhl
CEO

Consolidated Balance Sheets

	Note	30.6.2016 MCHF	31.12.2015 MCHF	30.6.2015 MCHF
Assets				
Current assets				
Cash and cash equivalents		287.9	459.6	293.2
Trade accounts receivable		287.0	130.6	259.2
Other current assets and current financial assets		146.3	90.7	129.4
Inventories		273.5	279.9	289.8
Total current assets		**994.7**	**960.8**	**971.6**
Non-current assets				
Property, plant and equipment	**10**	716.7	715.4	659.7
Deferred tax assets		108.0	95.7	79.4
Other non-current assets and non-current financial assets		26.9	24.8	21.5
Goodwill and intangible assets		1,750.4	1,757.1	1,702.2
Total non-current assets		**2,602.0**	**2,593.0**	**2,462.8**
Total assets		**3,596.7**	**3,553.8**	**3,434.4**

	Note	30.6.2016 MCHF	31.12.2015 MCHF	30.6.2015 MCHF
Liabilities and equity				
Current liabilities				
Short-term debt		3.3	3.7	2.6
Trade accounts payable		125.5	105.5	122.0
Tax liabilities and tax provisions		106.2	108.5	107.3
Other current liabilities		252.9	217.0	221.1
Current provisions		32.6	31.6	11.8
Total current liabilities		**520.5**	**466.3**	**464.8**
Non-current liabilities				
Long-term debt		1,140.6	1,135.5	1,150.2
Accrued pension obligations	**2**	365.9	300.8	286.5
Deferred tax liabilities		123.4	128.0	120.9
Other non-current liabilities		6.3	10.1	2.6
Non-current provisions		36.2	30.9	51.6
Total non-current liabilities		**1,672.4**	**1,605.3**	**1,611.8**
Shareholders' equity				
Capital stock	**7**	3.7	3.8	3.8
Reserves		1,839.3	1,912.5	1,828.7
Cumulative translation adjustments		-439.2	-434.1	-474.7
Total equity		**1,403.8**	**1,482.2**	**1,357.8**
Total liabilities and equity		**3,596.7**	**3,553.8**	**3,434.4**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Income Statements

		Six months 1.1.–30.6.	
		2016	2015
	Note	MCHF	MCHF
Net sales	**10**	**1,479.8**	**1,307.5**
Cost of materials		406.2	398.5
Personnel expenses		365.1	338.1
Depreciation		47.6	44.8
Amortization of intangible assets		21.2	16.7
Other operating expenses, net	**8**	270.2	241.6
Total operating expenses, net		1,110.3	1,039.7
Operating profit (EBIT)		**369.5**	**267.8**
Financial expenses		-6.8	-12.3
Financial income		0.9	0.7
Foreign exchange loss (-) /gain		1.7	-5.1
Financial result, net		-4.2	-16.7
Profit before income tax expenses		**365.3**	**251.1**
Income tax expenses		49.0	32.6
Net income		**316.3**	**218.5**
– Attributable to shareholders of Geberit AG		316.3	218.5
EPS (CHF)	**9**	8.58	5.84
EPS diluted (CHF)	**9**	8.57	5.83

Consolidated Statements of Comprehensive Income

		Six months 1.1.–30.6.	
		2016	2015
	Note	MCHF	MCHF
Net income according to the income statement		**316.3**	**218.5**
Cumulative translation adjustments		-5.0	-244.3
Taxes		-0.1	0.3
Cumulative translation adjustments, net of tax		**-5.1**	**-244.0**
Cashflow hedge accounting		0.0	72.3
Taxes		0.0	-10.4
Cashflow hedge accounting, net of tax		**0.0**	**61.9**
Total other comprehensive income to be reclassified to the income statement in subsequent periods, net of tax		**-5.1**	**-182.1**
Remeasurements of pension plans	**2**	-57.3	-14.5
Taxes		11.4	2.8
Remeasurements of pension plans, net of tax		**-45.9**	**-11.7**
Total other comprehensive income not reclassified to the income statement in subsequent periods, net of tax		**-45.9**	**-11.7**
Total other comprehensive income, net of tax		**-51.0**	**-193.8**
Total comprehensive income		**265.3**	**24.7**
– Attributable to shareholders of Geberit AG		265.3	24.7

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cashflows

		Six months 1.1.–30.6.	
		2016	2015
	Note	MCHF	MCHF
Cash provided by operating activities			
Net income		316.3	218.5
Depreciation and amortization		68.8	61.5
Financial result, net		4.2	16.7
Income tax expenses		49.0	32.6
Other non-cash income and expenses		21.1	-2.2
Operating cashflow before changes in net working capital and taxes		459.4	327.1
Income taxes paid		-53.9	-48.3
Changes in trade accounts receivable		-212.1	-164.2
Changes in inventories		-0.6	21.3
Changes in trade accounts payable		21.3	1.5
Changes in other positions of net working capital		43.2	47.1
Net cash from/used (-) in operating activities		**257.3**	**184.5**

Cash from/used (-) in investing activities			
Acquisitions of subsidiaries		0.0	-1,185.4
Purchase of property, plant & equipment and intangible assets		-57.4	-47.5
Proceeds from sale of property, plant & equipment and intangible assets		2.0	0.6
Interest received		0.0	0.7
Other, net		-2.1	-0.4
Net cash from/used (-) in investing activities		**-57.5**	**-1,232.0**

	Note	Six months 1.1.–30.6. 2016 MCHF	2015 MCHF
Cash from/used (-) in financing activities			
Proceeds from borrowings		50.0	1,985.5
Repayments of borrowings		-53.7	-976.2
Interest paid		-5.4	-2.6
Distribution		-309.3	-310.7
Share buyback programme		-50.7	-53.1
Purchase (-)/Sale of treasury shares		-2.3	-25.4
Financing cost paid		-0.2	-13.3
Other, net		-0.6	-0.2
Net cash from/used (-) in financing activities		**-372.2**	**604.0**
Effects of exchange rates on cash and cash equivalents		0.7	-13.0
Net increase/decrease (-) in cash and cash equivalents		**-171.7**	**-456.5**
Cash and cash equivalents at beginning of year		459.6	749.7
Cash and cash equivalents at end of year		**287.9**	**293.2**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

	Attributable to shareholders of Geberit AG						
	Ordinary shares	Reserves	Treasury shares	Pension plans	Hedge accounting	Cum. translation adjustments	Total equity
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Balance at 31.12.2014	**3.8**	**2,235.0**	**-78.3**	**-151.4**	**-61.3**	**-230.7**	**1,717.1**
Net income		218.5					218.5
Other comprehensive income				-11.7	61.9	-244.0	-193.8
Distribution		-310.7					-310.7
Share buyback programme			-60.8				-60.8
Purchase (-)/Sale of treasury shares		7.4	-16.1				-8.7
Management option plans		-3.8					-3.8
Balance at 30.6.2015	**3.8**	**2,146.4**	**-155.2**	**-163.1**	**0.6**	**-474.7**	**1,357.8**
Balance at 31.12.2015	**3.8**	**2,352.5**	**-276.5**	**-163.5**	**0.0**	**-434.1**	**1,482.2**
Net income		316.3					316.3
Other comprehensive income				-45.9		-5.1	-51.0
Distribution		-309.3					-309.3
Share buyback programme			-42.9				-42.9
Purchase (-)/Sale of treasury shares		4.0	7.7				11.7
Capital reduction	-0.1	-247.9	248.0				0.0
Management option plans		-3.2					-3.2
Balance at 30.6.2016	**3.7**	**2,112.4**	**-63.7**	**-209.4**	**0.0**	**-439.2**	**1,403.8**

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Half-Year Report

1. General information

The unaudited consolidated interim report for the first half-year 2016 was prepared according to IAS 34. The financial figures were determined in accordance with the same valuation principles as the audited financial statements as at December 31, 2015. The consolidated interim report for the first half-year does not include all disclosures as stated in the consolidated annual financial report and therefore this report should be read in connection with the consolidated annual financial report as at December 31, 2015.

At each balance sheet date, Geberit assesses if there are any indications for an impairment of assets. If there are any indications, an impairment test is carried out and the valuation of the asset is corrected if needed. Furthermore, goodwill and intangible assets from acquisitions with an indefinite useful life are tested for impairment on an annual basis. As at June 30, 2016, no indications exist which point to an impairment loss of goodwill and intangible assets.

2. Retirement benefit plans

The actuarial calculations at December 31, 2015, were extrapolated as per June 30, 2016. Thereby, the discount rate for Swiss pension plans was reduced from 0.8 % to 0.3 %, the discount rate for German pension plans from 1.8 % to 1.2%-1.5 % and for the British pension plan from 3.9 % to 3.0 % compared to December 31, 2015. The other parameters remain unchanged. The resulting adjustment of the pension obligation is shown in the "Consolidated Statements of Comprehensive Income". According to the statutory calculation, the Swiss pension plans show a surplus as at June 30, 2016.

3. Distribution

The General Meeting approved a dividend of CHF 8.40 per share for the year 2015. The distribution took place in April 2016.

4. Sale of the Koralle Group

The Geberit Group sold the Koralle Group to AFG Arbonia-Forster-Holding AG on July 1, 2016. The Koralle Group companies are Bekon Koralle AG, Koralle Sanitärprodukte GmbH, Baduscho Dusch- und Badeeinrichtungen Produktions- und Vertriebsgesellschaft mbH and Servico Gesellschaft für Sanitärtechnik mbH. The Koralle Group was acquired as part of the Sanitec acquisition in 2015. The provider of shower enclosures primarily operates in the Swiss, German and Austrian markets and employs 240 people. The approval of the competition authorities is needed for the closing of the transaction. In the first half of 2016, the Koralle Group contributed MCHF 22.6 to the Geberit Group's net sales. Additional information will be disclosed in the 2016 annual report after the closing of the transaction.

5. Changes in the Group organization

As the first consolidation of the Sanitec Group took place in February 2015, the consolidated income statement for the previous year included the Sanitec Group's figures for five months only. Details of the acquisition were described in the 2015 annual report.

A number of changes was made to the legal structure in the first half-year 2016 following the integration of the Sanitec Group. There were no sales or purchases of investments to/from third parties.

6. Contingent liabilities

The Group is currently involved in a number of legal disputes as well as in investigations related to the acquired Sanitec Group that arose in the ordinary course of business. However, the Group is convinced that none of these proceedings, neither individually nor together, will have a material adverse effect on its financial position or performance. The Group is insured against claims arising from product liability. Provisions are also raised for warranty claims.

The Group operates in many countries where it is subject to the local tax laws. The nature of its operations and ongoing significant restructuring programmes result in complex legal structures for the Group and its subsidiaries. Although the Group believes that it conducts its business operations in compliance with local tax laws, it cannot exclude future disputes with the local tax authorities. The Group is not aware of any disputes which may either individually or together have a material adverse effect on its financial position or performance.

In France, the strategic options for the production sites of Allia SAS in La Villeneuve-au-Chêne and Digoin are being reviewed. An information and consultation process was initiated with the company’s central works council. The bathroom ceramics business has been faced with many challenges in the past few years. Shrinking markets in Europe as well as in France resulted in excess production capacity and continuing cost pressure. Against this background, Allia has no choice but to review the strategic options for two of its production sites. The outcome of this review is still uncertain and the cost implications will depend on the option that is selected in the end.

7. Capital stock and treasury shares

	2016 pcs.	2015 pcs.
Issued shares		
January 1	37,798,427	37,798,427
Capital reduction	-757,000	0
Total issued shares as per June 30	**37,041,427**	**37,798,427**

The share buyback programme, which began on April 30, 2014, ended on February 29, 2016. A total of 757,000 registered shares were bought back for MCHF 248.0. When the programme ended, this represented 2.0% of the share capital registered with the commercial register. The share buyback programme was conducted via a second trading line set up especially for this purpose. The average purchase price per share was CHF 327.55. The General Meeting of April 6, 2016 approved the proposal to cancel the repurchased shares by means of a capital reduction. The shares were cancelled on June 20, 2016.

	2016 pcs.	2015 pcs.
Stock of treasury shares		
From share buyback programmes	0	301,000
Other treasury shares	209,052	199,206
Total treasury shares as per June 30	**209,052**	**500,206**

The entire stock of treasury shares on June 30, 2016 amounted to 209,052 (previous year: 500,206) with a carrying amount of MCHF 63.7 (December 31, 2015: MCHF 276.5). Treasury shares are deducted from equity at historical cost.

8. Other operating expenses, net

	Six months 1.1.–30.6.	
	2016 MCHF	2015 MCHF
Outbound freight costs and duties	51.3	45.2
Energy and maintenance expenses	58.3	52.5
Marketing expenses	48.6	43.7
Administration expenses	35.5	28.7
Other operating expenses	83.0	78.3
Other operating income	-6.5	-6.8
Total other operating expenses, net	**270.2**	**241.6**

9. Earnings per share

Earnings per share are calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares issued and outstanding during the year, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares.

	Six months 1.1.–30.6.	
	2016	2015
Attributable net income according to income statement (MCHF)	316.3	218.5
Weighted average number of ordinary shares outstanding (thousands)	36,847	37,441
Total earnings per share (CHF)	**8.58**	**5.84**

For the diluted earnings per share, the weighted average number of ordinary shares issued is adjusted to assume conversion of all potentially dilutive ordinary shares.

The Group has considered the share options granted to the management to calculate the potentially dilutive ordinary shares.

	Six months 1.1.–30.6.	
	2016	2015
Attributable net income according to income statement (MCHF)	316.3	218.5
Weighted average number of ordinary shares outstanding (thousands)	36,847	37,441
Adjustments for share options (thousands)	60	63
Weighted average number of ordinary shares outstanding (thousands)	36,907	37,504
Total diluted earnings per share (CHF)	**8.57**	**5.83**

10. Segment-Reporting

The Geberit Group consists of one single business unit whose purpose is to develop, produce and distribute sanitary products and systems for the residential and industrial construction industry. All products are distributed using the same distribution channel – wholesale – in general to installers, who resell the products to the end customer. The products are produced by plants that specialize in particular production processes. As a general rule, only one specific article is produced at one location. Distribution is carried out by country or regional distribution companies, which sell to wholesalers. A distribution company is always responsible for the distribution of the whole range of products in its sales area. The main task of the distribution companies is local market development, which contains as a main focus the support of installers, sanitary planners and wholesalers. Research and development of the whole range of products is carried out centrally by Geberit International AG. All corporate tasks are also centralized at Geberit International AG.

Due to the unity and focus of the business, the top management (Group Executive Board) as well as the management structure of the Geberit Group are organized by function (overall management, products, sales, marketing & brands and finance). The financial management of the Group by the Board of Directors and the Group Executive Board is based on net sales by markets and product lines as well as on the consolidated income statements, balance sheets, and statements of cashflows.

Segment reporting is therefore prepared according to IFRS 8.31 et seq. (one single reportable segment) and the valuation is made according to the same principles as the consolidated financial statements.
The geographical allocation of net sales is based on the domicile of the customers.

The information is as follows:

	Six months 1.1.–30.6.	
	2016	2015
	MCHF	MCHF
Net sales by product lines		
Installation Systems	426.1	385.1
Cisterns and Mechanisms	129.6	114.7
Faucets and Flushing Systems	61.6	57.9
Waste Fittings and Traps	49.3	41.2
Sanitary Systems	**666.6**	**598.9**
Building Drainage Systems	154.7	145.5
Supply Systems	268.3	258.5
Piping Systems	**423.0**	**404.0**
Bathroom Ceramics	295.7	224.8
Ceramics Complementary Products	94.5	79.8
Sanitary Ceramics	**390.2**	**304.6**
Total net sales	**1,479.8**	**1,307.5**

	Six months 1.1.–30.6.	
	2016	2015
	MCHF	MCHF
Net sales by markets		
Germany	470.2	412.9
Switzerland	149.0	141.7
Nordic Countries	157.2	122.5
Central/Eastern Europe	129.9	114.4
Benelux	115.1	98.9
Italy	100.2	88.7
France	94.9	78.4
Austria	73.6	63.1
United Kingdom/Ireland	64.0	61.4
Iberian Peninsula	9.9	8.1
Other markets	115.8	117.4
Total net sales	**1,479.8**	**1,307.5**

	Six months 1.1.–30.6.	
	2016	2015
	MCHF	MCHF
Share of net sales by customers		
Customers with more than 10% of net sales: customer A	216.7	202.8
Total > 10%	**216.7**	**202.8**
Remaining customers with less than 10% of net sales	1,263.1	1,104.7
Total net sales	**1,479.8**	**1,307.5**

	30.6.2016 MCHF	30.6.2015 MCHF
Property, plant and equipment by markets		
Germany	243.1	204.1
Switzerland	165.5	166.7
Nordic Countries	43.4	40.1
Central/Eastern Europe	101.0	96.1
Benelux	3.9	3.2
Italy	45.8	39.8
France	10.5	9.8
Austria	37.2	34.7
United Kingdom/Ireland	1.4	2.1
Iberian Peninsula	11.6	10.5
Other markets	53.3	52.6
Total property, plant and equipment	**716.7**	**659.7**

11. New or revised IFRS standards and interpretations 2016 and their adoption by the Group

Standard/Interpretation	Enactment	Relevance for Geberit	Introduction
IFRS 10 – Consolidated Financial Statements; IAS 28 – Investments in Associates and Joint Ventures	1.1.2016	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. These amendments have no impact on the consolidated financial statements.	1.1.2016
IFRS 10 – Consolidated Financial Statements; IFRS 12 – Disclosure of Interests in Other Entities; IAS 28 – Investments in Associates and Joint Ventures	1.1.2016	The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. These amendments have no impact on the consolidated financial statements.	1.1.2016
IFRS 11 – Joint Arrangements	1.1.2016	The additional guidance clarifies that the acquisition of an interest in a joint operation that meets the definition of a business under IFRS 3 is not a business combination as the acquiring party does not obtain control. This amendment has no impact on the consolidated financial statements.	1.1.2016
IAS 16 – Property, Plant and Equipment; IAS 38 – Intangible Assets	1.1.2016	Clarifies which principle for the basis of depreciation and amortization can be used. The objective of the amendments is to ensure that preparers do not use revenue-based methods to calculate charges for the depreciation or amortization of items of property, plant and equipment or intangible assets. This amendment has no impact on the consolidated financial statements.	1.1.2016
IAS 27 – Separate Financial Statements	1.1.2016	The amendment restores the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. This amendment has no impact on the consolidated financial statements.	1.1.2016

No new or revised IFRS standards effective from January 1, 2017 and onwards were put into effect that were not already included in the 2015 annual report.

12. Events after the balance sheet date

There were no material events after the balance sheet date.

Time schedule

	2016
Interim report 3rd quarter	28 October

	2017
First information on the year 2016	17 January
Results full year 2016	14 March
Annual General Meeting	5 April
Dividend payment	11 April
Interim report 1st quarter	2 May

(Subject to minor changes)

This half-year report is published in German and English. The German version is binding. Please find further information on half-year results 2016 at www.geberit.com.

The annual report 2015 is available online in German and English at www.geberit.com

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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