

Balance Sheets

	31.12.2014 MCHF	31.12.2014 MCHF	31.12.2013 MCHF	31.12.2013 MCHF
Assets				
Current assets				
Cash		0.2		0.0
Accounts receivable				
- Third parties		3.8		4.0
- Group companies		237.8		233.5
Prepaid expenses		1.4		0.0
Total current assets		243.2		237.5
Non-current assets				
Investments		920.8		945.1
Total non-current assets		920.8		945.1
Total assets		1,164.0		1,182.6
Liabilities				
Current liabilities				
- Third parties		2.0		1.6
- Group companies		4.1		3.5
Total current liabilities		6.1		5.1
Shareholders' equity				
Capital stock		3.8		3.8
Legal reserves				
- General reserve, share premium		0.8		0.8
- Reserve for treasury shares		78.3		40.4
- Reserve from capital contributions				
- Share premium, reserves from capital contributions	25.7		25.7	
- Reserve for treasury shares from capital contributions	0.0	25.7	0.0	25.7
Total legal reserves		104.8		66.9
Free reserves				
- Other free reserve		770.3		698.2
Total free reserves		770.3		698.2
Treasury shares		-37.4		0.0
Retained earnings		316.4		408.6
Total shareholders' equity		1,157.9		1,177.5
Total liabilities and shareholders' equity		1,164.0		1,182.6

Income Statements

	2014 MCHF	2013 MCHF
Income		
Dividends from Group companies	300.0	400.0
Financial income	3.9	3.1
Other operating income	0.4	0.4
Total income	304.3	403.5
Expenses		
Administrative expenses	2.6	3.0
Financial expenses	0.2	0.0
Taxes	0.1	0.0
Total expenses	2.9	3.0
Net income	301.4	400.5

Notes to the Financial Statements

1.1 Guarantees, assets pledged in favor of third parties

	31.12.2014 MCHF	31.12.2013 MCHF
Guarantee Bridge Facility	900.0	0.0
Guarantee Term Loan Facility	481.0	0.0
Revolving Facility	300.0	150.0
Guarantee foreign currency hedging (MEUR 100)	120.2	0.0
Guarantee interest rate hedging	25.0	0.0

The guarantees are limited to the distributable reserves of the company.

1.2 Significant investments

	2014 Ownership in %	2014 capital stock	2013 Ownership in %	2013 capital stock
Geberit Holding AG, Rapperswil-Jona	100	TCHF 39,350	100	TCHF 39,350
Geberit Finance Ltd., Jersey ¹	80	TEUR 461	82	TEUR 497
Geberit Reinsurance Ltd., Guernsey	100	TEUR 2	100	TEUR 2

¹ The remaining 19,9% (PY 18,5%) are held by Geberit Companies.

The investments are stated separately at the respective acquisition costs, less any adjustments required. The indirect investments are shown in the Notes to the Consolidated Financial Statements in the → [Note 34](#).

1.3 Share capital

The share capital of Geberit AG consists of 37,798,427 ordinary shares with a par value of CHF 0.10 each.

	2014 pcs.	2013 pcs.
Number of shares issued		
January 1	37,798,427	38,821,005
Capital reduction as at June 2013	0	-1,022,578
December 31	37,798,427	37,798,427

1.4 Capital contribution reserves

From the total of MCHF 25.7 shown as at 31.12.2014 the amount of MCHF 4.2 was confirmed by the Swiss tax authorities and is therefore available for withholding tax free distribution.

1.5 Treasury shares

Treasury shares held by Geberit AG or by companies in which Geberit AG holds a majority interest:

	Number of registered shares	High in CHF	Average in CHF	Low in CHF
Balance at December 31, 2013	212,382			
Purchases, share buyback program 2014	123,000	318.44	304.10	289.66
Other Purchases	89,000	290.21	286.39	281.46
Sales	-122,322	341.00	282.99	228.49
Balance at December 31, 2014	302,060			
Number of treasury shares held by Geberit AG	123,000			

The Board of Directors of Geberit AG decided in March 2014 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 and retired by means of a capital reduction. As at December 31, 2014, 123'000 shares were bought back. Since August 2014 this share buyback program is suspended until further notice due to the acquisition of the Sanitec group.

The legal reserves for treasury shares were recorded at cost.

1.6 Shareholdings of members of the board of directors and of the group executive board

As of the end of 2014 and 2013, members of the Board of Directors held the following shares in the company:

	A. Baehny Chairman	R. Spoerry Vice Chairman	H. Reuter	F. Ehrat	J. Tang- Jensen	Total
2014						
Shareholdings Board of Directors						
Shares	see Group Executive Board	7,606	6,336	706	1,284	15,932
Percentage voting rights shares		< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%

	A. Baehny Chairman	R. Spoerry Vice Chairman	H. Reuter	F. Ehrat	J. Song	J. Tang- Jensen	Total
2013							
Shareholdings Board of Directors							
Shares	see Group Executive Board	6,355	5,584	200	448	749	13,336
Percentage voting rights shares		< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%

As of December 31, 2014, there were no outstanding loans or credits between the company and members of the Board of Directors.

As of the end of 2014 and 2013, the Group Executive Board held the following shares in the company:

	Maturity	Average exercise price in CHF	A. Baehny CEO	R. Iff CFO	M. Reinhard	K. Spachmann	Total
2014							
Shareholdings Group Executive Board							
Shares			46,969	31,280	2,000	5,000	85,249
Percentage voting rights shares			0.12%	< 0.1%	< 0.1%	< 0.1%	0.23%

Call options¹

Vesting period:

Vested	2015–2017	207.40	0	0	0	1,038	1,038
2015	2016–2018	228.00	1,792	957	1,017	483	4,249
2016	2017	205.50	6,665	1,417	1,542	1,330	10,954
2014–2017	2020	231.20	24,471	7,014	7,016	5,620	44,121
2015–2018	2021	281.95	30,760	10,810	10,559	9,592	61,721
Total options			63,688	20,198	20,134	18,063	122,083
Percentage potential share of voting rights options			0.17%	< 0.1%	< 0.1%	< 0.1%	0.32%

¹ Purchase ratio 1 share for 1 option

	Maturity	Average exercise price in CHF	A. Baehny CEO	R. Iff CFO	W. Christensen	M. Reinhard	K. Spachmann	Total
2013								
Shareholdings Group Executive Board								
Shares			45,201	20,000	1,489	1,940	3,084	71,714
Percentage voting rights shares			0.12%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.19%
Call options¹								
Vesting period:								
Vested	2014–2016	217.60	1,792	957	0	1,017	1,038	4,804
2014	2015–2017	198.53	11,742	4,220	1,891	3,560	2,619	24,032
2015	2016	228.00	1,792	957	753	1,017	483	5,002
2016	2017	205.50	6,665	1,417	1,176	1,542	1,330	12,130
2014–2017	2020	231.20	25,116	7,356	4,968	7,016	5,620	50,076
Total options			47,107	14,907	8,788	14,152	11,090	96,044
Percentage potential share of voting rights options			0.12%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.25%

¹ Purchase ratio 1 share for 1 option

As of December 31, 2014, there were no outstanding loans or credits between the company and members of the Group Executive Board.

1.7 Significant shareholders

According to the information available to the Board of Directors, the following shareholders have attained or exceeded the threshold of 3% of the share capital of Geberit AG:

	31.12.2014	31.12.2013
Capital Group Companies, Inc., Los Angeles	9.72%	9.72%
Black Rock, New York	3.23%	3.23%
MFS Investment Management, Boston	3.03%	3.03%
Nicolai Tangen, c/o AKO Capital, London	< 3.00%	3.02%

1.8 Derivatives

Derivative instruments used for hedging purposes are valued together with the underlying transaction. Positive or negative fair market values will not be recognized during the lifetime of the contract, but at settlement date.

1.9 Additional information

These financial statements are stated according to the new Swiss accounting law (valid as at 1 January 2013) for the first time which have to be implemented as at 1.1.2015 at the latest. The disclosure of the prior year was restated accordingly adjusted.

2. Other Disclosures required by the law

Proposal for the Appropriation of Available Earnings

Proposal by the Board of Directors to the General Meeting:

Appropriation available earnings

	2014 CHF	2013 CHF
Available earnings		
Net income	301,351,042	400,539,406
Balance brought forward	15,092,694	8,041,491
Total available earnings	316,443,736	408,580,897
Transfer to free reserves	0	110,000,000
Proposed/paid dividend	312,706,044	283,488,203
Balance to be carried forward	3,737,692	15,092,694
Total appropriation of available earnings	316,443,736	408,580,897

Dividend payments

The Board of Directors proposes a dividend of CHF 8.30 per share (PY: CHF 7.50). The dividend payment is subject to withholding tax.

The number of shares with dividend rights will change if the number of shares held by Geberit AG changes. The Board of Directors may adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting.

Report of the Statutory Auditor



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Report of the Statutory Auditor
to the general meeting of
Geberit AG
Rapperswil-Jona

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Geberit AG, which comprise the → [balance sheet](#), → [income statement](#) and → [notes](#), for the year ended December 31, 2014.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2014 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

René Rausenberger
Audit expert
Auditor in charge

Martin Knöpfel
Audit expert

Zurich, March 3, 2015