GEBERIT

Geberit Group 2015

Half-Year Report

Net sales

+2.5%

Organic, currency-adjusted net sales growth

Adjusted operating cashflow (EBITDA in CHF million)

373.2

+5.5% versus prior year

Adjusted earnings per share (in CHF)

7.20

-0.7% versus prior year

Financial situation

39.5%

Equity ratio

Key figures first half of 2015

	MCHF
Net sales	**1,307.5**
Change in %	+20.1
Adj. operating cashflow (EBITDA)	**373.2**
Change in %	+5.5
Margin in % of net sales	28.5
Adj. operating profit (EBIT)	**325.6**
Change in %	+3.2
Margin in % of net sales	24.9
Adj. net income	**269.5**
Change in %	-1.2
Margin in % of net sales	20.6
Free cashflow	**146.6**
Change in %	-16.0

Adj. earnings per share (CHF)	**7.20**
Change in %	-0.7

Net debt	**859.6**
Gearing in %	63.3
Equity	1,357.8
Equity ratio in %	39.5
Number of employees	**12,562**

The highlights in the first half of 2015

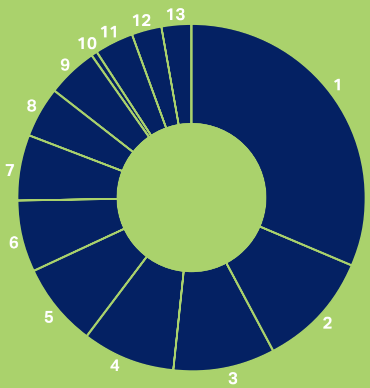
- → Increase in net sales in organic terms and in local currencies despite a strong equivalent period in the previous year and a challenging environment in the construction industry
- → Growth in adjusted operating profit, positively affected by slightly lower raw material prices and negatively affected by the currency rebate in the Swiss market, currency effects, higher personnel and pension costs and lower margins of the Sanitec business
- → Slight drops in adjusted net income and in adjusted earnings per share
- → Resumption suspended share buyback program
- → Doubling number of employees due to integration of the Sanitec employees
- → Sanitec integration activities running according to plan

Outlook

- → Continued decline in volumes in the construction industry; only a few markets developing positively
- → America: No recovery on a relevant scale in public construction projects
- → Far East/Pacific: Significant downward trend in China
- → Middle East and South Africa: Positive outlook
- → Currency-adjusted net sales growth for the year as a whole of two to three percent for the original Geberit business
- → Currency-adjusted net sales at the previous year's level for the Sanitec business
- → Adjusted EBITDA margin for the year as a whole of around 26 percent

At a glance

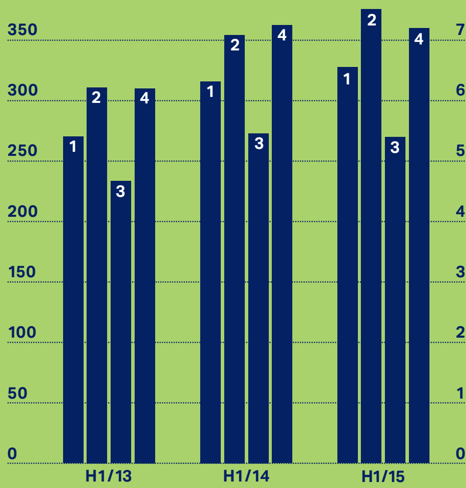
Net sales by markets/regions first half-year 2015



1 Germany (31.6%) 2 Switzerland (10.8%)
3 Nordic Countries (9.4%)
4 Central/Eastern Europe (8.7%) 5 Benelux (7.6%)
6 Italy (6.8%) 7 France (6.0%)
8 Austria (4.8%) 9 United Kingdom/ Ireland (4.7%) 10 Iberian Peninsula (0.6%)
11 America (3.5%) 12 Far East/Pacific (2.8%)
13 Middle East/Africa (2.7%)

EBIT, EBITDA, Net income Earnings per share (EPS) first half-year 2013–2015*

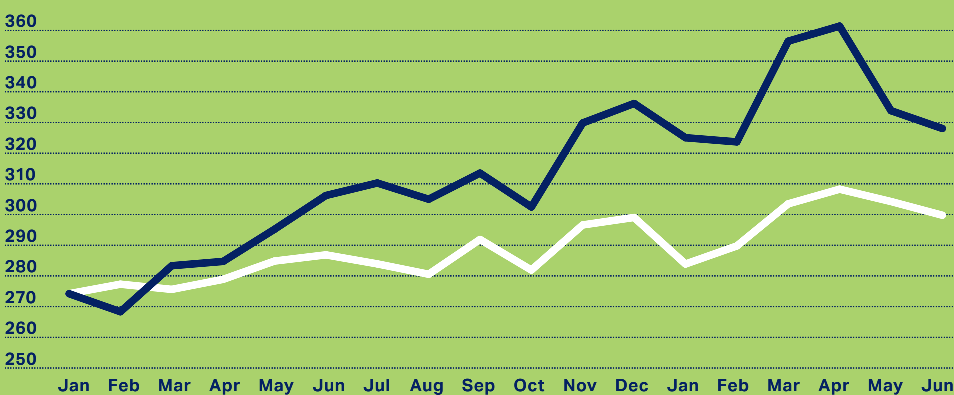
(in CHF million) (EPS: in CHF)



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

1 EBIT 3 Net income
2 EBITDA 4 EPS

Share price development January 1, 2014 until June 30, 2015



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

To our shareholders

The Geberit Group posted good results in a continued challenging environment in the construction industry in the first half of 2015. The newly acquired Sanitec business was included in the figures for the first time. Overall, net sales[1] increased by 20.1% to CHF 1,307.5 million in the first six months of 2015. In organic terms and in local currencies, net sales grew by 2.5% despite a strong equivalent period in the previous year. The adjusted[2] operating profit (adj. EBIT) increased by 3.2% to CHF 325.6 million, while the adjusted net income dropped by 1.2% to CHF 269.5 million. For 2015, Management expects to achieve currency-adjusted net sales growth of two to three percent for the original Geberit business and currency-adjusted net sales at the previous year's level for the Sanitec business. The adjusted operating cashflow margin (adj. EBITDA margin) for the year as a whole should reach around 26 percent.

Consolidated net sales

In the first half of 2015, net sales for the Geberit Group increased by 20.1% to CHF 1,307.5 million. This growth was strongly affected by the Sanitec Group, which was consolidated into the Geberit Group as of February 1, 2015, as well as by exchange rate effects resulting from the abandonment of the minimum exchange rate by the Swiss National Bank. Currency-adjusted and in organic[3] terms, an increase of 2.5% was recorded. This positive growth was achieved despite the currency rebate of 10% in the Swiss market, the very difficult market environment still seen in many European markets and an extremely strong equivalent period in the previous year. From the beginning of February 2015, Sanitec's product range accounted for CHF 304.6 million of net sales for the first half of the year.

In the second quarter, net sales reached CHF 670.9 million, which is equivalent to an increase of 25.4%; currency-adjusted organic growth amounted to 3.0%.

Net sales by markets and product areas

In organic terms and local currencies, Europe – the largest region – grew by +1.4%. Strong growth rates were recorded in the United Kingdom/Ireland (+9.5%) and the Nordic Countries (+7.9%). The Iberian Peninsula (+4.4%), Central/Eastern Europe (+4.0%), the Benelux Countries (+3.8%), Germany (+3.2%) and Austria (+1.9%) also made gains. Switzerland (–8.3%) suffered from the currency rebate of 10% introduced at the beginning of February in connection with the strong Swiss franc. France (–1.1%) and Italy (–1.5%) were negatively affected by difficult market conditions. Outside Europe, the Middle East/Africa (+25.2%) and America (+11.2%) regions posted double-digit growth. Net sales in the Far East/Pacific region increased by +9.2%.

In the product areas, at +4.1% Sanitary Systems posted stronger currency-adjusted growth than Piping Systems, which achieved growth of +0.3%, largely due to a contrary development in the previous year.

[1] Switch from sales to net sales as the relevant sales figure with respect to the 2015 financial year
[2] Adjusted: adjusted for costs in connection with the Sanitec acquisition (transaction, integration and one-off financing costs as well as amortization of intangible assets and one-off costs resulting from the inventory revaluation)
[3] Organic: adjusted for the additional sales from the Sanitec acquisition

Results

In the 2015 financial year, the results of the Geberit Group are negatively affected by various one-off effects in connection with the Sanitec acquisition. For better comparability, adjusted figures are therefore reported and commented on. The adjusted operating cashflow (adj. EBITDA) increased by 5.5% to CHF 373.2 million, which corresponds to an adjusted EBITDA margin of 28.5%. The adjusted operating profit (adj. EBIT) grew by 3.2% to CHF 325.6 million, which corresponds to an adjusted EBIT margin of 24.9%. The slightly lower raw material prices had a positive effect on the operating margins. In contrast, the currency rebate of 10% in the Swiss market in connection with the strong Swiss franc, negative currency effects, higher personnel and pension costs as well as the generally lower margins of the Sanitec business had a negative impact. The adjusted net income decreased by 1.2% to CHF 269.5 million with an adjusted return on net sales of 20.6%. The adjusted earnings per share decreased by 0.7% to CHF 7.20 (previous year CHF 7.25).

The negative one-off effects[4] as a result of the Sanitec acquisition amounted to CHF 58 million at the operating profit level and CHF 51 million at the net income level.

The lower net cashflow was a result of the decline in EBITDA and higher financing costs. On this basis, higher investments in property, plant and equipment and a mainly acquisition-related greater increase compared to the previous year in net working capital led to a decrease in free cashflow of 16.0% to CHF 146.6 million.

Financial situation

The financial situation of the Geberit Group has altered markedly following the acquisition of Sanitec. As expected, the equity ratio decreased in comparison to the level at the end of 2014, from 70.6% to 39.5%. The development of net debt (debt less liquid funds) was significantly influenced by the financing of the Sanitec takeover. In addition, the dividend payment to the shareholders in the amount of CHF 310.7 million and the share buyback program contributed to turning the net cash of CHF 739.2 million at the end of 2014 into net debt of CHF 859.6 million according to plan. Despite these dynamics, the financial situation remains very healthy – especially due to the strong cashflow generation.

The General Meeting of April 1, 2015, approved a dividend of CHF 8.30, an increase of 10.7% over that of 2014. The payout ratio of 62.3% of net income is in the upper range of the 50 to 70% corridor defined by the Board of Directors. The attractive distribution policy of previous years was thus

[4] Transaction, integration and one-off financing costs as well as amortization of intangible assets and one-off costs resulting from the inventory revaluation

upheld, a practice that will remain unchanged following the acquisition of Sanitec.

The Board of Directors decided to resume the share buyback program launched in April 2014 and suspended since the end of July 2014 due to the Sanitec acquisition. By June 30, 2015, 301,000 shares, which corresponds to 16% of the entire program, had been acquired at a sum of CHF 98.2 million. Based on the price of Geberit registered shares at the end of June 2015, the estimated value of the shares to be bought back until the end of the program in April 2016 is approximately CHF 245 million or 2% of the share capital recorded in the commercial register.

Number of employees

The Geberit Group employed 12,562 people worldwide as of the end of June 2015. This was 6,315 additional people or 101.1% more than at the end of 2014. The largest share of this is attributable to the integration of the Sanitec employees taken over. The number of employees in the existing Geberit business remained virtually unchanged.

Investments in property, plant and equipment

The first six months of 2015 saw investments of CHF 47.5 million (previous year CHF 40.2 million) in property, plant and equipment. The bulk of investments went toward machinery, the procurement of tools and molds for new products as well as building conversions and new building projects.

R&D expenses

Expenditure on research and development (R&D) amounted to CHF 32.9 million (previous year CHF 26.6 million). This corresponds to 2.5% of net sales (previous year 2.4%).

Status of Sanitec acquisition

As of the end of January 2015, Geberit had received all the necessary merger approvals for completion of the takeover of Sanitec announced in October 2014. With more than 90% of Sanitec shares being offered for tender by the end of the acceptance period on February 2, 2015, all the offer conditions had been met. At the end of the extended acceptance period on March 2, 2015, Geberit held 99.77% of the Sanitec shares. As per February 27, 2015, the Sanitec shares have been delisted. The integration activities launched in the second quarter of 2015 are running according to plan. Operational business is developing as expected.

Outlook for the entire year 2015

The construction industry is expected to remain challenging. 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, the United Kingdom and Poland which are developing positively, no recovery is in sight in most other markets, and markets such as Italy and France are expected to see further falls in demand. 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. In the Far East/Pacific region, the market in China overall is showing a significant downward trend. The outlook for the Middle East and South Africa remains positive. The significantly strengthened Swiss franc is also contributing to the more difficult conditions, with a consequential negative effect on both sales and results. In general, the effects of currency fluctuations on margins are warded off as far as possible with an efficient natural hedging strategy. This entails making sure that costs in the various currency areas are incurred in the same proportion in which sales are generated. The impact on the operating profit margins is, therefore, relatively small. In addition, a currency rebate of 10% was established in the Swiss market at the beginning of February 2015 as a result of the stronger Swiss franc. The Management remains committed to adjusting itself to the changed exchange rate conditions by continuously enhancing the cost structure.

Despite the tense situation in many European markets and the strong equivalent period in the previous year, the good results achieved by the Geberit Group in the first six months give the company every reason to be confident of achieving solid results for 2015 as a whole. Much importance is furthermore attached to the integration of the Sanitec activities. For 2015, Management expects to achieve currency-adjusted net sales growth of two to three percent for the original Geberit business and currency-adjusted net sales at the previous year's level for the Sanitec business. The margin dilution due to the integration of Sanitec and the effects of the currency rebate in Switzerland will presumably lead to an adjusted operating cashflow margin (adj. EBITDA margin) for the year as a whole of around 26 percent.

August 12, 2015

Albert M. Baehny
Chairman

Christian Buhl
CEO

Consolidated Balance Sheets

	Note	30.6.2015 MCHF	31.12.2014 MCHF	30.6.2014 MCHF
Assets				
Current assets				
Cash and cash equivalents	**4**	293.2	749.7	427.3
Marketable securities		0.0	0.0	48.6
Trade accounts receivable		259.2	125.3	182.6
Other current assets and current financial assets		129.4	55.9	90.5
Inventories		289.8	205.7	194.4
Total current assets		**971.6**	**1,136.6**	**943.4**
Non-current assets				
Property, plant and equipment		659.7	550.9	531.7
Deferred tax assets		79.4	76.3	56.4
Other non-current assets and non-current financial assets		21.5	22.4	37.0
Goodwill and intangible assets	**4**	1,702.2	645.3	645.5
Total non-current assets		**2,462.8**	**1,294.9**	**1,270.6**
Total assets		**3,434.4**	**2,431.5**	**2,214.0**

	Note	30.6.2015 MCHF	31.12.2014 MCHF	30.6.2014 MCHF
Liabilities and equity				
Current liabilities				
Short-term debt		2.6	3.9	3.3
Trade accounts payable		122.0	62.3	68.7
Tax liabilities and tax provisions		107.3	78.3	78.5
Other current provisions and liabilities		232.9	226.3	153.8
Total current liabilities		**464.8**	**370.8**	**304.3**
Non-current liabilities				
Long-term debt	**4**	1,150.2	6.6	6.1
Accrued pension obligations	**2**	286.5	256.5	203.9
Deferred tax liabilities		120.9	48.4	50.6
Other non-current provisions and liabilities		54.2	32.1	33.0
Total non-current liabilities		**1,611.8**	**343.6**	**293.6**
Shareholders' equity				
Capital stock		3.8	3.8	3.8
Reserves		1,828.7	1,944.0	1,844.6
Cumulative translation adjustments		-474.7	-230.7	-232.3
Total equity		**1,357.8**	**1,717.1**	**1,616.1**
Total liabilities and equity		**3,434.4**	**2,431.5**	**2,214.0**

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

Consolidated Income Statements

		Six months 1.1.–30.6.	
		2015	2014
	Note	MCHF	MCHF
Net sales	**8**	**1,307.5**	**1,088.9**
Cost of materials		398.5	314.2
Personnel expenses		338.1	248.1
Depreciation		44.8	36.9
Amortization of intangible assets		16.7	1.4
Other operating expenses, net	**6**	241.6	172.7
Total operating expenses, net		1,039.7	773.3
Operating profit (EBIT)		**267.8**	**315.6**
Financial expenses		-12.3	-2.5
Financial income		0.7	1.6
Foreign exchange loss (-) /gain		-5.1	0.5
Financial result, net		-16.7	-0.4
Profit before income tax expenses		**251.1**	**315.2**
Income tax expenses		32.6	42.5
Net income		**218.5**	**272.7**
– Attributable to shareholders of Geberit AG		218.5	272.7
EPS (CHF)	**7**	5.84	7.25
EPS diluted (CHF)	**7**	5.83	7.24

Consolidated Statements of Comprehensive Income

	Note	Six months 1.1.–30.6. 2015 MCHF	2014 MCHF
Net income according to the income statement		**218.5**	**272.7**
Cumulative translation adjustments[1]		-244.3	-6.4
Taxes		0.3	0.0
Cumulative translation adjustments, net of tax		**-244.0**	**-6.4**
Cashflow hedge accounting	4	72.3	0.0
Taxes		-10.4	0.0
Cashflow hedge accounting, net of tax		**61.9**	**0.0**
Total other comprehensive income to be reclassified to the income statement in subsequent periods, net of tax		**-182.1**	**-6.4**
Remeasurements of pension plans	2	-14.5	-12.6
Taxes		2.8	3.4
Remeasurements of pension plans, net of tax		**-11.7**	**-9.2**
Total other comprehensive income not reclassified to the income statement in subsequent periods, net of tax		**-11.7**	**-9.2**
Total other comprehensive income, net of tax		**-193.8**	**-15.6**
Total comprehensive income		**24.7**	**257.1**
– Attributable to shareholders of Geberit AG		24.7	257.1

[1] The Swiss National Bank abandoned the minimum exchange rate of CHF 1.20 per euro on January 15, 2015. This decision triggered currency fluctuations and led to an appreciation of the Swiss franc against all other key currencies. As Geberit is exposed to currency risks on both the assets and liabilities side, this resulted in a negative translation effect of MCHF 244.3.

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

Consolidated Statements of Cashflows

	Note	Six months 1.1.–30.6. 2015 MCHF	2014 MCHF
Cash provided by operating activities			
Net income		218.5	272.7
Depreciation and amortization		61.5	38.3
Financial result, net		16.7	0.4
Income tax expenses		32.6	42.5
Other non-cash income and expenses		-2.2	14.1
Operating cashflow before changes in net working capital and taxes		327.1	368.0
Income taxes paid		-48.3	-39.9
Changes in trade accounts receivable		-164.2	-119.0
Changes in inventories		21.3	-24.5
Changes in trade accounts payable		1.5	7.5
Changes in other positions of net working capital		47.1	27.2
Net cash from/used (-) in operating activities		**184.5**	**219.3**
Cash from/used (-) in investing activities			
Acquisitions of subsidiaries	**4**	-1,185.4	0.0
Purchase of property, plant & equipment and intangible assets		-47.5	-40.2
Proceeds from sale of property, plant & equipment and intangible assets		0.6	1.1
Marketable securities, net		0.0	24.4
Interest received		0.7	1.4
Other, net		-0.4	0.0
Net cash from/used (-) in investing activities		**-1,232.0**	**-13.3**

	Note	Six months 1.1.–30.6. 2015 MCHF	2014 MCHF
Cash from/used (-) in financing activities			
Proceeds from borrowings	**4**	1,985.5	0.0
Repayments of borrowings	**4**	-976.2	-3.7
Interest paid		-2.6	0.0
Distribution		-310.7	-282.0
Share buyback program		-53.1	-19.4
Purchase (-)/Sale of treasury shares		-25.4	-10.5
Financing cost paid		-13.3	0.0
Other, net		-0.2	-0.6
Net cash from/used (-) in financing activities		**604.0**	**-316.2**
Effects of exchange rates on cash and cash equivalents		-13.0	-0.6
Net increase/decrease (-) in cash and cash equivalents		**-456.5**	**-110.8**
Cash and cash equivalents at beginning of year		749.7	538.1
Cash and cash equivalents at end of year		**293.2**	**427.3**

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 31.12.2013	**3.8**	**2,013.0**	**-40.5**	**-86.3**	**0.0**	**-225.9**	**1,664.1**
Net income		272.7					272.7
Other comprehensive income				-9.2		-6.4	-15.6
Distribution		-282.0					-282.0
Share buyback program							0.0
Purchase (-)/Sale of treasury shares		8.0	-26.4				-18.4
Management option plans		-4.7					-4.7
Balance at 30.6.2014	**3.8**	**2,007.0**	**-66.9**	**-95.5**	**0.0**	**-232.3**	**1,616.1**
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 program			-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**

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

Notes to the Half-Year Report

1. General information and basis of preparation

The unaudited consolidated interim report for the first half-year 2015 was prepared according to IAS 34. The financial figures were determined in accordance with the same valuation principles as the financial statements as at December 31, 2014. 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, 2014.

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, 2015, no indications exist which point to an impairment loss of goodwill and intangible assets.

The classification of the balance sheet positions according to IFRS 13/IAS 39 shows the following changes compared with December 31, 2014:

- category "debts at historical cost": the main additions are financial liabilities which result from the Sanitec acquisition (Note 4)
- category "debts at fair value, level 2": derivative financial instruments in connection with the execution of the Sanitec acquisition were eliminated

2. Retirement benefit plans

The actuarial calculations prepared as at December 31, 2014, were extrapolated as per June 30, 2015. Thereby, the discount rate for Swiss pension plans was decreased from 1.2% to 1.0%, the discount rate for German pension plans from 1.9% to 1.7% compared to December 31, 2014 and for the British pension plan increased from 3.6% to 3.9%. 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, 2015.

3. Distribution

The General Meeting approved a dividend of CHF 8.30 per share for the year 2014. The distribution took place in April 2015.

4. Changes in Group organization

Acquisition Sanitec Group

On October 14, 2014, Geberit AG submitted a takeover bid to the shareholders of Sanitec Oyj, Helsinki, Finland (Sanitec) for the acquisition of all shares of Sanitec, Europe's leading company in the area of bathroom ceramics, at a price of SEK 97 each in cash. This transaction makes Geberit the European market leader in the areas of sanitary technology and bathroom ceramics and serves to strengthen its access to the end customers of sanitary products. The shares of Sanitec were listed on the NASDAQ Stockholm. By the time of the expiry of the extended offer period on February 2, 2015, Geberit was tendered 99.2% of the shares and the transaction was successfully completed on February 10, 2015. In order to provide the remaining shareholders of Sanitec with the opportunity to tender their shares within the scope of the offer, the acceptance period was extended to March 2, 2015. By the time of the expiry of the second extension of the acceptance period on March 2, 2015, Geberit was offered 99.77% of the shares (i.e. 99.77% of the voting rights). The squeeze-out for the acquisition of the remaining shares is currently underway.

The purchase price for the Sanitec Group in cash amounted to MCHF 1,203.5 plus additional transaction costs of MCHF 22. Of the latter, MCHF 10 are attributable to consultation fees (of which MCHF 3 were already incurred in 2014) and MCHF 12 were incurred in connection with the financing. Of the financing costs, MCHF 6 are recognized in the 2015 income statement and a further MCHF 6 are being amortized over the term of the financing instruments.

The acquisition was financed by means of bond issues, bank loans and from own funds. Geberit has issued the following three bonds: a bond for MCHF 150 with a term of four years and a coupon of 0.05%, a bond for MCHF 150 with a term of eight years and a coupon of 0.3% and a bond for MEUR 500 with a term of six years and a coupon of 0.688%. A bridge facility in the form of a syndicated bank loan amounting to MCHF 900 was available for the period between the closing of the transaction and the issue of the bonds. In addition as per the reporting date, a second syndicated bank loan (term loan facility) amounting to MEUR 325 was drawn on and existing funds of MCHF 247 were used.

The instruments for hedging the interest and foreign exchange risks were released on conclusion of the Sanitec acquisition. The corresponding effect is contained in the "Cashflow hedge accounting" position in the consolidated statements of comprehensive income.

The following values were incorporated at fair value into the consolidated balance sheet of the Geberit Group at the initial consolidation of the Sanitec Group on February 10, 2015. This initial recognition of the acquisition in the reporting period is still provisional. The fair values could still change by December 31, 2015.

Sanitec Group	MCHF
Cash and cash equivalents	18.1
Trade accounts receivable	36.2
Other current assets and current financial assets	41.2
Inventories	128.5
Property, plant and equipment	163.0
Deferred tax assets	17.1
Other non-current assets and non-current financial assets	1.3
Intangible assets	367.1
Total assets	**772.5**
Short-term debt	152.7
Trade accounts payable	65.6
Tax liabilities and tax provisions	30.6
Other current provisions and liabilities	66.6
Accrued pension obligations	40.5
Deferred tax liabilities	82.8
Other non-current provisions and liabilities	25.1
Total liabilities	**463.9**
Acquisition price	1,203.5
Acquired net assets	308.6
Goodwill	**894.9**

The "Intangible assets" position largely contains the brands (MCHF 229.1) and technology know-how (MCHF 129.2). The brands were assigned an indefinite term and are therefore not being amortized. Technology know-how is being amortized over four years.

The goodwill largely results from the following synergy potential:

- Cost reduction in marketing and sales and administration
- Sales promotion in the complementary markets
- New product bundling opportunities in marketing and sales
- Joint development of products

Any possible amortization of goodwill is not tax effective.

The cashflow from this transaction is as follows:

	MCHF
Sanitec Group	
Acquisition price	1,203.5
Exisiting cash and cash equivalents	-18.1
Cash used in investing activities	**1,185.4**

From the time of its acquisition, Sanitec has contributed net sales for the reporting period of MCHF 304.6 and net profit of MCHF 28.1 to the Geberit Group. If the acquisition had already taken place on January 1, 2015, net sales for the reporting period would have amounted to MCHF 364.7 and net profit to MCHF 32.3.

5. Capital stock and treasury shares

The share buyback program that had been suspended due to the Sanitec acquisition since August 2014 was resumed again in April 2015. In accordance with the original announcement at the launch of the program, shares amounting to a total of a maximum of 5% of the share capital recorded in the commercial register are to be repurchased over a period of two years and retired by means of a capital reduction. Owing to the long interruption, the Group Executive Board no longer expects it to be possible to achieve this goal. Based on the price of Geberit registered shares at the end of June 2015, the estimated value of the shares to be bought back is approximately MCHF 245 or 2% of the share capital recorded in the commercial register. The share buyback will be conducted via a separate trading line on the SIX Swiss Exchange. By June 30, 2015, 301,000 shares, which corresponds to 16% of the entire program, had been acquired at a sum of MCHF 98.2.

The entire stock of treasury shares on June 30, 2015, amounted to 500,206 (previous year: 267,895) with a carrying amount of MCHF 155.2 (December 31, 2014: MCHF 78.3). A net increase in treasury shares amounting to 198,146 was therefore recorded in the first half of 2015. Treasury shares are deducted from equity at historical cost.

	2015 pcs.	2014 pcs.
Stock of treasury shares		
From share buyback programs	301,000	79,000
Other treasury shares	199,206	188,895
Total treasury shares as per June 30	**500,206**	**267,895**

6. Other operating expenses, net

	Six months 1.1.–30.6. 2015 MCHF	2014 MCHF
Outbound freight costs and duties	45.2	35.4
Energy and maintenance expenses	52.5	37.6
Marketing expenses	43.7	43.8
Administration expenses	28.7	22.6
Other operating expenses	78.3	39.8
Other operating income	-6.8	-6.5
Total other operating expenses, net	**241.6**	**172.7**

7. 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. 2015	2014
Attributable net income according to income statement (MCHF)	218.5	272.7
Weighted average number of ordinary shares outstanding (thousands)	37,441	37,594
Total earnings per share (CHF)	**5.84**	**7.25**

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. 2015	2014
Attributable net income according to income statement (MCHF)	218.5	272.7
Weighted average number of ordinary shares outstanding (thousands)	37,441	37,594
Adjustments for share options (thousands)	63	44
Weighted average number of ordinary shares outstanding (thousands)	37,504	37,638
Total diluted earnings per share (CHF)	**5.83**	**7.24**

8. 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. The majority of the 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, one specific article is produced at only 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. This will also be the case after the integration of the Sanitec Group. 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.

The acquisition of the Sanitec Group has no impact on the segment reporting. All Sanitec companies are being fully integrated into the functional organization of the Geberit Group. The marketing and sales activities are subsumed within a local sales company for each country or region and Geberit International AG is taking over the development activities of the Sanitec Group. There are no significant changes to the financial management of the Group.

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 sales is based on the domicile of the customers.

The information is as follows:

	Six months 1.1.–30.6. 2015 MCHF	2014 MCHF
Net sales by product lines		
Installation Systems	385.1	416.0
Cisterns and Mechanisms	114.7	122.9
Faucets and Flushing Systems	57.9	54.4
Waste Fittings and Traps	41.2	44.3
Sanitary Systems	**598.9**	**637.6**
Building Drainage Systems	145.5	153.8
Supply Systems	258.5	297.5
Piping Systems	**404.0**	**451.3**
Bathroom Ceramics	224.8	0.0
Ceramics Complementary Products	79.8	0.0
Sanitary Ceramics	**304.6**	**0.0**
Total net sales	**1,307.5**	**1,088.9**

	Six months 1.1.–30.6.	
	2015	2014
	MCHF	MCHF
Net sales by markets		
Germany	412.9	390.8
Switzerland	141.7	143.0
Italy	88.7	87.8
Other Europe	546.8	374.5
Other markets	117.4	92.8
Total net sales	**1,307.5**	**1,088.9**

	Six months 1.1.–30.6.	
	2015	2014
	MCHF	MCHF
Share of net sales by customers		
Customers with more than 10% of net sales: customer A	202.8	178.8
Total > 10%	**202.8**	**178.8**
Remaining customers with less than 10% of net sales	1,104.7	910.1
Total net sales	**1,307.5**	**1,088.9**

9. New or revised IFRS standards and interpretations 2015 and their adoption by the Group

No new or revised IFRS standards have been put into effect this year up to June 30, 2015.

10. Events after the balance sheet date

There were no material events after the balance sheet date.

Time schedule

	2015
Interim report 3rd quarter	27 October

	2016
First information on the year 2015	13 January
Results full year 2015	15 March
Annual General Meeting	6 April
Dividend payment	12 April
Interim report 1st quarter	28 April

(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 2015 at www.geberit.com.

The annual report 2014 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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