

# Balance Sheets

	31.12.2015 MCHF	31.12.2014 MCHF
<b>Assets</b>		
<b>Current assets</b>		
Cash	5.7	0.2
Other current receivable		
- Third parties	4.4	3.8
- Group companies	58.6	237.8
Prepaid expenses	3.6	1.4
<b>Total current assets</b>	<b>72.3</b>	<b>243.2</b>
<b>Non-current assets</b>		
Loan to group companies	300.0	0.0
Investments	920.8	920.8
<b>Total non-current assets</b>	<b>1,220.8</b>	<b>920.8</b>
<b>Total assets</b>	<b>1,293.1</b>	<b>1,164.0</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
- Third parties	10.6	2.0
- Group companies	3.6	4.1
<b>Total current liabilities</b>	<b>14.2</b>	<b>6.1</b>
<b>Long term interest-bearing liabilities</b>		
Bonds	300.0	0.0
<b>Total long term interest-bearing liabilities</b>	<b>300.0</b>	<b>0.0</b>
<b>Shareholders' equity</b>		
Capital stock	3.8	3.8
Legal capital reserves		
- General reserves, share premium	0.8	0.8
- Reserves from capital contributions	25.7	25.7
Legal reserves from retained earnings		
- Reserves for treasury shares held by group companies	71.5	78.3
Free reserves from retained earnings		
- Free reserves	777.1	770.3
- Retained earnings	305.0	316.4
Treasury shares	-205.0	-37.4
<b>Total shareholders' equity</b>	<b>978.9</b>	<b>1,157.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,293.1</b>	<b>1,164.0</b>

# Income Statements

	2015 MCHF	2014 MCHF
<b>Income</b>		
Dividends from Group companies	300.0	300.0
Other financial income	7.5	3.9
Other operating income	0.5	0.4
<b>Total income</b>	<b>308.0</b>	<b>304.3</b>
<b>Expenses</b>		
Administrative expenses	3.8	2.6
Financial expenses	3.2	0.2
Direct tax expenses	0.1	0.1
<b>Total expenses</b>	<b>7.1</b>	<b>2.9</b>
<b>Net income</b>	<b>300.9</b>	<b>301.4</b>

# Notes to the Financial Statements

## 1. Standards

### 1.1 General

The financial statements were prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations. The significant valuation principles, which are not statutory, are described below.

### 1.2 Treasury shares

The treasury shares are recorded at cost and are shown as a minus position in equity. For the shares of Geberit AG, held by the subsidiary Geberit Holding AG reserves for own shares are recorded in the equity of Geberit AG.

### 1.3 Long term interest-bearing liabilities

The interest-bearing liabilities are stated at their nominal value. Costs incurred in the context of the placement of bonds are capitalized in the prepaid expenses and amortized linearly over the term.

### 1.4 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.

### 1.5 Waiver of cash flow statement and additional information in the notes

As the Geberit group prepares a consolidated financial statement in accordance with a recognized standard for financial reporting (IFRS), Geberit AG waived in the actual financial statements, in accordance with the statutory provisions, to present separate notes to interest-bearing liabilities and auditing fees and the presentation of a cash flow statement.

## 2. Other statutory disclosures

### 2.1 Guarantees, assets pledged in favor of third parties

	31.12.2015 MCHF	31.12.2014 MCHF
Guarantee Bridge Facility	0.0	900.0
Guarantee Term Loan Facility	297.5	481.0
Guarantee Revolving Facility	300.0	300.0
Guarantee foreign currency hedging (MEUR 100)	0.0	120.2
Guarantee interest rate hedging	0.0	25.0

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

### 2.2 Significant investments

	2015 Ownership in %	2015 capital stock	2014 Ownership in %	2014 capital stock
Geberit Holding AG, Rapperswil-Jona	100	TCHF 39 350	100	TCHF 39 350
Geberit Finance Ltd., Jersey <sup>1</sup>	76	TEUR 382	80	TEUR 461
Geberit Reinsurance Ltd., Guernsey	100	TEUR 2	100	TEUR 2

<sup>1</sup> The remaining 24,0% (PY 19,9%) are hold 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 33](#).

### 2.3 Share capital

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

	2015	2014
<b>Number of shares issued</b>	<b>pcs.</b>	<b>pcs.</b>
<b>January 1</b>	<b>37,798,427</b>	<b>37,798,427</b>
<b>December 31</b>	<b>37,798,427</b>	<b>37,798,427</b>

### 2.4 Capital contribution reserves

From the total of MCHF 25.7 shown as at 31.12.2015 the amount of MCHF 4.2 was confirmed by the Swiss tax authorities and is therefore available for withholding tax free distribution.

### 2.5 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
<b>Balance at December 31, 2014</b>	<b>302,060</b>			
Purchases, share buyback program 2014	511,600	370.92	327.67	293.64
Other Purchases	150,000	368.51	348.68	316.24
Sales	-85,780	370.00	349.80	292.30
<b>Balance at December 31, 2015</b>	<b>877,880</b>			
Number of treasury shares held by Geberit AG	634,600			

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, 2015, 634'600 shares were bought back. The program was terminated as of February 29, 2016. In total 757'000 shares (2% of shares outstanding) have been bought back under the program. The Board of Directors will propose to the General Meeting to cancel the shares.

The legal reserves for treasury shares were recorded at cost.

### 2.6 Bonds

Geberit has the following Bonds outstanding:

- a bond of MCHF 150 with a term of four years and a coupon of 0.05%
- a bond of MCHF 150 with a term of eight years and a coupon of 0.3%.

### 2.7 Shareholdings of members of the board of directors and of the group executive board

As of the end of 2015 and 2014, members of the Board of Directors held the following shares in the company:

	A. Baehny Chairman	R. Spoerry Vice Chairman	F. Ehrat	T. Hübner	H. Reuter	J. Tang-Jensen	Total
<b>2015</b>							
<b>Shareholdings Board of Directors</b>							
Shares	46,969	8,479	1,251	10	7,004	1,715	65,428
Options	63,688	0	0	0	0	0	63,688
Share of voting rights	0.12%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.17%

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

As of December 31, 2015, there were no outstanding loans or credits between the company and members of the Board of Directors

As of the end of 2015 and 2014, the Group Executive Board held the following shares in the company:

	Maturity	Average exercise price in CHF	C. Buhl CEO	R. Iff CFO	M. Reinhard	E. Renfordt- Sasse	K. Spachmann	R. van Triest	Total
<b>2015</b>									
<b>Shareholdings Group Executive Board</b>									
Shares			3,480	31,300	2,000	1,665	7,462	0	45,907
Percentage voting rights shares			0.12%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.12%

#### Call options<sup>1</sup>

End of blocking period:

Lapsed	2016-2018	194.50	0	0	0	1,208	0	0	1,208
2016	2017-2019	205.50	525	1,417	1,542	583	1,330	0	5,397
2017	2018	231.20	2,008	4,676	4,844	1,244	5,620	0	18,392
2015-2018	2021	281.00	2,172	10,419	10,559	1,872	9,592	0	34,614
2016-2019	2022	349.15	13,696	10,029	10,474	5,860	9,040	0	49,099
<b>Total options</b>			<b>18,401</b>	<b>26,541</b>	<b>27,419</b>	<b>10,767</b>	<b>25,582</b>	<b>0</b>	<b>108,710</b>
Percentage potential share of voting rights options			< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.29%

<sup>1</sup> Purchase ratio 1 share for 1 option

	Maturity	Average exercise price in CHF	A. Baehny CEO	R. Iff CFO	M. Reinhard	K. Spachmann	Total
<b>2014</b>							
<b>Shareholdings Group Executive Board</b>							
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 options<sup>1</sup>

End of blocking period:

Lapsed	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
<b>Total options</b>			<b>63,688</b>	<b>20,198</b>	<b>20,134</b>	<b>18,063</b>	<b>122,083</b>
Percentage potential share of voting rights options			0.17%	< 0.1%	< 0.1%	< 0.1%	0.32%

<sup>1</sup> Purchase ratio 1 share for 1 option

As of December 31, 2015, there were no outstanding loans or credits between the company and members of the Group Executive Board

## 2.8 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:

	31.12.2015	31.12.2014
Black Rock, New York	5.11%	9.72%
Capital Group Companies, Inc., Los Angeles	4.94%	3.23%
MFS Investment Management, Boston	< 3.00%	3.03%

## 2.9 Employees

In Geberit AG no employees are employed.

## 3. Profit distribution

### Proposal for the Appropriation of Available Earnings

Proposal by the Board of Directors to the General Meeting:

#### Appropriation of available earnings

	2015 CHF	2014 CHF
<b>Available earnings</b>		
Net income	300,924,316	301,351,042
Withdrawal from free reserves	10,000,000	0
Balance brought forward	4,036,493	15,092,694
<b>Total available earnings</b>	<b>314,960,809</b>	<b>316,443,736</b>
Proposed/paid dividend	312,176,147	312,407,243
Balance to be carried forward	2,784,662	4,036,493
<b>Total appropriation of available earnings</b>	<b>314,960,809</b>	<b>316,443,736</b>

#### Dividend payments

The Board of Directors proposes a dividend of CHF 8.40 per share (PY: CHF 8.30). 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 therefore 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, 2015.

### 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, 2015 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



Beat Inauen  
Audit expert  
Auditor in charge



Martin Knöpfel  
Audit expert

Zurich, March 8, 2016