

OFFERING CIRCULAR



GEBERIT INTERNATIONAL B.V.

(incorporated with limited liability in The Netherlands)

€500,000,000 0.688 per cent. Guaranteed Notes due 30 March 2021

unconditionally and irrevocably guaranteed by

GEBERIT AG

(a Swiss stock corporation incorporated with limited liability under the laws of Switzerland and registered in the Commercial Register of the Canton of St. Gallen, Switzerland, under the register number CHE-101.065.474)

Issue price: 100 per cent.

The €500,000,000 0.688 per cent. Guaranteed Notes due 30 March 2021 (the **Notes**) are issued by Geberit International B.V. (the **Issuer**) and guaranteed by Geberit AG (the **Guarantee** and the **Guarantor**, respectively).

Interest on the Notes is payable annually in arrear on 30 March in each year. Interest will accrue from and including 30 March 2015 to but excluding 30 March 2021 and will be payable at a rate of 0.688 per cent. per annum. Payments on the Notes will be made without deduction for or on account of taxes of the Netherlands or Switzerland to the extent described under “*Conditions of the Notes - Taxation*”.

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, in the event of certain tax changes or at the sole option of the Issuer on 15 December 2020 as described under “*Conditions of the Notes - Redemption and Purchase*”. The Notes mature on 30 March 2021.

The Notes will constitute direct, unconditional and unsecured obligations of the Issuer. See “*Conditions of the Notes - Status*”.

This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by the Irish Stock Exchange PLC (the **Irish Stock Exchange**) and does not comprise a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the **Prospectus Directive**). Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the Global Exchange Market (**GEM**) of the Irish Stock Exchange. GEM is not a regulated market for the purposes of Directive 2004/39/EC.

The Notes will be rated A+ by Standard & Poor’s Credit Market Services Europe Limited (**S&P**). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

S&P is established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website www.esma.europa.eu/page/List-registered-and-certified-CRAs (list last updated on 21 May 2014) in accordance with the CRA Regulation.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 30 March 2015 (the **Closing Date**) with a common safe-keeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 9 May 2015 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see “*Summary of Provisions relating to the Notes while represented by the Global Notes*”.

The Notes shall be in bearer form in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “Risk Factors” on page 6.

Global Coordinator
J.P. Morgan
Joint Lead Managers
Commerzbank **HSBC** **ING** **J.P. Morgan**
Co-Managers
Credit Suisse **UBS Investment Bank**

The date of this Offering Circular is 26 March 2015

The Issuer and the Guarantor (the **Responsible Person(s)**) accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular should be read and construed on the basis that such documents are incorporated and form part of the Offering Circular.

The Managers (as defined under "*Subscription and Sale*", below) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers (as defined under "*Subscription and Sale*", below) as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Managers.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or any of the Managers that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or any of the Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The contents of this Offering Circular should not be construed as legal, financial, business or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Notes.

Without limitation to the generality of the foregoing, the contents of the Guarantor's website, in addition to any other websites referred to in this Offering Circular, as at the date hereof or as at any other date do not form any part of this Offering Circular (and, in particular, are not incorporated by reference herein).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*" below.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Managers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Managers which is intended to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and the Netherlands), Japan and Switzerland, see "*Subscription and Sale*".

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC AS STABILISING MANAGER(S) (THE **STABILISING MANAGER(S)**) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this document to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and to **Swiss Francs**, **CHF** and **SFr** are to the lawful currency of Switzerland.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the Issuer and Guarantor’s financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer and/or Guarantor’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer and/or Guarantor’s present and future business strategies and the environment in which the Issuer and/or the Guarantor expect(s) to operate in the future. Important factors that could cause the Issuer and/or Guarantor’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors referenced in this Offering Circular:

- changes to the regulatory environment in which Geberit and its subsidiaries (together the **Geberit Group**) operates;
- the Guarantor’s ability to integrate its newly-acquired operations and any future expansion of its business;
- fluctuations in the currency exchange rates in the markets in which the Geberit Group operates;
- the Geberit Group’s ability to obtain external financing or maintain sufficient capital to fund its existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Geberit Group and its customers operate; and
- changes in the competitive environment in which the Geberit Group operates.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”. Forward-looking statements speak only as of the date of this Offering Circular and the Issuer and the Guarantor expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements in this Offering Circular to reflect any change in their expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, there can be no assurance that projected results or events will be achieved and the Issuer and the Guarantor caution persons into whose possession this Offering Circular may come not to place undue reliance on these statements.

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RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. The Issuer and the Guarantor do not represent that the statements below regarding the risks of holding the Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

The Geberit Group is subject to inherent risks in the construction and renovation, maintenance and improvement markets. As a result of the cyclical nature of the new-build sector of the construction market, a large part of the Geberit Group's financial performance is dependent upon a healthy economy and financial and monetary system both in the global market and the regions in which the Geberit Group operate. The recent economic climate and tightening of credit markets has adversely affected the Geberit Group's results of operations, and continuation of, or further decline in, current economic conditions would adversely affect the Geberit Group's business

The Group mainly operates in the European sanitary technology and bathroom equipment market, which is highly affected by the activity in the construction industry (renovation, maintenance and improvement activity (**RMI**) and new-build activity).

The Geberit Group estimates that approximately 60 per cent. of the Geberit Group's demand is driven by the more stable RMI sector, with the remaining 40 per cent. pertaining to the more cyclical new-build sector. Demand for the Geberit Group's products depends to a significant degree on spending in the residential, as well as non-residential (commercial and public sector) new-build and RMI markets. The cyclical nature of commercial and residential new-build activity, including new-build activity funded by the public sector, is influenced by prevailing economic conditions and other factors beyond the Geberit Group's control.

The Geberit Group's business is affected by fluctuations in the economic conditions of the market regions in which the Geberit Group operates, which, in turn, are materially affected by global financial conditions. Changes in the Geberit Group's financial performance often result from factors beyond the Geberit Group's control, such as fluctuations in gross domestic product, changes in consumer confidence, decreases in new construction, renovation or replacement activities, price developments in individual housing markets, changes in government subsidy schemes, lack of mortgage lending, fluctuations in currency exchange and interest rates, changes in market demand and increases in labour costs and taxes.

Since 2008, the stress and disruptions experienced by global financial markets have increasingly affected several sectors of the economy, in particular the construction industry, in many of the markets in which the Group sells its products. In particular, sales to the construction industry are driven by trends in commercial and residential construction, housing starts, trends in residential renovation and replacement activity.

Consumer confidence, mortgage rates, credit standards and availability and income levels play a significant role in driving demand in the residential construction, renovation and replacement sector.

Construction activity in many of the Geberit Group's markets continues to remain at levels lower than in 2008 and may decline further. Home equity values in many markets have decreased significantly, adversely affecting the willingness of homeowners to invest additional capital in their homes. In addition, consumer credit generally has been more difficult to obtain in many markets. The Geberit Group cannot predict how long these economic conditions will last and whether the downward trend in residential construction and renovation will continue or worsen. The economic downturn could continue to affect consumer confidence, income and equity capital available for spending on discretionary items such as those sold by us, which could adversely affect the demand for the Geberit Group's products.

For example, 2009 was characterised by a significant decline in the gross domestic product in many of the Group's core markets and significantly reduced growth rates in emerging markets, with the construction industry being disproportionately affected in many markets. In 2009, the sharp decrease in overall demand was exacerbated in several markets by reductions in distributors' stock levels. As a result of the destocking effects, demand reflected in manufacturers' order books weakened significantly more than the overall global demand for sanitary technology and bathroom equipment products. Economic conditions in certain of the Group's markets, such as Southern Europe, have still not recovered, which has had an effect on both sales volumes (as customers are buying fewer products) and the prices which the Group can charge its products (as customers are increasingly price sensitive in depressed markets). In addition, the discretionary nature of residential and non-residential renovation, and to a lesser degree, new construction activities, may result in end-consumers' decision to postpone any contemplated renovation activities until overall economic conditions and consumer confidence have improved.

During economic downturns the Geberit Group has in the past experienced and may in the future experience industry-wide production overcapacity, significantly reduced demand, increased price pressure, order cancellations, extended payment terms or default of customers and reduced revenues and earnings for certain product groups, especially in the bathroom equipment business of Sanitec Oyj and its subsidiaries (**Sanitec** or **Sanitec Group**). The Geberit Group may therefore not be able to recover the costs and investments fully or partially that it had previously undertaken to fulfil orders. In an economic downturn, the Geberit Group's revenues will typically be immediately affected while it may take longer to lower the Geberit Group's costs and thereby the Geberit Group's break-even level.

If there is no significant recovery of the economy and the financial system in certain of the Geberit Group's core markets for an extended period of time, higher unemployment rates, lower family income, decreased consumer spending and lower levels of construction activity could result in a further decline in demand for the Geberit Group's products and increased price competition, which could result in further pressure on the Geberit Group's operating margins or require the Geberit Group to offer longer payment terms to its customers. The Geberit Group may also experience a higher incidence of default by its customers. In addition, the Geberit Group may be exposed to a default of suppliers in meeting their delivery obligations or may experience shortages in the supplies the Geberit Group depends on for production. The Geberit Group's suppliers may also change the credit or payment terms they extend, such as shortening the required payment period for the Geberit Group's outstanding accounts payable or reducing or eliminating the amount of trade credit available. Any of such events could have a material adverse effect on the Geberit Group's business, results of operations and financial condition.

Particularly in certain mature markets, the economic turmoil has caused certain changes in consumer preferences and purchasing practices, which have resulted in changes in the Geberit Group's customers' strategies when adapting to these changes in the overall structure of demand. If the Geberit Group does not respond to these changing consumer preferences, which may or may not be long-term, in a timely and effective manner, the Geberit Group's relationships with the Geberit Group's customers could be adversely affected, the demand for the Geberit Group's products could be reduced and the Geberit Group's market share could be adversely affected.

Efforts to improve the operational efficiency may not be effective

In the past, the Geberit Group has implemented numerous projects to improve the Geberit Group's operational efficiency, including enhancements to its production network and processes, as well as procurement and product development. If the Geberit Group's efforts to improve the Geberit Group's operational efficiency and the ongoing implementation of cost-improvement measures are not effective or sustainable, the cost of the Geberit Group's products, and as a result the Geberit Group's competitive position in the industry may suffer, which may adversely affect the Geberit Group's business, financial condition and results of operations.

Because a significant part of the Geberit Group's costs are fixed, the Geberit Group's profitability may be materially and adversely affected by a decline in revenue from sales

A significant part of the Geberit Group's costs are fixed. The Geberit Group's costs are principally comprised of raw materials, manufacturing labour, energy and other plant-related expenses, along with other employee and employee-related costs. In 2014, the Geberit Group's fixed costs amounted to approximately 45 per cent of the Geberit Group's total costs. As the Geberit Group may not be able to reduce the Geberit Group's costs at the same rate as any decline in sales volumes, a decrease in sales volumes, including as a consequence of a future economic downturns, could materially and adversely affect the Geberit Group's margins and, accordingly, its results of operations and financial condition.

The Geberit Group operates in a highly competitive industry and the Geberit Group's results may be materially and adversely affected by its inability to compete successfully

The sanitary technology and bathroom equipment market is highly competitive. Competition in the Geberit Group's industry is based on many factors, including brand recognition and customer loyalty, product quality and reliability, breadth of product range, product design and innovation, production capabilities, distribution channels, scope and quality of services and price. The Geberit Group competes with both large-scale global manufacturers and with numerous regional and specialised competitors. Some of the Geberit Group's competitors are divisions or subsidiaries of larger companies that have greater resources than the Geberit Group does while other competitors are smaller and thus more agile than the Geberit Group. This may enable them to adapt more quickly to new or emerging technologies and changes in customer requirements or preferences or devote greater resources to the promotion and sale of their products than the Geberit Group can. As a result, the Geberit Group's competitors may be able to reduce prices on products similar to the Geberit Group's products below the price at which the Geberit Group can profitably offer such products. Many of the Geberit Group's competitors also have longstanding relationships with key suppliers and customers and may offer other products which the Geberit Group does not provide. The Geberit Group believes developing and maintaining a competitive advantage will require ongoing investment in product development, manufacturing capabilities, sales and marketing and customer relationships. There can be no assurance that the Geberit Group will be able to compete successfully in the Geberit Group's industry or against the Geberit Group's existing or future competitors. In addition, the integration and harmonisation of standards for construction and bathroom products in the European Union and the rest of the world may expose the Geberit Group to greater competition from manufacturers in other markets. If the Geberit Group does not maintain or develop a competitive position in the markets in which it operates, the Geberit Group's business, financial condition and results of operations may be materially and adversely affected.

The Geberit Group depends on the development and market acceptance of new products and may not be able to effectively predict or react to customer preferences that could render the Geberit Group's products less desirable

The markets in which the Geberit Group competes are increasingly characterised by new product introductions and enhancements, changing customer preferences and demands, as well as changing industry standards. The Geberit Group believes that its future success will depend in part on its ability to develop and bring new products to market with high quality standards and innovative features and designs in a timely manner.

As product cycles in the Geberit Group's industry generally tend to be shorter than in the past, the Geberit Group may in the future be required to increase the Geberit Group's investment in research, development and design in order to maintain the Geberit Group's market share and reputation. There can be no assurance that the Geberit Group's investments will result in the successful development of new products and features or will allow it to achieve the prices which the Geberit Group targets for its products. The Geberit Group cannot predict which of the many possible future products will meet evolving customer preferences and demands and industry standards. There can be no assurance that the Geberit Group will be able to adapt to technological changes or offer new products on a timely basis, and the Geberit Group's failure to do so could lead to reduced desirability of the Geberit Group's products and harm the Geberit Group's competitive position in the markets in which it operates. If the Geberit Group does not anticipate or respond to evolving market demands adequately, the Geberit Group may not be able to sell its products or maintain the appeal of its brands successfully, which could materially and adversely affect the Geberit Group's business, financial condition and results of operations.

The Geberit Group relies on a relatively concentrated number of key customers and the loss of one or more of these customers could have a material adverse effect on its business, financial condition and results of operations

In 2014, the top 10 and 20 customer groups of Geberit accounted for 43.9 per cent. and 57.7 per cent. of consolidated revenue from sales, respectively, very similar to the level of customer concentration at Sanitec; all of these Geberit customers were wholesalers. While the Geberit Group believes it has established longstanding and stable relationships with its customers (and commercial and business relationships are managed on an individual market and business-unit level), the loss of any one of these customers could have a disproportionately large effect on the Geberit Group's business compared with other businesses whose customer bases are less concentrated. Disagreements or deterioration of the Geberit Group's relationship with any of its major customers could lead to delays in revenue from sales, increased costs or loss of current or future business with its major customers, which could have a material adverse effect on the Geberit Group's business, financial condition and results of operations.

The integration of the Sanitec Group may not be successful

The Geberit Group recently completed the acquisition of the Sanitec Group, which was announced in October 2014. Like all business combinations, the Geberit Group's ability to achieve the strategic benefits which the acquisition is intended to realise will depend on its ability to integrate teams, processes and procedures, as well as securing customer relationships. There can be no assurance that the integration of Sanitec into the Geberit Group will be successful nor that integration measures can be completed in the envisaged timescale, or at all. The Geberit Group may not realise all the synergies or derive all the benefits which it intends to realise or derive from the acquisition. There can be no assurance that customer, supplier, counterparty or employee relationships will not be impaired as a result of such challenges in integrating Sanitec. Any delays in the integration process could necessitate new or additional restructuring measures to deliver the targeted synergies and could have a material adverse effect on the Geberit Group's business, financial condition and results of operations. The value of any business the Geberit Group acquires may also be less than the consideration which the Geberit Group pays for it, so may result in goodwill impairment charges needing to be recognised in the Geberit Group's financial statements.

The Geberit Group may pursue further acquisitions which, if completed, could increase the level of the Geberit Group's indebtedness and may adversely affect the Geberit Group's business if the Geberit Group cannot integrate these new operations effectively

As of the date of this Offering Circular, the Geberit Group has no binding agreements with respect to any future acquisitions following the acquisition of Sanitec. Although the Geberit Group does not currently envisage undertaking any major acquisitions in the near future, it may from time to time engage in discussions regarding potential acquisitions of businesses that it believes will present opportunities to realise synergies and strengthen the Geberit Group's market position. The success of any acquisition strategy will depend on the Geberit Group's ability to identify appropriate opportunities, complete those acquisitions at an

appropriate cost and, in certain cases, secure funding for such acquisitions in the bank or capital markets. If the Geberit Group completes any such transaction, the Geberit Group's capitalisation, balance sheet and results of operations may change significantly. Any acquisition the Geberit Group may undertake in the future could result in the incurrence of debt and contingent liabilities and an increase in interest expenses and depreciation and amortisation expenses related to intangible and tangible assets, as well as impairment of goodwill.

If the cost of raw materials increases or their supply decreases, the Geberit Group may experience increases in costs or have difficulty purchasing sufficient raw materials or components to meet the Geberit Group's production requirements. Increases in energy prices may also materially increase the Geberit Group's costs

The Geberit Group is exposed to fluctuations in the prices of raw materials that it uses in manufacturing operations and that are used in the products that the Geberit Group sources from third-party suppliers. Raw materials which the Geberit Group purchases for its manufacturing operations include plastics, such as polyethylene and polypropylene, and other plastic materials, basic metals, such as bronze, stainless steel, steel coils and aluminium, as well as other raw materials for the production of bathroom ceramics, such as ball clay, kaolin, feldspar, chamotte (clay) and zirconium (a coating ingredient). Increases in raw material prices can adversely affect the Geberit Group's margins and profitability. Although prices for the majority of the Geberit Group's key raw materials have remained relatively stable in recent years, fluctuations in the price and availability of the Geberit Group's raw materials, particularly metals, can be caused by changes in levels of global supply and demand, the operations of the Geberit Group's suppliers, governmental policies, political and economic conditions in certain countries where these materials are produced and severe weather conditions and natural disasters. These fluctuations may be further exacerbated if raw materials are traded in foreign currencies. In addition, some of the Geberit Group's raw materials and components are custom-made; any failure by the Geberit Group's suppliers to deliver these raw materials and components could adversely affect the Geberit Group's ability to deliver products in a timely manner. Furthermore, the prices of fuels used in the manufacture and distribution of the Geberit Group's products, as well as the other materials used by the Geberit Group to produce the Geberit Group's products are subject to fluctuation.

The Geberit Group generally buys raw materials on a purchase order basis. The Geberit Group's inability to fully protect against fluctuations in the prices of raw materials renders the Geberit Group vulnerable to commodity price increases. Any hedges the Geberit Group may enter into may be ineffective in protecting it against fluctuations in prices. The Geberit Group's inability to purchase materials at commercially reasonable prices may cause its profit margins to decline and could adversely affect its business, financial condition and results of operations. In the event that the Geberit Group has entered into long-term forward purchase agreements with suppliers of raw materials and certain parts and components, if the price of such materials in the market subsequently declines, the Geberit Group may be at a competitive disadvantage to those producers who have not entered into such long-term arrangements.

Some of the Geberit Group's and Sanitec's manufacturing plants rely upon and consume significant amounts of energy, primarily gas and electricity, in order to operate. The Geberit Group remain exposed to fluctuations in energy prices and any increase in energy prices could have a material adverse effect on the Geberit Group's profitability.

While the Geberit Group carefully monitor the costs of the Geberit Group's raw materials, the Geberit Group may not always be able to find suitable substitutes in order to mitigate cost volatility or to increase the Geberit Group's product prices in response to increased commodity prices. If the prices of the commodities or of the energy the Geberit Group use to produce the Geberit Group's products increase, the Geberit Group may not be able to increase the Geberit Group's product prices in time to offset the Geberit Group's increased production costs, or at all, as the Geberit Group's ability to implement price increases is affected by the actions of the Geberit Group's competitors and by consumer demand. This would result in reduced margins. Even if the Geberit Group is able to pass on increases in raw material prices to the Geberit Group's customers, there may be a delay before such price increases for the Geberit Group's products can be

implemented. Price increases may also make the Geberit Group's products less competitive and adversely affect its market share, sales volumes and customer relationships.

The Geberit Group's business, financial condition and results of operations could be materially and adversely affected by disruptions in its supply chain

The Geberit Group purchases its raw materials and components from a number of national and international suppliers. While the supplier base to Geberit is broad, with approximately 1,200 active suppliers of raw materials and components, the ten largest suppliers of raw materials and components accounted for 28.5 per cent. of consolidated cost of materials of the Geberit Group (not including thousands of suppliers of indirect materials) in 2014. Similarly, the supply base at Sanitec is very broad. To protect against the risk of supply shortages, the Geberit Group maintains that broad base of suppliers, including multiple suppliers for key input materials. However, in a few instances, the Geberit Group purchases components from a single-source supplier and the Geberit Group remains susceptible to quality problems, supply shortages, price increases or disputes with these suppliers. There can be no assurance that the Geberit Group could in such cases find a suitable alternative product or supplier on commercially reasonable terms, or at all. As a result, supply shortages or price increases could materially and adversely affect the Geberit Group's business, financial condition and results of operations.

Any significant disruption, quality problems or other adverse event affecting the Geberit Group's relationship with any of its major suppliers could result in additional costs and adversely affect the Geberit Group's results of operations and financial condition. If the Geberit Group needs to replace any of its major suppliers, it may face risks and costs associated with a transfer of operations. In addition, a failure to replace any of the Geberit Group's major suppliers on commercially reasonable terms, or at all, could have a material adverse effect on its results of operations and financial condition.

The Geberit Group often deals with suppliers on a "purchase order" basis, often without a multi-year contract. The Geberit Group cannot be certain that its suppliers will continue to deal with it on the terms they currently do, that prices for raw materials and components will not increase, or that the Geberit Group will be able to purchase such supplies at prices that allow its products to be competitive, or at all. The Geberit Group's inability to obtain sufficient quantities of these raw materials and components, or to develop alternative sources if required, could result in delays and increased costs in the Geberit Group's operations or its inability to maintain its existing level of operations properly. Any of these occurrences could materially and adversely affect the Geberit Group's business, financial condition and results of operations.

The Geberit Group's results of operations are subject to currency fluctuations

Because the Geberit Group conducts its operations in various countries all over the world, its business is affected by fluctuations in foreign exchange rates between the Swiss franc and the currencies of those other countries in which the Geberit Group's operations are concentrated, especially the euro. The Geberit Group presents its financial statements in Swiss francs. As a result the Geberit Group must translate the assets, liabilities, revenue and expenses of all of its operations with functional currencies other than the Swiss franc into Swiss francs at then applicable exchange rates. Consequently, increases or decreases in the value of the Swiss franc may affect the value of these items with respect to the Geberit Group's non-Swiss franc businesses in its consolidated financial statements, even if their value has not changed in their original currency. For example, a stronger Swiss franc will reduce the reported results of operations of the non-Swiss franc businesses and conversely a weaker Swiss franc will increase the reported results of operations of the non-Swiss franc businesses. These translations could significantly affect the comparability of the Geberit Group's results between financial periods or result in significant changes to the carrying amounts of the Geberit Group's assets, liabilities and equity. In the past, the Geberit Group has not put in place hedges to mitigate foreign currency translation exposure, but it may do so in the future. The Geberit Group regularly monitors its exposure to foreign currency to determine if it is appropriate to put hedges in place or not. If the Geberit Group decides to hedge its currency exposure in future, it may not hedge all of its foreign currency risk and may not be able to hedge at favourable rates, or at all, and currency fluctuations may move in such a manner that causes the Geberit Group to incur losses on its hedging arrangements.

In addition, the Geberit Group faces a transaction risk from fluctuations between currencies. In the 2014 financial year, Geberit generated 87.1 per cent. of revenue from sales in currencies other than Swiss francs, particularly the euro. This share of non-Swiss franc denominated revenue from sales is expected to increase after the Geberit Group has integrated Sanitec. The Geberit Group's management believes that a substantial portion of the transaction risks of the Geberit Group's operations in multiple currencies is mitigated by the structural matching that occurs because many of its operating expenses, as well as many of its financial expenses, are incurred in the same currency in which the sales relating to such expenses are invoiced. However, in many jurisdictions, the Geberit Group is unable to match revenues received in foreign currencies with costs paid in the same currency, and its results of operations are consequently affected by currency exchange rate fluctuations. Large fluctuations in respective exchange rates, especially between the Swiss franc and the euro, could thus materially adversely affect the Geberit Group's operating margin.

Changes in foreign currency exchange rates can also affect the Geberit Group's ability to produce or sell its products at competitive prices and it may be at a competitive disadvantage with respect to local producers in certain markets if currency rates change in an unfavourable manner. If the Geberit Group is unable to manage its currency transaction and translation risks effectively, this could have a material adverse effect on its result of operations and financial condition.

If the Geberit Group does not adapt to changes in distribution channels in some of its markets, the Geberit Group's sales volume and profitability may be adversely affected

The Geberit Group distributes a majority portion of its products via wholesalers. The wholesale channel in many of the markets in which the Geberit Group operates is currently undergoing consolidation that may lead to a further concentration of the Geberit Group's customer base. In addition, there has been a trend towards increasing wholesale purchasing power through the formation of buying groups. Many of the Geberit Group's customers have also demonstrated an increased focus on working capital management and inventory reduction that has had, and may continue to have, an impact on the Geberit Group's sales. Finally, the Geberit Group has also seen some growth in internet-only sales channels in certain markets. As a result of all of these factors, the Geberit Group may face decreased sales volumes and increased price pressure, which could adversely affect its business, financial condition and results of operations.

In some of the Geberit Group's markets, Do-It-Yourself hardware stores (**DIY**) and other retail distribution channels have grown their share of the market. In some countries, for example, the United Kingdom and France, the DIY channel has historically been more focused on the lower-cost segment of the European sanitary technology and bathroom equipment market. If DIY and other retail distribution channels grow to constitute a greater portion of the Geberit Group's markets, and the Geberit Group is unable to respond or sell its products through them or other channels, the Geberit Group may lose market share, and its business, financial condition and results of operations may be materially and adversely affected.

The Geberit Group is exposed to local business risks in many different countries

The Geberit Group operates in numerous countries outside the Western European markets. A significant portion of the Geberit Group's sales and manufacturing operations are conducted in these countries. In addition, many of the Geberit Group's main suppliers are located in countries outside Western Europe.

The Geberit Group's business is subject to risks resulting from differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments in a variety of jurisdictions, including in emerging markets. These risks include, among other things: political instability (for example, the conflict between Ukraine and Russia, which could have an influence on the Geberit Group's business activities in those two countries, especially the ceramics production facilities in Ukraine); differing economic cycles and adverse economic conditions; disruption of the Geberit Group's operations; unexpected changes in regulatory environments; varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by the Geberit Group's partnerships; varying customs regimes and practices; expropriation or nationalisation; fluctuations in currency exchange rates; inability to collect payments or seek recourse under, or comply with, ambiguous or vague commercial or other laws; changes in

distribution and supply channels; insufficient protection against product piracy and other violations of the Geberit Group's intellectual property rights; foreign exchange controls and restrictions on repatriation of funds; and difficulties in attracting and retaining qualified management and employees, or streamlining the Geberit Group's work force. Sanctions may also be imposed in jurisdictions in which the Geberit Group operates, which may have a material adverse effect on its business in those jurisdictions.

The Geberit Group's overall success depends, to a considerable extent, on its ability to anticipate and effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments. There can be no assurance that the Geberit Group will continue to succeed in developing and implementing policies and strategies that will be effective in each location where it does business. Any failure to anticipate and effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments could have a material adverse effect on the Geberit Group's business, financial condition and results of operations.

Any negative impact on the reputation of, and value associated with, the Geberit Group's brand names could materially and adversely affect its business, financial condition and results of operations

With the acquisition of Sanitec the Geberit Group became a multi-brand company and its brand names represent an important asset of its business. Maintaining the reputation of, and the value associated with, the Geberit Group's brand names is central to the success of its business, and there can be no assurance that the Geberit Group will be able to accomplish this objective. The Geberit Group relies on the quality and consistency of its products, as well as marketing to strengthen its brand names. These marketing initiatives may prove to be ineffective. Significant negative publicity or widespread product recalls or other similar events could cause irreparable damage to the Geberit Group's brand names. Substantial erosion in the reputation of, or value associated with, the Geberit Group's brand names could have a material adverse effect on its business, financial condition and results of operations.

The Geberit Group could experience labour disputes that could disrupt its business

The Geberit Group's financial performance is affected by the availability of qualified personnel and the cost of labour. The Geberit Group is subject to the risk that strikes or other types of conflicts with personnel may arise. Furthermore, some of the Geberit Group's direct and indirect suppliers have unionised work forces. Strikes, work stoppages or slowdowns experienced by these or other suppliers could result in slowdowns or closures of facilities where components of the Geberit Group's products are manufactured. Any interruption in the production or delivery of the Geberit Group's products could reduce sales of its products and increase its costs, giving rise to a material adverse effect on the Geberit Group's business, financial condition and results of operations. These risks may be increased by certain of the initiatives the Geberit Group is undertaking in an effort to streamline its manufacturing operations.

The Geberit Group participates in distribution arrangements for Sanitec bathroom equipment products with unaffiliated third parties, specifically in Italy, Denmark, and the Baltic countries which subjects the Geberit Group to a variety of business risks

The Geberit Group conducts certain of its operations of the Sanitec bathroom equipment business, specifically in Italy, the Baltic countries and Denmark, through agency and/or distribution arrangements with third parties. The Geberit Group's plans with respect to its agency and distribution arrangements assume that its partners will observe their obligations with respect to the agency and distribution arrangements. In the event that any of the Geberit Group's partners do not observe their commitments, it is possible that the affected agency or distribution arrangement would not be able to operate in accordance with its business plans or that the Geberit Group would be required to increase its level of commitment in order to give effect to such plans. This may result in additional costs and may, in certain cases, harm the Geberit Group's reputation.

If the Geberit Group does not retain the Geberit Group's key personnel or attract and retain other highly skilled employees, the Geberit Group's business may be materially and adversely affected

The success of the Geberit Group's business is dependent on the leadership of its key management personnel, including CEO and other senior executives. The Geberit Group believes its future success will depend on the continued service of its key personnel and on its ability to continue to attract, motivate and retain highly skilled and qualified personnel. In particular, attracting and retaining key technical and engineering personnel is important due to the sophisticated technical and engineering aspects of the Geberit Group's business. If the Geberit Group loses key personnel, it could be difficult to replace them, and the Geberit Group's business, financial condition and results of operations could be adversely affected. In addition, the Geberit Group does not maintain key-man life insurance. The Geberit Group cannot assure investors that it will continue to be successful in attracting, retaining and motivating key personnel.

The Geberit Group is subject to numerous governmental regulations, including environmental laws, health and safety regulations and antitrust laws

As a business with international operations, the Geberit Group is subject to a number of international, national, regional and local environmental and occupational health and safety laws, rules and regulations relating to the protection of the environment and natural resources, including the management of hazardous substances and waste, air emissions including regulation of greenhouse gas emissions, water discharges, transportation, remediation of contamination and workplace health and safety. Compliance with these laws and regulations entails considerable costs and violation of these laws could result in substantial penalties, temporary or permanent production facility closures, criminal convictions and civil liability, the imposition of which could adversely affect the Geberit Group's business, financial condition and result of operations.

In addition, changes in existing environmental requirements or the discovery of as yet unidentified environmental liabilities associated with the Geberit Group's historical operations or the historical operations of any of its predecessors could require it to incur material costs or suspend or scale back operations temporarily or permanently.

Some of the Geberit Group's production facilities have asbestos-containing materials on-site, and a few of the Geberit Group's facilities, due to their long industrial history, have the potential for soil and groundwater contamination. Sanitec is also currently addressing certain permit issues at a number of its facilities.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities or sites without regard to causation or knowledge of contamination. The Geberit Group's liability for currently unknown clean-up costs could have a material adverse effect on its business, financial condition or results of operation. Moreover, regulatory authorities could suspend the Geberit Group's operations or refuse to renew the permits and authorisations that the Geberit Group requires to operate. They could also mandate upgrades or changes to the Geberit Group's processes that could result in significant costs. The Geberit Group anticipates that the countries where it does business will continue to develop increasingly strict environmental laws and regulations and to interpret and enforce existing laws and regulations more aggressively. This trend could have a material adverse effect on the Geberit Group's business, financial condition or results of operations.

In addition to laws and regulations affecting the Geberit Group's production sites and manufacturing processes, environmental legislation is increasingly affecting the Geberit Group's product portfolio by prohibiting or reducing the critical substances it can utilise. Such legislation (such as the European Union "REACH" regulation) can require such substances to be registered and analysed for safety, implementing recovery obligations for used packaging and products and requiring the improvement of the energy efficiency of products. Compliance with such laws and regulations entails considerable costs, and violation of these laws and regulations may adversely affect the Geberit Group's reputation as well as customer relationships and could result in substantial penalties and temporary or permanent prohibitions on the marketing and sale of certain products.

Antitrust regulations can also have a marked impact on the Geberit Group's business. There can be no assurance that, due to the existing competitive situation in many of the markets in which it is active, that the Geberit Group or certain of its subsidiaries or affiliates will not become subject to future antitrust investigations by the relevant authorities and will not be required to pay fines or be subject to claims for damages from third parties for violations of applicable antitrust laws. An unfavourable result in any potential future investigations and proceedings in connection with antitrust laws could have a material adverse effect on the Geberit Group's business, financial condition, results of operations and liquidity. In addition, the Geberit Group's involvement in such investigations and proceedings may adversely affect its reputation and customer relationships.

In June 2010, the European Commission fined 17 bathroom fittings and fixtures manufacturers, including Sanitec, a total of € 622.3 million for alleged participation in a price-fixing cartel covering six EU countries (Austria, Belgium, France, Germany, Italy and the Netherlands) over 12 years (1992-2004). According to the decision of the European Commission, the companies had engaged in illegal cartel conduct during meetings of 13 national trade associations and by way of other bilateral and multilateral contacts, through which they had fixed price increases, minimum prices and rebates, and exchanged sensitive business information, in contravention of EU antitrust regulations. On 16 September, 2013, the General Court of the European Union in Luxembourg partially annulled the European Commission decision from June 2010 as regards Sanitec in respect of the Commission's findings regarding France and Italy. The General Court's judgement reduced the fine imposed on Sanitec by approximately € 7.1 million from € 57.69 million to € 50.58 million. The original € 57.69 million fine was paid in full on 30 September 2010 and the balance was repaid to Sanitec on 25 October 2013. As announced by Sanitec on 3 December 2013, the European Commission has appealed against the judgement of the General Court of the European Union to the European Court of Justice. Pursuant to the appeal, the European Commission has requested that the Court of Justice reinstates the fines originally imposed. In case the European Commission is successful in its appeal, Sanitec may be obliged to repay the € 7.1 million amount received in late October 2013 and any applicable fees and interest in addition. No accrual has been made in this context in Sanitec's accounts. Besides the foregoing, there can be no assurance that Sanitec will not become subject to third party claims in respect of these matters and/or will not be required to make payments in settlement of such claims.

The Geberit Group is subject to risks from legal and administrative proceedings

In the ordinary course of the Geberit Group's business, it is involved in a number of legal and administrative proceedings, including tax proceedings, and could become involved in additional legal, arbitration or administrative proceedings in the future, which may involve substantial claims for damages or other payments, including damage claims by customers in connection with past or future violations of antitrust laws. The investigation, defence and resolution of these matters can be prolonged and costly. The outcome of the currently pending or potential future proceedings is difficult to predict with any certainty. In the event of a negative outcome of any material legal or arbitration proceeding, whether based on a judgement or a settlement agreement, the Geberit Group could be obliged to make substantial payments. In addition, the costs related to litigation and arbitration proceedings may be significant. The realisation of any of these risks could have a material adverse effect on the Geberit Group's business, financial condition and results of operations.

If the Geberit Group's intellectual property is misappropriated or subject to claims of infringement, its operations may be significantly and adversely affected

The maintenance and protection of the Geberit Group's brands is critical for its future success. In the past the Geberit Group has encountered product piracy, where its patent, trademark and design protection is less effective than in other markets. In these cases, other manufacturers have imitated the Geberit Group's products and sell their imitated products under a design or logo that could be mistaken for the Geberit Group's. In some cases, third parties in certain countries have even locally registered the Geberit Group's registered trademarks as their own. If the Geberit Group is not able to protect the Geberit Group's products and brands effectively, the Geberit Group's brands might not continue to be recognised for its high quality

by retailers, installers and specifiers, and residential and non-residential end-users. This could have a material adverse effect on the Geberit Group's business, financial condition and results of operations.

Protection of the Geberit Group's processes and other technology is also important to its business. The Geberit Group relies upon unpatented and patented proprietary expertise, continuing technological innovation and other trade secrets to develop and maintain its competitive position. In addition to protecting its intellectual property through patents, trademarks and registered designs, the Geberit Group also enters into confidentiality agreements with third-party developers. The Geberit Group cannot assure investors that its patents, trademarks and registered designs will provide meaningful protection for its processes and technology, that confidentiality agreements will not be breached, or that adequate remedies will be available in the event of an unauthorised use or disclosure of these trade secrets or proprietary know-how. In addition, the laws of many countries in which the Geberit Group sells its products do not protect intellectual property rights to the same extent as the laws of Western European countries or the United States. The maintenance of the full range of patent, trademark, utility model and registered design protection available in all relevant jurisdictions is cost prohibitive. As a result, the Geberit Group may not be able to prevent others from copying its products or from using its trademarks. The failure of the Geberit Group's intellectual property rights or confidentiality agreements to protect its processes, technology, designs, trade secrets or proprietary know-how could have a material adverse effect on its business, financial condition and results of operations.

The Geberit Group depends on its information technology systems to operate its business

The Geberit Group relies on the efficient and uninterrupted operation of its various computer and communications systems to operate and monitor aspects of its business, including production systems, assembly lines, sales, warehousing, distribution, purchasing, and inventory control. A significant breakdown or other disruption to the Geberit Group's computer and communications systems could affect its ability to manage its information technology systems and conduct its operations at production facilities, or invoice and deliver products to customers, which in turn could materially and adversely affect the Geberit Group's sales, financial condition and results of operations.

The Geberit Group may incur material costs as a result of warranty and product liability claims, which could materially and adversely affect the Geberit Group's business, financial condition and results of operations

The Geberit Group's products are subject to express and implied warranty claims. The Geberit Group may in the future incur significant losses if it is subject to substantial warranty claims. Defects in the Geberit Group's products may result in product liability claims, product recalls, adverse customer reaction and negative publicity about the Geberit Group or its products. In addition, the Geberit Group sources some of the components of its products and finished goods from third-party suppliers. If any of these components or finished goods are defective, and the Geberit Group consequently becomes subject to warranty or other claims as a result, it may be unable to recover any claims or losses from such third-party suppliers, or they may not be adequately covered by insurance. Certain of the Geberit Group's products also operate at high water temperatures and use significant water pressure, and certain of its products (including shower toilets) include electrical components and accordingly, product failures could result in substantial harm to people (both end consumers and plumbers who install products) or property. While the Geberit Group have product liability insurance, it cannot assure investors that such insurance will cover any such matter, or that such insurance will continue to be available on economically reasonable terms, if at all. The occurrence of any of these events could have a material adverse effect on the Geberit Group's business, financial condition and results of operations.

The Geberit Group may not be able to successfully manage its future growth

Over the past decade, the Geberit Group has expanded its business through both organic growth and selected acquisitions of related businesses. This growth and other changes have placed and will continue to place a strain on the Geberit Group's management systems, infrastructure and resources. The Geberit Group's ability to manage this growth and integrate operations, technologies, products and personnel, depends on its

administrative, financial and operational controls and the Geberit Group's ability to create the infrastructure necessary to serve its expected growth and its financial capabilities. In order to compete effectively and to grow and manage its business profitably, the Geberit Group will need, on a timely basis, to maintain and improve its financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire a qualified workforce that it can train and manage. The failure or delay of its management in responding to these challenges could have a material adverse effect on the Geberit Group's business, financial condition and result of operations.

The Geberit Group's actual performance may differ materially from the long-term financial targets

The Geberit Group's and Sanitec's long-term financial targets are subject to considerable uncertainty. The long-term financial targets are based upon a number of assumptions relating to, among others, the development of the Geberit Group's industry, business, results of operations and financial condition. The Geberit Group's actual business, results of operations and financial condition, and the development of the industry and the macro-economic environment in which it operates, may differ materially from, and be more negative than, those assumed by the Geberit Group when preparing its long-term financial targets. As a result, the Geberit Group's ability to reach these long-term financial targets is subject to uncertainties and contingencies, some of which are beyond the Geberit Group's control, and no assurance can be given that it will be able to reach these targets or that its financial condition or results of operations will not be materially different from the long-term financial targets that the Geberit Group has set.

The Issuer and the Guarantor are both holding companies with no material business or operations of their own

Each of the Issuer and Guarantor are holding companies with no material businesses or operations of their own. As holding companies, the Issuer and Guarantor will depend upon cash flows received from its subsidiaries to meet its payment obligations under the Notes and the Guarantee. Since the creditors of any subsidiary of the Guarantor generally would have a right to receive payment that is superior to the Guarantor's right to receive payment from the assets of that subsidiary, holders of the Notes will be effectively subordinated to creditors of those subsidiaries insofar as cash flows from those subsidiaries are relevant to the Notes. The terms and conditions of the Notes do not limit the amount of liabilities that Geberit Group subsidiaries may incur. In addition, the Issuer and Guarantor may not necessarily have access to the full amount of cash flows generated by their respective operating subsidiaries, due in particular to legal or tax constraints, contractual restrictions and the subsidiary's financial requirements.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes may be redeemed prior to maturity for tax reasons or at the option of the Issuer

In the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or Switzerland or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions of the Notes.

The Issuer also has the option to redeem Notes on 15 December 2020. An optional redemption feature of Notes may limit their market value. During any period when the Issuer may elect, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

On any such redemption of the Notes, it may not be possible for a Noteholder to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and this may only be possible at a significantly lower rate.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safe-keeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the common safe-keeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders.

A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders, substitute another company as principal debtor under the Notes in its place, in the circumstances and subject to the Conditions described in Condition 14 (*Substitution*).

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, (the **Savings Directive**) Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above.(the **Amending Directive**) Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or paid subject to withholding. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If an amount of, or in respect of, tax were to be withheld from a payment in respect of any Note as a result of (i) such payment being made or collected through a Member State which has opted for a withholding system or (ii) any agreements between the European Community and other countries or territories providing for measures equivalent or taxation according to principles similar to those laid down in the Savings Directive, including the Agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC, as amended, or any law implementing or complying with, or introduced in order to conform to, such Directive. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Proposed Amendment of Swiss Federal Withholding Tax Act

On 17 December 2014, the Swiss Federal Council opened a public consultation process (until 31 March 2015) regarding a possible amendment to the Swiss Federal Withholding Tax Act. The amendment, if enacted as proposed, may require a Swiss domestic paying agent (as defined in the amendment) to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of the Notes to Swiss resident persons being the beneficial owners of the Notes. If this legislation, either in the form initiated by the Swiss Federal Council on 17 December 2014 or in a substantially different form, or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from a payment, neither the relevant Issuer, nor the Guarantor, any paying agent nor any other person would pursuant to the Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of €100,000 or its equivalent plus one or more higher integral multiples of €1,000 or its equivalent. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000 or its equivalent. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000 or its equivalent in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000 or its equivalent.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 or its equivalent may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Although application has been made for the Notes to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to

devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes, which are fixed rate obligations, involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit ratings may not reflect all risks

S&P has assigned credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could affect the trading price of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2014 and 31 December 2013, together with the audit report thereon which have been previously published or are published simultaneously with this Offering Circular and which have been filed with the Irish Stock Exchange.

The following documents shall be incorporated in, and form part of, this Offering Circular:

- (a) the report of the statutory auditor and audited consolidated annual financial statements for the financial year ended 31 December, 2014 of the Guarantor set out in the Annual Report 2014, including the information set out at the following pages in particular:

Consolidated Balance Sheets	Page 91
Consolidated Income Statements	Page 92
Consolidated Statements of Comprehensive Income	Page 93
Statements of Changes in Equity	Page 94
Consolidated Statements of Cashflows	Page 95
Notes to the Consolidated Financial Statements	Pages 96 to 126
Report of the Statutory Auditor	Page 127

- (b) the report of the statutory auditor and audited consolidated annual financial statements for the financial year ended 31 December 2013 of the Guarantor set out in the Annual Report 2013, including the information set out at the following pages in particular:

Consolidated Balance Sheets	Page 87
Consolidated Income Statements	Page 88
Consolidated Statements of Comprehensive Income	Page 89
Statements of Changes in Equity	Page 90
Consolidated Statements of Cashflows	Page 91
Notes to the Consolidated Financial Statements	Pages 92 to 117
Report of the Statutory Auditor	Page 118

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular. In each case, where only certain sections of a document referred to above are incorporated by reference in the Offering Circular, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Notes or are covered elsewhere in this Offering Circular.

Any statement contained in a document which is incorporated by reference in this Offering Circular shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any

statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Documents incorporated by reference in this Offering Circular will be made available in electronic form on the website of the Guarantor at www.Geberit.com.

Neither the content of the Guarantor's website nor any other website nor the content of any website accessible from hyperlinks on Guarantor's website nor any other website is incorporated into, or forms part of, this Offering Circular.

The Guarantor has applied International Financial Reporting Standards as issued by the International Accounting Standards Board (**IFRS**) in the consolidated financial statements incorporated by reference above. A summary of the significant accounting policies for the Guarantor is included in each of the Annual Reports.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The issue of €500,000,000 0.688 per cent. Guaranteed Notes due 30 March 2021 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes of Geberit International B.V. (the **Issuer**) was authorised by a resolution of the Issuer's Board of Directors passed on 3 March 2015 and by a resolution of the Board of Directors of Geberit AG as guarantor (the **Guarantor**) passed on 9 December 2014. The Notes are issued subject to and with the benefit of an Agency Agreement dated 30 March 2015 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, the Guarantor, HSBC Bank plc as fiscal agent and principal paying agent (the **Fiscal Agent**) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons**) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with Coupons attached on issue. No Notes in definitive form will be issued with a denomination above €199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, the Guarantor and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer nor shall they be liable for so treating the bearer.

2. STATUS

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. GUARANTEE

3.1 Guarantee

The due payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the **Guarantee**) dated 30 March 2015 and executed by the Guarantor, subject to the limitation provided therein

3.2 Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement):

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
 - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
 - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will ensure that no Relevant Indebtedness of the Guarantor or any of its Subsidiaries (as defined below) will be secured by any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor or any of its Subsidiaries unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
 - (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
 - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders

save that the Issuer, the Guarantor or any of its Subsidiaries may create or permit to subsist a Permitted Security Interest.

4.2 Interpretation

For the purposes of these Conditions:

- (a) **Permitted Security Interest** means:
- (i) any Security Interest arising by operation of law (or by contract having an equivalent effect);
 - (ii) any Security Interest in respect of the assets or revenues of a company acquired by the Guarantor or any of its Subsidiaries (the Guarantor and its Subsidiaries from time to time, taken together, the **Geberit Group**) after 30 March 2015, provided that (i) such Security Interest was existing or agreed to be created at or before the time the relevant company became a member of the Geberit Group, (ii) such Security Interest was not created in contemplation of such acquisition, (iii) the principal amount then secured is not exceeded or increased and (iv) the then repayment date of the amount secured is not extended;
- (b) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity of any such indebtedness; and
- (c) **Subsidiary** means, in relation to the Issuer or the Guarantor, any company (i) in which the Issuer or, as the case may be, the Guarantor holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Guarantor is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or as the case may be, the Guarantor is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the Guarantor.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 30 March 2015 at the rate of 0.688 per cent. per annum, payable annually in arrear on 30 March in each year (each an **Interest Payment Date**) commencing on 30 March 2016.

The amount of interest payable on each Interest Payment Date shall be €6.88 per €1,000 in principal amount of the Notes.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue (both before and after judgement) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12 (*Notices*).

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

6. PAYMENTS

6.1 Payments in respect of Notes and Coupons

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9 (*Prescription*)), but not thereafter.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 9 (*Prescription*)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and **Target2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto, is open.

6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority or authorities);
- (c) the Issuer maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC, as amended or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

Notice of any termination or appointment and of any changes in specified offices given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 30 March 2021.

7.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 26 March 2015, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and

- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor stating that the Issuer, as the case may be, the Guarantor is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal advisers to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

7.3 Redemption at the option of the Issuer

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Fiscal Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on 15 December 2020 at their principal amount together with interest accrued to the date of redemption.

7.4 Redemption following Change of Control

If a Change of Control Put Event occurs, each Noteholder will have the option (a **Change of Control Put Option**) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 7.2 or Condition 7.3) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at their principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A **Change of Control Put Event** will be deemed to occur if:

- (a) any person or any persons acting in concert (as defined below) directly or indirectly acquire (A) more than 50 per cent. of the issued share capital of the Guarantor or (B) shares in the capital of the Guarantor carrying more than 50 per cent. of the total voting rights attributable to the entire issued share capital of the Guarantor and which may be exercised at a general meeting of the Guarantor (each such event being a **Change of Control**); and
- (b) on the date (the **Relevant Announcement Date**) of the first public announcement of the relevant Change of Control the Notes carry:
 - (i) an Investment Grade Rating from any Rating Agency and such Rating is, within the Change of Control Period, either downgraded to a non-investment grade rating (BB+, or equivalent, or worse) (a **Non-Investment Grade Rating**) or withdrawn

and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or

- (ii) a Non-Investment Grade Rating from any Rating Agency and such Rating is, within the Change of Control Period, either downgraded by one or more rating categories (by way of example, BB+ to BB being one rating category) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier Rating or better by such Rating Agency; or
- (iii) no Rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that (X) if at the time of the occurrence of the Change of Control the Notes carry a Rating from more than one Rating Agency, at least one of which is Investment Grade, then sub paragraph (i) above will apply and (Y) no Change of Control Put Event will be deemed to occur if at the time of the occurrence of the Change of Control the Notes carry a Rating from more than one Rating Agency and less than all of such Rating Agencies downgrade or withdraw such Rating as described in sub paragraphs (i) and (ii) above; and

- (c) in making any decision to downgrade or withdraw a Rating pursuant to sub paragraphs (i) and (ii) above or not to award a Rating of at least Investment Grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer and/or the Guarantor that such decision(s) resulted, in whole or predominantly, from the occurrence of the Change of Control.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 12 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent, falling within the period (the **Change of Control Put Period**) of 30 days (or such other period as may be specified hereon) after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**).

The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent, Registrar or Transfer Agent, as the case may be. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If two-thirds or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the

remaining outstanding Notes at their principal amount together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any Rating Agency are changed from those which are described in the definition of “Investment Grade Rating” below or in paragraph (b) of the definition of “Change of Control Put Event” above, or if a Rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of the relevant Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of such Rating Agency and this Condition shall be construed accordingly.

In this Condition:

acting in concert means acting together pursuant to an agreement or understanding (whether formal or informal);

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 90 days after the Relevant Announcement Date;

Change of Control Put Date shall be the date which is 14 days after the expiration of the Change of Control Put Period;

Investment Grade Rating means BBB- (in the case of S&P) or the equivalent rating level of any other Substitute Rating Agency or higher;

a **Negative Rating Event** shall be deemed to have occurred if at such time as there is no Rating assigned to the Notes by a Rating Agency, (i) the Guarantor does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a Rating or a rating of any other unsecured and unsubordinated debt of, or guaranteed by, the Guarantor or (ii) if the Guarantor does so seek and use such endeavours, it is unable to obtain such a Rating or rating of at least Investment Grade by the end of the Change of Control Period;

Rating means a rating of the Notes;

Rating Agency means S&P or any of its successors or any rating agency substituted for, or added to, it by the Issuer and/or the Guarantor from time to time (a **Substitute Rating Agency**); and

S&P means Standard & Poor’s Credit Market Services Europe Limited.

7.5 Purchases

The Issuer, the Guarantor or any of their respective Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

7.6 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

7.7 Notices Final

Upon the expiry of any notice as is referred to in paragraphs 7.2 and 7.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment in respect of Notes or under the Guarantee is requested; or
- (c) presented for payment in The Netherlands or Switzerland; or
- (d) where such withholding or deduction is (i) imposed on a payment to an individual or any residual entity and is required to be made pursuant to European Council Directive 2003/48/EC, as amended (the **Savings Directive**) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, including the Agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004 (the **EU - Swiss Savings Tax Agreement**) providing for measures equivalent to those laid down in the Savings Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, the EU - Swiss Savings Tax Agreement, or (ii) pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the Savings Directive, or (iii) imposed on a payment and is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down (y) in the Savings Directive or (z) in the draft legislation proposed by the Swiss Federal Council on 17 December 2014, in particular the principle to have a person other than the Issuer or Guarantor withhold or deduct tax, including, without limitation, any paying agent; or
- (e) where such withholding or deduction is required to be made pursuant to an agreement between Switzerland and other countries on final withholding taxes (*Abgeltungssteuer*)

levied in respect of persons resident in the other country on capital gains and certain income items; or

- (f) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (g) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6 (*Payments*)).

8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and
- (b) **Relevant Jurisdiction** means The Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Switzerland or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor).

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Claims in respect of principal and interest will become void unless presentation for payment is made within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments*).

10. EVENTS OF DEFAULT

10.1 Events of Default

If any of the following events or circumstances (each an **Event of Default**) occur in relation to the Notes, namely:

- (a) *Non-payment*

default is made in any payment of interest due in respect of any Note for a period of more than 21 days after the date on which the same shall have become due and payable; or

- (b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its other obligations under the Notes, which default continues for 90 days after written notice requiring such default to be remedied shall have been given by any Noteholder to the Issuer or the Guarantor defaults in

the performance or observance of any of its other obligations set out in the Guarantee which default continues for 90 days after written notice requiring such default to be remedied shall have been given by any Noteholder to the Guarantor; or

(c) *Cross default:*

the Issuer, the Guarantor or any Material Subsidiary fails to pay, when due, either at final stated maturity (if the failure lasts for more than 30 calendar days), upon redemption, upon exercise of a repurchase right, upon acceleration or otherwise, any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Material Subsidiary in excess of CHF30,000,000 principal amount under any bond, debenture, note or other evidence of Indebtedness, or a default under any such bond, debenture, note or other evidence of Indebtedness has resulted in the acceleration prior to the final stated maturity of the principal amount thereof in excess of CHF30,000,000; or

(d) *Bankruptcy, insolvency or reorganisation:*

(1) in the case of the Issuer:

- (i) the Issuer is adjudicated to be bankrupt, subject to emergency measures within the meaning of paragraph 3.5.5 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) (the **FMSA**) or unable to pay its debts as they fall due or applies for a *surséance van betaling* or *faillissement* (within the meaning of the Bankruptcy Act of The Netherlands) in respect of itself or the whole or any part of its undertaking, property, assets or revenues or takes any proceeding under any law rescheduling of any of its indebtedness or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors with a view to rescheduling any of its indebtedness or stops or threatens to cease to carry on all or substantially all of its business (provided that a transfer by the Issuer of shares in, or the undertaking and assets of, a Subsidiary to another member of the Geberit Group shall not constitute a cessation of business for these purposes); or
- (ii) an order is made or an effective resolution passed for the winding-up of the Issuer; or

(2) in the case of the Guarantor:

- (i) the Guarantor becomes bankrupt or is unable to pay its debts as they mature, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*) or the Guarantor takes any proceeding under any applicable law for rescheduling of any of its indebtedness or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors with a view to rescheduling any of its indebtedness or stops or threatens to cease to carry on all or substantially all of its business (provided that a transfer by the Guarantor of shares in, or the undertaking and assets of, a Subsidiary to another member of the Geberit Group shall not constitute a cessation of business for these purposes); or
- (ii) an order is made or an effective resolution passed for the winding-up of the Guarantor; or

- (iii) any event or circumstance shall occur under the laws of Switzerland in relation to the Guarantor which is analogous to any event or circumstance described in either of sub paragraphs (2)(i) or (ii) above; or
 - (3) in the event that a Substituted Debtor (as defined in Condition 14 (*Substitution*)) shall have become the principal debtor in respect of the Notes pursuant to Condition 14 (*Substitution*)) and such Substituted Debtor is incorporated in The Netherlands then paragraphs (d)(1)(i) and (d)(1)(ii) above shall apply as appropriate as if such Substituted Debtor were the Issuer; or,
 - (4) if the Substituted Debtor is incorporated in a country other than The Netherlands:
 - (i) such Substituted Debtor becomes bankrupt or is unable to pay its debts as they mature or an application is made under any applicable liquidation, insolvency, composition, reorganisation or similar laws or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official in respect of such Substituted Debtor or the whole or any part of the undertaking, property, assets or revenues of such Substituted Debtor or such Substituted Debtor takes any proceeding under any applicable law for a the rescheduling of any of its indebtedness or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors with a view to rescheduling any of its indebtedness or stops or threatens to cease to carry on all or substantially all of its business (provided that a transfer by the Substituted Debtor of shares in, or the undertaking and assets of a Subsidiary to, another member of the Geberit Group shall not constitute a cessation of business for these purposes); or
 - (ii) an order is made or an effective resolution passed for the winding-up of such Substituted Debtor; or
 - (iii) any event or circumstance shall occur under the laws of any applicable jurisdiction in relation to the Substituted Debtor which is analogous to any event or circumstance described in either of sub-paragraphs (4)(i) or (ii) above; or
 - (e) the Guarantee is not (or is claimed by the Guarantor, not to be) in full force and effect,
- the holder of any Note may give written notice to the Issuer and the Guarantor that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment.

10.2 Interpretation

For the purposes of this Condition:

- (a) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit;
- (b) a **Material Subsidiary** means any member of the Geberit Group that is:
 - (i) the Issuer or the Guarantor; or

- (ii) a Subsidiary of the Guarantor that (on an unconsolidated basis) accounts, at any given time, for five per cent. or more of the Geberit Group's consolidated gross assets and net assets or consolidated sales or consolidated EBITDA of the Geberit Group;
- (c) **EBITDA** means, in respect of the Geberit Group for any Measurement Period, the consolidated net income of the Geberit Group during such period before:
 - (i) any provisions or payments on account of taxation during such period;
 - (ii) any interest, commissions, discounts, premia and other fees incurred or received or receivable by any member of the Geberit Group in respect of consolidated Financial Indebtedness (including, without limitation, the Total Interest Costs) during such period;
 - (iii) any amount attributable to amortisation of intangible assets, amortisation, or the writing off of acquisition costs and any deduction for depreciation during such period;
 - (iv) any amounts paid or received pursuant to hedging arrangements during such period;
 - (v) realised and unrealised exchange gains and losses including, without limit, those arising on translation of currency borrowing;
 - (vi) any amount attributable to the writing up or writing down of any assets of any member of the Geberit Group, or, in the case of a company becoming a member of the Geberit Group after the date of these Conditions, after the date of it becoming a member of the Geberit Group during such period;
 - (vii) items treated as extraordinary or exceptional items in any such period; and
 - (viii) any Acquisition Costs,

and for the purposes of the foregoing no item shall be effectively taken into account more than once and all items shall be determined on a consolidated basis and (subject only as may be required in order to reflect the express inclusion or exclusion of items as specified in this definition) in accordance with International Financial Reporting Standards (**IFRS**) and as determined from the consolidated accounts of the Geberit Group for such Measurement Period, provided that no amount shall be effectively taken into account more than once in determining EBITDA;

- (d) **Measurement Period** means any period comprising an annual accounting period of the Geberit Group or four consecutive quarterly accounting periods (taken together as one period) of the Geberit Group;
- (e) **Financial Indebtedness** means any indebtedness for or in respect of:
 - (i) moneys borrowed;
 - (ii) any amount raised by acceptance under any acceptance credit facility;
 - (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease (for the avoidance of doubt, any liability in respect of operational leases shall not qualify as Financial Indebtedness for the purpose of these Conditions);
 - (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
 - (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
 - (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
 - (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
 - (ix) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (viii) above.
- (f) **Total Interest Costs** means, in respect of the Geberit Group, for any Measurement Period interest and amounts in the nature of interest paid or payable in respect of any Financial Indebtedness of any member of the Geberit Group (excluding any interest paid or payable on Financial Indebtedness between any member of the Geberit Group and any other member of the Geberit Group) calculated on a consolidated basis and including without double counting:
- (i) the interest element of finance leases;
 - (ii) discount and acceptance fees payable (or deducted) in respect of any Financial Indebtedness;
 - (iii) fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss which constitutes Financial Indebtedness and which is issued by a third party on behalf of a member of the Geberit Group;
 - (iv) repayment and prepayment premiums payable or incurred in repaying or prepaying any Financial Indebtedness;
 - (v) commitment, utilisation and non-utilisation fees payable or incurred in respect of Financial Indebtedness; and
 - (vi) any amount payable by members of the Geberit Group under hedging agreements in relation to that accounting period; and
- (g) **Acquisition Costs** means all fees, costs and expenses (and taxes on them), stamp registration and other taxes incurred (or required to be paid) by the Guarantor or any other member of the Geberit Group in connection with an acquisition.

10.3 Reports

A report by two directors or duly authorised members of the executive team of the Guarantor that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or the Guarantor may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. NOTICES

12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

13. MEETINGS OF NOTEHOLDERS AND MODIFICATION

13.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

13.2 Modification

The parties to the Agency Agreement may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of correcting any manifest or proven error contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders as determined by the Issuer and the Guarantor. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

14. SUBSTITUTION

14.1 Conditions Precedent to Substitution

The Issuer or any previously substituted company may, without the consent of the Noteholders or the Couponholders be replaced and substituted by the Guarantor or a Subsidiary of the Guarantor as principal debtor (the **Substituted Debtor**) in respect of the Notes provided that:

- (a) a deed poll in or substantially in the form scheduled to the Agency Agreement and such other documents (if any) shall be executed by the Substituted Debtor as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute);
- (b) where the Substitute Debtor is not the Guarantor, no substitution shall take effect unless the Guarantee is fully effective in relation to the obligations of the Substituted Debtor or an equivalent guarantee is entered into;
- (c) without prejudice to the generality of subparagraph 14.1(a) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 (*Taxation*) with the substitution for the references to The Netherlands of references to the territory or territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes;
- (d) the Documents shall contain a warranty and representation by the Substituted Debtor (i) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (ii) that the obligations assumed by the Substituted Debtor under the Documents are all legal, valid and binding in accordance with their respective terms;
- (e) each stock exchange on which the Notes are listed shall have confirmed that following the proposed substitution of the Substituted Debtor the Notes will continue to be listed on such stock exchange;
- (f) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Substituted Debtor to the effect that the Documents constitute legal, valid and binding

obligations of the Substituted Debtor, such opinion to be dated not more than 15 days prior to the date of the substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent;

- (g) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent; the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent; and
- (h) the Substituted Debtor shall have appointed the process agent appointed by the Issuer in Condition 16 (*Governing Law and Submission to Jurisdiction*) or another person with an office in England as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes.

The Fiscal Agent shall have no responsibility for (i) reviewing the adequacy or completeness of any documents provided pursuant to paragraphs (a) to (h) above or; (ii) verifying or confirming that the conditions in paragraphs (a) to (h) above have been satisfied.

14.2 Assumption by Substitute Debtor

Upon execution of the Documents as referred to in paragraph 14.1 above, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes.

14.3 Deposit of Documents

The Documents shall be deposited with and held by the Fiscal Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor shall acknowledge in the Documents the right of every Noteholder to production of the Documents for the enforcement of any of the Notes or the Documents.

14.4 Notice of Substitution

Not less than 15 days after execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 12 (*Notices*).

15. FURTHER ISSUES

The Issuer may, from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, so that such further notes shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at their time of issue.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing Law

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law. The Guarantee, and any non-contractual obligations arising out of or in connection with it, are governed by and will be construed in accordance with the substantive laws of Switzerland (without regard to the conflict of laws rules).

16.2 Jurisdiction

The Issuer has irrevocably agreed for the benefit of the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes or the Coupons (a **Dispute**) and accordingly have submitted to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent allowed by law, the Noteholders and the Couponholders may in respect of any Dispute or Disputes, take (i) proceedings in any other court of competent jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

All disputes arising out of or in connection with the Guarantee, including any dispute relating to any non-contractual obligations arising out of or in connection with the Guarantee, shall be resolved exclusively by the courts of Zurich, Canton of Zurich, Switzerland.

16.3 Appointment of Process Agent

The Issuer and the Guarantor hereby irrevocably and unconditionally appoint Geberit Sales Limited, Geberit House, Academy Drive, Warwick, Warwickshire, CV34 6QZ United Kingdom at its registered office for the time being as its agent for service of process in England in respect of any Proceedings and undertake that in the event of such agent ceasing so to act they will appoint another person as its agent for that purpose.

16.4 Other Documents

Each of the Issuer and the Guarantor has in the Agency Agreement submitted to the exclusive jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above and the Guarantor has, in the Guarantee, submitted to the exclusive jurisdiction of the courts of Zurich, Canton of Zurich, Switzerland. These submissions are made for the benefit of the Noteholders and the Couponholders and, to the extent allowed by law, shall not limit the right of any of them in respect of any Dispute or Disputes, to take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions provided that any dispute or disputes arising out of or in connection with the Guarantee shall be resolved exclusively by the courts of Zurich, Canton of Zurich, Switzerland.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.*

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

- (a) an event of default (as set out in Condition 10 (*Events of Default*)) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form,

(each, an **Exchange Event**).

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 9 May 2015, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other

Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 12 (*Notices*) provided that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notices to the Issuer pursuant to Condition 10 (*Events of Default*)) other than with respect to the payment of principal and interest on the principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (*Taxation*)).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by reducing the principal amount of the relevant Global Note in the records of the relevant clearing systems.

7. Put Option

For so long as all of the Notes are represented by a Global Note and such Global Note is held on behalf of a relevant Clearing System, the option of the Noteholders provided for in Condition 7.4

(Redemption following Change of Control) may be exercised by an Accountholder giving notice to the Fiscal Agent in accordance with the standard procedure of the relevant Clearing System (which may include notice being given on his instruction by a relevant Clearing System or any common safe-keeper for them to the Fiscal Agent by electronic means) and in a form acceptable to the relevant Clearing Systems of the principal amount of the Notes in respect of which such option is exercised within the time limits set forth in that Condition. Upon redemption of any Note represented by a Global Note pursuant to Condition 7.4 *(Redemption following Change of Control)* the Issuer shall procure that the portion of the principal amount of the relevant Global Note redeemed shall be entered *pro rata* in the records of the relevant clearing systems.

8. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

FORM OF GUARANTEE

This guarantee (the **Guarantee**) dated 30 March 2015 is entered into by

Geberit AG, Rapperswil-Jona, Switzerland (the **Guarantor**)

For the benefit of the

Holders of the EUR 500,000,000 0.688 per cent. guaranteed notes due 30 March 2021 (the **Notes**), issued by Geberit International B.V. and guaranteed by Geberit AG (the **Holders**)

WHEREAS,

- (a) Geberit International B.V. (the **Issuer**) and the Guarantor have entered into a subscription agreement dated 26 March 2015 (the **Subscription Agreement**) with the managers named therein; and
- (b) the Guarantor has agreed to guarantee the payment of principal, interest and all other amounts payable by the Issuer to the Holders.

NOW THEREFORE, the Guarantor undertakes as follows:

1. The Guarantor hereby irrevocably and unconditionally guarantees, in accordance with the terms of Article 111 of the Swiss Code of Obligations and the terms hereof, as primary obligor and not merely as a surety, irrespective of the validity and the legal effects of the Notes and waiving all rights of objection and defence arising from the Notes, to the Holders the due and punctual payment of principal, interest and all other amounts payable by the Issuer under the Notes as and when the same shall become due according to the terms and conditions of the Notes (the **Conditions**), and accordingly undertakes to pay such Holders, in the manner and the currency set forth in the terms and conditions of the Notes any amount or amounts which the Issuer is at any time liable in respect of the Notes and which the Issuer has failed to pay.
2. Subject as specified in Condition 4 (*Negative Pledge*), this Guarantee constitutes direct, unsecured and unsubordinated obligations of the Guarantor ranking *pari passu* with all its other unsecured and unsubordinated obligations in respect of money borrowed, raised, guaranteed or otherwise secured by the Guarantor, save for such obligations as may be mandatorily preferred by law.
3. This Guarantee is and will remain in full force and effect regardless of any amendment to the Conditions or any of the Issuer's obligations under any of them. It will remain valid until all amounts of principal, interest and other amounts payable in relation to the Notes are paid in full, subject to the provisions set out in Clause 2.
4. The Guarantor agrees that it shall comply with and be bound by those provisions contained in Condition 3 (*Guarantee*), Condition 4 (*Negative Pledge*), Condition 6.6 (*Initial Paying Agents*) and Condition 8 (*Taxation*) insofar as the same relate to the Guarantor.
5. Each notice or demand under this Guarantee shall be made in writing, in English, and sent by fax or mail to the Guarantor at the address, for the attention of the person, from time to time designated by the Guarantor for the purposes of this Guarantee. Any such notice or demand shall be effective when actually received by such addressee. The address, attention and telefax number of the Guarantor for notices or demands under this Guarantee for the time being are as follows:

Geberit AG
Schachenstrasse 77

8645 Rapperswil-Jona
Switzerland
Fax: +41 55 221 65 15
Attention: Group Treasurer

6. This Guarantee, and any non-contractual obligations arising out of or in connection with it, are governed by and will be construed in accordance with the substantive laws of Switzerland (without regard to the conflict of laws rules).
7. All disputes arising out of or in connection with this Guarantee, including any dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee, shall be resolved exclusively by the courts of Zurich, Canton of Zurich, Switzerland.
8. Terms and expressions not otherwise defined in this Guarantee shall have the same meaning as in the Conditions.

Dated 30 March 2015

GEBERIT AG

By: _____
Name: _____
Function: _____

By: _____
Name: _____
Function: _____

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied outside Switzerland by the Issuer to repay or refinance existing indebtedness of the Geberit Group, including for the purposes of repaying borrowings incurred (including from the Managers) in connection with the offer to acquire all of the shares of Sanitec as further described on page 56.

DESCRIPTION OF GEBERIT INTERNATIONAL B.V.

Introduction

Geberit International B.V. (**Geberit International**) was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 16 November 2004. Geberit International is registered with the trade register of the Chamber of Commerce under registration number 30199970. The statutory seat (*statutaire zetel*) of Geberit International is at Nieuwegein, The Netherlands, its registered office is at Fultonbaan 15, 3439 NE Nieuwegein, The Netherlands and its telephone number is +31 30 6057700.

Business Activity

The principal object of Geberit International is set out in article 3 of its articles of association (*statuten*), the most recent version dated 30 December 2014 and is, inter alia, to acquire shares in, to manage and to finance other enterprises and companies in whichever way and to do all that is connected therewith or may be conducive thereto. As such, Geberit International is, inter alia, authorised to issue the Notes and to finance its business, including entering into the Indenture and the other transaction documents to which it is or will be a party. Geberit International provides a range of treasury management services and acts as a financing vehicle for the Geberit Group in the international capital markets. Geberit AG has provided a guarantee in connection with the Notes to be issued by Geberit International in accordance with the Conditions, which shall be the sole credit support in connection with the Notes.

Management

Geberit International has a Board of Directors (*bestuur*) and no supervisory board. The following table sets forth the members of the Board of Directors at the date of this Offering Circular:

Board of Directors	Position	Principal activities performed outside Geberit International
Roland Iff	Director	CFO, Geberit Group
Robertus Gerardus Martinus Tervoort	Director	Financial Manager, Geberit B.V.
Sije Meindert Portengen	Director	Managing Director, Geberit B.V.
Rudolf Eberhard	Director	Managing Director, Geberit Verwaltungs AG

The business address of the members of the Board of Directors is at Fultonbaan 15, 3439 NE Nieuwegein, The Netherlands.

Conflicts of Interest

There are no actual conflicts of interest or potential conflicts of interest between the duties owed by the members of the Board of Directors to Geberit International and their private interests or other duties.

Financial Information

Geberit International is an indirect wholly-owned subsidiary of Geberit AG. The financial statements of Geberit International are consolidated into the consolidated financial statements of the Geberit Group. The Geberit group of companies is more fully described under “Description of Geberit AG and the Geberit Group”.

Geberit International's fiscal year is 1 January to 31 December.

Geberit International does not hold any of its own shares.

As at the date of this Offering Circular, the authorised capital of Geberit International amounted to €151,000 and is divided into 1,500 ordinary shares and 10 class A shares, with a nominal value of €100 each, of which 510 fully paid ordinary shares and 2 fully paid class A shares have been issued. All issued ordinary shares and class A shares are and will be in registered form and no share certificate are or will be issued.

Restrictions on the Transfer of Shares

Article 8 of the articles of association of Geberit International regulates the restrictions on the transferability of both the ordinary shares and the class A shares in the capital of Geberit International and provides that transfer of any ordinary shares and/or class A shares in the capital of Geberit International requires the approval of the general meeting of Geberit International.

Dividends

The following dividends have been paid to the shareholder of Geberit International in respect of the following years:

Year	Euro
2014	5,000,000.--
2013	0.--
2012	11,000,000.--
2011	13,500,000.--
2010	13,500,000.--

DESCRIPTION OF GEBERIT AG AND THE GEBERIT GROUP

Introduction

Geberit AG (**Geberit** or the **Guarantor**) is headquartered in Switzerland. Geberit and its subsidiaries (together the **Geberit Group**) are specialised in manufacturing and supplying technology-oriented, concealed sanitary and plumbing products. Geberit believes that the Geberit Group is Europe's leading supplier of premium sanitary technology in terms of sales, based on publicly disclosed information. It has a physical presence in 41 countries and its products are sold in more than 100 countries worldwide.

In the financial year ended 31 December 2014, the Geberit Group generated revenue from sales and EBITDA of CHF 2,089.1 billion and CHF 657.1 million respectively. Geberit employed approximately 6,247 people worldwide as of 31 December 2014. Geberit has 17 production facilities in eight different countries (Switzerland, Austria, Germany, Italy, Slovenia, China, India, and the US) and a logistics centre in Pfullendorf, Germany. Geberit has been listed on the SIX Swiss Exchange since 1999.

On 14 October 2014, Geberit announced an offer to acquire all of the shares of Sanitec, a Finnish company listed in Sweden, at a price of SEK97 each (the "**Sanitec Offer**"). See "*Recent Developments - Acquisition of the Sanitec Group*" below.

Sanitec is Europe's leading producer and supplier of bathroom ceramics and ceramics complementary products by market share. Sanitec has operations in 19 countries. In the financial year ended 31 December 2014, Sanitec generated net sales of € 689.4 million and EBITDA of € 103.5 million.

Corporate Information

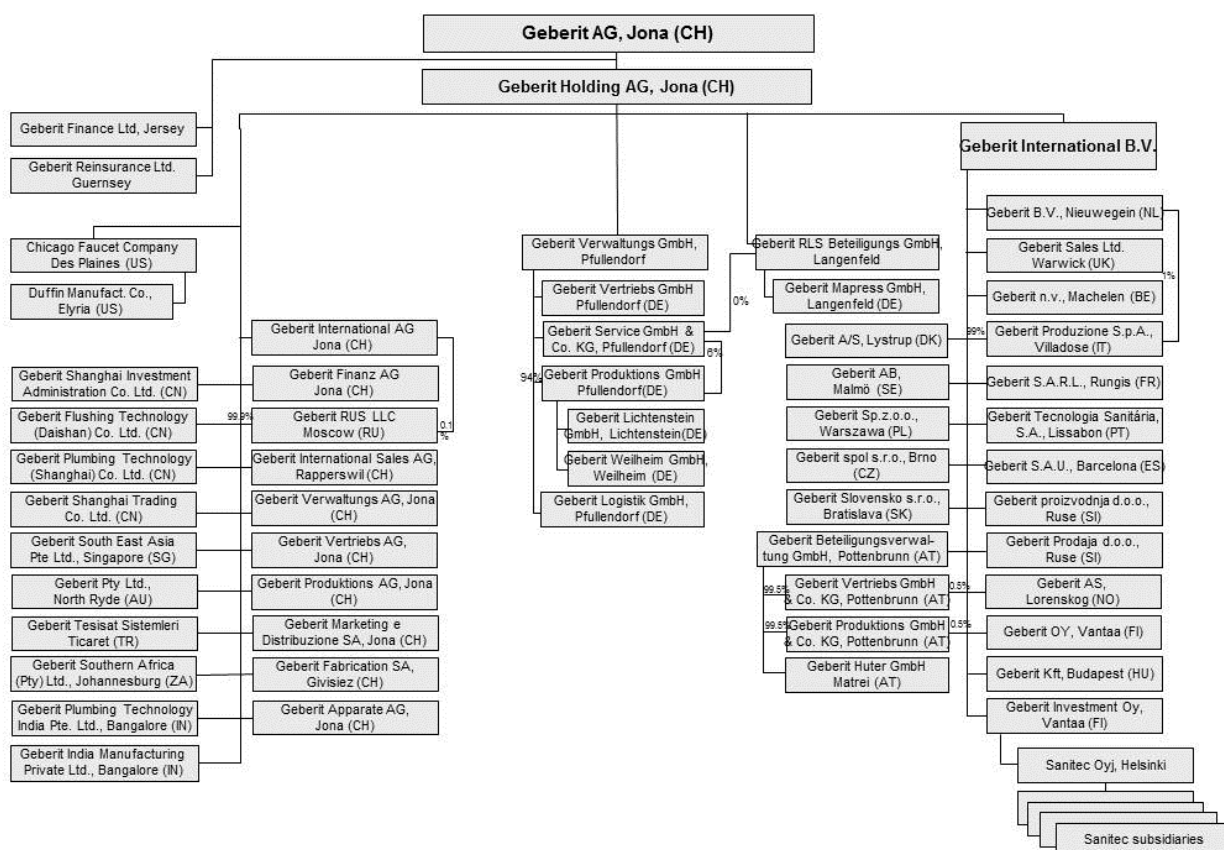
Geberit is a Swiss corporation (*Aktiengesellschaft*), incorporated on 6 May 1999 with its registered seat in Rapperswil-Jona, Switzerland. Geberit is registered with the commercial register of the Canton of St. Gallen, Switzerland under the number CHE-101.065.474 and operates under the laws of Switzerland including the Swiss Code of Obligations.

Geberit's principal corporate offices are located at Schachenstrasse 77, CH-8645 Rapperswil-Jona, Switzerland and its telephone number is +41 55 221 63 00. Geberit is the ultimate parent company of the Geberit Group.

According to Article 2 of its articles of incorporation, the most recent version dated 3 April 2014, the purpose of Geberit is to participate directly or indirectly in all kinds of companies in Switzerland and abroad, in particular in the field of sanitary technology and related consumer durables as well as other related fields. Geberit may establish companies, participate in existing companies and finance such companies. Geberit may engage in all activities and take all actions which are appropriate to directly or indirectly promote the purpose of Geberit. Geberit may acquire charge or sell real estate property in Switzerland and abroad.

Geberit Group structure and shareholders

The following chart sets out the Geberit Group's corporate structure as at 11 February 2015:



Business

The Geberit Group consists of one single business unit, the purpose of which is to develop, produce and distribute sanitary products and systems for the residential and industrial construction industry. Geberit products are distributed mostly under the 'Geberit' brand and split between the sanitary and piping systems business areas. Each business area is split between product lines that are discussed in more detail below:

Sanitary systems (57 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014): this product area includes the manufacturing of the sanitary systems technology in buildings (with the exception of piping products) and is divided into four product lines:

- **Installation systems** (37 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). Geberit's largest product line is a range of pre-wall sanitary installation systems consisting of concealed cisterns and supporting elements, enabling quick and efficient installation of toilets, washbasins, urinals and bidets.
- **Cisterns and mechanisms** (11 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). Geberit manufactures and sells traditional visible cisterns as well as fill valves and flush mechanisms, mainly for its own cisterns but also for those manufactured by others. This product line also includes Geberit's shower toilet products.

- **Faucets and flushing** (5 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). For public and commercial washrooms, Geberit markets electronic faucets and infrared or radar-controlled urinal flush and water closet flush valves with touch-free operation.
- **Water fittings systems** (4 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). Geberit produces a wide range of waste fittings and traps that can be used for bathtubs, shower stalls, washbasins and kitchen sinks.

Piping systems (43 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014): this product area is divided into two product lines:

- **Supply systems** (29 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). Geberit offers four principle piping products mainly for drinking and heating water distribution (polyethylene aluminium, stainless steel, carbon steel and copper).
- **Building drainage** (14 per cent. of the Geberit Group revenue from sales during the financial year that ends 31 December 2014). Geberit designs and manufactures plastic pipes for use in domestic drainage and for the efficient drainage of large surface area roofs.

Strategy

Geberit strategy is based on four strategic pillars: “Focus on sanitary products”, “Commitment to innovation and design”, “Selective geographic expansion” and “Continuous optimisation of business processes”.

Focus on sanitary products: Geberit centres on those business areas in the sanitary industry for which in-depth know-how and core competencies are available within the Geberit Group. Essentially, these are sanitary systems and piping systems for the transport and usage of water in buildings.

Commitment to innovation and design: Continuously optimising and extending the product range is crucial for future success. Innovation strength is founded on basic research in areas such as hydraulics, statics, fire protection, hygiene and acoustics. The insights gained are systematically applied in the development of products and systems for the benefit of customers. For markets and products where mainly end users are influencing the decision process design is of growing importance.

Selective geographic expansion: The accelerated penetration of markets such as France, the United Kingdom, the Nordic Countries, Eastern Europe and the Iberian Peninsula is an important factor for long-term success. Outside Europe, Geberit concentrates on what it considers to be the most promising markets. These include North America, China, Southeast Asia, Australia, the Gulf region and India. With the exception of North America and Australia, the Geberit Group mainly engages in project business in these regions.

Continuous optimisation of business processes: A further strategic focus relates to the permanent optimisation of business processes. This is intended to ensure a leading, competitive cost structure in the long-term and is partly achieved through group-wide projects and partly through employees identifying improvement potential in their day-to-day work, thus making a major contribution toward positive development.

Distribution channels and marketing strategy

Geberit’s products are used for applications in private residential construction, for commercial and public buildings, and for both renovation projects and new constructions. Geberit Group products are distributed through wholesale channels. Geberit relies on a three-stage distribution channel whereby it distributes its products to wholesalers through dealership agreements. Wholesalers then market Geberit products to plumbers and installers who are the main decision makers for Geberit technical products. Geberit does not

typically distribute its products through the Do-It-Yourself outlets which are more common for the low-end specification segment.

Geberit's marketing strategy follows a so-called "push-pull" approach: the push marketing strategy is directed to wholesalers and aims to ensure strong relationships through various marketing initiatives (for example, promotions, discounts, logistical supports, showroom displays). For the more technical products, the pull strategy is directed to plumbers, installers and other professionals and seeks to increase brand awareness among these professionals, through project planning support, training and customer events. The mix between push and pull depends on the level of market penetration with a shift towards pull strategies along with increasing market penetration into the installer / plumber market. For the more end-user oriented products like the shower toilets AquaClean, the pull efforts are directed to the consumer (including through media such as TV, the internet and magazines) while the logistics still involves wholesalers and plumbers.

Geberit has 500 technical advisers who provide ongoing training to plumbers and sanitary engineers (during 2014 around 30,000 customers and potential customers were provided with training or updated on Geberit product specifics or new products)

Procurement

Geberit has relations with more than 1,200 suppliers. Geberit outsources transportation services to third parties while logistics and warehousing operations are conducted in-house. Most of Geberit's raw materials are commodities that are readily available from multiple sources.

Health and Safety

The health and safety of employees has the highest priority. Geberit has formulated the vision of an "accident-free company". A comprehensive masterplan for occupational safety, including a package of measures for the period from 2013 to 2015, has been developed and adopted. This will be implemented and checked as part of the Geberit Safety System. Since 2013, occupational safety has also become part of the annual assessment for the responsible managers in the production plants.

Environment

Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as the development of water-saving and sustainable products. Processes are optimised on an ongoing basis so that a proven high standard is achieved which often greatly exceeds legal requirements. Guidelines and measures pertaining to all aspects of the Global Reporting Initiative environmental guidelines are coordinated by the central Environmental and Sustainability department that reports directly to the Chief Executive Officer. Since 1992, a network of environmental managers has been practicing active environmental protection at the production plants, thus ensuring that the measures are implemented worldwide.

Research and Development

Geberit is focused on ongoing research and development in order to maintain above average profitability and cash flow generation. Innovation, product range enhancement and geographic expansion are considered to be the key growth drivers for Geberit. In the last five years, Geberit has consistently invested more than 2 per cent. of sales in research and development; in 2014, gross research and development expenses amounted to CHF 55.8 million or 2.3 per cent. of sales. In 2014, Geberit filed 20 new patents (103 in the past five years).

Geberit is currently increasing its focus on energy efficient, easy-to-use products with several new developments having been rated in the top A category by the WELL water efficiency label (the official classification system of the European sanitary industry). This should allow Geberit to be well positioned to answer demand from increasingly energy conscious buyers.

Competition

The sanitary technology and bathroom equipment market is highly competitive. Geberit has achieved an excellent performance over the last years with a steady sales growth and strong profit margins. Geberit attributes its success over the last years to a number of factors, including its unique and integrated product range providing benefits for installers, wholesalers and end-users alike.

Board of Directors and Group Executive Board

Board of Directors

As at 1 January 2015, the Board of Directors of Geberit was composed of the following five members:

Name	Position	Principal Activities performed outside Geberit
– Albert M. Baehny	– Non-executive Chairman of the Board of Directors since 2015 – Executive Chairman of the Board from 2011 until 2014	–
– Robert F. Spoerry	– Vice Chairman since 2015 – Vice Chairman and Lead Director of the Board of Directors from 2011 until 2014 – Non-executive, independent member of the Board of Directors since 2009	– Chairman of the Board of Directors Mettler-Toledo International Inc., Greifensee (CH) – Chairman of the Board of Directors Sonova Holding AG, Stäfa (CH) – Member of the Board of Directors Conzzeta AG, Zurich (CH)
– Felix R. Ehrat	– Non-executive, independent member of the Board of Directors since 2013	– He has been Group General Counsel of Novartis since October 2011 and a member of the Executive Committee of the Novartis Group since January 1, 2012.
– Hartmut Reuter	– Non-executive, independent member of the Board of Directors since 2008	– Member of the Shareholders Committee and Supervisory Board Vaillant GmbH, Remscheid (DE) – Chairman of the Advisory Board GBT-Bücolit GmbH, Marl (DE) – Member of the Board of Directors Wilkhahn GmbH + Co KG, Bad Münders (DE)
– Jørgen Tang-Jensen	– Non-executive, independent member of the Board of Directors since 2012	– Member of the Board of Directors Coloplast A/S (DK) – Member of the Confederation of Danish Industry Business Political Committee

On 3 November 2014, the Board of Directors announced their intention to nominate Thomas M. Hübner for election to the Board of Directors at the 2015 General Meeting. He is also a Member of the Board of Directors of B&M Retails Ltd. (UK), Member of the Advisory Board of Equity Partners (Vollksbank Deutschland) and Chairman of the Board of Directors of BK SEE (BE).

Group Executive Board

As at 1 January 2015, the Group Executive Board was composed of the following four members:

Name	Position	Principal Activities performed outside Geberit
– Christian Buhl	– Chief Executive Officer of the Geberit Group since 2015	–
– Roland Iff	– Head of Group Division Finance of the Geberit Group since 2005	– Member of the Board of Directors VZ-Holding AG, Zurich (CH)
– Karl Spachmann	– Head of Geberit Group Division Sales Europe since 2011	–
– Michael Reinhard	– Head of the Geberit Group Division Products since 2006	– Member of the Board of Directors Reichle & De-Massari AG, Wetzikon (CH)

On 10 February 2015, the Group Executive Board was expanded to include the representative of a new group division entitled “Marketing and Brands”. Egon Renfordt-Sasse has been appointed to lead this division and has, accordingly, joined the Group Executive Board.

The business address for the members of the Board of Directors and the Group Executive Board is Geberit AG, Schachenstrasse 77, CH-8645, Rapperswil-Jona, Switzerland.

There are no conflicts of interests or potential conflicts of interest between the duties to Geberit of each of the members of the Board of Directors and Group Executive Board listed above and their private interests or other duties.

Employees

As at 31 December 2014, the Geberit Group employed 6,247 people worldwide. Approximately 39 per cent. of employees were based in Germany and approximately 20 per cent. were based in Switzerland.

Shareholder Information and Dividends

On 31 December 2014, Geberit’s issued share capital (including treasury shares) as registered with the commercial register of the Canton St. Gallen, Switzerland, amounted to CHF 3,779,842.70, divided into 37,798,427 fully paid registered shares with a par value of CHF 0.10 per share. As at 27 February 2015 Geberit held 0.77 per cent of its own shares.

The Swiss Stock Exchange Act requires the disclosure of shareholders that reach, exceed or fall below the thresholds of 3 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 33.33 per cent., 50 per cent. or 66.66 per cent. of the voting rights. An additional disclosure requirement exists under the Swiss Federal Code of Obligations to disclose shareholders and their shareholdings if they hold more than 5 per cent. of all voting rights. As at 31 December 2014, in each case based on the last disclosure made by such shareholder to the Issuer or the Guarantors, the shareholders holding 3 per cent. or more of Geberit’s total share capital and voting rights as at the date last disclosed to the Guarantor were:

Shareholder	Shares held as at date last disclosed to the Guarantor
Capital Group Companies, Inc., Los Angeles, USA	9.72 per cent.
BlackRock Inc., New York, USA, together with its direct and indirect subsidiaries	3.23 per cent.
MFS Investment Management, Boston, USA	3.03 per cent.

To the best of Geberit's knowledge, no other shareholder holds 3 per cent. or more of the total voting rights.

The following dividends and distributions out of capital contribution reserves have been paid to the shareholders of Geberit in respect of the following years:

Year	Dividend per share (in CHF)	Distribution out of capital contribution reserves per share (in CHF)
2013	7.50	-
2012	3.80	2.80
2011	-	6.30
2010	-	6.00
2009	6.40	-

Shareholder Communications

Notices of Geberit to the shareholders shall be made by the official publications of Geberit (Swiss Official Commercial Gazette and other publications as designated by the Board of Directors). Notices to shareholders may also be made in writing to the addresses of the shareholders recorded in Geberit's share register.

Auditors

PricewaterhouseCoopers AG, Zurich, Switzerland, has been the statutory auditor of Geberit since 1999. PricewaterhouseCoopers AG's registered address is Birchstrasse 160, CH-8050 Zurich, Switzerland.

Recent Developments

Acquisition of the Sanitec Group

On 14 October 2014, Geberit announced an offer to Sanitec's shareholders to acquire all of the shares of Sanitec at a price of SEK 97 each.

On 11 February 2015, Geberit announced that, as of the time of expiry of the acceptance period on 2 February 2015 at 5.00 p.m. (CET), the shares tendered in the Sanitec Offer amounted to 99,080,684 shares in Sanitec, corresponding to 99.27 per cent. of the shares and 99.27 per cent. of the voting rights in Sanitec (such figures exclude the 190,000 treasury shares held by Sanitec). Settlement for the shares tendered up until 2 February 2015 was completed on 11 February 2015.

Geberit granted remaining shareholders in Sanitec a further acceptance period allowing those shareholders to accept the Sanitec Offer until 2 March 2015 at 5.00 p.m. (CET). Settlement for shares tendered during this additional acceptance period took place on 5 March 2015.

Sanitec's shares have been listed on the Nasdaq Stockholm stock exchange since December 2013. Sanitec's business is largely Europe-based with a focus on Northern and Central Europe.

Information about Sanitec

Headquartered in Helsinki in Finland, Sanitec is a leading European producer and supplier of bathroom ceramics and ceramics complementary products in terms of sales and market share, specialising in the medium-to high-end markets. Sanitec has operations in 19 countries and has leading market positions based

on volume in 12 out of its 13 core markets (including Germany, France, Sweden, Belgium, Italy, Denmark, Finland, Russia, Ukraine and the United Kingdom). It has 18 production facilities, of which 11 are bathroom ceramics production facilities, and 6,149 employees as at 31 December 2014.

During the financial year 2014, Sanitec generated net sales of €689.4 million and EBITDA of €103.5 million.

By market share, Sanitec is the market leader in bathroom ceramics in Europe and a leading supplier of bathroom fixtures in its core markets in Europe. Sanitec provides products in two product areas:

- **Bathroom Ceramics**, which includes the product groups toilets, washbasins/sinks, pedestals, tanks, bidets, urinals, and ceramic shower trays.
- **Ceramics Complementary Products**, which includes the product groups bathroom furniture, pre-wall systems, baths, taps and mixers, shower solutions and shower trays and similar products based on solid-surface materials.

Business strategy

Sanitec's business strategy is founded on profitable, organic growth and incremental efficiency improvement, based on four closely interlinked cornerstones.

Drive value through innovation and product leadership in Bathroom Ceramics

Bathroom Ceramics is Sanitec's core product area and Sanitec already has leading market positions in its Western European core markets. Sanitec will, among other things, continue optimising its ceramics product portfolio, invest in Sanitec's brands, to continue to streamline Sanitec's product series and to further develop Sanitec's pan-European product platform. Furthermore, Sanitec intends to continue enhancing its product offering by capitalising on its strong Bathroom Ceramics platform (12 manufacturing plants in Europe).

Grow in Ceramics Complementary Products

Capitalising on Sanitec's strong platform within Bathroom Ceramics and knowledge of bathroom solutions with locally proven success, Sanitec intends to continue to expand within the Ceramics Complementary Products market, and Sanitec expects to accelerate sales growth of the Ceramics Complementary Products.

Grow in East Europe

Sanitec already has leading market positions in several markets, including Poland, Ukraine and Kazakhstan, as well as a strong position in Russia. Sanitec expects growth rates for bathroom products in this region to be higher than in the more mature Western European markets in the near and medium term. Sanitec intends to increase its market share in East Europe by using its local, advanced, low-cost manufacturing capacity and taking advantage of its industry knowledge and strong portfolio of local "national jewel" brands, as well as selected well-known Western European brands.

Continue implementing "One Sanitec" efficiency improvement initiatives

In order to increase margins and cash flows, Sanitec will continue implementing "One Sanitec" initiatives in the following key areas; portfolio optimisation, purchasing improvement, organisational improvement and continued efficiency in production network.

Products and brands

Sanitec manufactures and markets an extensive range of branded bathroom fixtures covering all price segments of the market. Sanitec's portfolio includes a comprehensive range of bathroom ceramics products,

bathroom furniture, pre-wall systems, baths, taps and mixers, shower solutions, and shower trays and similar products based on solid-surface materials.

Sanitec's core markets are Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Russia, Sweden, Ukraine and the United Kingdom.

Products within Bathroom Ceramics

Sanitec's bathroom ceramics product range includes toilets, washbasins/sinks, pedestals, tanks, bidets, urinals, and ceramic shower trays. Sanitec markets the bathroom ceramics under the strategic brands Ifö® (Sweden and Denmark), Ido (Finland and Sweden), Keramag® (Germany), Sphinx® (the Netherlands), Twyford® (United Kingdom), Allia® (France), Pozzi-Ginori® (Italy), Kolo® (Poland) and Colombo® (Ukraine), as well as under the tactical brands, such as CeraVID®, Perline®, Porsgrund® and Selles®.

Products within Ceramics Complementary Products

Sanitec's ceramics complementary product range includes product groups such as bathroom furniture, pre-wall systems, baths, taps and mixers, shower solutions, and shower trays and similar products based on solid-surface materials. Sanitec primarily sells the ceramics complementary products in the same markets and under the same brands as the bathroom ceramics products. Some products are sold under Sanitec's specialist brands, such as custom-made, solid-surface products sold under the Varicor® brand, shower products sold under the Koralle® brand, kitchen ceramics sold under the Kaliceram® brand, as well as some stainless kitchen products sold under the Contura™ brand.

Distribution and customers

Sanitec mainly sells through wholesalers in the different core markets, and some of those customers are parts of multi-national customer groups. In practice, business tends to be local in the sense that – also with respect to large multi-national customer groups – commercial and business relationships are managed on an individual market and business-unit level, so counterparty risk is significantly lower. Sanitec has built longstanding and stable relationship on both key-customer accounts level and locally.

Sanitec sells more than 80 per cent. of its products to wholesalers and also sells all its products through retailers (including DIY outlets) and installers in the core markets. Except for sales to customers in the Baltics, Denmark and Italy, where sales are conducted through third party agents, sales within the core markets are conducted by Sanitec's group companies. In addition, Sanitec has sales offices in Austria, Switzerland, the Czech Republic and China. Sanitec also exports products to countries outside the regions where Sanitec has subsidiaries or sales offices. These sales are made through country- or region-specific distributors or agents.

Sanitec divides its key customers into three categories: international key customers with a presence in multiple countries; national buying groups that constitute more than €1.0 million in sales per year; and other customers, who do not fall into the preceding two categories. All customer agreements are entered into on a local level; therefore, customers having businesses in several countries normally have business relationships with multiple business units.

Sales and marketing

Although Sanitec has centralised many marketing and sales- related functions to capture benefits of scale, Sanitec sells its bathroom products under its local brands through local sales forces, which provide in-depth market knowledge and management expertise and cover clients directly in their allocated region. In most of Sanitec's core markets, the sales organisation is structured with a country manager responsible for the local sales organisation and for implementing strategic initiatives provided by global sales and marketing leadership.

Production

Sanitec operates 18 production facilities of which 11 are ceramic production. During the past years, Sanitec has started shifting from decentralised local operations to a shared, network production footprint as well as increased share of capacity in low-cost facilities. Sanitec's ceramics production capacity in countries such as Sweden and Finland is focused on highly automated production whereas other ceramic production facilities in Italy, France and Germany are focused on more complex products. Sanitec's seven other plants are focused on the production of Ceramics Complementary Products and products sold under specialist brands.

Substantial investments are required in the ceramic production whereas Sanitec's other production is more focused on assembly and thereby is less capital-intensive. That means that the ceramic production has a higher share of fixed costs than for example the assembly of showers or the production of steel or acrylic baths. Sanitec also source externally both finished products as well as components.

Research and Development

Sanitec's research and development activities focus on four areas of innovation; environmentally friendly (for example, innovating and introducing to the market the water conserving 2/4 litre flushing toilet); hygiene and easy clean (for example, innovating and introducing to the market the Rimfree® toilet, and coatings such as KeraTect and Ifö Clean); installation friendly (for example, reduced time for installation); and, comfort and design (for example, the universal column), as well as the development of new products.

Sanitec has a central organisation for product management and design where sharing ideas, knowledge and resources benefit Sanitec as a whole.

Sanitec's financial information in summary

The information below regarding the Sanitec Group has been extracted from the audited consolidated financial statements 2014 and 2013.

The Sanitec Group's financial reports with related notes have been prepared in accordance with IFRS as adopted by the EU, including International Accounting Standards (**IAS**) and Interpretations issued by the IFRS Interpretations Committee (**SIC** and **IFRIC**). IFRS are standards and their interpretations adopted in accordance with the procedure laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the European Council. The notes to the financial statements are also presented in accordance with the Finnish Accounting Act and Ordinance and the Finnish Limited Liability Companies Act.

The audited consolidated financial statements 2014 and 2013 for the Sanitec Group are available on the website of the Guarantor at www.Geberit.com.

Complete information of the financial development of Sanitec and its financial position is available in the consolidated financial statements for 2014 and 2013. The figures stated in this section "Sanitec's financial information in summary" are rounded to million Euro whereas the calculations are performed using an extended set of decimals. Percentages are displayed with one decimal and are also rounded. Some calculations may appear to sum incorrectly due to rounding.

Summary consolidated income statement

€ millions	January – December (audited)	
	2013	2014
Net sales	701.8	689.4
Other Operating income	11.7	3.6
Materials and services	-312.0	-294.4
Employee benefits	-208.1	-200.3

Production of own use	1.8	2.0
Other operating expenses	-98.5	-96.8
Depreciation, amortization and impairment losses	-28.9	-24.6
Operating profit	67.9	78.9
Financial income and expenses	-19.8	-25.6
Profit before taxes	48.2	53.3
Income taxes	-5.7	-7.7
Profit for the period	42.5	45.6

Source: Audited consolidated financial statements 2013 and 2014 of Sanitec Group.

Summary consolidated statement of financial position

€ millions	December 31	
	(audited)	
	2013	2014
Cash and cash equivalents	99.4	24.3
Total non-current assets	210.6	192.8
Total current assets (including cash and cash equivalents)	320.5	245.7
Total assets	531.0	438.5
Total non-current liabilities	286.5	190.0
Total current liabilities	200.1	202.3
Total liabilities	486.6	392.3
Total equity	44.4	46.3
Total equity and liabilities	531.0	438.5

Source: Audited consolidated financial statements 2013 and 2014 of Sanitec Group.

Summary consolidated cash flow statement

€ millions	January – December	
	(audited)	
	2013	2014
Cash flow from operating activities	74.7	73.8
Cash flow from investing activities	-18.9	-21.5
Cash flow from financing activities	-171.6	-127.7
Change in cash and cash equivalents (excluding effects of exchange rate differences)	-115.8	-75.4

Source: Audited consolidated financial statements 2013 and 2014 of Sanitec Group.

TAXATION

The Netherlands

Introduction

The following summary does not purport to be a comprehensive description of all Dutch tax considerations that could be relevant to holders of the Notes. This summary is intended for general information only. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. This summary is based on Dutch tax legislation and published case law in force as of the date of this Offering Circular. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect. For the purposes of this section, “the Netherlands” shall mean that part of the Kingdom of the Netherlands that is in Europe.

Scope

Regardless of whether or not a holder of Notes is, or is treated as being, a resident of the Netherlands, with the exception of the section on withholding tax below, this summary does not address the Netherlands tax consequences for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in the Issuer (such a substantial interest is generally present if, directly or indirectly, an equity stake of at least 5 per cent. or a right to acquire such a stake, is held, in each case by reference to the Issuer’s total issued share capital, or the issued capital of a certain class of shares);
- (ii) who is a private individual and who may be taxed in box 1 for the purposes of Netherlands income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Notes are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Notes;
- (iii) which is a corporate entity and a taxpayer for the purposes of Netherlands corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer’s nominal paid-in capital);
- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Netherlands corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes;
- (v) which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten; or
- (vi) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

This summary does not describe the Netherlands tax consequences for a person to whom the Notes are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Income tax

Resident holders: A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Netherlands income tax, must record Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold (*heffingvrij vermogen*). Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Notes will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent.

Non-resident holders: A holder who is a private individual and neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands income tax, will not be subject to such tax in respect of benefits derived from the Notes, unless such holder is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands, to which enterprise the Notes are attributable.

Corporate income tax

Resident holders: A holder which is a corporate entity and, for the purposes of Netherlands corporate income tax, a resident, or treated as being a resident, of the Netherlands, is taxed in respect of benefits derived from the Notes at rates of up to 25 per cent.

Non-resident holders: A holder which is a corporate entity and, for the purposes of Netherlands corporate income tax, is neither a resident, nor treated as being a resident, of the Netherlands, will not be subject to corporate income tax, unless such holder has an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, a Netherlands Enterprise (*Nederlandse onderneming*) to which the Notes are attributable, or such holder is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable. Such holder is taxed in respect of benefits derived from the Notes at rates of up to 25 per cent.

Gift and inheritance tax

Resident holders: Netherlands gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is a resident, or treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

Non-resident holders: No Netherlands gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

Other taxes

No Netherlands turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the issue of Notes, with respect to any cash settlement of Notes or with respect to the delivery of Notes. Furthermore, no Netherlands registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Notes.

Residency

A holder will not become a resident, or a deemed resident, of the Netherlands for Netherlands tax purposes by reason only of holding the Notes.

Switzerland

The following is a general discussion of certain tax consequences under the tax laws of Switzerland of the acquisition and ownership of the Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. The following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This summary is based on the laws of Switzerland currently in force and as applied on the date of this Offering Circular, which are subject to change, possibly with retroactive or retrospective effect.

Prospective investors in the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes including the effect of any state or local taxes, under the tax laws applicable in Switzerland and each country of which they are residents.

Swiss Withholding Tax

Except for the agreement between Switzerland and the European Union as described below under the caption “Taxation – EU Savings Directive” and certain other agreements described below, Notes issued by the Issuer are currently not subject to Swiss withholding tax (*Verrechnungssteuer*). If a Swiss withholding tax or similar legislation were enacted and a payment in respect of the Notes were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer, the Guarantor, any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax, unless otherwise specified hereon.

On 17 December 2014, the Swiss Federal Council opened a public consultation process (until 31 March 2015) regarding a possible amendment to the Swiss Federal Withholding Tax Act. The amendment, if enacted as proposed, may require a Swiss domestic paying agent (as defined in the amendment) to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of the Notes to Swiss resident persons being the beneficial owners of the Notes. If this legislation, either in the form initiated by the Swiss Federal Council on 17 December 2014 or in a substantially different form, or similar legislation were enacted and a payment in respect of a Note were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer, the Guarantor, any paying agent nor any other person, as applicable, would, pursuant to Condition 8 be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax. See “Risk Factors — Risks related to Notes generally — Proposed Amendment of Swiss Federal Withholding Tax Act”.

Final Withholding Tax

Switzerland has recently entered into treaties with the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties entered into force on 1 January 2013 and might be followed by similar treaties with other countries. According to the treaties, a Swiss paying agent may levy a final withholding tax on capital gains and on certain income items deriving, inter alia, from Notes. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency. The treaties provide for a carve-out for interest payments to the extent such interest payments are subject to the EU-Swiss Savings Tax Agreement.

Swiss Issue Stamp Tax and Swiss Securities Transfer Stamp Tax

The issuance of the Notes is not subject to Swiss issue stamp tax (*Emissionsabgabe*). The purchase or sale of the Notes, whether by Swiss resident or non-Swiss resident investors is subject to Swiss securities transfer stamp tax (*Umsatzabgabe*) at a current rate of up to 0.30 per cent. calculated on the purchase price or sales proceeds if a Swiss securities dealer for purposes of Swiss securities transfer stamp tax (*Umsatzabgabe*), in particular a Swiss or Liechtenstein bank, is involved as party or an intermediary to the transaction and no exemption applies.

Income taxation on principal or interest

(i) Notes held by non-Swiss holders

Payments of interest and repayment of principal to, as well as the gain realised on the sale or redemption of Notes by a holder of Notes, who is not a resident of Switzerland, and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable, will not be liable to any Swiss federal, cantonal or communal income tax.

(ii) Notes held by Swiss resident holders as private assets

An individual who resides in Switzerland and privately holds a Note is required to include all payments of interest received on such Note in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Notes realise either a tax-free private capital gain or a non-tax-deductible capital loss. See “Notes held as Swiss business assets” below for an overview on the tax treatment of individuals who, for Swiss income tax purposes, are classified as “professional securities dealers.”

On 19 September 2014, the Swiss Federal Council opened a public consultation process (until 31 January 2015) regarding a possible Corporate Tax Reform III which, if enacted as proposed in the consultation process, would modify the above mentioned taxation of capital gains realised on Notes as follows. Individuals who are resident in Switzerland and who hold the Notes as private assets will be subject to ordinary income tax on capital gains realised upon sale or other disposition of Notes. Certain losses / expenses may be off-set. It is currently not expected that the proposed amended law, if adopted, will enter into force before 1 January, 2018.

(iii) Notes held as Swiss business assets

Individuals who hold Notes as part of a business in Switzerland, and Swiss-resident corporate taxpayers, and corporate taxpayers residing abroad holding Notes as part of a Swiss permanent establishment or fixed place of business in Switzerland, will be required to recognise payments of interest on, and any capital gain or loss realised on the sale or other disposal of, such Notes, in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period at the prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, are classified as “professional securities dealers” for reasons of, inter alia, frequent dealings, or leveraged transactions, in securities.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of

an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the **Amending Directive**). Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or paid subject to withholding. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 26 October 2004, the European Community and the Confederation of Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the Savings Directive. The agreement entered into force as of 1 July 2005. In accordance with this agreement and the Swiss law implementing this agreement, Swiss paying agents have to withhold tax at a rate of 35 per cent. on interest payments made under the Notes to a beneficial owner who is an individual and resident of a Member State, with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the Member State the details of the interest payments in lieu of the withholding. In 2014, the Swiss Federal Council announced its intention to introduce the automatic exchange of information in tax matters with the EU. Such introduction may affect the above mentioned agreement.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Commerzbank Aktiengesellschaft, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities plc, Credit Suisse Securities (Europe) Limited and UBS Limited (the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 26 March 2015, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent. of the principal amount of Notes, less a combined management and underwriting commission as specified in the Subscription Agreement. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article

1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Netherlands

Each Manager has represented and agreed that this Offering Circular is only being distributed to and is only directed at (i) persons who are outside of The Netherlands or (ii) in The Netherlands exclusively to qualified investors (*gekwalficeerde beleggers*) as such term is defined in Article 1:1 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*). The Notes are only available in The Netherlands to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in The Netherlands only with, qualified investors. Any person who is not a qualified investor must not act or rely on this Offering Circular or any of its contents.

General

No action has been taken by the Issuer, the Guarantor or any of the Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 3 March 2015 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Guarantor dated 9 December 2014.

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. It is expected that listing of the Notes will take place and that dealings in the Notes on the Global Exchange Market will commence on or about 30 March 2015. The Issuer estimates that the expenses related to the admission of Notes to trading on the Global Exchange Market are expected to be €4,940.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS1117297942 and the Common Code is 111729794.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Eurosystem Eligibility

The Notes, while in global form, are intended to be held in a manner which would allow Eurosystem eligibility. This means only that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that all the Eurosystem eligibility criteria have been met.

No significant change

Since 31 December 2014, there has been no material adverse change in the prospects of the Guarantor and Geberit Group and, except as disclosed in the section entitled “Recent Developments – Acquisition of the Sanitec Group” on page 56, since 31 December 2014 there has been no significant change in the financial or trading position of the Geberit Group.

Litigation

Neither the Issuer nor the Guarantor nor any other member of the Geberit Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor.

Auditors

The auditors of the Guarantor are PricewaterhouseCoopers AG, Zurich, members of the Swiss Institute of Certified Accountants and Tax Experts, who have audited the Guarantor's consolidated financial statements prepared in accordance with IFRS, without qualification, for each of the two financial years ended on 31 December 2014 and 31 December 2013.

Documents Available

For so long as any Notes remain outstanding from the date of this Offering Circular, copies of the following documents will be available in electronic form for inspection from the registered office of the Guarantor and from the specified office of the Paying Agent for the time being in London:

- (a) the Fiscal Agency Agreement (which includes the form of the Global Notes, the definitive Notes and the Coupons);
- (b) the constitutional documents of the Issuer and the constitutional documents of the Guarantor;
- (c) the consolidated audited financial statements of the Geberit Group in respect of the financial years ended 31 December 2014 and 31 December 2013, in each case together with the audit reports in connection therewith; and
- (d) the most recently published audited annual financial statements of the Guarantor and the most recently published unaudited interim financial statements (if any) of the Guarantor, in each case together with any audit or review reports prepared in connection therewith.

In addition, this Offering Circular will be published in electronic form on the Irish Stock Exchange's website at www.ise.ie.

Yield

On the basis of the issue price of the Notes of 100 per cent. of their principal amount and an interest rate of 0.688 per cent. per annum, the yield of the Notes is 0.688 per cent. on an annual basis. The yield is calculated at the Issue Date. It is not an indication of future yield.

Managers transacting with the Issuer and the Guarantor

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and their affiliates in the ordinary course of business. In particular, J.P. Morgan Securities plc acted as financial advisor to the Guarantor in connection with the offer to acquire all the shares of Sanitec Corporation announced by the Guarantor on 14 October 2014 and arranged and provided the initial financing of such offer. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. Certain of the underwriters or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or the Guarantor consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Competitive Statements

Certain statements as to the competitive position of Sanitec and the Sanitec Group are taken from various reports of BRG Building Solutions (www.brgbuildingsolutions.com).

Websites

Any websites referred to herein do not form part of this Offering Circular.

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