

Half-Year Report as of June 30, 2007

Geberit – successful first half-year 2007

Geberit AG, Rapperswil-Jona, August 9, 2007

During the first half of 2007, the Geberit Group was able to continue the positive business development that was experienced during the previous year. Significant sales increases in most of the Geberit markets led to sales of CHF 1,311.2 million (previous year CHF 1,085.5 million), corresponding to a rise of 20.8% in Swiss Francs or 16.6% in local currency. Operating cashflow (EBITDA) rose by 14.5% to CHF 346.6 million, the operating profit (EBIT) by 17.2% to CHF 305.3 million. Net income reached CHF 227.8 million, thus registering an increase of 21.6%. Overall, Management anticipates very solid sales growth, operating results at a high level and an overproportionate increase in earnings per share for 2007.

Geberit Group sales in the first six months of 2007 totaled CHF 1,311.2 million, the comparative previous year figure was CHF 1,085.5 million. This represents a growth of 20.8% in terms of Swiss Francs and of 16.6% after currency adjustments. The strength of the Euro against the Swiss Franc was the most significant factor influencing the positive currency effect.

Sales increased in the second quarter by 18.3%, as compared to 23.2% in the previous quarter. After currency adjustments, the growth level is 13.4% for the second quarter and 19.8% for the first. The extremely strong rate of growth has thus fallen off slightly at a high level; nonetheless, Geberit has once again considerably exceeded its own middle-term objectives in the second quarter.

The growth of the Group continues to be broadly based. The markets in Europe experienced very dynamic development in the first half of 2007. After currency adjustments, this resulted in a growth rate for Europe of 17.4% as of the end of June. With the exception of Italy (+4.1%), all European markets showed two-digit increases – several of them quite considerable – in local currencies: Central/Eastern Europe (+41.4%), the Nordic countries (+31.5%), the Iberian peninsula (+27.3%), France (+21.2%), Germany (+19.0%), Austria (+18.5%), Switzerland (+15.3%), the United Kingdom/Ireland (+13.7%) and Benelux (+10.5%). If adjustment is made for the PVC business that was sold, growth figures for the United Kingdom/Ireland then total 34.7%. The regions of the Far East/Pacific (+33.3%) and the Middle East/Africa (+32.8%) continued their positive trends. The fall of 5.8% for North America was influenced by the continuing decline in commercial and residential construction in the US as well as by Geberit's own streamlining of the product range available on this market.

The Sanitary Systems product area increased its sales by 13.7% (+10.0% after currency adjustments) to CHF 714.1 million, the product area Piping Systems by 30.5% (+25.7% after currency adjustments) to CHF 597.1 million.

The profitability of operating business activities suffered in the first half of the year from massive increases in the prices of raw materials. The pronounced increase in sales figures and the strict cost management policies were only able to compensate for this development to a limited

extent. Operating cashflow (EBITDA) grew in comparison with the previous year by 14.5% to CHF 346.6 million. The EBITDA margin fell on account of the reasons mentioned, from 27.9% to 26.4%. The operating profit (EBIT) rose by 17.2% to CHF 305.3 million, which corresponds to an EBIT margin of 23.3% compared with 24.0% for the previous year. Thanks to lower interest expenses and a lower tax rate, net income rose by 21.6% to CHF 227.8 million. The return on sales remained practically constant at 17.4% compared to the first half of 2006 (17.3%). Earnings per share rose significantly, with an increase of 24.5%, to CHF 5.75.

The financial situation remained very solid after the first six months of the financial year 2007. Net debt in comparison with the end of the financial year 2006 rose as planned by CHF 21.9 million to CHF 162.6 million. The equity ratio rose from 53.0% as of the end of the financial year 2006 to 56.5%.

In the first half of 2007, CHF 29.3 million (previous year CHF 26.2 million) was invested in property, plant and equipment. Research and development expenses rose slightly to CHF 23.0 million (previous year CHF 22.0 million), which represents 1.8% of total sales.

The Geberit Group has sold its entire PVC piping business in the United Kingdom, effective July 1, 2007. This transaction covered the entire production and warehousing site at Aylesford (UK) and the sales team associated with the PVC business in the United Kingdom – a total of around 170 employees – as well as “Terrain”, the leading brand in the UK commercial PVC drainage market. The selling price was GBP 42.5 million. Management expects a one-off book profit to the value of around CHF 40 million from this transaction. Sales in the first half of 2007 for this business amounted to CHF 23.1 million (first half of 2006: CHF 22.5 million).

The current positive economic framework conditions and the healthy environment for our industry in Europe, Asia and the Middle East are expected to diminish only slightly during the course of 2007. Weak development is expected to continue in North America, primarily in the private housing construction market. Overall, Management expects that the year 2007 will show very solid sales growth, operating results at a high level and an overproportionate increase in earnings per share.

As European market leader, the Geberit Group is a global provider in the area of plumbing technology with sales of CHF 2.2 billion and 5,400 employees in 40 countries worldwide.

Financial key figures as of June 30, 2007

Millions of CHF	1/1 – 30/06/2007	1/1 – 30/06/2006
Sales	1,311.2	1,085.5
Change in %	+20.8	+11.5
Operating cashflow (EBITDA)	346.6	302.6
Change in %	+14.5	+27.4
Margin in %	26.4	27.9
Operating profit (EBIT)	305.3	260.6
Change in %	+17.2	+33.0
Margin in %	23.3	24.0
Net income	227.8	187.3
Change in %	+21.6	+31.5
Margin in %	17.4	17.3
Earnings per share (CHF)	5.75	4.62
	30/06/2007	31/12/2006
Equity	1,186.6	1,065.9
Equity ratio in %	56.5	53.0
Net debt	162.6	140.7
Number of employees	5,456	5,269

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