

Quarterly report as of September 30, 2007

## **Geberit continues its successful development**

Geberit AG, Rapperswil-Jona, November 6, 2007

**The Geberit Group has successfully continued the positive development of sales and earnings in the first nine months of the financial year 2007. Sales grew – broadly spread amongst Geberit markets – by 16.9% in Swiss francs or by 12.8% in local currency to CHF 1,933.6 million. (previous year CHF 1,654.5 million). Operating cashflow increased by 11.9% to CHF 516.9 million, operating profit by 14.2% to CHF 455.5 million. Net income improved by 28.0% to CHF 375.7 million. The Management is assuming sales growth of around 12% for the full year. Operating margins should be only slightly below the record level of the previous year. An over-proportional increase is expected in earnings per share compared with the previous year.**

In the first nine months of the financial year 2007, the Geberit Group achieved consolidated sales of CHF 1,933.6 million compared with CHF 1,654.5 million in the previous year. This equates to a growth rate of 16.9%. Expressed in local currency, growth was 12.8%. Following adjustment for the sale of the PVC business in the UK, the rise in sales was even 17.9% in Swiss francs and 13.9% in local currency. The strong Euro against the Swiss franc was the main reason for the positive currency effect.

Growth in sales in the third quarter was 9.4%, organic and currency-adjusted growth was 7.7%. Even if this represents a weakening in growth compared with the previous two quarters, these figures are above Geberit's medium-term growth targets. The strong quarter of the previous year was surpassed by a considerable amount.

The pleasing growth in sales remains based on a broad range of markets. The positive development in European markets continued. In organic terms and after currency adjustments, growth was 14.4% as of the end of September 2007. Most European markets experienced - in part high - double-digit growth: Central/Eastern Europe (+39.4%), United Kingdom/Ireland (+28.7%), the Nordic Countries (+28.3%), the Iberian Peninsula (+24.9%), France (+22.8%), Switzerland (+14.5%), Austria (+14.2%), Benelux (+10.8%) and Germany (+10.1%). Growth in the Italian market accelerated to + 6.6%. The impressive growth rates in the Far East/Pacific (+29.5%) and Middle East/Africa (+40.1%) regions were maintained. North America showed a fall of 8.0% despite the exceptionally pleasing start to the cooperation arrangement with the ceramics manufacturer Duravit. The fall in sales was mainly due to the ongoing decline in commercial and residential building as well as to streamlining of the product range.

Sales in the sanitary systems product area grew by 13.6% (after currency adjustments by 9.9%) to CHF1,057.2 million. The piping systems product area witnessed growth of 21.0% (after currency adjustments 16.5%) to CHF 876.4 million. In organic terms, sales in piping systems increased by 23.7% (after currency adjustments 19.2%).

The massive increases in raw material prices over the course of the year had a considerable effect on earnings; nevertheless, these were compensated for to a major extent by increased sales and successful cost management. The high profitability levels of the previous years were maintained. Operating cashflow (EDITDA) improved by 11.9% to CHF 516.9 million. The EBITDA margin remained at the high level of 26.7% (previous year 27.9%). Operating profit (EBIT) improved by 14.2% to CHF 455.5 million, corresponding to an EBIT margin of 23.6% compared with 24.1% in the previous year. The reduction in interest expense and the sale of the PVC piping business led to an increase in net income of 28.0% to CHF 375.7 million. At 19.4%, return on sales exceeded the previous year's figure of 17.7%. Likewise, there was a significant increase in earnings per share by 29.8% to CHF 9.46.

In the first nine months of the financial year 2007, the Geberit Group further strengthened its financial base. Following net debt of CHF 140.7 million at the end of 2006, the operating success as well as the sale of the PVC piping business resulted in the Group showing a positive net cash level of CHF 50.9 million as of the end of September 2007. The equity ratio rose from 53.0% as of the end of 2006 to 59.3%.

The first nine months of 2007 saw investments of CHF 50.5 million (previous year CHF 38.9 million) in property, plant and equipment. Expenditure on research and development rose slightly to CHF 34.3 million (previous year CHF 32.5 million) corresponding to 1.8% of sales.

Geberit sold the entire PVC piping business in the United Kingdom with effect from July 1, 2007. In this context, a book profit of CHF 38.6 million had been booked by the end of September. Following final closing of the transaction in the last quarter of 2007, the Group will probably show an overall profit of something above CHF 40.0 million. Sales attributable to this business in 2007 were CHF 23.1 million (9 months 2006: CHF 34.2 million).

Based on the strong results as of the end of September, the Management is expecting growth of around 12% (in Swiss francs) for the year 2007. The operating margin (EBITDA) should settle at 25 to 26 % - only slightly below the record level of the previous year. As regards earnings per share, the assumption is of a substantial, over-proportional increase compared with the previous year.

As European market leader, the Geberit Group is a global provider in the field of plumbing technology with sales of CHF 2.2 billion. It employs 5,400 people in 40 countries throughout the world.

**Financial key figures as of September 30, 2007**

<b>Millions of CHF</b>	<b>1.1. – 30.09.2007</b>	<b>1.1. – 30.09.2006</b>
Sales	1933.6	1654.5
Change in %	+16.9	+11.3
Operating cashflow (EBITDA)	516.9	461.8
Change in %	+11.9	+23.7
Margin in %	26.7	27.9
Operating income (EBIT)	455.5	398.7
Change in %	+14.2	+30.0
Margin in %	23.6	24.1
Net income	375.7	293.5
Change in %	+28.0	+34.1
Margin in %	19.4	17.7
Earnings per share (CHF)	9.46	7.29
Change in %	+29.8	+36.4
	<b>30.09.2007</b>	<b>31.12.2006</b>
Equity	1319.0	1065.9
Equity ratio in %	59.3	53.0
Net debt/(net cash)	(50.9)	140.7
Number of employees	5346	5269

For further information please contact:

Geberit AG  
Schachenstrasse 77, CH-8645 Jona

Albert M. Baehny, CEO  
Roland Iff, CFO  
Roman Sidler, Corporate Communications

Tel.: +41 (0)55 221 63 46  
Tel.: +41 (0)55 221 66 39  
Tel.: +41 (0)55 221 69 47