

Annual results 2007

## **Another record year of Geberit**

Geberit AG, Rapperswil-Jona, March 13, 2008

**In 2007, the Geberit Group continued a sequence of successful years with a further record result. At CHF 2,486.8 million, sales reached a new record level. This equates to growth of 13.9%. After adjustment for currency and disinvestment effects, growth was 11.4%. The operating cashflow (EBITDA) increased by 12.1% to CHF 637.9 million. The operating profit (EBIT) grew by 14.8% to CHF 553.8 million. Net income rose by 30.5% to CHF 463.3 million. Earnings per share registered an above-average increase of 31.7%, amounting to CHF 11.67. The dividend to shareholders is to be increased by 30.0% to CHF 5.20. Management is convinced that it will be able to build on its past success in the current year 2008.**

### **Renewed double-digit organic growth**

As already announced in January 2008, the Geberit Group generated sales of CHF 2,486.8 million in 2007 (previous year CHF 2,183.5 million). This represents a growth of 13.9% in terms of Swiss Francs and of 10.1% after currency adjustments. In organic terms, the rise amounted to 15.2% or 11.4% in local currency.

The following sales by regions relate to organic changes in local currencies. With an increase of 11.4%, European markets developed significantly better than medium-term expectations. Impressive growth rates were maintained in the Middle East/Africa (+45.1%) and Far East/Pacific (+32.0%) regions. Thanks to a positive fourth quarter, the decrease in North America was reduced to -5.8%.

In the year 2007, sales of CHF 1,367.3 million were generated in the product area Sanitary Systems, corresponding to a 9.4% growth after currency adjustments. At 10.9%, the Piping Systems product area showed notably stronger growth than Sanitary Systems – adjusted by disinvestment effects, growth was even 13.9%. Sales amounted to CHF 1,119.5 million.

### **Profitability maintained at high level**

The Geberit Group followed on seamlessly from its record results of the prior year. 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 through broadly supported increases in sales, successful cost management at all levels as well as selective price adjustments. Book profits from the sale of the PVC business in the UK also had a positive effect on annual results.

The operating cashflow (EBITDA) rose by 12.1% against the prior year to CHF 637.9 million. The EBITDA margin was 25.7% (prior year 26.1%), just insignificantly below last year's record figure. The average EBITDA growth of 11.5% markedly exceeded the corresponding rise in sales of 10.0% over the last decade. The operating profit (EBIT) grew by 14.8% to CHF 553.8

million. The EBIT margin amounted to 22.3% (prior year 22.1%). Net income rose by 30.5% to CHF 463.3 million. The return on sales thus amounted to 18.6% (prior year 16.3%). Earnings per share of CHF 11.67 were generated (+31.7% against the prior year).

#### **Another rise in cashflow and strong financial base**

As a consequence of the rise in net cashflow and despite considerably higher investments in property, plant and equipment as well as in working capital, the free cashflow again rose over the already impressive prior year figure by 2.0% to CHF 362.7 million. This figure does not include the proceeds of CHF 103.2 million from the sale of the PVC business in the UK. Thanks to this rise in free cashflow, the Geberit Group further strengthened its balance sheet structure. As of the end of the year under review, there was a positive net cash level of CHF 176.2 million following net debt of CHF 140.7 million as of the end of 2006. The equity ratio amounted to a sound 61.1% (prior year 53.0%). In terms of average equity, the Group was able to increase its return on equity further to 37.5% in the year under review (prior year 35.8%). Against the background of the company's very pleasing business development, the Board of Directors will propose to the general meeting a 30.0% dividend increase to CHF 5.20.

#### **Outlook 2008**

Geberit assumes that the building sector in some important European markets has peaked and will weaken at a high level. In other regions, such as Eastern Europe, the Middle East or Asia, the rapid growth in the industry will, however, continue at full speed. These developments could be hindered by increasing uncertainty among market players as a result of the turbulence on the financial markets. Nevertheless, the company is optimistic that in 2008 it will again be able to successfully master the challenges presented by the markets. This positive estimate is supported by the wide geographical spread of the Group. In summary, Management is convinced that it will be able to build on its past success in the current year 2008.

As European market leader, the Geberit Group is a global provider in the field of sanitary technology with sales of CHF 2.5 billion. It employs 5,300 people in 40 countries throughout the world.

## Financial key figures as of December 31, 2007

| Million of CHF              | 1/1 – 31/12/2007 | 1/1 – 31/12/2006 |
|-----------------------------|------------------|------------------|
| Sales                       | 2,486.8          | 2,183.5          |
| Change in %                 | +13.9            | +13.6            |
| Operating cashflow (EBITDA) | 637.9            | 569.1            |
| Change in %                 | +12.1            | +24.8            |
| Margin in %                 | 25.7             | 26.1             |
| Operating profit (EBIT)     | 553.8            | 482.2            |
| Change in %                 | +14.8            | +31.4            |
| Margin in %                 | 22.3             | 22.1             |
| Net income                  | 463.3            | 355.0            |
| Change in %                 | +30.5            | +35.2            |
| Margin in %                 | 18.6             | 16.3             |
| Earnings per share (CHF)    | 11.67            | 8.86             |
|                             | 31/12/2007       | 31/12/2006       |
| Equity                      | 1,404.4          | 1,065.9          |
| Equity ratio in %           | 61.1             | 53.0             |
| Net debt / (net cash)       | (176.2)          | 140.7            |
| Number of employees         | 5,344            | 5,269            |

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