

Half-Year Report as of June 30, 2008

## **Geberit continues its gratifying development in the first half-year 2008**

Geberit AG, Rapperswil-Jona, August 12, 2008

**The Geberit Group has achieved very gratifying results in the first half of 2008. Sales development was characterized by strong performance in Geberit's developing and growth markets as well as by declines in the major markets Germany and Italy. This resulted in a decline in sales of 1.5% to CHF 1,291.6 million in Swiss francs and a slight rise of 2.7% in local currencies and adjusted for disinvestments. Operating cashflow (EBITDA) improved by 5.1% to CHF 364.2 million, operating profit (EBIT) grew by 6.3% to CHF 324.6 million. Net income reached CHF 255.8 million, corresponding to an increase of 12.3%. For 2008 as a whole, the Management expects currency-adjusted and organic sales growth in line with medium-term targets of four to six percent, operating results at the high level of prior years and a comparatively over proportionate increase in earnings per share.**

In the first six months of 2008, sales of the Geberit Group were CHF 1,291.6 million compared to CHF 1,311.2 million in the prior year. This corresponds to a decrease of 1.5% in Swiss francs. Currency losses had a significant influence on this figure. Expressed in local currencies, there was a slight increase of 0.9%. In currency-adjusted and organic terms, growth amounted to 2.7%.

Sales in the second quarter rose by 2.1% following a drop of 4.9% in the prior quarter. Expressed in local currencies and adjusted for business areas disinvested in 2007, the increase was an impressive 7.2% compared to -1.5% in the first quarter of 2008.

Currency-adjusted and organic growth in Europe was 1.9% with very widely varying developments in the individual markets. Extremely dynamic growth was achieved in the United Kingdom/Ireland (+50.4%), Central/Eastern Europe (+16.4%), the Nordic countries (+13.6%), France (+12.9%), as well as the Benelux countries (+9.6%). Switzerland (+5.6%) and Austria (+1.9%) also posted growth. Sales on the Iberian peninsula remained at the prior year's level. On the other hand, the two largest markets, Italy (-2.3%) and Germany (-8.2%), reported a decline in sales. The regions Far East/Pacific (+32.1%) and Middle East/Africa (+22.2%) succeeded in building on their positive results of the prior year. At -0.8%, developments in America remained encouraging in view of the difficult economic climate.

Sales in the sanitary systems product area rose by 3.4% (currency-adjusted and organically +5.9%) to CHF 738.3 million. The piping systems product area, on the other hand, saw sales fall by 7.3% (currency-adjusted and organically -1.4%) to CHF 553.3 million.

The profitability of operating business activities showed a very gratifying development in the first half of 2008. The slight drop in sales was more than compensated for by positive product-mix effects as well as strict cost management. Operating cashflow (EBITDA) improved by 5.1% compared to the prior year to CHF 364.2 million. The EBITDA margin rose from 26.4% to 28.2%. Operating profit (EBIT) increased by 6.3% to CHF 324.6 million, equating to an EBIT margin of 25.1% compared with 23.3% in the prior year. The improved financial result and a considerably lower tax rate led to a 12.3% rise in net income to CHF 255.8 million. The return on sales rose accordingly, from 17.4% in the prior year to 19.8%. Earnings per share improved slightly over proportionately compared with net income by 13.2% to CHF 6.51.

The financial situation remained very solid. Compared with the year-end 2007, the positive net cash amount fell by CHF 171.7 million to CHF 4.5 million as planned, as a result, among other things, of the ongoing share buyback program. The equity ratio rose slightly from 61.1% as of the end of 2007 to 61.7%. Concerning the share buyback program, as of June 30, 2008, 73.1% of the entire buyback volume – equivalent to CHF 231.9 million – had been repurchased at an average price of CHF 153. The expected buyback volume is around CHF 310 million.

As of the end of June 2008, the Geberit Group had a total of 5,679 employees worldwide. This was 335 or 6.3% more than at the end of 2007. The main reasons behind this increase were a substantial expansion in directly productive personnel in various plants – mainly in China and in Slovenia – in order to cope with the higher sales volumes and increases in sales staff in the United Kingdom.

Investments in property, plant and equipment in the first half of 2008 totaled CHF 57.1 million (prior year CHF 29.3 million). The reasons for the considerably higher investment volume compared to the prior year were primarily the expansion of infrastructure in production and logistics already announced as well as – to a lesser extent – increased investments in machineries, tools, and research and development.

Expenses for research and development rose slightly to CHF 23.9 million (prior year CHF 23.0 million), equivalent to 1.9% of sales.

The uncertain development in many important markets with a general downward tendency and the very volatile trend in raw material prices continue to make forecasts for the entire year very difficult. Geberit is assuming a general weakening of the building sector in Western Europe as well as continued unclouded development in Eastern Europe, Asia and the Middle East. The situation in North America will remain unsatisfactory, above all in the residential construction sector. For 2008 as a whole, the Management expects currency-adjusted and organic sales growth in line with medium-term targets of four to six percent, operating results at the high level of prior years and a comparatively over proportionate increase in earnings per share.

As the European market leader in the field of sanitary technology, the Geberit Group is a global provider with sales of CHF 2.5 billion. It employs 5,700 people in 40 countries around the world.

**Financial key figures as of June 30, 2008**

<b>Millions of CHF</b>	<b>1/1 – 30/06/2008</b>	<b>1/1 – 30/06/2007</b>
Sales	1,291.6	1,311.2
Change in %	-1.5	+20.8
Operating cashflow (EBITDA)	364.2	346.6
Change in %	+5.1	+14.5
Margin in %	28.2	26.4
Operating profit (EBIT)	324.6	305.3
Change in %	+6.3	+17.2
Margin in %	25.1	23.3
Net income	255.8	227.8
Change in %	+12.3	+21.6
Margin in %	19.8	17.4
Earnings per share (CHF)	6.51	5.75
Change in %	+13.2	+24.5
	<b>30/06/2008</b>	<b>31/12/2007</b>
Equity	1,308.7	1,404.4
Equity ratio in %	61.7	61.1
Net debt	(4.5)	(176.2)
Number of employees	5,679	5,344

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