

Half-Year Report as of June 30, 2010

Geberit on track

Geberit AG, Rapperswil-Jona, August 12, 2010

The Geberit Group succeeded in the first half of 2010 in maintaining results at the high level of the previous year. Despite the uncertain situation in many construction markets worldwide, consolidated sales grew by 1.5% in Swiss Francs, to CHF 1115.4 million. Growth totaled 4.8% after currency adjustments. The operating cashflow (EBITDA) rose by 1.0% to CHF 311.0 million, and the operating profit (EBIT) climbed 0.5% to CHF 268.9 million. Net income reached CHF 221.0 million, an increase of 8.9% compared to the prior year. For the year 2010 as a whole, Management is expecting currency-adjusted sales to be slightly higher than the previous year and operating results slightly above the medium-range targets.

Geberit Group sales reached CHF 1115.4 million in the first half of 2010 in comparison with CHF 1099.1 million for the prior year. This is equivalent to a currency-adjusted growth rate of 4.8%. The increase in Swiss Francs was only 1.5%, due to once again increased currency losses compared to the first quarter, primarily caused by the weak Euro. Sales continued to develop in a positive direction. Following a currency-adjusted increase of 2.1% (0.6% in Swiss Francs) in the first quarter, sales increased by 7.5% (2.4% in Swiss Francs) in the second quarter.

Overall growth in Europe resulted in a currency-adjusted increase in sales of 4.1%. The majority of the markets recovered from the setbacks of the prior year: United Kingdom/Ireland (+9.1%), Germany (+6.8%), Switzerland (+5.9%), Austria (+5.5%), France (+5.1%), Italy (+4.4%) and the Benelux countries (+1.0%). However, sales continued to decline in Nordic countries (-0.6%), Central/Eastern Europe (-6.0%) and the Iberian peninsula (-10.5%). The Far East/Pacific region has resumed its original, striking double-digit pre-crisis growth with an increase of 29.3%. The Middle East/Africa region also grew (+6.5%), as did America (+7.3%).

Developments varied for the different product areas. Whereas Sanitary Systems sales increased significantly by 3.9% (currency-adjusted +7.3%) to CHF 664.3 million, Piping Systems declined in Swiss Francs by 1.9% to CHF 451.1 million as the result of the weak new-construction business, and increased only slightly by 1.3% after currency adjustments.

Results were kept at a high level in comparison with the already successful previous year. The cost of materials significantly contributed to the positive operating situation, which benefited in the first quarter from a high prior year level. However, materials costs also suffered increasingly in the second quarter from rising raw materials prices and higher sales of the more materials-intensive Piping Systems. Intensified marketing activities and higher personnel expenses increased operating expenses, despite offsetting foreign currency effects. Given that a significant portion of the costs in the Group are payable in foreign currency, there were only minor currency exchange effects on operating results in the first half-year. All told, there was a 1.0% increase in operating cashflow (EBITDA) to CHF 311.0 million, with an EBITDA margin of 27.9% (previous year 28.0%). Operating profit (EBIT) reached CHF 268.9 million; the EBIT margin fell slightly from 24.3% in the prior year to 24.1%. The considerably lower tax rate had a positive effect on net income, which increased by 8.9%

to CHF 221.0 million with a return on sales of 19.8% (prior year 18.5%). Earnings per share accordingly rose by 8.1% to CHF 5.62 (prior year CHF 5.20), a higher increase compared to sales.

The financial situation of the Group continues to be a very sound one. The net cash amount (liquid funds less debt) decreased according to plan after the dividend payment by CHF 83.5 million to CHF 212.1 million. Equity ratio was 68.2%, the same level as at the end of 2009. A convertible bond with a term of six years and a nominal value of CHF 170.0 million was issued on June 14, 2004. The bond was converted in its entirety to Geberit AG registered shares up to the end of the bond term on June 14, 2010. A total of 1,718,095 new shares were created. This corresponds to 4.13% of the original share capital.

The Geberit Group employed 5816 people worldwide as of the end of June 2010. This was 208 more people or 3.7% more than at the end of 2009. The increase is mainly a result of the takeover of the former Indian sales partner in early 2010, an increase in personnel at plants in China and a series of minor insourcing activities.

The first six months of 2010 saw investments of CHF 25.8 million (prior year CHF 40.9 million) in property, plant and equipment. The drop can largely be explained by the high investments made in the new logistics center in Pfullendorf (DE) in the previous year. The bulk of investments went toward the procurement of tools and molds for new products and in machinery. Research and development remained constant at CHF 21.0 million (prior year CHF 21.0 million) and represented 1.9% of sales.

The current economic situation and the related uncertainty in forecasts for the near future still make it very difficult to predict the course of 2010. No recovery in the construction industry is anticipated before 2011, particularly in Europe, which is very important for Geberit. Volatility continues to be high for raw materials. Management is confident that Geberit will successfully master this difficult global economic phase and that the long-term outlook for the construction sector in general, but especially for Geberit in particular, will continue to be positive. Currency-adjusted sales for the year as a whole will be slightly above those of the prior year; the operating cashflow will reach a value slightly above the medium-term objectives of 23 to 25 percent.

As the European market leader in the field of sanitary technology, the Geberit Group is a global provider with sales of CHF 2.2 billion. It employs 5800 people in 40 countries around the world.

Financial key figures as of June 30, 2010

Millions of CHF	1/1 – 6/30/2010	1/1 – 6/30/2009
Sales	1115.4	1099.1
Change in %	+1.5	-14.9
Operating cashflow (EBITDA)	311.0	307.8
Change in %	+1.0	-15.5
Margin in %	27.9	28.0
Operating profit (EBIT)	268.9	267.5
Change in %	+0.5	-17.6
Margin in %	24.1	24.3
Net income	221.0	202.9
Change in %	+8.9	-20.7
Margin in %	19.8	18.5
Earnings per share (CHF)	5.62	5.20
Change in %	+8.1	-20.1
	6/30/2010	12/31/2009
Equity	1396.4	1509.2
Equity ratio in %	68.2	68.2
Liquid funds less debt	212.1	295.6
Number of employees	5816	5608

Please visit our website www.geberit.com as well as our half-year report on www.geberit.com/halfyearreport for additional information.

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