

Quarterly report as of September 30, 2010

## **Geberit: Results after nine months at a high level**

Geberit AG, Rapperswil-Jona, November 4, 2010

**The Geberit Group has once again achieved gratifying results in the first nine months of 2010. Despite continued difficult market conditions, sales increased by 5.3% (after currency adjustments). In Swiss francs, this amounted to a slight 0.3% decline and sales of CHF 1674.2 million. Operating cashflow (EBITDA) declined by 2.0% to CHF 478.9 million and operating profit (EBIT) by 2.5% to CHF 416.1 million. Net income increased by 10.1% to CHF 348.1 million. For 2010 as a whole, Management is expecting currency-adjusted sales to be slightly higher than the previous year and an operating cashflow margin of around 26%.**

Geberit Group sales totaled CHF 558.8 million in the third quarter of 2010, which corresponds to currency-adjusted growth of 6.4%. This meant a continuation of the positive sales trend in local currencies, which commenced in the 4th quarter of 2009. The effects of the weak Euro were felt on Group sales. In Swiss francs, sales declined by 3.8% from July to September 2010.

Cumulative sales in the first nine months of 2010 reached CHF 1674.2 million – an increase of 5.3% in local currencies. As a result of negative developments in exchange rates, this resulted in a 0.3% decline in Swiss francs.

The European markets increased currency-adjusted sales by 4.8%. The majority of the markets reported sales increases after three quarters: Austria (+7.8%), Germany (+7.1%), the United Kingdom/Ireland (+6.3%), Switzerland (+5.0%), Italy (+4.6%), France (+4.5%), Central/Eastern Europe (+2.1%) and the Nordic countries (+1.4%). Only the Benelux countries (-0.7%) and the Iberian peninsula (-6.7%) registered a drop in sales. Developments in local currencies continued to be positive in the Far East/Pacific (+24.4%), America (+8.0%) and Middle East/Africa (+3.1%).

In the product areas, sanitary systems rose by 2.7% (currency-adjusted +8.5%), whereas piping systems saw a contraction in Swiss francs of 4.4% and an increase in local currencies of 1.0%.

Operating profitability remained virtually at the prior year's high level, despite a weakening in the third quarter. The cost of materials contributed significantly to the positive situation in operating results, which benefited in the first quarter from the previous year's high level, although it suffered increasingly in the third quarter, as it also had in the second, from rising raw materials prices. 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, the overall negative influence of currency exchange effects on the operating margin was less than one percentage point during the first nine months of the year. All told, there was a 2.0% decrease in operating cashflow (EBITDA) to CHF 478.9 million, with an EBITDA margin of 28.6% (prior year 29.1%). Operating profit (EBIT) reached CHF 416.1 million, in comparison to CHF 426.8 million in the prior year, while the EBIT margin fell slightly from 25.4% in the prior year to 24.9%. The considerably lower tax rate enabled a 10.1% increase in net income to CHF 348.1 million; the return on sales reached 20.8% (prior year 18.8%). Earnings per share rose accordingly by 9.1% to CHF 8.84 (prior year CHF 8.10).

The financial situation of Geberit continues to be a very healthy one. The Group had net cash (liquid funds less debt) of CHF 402.0 million at its disposal as of the end of September 2010. Equity ratio was increased to 68.7% (end of 2009: 68.2%).

The current economic situation and the related uncertainties continue to make predictions for the future very difficult. Volatility continues to be high for raw materials, making prognoses in this area correspondingly difficult. Management is confident that Geberit will successfully master the currently difficult global economic phase and that the long-term outlook for the construction sector in general, and especially for Geberit in particular, will continue to be positive thanks to the strengths in the renovation market. Currency-adjusted sales for the year as a whole will be slightly above those of the prior year; the operating cashflow margin (EBITDA) will reach a value of around 26%.

As the European market leader in sanitary technology, the Geberit Group is a global provider with sales of CHF 2.2 billion. It employs 5900 people in 40 countries around the world.

**Financial key figures as of September 30, 2010**

<b>Millions of CHF</b>	<b>1/1 – 09/30/2010</b>	<b>1/1 – 09/30/2009</b>
Sales	1674.2	1680.0
Change in %	-0.3	-14.3
Operating cashflow (EBITDA)	478.9	488.7
Change in %	-2.0	-11.8
Margin in %	28.6	29.1
Operating profit (EBIT)	416.1	426.8
Change in %	-2.5	-13.1
Margin in %	24.9	25.4
Net income	348.1	316.3
Change in %	+10.1	-20.0
Margin in %	20.8	18.8
Earnings per share (CHF)	8.84	8.10
Change in %	+9.1	-19.6
	<b>09/30/2010</b>	<b>12/31/2009</b>
Equity	1509.5	1509.2
Equity ratio in %	68.7	68.2
Liquid funds less debt	402.0	295.6
Number of employees	5931	5608

Additional information can be found on our homepage at [www.geberit.com](http://www.geberit.com).

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