

Half-Year Report as of June 30, 2012

Geberit: sales growth clearly above the general market trend

Geberit AG, Rapperswil-Jona, August 14, 2012

Despite a challenging environment, the Geberit Group can look back on a convincing first half of 2012. Healthy sales growth contributed to a situation whereby, despite considerable investments in organic growth, the results were slightly up on the prior year's level. Sales increased by 6.5% in local currencies or 2.2% in Swiss francs and reached CHF 1142.9 million. The operating profit (EBIT) increased by 3.1% to CHF 262.9 million, while net income rose by 2.6% to CHF 226.0 million. For the 2012 business year, Management is expecting currency-adjusted sales growth to be in line with medium-term targets and operating margins at the upper end of the medium-term target range.

Geberit Group sales reached CHF 1142.9 million in the first half of 2012 compared to CHF 1118.6 million in the prior year. This is equivalent to a currency-adjusted growth rate of 6.5%. Due to currency losses in the amount of around CHF 50 million, the increase in Swiss francs was markedly lower at 2.2%. The positive tendency in terms of quarterly sales development in local currencies continued. After growth of 6.6% in the first quarter, the Group achieved growth of 6.4% in the second quarter, again exceeding its own medium-term growth targets of four to six percent.

Overall, Europe recorded a currency-adjusted increase in sales of 6.7%. Notable in this regard were the strongly diverging developments in the individual markets. In local currencies, double-digit growth was posted in the Nordic countries (+18.5%), Central/Eastern Europe (+17.3%), France (+13.8%), Germany (+12.9%), the United Kingdom/Ireland (+12.3%) and Austria (+11.8%). An increase was also recorded in the Benelux countries (+6.3%). In contrast, Italy (-7.2%), Switzerland (-10.1%) and the Iberian Peninsula (-20.0%) posted significant drops in sales. In the case of Switzerland, this was due to considerable price reductions in the prior year as a result of the strong Swiss franc. Increases in sales were posted in the remaining regions: America (+4.0%), Middle East/Africa (+4.8%) and Far East/Pacific (+4.8%). In the product areas, Sanitary Systems grew in local currencies in the first half of the year by +6.7% (in Swiss francs: +2.4%), representing the first time in several quarters that growth was stronger in this area than in Piping Systems (where growth was +6.2% or +1.8% in Swiss francs).

Results remained at around the level of the prior year, although the strong Swiss franc again had a negative effect on the operating results of around CHF 15 million. Increased customer bonuses, personnel expenses and energy costs as well as the considerable price reductions implemented in Switzerland towards the end of the prior year put a strain on the operating margins. The rise in personnel expenses can be accounted for by the increased number of employees resulting from ongoing organic growth initiatives, newly created positions for the in-house manufacture of shower toilets and an increase in capacities at the production plants to cope with the sales growth, as well as by salary increases. The stabilization of the cost of materials and the impact of the insourcing of shower toilet production with the new plant in Rapperswil-Jona (CH) had a positive effect on the margins. Operating cashflow (EBITDA) rose by 1.9% to CHF 301.8 million, with an EBITDA margin of 26.4% (prior year 26.5%). Operating profit (EBIT) increased by 3.1% to CHF 262.9 million, corresponding to an EBIT margin of 23.0% (prior year 22.8%). Despite a slightly higher tax rate

compared to the prior year, net income rose by 2.6% to CHF 226.0 million. The return on sales reached 19.8% (prior year 19.7%). Earnings per share rose by 5.4% to CHF 5.89 (prior year CHF 5.59).

The financial situation remained very solid. The equity ratio dropped in comparison to the level at the end of 2011 from 66.9% to 63.7%. After the distribution to the shareholders in the amount of CHF 241.7 million in April, the net cash amount (liquid funds less debt) decreased as planned from CHF 466.4 million as per the end of 2011 to CHF 276.0 million.

The Geberit Group employed 6183 people worldwide as of the end of June 2012. This was 179 more people or 3.0% more than at the end of 2011. This increase is mainly due to the (in part temporary) adjustment of capacity in the production plants to meet the growth in volume, focused organic growth initiatives in individual markets and the impact of the implementation of the final steps with regard to setting up own production facilities for the AquaClean shower toilet, which was previously manufactured externally.

In a challenging environment, Management is optimistic with respect to the outlook for Geberit for 2012 as a whole. The construction industry will continue to be marked by political and macroeconomic uncertainty this year. As already demonstrated in the first half of the year, development in individual regions/markets and construction sectors will strongly diverge. A decline is anticipated in state-financed projects. Prognoses of Geberit for Europe foresee a positive trend in residential construction as at least partial compensation for the weaker non-residential construction sector. In North America, the construction sector remains in a state of crisis. However, residential construction will recover, even if only very slowly. Likewise, public expenditure for construction projects will stabilize at a low level. In China, the effects of the government measures to prevent an overheating in the real estate market have been clearly felt since the fourth quarter of 2011. In contrast, the situation in Chinese non-residential construction continues to be robust.

The strong results in the first half of the year give Management every reason to be confident of achieving solid results once again in the 2012 business year. Currency-adjusted sales growth is expected to be in line with the medium-term sales target of four to six percent, with the EBITDA margin expected to reach a value at the upper end of the medium-term target range 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 2.1 billion. It employs 6200 people in 41 countries around the world.

Financial key figures as of June 30, 2012

Millions of CHF	1/1 – 6/30/2012	1/1 – 6/30/2011
Sales	1142.9	1118.6
Change in %	+2.2	+0.3
Operating cashflow (EBITDA)	301.8	296.2
Change in %	+1.9	-4.8
Margin in %	26.4	26.5
Operating profit (EBIT)	262.9	254.9
Change in %	+3.1	-5.2
Margin in %	23.0	22.8
Net income	226.0	220.3
Change in %	+2.6	-0.3
Margin in %	19.8	19.7
Earnings per share (CHF)	5.89	5.59
Change in %	+5.4	-0.5
	6/30/2012	12/31/2011
Equity	1301.0	1419.5
Equity ratio in %	63.7	66.9
Liquid funds less debt	276.0	466.4
Number of employees	6183	6004

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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