Annual results 2009

Convincing operating performance for Geberit in 2009

Geberit AG, Rapperswil-Jona, March 11, 2010

The Geberit Group again confirmed its prowess in the very demanding conditions of the past year. Sales came in at CHF 2,181.2 million. This corresponds to a fall of 11.2% in Swiss francs and of 6.5% in local currencies. The operating profit (EBIT) dropped by 6.5% to CHF 526.7 million. The EBIT margin reached a new high at 24.1%. Net income, encumbered with a one-off tax item, dropped 14.8% to CHF 397.5 million. Accordingly, earnings per share slipped by 14.5% to CHF 10.18. The high free cashflow level of CHF 349.7 million further strengthened the financial base of the Group. The dividend to shareholders is to be increased to CHF 6.40.

Moderate currency-adjusted decrease in sales

As already announced in January 2010, the Geberit Group achieved sales of CHF 2,181.2 million in 2009 (prior year CHF 2,455.1 million). This represents a drop of 11.2% in terms of Swiss francs and of 6.5% after currency adjustments.

The following sales by countries and regions relate to changes in local currency. In most regions and markets, the declines in sales tapered off in the course of the year. In Europe, sales dropped by a cumulative 6.0% compared to the prior year. Conditions remained difficult in the regions of the Middle East/Africa (-13.8%) and America (-15.1%). The Far East/Pacific region, however, recovered beginning in the third quarter and in the end posted a drop of 4.7%.

The Sanitary Systems product area saw a drop in sales of 9.1% in Swiss francs, or 4.3% in local currencies, to CHF 1,250.1 million. Sales of the Piping Systems product area decreased by 13.8% to CHF 931.1 million. In local currencies, the reduction of 9.2% was also above average by Group comparison.

Increased operating profitability

Despite declining sales, negative foreign currency effects and increased personnel costs, the Geberit Group again managed to increase operating profitability in a demanding environment in 2009. Strict cost management and lower raw material prices, combined with the first impact of the successful launch of new products in 2007 to 2009, made this possible.

Operating cashflow (EBITDA) slipped compared to the prior year disproportionately less by 5.9% to CHF 611.0 million. At 28.0%, the EBITDA margin again increased compared to the prior year's record value of 26.4%. The average EBITDA growth of 7.2% markedly exceeded the corresponding rise in sales (6.2%) over the last decade. The operating profit (EBIT) dropped by 6.5% to CHF 526.7 million. The EBIT margin reached 24.1% (prior year 22.9%). Net income decreased by 14.8% to CHF 397.5 million. The return on sales therefore reached 18.2% after 19.0% in the prior year. Per share, this resulted in CHF 10.18, which corresponds to a drop of 14.5% compared to the prior year.

Cashflow maintained at high level, very sound financial base
On the basis of a lower net cashflow, free cashflow fell by 14.3% to CHF 349.7 million despite significantly reduced investments and static items from the change of net working capital compared to last year, but maintained at high level and allowed a further strengthening of the balance sheet structure as of the end of the year under review. Debt was reduced from CHF 152.3 million to CHF 110.9 million. The liquidity situation was comfortable. At the end of 2009, the Group showed a positive net cash level of CHF 295.6 million (prior year CHF 150.3 million). The equity ratio achieved a very solid 68.2% (prior year 63.9%). In terms of average equity, the return on equity for the year under review was 28.1% (prior year 34.9%).

The Board of Directors would like the shareholders to participate in the positive business development. It has therefore decided to ask the 2010 General Meeting to, despite the lower company results, not only maintain the absolute amount of the prior-year dividend but also pay out a special dividend in the amount of CHF 1.00 to celebrate the company's tenth anniversary of becoming listed on the stock exchange. Overall, this amounts to a dividend of CHF 6.40, an increase of 18.5%.

Outlook 2010
The global economic crisis and the related uncertainty in forecasts for the near future make predictions for 2010 very difficult. The decline in the building industry will most likely continue. Construction volumes may decline further in most of the geographic markets that are important to Geberit; no recovery can be realistically expected before 2011. The new construction sector will be hit hardest by the crisis, in particular the non-residential construction sector. Also, no positive development is expected in renovation business, even though the potential need for renovations does exist.

Given the continued considerable uncertainty, it is currently not appropriate to issue quantitative prognoses for Geberit in 2010. Even in this demanding environment, Management is convinced that the Geberit Group is well equipped for the coming challenges and that it will emerge strengthened from this difficult global economic phase.

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 5,600 people in 40 countries around the world.

Financial key figures as of December 31, 2009

Million of CHF	**1/1 – 31/12/2009**	**1/1 – 31/12/2008**
Sales	2,181.2	2,455.1
Change in %	-11.2	-1.3
Operating cashflow (EBITDA)	611.0	649.1
Change in %	-5.9	+1.8
Margin in %	28.0	26.4
Operating profit (EBIT)	526.7	563.4
Change in %	-6.5	+1.7
Margin in %	24.1	22.9
Net income	397.5	466.3
Change in %	-14.8	+0.6
Margin in %	18.2	19.0
Earnings per share (CHF)	10.18	11.90
Change in %	-14.5	+2.0

	31/12/2009	**31/12/2008**
Equity	1,509.2	1,311.9
Equity ratio in %	68.2	63.9
Liquid funds, less debt	295.6	150.3
Number of employees	5,608	5,697

Please visit our website www.geberit.com as well as our online annual report on www.geberit.com/annualreport for additional information.

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