



Günter F. Kelm, Chairman of the Board



Albert M. Baehny, CEO

To our Shareholders

Ladies and gentlemen

In 2007, the Geberit Group continued the successful development of previous years. All objectives were exceeded – in part by a considerable margin.

At CHF 2,486.8 million, consolidated sales reached a new record level in 2007. This equates to growth of 13.9%. After adjustment for currency and disinvestment effects, growth was 11.4%. Operating profit rose by 14.8% to CHF 553.8 million. Net income increased by 30.5% to CHF 463.3 million; earnings per share registered an above-average increase of 31.7%, rising to CHF 11.67. The major challenge of achieving continued profitable growth was overcome in convincing manner.

The pleasing business development led to a further strengthening of the financial base. As of the year-end, the equity ratio was a very healthy 61.1%.

The success of the Geberit Group in 2007 can be attributed to a wide range of factors. The further internationalization of the sales base was equally as fruitful as the strengthened activities in both the main and the developing markets with the pre-wall technology, the Balena shower toilet and the supply systems. Almost all Geberit markets achieved very good growth rates in a positive overall economic environment and a climate within the construction industry that was predominantly friendly throughout the world.

To enable us to cope with the expected growth, we initiated significant investment programs with respect to our infrastructure in 2007. As part of the further optimization of our product portfolio, the entire PVC operations in the UK were sold in the middle of the year.

Against the background of the company's extremely pleasing business development, we again wish to make a considerable increase in the distribution to our shareholders. The Board of Directors will propose a dividend of CHF 5.20 per share at the General Meeting.

Kurt E. Feller, longtime Chairman and current Vice Chairman of the Board of Directors, will be leaving the supervisory body at the General Meeting 2008, after having reached the age limit prescribed by the articles of incorporation. We would like to thank him most sincerely for his committed efforts, characterized by a high level of expertise, and for his exceptionally valuable contribution to the success of the Geberit Group over the past nine years. At the forthcoming General Meeting, the Board of Directors will propose the election of Hartmut Reuter to the Board of Directors.

The excellent results in 2007 can be attributed to the outstanding commitment, the high motivation and the skills of the employees of our Group companies in around 40 countries. At this point, we wish to express our thanks and appreciation for their exemplary performance.