

Outlook 2008

The Management assumes that the building sector in some important European markets has peaked and will weaken at a high level. In other regions, such as Eastern Europe, the Middle East or Asia, the rapid growth in the industry will, however, continue at full speed. These developments could be hindered by increasing uncertainty among market players as a result of the turbulence on the financial markets. Nevertheless, the company is optimistic that in 2008 it will again be able to successfully master the challenges presented by the markets. This positive estimate is supported by the wide geographical spread of sales. The major European markets Germany, Italy, Switzerland and Austria will continue to have a strong impact on the development of sales. In addition, markets such as the United Kingdom, France, the Nordic countries, the Iberian peninsula, Eastern Europe, the Middle East and Asia, however, also offer further growth potential. In the USA, the effects of the crisis in the residential construction sector will also be felt to a lesser extent in the construction of semi-public buildings such as hospitals or schools – the main area of Geberit's activities in the USA. On the other hand, the collaboration with the ceramics manufacturer Duravit, started in 2007 for the purpose of cultivating the US market with the pre-wall philosophy in bathrooms of high-standard hotel or private buildings, is showing an extremely gratifying development. In addition, significant new products to be launched in the first half of 2008 in the Sanitary

Systems area, such as the first installation systems capable of fitting completely without tools, new actuator plates in high-quality design as well as the extension of the shower toilet product range, will have a positive effect on overall Group development.

The development of raw material prices in 2008 is something that we regard as being uncertain and volatile. From today's perspective, we assume that the cost of materials will remain at the high level of 2007. Slightly lower steel prices will be offset by rising prices for plastics.

With a powerful and market-oriented organization, experienced and highly motivated executives and employees as well as many new product ideas, Geberit wants to continue its close and trusting cooperation with its market partners in both the commercial and trade sectors in the future.

In summary, Geberit is convinced that it will be able to build on its past success in the current year 2008.