

Another successful year for Geberit

One billion CHF of sales exceeded – IPO intended for June 1999

Jona, April 20, 1999 – In the fiscal year 1998 the Geberit Group increased sales by 7.9% to CHF 1,032.2 million and thus was able to continue to extend its strong market position in sanitary technology in Europe. Furthermore, in the past year operating results grew considerably faster than sales. Operating profit before amortization amounted to CHF 204.6 million, representing an increase of 24.8%; operating cash flow grew by 18.9% to CHF 255.7 million and accounted for 24.8% of sales. The results for the first quarter 1999 continue 1998's trend. Credit Suisse First Boston has been appointed lead manager for the intended Initial Public Offering in June 1999.

For the first time in its 125-year history, sales of the Geberit Group exceeded one billion Swiss francs in 1998. The consolidated sales amounted to CHF 1,032.2 million, representing an increase of 7.9% over 1998 consolidated sales. If stated at constant 1997 exchange rates, 1998 sales would have increased 9.5%. With these results the group once again confirms its position as a leading supplier in Europe of innovative, high quality and long lasting sanitary systems. As Günter F. Kelm, President and CEO, emphasized during the press conference in Zurich, the orientation towards the faster growing renovation and modernisation market, which is substantially less cyclical than the new construction sector, again turned out to be the right strategy in 1998. For Geberit, this market accounts for approximately two thirds of group sales.

With 46.4% of group sales, the German market is still the most important, followed by Italy with 14.2%, Switzerland with 13.5%, Austria with 5.4 %, the Netherlands with 4.5%, France with 4.0% and Belgium with 3.8%. Within the scope of the internationalisation strategy, which aims at steady expansion outside the main Western European markets, the share of sales in Eastern Europe, Asia and the USA rose to 5.7 %.

In 1998, installation systems (preWall sanitary systems increased by 4.6% to CHF 433.7 million and made up 42% of group sales. With a share of 17%, the flushing systems achieved a 5.2 % increase in sales amounting to CHF 175.9 million. Higher growth rates of 12.2% and 14.6% respectively were achieved with the drainage systems and water supply systems product lines. In 1998, drainage systems, with CHF 306.0 million, and water supply systems, with CHF 95.9 million, represented 39% of the group sales.

Not for distribution in the United States

These materials are not an offer for sale of shares in the United States. Shares may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1993, as amended. Geberit International AG does not intend to register any portion of the offering in the United States or to conduct a public offering of shares in the United States.

Operating results continued to grow faster than sales

Also in 1998, the growth in operating results was significantly higher than the growth in sales. Operating profit before amortization of goodwill and other intangible assets (EBITA) rose by 24.8% to CHF 204.6 million. Operating cash flow (EBITDA) grew by 18.9% to CHF 255.7 million and accounted for 24.8% of sales. Net income amounted to CHF 37.4 million. Since the change of the majority shareholder in March 1997, the net debt of the Geberit Group has decreased by approximately 30% to CHF 702.7 million. This reduction is largely a result of high operating cash flows. The equity ratio of 12.4% immediately following the sale of the company improved to approximately 18.7% at the end of 1998. Investments remained at a high level and amounted to CHF 67.5 million.

CSFB appointed Global Co-ordinator for the IPO

With regard to the Initial Public Offering which is intended for June 1999, Geberit has appointed Credit Suisse First Boston (CSFB) Global Co-ordinator and Financial Adviser. The shares of the company are expected to be listed on the Swiss Exchange (SWX). As an independent, flexible public company that strives to provide the market with value added products, the Geberit Group plans to further increase market shares in sanitary system solutions and intends to take advantage of attractive opportunities that may arise during the consolidation of a fragmented market.

Outlook

The sales in the first quarter of 1999 amounted to CHF 298.4 million. This represents an increase of 11.4% (of which 4.1% result from Caradon Terrain which was taken over in February), compared to the same period of the previous year. With the acquisition of the leading British supplier of drainage systems, the U.K. has become the fifth largest market of the Geberit Group. At the same time the number of employees of the Geberit group has risen to more than 4000. For the current year, the management of the group expects the positive performance to continue.

Not for distribution in the United States

These materials are not an offer for sale of shares in the United States. Shares may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1993, as amended. Geberit International AG does not intend to register any portion of the offering in the United States or to conduct a public offering of shares in the United States.