

Geberit to offer 60% of its shares

Price range between CHF 300 and CHF 360 – trading expected to begin on 22 June 1999

Zurich, June 2, 1999 – Geberit has announced details of the flotation of its shares on the Swiss Exchange (SWX). Shares of Geberit AG are to be offered to private and institutional investors in Switzerland and to institutional investors in other countries. The indicative price range being used for bookbuilding purposes is between CHF 300 and CHF 360 per registered share of CHF 20 par value. On the basis of the midpoint of this range, the market capitalization of Geberit amounts to approximately CHF 1.4 billion. A total of 2,475,500 shares are to be offered, representing 60% of all outstanding shares following the offering. 1,050,506 of these shares will come from existing shareholders and a further 1,424,994 from a capital increase. The issue price is to be fixed on 21 June 1999. Trading is scheduled to commence on 22 June 1999.

The Geberit Group (1998 sales: CHF 1,032 million), a leading supplier in Europe of innovative high-quality sanitary systems, plans to offer for public sale a total of 2,475,500 registered shares of CHF 20 nominal value of the newly founded Geberit AG. 1,424,994 shares are to be created out of a CHF 28.5 million (nominal value) share capital increase, and 1,050,506 shares will come from existing shareholders. The creation of 166,400 shares in conditional capital is also envisaged with a view to funding management and employee stock option schemes.

On the basis of the midpoint of the price-range the capital increase is expected to generate proceeds of CHF 470 million for the Geberit Group. The new money is to be used to refinance existing liabilities, to repurchase outstanding preference shares and for general business purposes and will significantly strengthen the Group's capital structure. The equity ratio should increase from 19.4% as at 31 March 1999 to around 28% immediately following the public offering. In connection with the IPO the existing financial liabilities will be refinanced leading to a marked decline in financial expenses.

Geberit to become a genuine public company

60% of the 4,160,000 registered shares of Geberit AG, the new parent of all group companies, are to be placed with institutional investors and the public in Switzerland and institutional investors in other countries. The offering will reduce the stake in Geberit AG held by the current majority shareholders, a number of limited partnerships for which the UK-based Doughty Hanson Group is General partner and certain co-investors from 74.5% to around 25%. If the overallotment option for a further 371,325 shares is exercised, the Doughty Hanson holding will decrease to around 16%. In addition to these existing shareholders the management and staff of the Geberit Group (approx. 10%) and former family shareholders will own sizeable share packages.

These materials are not an offer for sale of the shares in the United States. The shares may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Geberit 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.

In Switzerland shares are being offered to institutional and private investors, while in other markets the offer is directed at international institutionals. Geberit will be presenting the company to institutional investors in Switzerland and internationally in investor presentations to be held up to the end of the bookbuilding period which will end with the pricing planned for June 21, 1999. Trading on the Swiss Exchange (SWX) is expected to commence on June 22, 1999. Credit Suisse First Boston (CSFB) has been appointed global co-ordinator and lead manager of a syndicate of eleven Swiss and foreign banks for the transaction.

Geberit enjoying a phase of strong growth

As President and CEO Günter F. Kelm explained at a recent IPO press conference in Zurich, the Geberit Group is currently in a phase of expansion characterized by sustained high growth rates in core European markets, accelerated growth in the new markets of eastern Europe, Asia and the USA, strategically important acquisitions and a rising innovation rate. Kelm told the media, "We continue to give top priority to achieving a substantial cash flow and generating long-term added value for the company". For seven years in a row, the Geberit Group has reported an operating cash flow (EBITDA) of over 20% of consolidated sales. According to CFO Rudolf Huber, the EBITDA margin reached 27.3% in the first quarter of 1999.

In the view of Günter F. Kelm, a strong tradition of innovation, a pole market position in core European markets, a consistent brand philosophy, a proven and committed management team and the new opportunities presented by the impending offering all add up to make an ideal basis for a continuation of the Geberit success story also as a public company.

Investors interested in subscribing shares are invited to consult the company's annual report, the Preliminary Offering Circular as well as the "Kurzinformation" in German or the "Notice d'information" in French.

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