

Zurich, 29 March 2000

Geberit's Upswing Continued

Geberit Group, Jona (Switzerland), today announced in Zurich its results for the 1999 business year. While consolidated sales increased by 15.4% to CHF 1.19 billion, earnings before interest and taxes (EBIT) grew by 25.6% to CHF 176.4 million and operating cash flow (EBITDA) by 18.7% to CHF 303.5 million. Net income improved by 45.2% to CHF 54.3 million. A dividend distribution of CHF 8.00 per registered share for the whole business year will be proposed to the General Meeting of Shareholders on 18 May 2000. For the current year, the Group Executive Board expects significant sales growth and operating margins on the current high level.

Higher growth rate

With consolidated sales of CHF 1,190.7 million, the Geberit Group, whose shares were listed on the Swiss Stock Exchange for the first time on 22 June 1999, continued its very positive development. Compared to the previous year, sales increase was 15.4%, or 16% when adjusted for currencies. Without the inclusion of Caradon Terrain, which was acquired in February 1999, growth amounted to 8.8%, and 9.6% when adjusted for currencies. The growth rate clearly accelerated in the second half-year.

The most important market remained Germany with a share in group sales of 42.5%, followed by Italy (14.2%), Switzerland (12.2%) and the United Kingdom (5%). Particularly high growth rates were reported in Central Europe and in the markets outside Europe. All product lines contributed with sound growth rates to the Group's success.

Operating results grew faster than sales

As expected, operating results in the 1999 business year grew faster than sales.

Compared to the previous year, earnings before interest and taxes (EBIT) increased by 25.6% to CHF 176.4 million (previous year CHF 140.4 million). This corresponds to an EBIT margin of 14.8%. Earnings before interest, taxes and amortisation of goodwill and other intangible assets (EBITA) grew by 18.4% to CHF 242.2 million (previous year CHF 204.6 million). Operating cash flow (EBITDA) increased by 18.7% to CHF 303.5 million (previous year CHF 255.7 million) and represented 25.5% of group sales.

Despite considerable non-recurring expenses due to the debt refinancing in connection with the Initial Public Offering, net income grew by 45.2% to CHF 54.3 million. The ratio of net income to sales is therefore 4.6%.

As a result of acquisitions and investments, total assets increased by 5.3% to CHF 1,546.2 million. As a result of the exchange listing and due to the positive financial performance of the company, the capital structure has

improved considerably. Debt was reduced from CHF 801.7 million to CHF 642.8 million, while the equity ratio increased substantially from 19% to 32%.

Investment in future growth

With a rise in research and development expenditure to CHF 29.1 million, the innovation rate grew again. This rate is defined as the share of sales generated by new or improved products brought to market over the past three years.

Investments in fixed and intangible assets amounted to CHF 78.1 million, CHF 10.6 million above the previous year. Investment ratio remained practically stable at 6.6% of sales.

The workforce grew world-wide by 521 employees to 4309 at year-end, essentially as a result of the acquisitions. On average, the Geberit Group had a workforce of 4258 during the year.

Outlook

The outlook for the Geberit Group is very good. The overall economy in Europe is favourable, and a noticeable recovery is expected for the construction industry, especially in the areas of renovation and new construction of private residences, both of importance to Geberit.

The Geberit Group's strategy is to expand market leadership and speed up international growth.

At an average annual growth rate of 10% including acquisitions, sales of CHF 2 billion are targeted for the year 2004. After a good start in the first quarter, the Group Executive Board expects that the current business year will be in line with these targets.

In addition to the Swiss Stock Exchange, Geberit shares are also traded over-the-counter on the Deutsche Boerse AG's XETRA electronic trading system.