

## Information on the First Half 2003

### Geberit is making good progress

Jona, 5 August 2003 - **Despite the weak economy, the Geberit Group's growth continued in the first half-year 2003. At MCHF 702.7, consolidated sales rose over the first half 2002 by +9.6%. Growth after currency adjustments amounted to +9.9%. The operating profit (EBIT) increased by +6.7% to MCHF 120.4 (prior year: MCHF 112.8). Net income improved by +9.3% to MCHF 78.4. This corresponds to a return on sales of 11.2%. Earnings per share rose by +8.5% to CHF 19.37. In the light of this positive development and, in particular, of the increasing dynamics in the second quarter, the Company's management expects a continued increase in sales and results for the total fiscal year 2003.**

In the first six months of the current fiscal year, the Geberit Group generated sales of MCHF 702.7 against MCHF 641.3 in the comparable prior year period. The +9,6% growth in Swiss Francs is close to the +9,9% growth after currency adjustments. The effects of the strengthened Euro nearly offset the weakened Dollar and Pound Sterling. The Chicago Faucet Company, which was acquired in mid 2002, contributed +7.8% to sales growth. Thus the growth in Swiss Francs, excluding the effects of acquisitions, amounted to +1.8%, while growth in local currencies amounted to +2.1%. At +11.6%, the overall growth in the second quarter rose markedly over the +7.7% first quarter growth. The organic growth also improved distinctly in the second quarter.

The development in the major European markets in the first half 2003 was varied. Significant positive growth rates in local currencies were generated in France (+20.3%), Austria (+10.7%), United Kingdom (+6.7%) and Belgium (+3.7%). Sales in Italy and the Netherlands rose slightly above the prior year by +0.6% each. The weak economic situation resulted in a decline in Germany (-4.5%) and Switzerland (-0.6%) which, however, subsided in the second quarter. The countries of the "Rest of Europe" region recorded a +17.8% growth. The sales development in the USA in the first half-year was again influenced by the acquisition of Chicago Faucets. Excluding the effect of this acquisition, there was a slight growth of +0.9%. The Asian markets achieved a significant +9.3% growth. The share in Group sales of the major European markets declined further and amounted to 80.8% as of June 2003 compared to 83.2% at the end of 2002.

The product area Sanitary Systems grew by +14.6% to MCHF 465.1 or 66.2% of total sales. The product area Piping Systems recorded an increase by +0.9% to MCHF 237.6. The contribution to Group sales amounted to 33.8%.

The profitability further improved over the first half 2003. The operating cashflow (EBITDA) rose by +5.2% to MCHF 173.5, corresponding to a 24.7% margin. The operating profit (EBIT) increased by +6.7% to MCHF 120.4 or 17.1% of sales. Net income grew by +9.3% to MCHF 78.4. At 11.2%, return on sales again reached the high level of the first half 2002. Earnings per share rose by +8.5% to CHF 19.37.

The Geberit Group's financial situation has further improved. Net debt as of 30 June 2003 amounted to MCHF 294.5. This figure includes the repayment of par value in the amount of MCHF 36.4 made on 15 July 2003. At 41.6%, the equity ratio remains almost unchanged (42.0% as of 31 December 2002).

In the first half-year an amount of MCHF 24.3 was invested in property, plant and equipment, mainly in machinery, tools and buildings (prior year MCHF 25.8). The research and development expenditure amounted to MCHF 15.8 as against MCHF 14.8 in the comparable prior year period.

In the light of this positive development and, in particular, of the increasing dynamics in the second quarter, the Company's management expects a continued increase in sales and results for the total fiscal year 2003.

As European market leader, the Geberit Group is a global provider in the area of sanitary technology with sales of CHF 1.3 billion and approx. 4,400 employees worldwide.

Annex: Financial key figures on the First Half 2003

## Annex: Financial key figures on the first half 2003

Millions of CHF <sup>1)</sup>	1/1 – 30/6/2003	1/1 – 30/6/2002	
Sales	702.7	641.3	
Change in %	+9.6	+2.4	
Operating profit (EBIT)	120.4	112.8	
Change in %	+6.7	+7.4	
in % of sales	17.1	17.6	
Net income	78.4	71.7	
Change in %	+9.3	+11.7	
in % of sales	11.2	11.2	
Operating cashflow (EBITDA)	173.5	164.9	
Change in %	+5.2	+5.4	
in % of sales	24.7	25.7	
Earnings per share (CHF)	19.37	17.85	
Earnings per share adjusted (CHF)	23.72	22.16	
	30/06/2003	31/12/2002	30/06/2002
Net financial liabilities	294.5	294.5	395.5
Shareholders' equity	650.4	630.2	563.3
Equity ratio in %	41.6	42.0	37.7
Number of employees	4,387	4,436	4,134

<sup>1)</sup> unless otherwise indicated

The complete half-year report is available at [www.geberit.com](http://www.geberit.com).