

Annual results 2003

Geberit results take another leap forward

Jona, 18 March 2004 – **Based on an increase in sales of +10.3% to MCHF 1404 the results of the Geberit Group significantly rose in fiscal year 2003. With an increase of +24.5%, net income reached the new record level of MCHF 147.0. The operating profit rose by +10.8% to MCHF 206.5. The operating cashflow (EBITDA) of MCHF 329.9 also markedly improved over the prior year. The distribution to the shareholders is expected to be increased by 21% to CHF 17.00. Following a good start in the first two months and in addition to a sales growth of approx. 25% as a result of the acquisition of the Mapress Group, management expects further organic growth and profit margins on the existing high level for the current fiscal year.**

Encouraging sales growth

The Group generated consolidated sales of MCHF 1403.9. This corresponds to a +10.3% growth rate of which +6.2% accounted for organic and +4.1% for acquisition-related growth. The overall growth at constant exchange rates was +9.0%.

Broadly supported rise in sales¹⁾

Sales in the major European markets rose by +3.8% against the prior year, while a +19.9% increase was generated in the rest of Europe. Growth in the USA, which was influenced by acquisition effects, amounted to +70.3%. Asia expanded by +6.1%, with China growing by +24.1%. Thus the sales contribution of the markets outside the major European markets rose further to 19.8%.

Growth in the product areas

The Sanitary Systems product area recorded a growth of +12.9% and thus contributed 65.5% to total sales. With a rise in sales of +5.7%, the Piping Systems product area generated a 34.5% share in Group sales.

Profitability increased further

As a result of the increase in sales, successful cost management, further productivity improvements as well as positive currency effects, the high profitability outperformed the prior year.

1) Growth rates of the markets in local currency

The operating cashflow (EBITDA) rose by +11,6% against the prior year to MCHF 329.9. This corresponds to an EBITDA margin of 23.5%. The operating profit (EBIT) increased by +10.8% to MCHF 206.5. The EBIT margin was 14.7%. Net income increased by +24.5% to MCHF 147.0. The return on sales amounted to 10.5%. Net income per share was CHF 36.31, +24.3% against the prior year.

High cashflow and sound financial base

Thanks to a rise in free cashflow against the prior year by MCHF 5.9 to MCHF 206.0, the balance sheet structure was improved further. Net debt was reduced by MCHF 178.6 to MCHF 115.9. In 2003, the equity ratio rose to 49.0%. In terms of the average shareholders' equity, the Group generated a return on equity of 21.5%. In view of the sound financial base, the Board of Directors will propose to the general meeting to substantially increase the distribution to the shareholders by CHF 3.00 to CHF 17.00 per share.

Outlook 2004

Against the background of the indicated market recovery and a significant organic sales growth in the first two months of the current fiscal year, management sees an opportunity for an additional solid organic growth. Furthermore, management expects an increase in sales of approx. 25% from the acquisition of the Mapress Group effected as of 1 January 2004. Management also anticipates that in the fiscal year 2004 the Company will be able to build on its longstanding success with operating margins on the existing high level and a further increase in earnings per share.

As a European market leader, the Geberit Group is a global provider in the area of sanitary technology with sales of CHF 1.8 billion and approx. 5'300 employees worldwide.

Annex: Financial information as of 31 December 2003

For further information please contact:

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Financial key figures as of 31 December 2003

Millions of CHF	1/1 – 31/12/2003	1/1 – 31/12/2002
Sales	1403.9	1273.0
Change in %	+10.3	+9.3
Operating cashflow (EBITDA)	329.9	295.7
Change in %	+11.6	+13.0
Margin in %	23.5	23.2
Operating profit (EBIT)	206.5	186.3
Change in %	+10.8	+18.6
Margin in %	14.7	14.6
Net income	147.0	118.1
Change in %	+24.5	+28.2
Margin in %	10.5	9.3
Earnings per share (CHF)	36.31	29.22
Earnings per share adjusted (CHF)	43.74	36.42
Number of employees average	4,419	4,307
	31/12/2003	31/12/2002
Shareholders' equity	739.0	630.2
Equity ratio in %	49.0	42.0
Net debt	115.9	294.5

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