

Annual results 2004

## **Strong 2004 at Geberit**

Geberit AG, 17 March 2005

**Sales of the Geberit Group increased by +35.8% to MCHF 1'906.8. The operating cashflow (EBITDA) and the operating profit (EBIT) grew over proportional by +37.4% to MCHF 453.0 and by +47.8% to MCHF 305.1, respectively. Net income rose by +31.5% to reach a new record level of MCHF 193.3. The dividend to shareholders is to be increased by CHF 5.00 to CHF 22.00.**

### **Double-digit sales growth**

Sales of the Geberit Group for the entire calendar year amounted to MCHF 1'906.8 which corresponds to a rise by +35.8% (+35.2% after currency adjustments) against the prior year. After adjustments for acquisitions, the growth rate in Swiss Francs amounted to +9.5% and +8.9% in local currencies. The Mapress Group, acquired as of the beginning of 2004, contributed MCHF 369.6 to total sales. The sale of a part of the Mapress Group, Blücher Metal ApS, was completed at the beginning of 2005. Excluding Blücher, sales in 2004 grew by +31.3% to MCHF 1'843.7.

### **Encouraging development of the regions<sup>1)</sup>**

All major European markets outperformed their prior year figures. With a share of 79.6% (prior year 80.2%) in total sales, revenues in these regions rose by +8.5% against the prior year. The countries comprising the "Rest of Europe" region grew by +9.7%, America by +9.3% after a strong fourth quarter and Asia by +18.0%.

### **Broadly supported growth in the product areas**

With an increase in sales of +10.0%, the product area Sanitary Systems achieved a contribution to Group sales of 53.0%. The Piping Systems product area generated a sales growth by +84.9%, mainly acquisition-related, and thus contributed 47.0% to total sales.

### **Increase in operating margins**

As a result of the sales growth, successful cost management, further productivity improvements as well as the efficient approach concerning the integration of the Mapress Group, the Geberit Group's profitability again increased. The operating cashflow (EBITDA) rose by +37.4% against the prior year to MCHF 453.0. This corresponds to an EBITDA margin of 23.8%. The operating profit (EBIT) grew by +47.8% to MCHF 305.1. The EBIT margin was 16.0%. Net income rose by +31.5% to MCHF 193.3 and the return on sales thus amounted to 10.1%. The earnings generated per share amounted to CHF 47.23, an increase of +30.1% over the prior year.

1) after adjustments for acquisitions and in local currencies

**High cashflow and sound balance sheet structure**

The free cashflow rose again by +32.7% over the strong prior year level to MCHF 273.4 and thus made a substantial contribution to the Geberit Group's balance sheet structure, which continues to be sound also after the Mapress acquisition. Although net debt posted an acquisition-related significant increase to MCHF 453.7, the equity ratio amounted to a healthy 43.5%. The return on equity generated in 2004 in relation to the average shareholders' equity was 24.0% (prior year 21.5%). In view of this sound financial base, the Board of Directors proposes to the general meeting an increase in the distribution to shareholders by CHF 5.00 to CHF 22.00.

**Outlook 2005**

Management expects the geopolitical and economic environment to improve only marginally. Geberit wants to further expand its market position with new, innovative products and services. In geographic terms, good growth opportunities are again perceived mainly in Central and Eastern Europe, the United Kingdom, North America, China and South East Asia. All in all, management sees good chances to keep up the above-average level of the operating results and to further increase the earnings per share.

As European market leader, the Geberit Group is a global provider in the area of sanitary technology with sales of approximately CHF 1.9 billion and a staff of about 5,500 worldwide.

**Financial key figures as of 31 December 2004**

<b>Millions of CHF</b>	<b>1/1 – 31/12/2004</b>	<b>1/1 – 31/12/2003</b>
Sales	1'906.8	1'403.9
Change in %	+35.8	+10.3
Operating cashflow (EBITDA)	453.0	329.8
Change in %	+37.4	+11.6
Margin in %	23.8	23.5
Operating profit (EBIT)	305.1	206.4
Change in %	+47.8	+10.8
Margin in %	16.0	14.7
Net income	193.3	147.0
Change in %	+31.5	+24.5
Margin in %	10.1	10.5
Earnings per share (CHF)	47.23	36.31
Adjusted earnings per share (CHF)	58.71	43.74
	<b>31/12/2004</b>	<b>31/12/2003</b>
Shareholders' equity	870.8	739.0
Equity ratio %	43.5	49.0
Net debt	453.7	115.9
Number of employees	5'516	4'412

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