

Quarterly report as of 30 September 2005

Geberit with excellent development

Geberit AG, Jona, 3 November 2005

The Geberit Group was able to sustain the positive development of its sales and results. Sales in the first nine months of the year amounted to CHF 1'486.9 million. This corresponds to an increase of 0.1% against the comparable prior year period. In organic terms and after currency adjustments, a 4.3% rise was generated. The operating cashflow (EBITDA), at CHF 373.3 million, remained on the prior year level. Operating income rose by 14.5% to CHF 306.7 million, which was partly due to changes in accounting principles. Net income increased by 23.7% to CHF 218.9 million. Earnings per share amounted to CHF 53.44. For the entire year, Management expects a solid organic sales growth and the operating results to remain on a high level.

In the first nine months of the year 2005, the Geberit Group generated sales of CHF 1'486.9 million compared to CHF 1'485.7 million in the prior year. This corresponds to a 0.1% increase. After adjustments for Blücher Metal ApS (DK), sold in early 2005, and the discontinued underground piping systems business, consolidated sales rose by 4.3% against the first three quarters 2004 in Swiss Francs as well as in local currencies. The currency losses still reported for the first six months due to the strong Swiss Franc were offset during the third quarter.

Sales in the third quarter grew by a very satisfactory 6.8% against the prior year. In organic terms and after currency adjustments, sales even reported a two-digit growth by 10.9%. Thus the months from July to September significantly outperformed the already good previous quarter. However, Management anticipates a slight slow-down for the fourth quarter.

The positive development in the European markets indicated in the second quarter continued. The overall growth as of the end of September in organic terms as well as in local currencies amounted to 4.5%. The United Kingdom (+13.0%) and France (+10.9%) reported a two-digit growth against the prior year. A very satisfactory sales growth was recorded in Switzerland (+8.9%), Austria (+8.0%), the Netherlands (+6.0%), Belgium (+3.7%) and Italy (+3.3%). Even in the German market, which was affected by the difficult market situation, the decline was a mere 1.6%. The other European markets reported a convincing total increase of 15.8%. The Middle East/Africa (+29.7%) and Far East/Pacific (+36.4%) regions generated a substantial growth. America, on the other hand, recorded a disappointing decline in sales by 6.0%.

Sales in the Sanitary Systems product area rose by 2.6% to CHF 818.1 million. As a result of the disinvestments of Blücher Metal ApS and a part of the underground piping systems business, the Piping Systems product area recorded a 2.9% decline to CHF 668.8 million. In organic terms, sales in the Piping Systems grew by 6.6%.

Profitability in the operating business further improved against the mid-year and reached the high prior year level. The operating cashflow (EBITDA) of CHF 373.3 million remained on the

prior year level which corresponded to an EBITDA margin of 25.1% (prior year 25.3%). The operating profit (EBIT) rose by 14.5% to CHF 306.7 million, the EBIT margin to 20.6% (prior year 18.0%). The discontinuation of goodwill amortizations, which had reduced the prior year result by CHF 40.5 million, as a result of changes in accounting principles made a major contribution to this increase. This technical effect as well as the decrease in interest and tax expenses resulted in an increase in net income by 23.7% to CHF 218.9 million. The return on sales of 14.7% markedly surpassed the prior year figure (11.9%). Earnings per share amounted to CHF 53.44.

The Geberit Group continues to have a sound financial base. Net debt was again substantially reduced against mid-2005 and amounted to CHF 286.5 million. Thus this figure decreased by CHF 167.2 million against December 2004. The equity ratio rose markedly to 47.8%.

In the first nine months of 2005, an amount of CHF 47.0 million (prior year CHF 49.1 million) was invested in property, plant and equipment, mainly in machinery and tools as well as in the new development and reconstruction of production plants. Research and development expenses of CHF 32.0 million were practically unchanged against the prior year level (CHF 32.6 million). This corresponds to 2.2% of sales.

Despite an only marginal improvement of the economic environment in the construction industry, Management anticipates realistic chances to achieve a solid organic sales growth and the operating results to remain on a high level.

As European market leader, the Geberit Group is a global provider in the area of sanitary technology with sales of approx. CHF 1.9 billion and 5'200 employees in approx. 40 countries worldwide.

Financial key figures as of 30 September 2005

Millions of CHF	1/1 – 30/09/2005	1/1 – 30/09/2004
Sales	1'486.9	1'485.7
Change in %	+0.1	+37.3
Operating cashflow (EBITDA)	373.3	376,0
Change in %	-0.7	+38.9
Margin in %	25.1	25.3
Operating profit (EBIT)	306.7	267.9
Change in %	+14.5	+42.1
Margin in %	20.6	18.0
Net income	218.9	177.0
Change in %	+23.7	+39.9
Margin in %	14.7	11.9
Earnings per share (CHF)	53.44	43.27
Adjusted earnings per share (CHF)	54.06	53.08
	30/09/2005	31/12/2004
Equity	923.8	816.8
Equity ratio in %	47.8	42.2
Net debt	286.5	453.7
Number of employees	5'165	5'516

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