

Information on the First Half-Year 2006

Geberit: outstanding first half-year in 2006

Geberit AG, Jona, August 10, 2006

In the first half-year 2006, the Geberit Group achieved a significant increase in sales and earnings. Across a broad range of markets, Geberit's sales increased by 11.5% to CHF 1,085.5 million (previous year CHF 973.5 million). In organic terms and after currency adjustments, the increase even amounted to 12.9%. The operating cashflow (EBITDA) rose by 27.4%, to CHF 302.6 million, and the operating profit (EBIT) by 33.0% to CHF 260.6 million. Net income reached CHF 187.3 million, and thus grew by 31.5%. Earnings per share rose by 32.8% to CHF 46.16. Assuming that the market environment continues to develop positively, management expects to achieve organic sales growth in high single digits and a substantial increase in earnings per share over the whole 12 months compared to the previous year.

In the first six months of the year 2006 sales of the Geberit Group amounted to CHF 1,085.5 million, compared to CHF 973.5 million in the previous year. This corresponds to a growth of 11.5% in Swiss francs. In local currencies, the increase was 10.2% due to the stronger euro and US dollar. After adjustments for businesses sold, growth even amounted to 14.2% in Swiss francs and 12.9% in local currencies.

In the second quarter, sales increased by 9.1%, compared to 14.0% in the previous quarter. In organic terms and after currency adjustments, the increase was 10.5%, compared to 15.2% in the first quarter. This means that Geberit clearly surpassed its medium-term goals also in the second quarter. The higher figure in the first quarter is due in large part to seasonal variations.

The pleasing growth of the Group is still based on a broad range of markets. In the first half-year 2006 markets in Europe developed very dynamically. In organic terms and after currency adjustments, growth in Europe was 13.2% by the end of June. Double-digit growth was achieved in the markets in Central and Eastern Europe (+31.0%), the Iberian peninsula (+21.5%), the Benelux countries (+16.6%), Italy (+15.0%), Switzerland (+13.6%), Germany (+12.6%) and Austria (+12.4%). France (+9.4%) and the Nordic countries (+6.2%) also showed significant growth. The only disappointing market was that of United Kingdom/Ireland, which decreased by 7.0%, mainly due to the selective exit from margin-poor business. The regions Middle East/Africa (+33.6%) and Far East/Pacific (+20.4%) were able to continue the very positive trend of the previous year. The American market recovered from last year's decline and grew slightly by 1.5%.

Sales of the product area sanitary systems rose by 15.1% to CHF 628.1 million. As a result of disinvestments, sales in the product area piping systems increased by 6.9%, to CHF 457.4 million, below average. But in organic terms, sales of piping systems grew by 13.1%.

Profitability of the Group increased considerably compared to the previous year. The operating cashflow (EBITDA) rose by 27.4%, to CHF 302.6 million. The EBITDA margin grew from 24.4% in the previous year to 27.9%. The operating profit (EBIT) increased by 33.0%, to CHF 260.6 million, which corresponds to an EBIT margin of 24.0% compared to 20.1% in the previous year. Major contributions to this operating increase were the growth in sales, positive net price effects, efficient cost management at all levels and disinvestments of low-margin business. The net income rose by 31.5% to CHF 187.3 million. The return on sales of 17.3% surpassed last year's half-year mark (14.6%). Earnings per share increased by 32.8%, to CHF 46.16.

After six months in the year 2006 the Company's financial situation continued to be sound. As planned, net debt rose compared to the end of the year 2005 by CHF 96.3 million to CHF 309.7 million. The equity ratio declined slightly from 49.2% as of the end of the year 2005, to 47.0%. As part of the share buyback program, 97,500 shares were repurchased at a total of CHF 123.3 million as at the end of June 2006. This corresponds to an average price of CHF 1,265 per share. No decision has yet been made concerning the utilization of the repurchased shares.

An amount of CHF 26.2 million (previous year CHF 32.6 million) was invested in property, plant and equipment in the first half-year. Research and development expenses rose slightly to CHF 22.0 million (previous year CHF 21.8 million); it thus corresponds to 2.0% of sales.

For the second half-year, the Company assumes a continuous positive market environment in most markets relevant for the Geberit Group. As customary, in the second half-year there will be a decline compared to the first six months. But management sees good chances to achieve a high single-digit organic growth in sales and a substantial increase in the operating margins and earnings per share as compared to the previous year.

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 about 5,200 employees in approx. 40 countries worldwide.

Financial key figures as of June 30, 2006

Million of CHF	1/1 – 30/06/2006	1/1 – 30/06/2005
Sales	1,085.5	973.5
Change in %	+11.5	-3.1
Operating cashflow (EBITDA)	302.6	237.5
Change in %	+27.4	-5.3
Margin in %	27.9	24.4
Operating profit (EBIT)	260.6	195.9
Change in %	+33.0	+9.4
Margin in %	24.0	20.1
Net income	187.3	142.4
Change in %	+31.5	+23.1
Margin in %	17.3	14.6
Earnings per share (CHF)	46.16	34.75
	30/06/2006	31/12/2005
Equity	927.2	958.0
Equity ratio in %	47.0	49.2
Net debt	309.7	213.4
Number of employees	5,192	5,162

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