

Quarterly report as of September 30, 2006

## Geberit continues to convince

Geberit AG, Jona, October 31, 2006

**The Geberit Group continued the significant increase in sales and earnings as of the end of September 2006. Supported by all Geberit markets, sales increased by 11.3% to CHF 1,654.5 million (previous year CHF 1,486.9 million). In organic terms and after currency adjustments, the increase even amounted to 12.4%. The operating cashflow (EBITDA) rose by 23.7% to CHF 461.8 million, and the operating profit (EBIT) by 30.0% to CHF 398.7 million. Net income increased by 34.1% to CHF 293.5 million. Earnings per share amounted to CHF 72.89 (+36.4%). For the entire year, assuming that the market environment continues to develop positively, management expects a sales growth of approximately 10% and a substantial increase in earnings per share compared to the previous year. At the beginning of December 2006, Bernd Kuhlin (47) will join the Group management as sales executive. He studied electrical engineering and has many years experience in international sales, which he mainly gained at Siemens, as well as in his last position in the Group management of Ascom.**

In the first nine months of the year 2006, consolidated sales of the Geberit Group amounted to CHF 1,654.5 million compared to CHF 1,486.9 million in the previous year. This corresponds to a growth of 11.3%. In local currencies, the increase was slightly lower at 10.0%. After adjustments for businesses sold, growth even was 13.7% in Swiss francs and 12.4% in local currencies.

In the third quarter, sales increased by 10.8%. In organic terms and after currency adjustments, the increase was 11.6%. As in the first and second quarter of the year 2006, these values significantly surpass the medium-term goals of Geberit.

The very positive sales growth is still based on a broad range of markets. The delightful development in the European markets continued. In organic terms and after currency adjustments, growth in Europe was 12.4% at the end of September. Cumulatively, double digit growth rates were achieved in the markets in Central and Eastern Europe (+28.9%), the Iberian peninsula (+18.8%), the Benelux countries (+14.8%), Austria (+14.4%), Germany and the Nordic countries (in each case +11.7%), Switzerland (+11.2%), Italy (+10.9%) as well as in France (+10.7%). The United Kingdom/Ireland market recovered in the third quarter and cumulatively slightly exceeded the previous year (+0.3%). The impressive growth rates were maintained in the Middle East/Africa (+32.7%) and Far East/Pacific (+24.3%) regions. The American market showed a positive trend with 4.1%.

Sales in the product area of sanitary systems rose by 13.7% to CHF 930.4 million. As a result of disinvestments, sales in the product area piping systems increased below average by 8.3% to CHF 724.1 million. But in organic terms, sales of piping systems grew by 13.7%.

Profitability of the Group increased considerably compared to the previous year and was maintained in the third quarter at the high level of the first two quarters of 2006. Cumulatively, the operating cashflow (EBITDA) rose by 23.7% to CHF 461.8 million, corresponding to a margin of 27.9% (previous year 25.1%). The operating profit increased by 30.0% to CHF 398.7 million, which corresponds to an EBIT margin of 24.1% (previous year 20.6%). 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 businesses. The net income rose by 34.1% to CHF 293.5 million. The return on sales of 17.7% clearly surpassed last year's figures of 14.7%. Earnings per share increased by 36.4% to CHF 72.89.

In the third quarter 2006, the Geberit Group's sound financial situation was further strengthened. As planned, net debt slightly rose by CHF 28.6 million to CHF 242.0 million compared to the end of the year 2005. The equity ratio increased from 49.2% as of the end of the year 2005 to 49.6%. As part of the share buyback program, 139,100 shares were repurchased at a total amount of CHF 179.0 million as of the end of September 2006. This corresponds to an average price of CHF 1,287 per share. No decision has yet been made concerning the utilization of the repurchased shares.

An amount of CHF 38.9 million was invested in property, plant and equipment in the first nine months (previous year CHF 47.0 million). Research and development expenses rose slightly to CHF 32.5 million (previous year CHF 32.0 million); and thus corresponds to 2.0% of sales.

Geberit assumes a continuous positive market development in the markets relevant for the Group. As usual, the results for the fourth quarter will clearly decline seasonally compared to the first three quarters. For the year 2006, based on the excellent results as of the end of September, management expects a total sales growth of approximately 10% and a substantial increase in the operating margins and earnings per share as compared to the previous year.

As of December 1, 2006, Bernd Kuhlin (47) will join the Group management of the Geberit Group as sales executive. He succeeds Dr. Michael Reinhard, who heads the Product Division. Bernd Kuhlin is a German citizen and studied electrical engineering at the Erlangen/Nürnberg (Germany) University. After he completed his studies he worked for more than twenty years at Siemens where he obtained gradually increased extensive experience in corporate management responsibilities and, in particular, in international sales functions. In his last position, Bernd Kuhlin was responsible for the Security Solutions Division as a member of the Group management of Ascom.

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 about 5,200 employees in approximately 40 countries worldwide.

**Financial key figures as of September 30, 2006**

<b>Million of CHF</b>	<b>1/1 – 09/30/2006</b>	<b>1/1 – 09/30/2005</b>
Sales	1,654.5	1,486.9
Change in %	+11.3	+0.1
Operating cashflow (EBITDA)	461.8	373.3
Change in %	+23.7	-0.7
Margin in %	27.9	25.1
Operating profit (EBIT)	398.7	306.7
Change in %	+30.0	+14.5
Margin in %	24.1	20.6
Net income	293.5	218.9
Change in %	+34.1	+23.7
Margin in %	17.7	14.7
Earnings per share (CHF)	72.89	53.44
	<b>09/30/2006</b>	<b>12/31/2005</b>
Equity	988.5	958.0
Equity ratio in %	49.6	49.2
Net debt	242.0	213.4
Number of employees	5,231	5,162

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