

Annual results 2006

## **Geberit achieved record year**

Geberit AG, Jona, March 15, 2007

**In 2006, the Geberit Group generated the best result in the Company's history and thus simultaneously continued a sequence of successful years. Sales rose by 13.6% to CHF 2,183.5 million. Organically and in local currencies growth amounted to 14.4%. The operating cashflow (EBITDA) increased by 24.8% to CHF 569.1 million. The operating profit (EBIT) grew by 31.4% to CHF 482.2 million. Net income rose by 35.2% to CHF 355.0 million. Earnings per share amounted to CHF 88.55, corresponding to a 38.2% growth. The dividend to shareholders is to be increased by 60.0% to CHF 40.00. For 2007, Management expects a solid sales growth and a continued increase in earnings per share.**

### **Two-digit sales growth**

As already announced in January 2007, the Geberit Group generated sales of CHF 2,183.5 million (prior year CHF 1,922.9 million) in 2006. This corresponds to a growth of 13.6% in Swiss Francs and 12.0% after currency adjustments. The organic growth amounted to 16.0% or 14.4% in local currencies.

The following sales performance by geographic regions relates to organic changes in local currencies. The European markets significantly exceeded their prior year sales figures and posted a total growth of 14.5% in 2006. The Middle East/Africa (+39.5%) and Far East/Pacific regions (+25.6%) reported impressive growth rates. America recovered from last year's decline (+4.1%).

In the year 2006, sales of CHF 1,210.7 million were generated in the product area Sanitary Systems (+14.6% against the previous year). Sales of the Piping Systems product area amounted to CHF 972.8 million (+12.3% against the previous year).

### **Profitability hits new historical high**

The Geberit Group was again able to outperform its convincing prior year figures and to achieve new record results. Sales growth, efficient cost management at all levels, disinvestments of low-margin operations as well as lower tax expenses made significant contributions to this increase. The operating cashflow (EBITDA) rose by 24.8% against the prior year to CHF 569.1 million. This corresponds to an EBITDA margin of 26.1% (prior year 23.7%), the highest level in the Company's history. Thus the average EBITDA growth of 11.8% markedly exceeded the corresponding rise in sales of 9.2% over the last decade. The operating profit (EBIT) grew by a significant 31.4% to CHF 482.2 million. The EBIT margin amounted to 22.1% (prior year 19.1%). Net income rose by 35.2% to CHF 355.0 million. The return on sales thus amounted to 16.3% (prior year 13.7%). Earnings per share of CHF 88.55 were generated (+38.2% against the previous year).

**Another rise in cashflow and sound financial base**

As a consequence of the rise in net cashflow and despite the slightly negative impact of net working capital and higher investments in property, plant and equipment, the free cashflow again rose over the already impressive prior year figure by 22.6% to CHF 355.9 million. Thanks to this rise in free cashflow, the balance sheet structure was further strengthened as of the end of 2006. Net debt was reduced by CHF 72.7 million to CHF 140.7 million. The equity ratio amounted to a very sound 53.0% (prior year 49.2%). In terms of average equity, the return on equity was increased to 35.8% in the year under review (prior year 29.1%). In consideration of this very pleasing development of the Company, the Board of Directors will propose to the general meeting a 60.0% dividend increase to CHF 40.00.

**Outlook 2007**

The currently positive economic framework conditions in Europe and the sound immediate industry environment will only experience a slight weakening in 2007. In North America the weak residential market is not expected to be fully compensated by the growing demand in the public area. Housing and construction markets in Asia and Middle East are expected to continue to be strong with no material slow down. Geberit is convinced that it will be able to successfully cope with market challenges and build on its past success in the current year 2007. The increasingly broader geographic base should be accordingly reflected in sales. Therefore, the Geberit success story is likely to continue. Management expects for 2007 a solid sales growth within the medium-term target range, operating results on a high level and an over proportionate increase in earnings per share.

As European market leader, the Geberit Group is a global provider in the area of plumbing technology with sales of CHF 2.2 billion and 5,300 employees in 40 countries worldwide.

**Financial key figures as of December 31, 2006**

<b>Million of CHF</b>	<b>1/1 – 31/12/2006</b>	<b>1/1 – 31/12/2005</b>
Sales	2,183.5	1,922.9
Change in %	+13.6	+0.8
Operating cashflow (EBITDA)	569.1	455.9
Change in %	+24.8	+0.6
Margin in %	26.1	23.7
Operating profit (EBIT)	482.2	366.9
Change in %	+31.4	+20.1
Margin in %	22.1	19.1
Net income	355.0	262.5
Change in %	+35.2	+35.0
Margin in %	16.3	13.7
Earnings per share (CHF)	88.55	64.09
	<b>31/12/2006</b>	<b>31/12/2005</b>
Equity	1,065.9	958.0
Equity ratio in %	53.0	49.2
Net debt	140.7	213.4
Number of employees	5,269	5,162

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