



 **GEBERIT**

Annual Report 2005

Financial Highlights

		2005	2004	
Sales	MCHF	1,922.9	1,906.8	
Change on previous year	%	+0.8	+35.8	
Operating profit (EBIT)	MCHF	366.9	305.5	
Margin	%	19.1	16.0	
Net income	MCHF	262.5	194.4	
Margin	%	13.7	10.2	
Operating cashflow (EBITDA)	MCHF	455.9	453.4	
Margin	%	23.7	23.8	
Net cashflow	MCHF	366.6	351.7	
Margin	%	19.1	18.4	
Finance costs, net	MCHF	(17.2)	(30.0)	
Research and development expenses	MCHF	43.5	43.4	
In % of sales	%	2.3	2.3	
Earnings per share	CHF	64.09	47.32	
Earnings per share – adjusted*	CHF	64.72	60.37	
Capital expenditure	MCHF	79.5	87.8	
Number of employees	31.12.	5,162	5,516	
Annual average		5,237	5,469	
Sales per employee	TCHF	367.2	348.7	
		31.12.2005	31.12.2004	
Total assets	MCHF	1,946.6	1,937.1	
Cash and cash equivalents	MCHF	180.0	81.6	
Net working capital	MCHF	120.8	130.9	
Property, plant and equipment	MCHF	528.3	538.8	
Goodwill and intangible assets	MCHF	812.4	878.8	
Corporate debt	MCHF	393.4	535.3	
Equity	MCHF	958.0	816.8	
Equity ratio	%	49.2	42.2	
Gearing	%	22.3	55.5	
* Adjusted by amortization of goodwill				

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To our Shareholders

Ladies and gentlemen,

In 2005, we were able to smoothly continue the success story of the preceding years. The challenging task of generating further profitable growth on the prevailing high level was vigorously taken on and successfully performed.

Sales of the Geberit Group in the past year amounted to CHF 1,922.9 million. The 5.4 % organic growth is in line with the medium-term target level. On the whole, we achieved a moderate growth despite disinvestments. The operating profit after adjustments for depreciation and amortization increased by 0.6 % to CHF 455.9 million. Net income rose by 35.0 % to CHF 262.5 million.

The Geberit Group has strong financial resources with a sound equity base and balance sheet structure. The equity ratio as of the year-end was 49 %. Liquid funds of CHF 200 million will be used to implement a share buyback in 2006.

In the year under review, the Company continued to work on the expansion of its strong market position through a number of measures. In addition to the launch of promising products, numerous projects were successfully implemented. These included the opening of new sales offices in China, the reorganization of sales activities in several markets, the further globalization of procurement, the completion of the disinvestments of the product line Underground Piping Systems as well as the optimization of the production processes in the USA.

In view of the continuously positive corporate development, it is intended to again increase the distribution to our shareholders. The Board of Directors will propose to the general meeting a dividend of CHF 25.00 per share, a 14 % rise against the previous year.

At the beginning of 2005, a new, younger Group Executive Board took over responsibility for the Group's operations. The internationally experienced management team headed by Albert M. Baehny rapidly familiarized itself with the complex task and delivered a convincing performance. The withdrawal of Randolph Hanslin from the Group Executive Board in April 2006 will bring the generation change in the Company's executive management to its scheduled close. The Board of Directors has asked Randolph Hanslin to continue to make his valuable experience available to the Company as a member of



Günter F. Kelm (left)
Albert M. Baehny

the Board of Directors. The Board of Directors is to be further strengthened by newly electing Hans Hess. Corresponding motions will be submitted to the general meeting 2006. Rudolf Maag will be stepping down from the Board of Directors. The Board of Directors regrets this very much and would like to express its thanks to Rudolf Maag for his commitment and valuable contribution to the success of the Geberit Group during the past six years.

The convincing results of the year 2005 were owed to the commitment, high motivation and competence of the employees of our Group companies in approximately 40 countries. Let us take this opportunity to express our thanks in recognition of their exemplary performance. We would again like to extend special thanks to our customers in the commercial and trade sectors for another year of constructive cooperation that was very much appreciated by us.

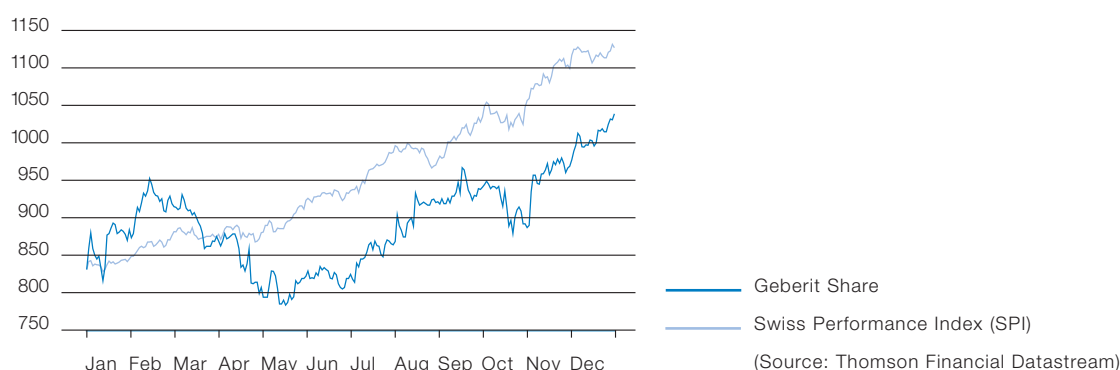
Not least we would also like to thank you, our esteemed shareholders, for your strong commitment to our Company.

We look forward to the year 2006 with optimism, but not euphorically. The geopolitical situation may bring some surprises. However, the business climate in Germany, our largest individual market, is better than at the beginning of 2005. The international markets promise further growth. Nevertheless, continued efforts will be required to realize our ambitious goals. High research and development expenditures, significant investments in innovation and market development as well as further training of our employees will again be necessary to steadily establish new foundations for a sustainable, positive corporate development.

Günter F. Kelm
Chairman of the Board

Albert M. Baehny
Chief Executive Officer (CEO)

Share Price development (1 January until 31 December 2005)



Investor Information

Share price performance in the year under review

In 2005, the Geberit share price again experienced a satisfactory development. After a successful start, rising from CHF 832 at the year-end 2004 to approximately CHF 950 by mid-February, the share price gradually declined to below CHF 800. In the wake of the increasingly more positive interim results from the 2nd quarter onwards, the share price recovered markedly and closed at CHF 1,040, a 25 % increase over the entire year under review. Compared to that, the Swiss Performance Index (SPI) rose by 36 % and thus for the first time in several years outperformed the Geberit share. The average increase in the value of the Geberit share over the last three years amounted to a satisfactory 38 % (SPI 21 %). The market capitalization of the Geberit Group reached CHF 4,326 million as of the end of 2005.

Management resolved to implement a share buyback in 2006. Shares in an aggregate amount of up to CHF 200 million are to be repurchased via a separate trading line, deducting the withholding tax. As of today, no decision has been made with respect to the use of such repurchased shares. Possible options are a capital reduction, acquisitions or a resale.

The Geberit shares are listed on the Swiss Exchange (SWX) but may also be traded in the over-the-counter markets of the Frankfurt, Baden-Württemberg, Munich and Berlin-Bremen stock exchanges.

At the end of 2005, the free float, as defined by SWX, was 100%.

Distribution

The Board of Directors of Geberit AG will propose a dividend of CHF 25.00 at the general meeting on 28 April 2006, which corresponds to a rise in the per share distribution of CHF 3.00 or 13.6 %. As such the shareholder-friendly dividend policy shall be continued. The net income distribution rate of 39.2 % after adjustments for goodwill amortization is again within the 30 to 50 % range as defined by Geberit's stock exchange listing.

Distribution

(CHF per share)

	2005	2004	2003	2002	2001
Dividend	25.00	22.00	17.00	5.00	
Repayment of par value				9.00	10.00
Total	25.00	22.00	17.00	14.00	10.00

Subject to the shareholders' approval, the dividend shall be paid on 4 May 2006.

Time schedule

2006	
Interim report first quarter	27 April
General meeting	28 April
Dividend payment	4 May
Half-year results	10 August
Interim report third quarter	31 October

2007	
First information on the year 2006	18 January
Media and analysts' conference	15 March
Interim report first quarter	25 April
General meeting	26 April
Dividend payment	2 May
(Subject to minor changes)	

Communication

Via the internet (www.geberit.com), Geberit simultaneously publishes current and comprehensive information for all market participants and interested parties, including any ad-hoc publications as well as the online version of the annual report. Among other things, the current version of the investor presentation is available on the internet at any time. In addition, interested parties may add their names to a mailing list in order to receive the most recent information relating to the Company.

CEO Albert M. Baehny, CFO Roland Iff and Head of Corporate Communications Roman Sidler are in charge of the ongoing communication with shareholders, the capital market and the general public. Information relating to Geberit is provided in the form of regular media information, media and analysts' conferences as well as financial presentations.

Contact may be established at any time under corporate.communications@geberit.com.

Major data relating to the Geberit share (as of 31 December 2005)

Registered shareholders	10,661
Capital stock (CHF)	4,160,000
Number of registered shares of CHF 1.00 each	4,160,000
Registered shares	2,854,980
Treasury stock	69,160
Stock exchange	SWX, Zurich
Swiss securities identification number	803822
ISIN code	CH-0008038223
Telekurs	GEBN
Reuters	GEBN.S

Key figures (CHF per share)	2005	2004
Net income	64.09	47.32
Net income, adjusted*	64.72	60.37
Net cashflow	89.50	85.93
Equity	233.89	199.56
Distribution	25.00	22.00

*Adjusted by amortization of goodwill



Board of Directors

Günter F. Kelm (1940), Chairman
Kurt E. Feller (1937), Vice Chairman
Dr Robert Heberlein (1941)
Rudolf Maag (1946)
Klaus Weisshaar (1938)

The term of office for both Dr Robert Heberlein and Rudolf Maag is set to expire at the general meeting on 28 April 2006. Dr Robert Heberlein has made himself available for an additional term of office. Rudolf Maag will be stepping down from the Board of Directors. A proposal will be submitted to the general meeting to elect Randolph Hanslin and Hans Hess to the Board of Directors.

The Board of Directors of Geberit AG is composed of a maximum of seven members. The term of office of each member is three years, and the statutory age limit has been established at 70 years.

Audit Committee

Kurt E. Feller (Chairman), Dr Robert Heberlein,
Günter F. Kelm, Rudolf Maag, Klaus Weisshaar

Personnel Committee

Kurt E. Feller (Chairman), Günter F. Kelm, Rudolf Maag



Group Executive Board

Albert M. Baehny (1952), Chief Executive (CEO)
 Randolph Hanslin (1942), Products
 Roland Iff (1961), Finance (CFO)
 Dr Michael Reinhard (1956), Sales

Picture left – from left to right:
 Rudolf Maag
 Kurt E. Feller
 Günter F. Kelm
 Klaus Weisshaar
 Dr Robert Heberlein

Picture right – from left to right:
 Roland Iff
 Albert M. Baehny
 Randolph Hanslin
 Dr Michael Reinhard

Management Structure (1 January 2006)

Board of Directors

Chairman: Günter F. Kelm

Vice Chairman: Kurt E. Feller

Chief Executive Officer

Albert M. Baehny

Corporate Communications

R. Sidler

Marketing

M. Schumacher

Human Resources

Dr Ph. Uschatz

Environment/ Sustainability

R. Högger

North America

K. Kramer

Far East/Pacific

F. Aepli

- Sales China
F. Aepli*

- Sales Singapore
E. Foo

- Sales Australia
C. Stauber

Sales

Dr Michael Reinhard

Germany

Dr K. Spachmann

Italy

R. Fumasoli

Switzerland

R. Vincenz

- Shower Toilet Balena (CH)
T. Nüesch

Austria

A. Nowak

United Kingdom

M. Hürlimann

Netherlands

M. Portengen

- Luxembourg
J. P. Schintgen

France

V. Deflandre

Belgium

P. Forier

Scandinavia

L. Risager

Eastern Europe

A. Dobrut

- Poland
A. Dobrut*

- Czech Republic
J. Hornicek

- Hungary
A. Denk

- Slovenia
M. Urbancic

- Slovakia
V. Sedlacko

Spain

A. Campos

Portugal

J. Seabra

International Sales

F. Reimann

OEM

D. Grob

Industry

Dr M. Seidler

*Multiple functions

Products

Randolf Hanslin

Quality

R. Scheidegger

Supply Chain

A. 't Gilde

Logistics

H. Kirsch

Technology

Dr R. Materna

Products

Sanitary Systems

E. Renfordt-Sasse

- **Installation Systems**
M. von Ballmoos
- **Flushing Systems**
M. Segieth
- **Public**
C. Bartholet
- **Waste Fittings and Traps**
T. Kiffmeyer
- **Project Manager Pool**
E. Renfordt-Sasse*
- **Design and Application Engineering**
E. Schibig

Production

Sanitary Systems

H. Kirsch

- **Production Pfullendorf (DE)**
D. Eismar/H. Kirsch
- **Production Lichtenstein (DE)**
T. Schweikart/H. Müller
- **Production Weilheim (DE)**
H. Kirsch*
- **Production Ruše (SI)**
M. Urbancic
- **Production Matrei (AT)**
J. Rapp
- **Büchler Toolings (CH)**
M. Minikus
- **Production Jona (CH)**
W. Wiggenhauser
- **Production Pottenbrunn (AT)**
U. Wagner a.i.
- **Production Givisiez (CH)**
B. Bünzli
- **Production Aylesford (GB)**
M. Hürlimann
- **Production Villadose (IT)**
R. Prügl
- **Production Langenfeld (DE)**
Dr R. Franzen
- **Production China (CN)**
F. Aepli
- **Production USA (US)**
K. Kramer

Products

Piping Systems

M. Ziegler

- **Building Drainage Systems**
S. à Porta
- **Supply Systems**
M. Schüpbach
- **Project Manager Pool**
M. Ziegler*
- **Design and Application Engineering**
P. von Flüe

Production

Piping Systems

Dr F. Klaiber

Finance

Roland Iff

Controlling

W. Müller

Treasury

U. Theus

Internal Audit

Dr M. Rüttimann

Information Technology

P. Hartmann

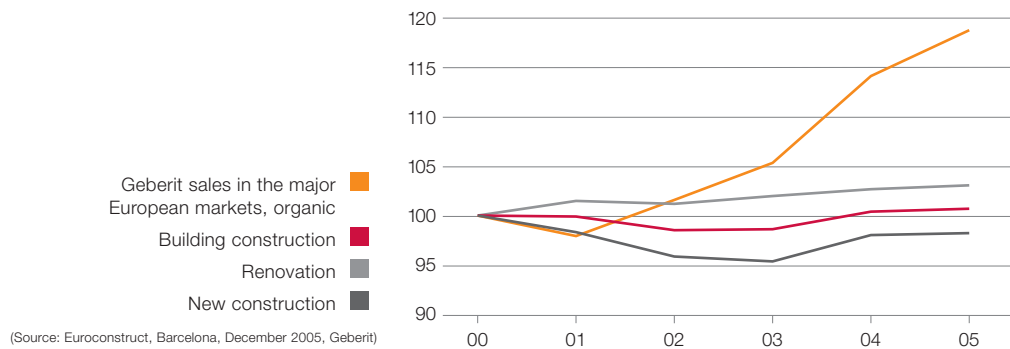
Legal Services

Dr A. Riebel

Service, Finance and Holding Companies

W. Frei/J. Haas/Dr K. Schall

**Construction output and Geberit sales
in the major European markets 2000–2005**
(Index: 2000 = 100)



Business and Financial Review

In 2005, the Geberit Group again generated convincing results on a broad geographic basis. This was also supported by the improved economic environment in many markets. Geberit was able to further expand its excellent position in the global sanitary markets.

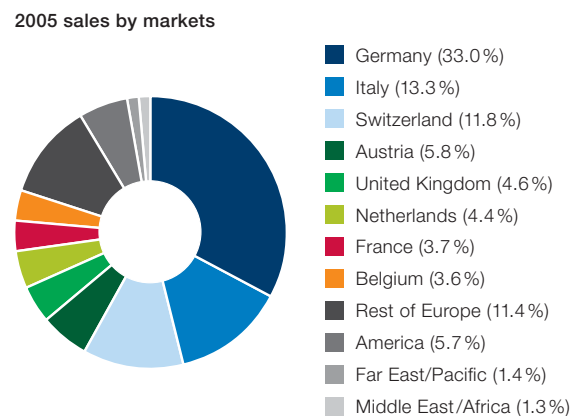
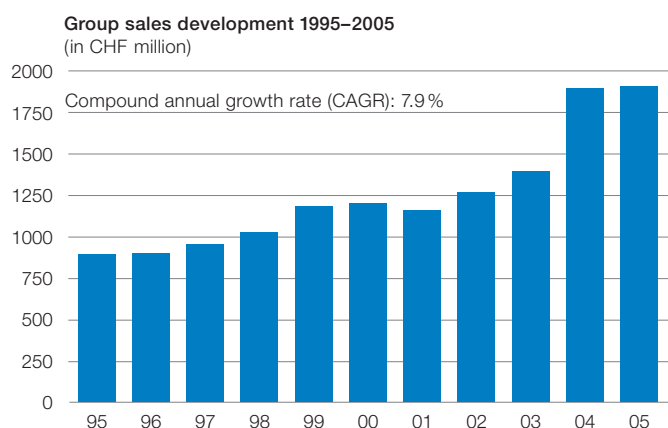
Improved economic framework conditions

The economic growth drivers identified in many markets worldwide had a positive impact on the construction industry.

Although, according to the rather conservative Euroconstruct estimates of December 2005, a moderately positive growth continued to be recorded in the European building construction sector, at 0.3% it was below the prior year level (1.8%). In particular the recovery in the new construction segment indicated in 2004 was slowed down mainly by the hesitant non-residential new construction activities. The renovation market, where Geberit generates approximately 70% of its sales, experienced a moderate rise (0.4%). A comparison of these index developments with Geberit's sales figures shows that, as in the prior years, the Geberit Group markedly outperformed the industry environment in 2005.

In 2005, the US gross domestic product increased by 3.5%, compared to 4.2% in the preceding year. Construction investments reached USD 1,160 billion which corresponds to an 8.1% increase against 2004. While the residential construction sector grew, the commercial and public segments, which are important to Geberit, stagnated.

In Asia (excluding Japan), the gross domestic product in the year under review rose by 7.2%, mainly driven by China. Nevertheless, the growth rate of construction investments in China slightly declined at a high level.



Continued sales growth

In 2005, the Geberit Group generated sales of CHF 1,922.9 million (prior year CHF 1,906.8 million). This corresponds to a growth rate of 0.8% or 0.5% after currency adjustments. The organic growth amounted to 5.4% or 5.0% in local currencies.

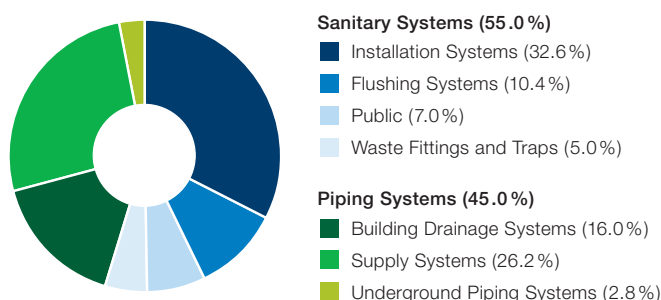
Higher sales volumes accounted for 0.8% of the 5.4% organic growth, price changes for 4.2% and positive exchange rate developments for 0.4%.

The achieved growth confirmed the continuously positive trend. The average growth rate over the last 10 years was 7.9% and over the last five years even 9.7%.

Satisfactory development of the markets

The following sales developments by geographic markets relate to organic changes in local currencies. With a 5.3% growth, the development of the European markets continued to be remarkable. Two-digit growth rates were generated in the United Kingdom (+14.4%), France (+11.4%) and Austria (+10.1%). Satisfactory sales growth was also recorded in Belgium (+9.4%), Switzerland (+8.8%), the Netherlands (+8.2%) and Italy (+3.3%). Germany (–1.0%) competed remarkably well in a difficult market environment. The other European markets boasted a 15.3% growth rate. Even more significant increases were recorded in the Middle East/Africa (+20.0%) and Far East/Pacific (+42.4%) regions. Only America posted a disappointing 7.0% decline. In all, the tendency towards higher growth outside the major European markets observed over several years continued in 2005.

2005 sales by product areas and product lines



Growth in the product areas

Sales of CHF 1,056.6 million were generated in the **Sanitary Systems** product area in 2005. This corresponds to a 4.1% growth. As a result of disinvestments in the product area Piping Systems (see below), the contribution of Sanitary Systems to total sales rose to 55.0 % (prior year 53.0 %).

With a 32.6 % share in Group sales, **Installation Systems**, the largest product line within Sanitary Systems, posted a satisfactory 5.7 % growth, mainly in the area of drywall construction elements. The well-designed actuators and the GIS (Geberit Installation System) also made an above-average contribution to growth. Compared to that, the **Flushing Systems** product line posted a slightly below-average growth of 2.8 % with a 10.4 % contribution to Group sales. The continuing shift from visible to concealed solutions (part of the Installation Systems product line) resulted in a decline of sales. On the other hand, the still satisfactory business development in the area of shower toilets as well as high sales volumes for filling and flush valves made a positive contribution to the growth of this product line. The **Public** product line's contribution to Group sales in 2005 continued to be 7.0 %. Sales increased slightly against the prior year by 1.1 %. Sales of Chicago Faucets products in the USA experienced an unsatisfactory development. However, urinal flush controls and washbasin faucets generated an above-average sales growth. Also as a

result of the unsatisfactory US business, the **Waste Fittings and Traps** product line only experienced a minor increase by 0.6 % after last year's dramatic growth. Only the new design-oriented washbasin siphon trap generated good growth rates. The contribution to Group sales was 5.0 %.

The **Piping Systems** product area was affected by the sale of Blücher Metal ApS (DK) and the disinvestment of the Underground Piping Systems business. Sales in the period under review amounted to CHF 866.3 million which corresponds to a 2.8 % decline. On the other hand, an organic growth of 7.3 % was posted. The contribution to Group sales amounted to 45.0 % (prior year 47.0 %).

Due to the above mentioned sale of Blücher Metal ApS, sales of **Building Drainage Systems** decreased by 11.4 %. However, after adjustments for disinvestment effects, with 9.2 % this product line generated the strongest sales growth of all product lines. This was supported by the entire product range and again by the sound-absorbing Silent/db20 system. The contribution to Group sales was 16.0 %. With a contribution to Group sales of 26.2 %, the product line **Supply Systems** also recorded a satisfactory 6.2 % growth. The multilayer piping system Mepla and the Mapress product range equally contributed to such growth. The **Underground Piping Systems** product line was affected by disinvestments. Therefore, sales decreased by 21.0 %, with the share in Group sales declining to 2.8 % in line with corporate strategy.

Minor currency effects

Accumulated currency gains contributed 0.3% to total sales growth. Thus the various currency effects were largely neutralized. Only the strengthening of the Euro against the Swiss Franc in the first six months against the prior year as well as the markedly stronger Polish Zloty made a moderately positive sales contribution.

In 2005, Geberit generated 68% of its sales in the Euro zone. 6% of total sales were realized in US-Dollars and 5% in Pounds Sterling. The currency risk is limited as sales are matched by corresponding expenses and loan repayments in the same currencies. The remaining currency risk of approximately CHF 130 million, around CHF 55 million thereof in Euro, is partially hedged by futures.

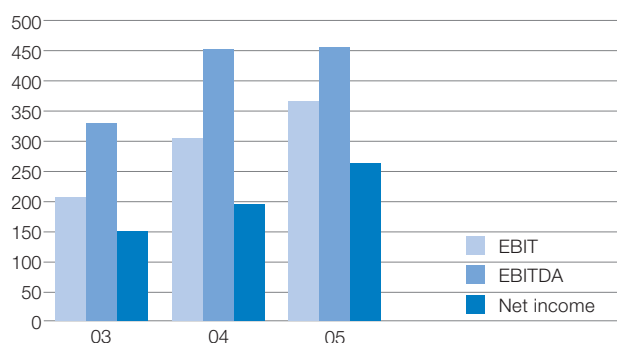
Reduced sales due to disinvestments

No enterprises were acquired in the year under review.

Blücher Metal ApS (DK), which was sold in February 2005 with retroactive effect as of 1 January 2005, had contributed CHF 63.1 million to total sales in 2004.

In connection with the disinvestment of the product line Underground Piping Systems, sales decreased by CHF 17.2 million during the year under review. Disinvestment activities were completed as planned as of the end of 2005. 2005 sales included CHF 39.9 million from disinvested operations.

EBIT, EBITDA, Net income 2003–2005
(in CHF million)



Continuously convincing profitability

In 2005, the Geberit Group was able to repeat and, in some cases, even markedly outperform the good prior year results. This was due to a more broadly based sales growth, a stronger market and customer-orientation as well as a successful cost management.

The operating cashflow (EBITDA) rose by 0.6% against the prior year to CHF 455.9 million. This corresponds to an EBITDA margin of 23.7% (prior year 23.8%). Thus, during the last decade, the average EBITDA growth of 9.3% markedly exceeded the corresponding rise in sales of 7.9%. The operating profit (EBIT) grew by a significant 20.1% to CHF 366.9 million, mainly due to the discontinuation of goodwill amortization. The EBIT margin was 19.1% (prior year 16.0%).

Net income rose by 35.0% to CHF 262.5 million. The return on sales thus amounted to 13.7% (prior year 10.2%). Earnings per share of CHF 64.09 (+35.4% against the prior year) were generated. After adjustments for the discontinuation of goodwill amortization, the increase of the earnings per share against the prior year would have been 7.2%.

Operating expenses under control

Primarily as a result of higher customer discounts, sales deductions increased by 11.6% to CHF 282.7 million. At 14.7%, the share of sales deductions in Group sales grew markedly (prior year 13.3%).

Total operating expenses in 2005 amounted to CHF 1,273.3 million (prior year CHF 1,347.9 million) or 5.5% less than in 2004. As a percentage of sales, operating expenses decreased from 70.7% in the previous year to 66.2%. Compared to the prior year, this remarkable decline was mainly due to the discontinuation of goodwill amortization as well as due to volume effects resulting from the satisfactory sales development. In addition, the consistent cost discipline in combination with further process optimization also had an impact.

Cost of materials amounted to CHF 580.3 million, a 1.6% increase against the prior year. At 30.2% of sales, this figure rose only slightly above the prior year level of 29.9%. The effect of rising raw material prices was largely controlled by long-term contracts, global sourcing and selective price adjustments. Personnel expenses declined by 5.1% to CHF 418.5 million or 21.8% of sales (prior year 23.1%).

Depreciation decreased by 10.3% to CHF 75.8 million. This was inter alia due to one-time depreciation charges posted in the prior year. At CHF 185.5 million, other operating expenses declined against the prior year in absolute terms (–1.3%) as well as expressed as a percentage of sales (from 9.9% to 9.6%) despite brisk trade fair activities and various marketing projects. As mentioned above, the massive reduction of amortiza-

tion of goodwill and other intangible assets by 79.2 % to CHF 13.2 million was due to the discontinuation of goodwill amortization according to changes in accounting principles.

Strong net income

In the year under review, Geberit generated net income of CHF 262.5 million (prior year CHF 194.4 million), a marked rise by 35.0 %.

Net finance costs were reduced by 42.7 % to CHF 17.2 million. This significant improvement mainly resulted from the lower amount of debt.

Income tax expenses rose from CHF 81.1 million to CHF 89.7 million. The tax rate, however, declined from 29.4 % to 25.7 %. This reduction was mainly due to the fact that the discontinued goodwill amortization caused an increase in the 2005 pre-tax result but was not deductible for tax purposes with respect to the prior year result.

Another rise in cashflow

The net cashflow of CHF 366.6 million exceeded the prior year figure by 4.2 %, primarily due to lower financial expenses in the year under review. This corresponds to a cashflow margin of 19.1 % (prior year 18.4 %). As a consequence of the rise in net cashflow and lower expenditures in property, plant and equipment, the free cashflow increased by another 6.1 % against the already high prior year figure to CHF 290.2 million. From such free cashflow, distributions to shareholders in the amount of CHF 90.3 million were made and debt was repaid.

Sound equity base and balance sheet structure

Thanks to the rise in free cashflow, the balance sheet structure of the Geberit Group was further strengthened at the end of 2005. Debt was reduced by CHF 141.9 million to CHF 393.4 million. Consequently, net debt also posted a satisfactory decline by CHF 240.3 million to CHF 213.4 million.

Debt (in CHF million)

	12/05	12/04	12/03
Long-term debt	344.0	531.7	293.6
Total debt	393.4	535.3	297.2
Cash and cash equivalents	180.0	81.6	181.3
Net debt	213.4	453.7	115.9

As of the year-end 2005, the equity ratio amounted to a sound 49.2 % (prior year 42.2 %). In terms of average equity, the Group was able to increase its return on equity to 29.1 % in the year under review (prior year 23.8 %). The gearing (net debt/equity) improved from 55.5 % in the previous year to 22.3 % as of 31 December 2005.

The Group's liquidity situation was comfortable. In addition to liquid funds in the amount of CHF 180.0 million, the Group had access to operating credit facilities of CHF 413.4 remaining undrawn as of 31 December 2005.

As of 31 December 2005, the Geberit Group held 69,160 own shares in treasury, i.e. just under 3,000 more than in the previous year. Treasury shares are primarily earmarked for share participation plans.

In the year under review, total assets at CHF 1,946.6 million (prior year CHF 1,937.1 million) remained practically unchanged. Net working capital was reduced further to CHF 120.8 million. Goodwill and intangible assets declined to CHF 812.4 million, property, plant and equipment to CHF 528.3 million.

Operating capital, comprising net working capital, property, plant and equipment as well as goodwill and intangible assets, amounted to CHF 1,461.4 million (prior year CHF 1,548.5 million) as of the end of 2005. The return on operating assets, expressed as the ratio of operating profit before amortization (EBITA) to average operating capital, amounted to 24.6% (prior year 23.1%) in the year under review.

Level of investments continues to be high

In 2005, investments in property, plant and equipment and intangible assets amounted to CHF 79.5 million, a decline by CHF 8.3 million (9.5%) against the prior year due to the disinvestment of Blücher Metal ApS and lower investments in tools for new products. As a percentage of sales, the investment ratio in the year under review was 4.1% and thus below the long-term average.

Expenditures for property, plant and equipment (in CHF million)

	2005	2004	2003	2002	2001
	79.5	87.8	69.8	59.6	76.6
In % of sales	4.1	4.6	5.0	4.7	6.6

The bulk of investments – approximately 60% – in 2005 was again required for the ongoing replacement of production facilities and the procurement of tools and equipment for new products. About one third of the expenditures were used for the expansion of existing production capacities.

Substantial amounts were invested in a new flexible machining center for PE fittings at the Jona (CH) plant, a new cistern blow-molding machine at the Pfullendorf (DE) plant, new buildings or expansions at the Givisiez (CH) and Aylesford (GB) plants, the optimization of production processes at the US plants as well as the renovation and expansion of the Langenfeld (DE) training center.

Efficient research and development

Successful research and development (R&D) activities are among the Geberit Group's strategic success factors. The above-average innovation strength compared to others in the industry segment helps to ensure the Company's success in the long term. An amount of CHF 43.5 million was invested in the future of the product range, a historical high. Thus, as in the prior year, 2.3% of sales were invested in R&D. After adjustments for the product line Underground Piping Systems disinvested at the end of 2005, the innovation rate was 30% and thus exactly corresponded to the medium-term target. That means that just under one third of 2005 sales were generated by new or improved products launched in the market during the last three years.

R&D expenditure (in CHF million)

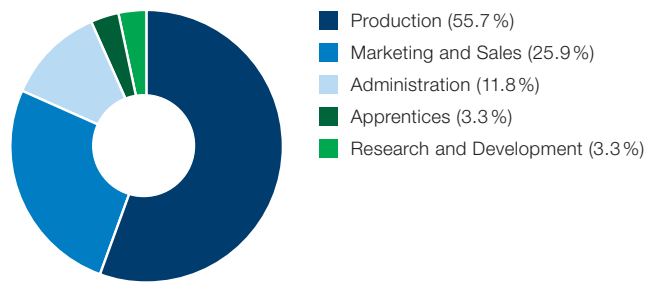
	2005	2004	2003	2002	2001
	43.5	43.4	35.7	30.1	34.1
In % of sales	2.3	2.3	2.5	2.4	2.9

The new products introduced in 2005 included, among others, a modern dual-flush actuator for the standard cistern, an optimized pre-wall urinal element and water-saving one-liter and zero-liter urinal siphons. Furthermore, Geberit launched in the market a touch-free automatic WC flush actuator, a new bath fitting, an innovative ceiling closure system as well as various additions to the Pluvia roof drainage system. With the development of a rapid to install compression joint between the Mepla multilayer pipes and the Mapress pipes, Geberit finalized the integration of Mapress into the Geberit Group also

on the product side. In addition, product range extensions were made available to customers with respect to almost all product lines. Especially mentioned should be the new dimensions and fittings for the Mepla multi-layer pipes as well as for the Mapress steel product range. 18 new patent applications were filed in the year under review and a total of about 100 over the last five years.

In 2006, Geberit market launches will focus on optimized products. Even proven products may be further developed and improved on an ongoing basis, whether in terms of functionality or integration into a comprehensive system. These include the wall-hung WC element Duofix or the Duofix system. Geberit will also offer new solutions for shower tray traps, a concealed washbasin siphon, the fast connection of sanitary equipment to the drainage pipes as well as for an adaptable shower toilet seat. As every year, the product range will be supplemented by additions to the Mepla and Mapress piping systems (including processing tools).

2005 headcount by business process (as of 31.12.)



Further professionalized market approach

The Geberit success story of continuing sales growth is to be continued. As a precondition, the market penetration in the existing markets has to be increased and new markets have to be developed in a targeted manner. Against this background, the market approach was further professionalized. Approximately 500 technical field consultants are in contact, on a daily basis, mainly with installers, planners and architects. At about 25 information centers in Europe and overseas, approximately 25,000 customers were trained and further educated with respect to Geberit systems and software tools in the year under review. In addition to the many customer events of local sales companies, numerous trade fairs, in which Geberit participated in 2005, were used as platforms to maintain customer contacts and to communicate Geberit's innovation strength. The most important trade fairs were the „ISH“ in Frankfurt (DE), „SAIE“ in Bologna (IT), „Swissbau“ in Basle (CH), „Batibouw“ in Brussels (BE), „SHK“ in Brno (CZ), „Mos-build“ in Moscow (RU), „Kitchen/Bath Industry Show“ in Las Vegas (US) and „Kitchen & Bath China“ in Shanghai (CN).

In 2005, Geberit took further measures to be able to act in an even more market and customer-oriented way. The requirements of the increasing internationalization of the business and the need to exploit synergies were complied with by strengthening of Group Marketing. The cooperation between marketing, sales and product management was optimized further, thereby aiming to even better satisfy customers' needs for innovative new

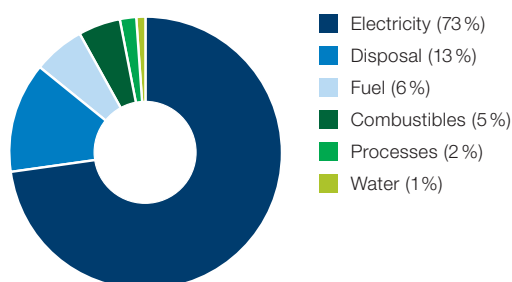
products. In addition, the new Corporate Identity and Corporate Design policy was consistently introduced and implemented within the Group and at the local companies in the year under review to ensure a uniform and professional presentation of the Geberit Group all over the world.

Slight decline in the number of employees

At the end of 2005, the Geberit Group worldwide employed a staff of 5,162, a decrease against the prior year by 354 or 6.4 %. This decline was mainly due to the departure of about 260 employees in the first quarter 2005 as a result of the sale of Blücher Metal ApS (DK). In addition, the workforce in the USA was reduced by approximately 70 as a consequence of the shutdown of a plant and the combination of the manufacturing units at an existing production site. On the other hand, the increased sales and production activities in China permitted the recruitment of about 60 additional employees. Based on an average number of staff of 5,237, sales per employee amounted to CHF 367,176, a 5.3 % increase against the prior year.

In the breakdown of employees by business process, the marketing and sales percentage rose from 25.1 % to 25.9 % and that of research and development from 3.1 % to 3.3 %, whereas production declined from 56.9 % to 55.7 %. The administration percentage and that of apprentices remained practically unchanged.

Environmental impact 2005



Employees by country (as of 31.12.)

	2005	Share in %	2004	Share in %
Germany	1,944	38	2,041	37
Switzerland	987	19	1,008	18
China	529	10	436	8
Austria	436	8	440	8
USA	317	6	383	7
United Kingdom	239	5	263	5
Slovenia	163	3	171	3
Italy	134	3	158	3
Denmark	27	1	232	4
Others	386	7	384	7
Total	5,162	100	5,516	100

Sustainability of major importance

Sustainability understood in a comprehensive definition – environment, people/social matters, economic aspects – has traditionally been of major importance to Geberit and is a key element of its corporate culture. The issue of sustainability cannot be addressed extensively in this Annual Report. However, Geberit issued its first Sustainability Report in 2004. This report will be published every three years in the future, the next time in 2007. The Company believes in sustainability as a major component of corporate value. The report shows how Geberit is able to successfully combine above-average economic success with active ecological and social responsibility. Sustainable entrepreneurship contributed to strengthening international competitiveness, diminished the entrepreneurial risk, improved transparency, enhanced credibility and increased the com-

mitment of employees. Geberit has set targets for the future and will report on its achievements in the next Sustainability Report to be supplemented by topical information on the internet.

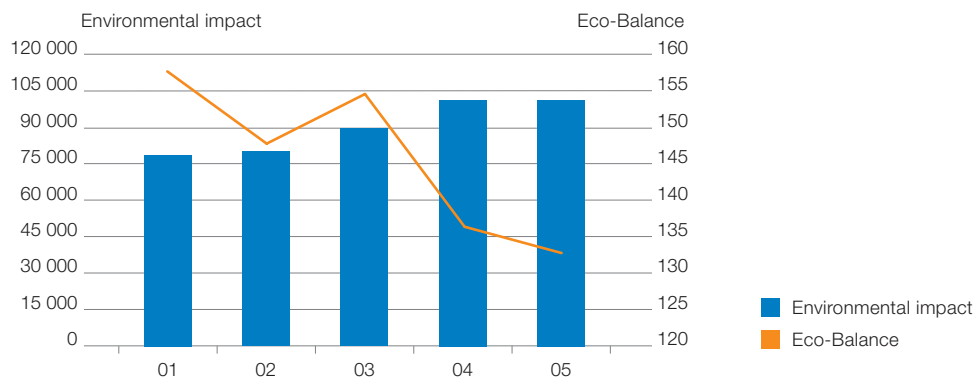
Its long-standing reputation as an environmental pioneer and socially focused enterprise makes Geberit also attractive for investors specializing in sustainability and the environment. The Geberit shares are held by renowned environmental and sustainability funds as well as by private investors interested in these issues. Their ratings for Geberit in terms of sustainability range from “good” to “very good”. Furthermore, Geberit has been included in the “Dow Jones Sustainability Index” (DJSI STOXX) since 2002 and thus is one of the sustainability leaders in Europe.

High level maintained in the environmental area

Traditionally, Geberit places great importance on optimizing its environmental performance and thus holds a leading position in the industry sector. The defined environmental strategy covers three areas:

- Production: operational optimization and diminishing production risks, careful handling of resources and energy.
- Products/product development: the focus is on the development of long-lived, eco-friendly products that require little water and energy.
- Sales markets: concentration on the recovery of old products, sensitizing customers to environmental aspects as well as the dialogue with interest groups in the environmental sector.

Development Environmental impact/Eco-Balance 2001–2005



Production

The major part of the direct environmental impact at Geberit is created in the production plants.

The environmental impact in this area remained practically unchanged against the prior year. The eco-efficiency ratio, i.e. the relation of the environmental impact to value added, was reduced. This indicates that the Geberit Group's environmental performance improved further.

Another important element of Geberit's environmental policy is the initial certification of all production plants in accordance with ISO 14001. After the successful certification of two additional locations in the year under review – Langenfeld (DE) and Ruse (SI) – 8 out of the 17 plants hold an initial ISO certification. Three plants are to be added in 2006.

Products/product development

The optimization of the environmental impact caused by the application of products – for example water consumption during cistern use – is of great importance. Therefore, Geberit addresses environmental aspects already at an early stage of the development process. Special care is also taken to develop only products that are considered unharmed to humans and the environment and comply with the increased statutory requirements.

Sales markets

The direct environmental impact in the sales area is small and primarily related to the travel activities of field staff. The focus is on information and advice for cus-

tomers with respect to environmental matters and on the recovery of old products.

Manifold activities in the area of people/social matters

The main focus in the area of people/social matters was on the implementation of the measures defined in conjunction with the 2004 employee survey, mainly the issues of development opportunities and worldwide job rotation.

The competencies of its employees are an important competitive factor for Geberit. In 2005, the Company conducted for its top management workshops on the subject of management and social skills. Existing promotion programs for junior executives as well as Group-wide employee programs were further improved and expanded. In the year under review, Geberit spent 67,500 hours on the further education of its employees throughout the entire Group.

Sustainability aspects are also increasingly taken into account in the procurement process. In the context of the Group-wide risk management, risk analyses are performed with respect to all new suppliers as well as on an annual basis for the most important existing partners where social and environmental aspects are addressed. A higher risk automatically triggers further measures, such as social and environmental audits, contract amendments or – in extreme cases – the termination of supplier relations.

Prudent acquisition policy

No enterprises were added to the scope of consolidation of the Geberit Group in the year under review. However, adjustments to the product portfolio were made in combination with minor company sales.

As set forth already in the 2004 Annual Report, Blücher Metal ApS (DK), which had been acquired in connection with the Mapress acquisition in 2004, was resold due to a lack of synergies mainly in the sales channel and business model areas. This transaction with Danish investors was completed in the first quarter 2005 with retroactive effect as of 1 January 2005. The Blücher drainage product range contributed CHF 63.1 million to Group sales in 2004.

In connection with the disinvestment of the Underground Piping Systems product line, the company Deriplast S.p.a. (IT) was split up. The Underground Piping Systems segment was sold to private investors. However, the production of PE pipes and acoustic-optimized pipes as well as special piping components remained with Geberit and will be continued at the former location within the Building Drainage Systems product line. Thus the disinvestment of the Underground Piping Systems product line was successfully finalized as of the end of 2005 as planned. 2005 Group sales included CHF 39.9 million relating to the disinvested operations.

Ambitious medium-term goals

Geberit's aim is to set worldwide standards in the sanitary industry and to support them in the long term through sustainable actions. This claim to leadership is to be reflected, inter alia, by a sales growth in excess of the industry average. The organic sales growth rate is expected to be between four and six percent per year. Additional acquisition-related growth is not precluded. However, a potential acquisition has to meet stringent criteria and result in clear synergies. Basically, Geberit strives to reach its sales targets while simultaneously remaining the profitability leader in the industry and maintaining its ability to generate high cashflows.

Clear strategy

The strategy for achieving the defined targets is based on a proven and focused business model. The four strategic pillars "Focus on Sanitary Technology", "Commitment to Innovation", "Selective Geographic Expansion" and "Continuous Business Process Optimization" are implemented on a daily basis by the highly motivated and qualified employees.

Geberit will continue to focus on sanitary technology, relying on the traditional three-tier sales channel, i.e. sales to installers via wholesalers. Innovation strength is founded on basic research in areas such as hydraulics, statics, hygiene or acoustics. The insights gained are systematically used for the benefit of customers in the development of products and systems. In geographic terms, the Company is striving for an increased penetration of markets where Geberit so far has had a limited

presence. Another focus is on business processes. Geberit wants to ensure a leading, competitive cost structure in the long term through continuous process optimization.

Outlook 2006

Geberit is confident to successfully master the market challenges again in 2006. This belief is based on various framework conditions. The Company largely generates its sales and earnings in Germany, Northern Italy, Switzerland and Austria. From an overall economic point of view, these markets are expected to experience a moderately positive growth and, in particular, a satisfactory environment for the construction industry. This should be reflected accordingly in Geberit's sales.

In addition to these major markets, growth is increasingly driven by markets such as the United Kingdom, France, Scandinavia, Spain, Eastern Europe, the Middle East and Asia where the current market penetration and product range offer further growth potential. Therefore, the Geberit growth story is likely to be continued. The slowdown of the US economy, forecast for the second half-year 2006, should only have a minor impact on the Company's development due to the limited direct correlation.

With respect to cost of materials, Geberit expects the prices of raw materials relevant to the Company to remain on a high level.

With a powerful and market-oriented organization, experienced and highly motivated executives and employees as well as many new product ideas, Geberit wants to continue its close and trusting cooperation with its market partners in both the commercial and trade sectors in the future.

In summary, Geberit is convinced that it will be able to build on its past success in the current year 2006. The Company expects solid sales growth, operating results on the high level of previous years and a marked increase in earnings per share.

Corporate Governance

1. Group structure and shareholders

Group structure

The operational Group structure is shown in the diagram on pages 8/9 ("Management Structure").

Geberit AG, the parent company of the Geberit Group, has its headquarters in Jona (CH). For the place of listing, market capitalization, Swiss securities identification number and ISIN number please refer to pages 4/5 ("Investor Information").

The Group's consolidated subsidiaries are listed in the Notes to the Consolidated Financial Statements, Note 30. The scope of consolidation does not include any listed companies.

Significant shareholders

Shareholders holding equity interests in excess of certain percentages are required to be reported and disclosed under the Federal Act governing the Swiss Stock Exchange.

On 3 May 2005, Capital Group Companies, Inc. (USA) reported that their ownership of 5.01 % of voting rights exceeded the 5 % threshold.

Cross-shareholdings

In terms of equity interests or voting rights, the Geberit Group has no cross-shareholdings with any other companies.

2. Capital structure

Capital

Ordinary capital:	MCHF 4.16
Conditional capital:	MCHF 0.2
Authorized capital:	–

For more details please refer to the following subchapters.

Conditional and authorized capital details

For conditional capital details, please refer to the Financial Statements of Geberit AG, page 93, 1.6. The general meeting on 22 April 2004 approved the creation of a conditional capital amount of up to a maximum of CHF 200,000 regarding the exercise and/or conversion of option rights issued in connection with convertible bonds or other financial market instruments. Shareholder stock subscription rights relating to conditional capital as well as, subject to certain conditions, bonds or other financial market instruments with conversion and/or option rights can be excluded. On the occasion of their 5 May 2004 resolution regarding the convertible bonds, the Board of Directors agreed to exclude the shareholders' preemptive conversion right in accordance with the regulations of the articles of incorporation.

As of 31 December 2005, no shares had been issued from conditional capital.

As of 31 December 2005, the Geberit Group had no authorized capital.

Changes in capital

Geberit AG's changes in capital were as follows:

	31.12.2005	31.12.2004	31.12.2003
	CHF million	CHF million	CHF million
Capital stock	4.2	4.2	4.2
Reserves	632.7	612.7	582.7
Retained earnings	146.9	119.9	110.4

For further details on changes in capital, reference is made to the Geberit Group's Consolidated Financial Statements in this annual report 2005 (consolidated statements of equity and Note 19 [equity]), to the information in the Financial Statements of Geberit AG (pages 90–95) as well as to the 2003 figures in the 2004 annual report.

Shares, participation and profit sharing certificates

The share capital of Geberit AG is fully paid-in and amounts to CHF 4.16 million. It is divided into 4.16 million registered shares with a par value of CHF 1.00 each. Each share carries one vote in the general meeting.

No participation and profit sharing certificates of the Geberit Group are outstanding.

Limitations on transferability and nominee registrations

The Geberit Group has not imposed any limitations on the transferability of its shares.

Upon request and presentation of evidence of the transfer, acquirers of shares are registered as shareholders with voting rights in the share register, if they explicitly declare to hold the shares in their own name and for their own account. The articles of incorporation provide for the registration of a maximum of 3 % of the shares held by nominees, which may be permitted by the Board of Directors. The Board of Directors may register nominees as a shareholder with voting rights in excess of such registration limitation, provided the nominees disclose detailed information and shareholdings of the persons for which they hold 0.5 % or more of the share capital.

Convertible bonds and warrants/options

On 14 June 2004, Geberit AG issued convertible bonds in the amount of CHF 170 million with a 6-year maturity and a 1 % interest rate. Further information is set forth in the Notes to the Consolidated Financial Statements of the Geberit Group (Note 12 [long-term debt]) and in the Notes to the Financial Statements of Geberit AG (pages 91/92, 1.2).

No options were issued to any external parties. For further details on options granted to employees, please refer to the Geberit Group's Consolidated Financial Statements, Note 15 ("option plans") and to item 5 of this chapter "Corporate Governance" ("compensations, shareholdings and loans").

3. Board of Directors

Members of the Board of Directors

On 31 December 2005, the Board of Directors was composed of five members.

Günter F. Kelm (1940)



Chairman of the Board of Directors since 2005
Non-executive member of the Board of Directors since 2005, elected until 2008
German citizen
Resident in Kreuzlingen (CH)
Member of the Board of Directors Metall Zug AG, Zug

Having passed the high school examination (Abitur), Günter F. Kelm studied business engineering at the Technical University in Berlin. From 1966, his career, via various positions and management functions (among others Assistant to the Management Board, Head of Corporate Development, Managing Director, Finance Director) with internationally operating industrial companies such as Deutsche Lufthansa, Dornier, Eckes and Sommer Allibert, led him to the Geberit Group. In 1986, he joined the Group as Chairman of the Management Board of Geberit GmbH Deutschland and member of the Group Executive Board. In 1991, he was appointed Chief Executive Officer of the Geberit Group and held this position until December 2004. From 1997 to April 2005, Günter F. Kelm was simultaneously President of the Board of Directors.

Kurt E. Feller (1937)



Vice Chairman of the Board of Directors since 2005
Non-executive, independent member of the Board of Directors since 1999, elected until 2008
Swiss citizen
Resident in Wollerau (CH)
Chairman of the Board of Directors Rieter Holding AG, Winterthur, Vice Chairman and Lead Director Ciba SC AG, Basle

Having passed the high school examination (Matura), Kurt E. Feller started his career with Allg. Treuhand AG. In 1962, he joined Feller AG where he was, among other functions, a member of the Management Board and Head of Division. In 1969, he graduated with an MBA from the University of Massachusetts in Amherst and undertook an Executive Program and Senior Executive Program at the IMD in Lausanne. In 1978, he joined Rieter AG where, having held the office of Commercial Director, he was promoted to member of the Group Executive Board in 1979. He was appointed CEO in 1989, President and CEO in 1994 and Chairman of the Board of Directors in 2000 (non-executive from 2003).

Dr Robert Heberlein (1941)



Non-executive, independent member of the Board of Directors since 2003, elected until 2006
Swiss citizen
Resident in Zumikon (CH)
Partner at Lenz & Staehelin, Zurich, member of the Board of Directors Gurit Heberlein, Wattwil

Dr Robert Heberlein studied law at the University of Zurich and received his doctorate in law in 1969. He graduated from the University of Michigan, Ann Arbor, with a Master of Comparative Law (MCL) in 1970. After working for various law firms, including in New York and Paris, he joined Staehelin & Giezendanner, now Lenz & Staehelin, in 1972. He has been a partner of that law firm since 1977.

Rudolf Maag (1946)



Non-executive, independent member of the Board of Directors since 2000, elected until 2006
Swiss citizen
Resident in Binningen (CH)
Chairman of the Board of Directors Straumann Holding AG, Waldenburg, member of the board of the Chamber of Commerce of Basle

Rudolf Maag holds a commercial diploma and graduated with the degree of an INSEAD MBA. He started his career in 1968 with UTC (Basler Handelsgesellschaft). In 1973, he joined Sandoz AG where he held various management positions in the agricultural division, among

other functions, as Marketing and Sales Director USA and Head of Division Brazil. In 1986, Rudolf Maag joined Institut Straumann AG as a Director. Four years later, he founded Stratec Medical by way of a management buy-out. Following a successful Initial Public Offering in 1996, Stratec merged with the US company Synthes Ltd. to form Synthes-Stratec. Rudolf Maag became Vice Chairman of the Board of Directors and CEO. In 2000, he left Synthes-Stratec to act as an independent member of various Boards of Directors as well as a private equity investor.

Klaus Weisshaar (1938)



Non-executive, independent member of the Board of Directors since 1999, elected until 2007
German citizen
Resident in Frankfurt a.M. (DE)
Member of the Supervisory and Advisory Boards of various German industrial enterprises, among others, Burg Bad AG, Schmallingenberg, Siepmann-Werke, Warstein, and F.W. Oventrop, Olsberg

Klaus Weisshaar holds a diploma in economics (University of Freiburg im Breisgau) and started his career as a management consultant for industrial companies. After three years in the packaging industry, he joined Friedrich Grohe GmbH in 1977 where, until his retirement in 1998, he held several major management positions, among other functions, as Controller, Director Finance, Speaker of the Board of Management, and, since 1993, Chairman of the Board of Management.

Cross-involvement

There is no cross-involvement among Boards of Directors.

Elections and terms of office

The term of office for each member of the Board of Directors is three years and the statutory retirement age limit has been established at 70 years. Individual members are reelected on a staggered basis.

The term of office for both Dr Robert Heberlein and Rudolf Maag is set to expire at the general meeting on 28 April 2006. Dr Robert Heberlein has made himself available for an additional term of office. Rudolf Maag will be stepping down from the Board of Directors. A proposal will be submitted to the general meeting to elect Randolph Hanslin and Hans Hess to the Board of Directors.

Internal organizational structure

The organization of the Board of Directors is based on the "Organization Regulation of the Board of Directors of Geberit AG". It determines the duties and powers of the Board of Directors and constitutes the framework for the tasks and responsibilities of the Group Executive Board.

The Board of Directors is self-constituting. In the first meeting following the relevant ordinary general meeting in which re-elections are held, the Board of Directors elects the Chairman and the Vice Chairman from among its members.

The Board of Directors meets whenever business so requires, usually six times every year for one day each. The meetings are chaired by the Chairman or – if he is unable to do so – by the Vice Chairman. The Board of Directors appoints a secretary who is not required to be a member of the Board of Directors. The Chairman of the Board of Directors may invite members of the Group Executive Board to attend meetings of the Board of Directors.

The Board of Directors can decide when the majority of its members are present. The members may also attend via telephone or electronic media.

The Board of Directors has formed two committees from among its members:

– Personnel Committee

The members of the Personnel Committee are Kurt E. Feller (Chairman), Günter F. Kelm and Rudolf Maag. The committee meets at least twice every year for a half day each. It develops proposals to be submitted to the entire Board of Directors, including personnel decisions and the determination of compensation regulations and models (salaries, bonus payments, share and option plans) as well as the annual determination of the compensations for the Board of Directors and Group Executive Board. Therefore, the tasks and responsibilities of a compensation and a nomination committee are combined in this committee. Detailed responsibilities are stipulated in the organization regulation of the Personnel Committee.

– Audit Committee

The Audit Committee is composed of Kurt E. Feller (Chairman), Dr Robert Heberlein, Günter F. Kelm, Rudolf Maag and Klaus Weisshaar. It meets at least twice every year for one day each. The committee's tasks include in particular the supervision of the internal and external audit as well as the control of the financial reporting. It determines the scope and planning of the external and internal audit and monitors the implementation of the conclusions of the audit. The Audit Committee also assesses the functionality of the internal control system, including risk management. It may invite members of the Group Executive Board to attend its meetings. Furthermore, it is entitled to hold meetings exclusively with representatives of the external as well as the internal auditors. The detailed responsibilities are stipulated in the organization regulation of the Audit Committee.

Definition of areas of responsibility

Pursuant to article 716a, subparagraph 1 of the Swiss Law of Obligations (Schweizerisches Obligationenrecht), the Board of Directors of Geberit AG has the following non-transferable and irrevocable responsibilities:

- supervision of the Company and giving the instructions required
- determination of the organization
- design of the accounting, financial control as well as financial planning to the extent required for managing the Group
- appointment and dismissal of the persons responsible for management and representation
- supervision of the persons responsible for management, in particular with respect to compliance with the laws, articles of incorporation, regulations and instructions
- establishment of the annual report and preparation of the general meeting and the implementation of its resolutions
- notification of the judge in case of a debt overload

The Board of Directors determines the strategic goals and general means to reach such goals and makes decisions on major business transactions. To the extent legally permissible and in accordance with the Organization Regulation, the Board of Directors assigned the operational management to the Chief Executive Officer.

The Group Executive Board is composed of the Chief Executive Officer and three other members. The members of the Group Executive Board are appointed by the Board of Directors based upon the suggestion of the Personnel Committee.

The Organization Regulation rules the duties and powers of the Board of Directors as a governing body, of the Chairman, the Vice Chairman and the committees. It also defines the rights and duties of the Group Executive Board that are set forth in more detail in the Internal Regulations for the Group Executive Board.

Information and control instruments vis-à-vis the Group Executive Board

At every meeting, the Group Executive Board informs the Board of Directors of current business developments and major business transactions of the Group or Group companies, as the case may be. Between meetings, the Board of Directors is informed in writing of current business developments and the Company's financial situation on a monthly basis. In the past year, the Board of Directors held six ordinary meetings. Urgent decisions are made using telephone conferences.

Furthermore, the Chairman of the Board of Directors and the Chief Executive Officer were in contact at regular intervals with respect to all major issues of corporate policy. Each member of the Board of Directors may individually demand information with respect to all matters of the Group or Group companies, as the case may be. In the year under review, the Personnel Committee held five meetings and the Audit Committee two meetings. The external and internal auditors have access to the minutes of the meetings of the Board of Directors and Group Executive Board.

4. Group Executive Board

Albert M. Baehny (1952)



Chief Executive Officer (CEO) since 2005,
member of the Group Executive Board
since 2003, with Geberit since 2003
Swiss citizen
Resident in Arlesheim (CH)

Albert M. Baehny graduated with a degree in biology from the University of Fribourg (CH). In 1979, he started his career in the research department of Sero-Hypolab. His further career comprised various marketing, sales and global management positions with Dow Chemicals Europe, Ciba Geigy, Ciba SC, Vantico and Wacker Chemie. For more than 20 years, Albert M. Baehny gathered relevant knowledge and expertise in sales, marketing, strategic planning and as head of global operations. Before joining Geberit, he was Senior Vice President of "Wacker Specialities". At Geberit he was Head of Group Division Marketing and Sales Europe from 2003 to 2004. Albert M. Baehny has been Chief Executive Officer (CEO) since 1 January 2005.

Randolf Hanslin (1942)



Member of the Group Executive Board
since 1979, with Geberit since 1977
Swiss citizen
Resident in Jona (CH)
Head of Group Division Products
Member of the Board of Directors Maestrani
AG, St. Gallen, Member of the association
Swissmem, Zurich

Randolf Hanslin graduated with the degree of a mechanical engineer from the Technical University (ETH) Zurich. He started his career in 1968 as an internationally active consulting engineer with Dr OHC Messner, a firm of consulting engineers. In 1977, he joined former Geberit AG as Head of Product Research and Development. Shortly afterwards he was appointed a member of the Management Board of former Geberit AG as well as of the Group (Research and Development Department). In addition, in 1988/89 he was Head of the Group Division Marketing and Sales. From 1991 to 1994, Randolf Hanslin was Chief Executive of former Geberit AG and member of the Group Executive Board. From 1995 to 2002, he was Head of a Group Division with responsibilities covering sales and production companies in various countries as well as for the Group functions quality and environment. From 2003 to 2004, he was responsible for the Group Division Piping Systems. Randolf Hanslin has been Head of the Group Division Products since 1 January 2005.

Roland Iff (1961)



Member of the Group Executive Board
since 2005, with Geberit since 1993
Swiss citizen
Resident in Herrliberg (CH)
Head of Group Division Finance (CFO)

Roland Iff studied economics at the University of St. Gallen and graduated with the degree of lic.oec. (major: accounting and finance) in 1986. He started his professional career in 1987 as internal auditor with the American Mead Corporation in Zurich and at the company's headquarter in Dayton (US). Subsequently he worked on different market development projects in Brussels before he was appointed Chief Financial Officer of Mead's Italian subsidiary in Milan. In 1993, Roland Iff joined Geberit as Head of Corporate Development. In 1995, he became Head of Group Controlling. From 1997 to 2004 he was Head of Group Treasury. Roland Iff has been Head of the Group Division Finance (CFO) since 1 January 2005.

Dr Michael Reinhard (1956)



Member of the Group Executive Board
since 2005, with Geberit since 2004
German citizen
Resident in Uerikon (CH)
Head of Group Division Sales

Dr Michael Reinhard studied mechanical engineering at the Technical University Darmstadt and was awarded a PhD in materials science from the Deutsche Kunststoffinstitut. He started his professional career in 1987 as a project manager with Automatik GmbH, Gross-Ostheim (DE). In 1990, he joined McKinsey & Company and was soon promoted to senior associate. In 1992, Dr Michael Reinhard joined Schott, Mainz (DE), where he was entrusted with various functions of increasing responsibility within international sales and marketing. In 1995, he became Vice President of Schott's Pharmaceutical Packaging Division and in 1998 Senior Vice President of the Tubing Division comprising 2,400 employees. Dr Michael Reinhard has been Head of the Group Division Sales since 1 January 2005.

Effective 1 January 2005, Günter F. Kelm handed over the CEO position to Albert M. Baehny. From January 2005 until the general meeting 2005, Günter F. Kelm held the position of President of the Board of Directors.

Management contracts

The Group has not entered into any management contracts with third parties.

5. Compensations, shareholdings and loans

Contents and method of determining compensations and shareholding programs

Upon recommendation of the Personnel Committee, the Board of Directors annually determines the remunerations of the Board of Directors and Group Executive Board.

The compensation of the Board of Directors is paid in the form of shares. The shares are subject to a lock-up period of two years. The Board member is granted a discount on the share price. Such discount depends on the results of the Group and corresponds to the discount granted to employees under the employee participation plan (see Consolidated Financial Statements of the Geberit Group, Note 15 [participation plans]).

The compensation of the Group Executive Board is paid on the basis of a regulation applicable to the entire Group management of the Geberit Group (approx. 150 persons). Such compensation is composed of a fixed salary and a performance-related bonus. The target

salary (fixed salary plus medium bonus) is determined in line with market conditions and performance.

The bonus may be received, in whole or in part, in cash and/or in shares. In case of payment in shares, an additional incentive is granted in the form of options. The shares and options are subject to a lock-up period of three years and two years, respectively.

In addition to the salary, there is an annual option plan for the Group Executive Board and other management members (approx. 60 executives) corresponding to a market value of 10 % of the target salary at the time of granting. These options are subject to a lock-up period of two and four years, respectively.

There are special pension fund regulations for the Group Executive Board and other management members. In addition, no other significant payments of any similar kind are made.

Compensations for acting members of governing bodies

In 2005, total compensations to members of the Board of Directors amounted to TCHF 1,001. Such payments will be made in the following year and paid in the form of shares.

Total compensations paid to the members of the Group Executive Board in 2005 (fixed salary, bonus) amounted to TCHF 3,818. TCHF 1,456 thereof relates to bonus payments for which provisions have been established. Such bonus payments will be made in the following year and may be received in cash and/or in the form of shares.

Compensations for former members of governing bodies

In 2005, contractual salary payments in the amount of TCHF 719 were made to the members of the Group Executive Board retired in 2004. Provisions with respect to such payments had already been established in 2004. In addition to this, no compensation was paid to former members of the Board of Directors and Group Executive Board in the year under review.

Share allotments and ownership in the year under review

In the year under review, the members of the Board of Directors acquired 796 shares at market value less 50 % discount under the above-mentioned compensation ex 2004. Under the optional bonus scheme ex 2004, the members of the Group Executive Board acquired 878 shares at market value.

On 31 December 2005, the members of the Board of Directors held 118,465 shares, the members of the Group Executive Board held 43,688 shares of which 4,380 and 3,836, respectively, are subject to lock-up periods.

Option allotments and ownership in the year under review

The options of the members of the Board of Directors as of 31 December 2005 are set forth in the following table:

Year of issue	End of blocking period	Maturity	Number	Exercise price	Knock-in price*
2002	21.01.06	21.01.07	953	405.00	442.00
2003	23.01.07	23.01.08	833	450.00	
2004	27.01.06	27.01.09	501	682.00	
2004	27.01.08	27.01.09	501	714.50	
2004	24.03.06	24.03.09	1,068	663.50	

*If the knock-in price is not reached at the end of the lock-up period, the option will lapse irrevocably.

Each option entitles to subscribe for one share. On 31 December 2005, a total of 3,856 options of the members of the Board of Directors were outstanding. 3,332 options were exercised in the year under review.

The options of the members of the Group Executive Board as of 31 December 2005 are set forth in the following table:

Year of issue	End of blocking period	Maturity	Number	Exercise price	Knock-in price*
2001	lapsed	22.01.06	91	480.00	
2002	21.01.06	21.01.07	920	405.00	442.00
2003	lapsed	23.01.08	185	429.50	
2003	23.01.07	23.01.08	1,267	450.00	
2004	27.01.06	27.01.09	811	682.00	
2004	27.01.08	27.01.09	811	714.50	
2004	24.03.06	24.03.09	1,643	663.50	
2005	21.01.07	21.01.10	928	904.50	
2005	21.01.09	21.01.10	928	947.50	
2005	24.03.07	24.03.10	878	897.50	

*If the knock-in price is not reached at the end of the lock-up period, the option will lapse irrevocably.

Each option entitles to subscribe for one share. On 31 December 2005, a total of 8,462 options of the members of the Group Executive Board were outstanding. 3,800 options were exercised in the year under review.

Convertible bonds ownership in the year under review

On 31 December 2005, the members of the Board of Directors held 200 convertible bonds, the members of the Group Executive Board held no convertible bonds.

Additional fees and remunerations

No additional fees and remunerations were paid to members of governing bodies in the year under review.

Loans to members of governing bodies

No loans to members of governing bodies are outstanding.

Highest total compensation

The highest individual compensation to a member of the Board of Directors in the year under review (fixed salary, bonus) amounted to TCHF 644. TCHF 167 thereof relates to bonus payments for which provisions have been established. Such bonus payment will be made in the following year and may be received in cash and/or in the form of shares.

No options were allotted to the member of the Board of Directors with the highest total compensation.

6. Shareholders' participation

Voting rights and representation restrictions

Upon request and presentation of evidence of the transfer, acquirers of shares are registered as shareholders with voting rights in the share register if they explicitly declare to hold the shares in their own name and for their own account. The articles of incorporation provide for a maximum registration of 3% of the shares held by nominees, which may be permitted by the Board of Directors. The Board of Directors may register nominees as shareholders with voting rights in excess of such registration limitation, provided the nominees disclose detailed information and shareholdings of the persons for which they hold 0.5 % or more of the share capital.

No exceptions to these rules were granted in the year under review.

The voting right may only be exercised if the shareholder is recorded as a voting shareholder in the share register of Geberit AG. Treasury shares have no voting rights.

With respect to the participation in the general meeting, there are no regulations in the articles of incorporation which deviate from the law.

Statutory quorums

The rules relating to statutory quorums set forth in the articles of incorporation correspond to the legal minimum requirements.

Convocation of the general meeting of shareholders/agenda

The general meeting of shareholders will be convened by the Board of Directors at least 20 days prior to the date of the meeting. No resolutions may be passed on any subject not announced in this context. Applications to convene an extraordinary general meeting or the implementation of a special audit are exempt from this rule. Shareholders representing shares with a par value of TCHF 50 may request in writing that a subject of discussion be added to the agenda at least 45 days prior to the general meeting.

Inscriptions into the share register

From the 10th day prior to and until the day after the general meeting no registrations are made. No exceptions to these rules were granted.

7. Changes of control and defense measures

There are no regulations in the articles of incorporation with respect to “opting-up” and “opting-out” as well as changes of control.

8. Auditors

Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG, Zurich, have been the auditors of the Geberit Group and Geberit AG since 1997. The lead auditor, Daniel Ketterer, has been in charge of the auditing mandate since 2001.

Auditing fees

In 2005, PricewaterhouseCoopers invoiced the Geberit Group approx. TCHF 1,120 for services in connection with the audit of the financial statements of Group companies as well as the Consolidated Financial Statements of the Geberit Group.

Additional fees

For additional services PricewaterhouseCoopers invoiced approx. TCHF 90 regarding audit-related services, approx. TCHF 1,230 relating to tax consultancy as well as approx. TCHF 210 for other services. In addition to compensations for current tax consultancy services, the tax consultancy amount also included special expenses for consultancy fees relating to intra-group restructurings.

Supervisory and control instruments pertaining to the auditors

The Audit Committee of the Board of Directors makes an annual assessment of the performance, remuneration and independence of the auditors and submits a proposal to the general meeting for the appointment of the Group auditors. Every year, the Audit Committee determines the scope of the external and internal audit and its audit plans and discusses audit results with the external and internal auditors. For details on the Audit Committee, see item 3.

9. Information policy

Geberit maintains an open and regular communication with its shareholders, the capital market and the general public, with the Geberit's CEO, CFO and Head of Corporate Communications as direct contacts.

Shareholders receive summary annual reports as well as half-year reports. The annual report as well as a sustainability report published every three years are available in printed form and via internet under www.geberit.com. Quarterly financial statements are published. Media and analysts' conferences are held at least once every year.

Contact may be established at any time under corporate. communications@geberit.com. Contact addresses for investors, media representatives and the interested public can be found on the internet at www.geberit.com.

For further details on the Geberit Group's information policy, please refer to the "Investor Information" chapter on page 4/5 of this annual report.

Cover picture

Aerial photo of the Colorado River above the
Glen Canyon in Arizona, USA.

Waterways

Rivers channel water as well as transporting people and goods by ship. Rivers can flood or dry up. They bring cultures together. They both cross and form national borders. Rivers are waterways to convey drinking water. Never veering from their course, these unique natural works of art forge ahead with an almost architectural grandeur. Seen from the air, winding rivers can take on amazing forms.

Water flows through many of Geberit's products. Through kilometer-long pipes, in every single building equipped with these products.

We are going to show you sections of various rivers of the earth in surprising ratio to the lengths of water pipes in unique buildings fitted out with Geberit pipes. Be amazed, be surprised. Enjoy.

220 kilometers

The Altamaha is a 220-kilometer long river in the southeast of the US state of Georgia. It takes its source approximately 150 kilometers west of the town of Savannah from the confluence of the Ocmulgee and Oconee rivers and flows in a south-easterly direction close to Brunswick into the Atlantic Ocean. The Altamaha does not flow through a single administrative district. Instead, along its whole length it provides a natural border between the individual districts.

Despite being used as a trade route as early as the nineteenth century for transportation between central Georgia and the east coast, the Altamaha has retained much of its natural character in many places. In 1991 it was declared a biosphere reserve by Nature Conservancy, the environmental protection organization. More than 100 rare species threatened with extinction are to be found in the Altamaha basin while the river delta is an important stopover for many migratory birds.



9,300 meters

In Malmö the 190-meter Turning Torso tower twists into the sky above Sweden. Architect Santiago Calatrava often bases his work on the human or an animal form. The Turning Torso is also the result of a skilful combination of free forms, strict geometry and modern materials. Drinking water, fire-fighting water and water for heating purposes flows through some 6,600 meters of Mapress stainless steel pipes. In addition, waste water travels through this fascinating structure via approximately 2,700 meters of PE pipes.







10,100 meters

With the HighLight Towers in Munich, architect Helmut Jahn created a structure of uniquely consistent transparency. The striking structural contours of the elegant, ultra-slim towers are intensified with light and color effects which make the 113- and 126-meter high office blocks shine from afar, especially at night. Some 10,000 meters of Mapress stainless steel piping for the drinking water supply give a polished finish to this construction.



6,671 kilometers

The source of the Nile is in the mountains of Rwanda and Burundi from where it flows into the Mediterranean, traversing the territories of six different nations on its way: Burundi, Rwanda, Tanzania, Uganda, Sudan and Egypt. The paramount economic importance of the Nile is felt particularly in Egypt.

At 6,671 kilometers, the Nile is the second longest river on earth. It has an altitude difference of 2,700 meters and a catchment area of 2,9 million square kilometers, roughly the size of Argentina.

The Nile's fauna is both rich in species and unique. The river has even given its name to many of these species such as the Nile crocodile, the Nile pike, the Nile goose and the hippopotamus (literally the river or Nile horse).

1,320 kilometers

The name Rhine is of Celtic origin and means something like “large flowing water”. The Latin name for the river was “Rhenus”. The Rhine has some of the heaviest traffic and is among the most important of Europe’s waterways. From source to estuary, it is a total of 1,320 kilometers long. Of this, 833 kilometers are navigable. Flowing through Switzerland, Liechtenstein, Austria, Germany, France and the Netherlands, the Rhine has a catchment area of 252,000 square kilometers. A number of sections of the river contain the river’s name: Anterior Rhine, Posterior Rhine, Alpine Rhine, Lake Constance Rhine, High Rhine, Upper Rhine, Middle Rhine or Low Rhine.

The large Rhine delta begins shortly after the German-Dutch border. Here, the Rhine forks into two main tributaries which reunite before reaching Rotterdam to empty into the North Sea after flowing through the port of Rotterdam at Hook of Holland.



65,500 meters

From the 740 balconies, the Diamond Princess’s 2,670 passengers can experience the unique expanse and calm of the oceans. 1,800 cabins, numerous restaurants, bars, pools, wellness centres, air conditioning and fire-fighting systems have to be supplied with water. Around 65,500 meters of Mapress stainless steel pipes have been installed for this purpose.









21,200 meters

The Apollo Business Center in Bratislava, Slovakia, which opened in March 2005, was the winner of an illustrious architectural prize. This fascinating triangular structure captivates with its light-flooded design and the use of lavish, mainly viridescent materials like marble, glass, granite and onyx. Not to mention the installation of around 17,100 meters of PE drainage pipes and 4,100 meters of Mepla drinking water pipes.



7,250 kilometers

The Amazon contains more water than any other river on earth. It carries more water than the Nile, the Mississippi and the Yangtse put together, i.e. a sixth of all the world's rivers. Together with its headwater streams, the Amazon is also the world's longest river with a total of 7,250 kilometers. At most places in Brazil, the river is several kilometers wide and varies seasonally depending on fluctuations in rainfall at the headwaters. When the water level is at its highest, the river can flood an area extending up to 100 kilometers into the adjacent forest. These flood forests make up the "Várzea", a unique ecosystem.

At the estuary of the Amazon is the holm of Marajó. Incorporating this 49,000 square kilometers island and the rivers which empty to the south of it, the Amazon's delta estuary is several hundred kilometers wide. The Amazon has 1,100 larger tributaries, 17 of which are more than 1,600 kilometers in length.

6,300 kilometers

The Yangtse (which means “long river”) does its name justice. It is the longest river in Asia and the third longest in the world after the Amazon and the Nile. With a total length of 6,300 kilometers, 2,800 of which navigable, it flows through the People’s Republic of China. Around 350 million people live in its enormous catchment area covering 2 million square kilometers. More than half of China’s agricultural production and more than 40 % of the country’s industrial production are generated in this region. At its estuary, it discharges an annual average of around 35,000 cubic meters of water per second.



42,600 meters

The T-Mobile Center in Vienna was constructed in 2004. Austria’s largest private construction project was completed in the record time of only 26 months, arousing a lot of international attention with its broken-up structure. Around 25,200 meters of Mepla heating pipes and around 17,400 meters of Mapress steel pipes for air-conditioning were processed.



Consolidated Financial Statements Geberit Group

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Consolidated Balance Sheets

	Note	31.12.2005 MCHF	31.12.2004 MCHF
Assets			
Current assets			
Cash and cash equivalents		180.0	81.6
Trade accounts receivable	4	111.6	120.9
Other accounts receivable and prepaid expenses	5	41.4	37.6
Inventories	6	177.3	197.9
Total current assets		510.3	438.0
Non-current assets			
Property, plant and equipment	7	528.3	538.8
Deferred tax assets	16	62.4	55.8
Financial assets and other non-current assets	8	33.2	25.7
Goodwill and intangible assets	9	812.4	878.8
Total non-current assets		1,436.3	1,499.1
Total assets		1,946.6	1,937.1
Liabilities and Equity			
Current liabilities			
Short-term debt	10/12	49.4	3.6
Trade accounts payable		94.3	91.2
Tax liabilities and tax provisions		89.0	87.9
Other provisions and liabilities	11	115.2	134.3
Total current liabilities		347.9	317.0
Non-current liabilities			
Long-term debt	12	344.0	531.7
Accrued pension obligation	14	141.9	125.4
Deferred tax liabilities	16	98.3	98.3
Other non-current provisions and liabilities	17	56.5	47.9
Total non-current liabilities		640.7	803.3
Shareholders' equity			
Capital stock		4.2	4.2
Reserves		941.4	786.5
Cumulative translation adjustments		12.4	25.8
Total shareholders' equity		958.0	816.5
Minority interest			0.3
Total equity		958.0	816.8
Total liabilities and equity		1,946.6	1,937.1

The accompanying notes on pages 56 to 87 are an integral part of the consolidated financial statements.

Consolidated Income Statements

	Note	2005 Total	2004 Total	2004 Discon- tinued operations	2004 Total according to IFRS 5
		MCHF	MCHF	MCHF	MCHF
Sales		1,922.9	1,906.8	(66.3)	1,840.5
Sales deductions	21	282.7	253.4	(6.7)	246.7
Net sales		1,640.2	1,653.4	(59.6)	1,593.8
Cost of materials		580.3	570.9	(20.0)	550.9
Personnel expenses		418.5	441.1	(16.5)	424.6
Depreciation expense	7	75.8	84.5	(3.2)	81.3
Amortization of goodwill and intangibles	9	13.2	63.4	(2.0)	61.4
Other operating expenses, net	22	185.5	188.0	(10.6)	177.4
Total operating expenses, net		1,273.3	1,347.9	(52.3)	1,295.6
Operating profit (EBIT)		366.9	305.5	(7.3)	298.2
Finance costs, net	23	(17.2)	(30.0)	0.8	(29.2)
Profit before income tax expenses		349.7	275.5	(6.5)	269.0
Income tax expenses	24	89.7	81.1	(1.8)	79.3
Net income from continuing operations		260.0	194.4	(4.7)	189.7
Net income from discontinued operations		2.5		4.7	4.7
Net income		262.5	194.4		194.4
– Attributable to shareholders		262.5	193.7		193.7
– Attributable to minority interest			0.7		0.7

Other financial figures		2005	2004
EPS continuing operations (CHF)	20	63.48	46.17
EPS discontinued operations (CHF)	20	0.61	1.15
EPS total (CHF)	20	64.09	47.32
EPS diluted continuing operations (CHF)	20	61.87	45.50
EPS diluted discontinued operations (CHF)	20	0.58	1.12
EPS diluted total (CHF)	20	62.45	46.62
EPS adjusted continuing operations (CHF)	20	64.11	59.22
EPS adjusted discontinued operations (CHF)	20	0.61	1.15
EPS adjusted total (CHF)	20	64.72	60.37
Interest expenses, net	23	(17.0)	(25.0)
Operating cashflow (EBITDA)	25	455.9	453.4
Net cashflow	25	366.6	351.7
Free cashflow	25	290.2	273.4

The accompanying notes on pages 56 to 87 are an integral part of the consolidated financial statements.

Consolidated Statements of Equity and Statements of Recognized Income and Expenses in Equity

a) Statements of Recognized Income and Expenses in Equity

	2005 MCHF	2004 MCHF
Gains / (losses) on revaluation of properties		
Available-for-sale investments		
Hedge accounting	(1.0)	(2.6)
Actuarial gains / (losses) and adjustments according to IAS 19.58(b)	(6.9)	(9.2)
Exchange differences on translation of foreign operations	(13.4)	3.2
Net income directly booked to equity	(21.3)	(8.6)
Net income according to income statement	262.5	194.4
Total net income	241.2	185.8
– Attributable to shareholders	241.2	185.1
– Attributable to minority interest		0.7

b) Consolidated Statements of Changes in Equity

	Attributable to the shareholders						Minority interest	Total equity
	Ordinary shares	Capital in excess of par	Treasury shares	Retained earnings	Distr. in excess of predecessor basis	Hedge accounting	Cum. translation adjustments	
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Balance at 31.12. 2003	4.2	411.2	(29.2)	422.1	(88.3)	(3.6)	22.6	750.4
Changes in accounting policy ¹⁾		1.1		(51.9)				(50.8)
Balance at 31.12. 2003 (restated)	4.2	412.3	(29.2)	370.2	(88.3)	(3.6)	22.6	699.6
Total net income 2004				184.5		(2.6)	3.2	185.8
Dividends				(69.6)				(69.6)
Changes in Group organization							(11.8)	(11.8)
(Purchase) / Sale of treasury shares		8.7	(10.4)					(1.7)
Convertible bond – equity component		18.3						18.3
Share participation and option plans		(3.8)						(3.8)
Balance at 31.12. 2004	4.2	435.5	(39.6)	485.1	(88.3)	(6.2)	25.8	816.8
Total net income 2005				255.6		(1.0)	(13.4)	241.2
Dividends				(90.3)				(90.3)
Changes in Group organization							(0.3)	(0.3)
(Purchase) / Sale of treasury shares		7.8	(10.0)					(2.2)
Convertible bond – equity component								
Share participations and option plans		(7.2)						(7.2)
Balance at 31.12. 2005	4.2	436.1	(49.6)	650.4	(88.3)	(7.2)	12.4	958.0

¹⁾ Retained earnings: IAS 19 revised MCHF (51.4) and IFRS 2 MCHF (0.5), Capital in excess of par: IFRS 2 MCHF 1.1

The accompanying notes on pages 56 to 87 are an integral part of the consolidated financial statements.

Consolidated Statements of Cashflows

	Note	2005 MCHF	2004 MCHF
Cash provided by operating activities			
Net income		262.5	194.4
Depreciation and amortization	7/9	89.0	147.9
Finance costs, net	23	17.2	30.0
Income tax expenses	24	89.7	81.1
Other		9.2	(1.3)
Operating cashflow before changes in net working capital and taxes		467.6	452.1
Income taxes paid		(80.6)	(62.1)
Changes in net working capital	25	1.9	8.4
Net cash provided by operating activities		388.9	398.4
Cash used in investing activities			
Acquisitions, net		69.9	(574.2)
Purchase of property, plant & equipment and intangible assets	7/9	(79.5)	(87.8)
Proceeds from sale of property, plant & equipment and intangible assets		6.3	9.2
Other, net		2.8	2.6
Net cash used in investing activities		(0.5)	(650.2)
Cash used in financing activities			
Proceeds from short-term borrowings		88.6	80.4
Repayments of short-term borrowings		(43.1)	(81.1)
Proceeds from long-term borrowings		267.4	859.9
Repayments of long-term borrowings		(481.9)	(589.6)
Interest paid		(17.2)	(23.2)
Dividends		(90.3)	(69.6)
(Purchase)/sale of treasury shares		(14.5)	(17.3)
Other, net		(1.4)	(5.4)
Net cash used in financing activities		(292.4)	154.1
Effects of exchange rates on cash		2.4	(2.0)
Net increase (decrease) in cash		98.4	(99.7)
Cash and cash equivalents at beginning of year		81.6	181.3
Cash and cash equivalents at end of year		180.0	81.6

The accompanying notes on pages 56 to 87 are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Basis of presentation

The Geberit Group is a leading supplier of sanitary plumbing systems for the residential and commercial new construction and renovation markets. The product range of the Group consists of the product area “sanitary systems” with the product lines installation systems, flushing systems, public and waste fittings and traps on the one hand and the product area “piping systems” with the product lines building drainage systems, supply systems and underground piping systems on the other hand. All products are sold to plumbers and installers through wholesalers.

The consolidated financial statements include Geberit AG and the companies which it controls (“the Group” or “Geberit”). Minority interests are shown as separate part of the consolidated equity. The Group eliminates all intra-group transactions as part of the Group consolidation process. Companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The consolidated financial statements of the Group comply with International Financial Reporting Standards (“IFRS”), and are basically prepared using the historical cost convention. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from estimates.

The term “MCHF” in these consolidated financial statements refers to millions of Swiss francs, “MEUR” refers to millions of Euro, “MGBP” refers to millions of Great Britain pounds sterling and “MUSD” refers to millions of US dollar. Negative amounts and amounts to be subtracted as part of a calculation are stated in brackets. The term “shareholders” refers to the shareholders of the Geberit AG.

Critical accounting estimates

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances. The resulting accounting estimates can, by definition, differ from the related actual results.

When required by an IFRS standard these estimates and assumptions are disclosed in the related notes. Management is not aware of any further estimation uncertainty at the balance sheet date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Changes in Group organization

Geberit sold all its shares in Blücher Metal ApS (DK) at the beginning of 2005 and its 70 % investment in Plastek S.r.l. (IT) in April 2005. As a result of these transactions Geberit realized a gain of MCHF 2.5 (Blücher MCHF 1.9, Plastek MCHF 0.6) that is separately shown in the income statement.

The sales, EBIT and net income contribution of Blücher in 2004 amounted to MCHF 63.1, MCHF 6.6 and MCHF 4.2. The one of Plastek amounted to MCHF 3.2, MCHF 0.7 and MCHF 0.5. All amounts in the income statement 2004 have been restated according to IFRS 5.

The cashflows of Blücher in 2004 amounted to MCHF 7.2 provided by operating activities, MCHF (1.8) by investing activities and MCHF (3.1) by financing activities. In the same period the cash contribution of Plastek amounted to MCHF 0.4, MCHF (0.2) and MCHF 0.0.

3. Summary of significant accounting policies

Adoption of new or revised accounting standards

As per 1 January 2005 the Group adopted the new standards IFRS 2, IFRS 3 and IFRS 5 and the revised standards IAS 1, IAS 2, IAS 8, IAS 10, IAS 16, IAS 17, IAS 21, IAS 24, IAS 27, IAS 28, IAS 31, IAS 32, IAS 33, IAS 36, IAS 38, IAS 39 and IAS 40.

Personnel expenses include the effect of the introduction of IFRS 2 (share-based payments) in the amount of MCHF 4.7 in 2005 and MCHF 4.0 in 2004. Income tax expenses, earnings per share, deferred tax assets and equity have been restated accordingly.

With the introduction of IFRS 3 and IAS 38 revised Geberit ceases to amortize goodwill and the Geberit trademark resulting from the leveraged buyout in 1997.

Geberit adopted IAS 21 revised which requires goodwill in foreign currencies to be translated at current exchange rates.

As per 30 June 2005 Geberit early adopted IAS 19 revised concerning the treatment of actuarial gains and losses and accordingly charged all accumulated actuarial gains and losses of defined benefit pension plans directly to equity. Previous year figures are restated in accordance with IAS 8. Personnel expenses in 2004 were credited by MCHF 4.4 accordingly. As a consequence Geberit has introduced a statement of recognized income and expenses in equity as required by IAS 19 revised.

All other new IFRS standards or IAS amendments adopted in 2005 have no or only an immaterial effect on the financial statements of the Geberit Group. For 2006, the Group does not expect any material impacts from new or amended IFRS standards.

Foreign currency translation

The functional currencies of the Group's subsidiaries are generally the currencies of the local jurisdiction. Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing at the dates of the transaction, or at a rate that approximates the actual rate at the date of the transaction. At the end of the accounting period, foreign currency receivables and liabilities are valued at the rate of exchange prevailing at the consolidated balance sheet date, with resulting exchange rate differences charged to income. Exchange rate differences related to loans which are part of the net investment in foreign entities are recorded as a separate component of equity within cumulative translation adjustments. For the consolidation, assets and liabilities stated in functional currencies other than Swiss francs are translated at the rates of exchange prevailing at the consolidated balance sheet date. Income and expenses are translated at the average exchange rates for the period. Translation gains or losses are accumulated as a separate component of equity within cumulative translation adjustments.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and liquid short-term investments with maturities of three months or less on their acquisition date. The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturities of these instruments.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The purchase cost and the cost of production both are determined using the weighted-average method. Net realisable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the necessary selling costs. A provision is made for obsolete and slow-moving inventories.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Betterment that increases the useful lives of the assets, improves the quality of the output or enables a substantial reduction in operating costs is capitalized and depreciated over the remaining useful lives. Depreciation on property, plant and equipment is calculated using the straightline method based on the following useful lives: buildings (20–50 years), production machinery and assembly lines (8–15 years), moulds (8 years), equipment (5–20 years) and vehicles (5–10 years). Properties are not regularly depreciated. Repairs and maintenance and finance costs related to investments in property, plant and equipment are charged to income as incurred.

Non-current assets held for sale

Non-current assets held for sale and disposal groups are measured at the lower of carrying amount or fair value less cost to sell.

Intangible assets and goodwill

The excess of the purchase price over the fair value of net assets of a company acquired is recorded as goodwill. Goodwill and intangibles such as patents, trademarks and software acquired from third parties are initially stated and subsequently measured at cost. Goodwill and intangible assets with an indefinite useful life (this corresponds to the Geberit trademarks recorded during the leveraged buyout in 1997) are not regularly amortized but yearly tested for impairment. Since the Geberit trademarks are a major element of the business model of the Geberit Group they have been assigned an indefinite useful life. Impairments are expensed in the consolidated income statements when they occur and in case of goodwill not reversed in later periods. The amortization of intangible assets with a definite useful life is calculated using the straight-line method based upon the following useful lives: patents and technology (10 years), trademarks (5 years) and software (4 years).

Valuation of property, plant and equipment, goodwill and intangible assets

Property, plant and equipment, goodwill and intangible assets are tested for impairment at each reporting date. If there are indicators for any impairment the actual carrying amount of the asset is compared with the recoverable amount. If the carrying amount is bigger than its estimated recoverable amount, it is written down to its recoverable amount. The valuation is based on single assets or, if such valuation is not possible, on the level of group of assets for which there are separately identifiable cashflows.

For the impairment tests of goodwill the Group applies market or country-specific discount rates between 7.2 % and 8.1 %. The growth rates are based on the most recent business plans and the assumptions therein concerning price increases, market growth and the Group's market share.

Deferred financing fees

Financing fees are deferred and amortized over the expected life of the related debt instrument or if the debt instrument has scheduled principal repayments, using the bond outstanding method. Amortization of deferred financing fees is part of finance costs, net and included in the calculation of the effective interest expenses.

Associated companies and joint ventures

The Group's share of profits and losses of associated companies (voting rights between 20 % and 50 %) and joint ventures is included in the consolidated income statements in accordance with the equity method of accounting. All other non-consolidated investments are stated at cost, with adequate provision for permanent diminution in value.

Provisions

The Group recognizes provisions when it has a present legal or constructive obligation to transfer economic benefits as a result of past events and a reasonable estimate of the obligation can be made. The Group warrants its products against defects and accrues for such warranties at the time of sale based upon estimated claims. Actual warranty costs are charged against the provision when incurred.

Sales and sales deductions

Sales include the invoiced net amounts after deduction of on the invoice showed rebates and are recognized upon shipment of products to customers. Credit notes issued subsequently are deducted.

Sales deductions are recognized when sales are recorded.

Marketing expenses

All costs associated with advertising and promoting products are expensed in the financial period during which they are incurred.

Taxes

The consolidated financial statements include direct taxes that are based on the results of the Group companies and are calculated according to local tax rules. Deferred taxes are recorded on temporary differences between the tax base of assets and liabilities and their carrying amount using the "liability method". Deferred taxes are calculated using the tax rate expected to apply in the period in which these differences reverse, based on currently enacted tax rates. If the realization of future tax savings related to tax loss carry-forwards and other deferred tax assets is no longer probable, valuation allowances are recorded. Provision is made for taxes at source on only those available earnings of foreign subsidiaries which are intended to be remitted.

Research and development expenditures

Research and development expenditures are expensed as incurred. These costs are included in personnel expenses, depreciation expense and other operating expenses, net.

Retirement benefit plans

The Group companies have various defined benefit and defined contribution pension schemes which comply with applicable laws and customs in the respective countries in which the Group operates. For defined benefit plans, the projected benefit obligations are calculated annually by independent actuarial experts using the projected unit credit method based on the service life, projected salary and pension benefit development and expected return on pension fund investments. Annual net pension costs are charged to income in the period incurred. Experience adjustments and the effects of changes in actuarial assumptions are charged or credited to equity as they occur. In the balance sheet funded defined benefit plans are recognized at the lower of the funding surplus attributable to the employer and the funded status. The amount recognized may be positive (an asset) or negative (an accrual). Payments to defined contribution plans are based on fixed percentages of participant salaries as defined in the respective plan documents and are charged to income as incurred.

Participation plans

Differences between the fair market value of shares issued and proceeds received from employees and members of the Board of Directors under the Group's share participation plans are recorded within the income statement.

Options provided in share participation and option plans are measured at their fair values when they are granted. The fair values are determined using the binomial model, adjusted by the expected employee departure rate and recorded as personnel expenses over the vesting period of the options.

Earnings per share

The number of ordinary shares used for calculating earnings per share (inclusive diluted and adjusted) is determined on the basis of the weighted average of issued and outstanding ordinary shares.

For the calculation of diluted earnings per share potentially dilutive shares from share participation and option plans and from the Convertible Bond issued in 2004 are added to ordinary shares ("adjusted number of ordinary shares"). Dilutive shares from option programs are determined using the intrinsic value of the options to calculate the number of ordinary shares that could have been bought at market price. The market price is the average annual Geberit share price. For the convertible bond, conversion in ordinary shares is assumed.

Diluted earnings per share is the ratio of net income adjusted for interest and amortization expenses from the Convertible Bond, net of tax, and the adjusted number of ordinary shares.

Financial instruments

Trade and other receivables are carried at amortized cost less allowances for credit losses.

Trade and other payables are carried at amortized cost.

Debt is initially recorded at fair value net of transaction costs and measured at amortized cost according to the effective interest rate method. The Group classifies debt as non-current when it has before the balance sheet date an unconditional right to defer settlement for at least 12 months after the balance sheet date.

The fair value of the liability component of a convertible bond is determined at issuance using a market interest rate for equivalent non-convertible debt instruments to discount the total of future cash outflows. The difference to the nominal value is recognized as the equity component within shareholder's equity, net of income tax effects. Until converted or extinguished, the liability component is measured on an amortized cost basis using the effective interest rate method.

Derivatives are initially recognized at fair value and subsequently remeasured to fair value. Changes of instruments designated as fair value hedges are recorded in finance costs, net together with the change in fair value of the underlying item. The effective portion of instruments designated as cashflow hedges and instruments designated as hedges of net investments in foreign operations is recognized in shareholder's equity. The ineffective portion is recorded in financial income and expenses.

Financial risk management

General

Risk Management is ensured by the central Treasury of the Geberit Group which acts in line with the directives of the Treasury Policy issued by the Group's management bodies. Risk management is concentrated on recognizing, analyzing and hedging foreign exchange and interest rate risks, with the aim of limiting their effect on cashflow and net income.

The counterparts to financial instruments are major financial institutions and the Group does not have significant exposure to anyone counterpart. Management believes that the risk of loss from these contracts is remote. The Group does not hold any financial instruments for trading or speculative purposes.

The Group invests its cash in deposits with major banks throughout the world. The Group has a policy of making investments only with major credit-worthy commercial institutions. These investments generally mature within three months and the Group has not incurred any related losses.

Management of foreign exchange risk

In order to manage risks associated with fluctuations in foreign currencies, the concept of currency cashflow-matching is considered the primary hedging strategy. For the remaining material transactional risk derivative financial instruments such as forward exchange contracts and foreign exchange options are negotiated with third parties.

Intercompany invoicing is done in the currency of the invoiced company. This minimizes the number of subsidiaries exposed to transactional risk. Subsidiaries with significant foreign currency exposure can subscribe to hedging contracts with Group Treasury.

Management of interest rate risk

Interest rate risk is managed in order to minimize the effects resulting from adverse movements of interest rates on financial expenses. Geberit considers its interest rate exposure as neutral, if the split between fixed and floating rates is 50 %. This means that the effect of an interest rate movement on the floating rate portion is offset by an opportunity gain or loss in the fixed rate portion. Due to continuous repayments of the revolving facility the share of the loans on floating rate basis temporarily could fall under the 50 % target.

Credit risk

The Group sells a broad range of products in the sanitary engineering field throughout the world, but primarily within continental Europe. Ongoing credit evaluations of customers' financial conditions are performed and, generally, no further collateral is required. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Group's customer base. The Group records allowances for potential credit losses. Such losses, in the aggregate, have not exceeded management's expectations.

4. Trade accounts receivable

	2005	2004
	MCHF	MCHF
Trade accounts receivable	118.2	128.7
Allowance	(6.6)	(7.8)
Total trade accounts receivable	111.6	120.9

Out of trade accounts receivable, MCHF 10.6 was denominated in CHF (PY: MCHF 10.0), MCHF 63.7 in EUR (PY: MCHF 68.7), MCHF 16.8 in USD (PY: MCHF 15.0) and MCHF 0.8 in GBP (PY: MCHF 8.9).

5. Other accounts receivable and prepaid expenses

	2005	2004
	MCHF	MCHF
Income tax refunds receivable	1.7	1.9
Other tax receivables	24.4	21.0
Other receivables	3.9	2.8
Prepaid expenses and other current assets	11.4	11.9
Total other accounts receivable and prepaid expenses	41.4	37.6

6. Inventories

	2005	2004
	MCHF	MCHF
Raw materials, supplies and other inventories	46.3	52.1
Work in progress	25.1	29.8
Finished goods	79.1	94.1
Goods purchased for resale	26.6	21.6
Prepayments to suppliers	0.2	0.3
Total inventories	177.3	197.9

Inventories include allowances for slow-moving and obsolete items of MCHF 23.5 as of 31 December 2005 (PY: MCHF 19.4).

7. Property, plant and equipment

	Total	Land and buildings	Machinery and equipment	Office equipment	Assets under constr./ advanced payments
	MCHF	MCHF	MCHF	MCHF	MCHF
2005					
Cost at beginning of year	838.3	287.2	496.4	33.7	21.0
Changes in Group organization (see Note 2)	(21.3)	(9.5)	(11.8)		
Additions	78.7	3.8	27.3	7.4	40.2
Disposals	(44.0)	(2.4)	(34.3)	(6.9)	(0.4)
Transfers		16.9	30.6	1.4	(48.9)
Translation differences	15.5	5.2	8.8	1.1	0.4
Cost at end of year	867.2	301.2	517.0	36.7	12.3
Accumulated depreciation at beginning of year	299.5	53.0	231.4	15.1	
Changes in Group organization (see Note 2)	(4.1)	(0.3)	(3.8)		
Depreciation expense	75.1	8.8	59.4	6.9	
Impairments	0.7		0.7		
Disposals	(38.6)	(0.7)	(31.2)	(6.7)	
Transfers			(0.4)	0.4	
Translation differences	6.3	1.1	4.5	0.7	
Accumulated depreciation at end of year	338.9	61.9	260.6	16.4	
Net carrying amounts at end of year	528.3	239.3	256.4	20.3	12.3
2004					
Cost at beginning of year	758.2	264.8	446.2	32.7	14.5
Changes in Group organization	59.9	29.3	28.5	0.8	1.3
Additions	85.6	2.8	35.2	5.8	41.8
Disposals	(55.7)	(8.5)	(38.6)	(6.4)	(2.2)
Transfers		1.6	30.7	1.4	(33.7)
Translation differences	(9.7)	(2.8)	(5.6)	(0.6)	(0.7)
Cost at end of year	838.3	287.2	496.4	33.7	21.0
Accumulated depreciation at beginning of year	267.3	46.3	207.0	14.0	
Depreciation expense	84.5	10.9	64.5	9.1	
Impairments					
Disposals	(47.8)	(4.4)	(35.8)	(7.6)	
Transfers		1.0	(1.0)		
Translation differences	(4.5)	(0.8)	(3.3)	(0.4)	
Accumulated depreciation at end of year	299.5	53.0	231.4	15.1	
Net carrying amounts at end of year	538.8	234.2	265.0	18.6	21.0

As of 31 December 2005, buildings were insured at MCHF 447.4 (PY: MCHF 445.6) and equipment at MCHF 904.6 (PY: MCHF 880.7) against fire, which amounts to a total fire insurance value for property, plant and equipment of MCHF 1,352.0 (PY: MCHF 1,326.3).

In 2005 impairment adjustments in the amount of MCHF 0.7 were made to machineries and equipments. The adjustments are based on an impairment test that was made in connection with the optimization of the product range in the USA. In the consolidated income statement the amount is included under the position "Depreciation expense".

Per 31 December 2005, the Group has entered into firm commitments for capital expenditures of MCHF 4.0 (PY: MCHF 11.7).

8. Financial assets and other non-current assets

	2005	2004
	MCHF	MCHF
Prepaid pension asset (see Note 14)	18.0	10.6
Reinsurance policies for pension obligations (see Note 14)	11.7	11.1
Other	3.5	4.0
Total financial assets and other non-current assets	33.2	25.7

9. Goodwill and intangible assets

	Total	Goodwill	Patents and technology	Trademarks and other intangible assets
	MCHF	MCHF	MCHF	MCHF
2005				
Cost at beginning of year	1,278.3	983.2	128.4	166.7
Changes in Group organization (see Note 2)	(36.4)	(35.0)		(1.4)
Additions	0.8			0.8
Disposals				
Translation differences (for goodwill see Note 3)	(32.5)	(34.1)	0.3	1.3
Cost at end of year	1,210.2	914.1	128.7	167.4
Accumulated amortization at beginning of year	399.5	237.7	98.9	62.9
Changes in Group organization (see Note 2)	(2.0)	(1.7)		(0.3)
Amortization expenses	10.6		3.4	7.2
Impairments	2.6	2.6		
Disposals				
Translation differences (for goodwill see Note 3)	(12.9)	(13.2)	0.1	0.2
Accumulated amortization at end of year	397.8	225.4	102.4	70.0
Net carrying amounts at end of year	812.4	688.7	26.3	97.4
2004				
Cost at beginning of year	806.5	557.3	99.1	150.1
Changes in Group organization	470.9	425.9	29.6	15.4
Additions	2.2			2.2
Disposals	(0.3)			(0.3)
Translation differences	(1.0)		(0.3)	(0.7)
Cost at end of year	1,278.3	983.2	128.4	166.7
Accumulated amortization at beginning of year	336.8	190.7	95.6	50.5
Amortization expenses	63.4	47.0	3.3	13.1
Impairments				
Disposals	(0.3)			(0.3)
Translation differences	(0.4)			(0.4)
Accumulated amortization at end of year	399.5	237.7	98.9	62.9
Net carrying amounts at end of year	878.8	745.5	29.5	103.8

MCHF 285.5 (PY: MCHF 305.7) of goodwill, MCHF 84.6 (PY: MCHF 84.6) of trademarks and MCHF 0.0 (PY: MCHF 32.2) of amortization expenses resulted from the leveraged buyout in 1997.

The acquired Mapress group contributes MCHF 360.1 (PY: MCHF 394.7) to goodwill, MCHF 23.6 (PY: MCHF 26.3) to patents and technology and MCHF 3.3 (PY: MCHF 5.4) to trademarks. The related amortization expenses amounted to MCHF 4.7 (PY: MCHF 25.3).

In 2005 impairment adjustments in the amount of MCHF 2.6 were made on goodwill from the acquisitions in the USA in 2002. The impairment was made in connection with the optimization of the product range in the USA. In the consolidated income statement the amount is included in the position "Amortization of goodwill and intangibles". At the balance sheet date there were no further indications for impairments regarding all other goodwill positions.

10. Short-term debt

The Group maintains credit lines of MCHF 48.4 (PY: MCHF 48.1) from various lenders which can be cancelled short-term. The use of these credit lines is always short-term in nature and, accordingly, the respective drawings are included in short-term debt. At 31 December 2005 and 2004, the Group did not have any outstanding drawings on the above-mentioned credit lines.

On 31 March 2005, UBS AG (50 %) and HypoVereinsbank (50%) made available to Geberit Management GmbH a credit line of MEUR 208.5 to refinance liabilities to Group companies (final maturity 3 January 2006). Later the credit line was reduced to MEUR 30.0. At 31 December 2005, the Group had outstanding drawings on this credit line of MEUR 30.0. The effective interest rate was 3.09%.

11. Current provisions and other current liabilities

	2005	2004
	MCHF	MCHF
Compensation related liabilities	39.5	64.4
Accrued interest	3.3	2.4
Customer related liabilities	40.4	35.7
Other current liabilities	29.7	23.9
Current provisions	2.3	7.9
Total current provisions and other current liabilities	115.2	134.3

MCHF 13.4 were reclassified from "Compensation related liabilities" to "Other non-current provisions and liabilities" (see Note 17). Current provisions mainly include provisions for restructuring.

2005 movements of current provisions are shown in the following table:

Current provisions	Total MCHF
31 December 2004	7.9
Additions	0.2
Used	(5.2)
Reversed	(1.3)
Translation differences	0.7
31 December 2005	2.3

12. Long-term debt	2005 MCHF	2004 MCHF
Private Placement	129.9	112.0
Revolving Facility	33.2	249.2
Convertible Bond	152.2	148.7
Other long-term debt	31.4	25.4
Long-term debt	346.7	535.3
Short-term portion of long-term debt	(2.7)	(3.6)
Total long-term debt	344.0	531.7

Private Placement

In December 2002, the Group raised MUS\$ 100.0 from various US insurance companies through privately placed debt ("Private Placement"), issued by its US subsidiary The Chicago Faucet Company. The Private Placement is split in (i) a series A (MUS\$ 35.0), which carry a coupon of 5.0% and which are due on 19 December 2009 and (ii) a series B (MUS\$ 65.0), which carry a coupon of 5.54% and which are due on 19 December 2012. The Private Placement is secured by guarantees from Geberit AG, Geberit Holding AG and Geberit Deutschland GmbH. The Group must comply with the following financial ratios:

- EBITDA / Finance costs, net: min. 3.0x
- Net debt / EBITDA: max. 3.5x

Revolving Facility

On 14 December 2005 the credit line ("Revolving Facility") of MCHF 400.0 granted by a syndicate of banks since November 2003 has been extended by one year to the new final maturity 31 October 2009. Furthermore compared with 2003 a lower pricing has been achieved, reflecting the favourable lending market conditions. The amended and extended Revolving Facility can as in the past be used to fund working capital requirements, investments in PP&E and acquisitions. This credit line is firmly available. At 31 December 2005 the Revolving Facility bears interest at LIBOR plus an annual interest margin of 0.225%. The interest margin depends on the net debt to EBITDA ratio. This ratio is verified on a quarterly basis. The interest is payable at the

maturity date of the respective drawing used under the Revolving Facility. The drawings can have terms of one to twelve months or such other period as the lender may agree to. Furthermore, a commitment fee is paid equal to 30% of the applicable interest margin. Drawings under the Revolving Facility are secured by guarantees from Geberit AG, Geberit Holding AG, Geberit Deutschland GmbH and the Chicago Faucet Company and contain covenants and conditions typical to syndicated financing, among others the compliance with the following financial ratios:

- EBITDA / Finance costs, net: min. 5.0x
- Net debt / EBITDA: max. 3.0x
- Equity / Total assets: min. 25%

During 2005 and 2004, the effective interest rate on the Revolving Facility was 3.38 % and 3.28 %, respectively.

Convertible Bond

On 14 June 2004 the Group issued a Convertible Bond at a nominal value of MCHF 170.0. The convertible bond is split into 34,000 bond fractions at a par value of CHF 5,000 each.

The Convertible Bond falls due on 14 June 2010 at nominal value of MCHF 170.0 or can be converted at any time into shares of Geberit AG. The conversion price is CHF 993, i.e. a bond fraction can be converted into 5.03525 shares.

The fair values of the liability and the equity component were determined on issuance of the bond.

The liability recognized in the balance sheet as per 31 December 2005 was determined as follows:

	MCHF
Convertible Bond at nominal value on 14 June 2004	170.0
Equity component	(19.8)
Liability component on initial recognition on 14 June 2004	150.2
Transaction costs	(3.6)
Amortization expense 2004	2.1
Liability recognized as per 31 December 2004	148.7
Amortization expense 2005	3.5
Liability recognized as per 31 December 2005	152.2

Amortization expense includes the amortization of the equity component (interest discount) and of transaction costs. As per 31 December 2005, no bond fraction was converted into shares. The effective interest rate of the convertible bond charged to the income statement was 3.46 % (PY: 3.30 %).

Other long-term debt

At 31 December 2005, the Group had MCHF 31.4 of other long-term debt (PY: MCHF 25.4). This debt incurred an effective interest rate of 4.76 % (PY: 4.78 %).

Maturities and currency mix

MCHF

2006	2.7
2007	1.7
2008	1.7
2009	80.7
2010 and thereafter	259.9
Total	346.7

Of the long-term debt outstanding as of 31 December 2005, MCHF 30.9 was denominated in EUR (PY: MCHF 225.3) and MCHF 129.9 in USD (PY: MCHF 112.0).

13. Financial instruments

Where necessary under the risk management policy, the Group enters into derivative financial instruments to hedge its exposure to foreign currency exchange rate risk and interest rate risk. The risk management policy and the accounting policies for the Group's derivative financial instruments are disclosed in Note 3. At 31 December 2005, the following derivative financial instruments were outstanding:

Foreign currency exchange rate hedges

MUSD 55.0 of the Notes (see Note 12) were converted into Euro to finance the German subsidiaries of the Group. The foreign exchange rate risk arising from this conversion is hedged with the following financial instrument (Cross Currency Interest Rate Hedge):

2005	Maturity	Strike price	Contract Amount Purchase MUSD	Contract Amount (Sale) MEUR	Estimated fair value MCHF	USD Interest rate %	EUR Interest rate %
USD buy / EUR sell	19.12. 2012	1.004	55.0	(54.8)	(24.7)	5.54	5.9775

Forward foreign exchange contracts and foreign exchange options

2005	Maturity	Forward rate	Contract amount MEUR	Estimated fair value MCHF
EUR buy / CHF sell	03.01.2006	1.53910	5.0	0.1
EUR buy / CHF sell	03.01.2006	1.53760	5.0	0.1
EUR buy / CHF sell	03.01.2006	1.55733	10.0	0.0
EUR buy / CHF sell	03.01.2006	1.55730	10.0	0.0
EUR buy / CHF sell	03.01.2006	1.55764	10.0	0.0
EUR buy / CHF sell	03.01.2006	1.53740	10.0	0.2

The change in fair value of the instruments is recorded in finance costs, net.

Interest rate hedges

As per 31 December 2005, the Group had no open interest rate hedges.

Hedge of net investment in foreign entity

A drawing in EUR from the Revolving Facility was designated as a hedge of a net investment in a foreign entity in 2004. It was fully repayed on 28 December 2005. The foreign exchange loss of MCHF (4.9) on translation of the Revolving Facility in CHF at the balance sheet date is recognized within "Cumulative Translation Adjustments" in equity until the hedged foreign entity will be disposed.

14. Retirement benefit plans

The Group sponsors defined benefit and defined contribution plans for its employees in Switzerland, Germany, Austria and the USA. These plans are accounted for according to the IFRS rules for defined benefit plans and are either funded or unfunded. Funded plans are either funded by assets held independently of the Group's assets in separate trustee administered funds or by qualifying insurance policies. The net periodic pension costs of the defined benefit plans were as follows:

	2005		2004	
	Funded plans MCHF	Unfunded plans MCHF	Funded plans MCHF	Unfunded plans MCHF
Service cost	14.1	4.4	10.6	3.8
Interest cost on projected benefit obligation	9.7	6.3	9.3	5.9
Expected return on plan assets	(12.5)		(11.5)	
Contributions of employees	(6.3)		(6.3)	
Net periodic pension cost	5.0	10.7	2.1	9.7

The following table sets forth the current status of the defined benefit pension plans and the amounts recognized in the Group's consolidated balance sheets. As from this year the table also includes defined benefit plans funded by qualifying insurance policies. Prior year figures have been adjusted for comparative purposes.

	2005		2004	
	Funded plans	Unfunded plans	Funded plans	Unfunded plans
	MCHF	MCHF	MCHF	MCHF
Benefit obligation				
At beginning of year	252.5	117.8	227.1	92.7
Acquisitions				14.1
Service cost	14.1	4.4	10.6	3.8
Interest cost on projected benefit obligation	9.7	6.3	9.3	5.9
Actuarial (gains)/losses	13.2	10.9	12.3	8.2
Translation differences	0.5	1.1	(0.4)	(1.1)
Benefits paid	(7.3)	(4.6)	(6.4)	(5.8)
Benefit obligation at end of year	282.7	135.9	252.5	117.8
Plan assets at fair value				
At beginning of year	276.5		258.7	
Expected return on plan assets	12.5		11.5	
Contributions of employees	6.3		6.3	
Contributions of employers	12.1		6.4	
Benefits paid	(7.0)		(6.2)	
Actuarial gains/(losses)	15.9		0.1	
Translation differences	0.4		(0.3)	
Plan assets at fair value at end of year	316.7		276.5	
Funded status at end of year	34.0	(135.9)	24.0	(117.8)
Adjustment according to IAS 19.58(b)	(16.4)		(13.6)	
Total pension asset/(obligation)	17.6	(135.9)	10.4	(117.8)
The pension asset/(obligation) is composed of:				
Prepaid pension asset (see Note 8)	18.0		10.6	
Reinsurance policies for pension obligations (see Note 8)	5.6		4.3	
Accrued pension obligations	(6.0)	(135.9)	(4.5)	(117.8)
Total pension asset/(obligation)	17.6	(135.9)	10.4	(117.8)

Following the early adoption of IAS 19 revised the Group recognized as per 1 January 2004 MCHF 50.6 of actuarial losses in funded plans, actuarial gains of MCHF 3.4 in unfunded plans and an adjustment of MCHF 21.2 according to IAS 19.58(b). The total amount was recognized in equity, net of tax and totalled MCHF 51.4.

The plan assets of funded plans of MCHF 316.7 (PY: MCHF 276.5) are composed of assets of MCHF 311.1 (PY: MCHF 272.2) in two independent Swiss trustee pension funds and MCHF 5.6 (PY: MCHF 4.3) in qualifying insurance policies. The table does not include qualifying insurance policies related to an unfunded defined benefit plan in Germany to cover the gap between the pension obligation recognized and the actual pension liability in case of an insured event. The value of these policies amounted to MCHF 6.1 at the balance sheet date (PY: MCHF 6.8).

The legal situation relating to pension plans in Switzerland limits the Group's control over the surplus in the Swiss pension fund.

The benefit obligations, the plan assets, the funded status and the net actuarial gains and losses were as follows:

	2005 MCHF	2004 MCHF
Benefit obligations	418.6	370.3
Plan assets	316.7	276.5
Funded status	(101.9)	(93.8)
Net actuarial (gains) and losses on benefit obligations	24.1	20.5
– of which from changes in actuarial assumptions	32.6	14.7
– of which from experience adjustments	(8.5)	5.8
Experience adjustments on plan assets	15.9	0.1
Total actuarial (gains) and losses in current year	8.2	20.4
Adjustment according to IAS 19.58(b), (gain)/losses	2.8	(7.6)
Recorded in equity, current year	11.0	12.8
Recorded in equity, accumulated	92.2	81.2

The plan assets of the Swiss pension fund is split into the following asset categories (in %):

	2005	2004
Equity	35.6	31.7
Bonds and other debt instruments	31.9	35.1
Real estate property	25.6	28.1
Other	6.9	5.1
Total	100.0	100.0

The actual return on these plan assets amounts to 11.8 % in 2005 and 4.5 % in 2004. As per 31 December 2005 plan assets include MCHF 1.6 (PY: MCHF 2.5) of equity instruments of Geberit AG and MCHF 9.7 (PY: MCHF 9.7) in real estate property used by the Group.

The following actuarial assumptions were used for the calculation of the defined benefit obligations and the expected return on plan assets (in %):

	2005			2004		
	CH	EU	USA	CH	EU	USA
Discount rate used in determining present values	3.25	4.5	6.0	3.75	5.5	6.0
Annual rate of increase in future compensation levels	2.0	2.5–3.5	4.0	2.0	2.5–3.0	4.0
Expected rate of future increases in pension benefits	1.0	0–2.5	5.0	1.0	0–2.5	5.0
Expected rate of return on plan assets	4.5			4.5		

The consolidated income statement also includes expenses for defined contribution plans of MCHF 3.1 in 2005 (PY: MCHF 2.8).

15. Participation plans

Share plans

In 2005, the employees could purchase a limited number of shares at a discount of 50 % (PY: 45 %) to the market price ("Employee share plan 2005"). The Geberit management was entitled to draw the previous year's bonus partly or wholly in shares at the market price ("Management share plans 2005"). For each of these shares the participants receive one option (see part 2: "Option plans"). As part of the "Directors Program 2005" the non-executive members of the Board of Directors received their annual compensation in shares of Geberit AG at a discount of 50 %. All share plans are subject to blocking periods which are valid beyond the period of employment.

The share plans introduced in 2005 are summarized below:

	End of blocking period	Number of participants	Number of shares issued	Average issuing price CHF
Employee share plan 2005 (ESPP)	2007	1,046	5,000	448.75
Management share plans 2005 (MSPP)	2008	46	2,319	897.50
Directors Program 2005 (DSPP)	2007	4	796	448.75

The 8,115 shares required for these plans were held by the Group as treasury shares.

As of 31 December 2005, active managers and employees together owned 87,628 (PY: 240,526) shares, i.e. 2.1 % (PY: 5.8 %) of the share capital of Geberit AG. 3.4 % of the decrease of 3.7 % is due to personnel leaving the Group and retirements.

Option plans

For each of the shares purchased in connection with the “Management share plans 2005” provided the Geberit management receives one option to purchase an additional share in the ratio 1:1. The exercise price of the options is equal to the price at which the underlying shares were allocated. The options can be exercised after blocking periods of two years. They lapse if not exercised after five years from grant date.

In connection with an additional option plan (“Option plan 2005”), the managing directors and the Geberit Executive Board were entitled to additional options with a time to maturity of five years and a blocking period of two and four years, respectively.

The following is a summary of the options allocated in 2005:

	End of blocking period	Maturity	Number of participants	Number of options allocated	Average exercise price CHF
Management share plans 2005 (MSPP)	2007	2010	46	2,319	897.50
Option plan 2005 type A (MSOP)	2007	2010	28	4,593	904.50
Option plan 2005 type B (MSOP)	2009	2010	28	4,593	947.50
Total				11,505	

The fair value of the options granted in 2005 amounted to CHF 166.75 for MSOP type A (two years maturity period), CHF 154.83 for MSOP type B (four years maturity period) and CHF 176.94 for MSPP (two years maturity period) at the corresponding granting date. The fair value was determined using the binomial model for “American Style Call Options”.

The calculation model considered the following parameters:

	Reference share price ¹⁾ CHF	Sur-charge %	Exercise price CHF	Expected volatility %	Expected Ø dividend yield %	Con-tractual period (years)	Risk free interest rate %
Management share plans 2005 (MSPP)	897.50	0	897.50	28.12	2.96	5	2.020
Option plan 2005 type A (MSOP)	861.35	5	904.50	34.27	2.83	5	1.865
Option plan 2005 type B (MSOP)	861.35	10	947.50	34.27	2.83	5	1.865

¹⁾The reference share price corresponds with the average share price of the Geberit shares for the period from 7.–20.01.2005 for MSOP and 10.–23.03.2005 for MSPP, respectively.

The following table summarizes all option plans in place as of 31 December 2005:

End of blocking period	Maturity	Number of options outstanding	Average exercise price CHF	Number of options in the money ¹⁾	Average exercise price CHF
lapsed	2006–2009	1,338	441.85	1,338	441.85
2006	2007–2009	20,877	567.82	20,877	567.82
2007	2008–2010	14,293	664.49	14,293	664.49
2008	2009	4,794	714.50	4,794	714.50
2009	2010	4,154	947.50	4,154	947.50
Total		45,456	644.67	45,456	644.67

¹⁾ As per 31 December 2005 and considering knock-in clauses until 2003

In addition to the options from the annually provided option programs MSPP and MSOP the above mentioned table also includes the options provided to the Mapress management (MMBP) in connection with the Mapress acquisition.

Regarding the calculation of the number of options outstanding, the share purchase ratio of 2:1 was considered for the MMBP program.

The following movements took place in 2005:

	MSOP		MSPP		MMBP		Total	
	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF
Outstanding 31.12.04	46,857	499.11	15,187	520.61	5,118	525.00	67,162	505.94
Granted options	9,186	926.50	2,319	898.00			11,505	920.76
Forfeited options	4,456	570.22	33	663.50	952	525.00	5,441	562.87
Exercised options	17,637	442.86	8,268	412.56	1,865	525.00	27,770	439.36
Lapsed options								
Outstanding 31.12.05	33,950	634.64	9,205	712.22	2,301	525.00	45,456	644.67
Exercisable at 31.12.05	751	435.62	369	405.41	1,388	525.00	1,338	441.85

The 45,456 options outstanding represent 1.09% of the share capital of Geberit AG. The Group hedges this exposure with treasury shares.

The options outstanding at 31 December 2005 had an exercise price between CHF 405.00 and CHF 947.50 and an average remaining contractual life of 2.8 years.

Costs resulting from share participation plans amounted to MCHF 2.9 in 2005 (PY: MCHF 1.9), that one for option plans to MCHF 2.1 (PY: MCHF 2.4).

16. Deferred tax assets and liabilities

2005	2005 Total	Movements in 2005				2004 Total
		(Charged)/ credited to income	Acqui- sitions	(Charged)/ credited to equity	Trans- lation differences	
		MCHF	MCHF	MCHF	MCHF	
Deferred tax assets						
Loss carry-forwards	7.4	2.3			0.3	4.8
Accrued pension obligation	11.9	0.5		3.9	0.5	7.0
Property, plant and equipment	3.0	(0.2)			0.2	3.0
Goodwill and intangible assets	19.5	(2.2)			0.1	21.6
Other	20.6	1.1	(0.4)	0.1	0.4	19.4
Total deferred tax assets	62.4	1.5	(0.4)	4.0	1.5	55.8
Deferred tax liabilities						
Inventories	(4.5)	0.6	0.6		(0.1)	(5.6)
Property, plant and equipment	(60.3)	0.8	1.2		(0.3)	(62.0)
Prepaid pension asset	(4.6)	(1.8)		(0.1)		(2.7)
Intangible assets	(19.3)	2.2	0.4		(0.1)	(21.8)
Other	(9.6)	(3.4)				(6.2)
Total deferred tax liabilities	(98.3)	(1.6)	2.2	(0.1)	(0.5)	(98.3)
2004	2004 Total	Movements in 2004				2003 Total
		(Charged)/ credited to income	Acqui- sitions	(Charged)/ credited to equity	Trans- lation differences	
		MCHF	MCHF	MCHF	MCHF	
Deferred tax assets						
Loss carry-forwards	4.8	1.0				3.8
Accrued pension obligation	7.0	(1.2)	0.9	3.0		4.3
Property, plant and equipment	3.0	(1.1)			(0.2)	4.3
Goodwill and intangible assets	21.6	(2.2)	24.0		(0.4)	0.2
Other	19.4	1.6	2.8	3.5	(0.5)	12.0
Total deferred tax assets	55.8	(1.9)	27.7	6.5	(1.1)	24.6
Deferred tax liabilities						
Inventories	(5.6)	3.8	(4.7)		0.1	(4.8)
Property, plant and equipment	(62.0)	5.4	(4.9)		0.7	(63.2)
Prepaid pension asset	(2.7)			17.9		(20.6)
Intangible assets	(21.8)	(2.5)	(10.5)		0.2	(9.0)
Other	(6.2)	0.7	(0.7)	(1.3)	0.2	(5.1)
Total deferred tax liabilities	(98.3)	7.4	(20.8)	16.6	1.2	(102.7)

No deferred tax liabilities are established for non refundable withholding taxes or other taxes on unremitted earnings which are not anticipated to be remitted to the parent. As per 31 December 2005 there were no such retained earnings in the subsidiaries (PY: MCHF 7.5).

The Group recognizes deferred tax assets from loss carry-forwards when they comply with the requirements of IAS 12. The following loss carry-forwards (listed by maturity) were used for the calculation of deferred tax assets:

Maturity	2005	No deferred tax asset	Deferred tax asset	2004	No deferred tax asset	Deferred tax asset
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
1 year	1.2	1.1	0.1	0.4	0.2	0.2
2 years	1.1	0.9	0.2	2.9	2.7	0.2
3 years	0.6	0.5	0.1	10.8	2.0	8.8
4 years	0.2	0.1	0.1	0.3	0.1	0.2
5 years	0.4		0.4	0.2		0.2
6 years	0.5		0.5	0.2		0.2
> 6 years	20.3		20.3	9.6	0.2	9.4
Total	24.3	2.6	21.7	24.4	5.2	19.2

17. Other non-current provisions and liabilities

	2005	2004
	MCHF	MCHF
Provisions for operating risks	15.9	14.6
Accrued grant payments	0.6	0.8
Derivatives	24.7	32.3
Other non-current liabilities	15.3	0.2
Total other non-current provisions and liabilities	56.5	47.9

Provisions for operating risks mainly include provisions for warranties. For details to derivatives see Note 13. MCHF 13.4 were reclassified from “Current provisions and other current liabilities” (see Note 11) to “Other non-current liabilities”.

2005 movements of other non-current provisions are shown in the following table:

Other non-current provisions

	Total	Provisions for operat- ing risks	Accrued grant payments
	MCHF	MCHF	MCHF
31 December 2004	15.4	14.6	0.8
Changes in Group organization (see Note 2)	(0.5)	(0.5)	
Additions	4.5	4.5	
Used	(1.0)	(1.0)	
Reversed	(2.3)	(2.1)	(0.2)
Translation differences	0.4	0.4	
31 December 2005	16.5	15.9	0.6

18. Contingencies

The Group is involved in certain legal proceedings arising in the ordinary course of business. The Group believes that none of these proceedings either individually or in the aggregate are likely to have a material adverse effect on the Group's financial position or results of operations. The Group has established insurance policies to cover product liabilities and it accrues for potential product warranty claims.

The Group is also subject to various environmental laws and regulations in the jurisdictions in which it operates. In the ordinary course of business, the Group incurs capital and operating expenditures and other costs in complying with such laws and regulations. The Group currently does not anticipate any extraordinary material capital expenditures for environmental control technology. Some risk of environmental liability is inherent in the Group's business, and there can be no assurance that additional environmental costs will not arise in the future. However, the Group does not anticipate any material adverse effect for its results of operations or financial position as a result of future costs of environmental compliance.

The Group operates in many countries, most of which have sophisticated tax regimes. The nature of its operations, and the significant reorganizations that have taken place in recent years, result in the Group's and its subsidiaries' legal structures being complex. The Group believes that it performs its business in accordance with the local tax laws. However, it is possible that there are areas where potential disputes with the various tax authorities could arise in the future. The Group is not aware of any disputes that either individually or in the aggregate are likely to have a material adverse effect on the Group's financial position or results of operations.

19. Equity

In 2005, dividends of MCHF 90.3 were distributed to the shareholders of Geberit AG (CHF 22 per share).

As per 31 December 2005 the Group held a total of 69,160 (PY: 66,480) treasury shares with a carrying value of MCHF 49.6 (PY: MCHF 39.6). In 2005 the Group bought a net total of 2,680 treasury shares. Treasury shares are deducted at cost from equity.

For transactions in connection with the share participation plans see Note 15.

20. Earnings per share

Earnings per share is calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares issued and outstanding during the year, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares.

	2005	2004
Attributable net income according to income statement (MCHF)	262.5	193.7
Thereof net income from discontinued operations (MCHF)	2.5	4.7
Thereof net income from continuing operations (MCHF)	260.0	189.0
Weighted average number of ordinary shares outstanding (thousands)	4,096	4,093
Earnings per share (EPS) from continuing operations (CHF)	63.48	46.17
Earnings per share (EPS) from discontinued operations (CHF)	0.61	1.15
Earnings per share (EPS), total (CHF)	64.09	47.32

For the diluted earnings per share the weighted average number of issued ordinary shares is adjusted to assume conversion of all potentially dilutive ordinary shares (see Note 3). The Group has granted share options to the management and has issued a Convertible Bond which both are used to calculate the potentially dilutive ordinary shares.

	2005	2004
Attributable net income according to income statement (MCHF)	262.5	193.7
Interest and amortization expenses of convertible bond, net (MCHF)	4.8	2.7
Net income to determine diluted earnings per share (MCHF)	267.3	196.4
Thereof net income from discontinued operations (MCHF)	2.5	4.7
Thereof net income from continuing operations (MCHF)	264.8	191.7
Weighted average number of ordinary shares outstanding (thousands)	4,096	4,093
Adjustments for share options (thousands)	13	27
Adjustment for convertible bond (thousands)	171	93
Weighted average number of ordinary shares for diluted earnings per share (thousands)	4,280	4,213
Diluted earnings per share (EPS) from continuing operations (CHF)	61.87	45.50
Diluted earnings per share (EPS) from discontinued operations (CHF)	0.58	1.12
Diluted earnings per share (EPS), total (CHF)	62.45	46.62

For the calculation of adjusted earnings per share the amortization of goodwill and the Geberit trademarks is added back to net income.

	2005	2004
Attributable net income according to income statement (MCHF)	262.5	193.7
Total amortization of goodwill and Geberit trademarks (MCHF)	2.6	53.4
Adjusted net income attributable to shareholders (MCHF)	265.1	247.1
Thereof net income from discontinued operations (MCHF)	2.5	4.7
Thereof net income from continuing operations (MCHF)	262.6	242.4
Weighted average number of ordinary shares outstanding (thousands)	4,096	4,093
Adjusted earnings per share (EPS) from continuing operations (CHF)	64.11	59.22
Adjusted earnings per share (EPS) from discontinued operations (CHF)	0.61	1.15
Adjusted earnings per share (EPS), total (CHF)	64.72	60.37

21. Sales deductions

	2005	2004
	MCHF	MCHF
Early payment discounts	54.5	51.8
Outbound freight costs	56.5	54.5
Customer volume discounts	146.1	121.0
Other	25.6	26.1
Total sales deductions	282.7	253.4

22. Other operating expenses, net

	2005	2004
	MCHF	MCHF
Energy and maintenance expenses	65.2	67.6
Marketing expenses	47.4	47.5
Administration expenses	45.3	44.6
Other operating expenses	44.2	44.6
Other operating income	(16.6)	(16.3)
Total other operating expenses, net	185.5	188.0

Other operating income includes, among others, compensation for postage and packaging, rental income, non-periodic income and catering revenues.

In 2005 costs of MCHF 13.7 (PY: MCHF 16.8) were capitalized as property, plant and equipment, including in particular tools and assembly lines, which are part of the production process.

The amount was deducted from personnel expenses, cost of materials and other operating expenses, net.

23. Finance costs, net

	2005	2004
	MCHF	MCHF
Interest income	4.1	1.6
Interest expenses	(21.1)	(26.6)
Amortization of deferred financing fees	(1.1)	(1.3)
Foreign exchange result, net	2.3	(2.4)
Other financial income	0.1	0.4
Other financial expenses	(1.5)	(1.7)
Total finance costs, net	(17.2)	(30.0)

24. Income tax expenses

	2005	2004
	MCHF	MCHF
Current taxes	89.6	86.6
Deferred taxes	0.1	(5.5)
Total income tax expenses	89.7	81.1

The differences between income tax expenses computed at the weighted average applicable rate of the Group of 26.2 % (PY: 27.1 %) and income tax expenses provided on earnings were as follows:

	2005	2004
	MCHF	MCHF
Income tax expenses, at applicable rate	92.3	74.6
Utilisation of loss carry-forwards	(0.8)	(0.9)
Operating losses with no current tax benefit	0.4	0.2
Changes in tax rates		(1.9)
Non-deductible expenses including goodwill amortization, net	(0.9)	11.8
Other	(1.3)	(2.7)
Total income tax expenses	89.7	81.1

25. Cashflow figures

Net cashflow is calculated as follows:

	2005	2004
	MCHF	MCHF
EBITDA	455.9	453.4
Finance costs, net	(17.2)	(30.0)
Income tax expenses	(89.7)	(81.1)
Deferred taxes charged/(credited) to net income (see Note 16)	0.1	(5.5)
Changes in long-term provisions	20.7	16.1
Changes in other long-term assets and liabilities	(3.2)	(1.2)
Net cashflow	366.6	351.7

Changes in long-term provisions mainly include the changes in provisions for operating risks, accrued pension costs and non-cash expenses resulting from share participation and option plans charged or credited to net income. The position changes in other long-term assets and liabilities mainly includes the changes in prepaid pension assets and deferred financing fees, charged or credited to net income.

Free cashflow is calculated as follows:

	2005	2004
	MCHF	MCHF
Net cashflow	366.6	351.7
Purchase of property, plant & equipment and intangible assets, net	(73.2)	(78.6)
Changes in net working capital	1.9	8.4
Payments charged to long-term provisions	(5.1)	(8.1)
Free cashflow	290.2	273.4

As per Group definition, the term “Free cashflow” does not include disinvestments or acquisitions of subsidiaries nor the purchase or sale of treasury shares and dividend payments.

Changes in net working capital comprise the changes in the aggregate of trade accounts receivable, inventories and other accounts receivable and prepaid expenses, less the aggregate of trade accounts payable and other current provisions and liabilities, charged or credited to net income.

Payments charged to long-term provisions mainly include pensions.

“Net cashflow” and “Free cashflow” are no substitute for figures which result from the consolidated income statements and from the consolidated statement of cashflows but they may give an indication about the capability of the Group to generate cash, to pay back debt, to finance acquisitions, to buy back shares and to pay dividends.

26. Segment information

The Group consists of a single business segment: the design, manufacturing and sale of sanitary plumbing systems to the residential and commercial construction industry. The business segment is divided into geographical regions.

The segment “Other major European markets” includes Austria, the United Kingdom, the Netherlands, Belgium and France. All other European markets are summarized in the “Other European markets”. The segment “Other markets” includes principally North America, Africa and the Far East. The segment “Corporate Functions” consists in particular of Geberit AG, Geberit Holding AG and Geberit International AG as the central holding and management companies, and the research and development company Geberit Technik AG.

Balance sheet and profit information are allocated to geographical segments in accordance with the jurisdiction where the assets and liabilities are located and the results are generated.

The Group considers the operating profit to be the segment result. Group companies principally account for inter-segment sales using the “market-minus” method. Due to the existing transfer price concept most of the profits are generated in Germany and Switzerland where the most important production plants are located.

Balance sheet information of the corporate functions includes unallocated assets and liabilities of the Group which consist of cash and cash equivalents, goodwill and other intangible assets from the 1997 leveraged buyout, income tax assets and liabilities and financial assets and liabilities. Intercompany transactions have been eliminated in the column “Eliminations”.

Balance sheet information is as follows:

	Switzerland	Germany	Italy	Other major European markets	Other European markets	Other markets	Corporate functions	Elimin- ations	Total
2005	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Segment assets	277.8	776.0	96.8	283.3	154.5	124.4	1,150.9	(917.1)	1,946.6
Segment liabilities	61.2	254.3	36.1	79.3	35.7	31.5	1,407.6	(917.1)	988.6
Capital expenditure	23.6	23.3	4.4	3.0	12.7	10.5	2.0		79.5
Depreciation expense	19.5	30.5	3.3	12.4	3.7	4.9	1.5		75.8
2004									
Segment assets	281.9	767.6	105.2	277.8	176.2	106.2	1,169.0	(946.8)	1,937.1
Segment liabilities	56.3	228.8	36.8	80.4	31.5	26.6	1,606.7	(946.8)	1,120.3
Capital expenditure	28.6	27.7	1.4	4.5	15.1	8.2	2.3		87.8
Depreciation expense	20.7	32.9	3.9	14.4	6.4	4.5	1.7		84.5

Income statement information is as follows:

	Switzer- land	Germany	Italy	Continuing operations			Other major European markets	Other European markets	Other markets	Cor- porate functions	Total	Discon- tinued opera- tions	Total
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
2005													
Intersegment sales	223.0	449.4	20.0	83.5	12.5	5.5							
External sales	227.2	634.4	256.3	423.3	219.8	161.9					1,922.9		1,922.9
Segment result ¹⁾	92.1	168.6	21.4	44.9	4.0	(4.6)				40.5	366.9	2.5	369.4
Finance costs, net											(17.2)		(17.2)
Income tax expenses											89.7		89.7
Net income											260.0	2.5	262.5
2004													
Intersegment sales	211.2	354.8	14.6	69.2	18.0	1.8							
External sales	210.2	644.6	249.5	348.2	225.3	162.7					1,840.5	66.3	1,906.8
Segment result	91.7	159.3	17.9	30.0	9.3	(0.6)				(9.4)	298.2	7.3	305.5
Finance costs, net											(29.2)	(0.8)	(30.0)
Income tax expenses											79.3	1.8	81.1
Net income											189.7	4.7	194.4

¹⁾In 2005 impairment adjustments in the amount of MCHF 3.3 were made and allocated to "Other markets". The adjustments are based on an impairment test that was made in connection with the optimization of the product range in the USA (see Notes 7 and 9).

27. Related party transactions

In 2005 and 2004, total compensations paid to the Group Executive Board and to the Board of Directors were as follows:

	2005	2004
	MCHF	MCHF
Salary and bonus	4.8	8.5
Share-based payments (granted options: 2,734 in 2005 and 8,654 in 2004)	0.5	1.1
Total	5.3	9.6

In 2005 and 2004 there were no further material related party transactions.

28. Foreign exchange rates

The following exchange rates were used for the consolidated financial statements for the years 2005 and 2004:

			2005		2004	
	Currency		Balance sheet	Income statement	Balance sheet	Income statement
European Currency Union	EUR	1	1.5568	1.5483	1.5433	1.5449
United Kingdom	GBP	1	2.2645	2.2623	2.1752	2.2771
USA	USD	1	1.3098	1.2432	1.1325	1.2439
Poland	PLN	100	40.3670	38.5370	37.8130	33.8780
Slovenia	SIT	100	0.6500	0.6470	0.6290	0.6430
China	CNY	100	16.2320	15.2740	13.6830	15.0170
Denmark	DKK	100	20.8680	20.7690	20.7530	20.7420

29. Subsequent events

These financial statements have been approved by the Board of Directors on 28 February 2006.

On 19 January 2006, the Group's Board of Directors announced to implement a share buyback program in 2006. Shares in an aggregate amount of up to MCHF 200.0 are to be repurchased via a separate trading line, deducting the withholding tax. As of today no decision has been made with respect to the use of such repurchased shares. Possible options are a capital reduction, acquisitions or a resale.

30. Group companies as of 31 December 2005

Switzerland	Ownership in %	Activity
Geberit AG, Jona		○
Geberit Holding AG, Jona	100	○
Geberit International AG, Jona	100	○
Geberit International Sales AG, Rapperswil	100	△
Geberit Technik AG, Jona	100	○
Geberit Verwaltungs AG, Jona	100	○
Geberit Vertriebs AG, Jona	100	△
Geberit Marketing e Distribuzione SA, Jona	100	△
Geberit Produktions AG, Jona	100	□
Geberit Balena AG, Bütschwil	100	△
Büchler Werkzeugbau AG, Flawil	100	□
Geberit Fabrication SA, Givisiez	100	□
Australia		
Geberit Pty Ltd., North Ryde NSW	100	△
Austria		
Geberit Vertriebs GmbH & Co. KG,		
Pottenbrunn	100	△
Geberit Produktions GmbH & Co. KG,		
Pottenbrunn	100	□
Geberit Beteiligungsverwaltung GmbH,		
Pottenbrunn	100	○
Geberit Huter GmbH, Matrei	100	□
Sanplast Handels GmbH, Villach	100	△
Belgium		
Geberit N.V., Machelen	100	△
Channel Islands		
Geberit Finance Ltd., Jersey	100	○
Geberit Reinsurance Ltd., Guernsey	100	○
China		
Geberit Flushing Technology Co. Ltd.,		
Daishan	100	□/△
Geberit Plumbing Technology Co. Ltd.,		
Shanghai	100	□/△
Czech Republic		
Geberit spol. s.r.o., Brno	100	△
Denmark		
Geberit A/S, Lystrup	100	△
Finland		
Geberit OY, Espoo	100	△
France		
Geberit S.à.r.l., Antony	100	△
Germany		
Geberit Beteiligungs GmbH & Co. KG,		
Pfullendorf	100	○
Geberit Deutschland GmbH, Pfullendorf	100	○
Geberit Management GmbH, Pfullendorf	100	○
Geberit Vertriebs GmbH, Pfullendorf	100	△

Germany	Ownership in %	Activity
Geberit Produktions GmbH, Pfullendorf	100	□
Geberit Mapress GmbH, Langenfeld	100	□
Geberit Mapress Technik GmbH, Langenfeld	100	○
Geberit RLS Beteiligungs GmbH, Pfullendorf	100	○
Geberit Lichtenstein GmbH, Lichtenstein	100	□
Sanbloc GmbH, Weilheim	100	□
Hungary		
Geberit Kft, Budapest	100	△
Italy		
Geberit Produzione S.p.A., Villadose	100	□
Mexico		
Geberit S.A. de C.V., Mexico City	100	△
Geberit Servicio S.R.L., Mexico City	100	○
Netherlands		
Geberit Holding B.V., Nieuwegein	100	○
Geberit B.V., Nieuwegein	100	△
Geberit Invest B.V., Nieuwegein	100	○
Geberit Management B.V., Nieuwegein	100	○
Geberit International B.V., Nieuwegein	100	○
Norway		
Geberit AS, Lysaker	100	△
Poland		
Geberit Sp.z.o.o., Warsaw	100	△
Portugal		
Geberit Tecnologia Sanitária S.A., Lissabon	100	△
Singapore		
Geberit South East Asia Pte. Ltd., Singapore	100	△
Slovakia		
Geberit Slovensko s.r.o., Bratislava	100	△
Slovenia		
Geberit Sanitarna tehnika d.o.o., Ruse	100	□/△
Spain		
Geberit S.A., Barcelona	100	△
Sweden		
Geberit AB, Malmö	100	△
Turkey		
Geberit Tesisat Sistemleri Ticaret Ltd.,		
Istanbul	100	△
United Kingdom		
Geberit Ltd., Aylesford	100	□/△
Geberit UK Ltd., Aylesford	100	○
USA		
Duffin Manufacturing Co., Elyria	100	□/△
The Chicago Faucet Company, Des Plaines	100	□/△

○ Services, holding functions

△ Distribution

□ Production

Report of the Group Auditors



To the general meeting of Geberit AG, Jona

As auditors of the group, we have audited the consolidated financial statements (balance sheet, income statement, statement of shareholders' equity, statement of cashflows and notes, pages 52 to 87) of the Geberit Group for the year ended 31 December 2005.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'Daniel Ketterer'.

Daniel Ketterer

A handwritten signature in black ink, appearing to read 'Gilles Thiéry'.

Gilles Thiéry

Zurich, Switzerland, 28 February 2006

Financial Statements

Geberit AG

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Financial Statements

Balance Sheets	31.12.2005	31.12.2004
	MCHF	MCHF
Current assets		
Cash and cash equivalents	0.1	0.5
Accounts receivable:		
– Third parties	1.0	1.5
– Group companies	120.8	25.5
Total current assets	121.9	27.5
Non-current assets		
Investments	832.0	878.5
Intangible assets: financing costs Convertible Bond	2.7	3.3
Total non-current assets	834.7	881.8
Total assets	956.6	909.3
Current liabilities:		
– Third parties	1.8	1.6
– Group companies	1.0	0.9
Total current liabilities	2.8	2.5
Long-term liability: Convertible Bond	170.0	170.0
Shareholders' equity		
Capital stock	4.2	4.2
Legal reserves:		
– General reserve	0.8	0.8
– Reserve for treasury shares	53.0	43.2
Free reserves	578.9	568.7
Retained earnings	146.9	119.9
Total shareholders' equity	783.8	736.8
Total liabilities and shareholders' equity	956.6	909.3
Income Statements	2005	2004
	MCHF	MCHF
Income		
Dividends from subsidiaries	140.0	110.0
Financial income	2.5	4.8
Other operating income	0.3	0.2
Total income	142.8	115.0
Expenses		
Administrative expenses	2.0	3.1
Financial expenses	2.3	1.7
Total expenses	4.3	4.8
Net income	138.5	110.2

Notes to the Financial Statements

1. Notes (in accordance with Article 663b of the Swiss Code of Obligations)

1.1 Guarantees, assets pledged in favour of third parties	31.12.2005	31.12.2004
	MCHF	MCHF
Guarantee Revolving Facility	400.0	400.0
Guarantees in connection with Private Placement (MUSD 100)	131.0	113.3

The guarantee for the Revolving Facility is limited by contract to the distributable reserves of the company.

1.2 Convertible Bond

The terms of the CHF 170,000,000 1% convertible bond 2004–2010, issued on 14 June 2004, are as follows:

Coupon:	1.00% p.a., payable annually on 14 June
Tenor:	6 years (2004–2010)
Early redemption at the option of the issuer:	At the principal amount plus accrued interest, if any, subject to a period of not less than 30 days' prior notice a) at any time, if 85% or more in aggregate of the principal amount of the Convertible Bond has been converted and/or purchased, or b) on or after 14 June 2008 if, within a period of 30 consecutive trading days, the closing price of the registered shares of Geberit AG on the SWX Swiss Exchange for 20 trading days shall have been at least 130% of the conversion price deemed to be in effect on each of such trading days.
Early redemption at the option of holders:	At the principal amount plus accrued interest, if any, upon the occurrence of a change in the legal or economic structure of Geberit AG according to the terms of the Convertible Bond.
Redemption:	14 June 2010 at the principal amount
Denomination:	CHF 5,000 or multiples thereof

Conversion right:	Bonds of CHF 5,000 each are convertible into 5.03525 registered shares of Geberit AG at any time during the conversion period; fractions exceeding CHF 10.00 will be paid out cash.
Conversion period:	The bonds are convertible from 26 July 2004 up to and including 31 May 2010 or five business days (i.e. the banks in Zurich are open all day) prior to an early redemption.
Conversion price:	CHF 993.00 per registered share of Geberit AG
Dividend rights:	The shares issued upon conversion will have the same rights as the existing shares, in particular with respect to dividend rights.
Reserved share capital:	200,000 shares from the conditional capital
Total included share capital:	Up to a nominal amount of CHF 171,198

1.3 Significant investments

All Group companies are listed in the Consolidated Financial Statements of the Geberit Group (see Note 30).

1.4 Share capital

The share capital of Geberit AG consists of 4,160,000 ordinary shares with a par value of CHF 1.00 each.

1.5 Treasury shares

Treasury shares held by Geberit AG or by companies in which Geberit AG holds a majority interest:

	Number of registered shares	High in CHF	Average in CHF	Low in CHF
Balance at 31 December 2004	66,480			
Purchases	37,922	1,032.94	863.67	784.50
Sales	35,242	1,030.00	887.96	804.40
Balance at 31 December 2005	69,160			

Number of treasury shares held by Geberit AG

The legal reserves for treasury shares were recorded at cost.

1.6 Capital increases	31.12.2005 MCHF	31.12.2004 MCHF
Conditional capital	0.2	0.2

The fifth ordinary general meeting, held on 22 April 2004, decided to create a new conditional capital of up to CHF 200,000 through the issue of a maximum of 200,000 new registered shares with a par value of CHF 1.00 each through the exercise of conversion or option rights, e.g. in connection with a Convertible Bond.

On 14 June 2004, a Convertible Bond was issued on the conditions according to section 1.2 in these notes to the financial statements. As per 31 December 2005, no shares have been issued in connection with this conditional capital increase. The usage of the conditional capital is not subject to any time limit.

2. Other disclosures required by the law

2.1 Significant shareholders

According to the information available to the Board of Directors the following shareholders held shares entitling them to more than 5 % of the total share capital:

	31.12.2005	31.12.2004
The Capital Group, Los Angeles	> 5 %	–

Proposal for the appropriation of available earnings

Proposal by the Board of Directors to the General Meeting

	2005 CHF	2004 CHF
Available earnings		
Net income	138,491,182	110,234,185
Balance brought forward	8,396,445	9,682,260
Total available earnings	146,887,627	119,916,445
Transfer to free reserves	40,000,000	20,000,000
Proposed dividend	104,000,000	91,520,000
Balance to be carried forward	2,887,627	8,396,445
Total appropriation of available earnings	146,887,627	119,916,445

Dividend payments

The Board of Directors proposes a dividend payment of CHF 25 per share (prior year: CHF 22 per share).

The number of shares is subject to execution of conversion rights derived from the Convertible Bond (see section 1.2) and treasury shares held by Geberit AG. The Board of Directors may adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting.

Report of the Statutory Auditors



To the general meeting of Geberit AG, Jona

As statutory auditors, we have audited the accounting records and the financial statement (balance sheet, income statement and notes, pages 90 to 94) of Geberit AG for the year ended 31 December 2005.

These financial statements are the responsibility of the board of directors.
Our responsibility is to express an opinion on these financial statements based on our audit.
We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with the Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'Daniel Ketterer'.

Daniel Ketterer

A handwritten signature in black ink, appearing to read 'Gilles Thiéry'.

Gilles Thiéry

Zurich, Switzerland, 28 February 2006

Geberit Key Figures

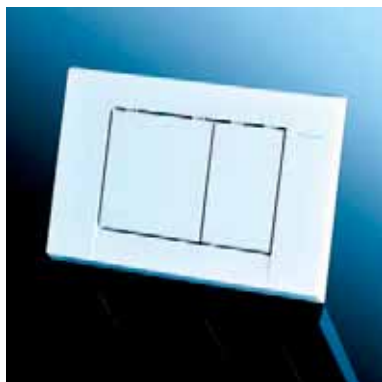
		2005	2004
Sales	MCHF	1,922.9	1,906.8
Change on previous year	%	+0.8	+35.8
Operating profit (EBIT)	MCHF	366.9	305.5
Margin	%	19.1	16.0
Net income	MCHF	262.5	194.4
Margin	%	13.7	10.2
Operating cashflow (EBITDA)	MCHF	455.9	453.4
Margin	%	23.7	23.8
Net cashflow	MCHF	366.6	351.7
Margin	%	19.1	18.4
Finance costs, net	MCHF	(17.2)	(30.0)
Research and development expenses	MCHF	43.5	43.4
In % of sales	%	2.3	2.3
Earnings per share	CHF	64.09	47.32
Earnings per share – adjusted*	CHF	64.72	60.37
Capital expenditure	MCHF	79.5	87.8
Number of employees	31.12.	5,162	5,516
Annual average		5,237	5,469
Sales per employee	TCHF	367.2	348.7
		31.12.2005	31.12.2004
Total assets	MCHF	1,946.6	1,937.1
Cash and cash equivalents	MCHF	180.0	81.6
Net working capital	MCHF	120.8	130.9
Property, plant and equipment	MCHF	528.3	538.8
Goodwill and intangible assets	MCHF	812.4	878.8
Corporate debt	MCHF	393.4	535.3
Equity	MCHF	958.0	816.8
Equity ratio	%	49.2	42.2
Gearing	%	22.3	55.5

Note: 2005 and 2004 figures have been restated in accordance with IAS 1 (Minorities), IFRS 2 (Participation plans) and IAS 19 (Employee Benefits). Figures for 2003 and before have not been restated.

* Adjusted for amortization of goodwill until 2001 and until 2000 adjusted for amortization of goodwill and amortization of intangibles from the Leveraged-buyout in 1997.

2003	2002	2001	2000	1999	1998
1,403.9	1,273.0	1,165.1	1,208.5	1,190.7	1,032.2
+10.3	+9.3	-3.6	+1.5	+15.4	+7.9
206.4	186.3	157.1	189.7	176.4	140.4
14.7	14.6	13.5	15.7	14.8	13.6
147.0	118.1	92.1	104.4	54.3	37.4
10.5	9.3	7.9	8.6	4.6	3.6
329.8	295.7	261.7	297.5	303.5	255.7
23.5	23.2	22.5	24.6	25.5	24.8
271.3	247.1	206.8	207.5	186.4	152.1
19.3	19.4	17.7	17.2	15.7	14.7
(23.4)	(23.0)	(29.1)	(37.4)	(37.9)	(59.4)
35.7	30.1	34.1	30.5	29.1	28.8
2.5	2.4	2.9	2.5	2.4	2.7
36.31	29.22	23.00	25.72	13.29	8.06
43.74	36.42	30.14	35.16	32.84	33.70
69.8	59.6	76.6	66.9	78.1	67.5
4,412	4,436	4,144	4,240	4,309	3,788
4,419	4,307	4,189	4,267	4,258	3,822
317.7	295.6	278.1	283.2	279.6	270.1
31.12.2003	31.12.2002	31.12.2001	31.12.2000	31.12.1999	31.12.1998
1,507.8	1,500.2	1,445.1	1,444.7	1,546.2	1,468.6
181.3	137.5	101.5	64.4	126.3	99.0
77.6	85.0	86.4	96.4	72.1	59.8
490.9	492.0	492.3	490.7	516.9	456.2
469.7	510.3	512.0	546.3	581.0	618.6
297.2	432.0	505.3	560.1	642.8	801.7
739.0	630.2	546.8	492.5	492.2	274.3
49.0	42.0	37.8	34.1	31.8	18.7
15.7	46.7	73.8	100.6	104.9	256.2

Geberit Products



Flush actuator



Electronic faucet



Fill valve



Mepla-Mapress compression joint



Shower toilet



Supply systems



Height adjustable toilet frame



Shower tray trap



Washbasin siphon trap



Roof drainage system



Automatic WC flush



PE Flexible Connection

Text: Geberit AG, Jona

Concept and design: Inhalt&Form Kommunikations AG, Zurich

Litho: Sota AG, Zurich

Prepress/Press: Linkgroup, Zurich

Photos Geberit management: Ben Huggler, Luzern, Daniel Gerber, Zurich

Photos: © Getty Images: cover page, page 41, page 46, page 49

© Incolor AG: page 45

© Jupiterimages: page 42

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This annual report is published in German and English and is also available on the internet as an online version. The German version is binding.



Geberit AG
Schachenstrasse 77
CH-8645 Jona

T +41 (0) 55 221 63 00
F +41 (0) 55 221 67 47
www.geberit.com