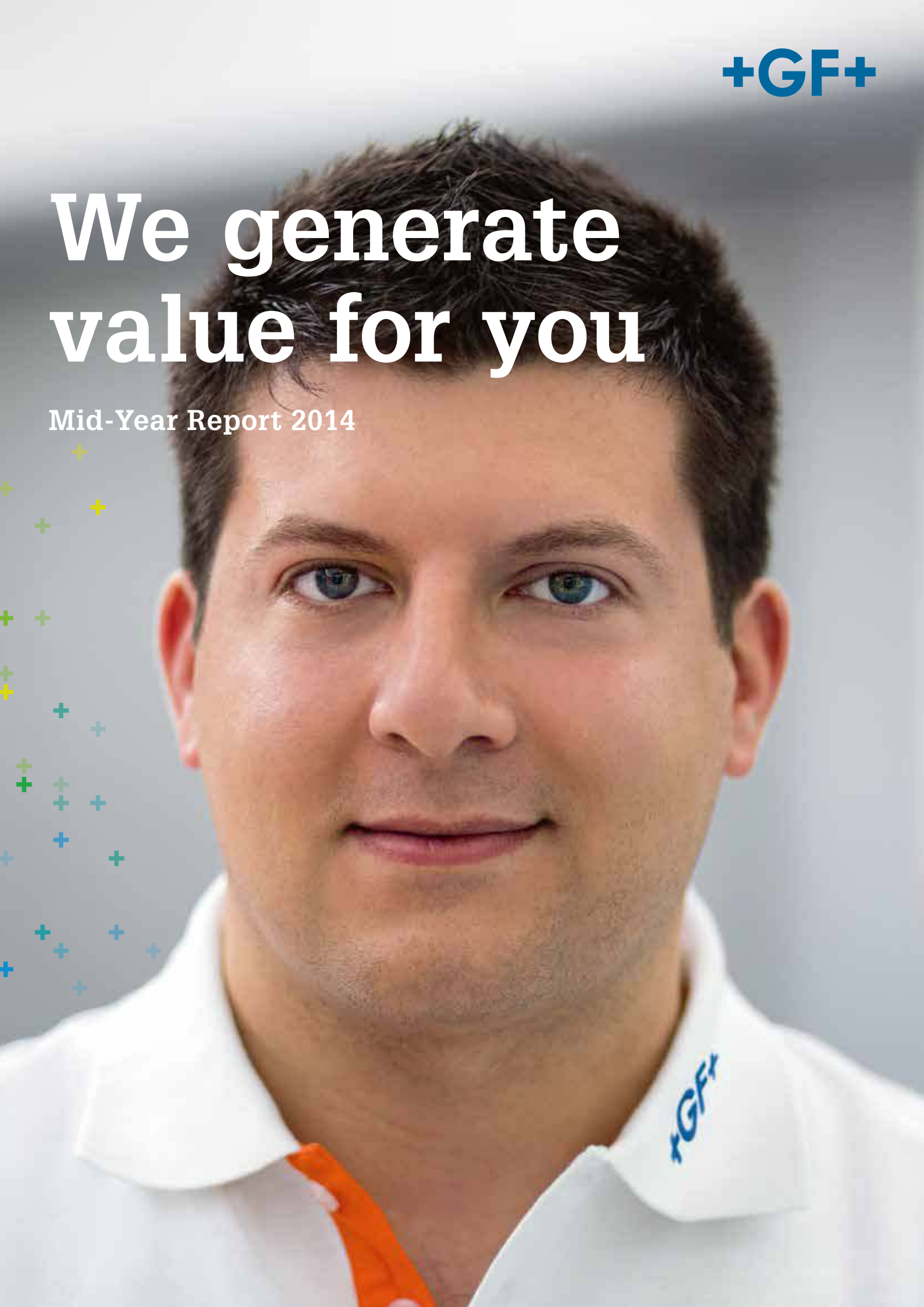
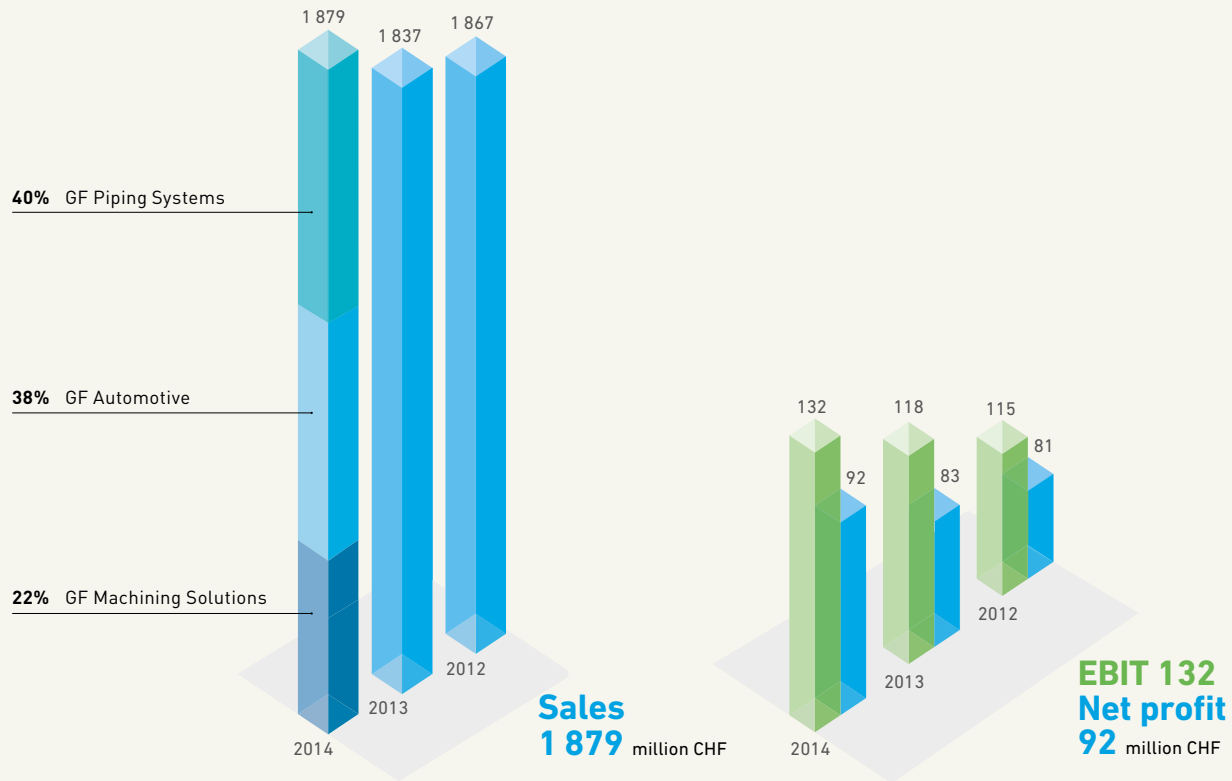


We generate value for you

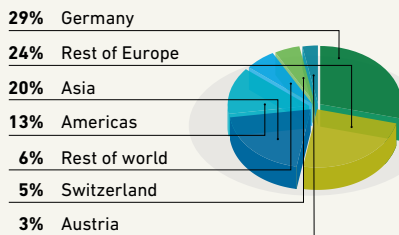
Mid-Year Report 2014



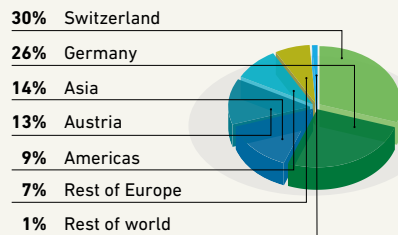
Key Figures as per 30 June 2014



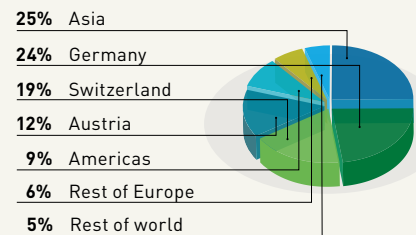
Sales by region (in %)
(100% = CHF 1.88 billion)



Gross value added by region (in %)
(100% = CHF 0.67 billion)



Employees by region (in %)
(100% = 13 801)



million CHF	Corporation		GF Piping Systems		GF Automotive		GF Machining Solutions	
	2014	2013	2014	2013	2014	2013	2014	2013
Order intake	1 909	1 896	750	674	702	774	458	448
Sales	1 879	1 837	742	665	718	752	420	420
EBITDA	193	181	94	88	79	69	26	28
EBIT	132	118	70	67	49	35	20	22
Net profit	92	83						
Free cash flow	-64	7						
Return on sales (EBIT margin) %	7.0	6.4	9.4	10.1	6.8	4.7	4.8	5.2
Return on invested capital (ROIC) %	17.2	14.5	16.5	16.7	21.1	14.4	12.4	13.3
Number of employees	13 801	13 397	6 035	5 359	4 735	5 055	2 880	2 837

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Productivity increases foster profitable growth

- Sales growth of 4% organic, 2% in CHF at CHF 1 879 million
- Operational result up 12% to CHF 132 million
- GF Piping Systems became the largest GF division for the first time

GF increased sales during the first half-year by 2% in CHF. Adjusted for currency effects, acquisitions and divestments, growth amounts to 4%. Most of the increase has been generated in Europe and in China. All three divisions increased their top line in local currencies.

The operating result (EBIT) grew 12% to CHF 132 million as plants were overall better loaded than previous year and the cost reductions of 2013 became fully effective. Excluding the negative impact of several currencies, such as the USD and the Turkish Lira, the increase in EBIT would have exceeded 20%. The return on sales (ROS) was lifted up to 7.0% and the return on invested capital (ROIC) to 17.2% compared to respectively 6.4% and 14.5% during the first semester of 2013. All three divisions reached a double-digit ROIC, well above their cost of capital.

Net profit increased 11% to CHF 92 million against CHF 83 million, the sale of a land parcel in Schaffhausen adding CHF 6 million. Free cash flow before acquisitions stood at a seasonally low –CHF 64 million. For the second half-year, a substantially positive cash flow is expected.

Headcount went up to 13 800 from 13 400. The headcount increase of 630 generated in Turkey by the acquisition of Hakan Plastik in July 2013 was partly offset by the decrease of 340 employees resulting from the divestment in January 2014 of the gravity die-casting plant of Herzogenburg (Austria).



Yves Serra, President and CEO, and Andreas Koopmann, Chairman of the Board of Directors.

Despite a harsh winter in the US and the ongoing investment slump in the semiconductor sector, **GF Piping Systems** increased sales by 12% to CHF 742 million. Free of acquisitions and currency effects, organic growth stood at 7%, coming mainly from Europe and China as well as from a good success in building technology, ship-building and cooling applications.

The operating result went up 4% to CHF 70 million from CHF 67 million in 2013, the increase in turnover compensating negative currency effects in Turkish Lira but also in US Dollar-denominated sales.

Sales growth at GF Hakan Plastik has been strong, especially in export markets. Measures have also been taken to significantly reduce foreign currency exposure and increase prices in Turkish Lira in view of bringing profitability levels up in the second half-year.

The reported sales of **GF Automotive** went down during the first half-year to CHF 718 million. Adjusted for currency effects and divestments, organic growth stood at 1%. In fact, the production volume went up 4% but only generated a 1% sales growth as the price decline of basic metals is passed on to the customers of GF Automotive. The division benefited from the slight upswing of the European car industry and from strong market conditions in China.

GF Automotive increased its operating result to CHF 49 million against CHF 35 million in 2013. The increase of 40%

resulted from a better plant load in Europe as well as from the portfolio streamlining and the cost reductions implemented in 2013.

GF Machining Solutions increased its bookings by 2%, 5% in local currencies, mainly on account of a rebound in Europe and a steady order intake in China. First half-year sales lagged somewhat behind orders as large contracts will be delivered in the second semester. In CHF they amount to CHF 420 million, at previous year's level. In local currencies, they were up 3%.

The operational profit was somewhat lower than previous year at CHF 20 million against CHF 22 million mainly on account of currency effects.

Strategic moves to enhance value generation and reduce cyclicality

GF Piping Systems became for the first time the largest division of GF. This represents an important change in portfolio in view of reducing the overall cyclicality of the corporation and increase its profitability.

GF Automotive signed early July a strategic and financial partnership with Mecotec, the leading German manufacturer of pressure die-casting molds. This partnership brings a unique combination of mold and component production know-how at the service of our customers. Closing is expected in the next few weeks.

In addition, GF Machining Solutions acquired early July Liechti Engineering AG, the leading specialist of 5-axis milling machines used to produce key components of aircraft engines and power generating turbines. GF Machining Solutions will thus significantly strengthen its presence and product portfolio in the promising and less cyclical aerospace sector.

Outlook

We expect market demand to remain uneven with a slight recovery in Europe and rather low growth levels in several Asian and South American countries. Nevertheless, despite a traditionally weaker second half-year, we expect to generate during that period figures similar to the first semester.

The US market for GF Piping Systems is recovering after the dismal weather conditions of the first quarter, the backlog of GF Machining Solutions is high and the car markets, including trucks, should be supportive of further growth at GF Automotive. In addition, the two acquisitions of GF Automotive and GF Machining Solutions strengthen

their competitiveness and will add both volume and profit during the second half-year.

GF will keep course regarding the implementation of its strategy, steadily increasing its productivity in Europe and expanding in growth markets. The 2015 objectives remain unchanged with a ROIC between 16% to 20% and a ROS in the 8% range.



Andreas Koopmann
Chairman of the Board of
Directors



Yves Serra
President and CEO

Consolidated financial statements

Balance sheet

million CHF	Notes	30 June 2014	%	31 Dec. 2013	%
Cash and cash equivalents		569		641	
Marketable securities		4		12	
Trade accounts receivable		698		568	
Inventories		682		647	
Income taxes receivable		9		6	
Other accounts receivable		54		63	
Prepayments to creditors		25		16	
Accrued income		21		13	
Assets held for sale				23	
Current assets	(2.1)	2 062	65	1 989	64
Property, plant and equipment for own use		933		965	
Investment properties		49		43	
Intangible assets		23		23	
Deferred tax assets		88		90	
Other financial assets		18		16	
Non-current assets	(2.2)	1 111	35	1 137	36
Assets		3 173	100	3 126	100
Trade accounts payable		397		421	
Bonds	(2.4)	300		300	
Other financial liabilities	(2.4)	147		149	
Loans from pension fund institutions		25		26	
Other liabilities		137		60	
Prepayments from customers		41		47	
Current tax liabilities		45		43	
Provisions		34		38	
Accrued liabilities and deferred income		191		175	
Liabilities held for sale				23	
Current liabilities		1 317	42	1 282	41
Bonds	(2.4)	497		496	
Other financial liabilities	(2.4)	34		34	
Pension benefit obligations		130		128	
Other liabilities		48		46	
Provisions		120		120	
Deferred tax liabilities		40		42	
Non-current liabilities		869	27	866	28
Liabilities	(2.3)	2 186	69	2 148	69
Share capital		4		41	
Share premium		32		60	
Treasury shares		-8		-9	
Retained earnings		918		843	
Equity attributable to shareholders of Georg Fischer Ltd		946	30	935	30
Non-controlling interests		41	1	43	1
Equity	(2.5)	987	31	978	31
Liabilities and equity		3 173	100	3 126	100

Income statement

million CHF	Notes	Jan. – June 2014	%	Jan. – June 2013	%
Sales	(3.1)	1 879	100	1 837	100
Other operating income		19		17	
Income		1 898	101	1 854	101
Cost of materials and products		-893		-874	
Changes in inventory of unfinished and finished goods		-12		-16	
Operating expenses		-327		-324	
Gross value added		666	35	640	35
Personnel expenses		-473		-459	
Depreciation on tangible fixed assets		-60		-61	
Amortization on intangible assets		-1		-2	
Operating result (EBIT)	(3.2)	132	7	118	6
Interest income	(3.3)	1		1	
Interest expense	(3.3)	-20		-16	
Other financial result	(3.3)	-3			
Ordinary result		110	6	103	6
Non-operating result		6		1	
Profit before taxes		116	6	104	6
Income taxes	(3.3)	-24		-21	
Net profit	(3.4)	92	5	83	5
– Thereof attributable to shareholders of Georg Fischer Ltd		88		80	
– Thereof attributable to non-controlling interests		4		3	
Basic earnings per share in CHF	(3.4)	22		20	
Diluted earnings per share in CHF	(3.4)	22		20	

Statement of changes in equity

million CHF	Notes	Share capital	Share premium	Treasury shares	Cumulative translation adjustments	Cash flow hedging	Other retained earnings	Retained earnings	Equity attributable to share-holders of Georg Fischer Ltd	Non-controlling interests	Equity
Balance as per 31 December 2012		41	121	-5	-5	-11	794	778	935	44	979
Net profit							80	80	80	3	83
Translation adjustments recognized in the reporting period					22			22	22		22
Changes of cash flow hedges						-7		-7	-7		-7
Disposal of treasury shares			1	2					3		3
Share-related compensation				3					3		3
Dividends			-62						-62	-5	-67
Balance as per 30 June 2013	(2.5)	41	60		17	-18	874	873	974	42	1 016
Balance as per 31 December 2013	(2.5)	41	60	-9	-3	-17	863	843	935	43	978
Net profit							88	88	88	4	92
Translation adjustments recognized in the reporting period					-7			-7	-7	-1	-8
Changes of cash flow hedges						-8		-8	-8		-8
Goodwill offset via equity							5	5	5		5
Purchase of treasury shares				-13					-13		-13
Disposal of treasury shares			1	9					10		10
Share-related compensation											
– Transferred for 2013				5			-5	-5			
– Granted for 2014							2	2	2		2
Reduction in par value		-37							-37		-37
Dividends			-29						-29	-5	-34
Balance as per 30 June 2014	(2.5)	4	32	-8	-10	-25	953	918	946	41	987

Statement of cash flows

million CHF	Notes	Jan. – June 2014	Jan. – June 2013
Net profit		92	83
Income taxes		24	21
Financial result		22	15
Depreciation and amortization		61	63
Other non-cash income and expenses		9	10
Increase in provisions, net		7	16
Use of provisions		-13	-11
Loss/profit from disposal of tangible fixed assets		-6	
Changes in			
– Inventories		-52	-47
– Trade accounts receivable		-137	-113
– Other receivables and accrued income		1	-22
– Trade accounts payable		-18	42
– Other liabilities and accrued liabilities and deferred income		17	20
Interest paid		-13	-12
Income taxes paid		-21	-23
Cash flow from operating activities		-27	42
Additions to			
– Property, plant and equipment		-42	-32
– Intangible assets		-2	-3
– Other financial assets		-1	-2
Disposals of			
– Property, plant and equipment		7	1
– Intangible assets		1	
Purchase/disposal of marketable securities		-1	
Cash flow from acquisitions			
Cash flow from divestitures			
Interest received		1	1
Cash flow from investing activities		-37	-35
Free cash flow	(4)	-64	7
Purchase of treasury shares		-13	
Disposal of treasury shares		10	3
Dividend payments to shareholders of Georg Fischer Ltd			-62
Dividend payments to non-controlling interests		-5	-5
Issuance of long-term financial liabilities		7	4
Repayment of long-term financial liabilities		-3	-4
Changes in short-term financial liabilities		-3	1
Cash flow from financing activities		-7	-63
Translation adjustment on cash and cash equivalents		-1	3
Net cash flow		-72	-53
Cash and cash equivalents at beginning of year		641	330
Cash and cash equivalents at end of period¹		569	277

1 Cash, postal and bank accounts: CHF 394 million (previous year: CHF 262 million), fixed-term deposits: CHF 175 million (previous year: CHF 15 million).

+ You can count
on us



Corporate accounting principles

Basis of preparation of the consolidated interim financial statements

Accounting principles // The consolidated interim and annual financial statements are prepared in accordance with the entire existing guidelines of Swiss GAAP FER (Generally Accepted Accounting Principles/FER = Fachempfehlung zur Rechnungslegung). The regulations of Swiss GAAP FER 31 “Complementary Recommendation for Listed Public Companies” have been early adopted. Furthermore, the accounting complies with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The consolidated financial statements are based on the financial statements of the Corporate Companies prepared in accordance with the uniform corporate accounting principles. Since the consolidated interim financial statements do not include all the information contained in the consolidated annual financial statements, they should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013.

The consolidated interim financial statements cover the period from 1 January 2014 to 30 June 2014 (hereinafter “period under review”) and were approved for issue by the Board of Directors on 11 July 2014.

Consolidation // The consolidated interim financial statements are those of Georg Fischer Ltd and all Swiss and foreign Corporate Companies in which it holds – either directly or indirectly – more than 50% of the voting rights or for which it has operational and financial management power. Those entities are fully consolidated. Joint ventures in which the GF Corporation has a direct or indirect interest of 50%, or where the GF Corporation exercises joint control, are included in the consolidated financial statements using the proportionate consolidation method. Investments in associates in which the GF Corporation has a non-controlling interest of at least 20% but less than 50% or over which it otherwise has significant influence, are included in the consolidated financial statements using the equity method of accounting. Investments with a voting power of less than 20% are stated at fair value and presented under other financial assets.

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities at the closing date of the consolidated interim financial statements. If in future such estimates and assumptions, which are based on management’s best judgment at the date of the consolidated interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change. In the consolidated interim financial statements, management made no new assumptions or estimates compared with the consolidated financial statements as at 31 December 2013.

Income tax expense is recognized based upon the best estimate of the weighted average annual income tax rate expected for the full financial year.

Notes to the consolidated interim financial statements

Segment information as per 30 June

million CHF	GF Piping Systems		GF Automotive		GF Machining Solutions		Total segments	
	2014	2013	2014	2013	2014	2013	2014	2013
Order intake	750	674	702	774	458	448	1 909	1 896
Orders on hand	67	80	345	379	169	180	581	638
Sales¹	742	665	718	752	420	420	1 880	1 837
Operating result (EBIT)	70	67	49	35	20	22	139	124
Return on sales (EBIT margin) %	9.4	10.1	6.8	4.7	4.8	5.2		

1 Sales between segments are insignificant.

Reconciliation to the segment information as per 30 June

million CHF	2014	2013
Sales		
Total sales for reportable segments	1 880	1 837
Consolidated sales	1 879	1 837
Operating result (EBIT)		
Total EBIT for reportable segments	139	124
Other operating result (EBIT)	-7	-6
Consolidated operating result (EBIT)	132	118

1 Changes in scope of consolidation

In the period under review, Georg Fischer Kokillenguss GmbH in Herzogenburg (Austria), was divested by the division GF Automotive as part of a management buyout. The divested company had annual sales of CHF 75 million.

2 Balance sheet

Total assets increased slightly by CHF 47 million to CHF 3.17 billion compared with year-end 2013. This increase was due to the seasonal changes in current assets. Non-current assets, by contrast, decreased since no major investments were made in the first half of the year. The currency effect on the balance sheet items was due mainly to the weakness of the US dollar and Asian currencies, which track the US dollar closely. Total assets fell by about CHF 15 million owing to the currency effect.

2.1 Current assets // Current assets rose by CHF 73 million to CHF 2.06 billion. Accounts receivable increased by CHF 130 million to CHF 698 million. Inventories also increased, up CHF 35 million to CHF 682 million. The growth in current assets reflects normal seasonal effects. Owing to the increase in accounts receivable and inventories, liquidity decreased by CHF 72 million to CHF 569 million. "Assets held for sale" valued at CHF 23 million were taken off the books owing to the divestment of the gravity die-casting foundry in Herzogenburg (Austria).

2.2 Non-current assets // Non-current assets fell marginally by CHF 26 million and amount to CHF 1.11 billion. Capital expenditures in the first six months came to CHF 42 million, as against depreciations amounting to CHF 61 million. In addition, translation adjustments further reduced non-current assets by CHF 7 million.

2.3 Liabilities // Liabilities rose by CHF 38 million to CHF 2.19 billion. The increase was due entirely to the change in current liabilities. Accounts payable decreased by CHF 24 million for seasonal reasons. By contrast, other current liabilities increased by CHF 77 million. The increase is due to the transfer of the dividend and the par value reduction from equity in the amount of CHF 66 million. Non-current liabilities remained virtually on previous years' level with CHF 869 million.

2.4 Financing // No significant financing transactions were conducted in the period under review. The syndicated loan for CHF 250 million is still unused but guarantees the necessary flexibility in the event of any future acquisitions. The next major maturity is the repayment of the 4.5% bond 2009–2014 for CHF 300 million, which falls due in September 2014. This bond was already refinanced in September 2013 by two bonds, each for CHF 150 million and with maturities of five and nine years respectively.

Net debt

million CHF	30 June 2014	31 Dec. 2013
Other financial liabilities	169	171
Bonds	797	796
Loans from pension fund institutions	25	26
Other liabilities	12	12
Interest-bearing liabilities	1 003	1 005
Marketable securities	4	12
Cash and cash equivalents	569	641
Net debt	430	352

Net debt as per 30 June 2014 was CHF 430 million. This corresponds to an increase of CHF 78 million compared to the year ended 31 December 2013. The increase was due to the negative free cash flow of CHF 64 million, dividend payments to non-controlling interests of CHF 5 million and the negative increase in the valuation of cash flow hedges of CHF 8 million.

2.5 Equity // Equity increased by CHF 9 million to CHF 987 million compared to the year ended 31 December 2013. The CHF 92 million increase from net profit was for the most part absorbed by total dividend amounting to CHF 71 million. The profit distribution was paid out at the beginning of July, but it was derecognized from equity immediately following the decision of the Annual Shareholders' Meeting. Currency effects reduced equity by CHF 8 million.

The equity ratio remained stable at 31%. After repayment of the 4.5% bond 2009–2014 for CHF 300 million in September, the equity ratio will rise by 3 percentage points owing to the change in total assets.

3 Income statement

3.1 Sales // Sales increased overall by CHF 42 million to CHF 1.88 billion, which represents an increase of 2%. The changes in the scope of consolidation added CHF 20 million net to this figure. Currency effects reduced sales by CHF 43 million. The organic growth came to 4%.

3.2 Operating profit (EBIT) // Operating profit (EBIT) improved by CHF 14 million to CHF 132 million. The resulting EBIT margin comes to 7.0%, corresponding to an improvement of 0.6 percentage points. GF Piping Systems increased its EBIT but the EBIT margin eroded by currency effects and the acquisition of Hakan Plastik in Turkey, as this company did not provide any contribution to EBIT in the first six months. The EBIT margin fell from 10.1% to 9.4%. GF Automotive improved its profitability substantially thanks to the impact of its cost-cutting program in 2013 and its portfolio restructuring. This was reflected in a 2.1 percentage point increase in the EBIT margin, which rose to 6.8%. GF Machining Solutions posted a slight decline in profitability despite generating the same volume as in the previous year, primarily owing to weaker foreign exchange rates. The EBIT margin fell by 0.4 percentage points to 4.8%.

The currency effect on consolidated EBIT came to minus CHF 6 million.

3.3 Financial result and taxes // Interest expense came to CHF 20 million, exceeding previous years' figure by CHF 4 million. This was attributable almost exclusively to the early refinancing of the 4.5% bond of CHF 300 million.

The "non-operating result" contains profit of about CHF 6 million from the sale of an investment property.

As expected, the tax rate rose again slightly to 21%. Taxes came to CHF 24 million.

3.4 Net profit and earnings per share // The Corporation increased net profit by CHF 9 million to CHF 92 million. Earnings per share improved by CHF 2 to CHF 22.

4 Free cash flow

Free cash flow came to minus CHF 64 million. A significant negative free cash flow at the end of the first half is not unusual due to the high seasonal demand of funds.

Investments in property, plant and equipment were a relatively low CHF 42 million in the first six-month period. Anticipated investments for the full year will come to CHF 150 to 160 million.

5 Events after the balance sheet date

There were no events between 30 June 2014 and 11 July 2014 that would require an adjustment to the carrying amounts of assets and liabilities or need to be disclosed under this heading.

Two acquisitions were made and disclosed after the balance sheet date. On 4 July, GF announced the takeover of Liechti Engineering AG, in Langnau (Switzerland). This company produces milling machines for machining turbine blades that are used in the aerospace and energy industries. It posted sales of about CHF 50 million in 2013. Liechti Engineering AG will be integrated into the division GF Machining Solutions.

On 9 July, GF disclosed the acquisition of a 51% stake in Meco Eckel GmbH & Co. KG, in Biedenkopf-Wallau (Germany). Meco Eckel makes molds for aluminum pressure die-casting. Mold-making is a crucial component of the know-how needed for manufacturing pressure die-casting parts. Meco Eckel reported sales of about CHF 40 million in 2013. The company will be integrated into the division GF Automotive. The transaction requires the approval of Germany's antitrust authorities before it can be closed.

6 Foreign exchange rates

		Average rates		Spot rates	
		Jan. – June 2014	Jan. – June 2013	30 June 2014	30 June 2013
CHF					
1	CNY	0.145	0.151	0.144	0.154
1	EUR	1.222	1.229	1.216	1.235
1	GBP	1.486	1.447	1.516	1.443
1	TRY	0.412	0.517	0.419	0.493
1	USD	0.891	0.937	0.891	0.946
100	JPY	0.870	0.983	0.879	0.957
100	SEK	13.651	14.421	13.223	14.095

Save the date

2015

24 February // Publication of Annual Report 2014, Media and Financial Analysts' Conference

18 March // Shareholders' Meeting for fiscal year 2014

17 July // Publication of Mid-Year Report 2015

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Disclaimer

The statements in this publication relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks, uncertainties and other factors beyond the control of the company.

The Mid-Year Report 2014 of Georg Fischer Ltd is also available in German. In the event of any discrepancy, the German version shall prevail.

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