Media Release

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<u>**Mid-Year Report of Georg Fischer Ltd as per 30 June 2010**</u>

Strong improvement in sales and profitability

During the first half of 2010, all three Corporate Groups of Georg Fischer were able to capitalise on a clear market recovery, especially in Asia. Thanks to the resulting turnover growth, which improved our plants' load, and also thanks to our low cost base after the comprehensive restructuring of 2009, profitability improved considerably. Sales were overall 17 percent above the previous year (23% in local currencies), and operating profit (EBIT) reached CHF 73 million against a loss of CHF 122 million in the first half of 2009. The structural programme announced in May 2009 has now been almost completed and the cost base sustainably reduced well in line with the initial objective.

Georg Fischer generated sales of CHF 1,691 million in the first half of 2010, compared to CHF 1,448 million in the same period of 2009. Adjusted for currency fluctuations and changes in the scope of consolidation, the growth amounts to 23 percent. GF Piping Systems grew overall by 10 percent despite a long and cold winter in Europe, which affected its infrastructure business. GF Automotive grew 25 percent as vehicle manufacturers ramped up production in the first half year after reducing stocks in 2009. Order intake at GF AgieCharmilles also grew substantially as customers started to invest again, especially in the booming economies of Asia and Latin America.

Operating profit (EBIT) before special charges rose by CHF 136 million to CHF 73 million, corresponding to an EBIT margin of 4.3 percent. There were no additional restructuring costs to book in the first six months of 2010. The appreciation of the Swiss franc led to a negative impact on EBIT of CHF 13 million. Net profit amounted to CHF 41 million and earnings per share improved to CHF 9 (previous year: CHF –35).

Total assets grew to CHF 3.1 billion. This is a consequence of the strong sales growth and the increase in cash. Trade accounts receivable rose by CHF 137 million to CHF 568 million, whereas inventories remained almost unchanged at CHF 600 million. Our cash position has been expanded by CHF 156 million mainly on account of the issuance of a bond in April. Free cash flow came to CHF –6 million compared to CHF –125 million in June 2009.

Financing is on a very solid base. The Corporation successfully issued a 3⅜-percent bond 2010 – 2016 in the amount of CHF 200 million, improving the maturity profile considerably. Net debt stands at CHF 485 million, considerably lower than CHF 702 million at mid-year 2009. The equity ratio is down to 36 percent due to currency impacts and the growth of total assets (end of 2009: 40%).

Cost base clearly lowered

The programme to reduce operational costs sustainably by CHF 350 million (compared to the 2008 base) by 2012 has been largely implemented, thus greatly lowering our cost base. Since short-time work was greatly reduced during the first half of 2010, most of the savings are now of a sustainable nature. Overall 2,100 jobs have been reduced compared to our objective of 2,300. On the other hand, new plants were brought on stream in Asia, especially at GF Piping Systems and GF Automotive, adding approximately 250 employees to the payroll in that booming region.

Corporate Groups

GF Piping Systems reported sales of CHF 584 million for an increase of 10 percent compared to the previous year (14% adjusted for currency fluctuations). Sales in Asia sharply increased on the back of strong demand in all sectors, whilst demand in America also clearly recovered. In Europe, the growth pattern was more uneven, with export-oriented industrial applications fast picking up, but infrastructure and building-related revenues stagnating. Operating profit came to CHF 65 million, more than doubling the previous year's figure of CHF 30 million for a double-digit ROS of 11 percent.

A new 20,000 sqm plant will be inaugurated in Beijing in August dedicated to the production of pipes for the residential construction sector. This will bring the total amount of manufacturing facilities in Asia to twelve at GF Piping Systems, in effect a doubling of the footprint in the last five years.

GF Automotive benefited from the substantial production increase of its key customers especially in the premium and mid-range car business. Sales went up 25 percent (in local currencies 35%) against a decline of almost 50 percent in the first half of 2009. EBIT turned positive at CHF 20 million against a loss before special charges of CHF 44 million in the first six months of 2009. Foundries in Europe are now running at higher capacity than the previous year but are still far from the peak levels of 2007/2008. The two Chinese plants are themselves operating at full capacity and being expanded in order to meet the rising demand in that country.

GF AgieCharmilles
Order intake at GF AgieCharmilles went up 53 percent compared to the very low first half of 2009 (–58%). Customers in Asia resumed their investments in machine tools, as the production of mobile phones, light-emitting diodes (high efficient light) and other electronic devices rose strongly. In the USA and in Europe, orders have also been recovering in recent months as customer confidence slowly returns. Sales went up a more modest 11 percent as production had to be ramped up from very low levels but the backlog is back to higher levels, a good sign for the second half of 2010. The operational result is still negative at CHF –7 million, a major improvement however over the large operational loss of CHF 46 million of the first half of last year. The restructuring has been completed with the Swiss production of EDM machines concentrated in one site. The production in China of EDM and milling machines is also being steadily increased in line with the growing importance of that region.

Outlook

The overall market outlook is by and large positive, but with significant regional differences. Demand in Asia is particularly strong and Georg Fischer fully participates in this growth thanks to the investments made in 2009 and earlier. Demand in America is on a good trend as well. In Europe, industrial activity is also rebounding. This is particularly true for the export-oriented sectors, including the car industry, whereas domestic demand may remain subdued. However, given the remaining uncertainties in the markets, costs and cash outlays will continue to be strictly managed.

Assuming that demand continues to recover and currency markets stabilise, the company expects in the second half-year of 2010 a similar result as in the first half. The strategy and the mid-term financial goals of Georg Fischer remain unchanged. The Corporation will continue to invest in the growth markets, especially in Asia, increase its innovation tempo and develop its less cyclical activities, in particular GF Piping Systems.

Corporate Profile Georg Fischer - "Adding Quality to People's Lives"
Georg Fischer is focused on its three core businesses GF Piping Systems, GF Automotive and GF AgieCharmilles. Founded in 1802, the company is headquartered in Switzerland and has some 130 companies, 50 of them production facilities, in 30 countries. Its 12,000 employees generated sales revenue of 3 billion Swiss francs in 2009. The Corporation makes a direct contribution to the quality of life. Comfort, mobility and precision are the key market requirements that Georg Fischer satisfies with its products and services. You'll find further information at www.georgfischer.com.

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