Annual Report 2000

Getting there first

GEORG FISCHER +GF+

Financial overview

Corporation	2000	1999
	million CHF	million CHF
Order intake	4 095	3 247
Orders on hand at year end	942	843
Sales	3 903	3 239
Earnings before interest, taxes, depreciation, amortisation (EBITDA)	460	343
Earnings before interest, taxes, amortisation (EBITA)	291	190
Earnings before interest and taxes (EBIT)	267	175
Profit before taxes and amortisation	260	172
Profit (incl. minority interests)	181	147
Net profit (excl. minority interests)	151	131
Additions to tangible fixed assets	220	145
Cash flow from operating activities	286	249
Assets	3 616	3 268
Net operating assets (NOA)	2 045	1 906
Shareholders' equity (incl. minority interests)	1 265	1 186
Net debt	1 036	856
Employees at year end	14 656	14 285
	%	%
Return on equity (ROE)	15	13
Equity ratio (incl. minority interests)	35	36
Return on net operating assets (RONOA)	14	11
Return on sales (ROS)	7	5
Cash flow from operating activities in % of sales	7	8

Holding (statutory accounts)	million CHF	million CHF
Profit	115	124
Share capital	350	350
Market capitalisation as per December 31	1 587	1 897

Key figures per share		
Par value CHF 100	CHF	CHF
Earnings	44	38
Dividend (proposed)	15	14
Shareholders' equity	330	308
Share price at year end	460	550

Dates	
Annual General Meeting of the business year 2000	March 14, 2001
Payment of dividends	March 20, 2001
Publication of mid-year report 2001	July 17, 2001

Content Overview

Title:
Proud of high-quality products from own Research and Development Department. From left to right: Sales manager Daniela Villa, Italy, Mirja Stehrenberger, Germany, and Niina Loikkanen, Finland (both of them Product manager) of Georg Fischer Piping Systems.

Georg Fischer at a glance

Georg Fischer Corporation
Georg Fischer is an international industrial corporation, focusing on four core businesses. The four independent Corporate Groups are technology and market leaders, a position that enables them to achieve profitable growth. The Corporation exploits strategic synergies, particularly in the fields of human resources, finance and financial management. Common values and principles enable it to achieve sustained development.

Georg Fischer Automotive Products
Georg Fischer Automotive Products designs and manufactures components and modules in iron and light alloys for the car and commercial vehicles industries. Its cast components for chassis systems, drive gear and bodywork meet the most demanding requirements for safety, economy and dependability. Georg Fischer is an expert in all modern casting technologies and processes and is the European market leader in automotive castings.

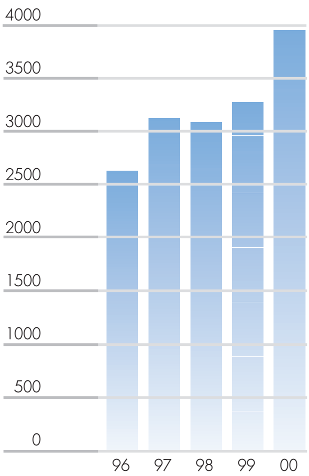
Georg Fischer Piping Systems
Georg Fischer Piping Systems is a leading worldwide supplier of piping systems and components in plastic and complementary materials, which are used for the transmission, control, measuring and regulation of liquids and gases. Its applications-led system solutions and high-quality components are used in manufacturing, in the gas and water distribution industries and in domestic and sanitary technology.

Georg Fischer Manufacturing Technology (Agie Charmilles)
The Agie Charmilles Group is the world's leading manufacturer of electric discharge machines (EDM) and high-speed milling machines (HSM). With these technologies, materials of any hardness can be machined to the highest precision. Its main market is the tool and mould making industry. The Group's brands are Agie and Charmilles (EDM), Mikron and Bostomatic (HSM) as well as Intech (accessories) and Mecatool (palletizing and clamping systems).

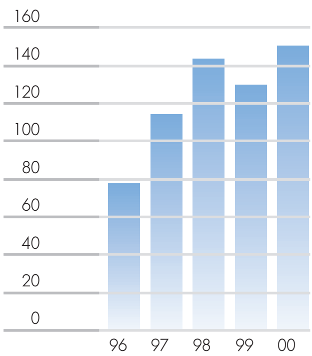
Georg Fischer Plant Engineering (Coperion)
The Coperion Group is the world market leader in systems for plastics processing as a system supplier with a comprehensive product range. On a worldwide basis, Coperion designs and manufactures client-specific components and systems in the fields of compounding with twin-screw extruders (Coperion Werner & Pfleiderer) and kneaders for temperature and shear-sensitive plastics (Coperion Buss) as well as the preparation and handling of powders and granulates (Coperion Waeschle).

Industrial Services
Georg Fischer provides industrial services in the fields of information technology, logistics, property, and human resources and accounting for corporate subsidiaries and external clients.

Getting there first creates value



Sales Corporation
(in million CHF)



Net Profit Corporation
(in million CHF)

The Georg Fischer Corporation looks back on fiscal 2000 as a successful year, in which significant operational and strategic progress was made towards the Corporation's growth targets. Innovative drive and market proximity enabled the four groups in the Corporation to bring about a lasting improvement in their competitive standing.

Georg Fischer on course
Thanks to both organic growth and acquisitions, the Corporation has increased sales by some 30% since 1998. The company value has grown steadily throughout this period of change and integration (a positive economic profit being generated each year), and we are convinced that sooner or later this value enhancement, which we build on in the years to come, will be reflected in the value of our stock.

The four corporate groups belonging to the Georg Fischer Corporation are all strategically well positioned, technological leaders in their fields and with an enormous potential for growth. Georg Fischer is both strategically and operationally on course.

Highest sales ever and record profits
For the first time in its history, the Georg Fischer Corporation received orders worth over CHF 4 billion and chalked up sales of just under CHF 4 billion in fiscal 2000. Over two thirds of the sales increase of 21% attributes to organic growth. This is borne out by the excellent market position of our core businesses, all of which have made full use of both the potential for growth of their respective markets and the generally favourable economic situation.

The improvement of the earnings before interest and taxes (EBIT) by nearly 50% to CHF 267 million, despite high amortization, reflects the positive development of trading margins and the operational excellence of the groups. The massive, 34% increase in EBITDA shows that a return on our most recent investments has now started. Despite the huge increase in our tax burden, compared with last year, the consolidated net profit (CHF 151 million) reached an all-time high.

Industrial leadership in the "True economy"
These figures are the result of the countless, in most cases barely perceptible improvements and innovations with which we have strengthened the Corporation over the past few years. Many investments in the future are unspectacular measures which receive little recognition at the time. Take the selective recruitment and development of personnel, for example, or the updating of the product range in line with market requirements, the shortening of lead times coupled with rigorous quality management, continuous improvements at all levels and the introduction of systematic environmental management throughout the Corporation.

Industrial leadership with technologically sophisticated products, continuity of corporate culture, leadership and strategic management – these are qualities of Georg Fischer which are bound to pay off for all stakeholders in the long run. This is why we view ourselves as neither "New" nor "Old economy", but rather as part of the "True economy".

Implemented strategy and the operational excellence of the groups
The four corporate groups belonging to the Georg Fischer Corporation last year adopted a number of strategic measures as well as once again improving their operational performance.

Thanks to both new customers and new products, Georg Fischer **Automotive Products** can now look forward to full order books and greater resilience to economic trends even in the medium-term future. In fiscal 2000, it consolidated its market position as the European automobile industry's leading developers and suppliers. Not only have recent investments in iron castings boosted yields, but

Left: Martin Huber, President and CEO

Right: Robert A. Jeker, Chairman of the Board of Directors

the earnings targets for light-alloy castings have been met and Mössner and mb-Guss, both acquired in 1999, have been fully integrated. The EBIT is up 18%, despite the running-in costs connected with this growth and goodwill amortization. Other structural projects aimed at improving earnings will have a positive impact on the result in the years to come.

In fiscal 2000, Georg Fischer **Piping Systems** was able to almost double its EBIT over the previous year, thanks largely to organic growth. With various attractive projects, Industrial Systems in particular reaped the benefits of the highly favourable situation of the semiconductor and life sciences industries. Gas and Water Distribution Systems also performed well under much more difficult market conditions. Among the important steps taken towards expanding Domestic Installations was the acquisition of Schwab and the founding of a joint sales subsidiary with the Fränkische Rohrwerke (both of Germany). The development of the Group's activities in Asia and above all in China has been both swift and profitable.

Georg Fischer **Manufacturing Technology** (Agie Charmilles) also chalked up a record result and, thanks largely to organic growth, for the first time closed the year with sales in excess of one billion Swiss francs. Its young, market-compliant range of products enabled it to make full use of a favourable market situation while its expansion of High-Performance Milling Machines by the acquisition of Mikron reinforced its status as a leading system supplier on the growth market for tools and moulds. The Group also ventured into new markets such as China and Latin America with a range of products developed specifically for these markets.

Following the divestiture of Georg Fischer Disa (foundry systems) at the beginning of the year, Georg Fischer **Plant Engineering** focused on its plastics-processing business. Its acquisition of Werner & Pfleiderer and the formation, together with a financial investor, of the Coperion Group, have made it the world's leading supplier of plastics-processing machinery. This was the strategic breakthrough towards which Georg Fischer Plant Engineering had been working. The main concern now is to tap the potential for value enhancement and so pave the way towards a spin-off.

Georg Fischer **Services** last year increased its sales to customers outside the Group. In future, Services will be treated as a division in its own right, reporting directly to the President and CEO.

Fast and accurate – getting there first for the benefit of our customers
Time has become a factor of enormous strategic importance in international competition, especially when it comes to electronic telecommunications and e-business. The ability to make the right decision fast, to implement swiftly and cut the time "from mouse to house" will be vital to corporate success in the years to come.

Speed must be channeled, however. Customers must be able to count on the right quality at the right time. This is why companies will have to be not just fast, but accurate too, if they are to succeed in future.

Georg Fischer has armed itself for the challenges ahead. Thanks to our flexibility, competence and experience as an industrial partner, our customers can be sure of receiving the right quality at the right time and in the right place. We were among the first to meet the requirements of the e-business markets and to cross the e-line – all of which was achieved without much ado, but to the benefit of our customers.

Decentralized structures with short decision-making paths, networked and open communication, and flexible, team-oriented management ensure no time goes to waste. Our market proximity, partnership with our customers and well-trained, entrepreneurial employees all promise a number of timely competitive advantages for our customers.

A credible and dynamic corporate culture, a willingness to adapt, courage to break new ground and ability to act swiftly – all these qualities will help us to get there first for the benefit of our customers.

2001 – building on strong foundations and boosting profitability
The Georg Fischer Corporation approaches the year 2001 in an upbeat mood. Having established a strong foundation, we can now look to the future with confidence. The scale and quality of the orders in hand, the high proportion of new and innovative products, high operational efficiency and our global presence have all helped minimize the influence on our earnings of regional economic fluctuations.

Georg Fischer will continue to expand. At the heart of this strategy is the promotion of organic growth and a good return on investment. Even more important than the achievement of our latest sales target of CHF 6 billion, is a steady increase in profitability. This applies above all to acquisitions. We certainly use opportunities promptly and wisely.

Gerold Bührer new member of the Board of Directors
The General Meeting 2000 elected Flavio Cotti, a former Federal Councillor, to the Board of Directors and confirmed Robert A. Jeker and Hannes Goetz for a further four-year term of office. The General Meeting 2001 will be asked to vote on the appointment of Gerold Bührer to the Board of Directors.

Thank you
On behalf of the Board of Directors and the Executive Committee, we would like to thank our shareholders, customers and employees for their confidence in us and their contribution to the success of the Georg Fischer Corporation. We will do everything in our power to justify this confidence.

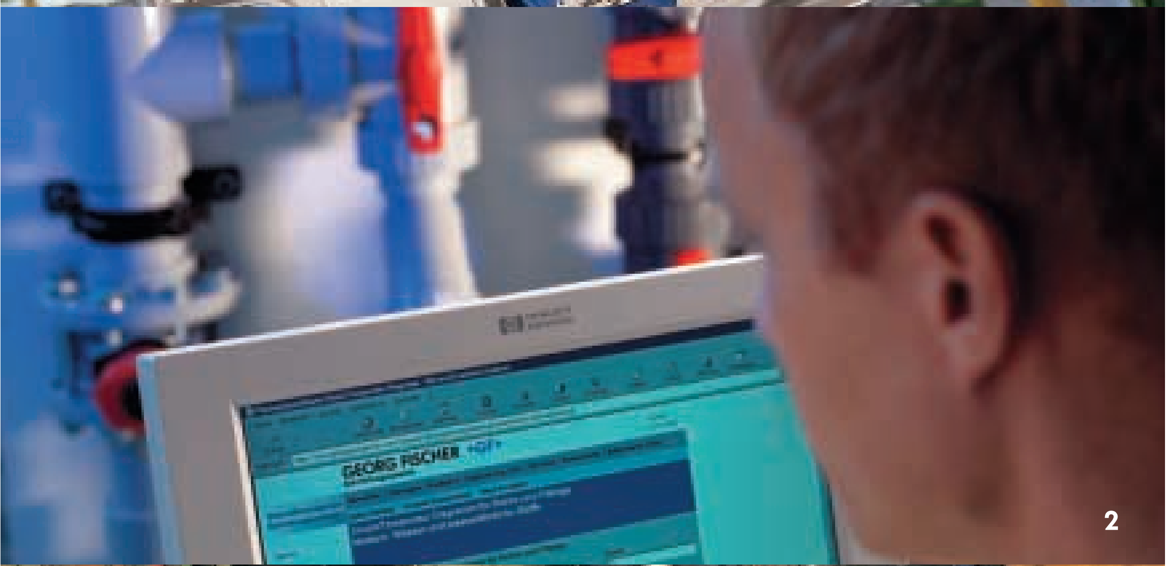
Robert A. Jeker
Chairman of the Board of Directors

Martin Huber
President and Chief Executive Officer

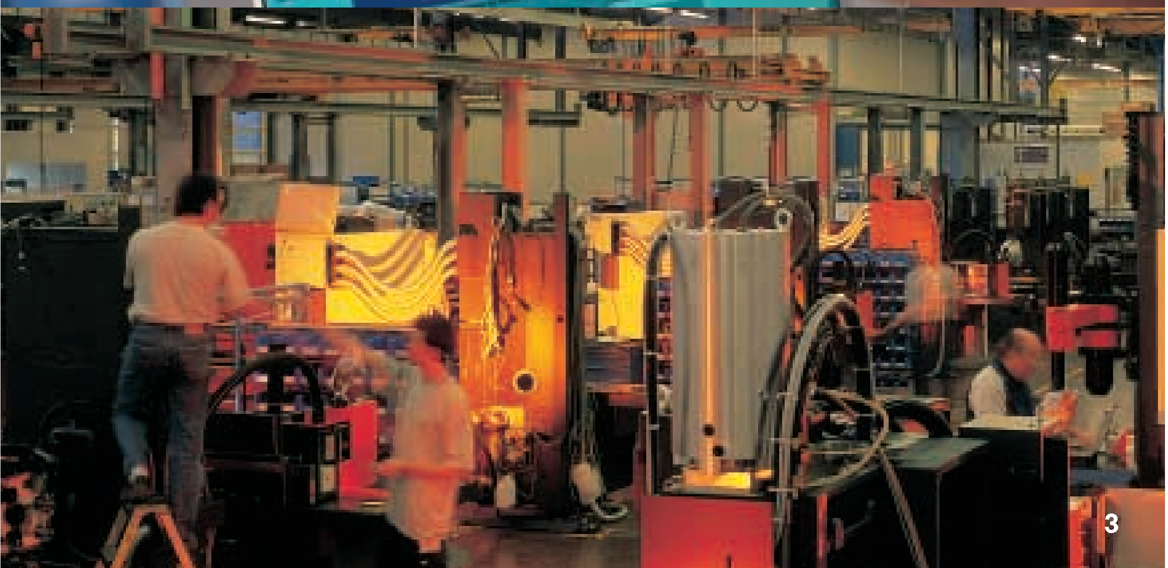
Follow-up on last year's keynote

Innovation creates value

1 Innovation 2000:
The technology of tomorrow – light-alloy constructions. Georg Fischer Automotive Products has made a breakthrough with the use of magnesium for the large-scale series production of vehicle body parts. This non-corrosive cast metal is one third lighter than aluminium and will enable the automobile industry to build environmentally efficient vehicles.



2 Innovation 2000:
The "e-line" to customers. Georg Fischer Piping Systems has optimized its digital Internet offering with the electronic catalogue, "Digicat". This provides detailed information on over 40 000 products, which can be ordered online in selected countries.



3 Innovation 2000:
Pole position thanks to new products. Two thirds of the sales of Georg Fischer Manufacturing Technology (Agie Charmilles) can be attributed to products less than three years old. Agie Charmilles invests over 5% of its sales earnings in research & development and hence ranks among the world's leading machine builders.

4 Innovation 2000:
A new system for powders and pellets. "Conticon" is a groundbreaking new conveyor system for bulk solids developed by Georg Fischer Plant Engineering (Coperion). Using water as a medium, this system is especially gentle when used over long stretches.

Leading in technology and market position

The Georg Fischer Corporation is focused on four industrial corporate groups; it is a technology and market leader in each of these core businesses: Automotive Products (castings for the automotive industry), Piping Systems (plastic and metal), Manufacturing Technology (electric discharge machining and high-speed milling) and Plant Engineering (systems and components for the plastics industry).

The Corporation's 14 656 employees generated sales of CHF 3,9 billion in 2000.

Corporate goals

Georg Fischer is committed to the idea of stakeholder value. In other words, our aim is to generate benefits and value for customers, shareholders and employees alike. We are an innovative and reliable partner for our customers, we offer shareholders a steady increase in company value and a fair return on their capital invested, and we are a locally rooted and socially responsible employer.

Georg Fischer is both flexible and focused. We adapt rapidly to new market conditions and promote a culture of continuous change. We concentrate on activities in which we have special competencies. That way we ensure a leading market position for ourselves and our customers.

Georg Fischer is market-driven and has a long-term outlook. We offer our customers market-focused products of suitable quality, objective advice and on-time logistics. Environmental compatibility is part and parcel of our corporate responsibility and of customer value.

Georg Fischer invests in its employees. We promote an entrepreneurial mindset amongst our employees by means of a cooperative approach to management, with decentralized, clearly defined responsibilities, ongoing training and fair performance assessment and remuneration. We create a bond of trust by open and timely communication with all stakeholders.

Innovative and international

In 1802 Johann Conrad Fischer founded his first iron foundry in Schaffhausen (Switzerland). By the middle of the 19th century, under the management of his son Georg Fischer, it had become one of the European leaders in industrial steel casting. The tempered cast fitting, cast elements for connecting pipes, made the Schaffhausen foundry famous, and the symbol +GF+, still used today, became synonymous with superb quality.

Innovation and an international orientation are still the hallmarks of the Georg Fischer Corporation. It has a worldwide presence with more than 160 independently managed, decentralized companies and maintains over 500 sales offices and 45 production facilities in more than

Georg Fischer Corporation
Martin Huber

Corporate Finance and Accounting
Friedrich Rufer

Corporate Development
Ernst Willi

Automotive Products Group	**Piping Systems Group**	**Manufacturing Technology Group**	**Plant Engineering Group**
Ferdinand Stutz	Jürg Krebser	Kurt E. Stirnemann	Hans-Jörg Pfeiffer

Valid as at: 1. 1. 2001

The members of Georg Fischer Executive Committee and the Head of Plant Engineering Group, from left to right: Dr. Ernst Willi, Dr. Kurt E. Stirnemann, Friedrich Rufer, Martin Huber, Ferdinand Stutz, Dr. Jürg Krebser, Rainer Sigrist, Dr. Hans-Jörg Pfeiffer. This picture was taken at the millstream sluice at Paradies monastery. A carefully restored turbine installed in the stream converts water power into electricity for the Georg Fischer training center.

100 countries. Germany remains the most important manufacturing location and market, but the Georg Fischer Corporation's broad geographic reach makes it international in the way it thinks and acts.

Corporate Management

Promoting the Corporation's development is in the hands of a team consisting of about 50 people located at corporate headquarters in Schaffhausen, Switzerland. By providing professional industrial leadership, Corporate Management supports sustainable profitability, promotes profitable growth, exploits strategic synergies and enhances the value of the entire company for the owners. Its main tasks are:

• **Corporate culture:** A shared corporate culture is the basis for overall development and is becoming increasingly important with the spread of internationalization. By conveying and implementing the company's fundamental values, Corporate Management cultivates and fosters this corporate culture. The premise is open, active and timely communication with employees, customers, investors and the public.

• **Overall corporate optimization:** Optimum use of financial resources is a crucial factor in promoting the company's development. With our powerful information systems and our know-how, we ensure active financial management of the Corporation and support operational management. We optimize permanently the legal structure, balance sheet and taxes.

• **Strategy and growth:** Corporate Management identifies, plans, structures and integrates acquisitions, alliances and market expansion on a global scale. It evaluates and optimizes strategic opportunities and risks, providing leads on development for both the Corporation and the strategic business units.

• **Human Resources Management:** Succession planning and executive development are strategic tasks. Executives are assessed and selected globally and assigned to positions within the Corporation at the right time and in the right place.

• **Networking of competencies:** Strategically important competencies and information are networked and made available within the Corporation through the optimum use of information technology and an open, dynamic communication culture.

Permanent training

The Georg Fischer Corporation is built on the more than 14 000 employees worldwide. Permanent training is thus a strategically important investment. Each of the more than 160 corporate subsidiaries has a training concept adapted to its particular strategy. The aim is to ensure that each employee invests at least four working days a year in "on the job" and "off the job" training. In addition to individual specialist training, personal development, communication and social skills are important training objectives.

In 2000 the People Management Training (PMT) was conducted for the first time at the corporate level for selected executives. This course, which is geared to teaching leadership skills, supplements the tried-and-tested Financial Management Training (FMT) and Corporate Management Training (CMT) modules.

Georg Fischer is an employer that offers young professionals development opportunities in an international corporation. Thanks to the company's flat, decentralized structures, these young people are very soon able to take on interesting and responsible tasks. This combination sets Georg Fischer positively apart from its competitors on the labour market.

Georg Fischer Corporate Management Martin Huber	
Corporate Finance and Accounting Friedrich Rufer	**Corporate Development** Ernst Willi
Corporate Treasury Mauro Fontana **Corporate Controlling** Heinz Verfürth (until 28. 2. 2001) Daniel Bösiger (as of 1. 3. 2001) **Internal Auditing** Jochen Nutz **Risk Management** Manfred Swysen **Holding Companies/Taxes** Daniel Vaterlaus **Real Estate** Heinz Stolz	**Human Resources Management** Michael Both **Communication** Markus Sauter **Law** Richard Furrer **Mergers & Acquisitions** Peter Bergsma **Patents** Wolfgang Weiss **Corporate Planning** Stephan Wittmann **Chief Information Officer** Rolf Leutert **Secretariat General** Roland Gröbli

Valid as at: 1. 1. 2001

Getting there first
Quick and accurate. The consolidated monthly financial statements are available to the Board of Directors on the 7th calendar day of the following month. Such amazingly fast reporting is made possible by standardized procedures at the over 160 group companies and quality assurance at all stages.

Ecology and economics
A long-term strategy can only be successful if it takes ecological and social issues on board. By systematically implementing its environmental management system, Georg Fischer ensures that its activities are environmentally compatible and use resources sparingly. That is why the Corporation set itself the goal of having all production- and logistics-related corporate subsidiaries introduce a certified environmental management system by 2002. This crucial task is backed up by ongoing training and environmental conferences held at the Corporate Group level. The Georg Fischer Corporation published its first environmental report in May 2000. It reflects the Corporation's sense of responsibility towards environmental issues. This year's updated environmental report will be published in spring 2001.

	2000	1999
Sales	3 903	3 239
EBIT	267	175
Net operating assets	2 045	1 906
Employees	14 656	14 285

For detailed information on fiscal 2000 at the Georg Fischer Corporation, please see pages 31–81.

Market leader in Europe for cast automotive components

At 16 locations in six countries, Georg Fischer designs and manufactures cast components – mainly for the automotive industry (cars and commercial vehicles). These high-strainable safety components for chassis systems, drive trains and vehicle platforms, in iron and aluminium, are in part produced ready for assembly. Added to this are cast bodywork components in magnesium. Assembly-ready modules for commercial vehicles, including "fifth wheels" and the proven Trilex wheel system for trucks, complement the product range.

In fiscal 2000, the Group's 6 702 employees generated sales of CHF 1 446 million.

Penetrating new markets
The trend to globalization and the concentration process in the automotive industry is continuing apace. As a supplier, Georg Fischer is adapting to the changing needs of its clients. In spring 2000, it concluded a cooperation agreement with a Brazilian foundry, the largest supplier for cars and commercial vehicles in the Latin American market. Other, similar expansion moves will depend on the order situation.

For the first time, it won a major contract to supply a French car manufacturer and received major orders from the USA. Construction of the Group's own light-alloy foundry in the USA is at the planning stage and – depending on the order situation – may soon be realized.

In its core business of automotive castings excluding engine blocks and cylinder heads, Georg Fischer Automotive Products is Europe's leading supplier. As a development partner and manufacturer of high-value cast components in iron and light alloy, it aims to be the technology and market leader worldwide.

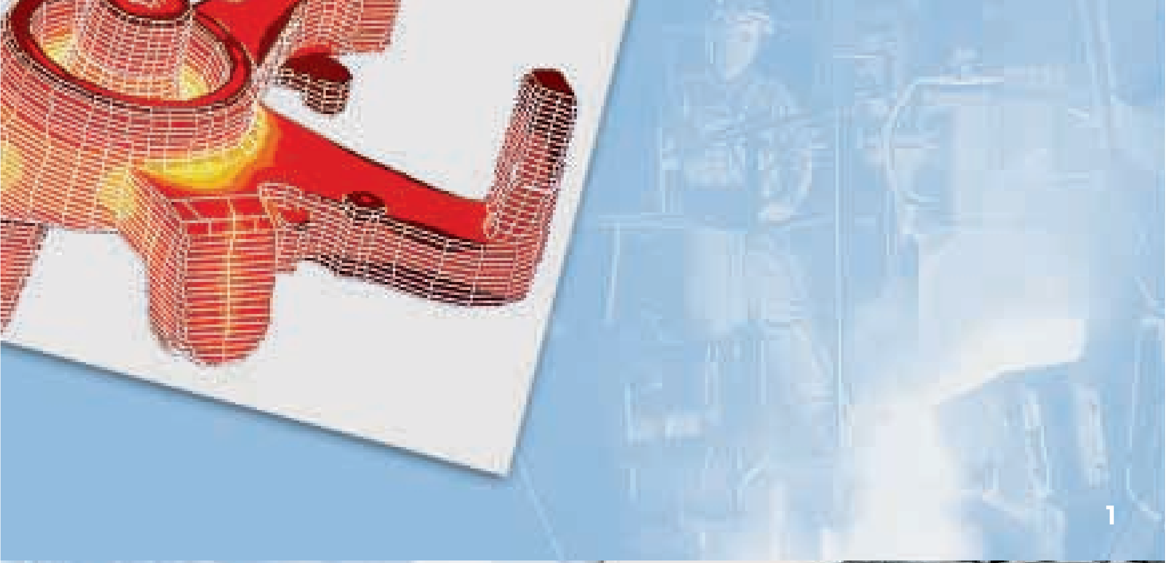
Intensive research and development
This strong market position is only possible owing to technological leadership. With 90 engineers at three development locations – Schaffhausen (CH), Detroit (USA) and Munich (D) – Georg Fischer has the necessary capacity and skills in design and testing.

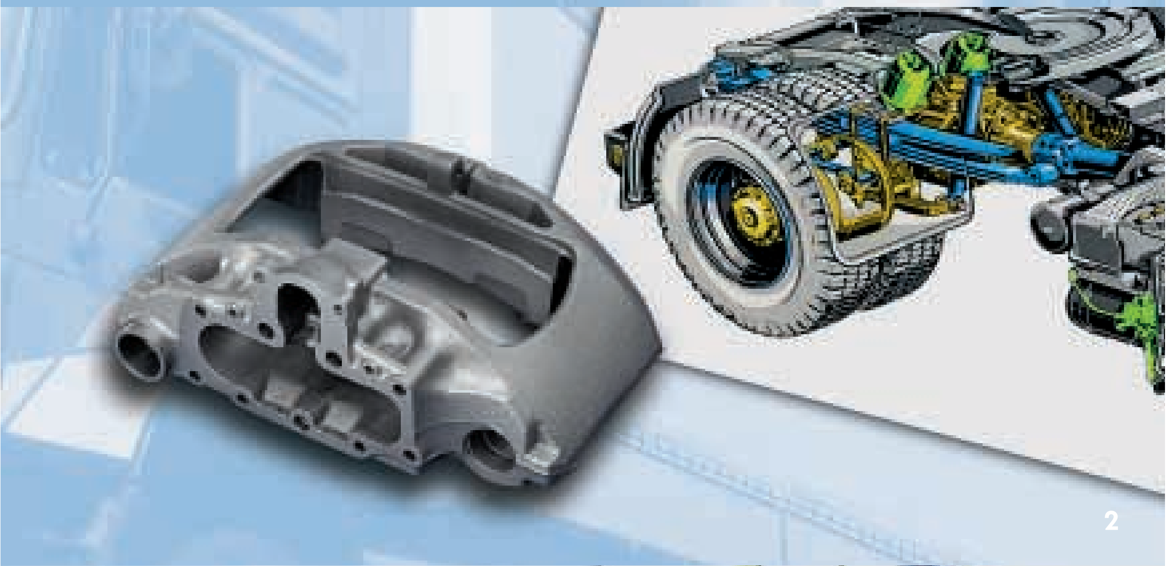
Georg Fischer engineers and technicians cooperate closely with car manufacturers. "Simultaneous engineering" is becoming increasingly a matter of course, meaning that new models are developed for and with the client at the same time as the industrial production of the component is planned and prepared. With a production volume of in some cases more than one million units per year, it is only in this way that the pressure on costs and trend to ever shorter development times can be met, and the time to market shortened and optimized effectively. Intensive cooperation and the highest competency levels are also essential.

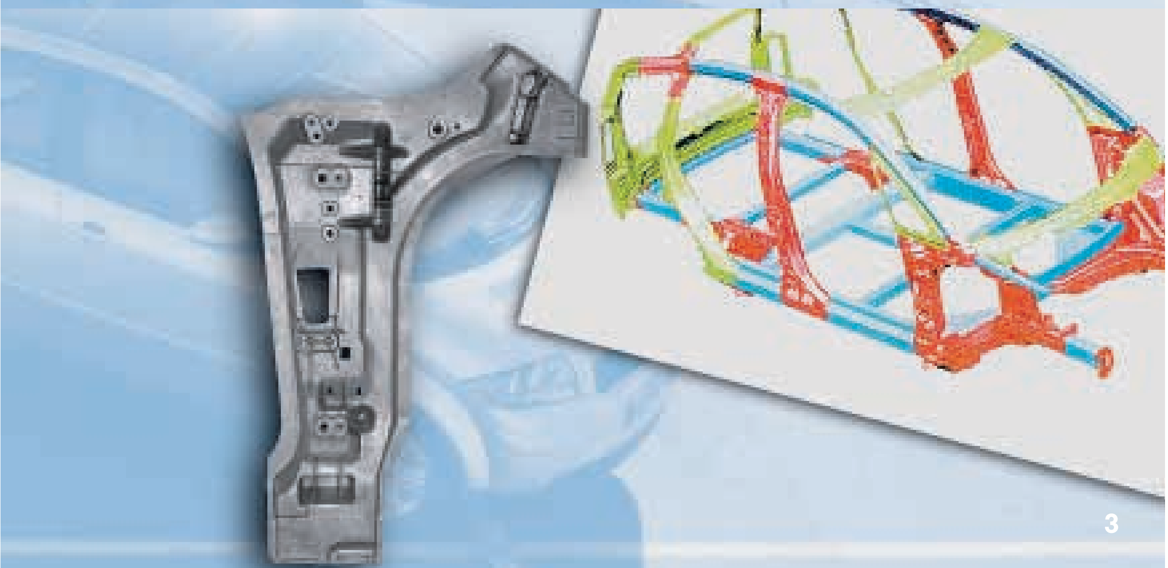
Successful integration
The acquisition of mb-Guss Friedrichshafen and the Mössner Group, based in Munich (Germany), in 1999 quadrupled the capacity of Georg Fischer Automotive Engineering in light-alloy castings. The successful integration and simultaneous, substantial investment in new plant at Garching, Friedrichshafen, Leipzig and Singen (all in Germany) have constituted an exceptional challenge for management in the past year.

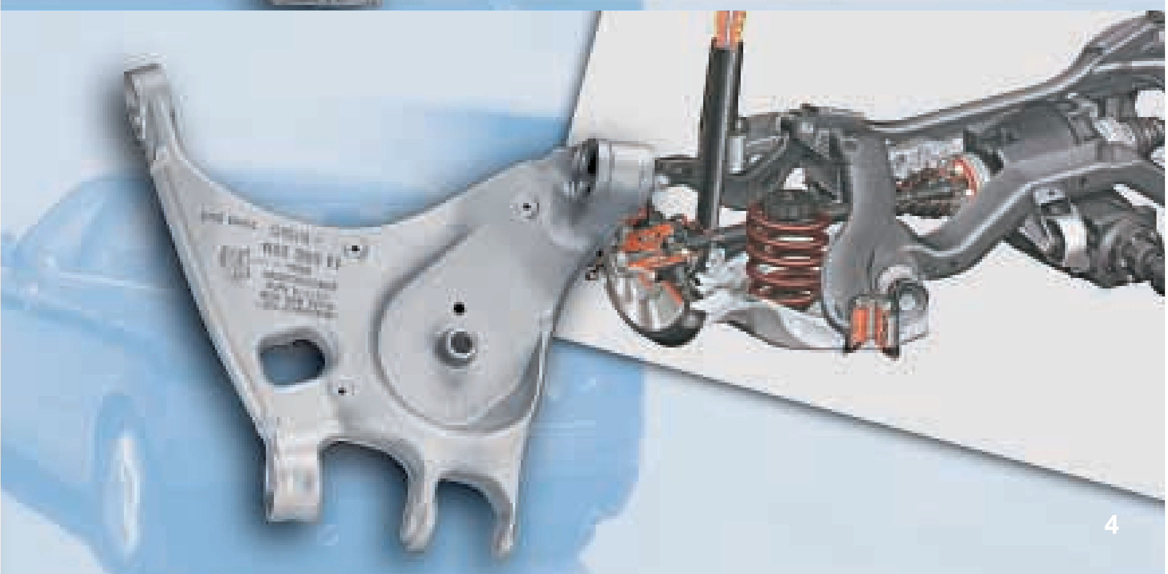
The Group now has broad technological competencies in the fields of aluminium, magnesium and iron castings and is in a position to offer custom-built solutions to all clients.

Focus
To streamline the manufacturing process, the production plants now specialize in different materials and the relevant production processes. The Technology Unit Iron makes castings in Mettmann, Singen and Leipzig (all in Germany), Lincoln (Great Britain) and Herzogenburg (Austria); the Sand/Permanent Mould Castings Light Alloy Technology Unit produces at Friedrichshafen, Garching and Bitter-









1 State-of-the-art computer technology for the planning and continuous upgrading of the production process for castings. It is on this synthesis of tradition and innovation that the economic success and market leadership of Georg Fischer Automotive Products rests.

2 Most European car makers use the core competence of the Iron Castings, meaning its manufacture of highly stress-resistant safety parts made of cast iron with spheroidal graphite iron – for example for commercial vehicle brake calipers.

3 Components which have to combine high functionality with small wall thicknesses can be economically manufactured only by diecasting. This is one of the specialities of the Diecastings. One of its latest developments is a load-bearing aluminium component for the A-pillar of a new vehicle model.

4 Ready-to-install sand-cast and gravity die-cast parts are an economically attractive option for large series. One typical example from the product range of our Sand and Gravity Diecastings are the rear axles of automobiles, which are developed and manufactured in close cooperation with the customer.

feld (Germany) and Herzogenburg (Austria), while the Technology Unit Light Alloy Pressure Die Castings manufactures in Munich and Werdohl (Germany), Gleisdorf, Altenmarkt and Herzogenburg (Austria), Apc (Hungary) and Zhangjiagang City (PR China).

With an annual production of around 100 million units, the entire product range comprises more than 1 800 cast components weighing from 0,1 to 710 kg. Iron castings, with an annual capacity of 380 000 tonnes, is Georg Fischer's oldest established product area. With an annual production of 60 000 tonnes, light-alloy castings account for 45% of annual sales in value terms.

Vertical integration is growing at Georg Fischer

The automotive industry is increasingly outsourcing to its suppliers, who are thus taking over design, manufacturing and pre-assembly activities. This means components are ready-to-assemble, e.g. doors with inner frames made from magnesium diecastings and wheel carriers in iron or aluminium with bearings and brakes.

Georg Fischer's skills in the manufacture of castings is broad-based and decentralized. Today, around 30% of manufactured components have been further processed.

High capacity utilization

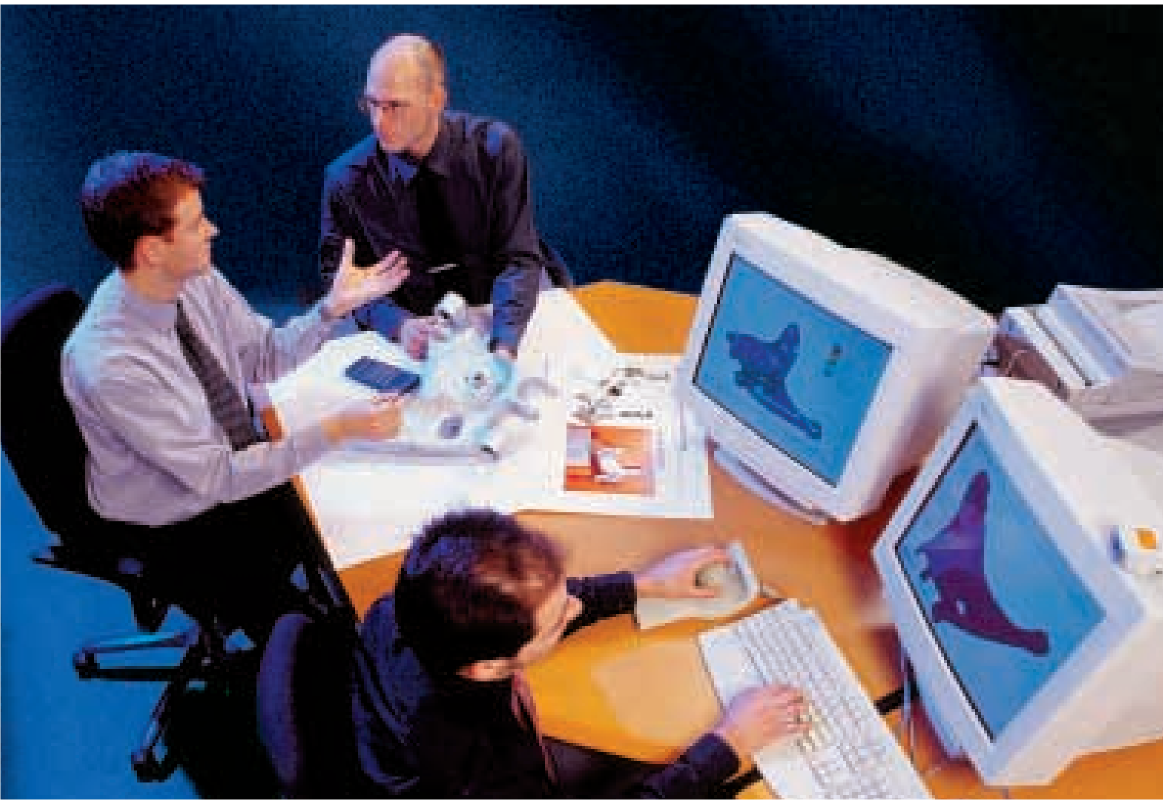
Demand and therefore capacity utilization was very high last year at nearly all manufacturing plants. The exception was Lincoln, which suffered from an unfavourable exchange rate. One-off run-up costs and a revised product range also hit the Garching, Friedrichshafen and Herzogenburg plants (diecasting components). Despite higher raw material prices, sales developed well, while on the profit front

Georg Fischer Automotive Products Group
Ferdinand Stutz

Sales, Marketing	**Research and Development**	**Finance, Controlling, IT**	**Human Resources Management**	**Quality, Management**
Wolfram Stecher	Klaus Hornung	Helmut Jung	Josef Hary	Günter Schulte

Iron Castings Hans-Dieter Landwehr	**Light Alloy Sand-/Gravity Die Castings** Ferdinand Stutz a.i.	**Light Alloy Pressure Die Castings** Michael Süss	
Mettmann (D) Hans-Dieter Landwehr **Singen (D)** Josef Edbauer **Leipzig (D)** Heinz Rüttimann **Lincoln (GB)** Axel Rudolph **Herzogenburg (A)** Ueli Forrer	**Friedrichshafen (D)** Detlev Jacobi **Garching (D)** Volker Helling **Bitterfeld (D)** Leopold Kniewallner **Herzogenburg (A)** Ueli Forrer	**München (D)** Raimund Rösch **Werdohl (D)** Klaus Sterner **Altenmarkt (A)** Walter Mayer **Gleisdorf (A)** Manfred Liendl **Apc (H)** Bela Zoltan Fekecs **Zhangjiagang (PRC)** Yongzhong Wang Wenwei He **Herzogenburg (A)** Ueli Forrer	**Transportation Engineering** **Singen (D)** Beat Frauenfelder

Valid as at: 1. 1. 2001



Getting there first
The fastest way to a new product: "Simultaneous Engineering" allows Georg Fischer to be involved in vehicle projects from the very start of the development phase as a development partner of the automotive industry, and to prepare the industrial production of the components at the same time. A specialized team of engineers and technicians work together with the customer to devise the best solution both technically and economically. Computer-aided design and simulation dictate the entire development process for components and modules right up to readiness for mass production.

the Group fell just short of its ambitious targets.

Overall, it was a good year for the European automotive industry – our main market. Exports of vehicles compensated for slightly subdued demand in Germany. Overcapacity and the battle for market share are resulting in ongoing pressure on suppliers' prices.

Increase in profitability
Georg Fischer Automotive Products is tackling the year 2001 in a much healthier state than it was a year ago. Integration of the new plants, the beginning of series manufacture of new products and the large number of design orders from clients are positive factors despite the clouds looming over the car and commercial vehicles market. Owing to numerous new products, the latest production facilities and interesting design projects, prospects for 2001 are good to very good. Thus our goal will continue to be increasing profitability.

	2000	1999
Sales	1 446	1 189
EBIT	71	60
Net operating assets	746	750
Employees	6 702	6 685

For detailed financial information on fiscal 2000 at Georg Fischer Automotive Products, please see pages 40–41.

Leading product range and technology for piping systems

Georg Fischer Piping Systems does business on a global scale. With factories in Switzerland, Austria, Germany, Italy, Great Britain, The Netherlands, Israel, China, India, Japan, Saudi Arabia, Australia and the USA, it is close enough to its customers to know what they need. All the components and systems are built to comply with the standards prevailing in the individual markets and are tested intensively in our own, fully accredited test laboratory. International logistics and sales organizations in 24 different countries, to say nothing of e-commerce and state-of-the-art information technology, ensure fast and efficient sales and service.

In fiscal 2000, the 3 457 employees in our Group generated sales of CHF 887 million.

Industrial applications: versatile and indestructible
Whether they have to withstand temperatures of 50° below zero or up to 140° above, state-of-the-art adhesive and fusion-welded plastics are used throughout industry. Pipes, fittings and valves are used in water-treatment and refrigeration plant, in environmental engineering, chemical engineering, pharmaceuticals and the food industry. Thanks to its modern clean-room production facilities, Georg Fischer is the undisputed market leader in ultra-high-purity water systems for the semiconductor industry (chip manufacture).

The pipes produced by Georg Fischer Deka (Germany) and flow measurement products made by Georg Fischer Signet (USA) are an integral part of the wide range of systems we have to offer.

Gas and water distribution systems: resistant and durable
Plastic pipes have long since become a permanent feature of those gas and water supply systems in which safety, reliability and durability are paramount or in which inaccessible installation sites demand flexibility and straightforward fusion. Here, Georg Fischer can supply its electrofusion systems ELGEF Plus, the transition fittings Multi-Joint and Primofit as well as shut-off valves and fittings for connecting and shutting off pipes made of diverse materials. The integration of Alprene of Italy as well as a successful joint venture with the fittings division of Wavin, one of Switzerland's leading pipe manufacturers, and a stake in Plasson of Israel have all helped strengthen this division.

Domestic and sanitary installations: a comprehensive sales network
Georg Fischer's range of domestic installation systems includes plastic and composite piping systems for drinking water, heating and compressed air lines, surface-mounted and flushing systems and malleable iron fittings. Acquisitions in certain selected countries have helped this largely local line of business to expand. In Germany, sales of Georg Fischer's traditional lines of business and Schwab, a firm it acquired in early 2000, tie up on January 1, 2001 to create a joint sales subsidiary together with the Fränkische Rohrwerke. By offering a comprehensive range of domestic installations, this joint venture, in which Georg Fischer holds a 51% stake, intends to expand on all fronts by systematically building on its current position on the German market.

Committed to growth
The global market for piping systems is actually made up of national guidelines and market conditions. Our comprehensive presence, wide range of products and proximity to the local markets take account of this. Several successful acquisitions and the recent integration of new companies testify to a corporate culture that is accustomed to taking the needs of the market seriously.

Over the next few years, we intend to continue building on our market position by aiming for a growth rate well above the market average and by strategic acquisitions.

1

2

3

4

1 The manufacture and sale of high-quality piping components are core competencies of Georg Fischer. These components are used throughout industry and all over the world. Our international marketing team ensures we keep in contact with our customers.

2 Georg Fischer is the global market leader in corrosion-resistant piping systems for the semiconductor industry and biotechnology. Ultrapure water is an important raw material for these forward-looking industries.

3 Durable, resilient, flexible and environment-friendly. These are the specific requirements met by Georg Fischer's piping systems for gas and water distribution. Long-term endurance tests prove they can last extremely long.

4 Intelligent, tool-free systems for domestic installations. The Flexalino installation system makes every fitter's life a lot easier. As these pipes can be quickly mounted by simply pulling off a splint, they are the perfect solution wherever space is limited.

A strong presence on the growth markets of China and Asia-Pacific

Our network of sales and production subsidiaries in Asia is to be steadily upgraded and expanded. Thanks to an acquisition in the spring of 2000, the Piping Systems Group now has a firm foothold on the attractive growth market of China and Asia-Pacific. With factories in China's most important economic regions, it has become the market's leading supplier of plastic piping systems for gas distribution.

This step, which is part of the group's forward-looking strategy, is a direct follow-on from the founding two years ago of our own production and sales subsidiary for industrial and domestic installations in Shanghai.

Our activities in Asia and in China especially are progressing well and are profitable.

Market- and customer-focused

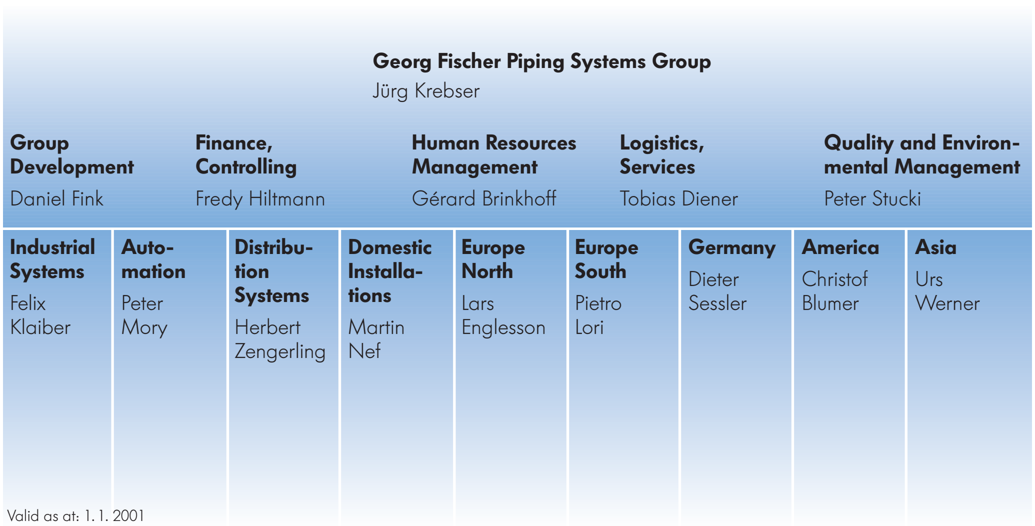
Unlike its numerous, often only local competitors, Georg Fischer Piping Systems is able to make full use of the competitive advantages it derives from its size and global reach. These include its wide range of some 40 000 items, its ongoing research and development, intensive training and personal development.

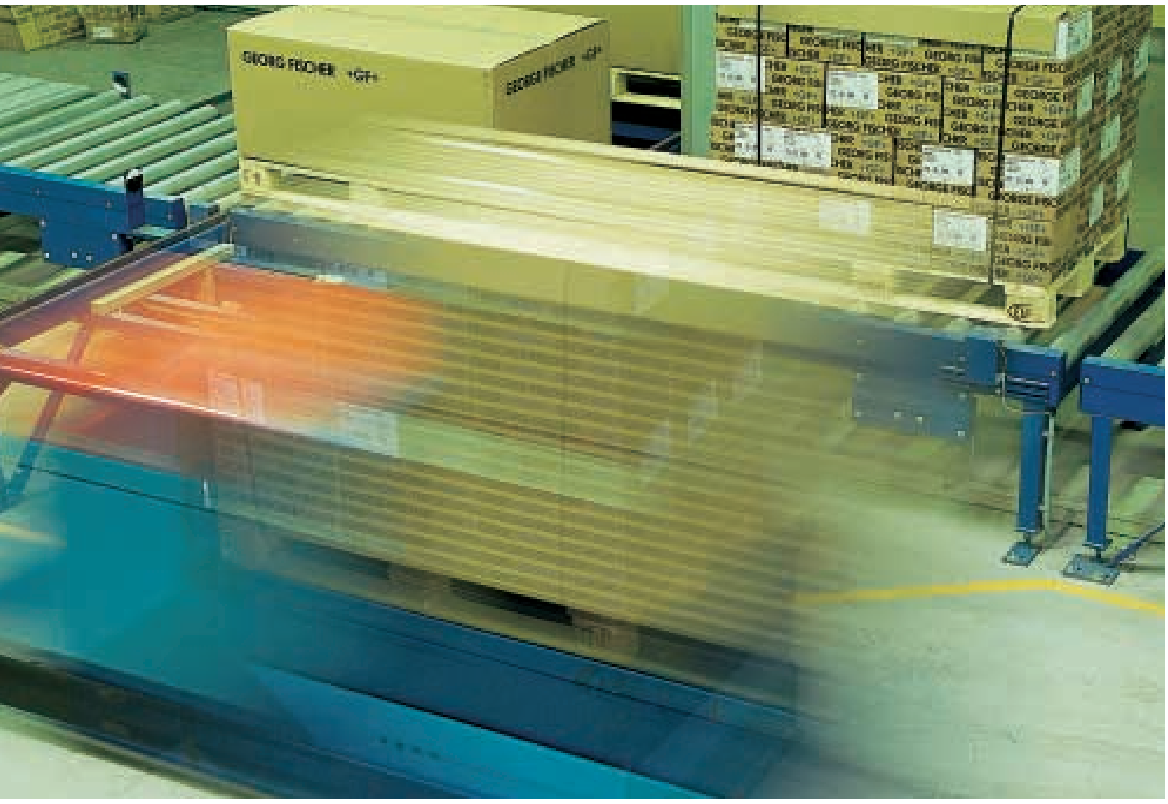
The training of all the staff involved in the sales process is a matter especially close to our heart. After all, it is ultimately their product and application knowledge plus the proven value added for customers which clinch a deal.

We make full use of modern information technology and the possibilities it offers. This is vital when it comes to the fast handling of orders, because without IT, we would not be able to deliver the larger part of our range within 24 hours, when customers so require. E-commerce solutions have already been successfully introduced in some countries and are now to be swiftly implemented on other markets too.

A sound basis makes for confidence

Georg Fischer Piping Systems can now look back on fiscal 2000 as a very successful year in which it made full use of the economic upswing throughout industry. This gratifying situation is expected to continue in industry and automation throughout 2001, and we do not expect





Getting there first
Delivery within 24 hours and reliable logistics. Georg Fischer attaches great importance to this interface between orders and installation, as only in this way can the time benefits of e-commerce translate into genuine savings for our customers.

any major changes in the prevailing conditions in water and gas distribution and domestic installations.

Georg Fischer reaped the benefits of the favourable market conditions last year and enters the new year armed with an innovative product range and a strengthened global sales and distribution network.

	2000	1999
Sales	887	673
EBIT	73	38
Net operating assets	509	429
Employees	3 457	2 895

For detailed financial information on fiscal 2000 at Georg Fischer Piping Systems, please see pages 42–43.

Leading systems supplier to the tool and mould making industry

The Agie Charmilles Group, the Manufacturing Technology Group of the Georg Fischer Corporation, is the world's market leader in electric discharge machines (EDM) and high-speed milling machines (HSM). With 60 locations across four continents, it is the leading systems supplier to the tool and mould making industry. Today, EDM and HSM are key technologies in the manufacture of sophisticated moulds and press tools for the production of plastic and metal components as well as the direct machining of complex precision components.

In the year 2000, the Group's 3 118 employees generated sales of CHF 1 249 million.

EDM: utmost precision and surface quality

EDM technology can be used to machine electrically conductive materials of any hardness. It enables the utmost precision and best surface quality to be achieved and is based on the principle of sparks jumping between an electrode and the workpiece. The smallest particles begin to melt and the workpiece is gradually machined.

Two methods are commonly used in EDM. In the case of diesinking, the required shape is formed negatively in the metal with a three-dimensional electrode. In the case of wire-cut EDM, the metal is cut with a special metal wire electrode. Just like a fine fretsaw, the wire travels along a pre-programmed path.

HSM: rapidly hitting its target

Besides EDM, high-speed milling has in recent years developed into one of the key technologies for the tool and mould making industry. With high-speed milling, the workpieces are machined mechanically. In this process, the milling head reaches a speed of up to 42 000 revolutions per minute.

This relatively recent technology is characterized by high productivity in tool and mould making and offers above-average growth potential. The Agie Charmilles Group has massively improved its position in this promising market by acquiring Mikron Technology's milling machines product division. Together with Bostomatic, acquired in 1999, the addition of Mikron – whose brand name is being retained – the Group has become Europe's number one, and the number two worldwide.

Peripherals: making sure everything runs smoothly

The Agie Charmilles product range is complemented by the sale of important consumables and peripherals. Intech is the world's leading supplier of EDM accessories such as filters, wire, graphite, copper electrodes and special resin. Mecatool designs and manufactures palletizing and clamping systems for various types of machinery.

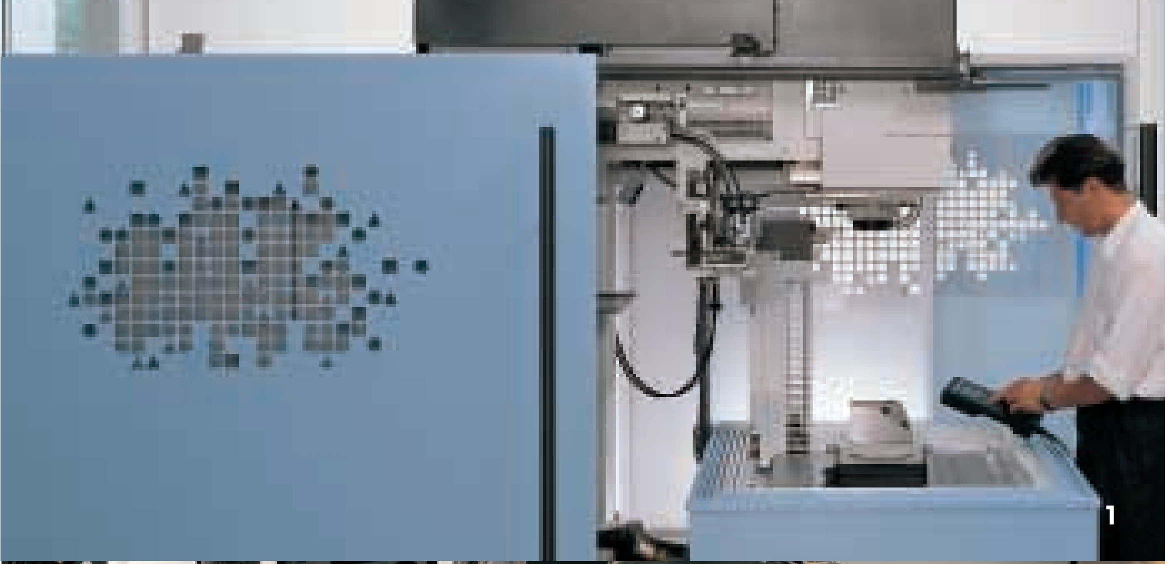
In 2000, Mecatool launched the new Mexcel electrode and workpiece clamping system, which is particularly suited to the requirements of precision manufacturing and high cutting speeds. The system, which is compatible with various machine tools, is enjoying strong demand.

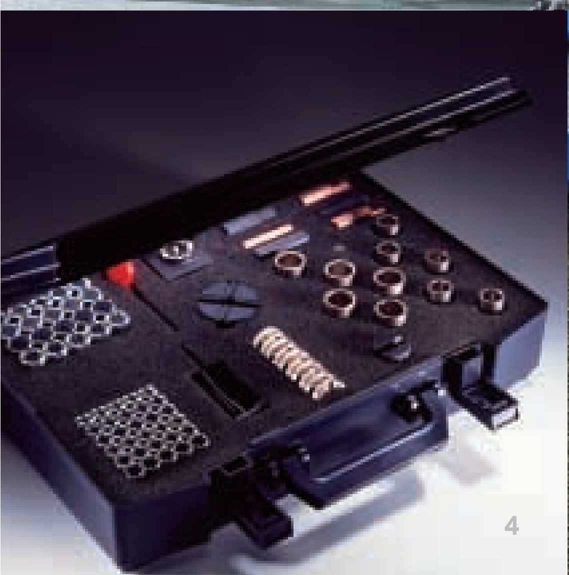
Shaping well-known quality products

Many products that have almost become an integral part of our daily lives are manufactured using machine tools from Georg Fischer Manufacturing Technology. For example, precision components such as cogwheels for luxury watches, injection moulds for ski boots and mobile telephones, as well as products for the automotive industry, aerospace and medical technology.

Research and development at all levels

The innovative strengths of the Agie Charmilles Group remain firmly in place. 300 engineers at five research centers are constantly developing new products and improving existing ones. Last year, for example, there was a considerable





1 Form and function in harmony. Agie engineers and designers have been awarded the prestigious Industrial Design Prize of the Hanover Industry Forum for the design of the Agietron "Innovation" high-end diesinking machine. The jury singled out its distinct lines and user-friendly, all-round accessibility.

2 The Robofil 2030 SI wire-cut machine from Charmilles Technologies is designed for complex machining operations on high-quality tools. The surface of tools made of valuable materials such as titanium is not affected by the heat-generating wire-cutting process thanks to a newly developed spark generator. This significantly increases the service life of the tools produced.

3 Assembly of Mikron high-speed machining centers. High-speed milling is a complementary technology to electric discharge machining for use in tool and mould making. Mikron, a leading manufacturer of these machines within the Agie Charmilles Group, sets new standards for automation with the integrated workpiece changer.

4, 5 and 6 EDM accessories and consumables from a single source. Intech and Mecatool, which belong to Agie Charmilles, supply clamping and palletizing systems as well as wire for EDM machines and environmentally benign ion exchange filters.

increase in performance for all Charmilles diesinking systems.

Agie and Charmilles established a technological milestone in improving the machining capabilities for materials that are difficult to machine, such as titanium. This technology has a high number of potential uses, ranging from medical technology to aerospace.

Yet another innovation in the machinery sector was launched by Agie in 2000: the AgieSoft Contact software program. It enables Agie's clients to monitor and control the ongoing discharge process at all times and from anywhere via a computer. In addition, remote diagnosis is possible. Its major success in the marketplace shows that this new development meets an important need for clients.

Prudent acquisitions strategy

In financial terms, the year 2000 was an extremely successful one for the Agie Charmilles Group. In all markets, it enjoyed rising demand and sales exceeded the one billion Swiss franc mark for the first time in the company's history. The strong results were attributable to a prudent acquisition strategy and a high degree of innovative strength across all brands. The focused expansion of its geographic presence and additions to the product range in the entry-level segment – centered around the Engemaq (Brazil) and Actspark (China) brands – were also rewarded by the market.

The most important event in strategic terms was the August 2000 acquisition of Mikron Technology Group's milling machine product group. This enabled it to acquire the European market leader in this segment and expand its product range from entry-level products right up to top-of-the-range high-speed machining, where Mikron is clearly at the forefront of developments.

An innovative global player

The positive trend is likely to continue in the new year, albeit at a slightly slower pace. With its innovative products, the Agie Charmilles Group has built a solid launch pad for further growth.

But it has also created an excellent position for the further expansion of its status as one of the world's leading systems

Georg Fischer Manufacturing Technology Group
Kurt E. Stirnemann

Finance, Controlling	**Human Resources Management**	**Technology**	**Marketing**
Roland Abt	Rudolf Beck	Thomas Treib	Bernd Sundermann

Agie	**Charmilles**	**Mikron**	**Europe North**	**Europe South**	**Asia**	**North America**	**International Markets**
José Luis Moral	Yves Serra	Michael Hauser	Bernhard Kasper	Jean-Pierre Wilmes	Bernard Bommeli	Dan Nierste	Jean Martin

Valid as at: 1. 1. 2001

Getting there first
30 million instructions per second. The implementation of state-of-the-art electronics has permitted a number of important, time-saving functions on our electric discharge machines. This has enabled us to enhance the performance of all Charmilles diesinking electric discharge machines. Not only this, but customers can make program changes at short notice and so save time.

suppliers. The aim now will be to exploit this basis as much as possible, and consolidate and to further extend the Group's position across all markets. Continuous renewal of the product range, expansion of the sales and service network, as well as the solid anchoring of brands in markets are important pillars that enable Agie Charmilles to successfully continue its development as a global player.

	2000	1999
Sales	1 249	901
EBIT	111	49
Net operating assets	618	539
Employees	3 118	2 559

For detailed information on fiscal 2000 at Georg Fischer Manufacturing Technology, please see pages 44–45.

Coperion: the world's new market leader in plastics processing

Georg Fischer's Plant Engineering Group is the product of the merger of the Georg Fischer companies Waeschle (Germany) and Buss (Switzerland) with Werner & Pfleiderer (formerly a part of the Thyssen-Krupp Group). These have now been brought together under the umbrella of the Coperion Holding GmbH, based in Konstanz, Germany.

Thorough preparation and close cooperation
This move to become the world's leading supplier of cutting-edge technology for plastics production and processing was the outcome of intensive negotiations and thorough preparation in close cooperation with the investors West Private Equity of Great Britain and Westdeutsche Landesbank (WestLB).

The new group employs over 2 000 people, and its operational units consist of 18 companies at 35 different locations worldwide. Its main production sites are in Germany, Switzerland, the USA and India. The management board is made up of senior executives from all three companies.

One-stop supplier with a comprehensive range
The Coperion Group plans and builds customized plant and aggregates both for compounding, such as its twin-screw extruders (Coperion Werner & Pfleiderer) and continuous kneaders for heat and shear-sensitive plastics (Coperion Buss) and for the handling and conveying of powders and granulates (Coperion Waeschle). As a one-stop supplier of turnkey plant, it takes care of everything from the first preliminary studies, planning and design to the invitations to tender, installation, acceptance and commissioning of the new facilities.

The integration of these companies has strengthened what was in any case a strong market position. The Group has set itself the goal of making full use of the costs and sales synergies throughout the entire plastics processing value chain, both for the benefit of its customers and as a means of tapping the attractive potential for growth and value appreciation.

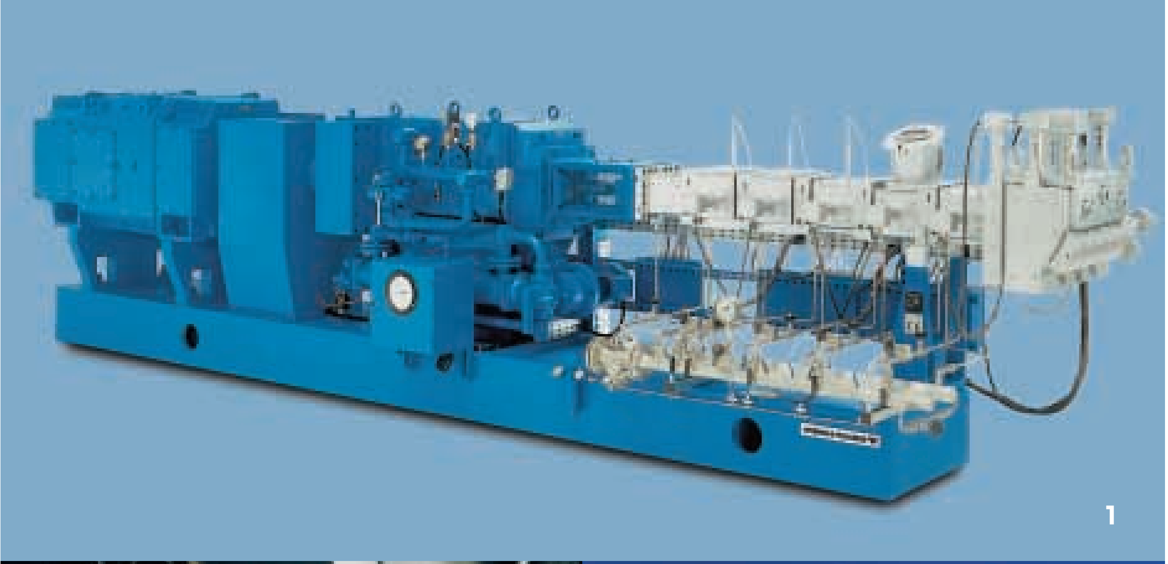
Plastics compounding: the road to quality granulates
The Plastics Compounding unit plans and builds plant for the homogeneous mixing (compounding) of various plastics using refining additives. Compounding is an important link in the value chain from raw materials to finished products made of plastic.

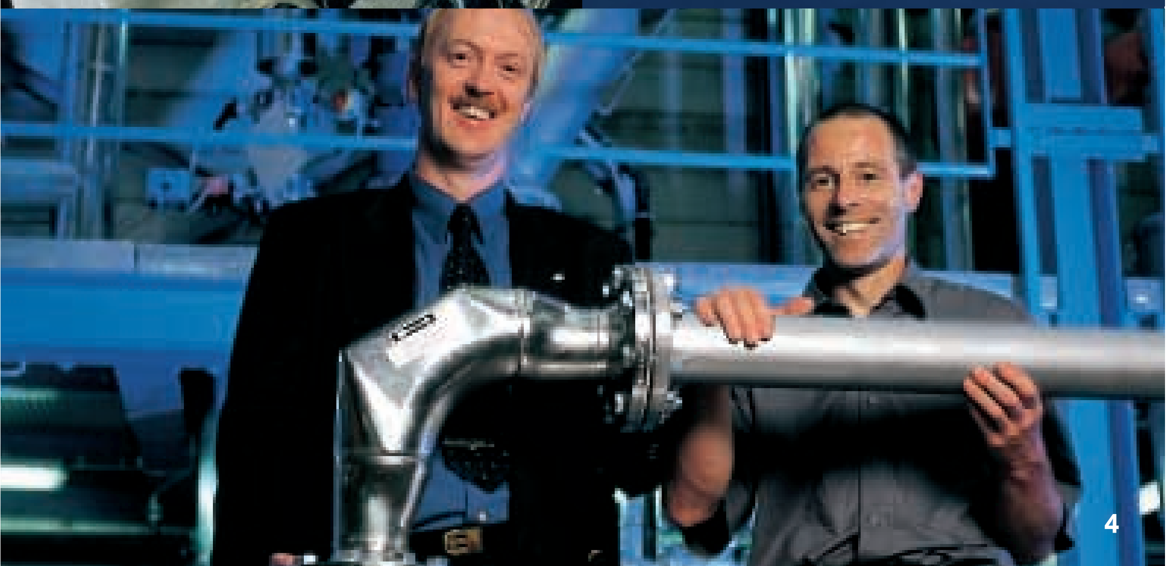
The twin-screw extruder from Coperion Werner & Pfleiderer and continuous kneader from Coperion Buss each have specific strengths in various applications and are thus a perfect fit. This also means that the Group can always offer customers the most suitable technology for their needs.

Bulk solids: in good hands at Coperion Waeschle
The Bulk Solids Handling unit (Coperion Waeschle) has worldwide experience in the planning and building of plant for mixing, separating and conveying powders and granulates in large quantities. Smooth and cost-effective bulk solids handling is always the paramount concern.

Waeschle develops and manufactures key components for conveyor plants such as cellular wheel sluices, valves and switches. Its customers are plastics manufacturers and processors and companies in the chemical industry.

Strategic potential
As a group, Coperion has considerable potential for value appreciation. This ensues not only from its companies' leading position on growth markets, but also from the potential synergies, especially in consultancy, sales, service and logistics. The demand for system suppliers is on the increase and with an installed base of over





1 The "twin-screw extruder" from Coperion Werner & Pfleiderer mixes (compounds) plastics with additives to produce a homogenous mixture ready for the manufacture of finished products.

2 The "one-screw Buss kneader" from Coperion Buss is especially suitable for use with plastics susceptible to thermal or shearing deformation.

3 After compounding, the refined powders and pellets can be transported by Coperion Waeschle's conveyor systems, for example, to the site of final processing.

4 Coperion Waeschle's "Gamma Bend", developed by the engineers at Waeschle, minimizes friction and so ensures the smooth and efficient transportation of granulates.

5 The central control panel of a complex plastics conveyor system near Cologne, Germany. Coperion Waeschle engineering and components make a vital contribution to the accurate distribution and collection of bulk solids flows.

18 000 machines in operation, the demand for replacements and upgrades is also very promising.

The products are marketed under the brand names Coperion Werner & Pfleiderer, Coperion Waeschle and Coperion Buss to underscore the fact that the new Group can count on the leading brands in each field.

Record order intake in Asia
After a difficult year in 1999, the plastics-processing industry began to pick up again from the 2nd quarter of 2000 onwards. While demand in the USA remained sluggish, Europe performed well and order intake in Asia reached record levels.

This gratifying development received tailwind from the first-ever installation of one of Coperion Waeschle's Conticon plants in China. This plant, which works on the principle of hydraulic conveyance, is the first such facility to be installed in Asia. The Conticon method makes for the smooth and low-energy hydraulic conveyance of plastic granulates over long distances, followed by pneumatic distribution to mixing and storage silos.

Running near full capacity
Thanks to this development, Coperion Waeschle is already in a position to meet its customers' future requirements and, thanks to Conticon, has a cost-effective concept for overcoming the limits of pneumatic conveyor equipment.

The Group's plant was running near full capacity throughout the year, even though the slump in orders inherited from fiscal 1999 has had an adverse effect on sales and earnings. The pickup in demand that began in the 2nd quarter of 2000 will have a positive impact on fiscal 2001.

The medium-term goal is a spin-off
Not only are the markets expected to remain buoyant throughout fiscal 2001, but Coperion's management wants to capitalize on the group's highly favourable situation. Among its most important assets are its access to cutting-edge technology in all systems and, thanks to the merger, its ability to offer comprehensive consultancy, sales, service and logistics. Coperion has therefore set itself a target of increasing its sales of some CHF 625 million in fiscal 2000 to around CHF 800 million by the year 2005.

The Georg Fischer Corporation holds a majority stake (50,1%) and exercises industrial leadership in the Coperion Group. The medium-term goal is to spin off Coperion –, for instance by floating it on the stock market.

Georg Fischer Plant Engineering Group
Hans-Jörg Pfeiffer

Finance and Accounting
Heinz Verfürth (as of 1. 3. 2001)

Corporate Development/ Integration Management
Beat Sturzenegger

Coperion Werner & Pfleiderer	**Coperion Buss**	**Coperion Waeschle**
Heinz Brachten, Robert Storf	Claude Fischer	Manfred Wolf

Valid as at: 1. 1. 2001

Getting there first
A tour de force of engineering: Coperion Waeschle completely overhauled and renewed this highly complex plastics conveyor system without having to interrupt production. This was possible thanks to the use of Waeschle's "Primavera" engineering system, which coordinated the work of the up to 100 engineers on the site as well as keeping track of 4 000 procedures in 25 different schedules and 20 different scripts, right down to the last detail. The customer, however, was able to continue making full use of the system throughout the 20-month construction period.

	2000	1999
Sales	354	512
EBIT	23	23
Net operating assets	105	141
Employees	1 212	1 980

For detailed financial information on fiscal 2000 at Georg Fischer Plant Engineering, please see pages 46–47. The figures for the years 1999–2000 include industrial services.

Strong services from strong partners

All Georg Fischer's service companies derive a large part of their sales revenues from external customers and so have to put their competitiveness to the test on a daily basis.

Georg Fischer Services is made up of five independent companies, each of which provides specific services both for the other companies in the Georg Fischer Corporation and for external customers. Its special strength rests on its years of industrial experience coupled with an accurate understanding of what customers really need.

In fiscal 2000, its 278 employees generated sales of CHF 69 million.

Georg Fischer Logimatik
The interdisciplinary teams of Georg Fischer Logimatik develop industry-specific and customized IT solutions and provide support for SAP and PC users as well as operating and servicing the Group's computing centers.

Georg Fischer Forwarding Logistics
Georg Fischer Forwarding Logistics offers integral solutions for the seamless networking of forwarding, transport, packing, customs clearance and warehousing operations, using global, state-of-the-art data telecommunications systems. The year 2000 saw the opening of the new logistics center in Schaffhausen, Switzerland, as well as the acquisition of a number of new external customers.

Georg Fischer Real Estate Service
Georg Fischer Real Estate Service provides services such as the operation, upkeep, management and construction of plant and real estate. In the year 2000, for example, it oversaw the construction of a cinema complex as well as commissioning several combined heat and power plants.

Georg Fischer Treuhand
Georg Fischer Treuhand takes on accounting tasks, routine human resources processes and industrial safety for industrial and other large-scale operations. In fiscal 2000, it cooperated closely with an external key account on the expansion of human resources and corporate administration.

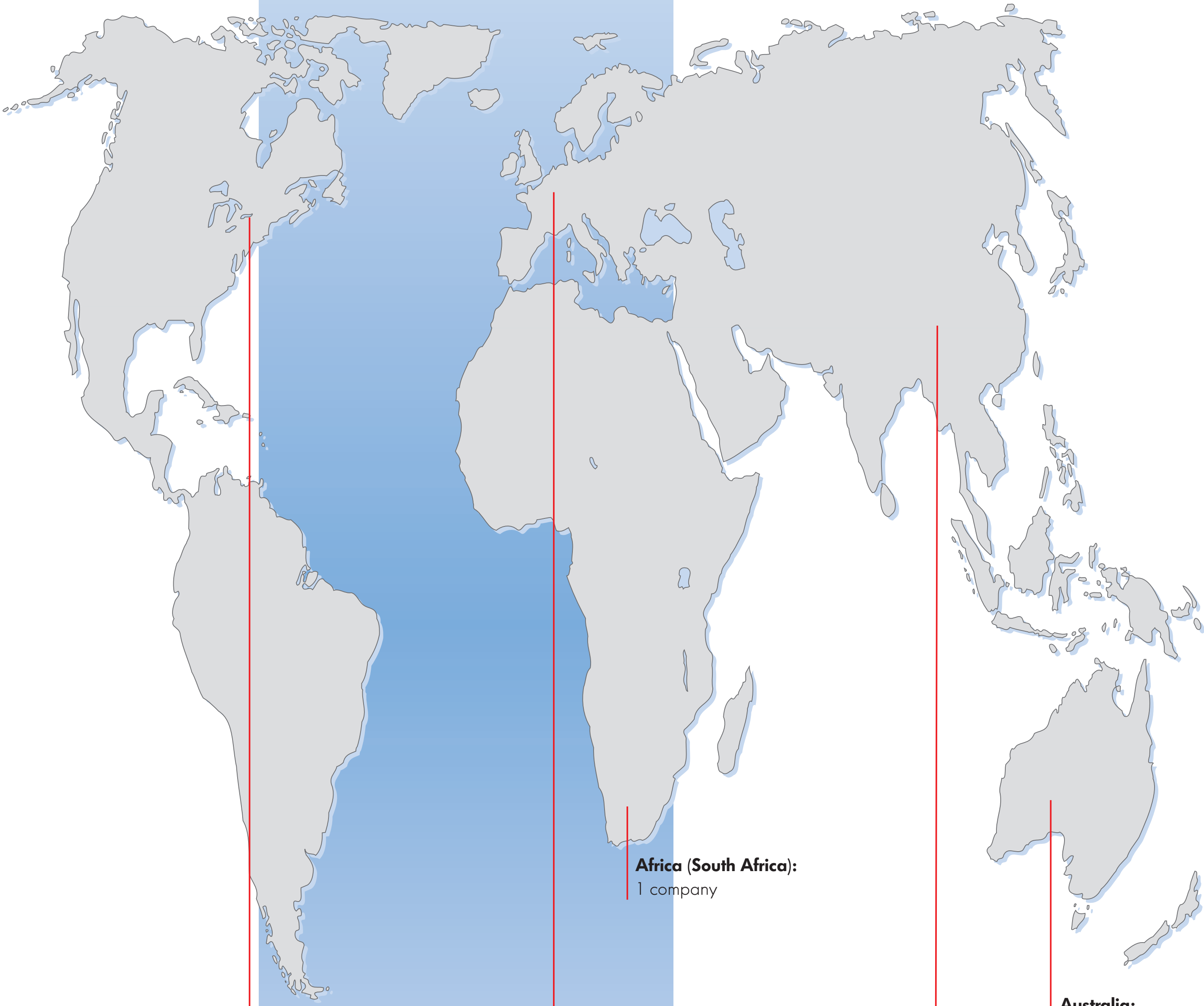
Buss Real Estate and Service
Buss Real Estate and Service Ltd. is responsible for the management of the Buss Industriepark in Pratteln, Switzerland, which provides some 670 jobs in various companies in a wide range of businesses.

Georg Fischer Services
Hans Ulrich Lieberherr

Logimatik	**Forwarding Logistics**	**Real Estate Service**	**Treuhand**	**Buss Real Estate and Service**
Jean Gabriel Gander	Rainer Stamm	Emil Läubli	Christoph Ott	Jürg Refer

Valid as at: 1. 1. 2001

Locally anchored, globally active



Africa (South Africa):
1 company

Australia:
2 companies

America:
20 companies

Production plants:
USA

Service and sales centers:
Argentina, Brazil, USA

Europe:
110 companies

Production plants:
Switzerland, Germany, Austria, Great Britain, Netherlands, Italy, Hungary

Service and sales centers:
Switzerland, Germany, Austria, Great Britain, Denmark, Netherlands, Italy, Hungary, Sweden, France, Belgium, Poland, Spain, Norway, Portugal, Russia

Asia/Near East:
26 companies

Production plants:
China, India, Japan, Saudi Arabia, Israel

Service and sales centers:
China, India, Japan, Saudi Arabia, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Israel

Georg Fischer Ltd, Schaffhausen

The training center Paradies Monastery estate is crystallization point of the Georg Fischer Corporation. Equipped with modern infrastructures and facilities, it is now an ideal conference center for employees and companies from all over the world.

Board of Directors
Robert A. Jeker, Bottmingen BL, Chairman
Hannes Goetz, Dr. ing. chem. ETH, Rüschlikon ZH, Vice Chairman
Martin Huber, Dipl.-Ing. ETH, lic. iur., Schaffhausen, Delegate
Roman Boutellier, Prof. Dr. oec., Oberegg AI
Flavio Cotti, Former Federal Councillor, Brione s. Minusio TI
Ulrich Graf, Dipl.-El.-Ing. ETH, Winterthur ZH
Gertrud Höhler, Prof. Dr. phil., Berlin (D)
Bruno Hug, lic. oec. HSG, lic. iur., Mies VD
Edwin Somm, Dipl.-Ing. ETH, Oberrohrdorf AG

Auditors
KPMG Fides Peat, Zürich

Executive Committee
Martin Huber, Dipl.-Ing. ETH, lic. iur., President and CEO
Jürg Krebser, Dr. sc. techn. ETH, Head of Piping Systems Group
Friedrich Rufer, Head of Corporate Finance and Accounting
Rainer Sigrist, Dipl.-Ing. ETH, (until 31. 3. 2001)
Kurt E. Stirnemann, Dr. sc. techn. ETH, Head of Manufacturing Technology Group
Ferdinand Stutz, Dipl.-Ing., Head of Automotive Products Group
Ernst Willi, Dr. phil., Head of Corporate Development

Financial Report 2000

Segment information

million CHF	2000	1999	2000	1999
	Automotive Products		**Piping Systems**	
Order intake	**1 592**	**1 222**	**924**	**716**
Orders on hand at year end	**639**	**533**	**35**	**35**
Gross sales by geographical segment[2)]				
European Union	1 344	1 101	502	436
• thereof Germany	977	778	203	172
Other European countries	60	59	87	80
• thereof Switzerland	7	6	58	54
America	34	22	185	117
Asia	18	13	114	57
Other countries	6	7	36	16
Gross sales	**1 462**	**1 202**	**924**	**706**
Sales deductions	–16	–13	–37	–33
Sales	**1 446**	**1 189**	**887**	**673**
EBITDA	**178**	**147**	**117**	**75**
EBITA	**83**	**66**	**79**	**41**
EBIT	**71**	**60**	**73**	**38**
Assets by geographical segment	**1 306**	**1 216**	**776**	**627**
European Union	1 252	1 170	316	269
• thereof Germany	798	788	90	63
Other European countries	38	35	204	230
• thereof Switzerland	5	3	201	227
America			108	81
Asia	16	11	58	38
Other countries			90	9
Liabilities	**912**	**1 011**	**482**	**424**
Additions to fixed assets by geographical segment	**160**	**387**	**129**	**85**
European Union	155	355	29	33
• thereof Germany	64	269	15	2
Other European countries	4	24	13	35
• thereof Switzerland	1	1	13	35
America			9	4
Asia	1	8	7	12
Other countries			71	1
Depreciation	**95**	**81**	**38**	**34**
Amortisation	**12**	**6**	**6**	**3**
Research and development	**43**	**35**	**27**	**25**

1) incl. Corporate Holdings
2) Transactions between segments amount to CHF 36 million (previous year CHF 37 million)

Manufacturing Technology		Plant Engineering		Corporation[1]	
2000	1999	2000	1999	2000	1999
1 245	**884**	**366**	**463**	**4 095**	**3 247**
144	**107**	**125**	**168**	**942**	**843**
617	485	139	182	2 590	2 203
217	163	52	91	1 444	1 203
113	65	56	82	311	286
69	36	44	51	174	147
330	254	56	121	600	514
187	95	91	90	401	255
4	3	12	37	57	27
1 251	**902**	**354**	**512**	**3 959**	**3 285**
–2	–1			–56	–46
1 249	**901**	**354**	**512**	**3 903**	**3 239**
135	**69**	**33**	**40**	**460**	**343**
116	**51**	**25**	**26**	**291**	**190**
111	**49**	**23**	**23**	**267**	**175**
943	**750**	**350**	**355**	**3 616**	**3 268**
288	215	122	70	2 227	1 745
100	67	113	63	1 272	985
239	303	122	254	548	1 102
239	303	122	254	512	1 068
316	189	96	24	566	309
100	43	10	7	185	103
				90	9
561	**432**	**240**	**196**	**2 351**	**2 102**
108	**43**	**25**	**17**	**445**	**539**
3	4	40	2	247	395
1	1	40	1	139	275
87	11	–61	15	57	90
87	11	–61	15	54	67
5	28	46		48	32
13				21	21
				72	1
19	**18**	**8**	**14**	**169**	**153**
5	**2**	**2**	**3**	**24**	**15**
56	**55**	**7**	**14**	**133**	**129**

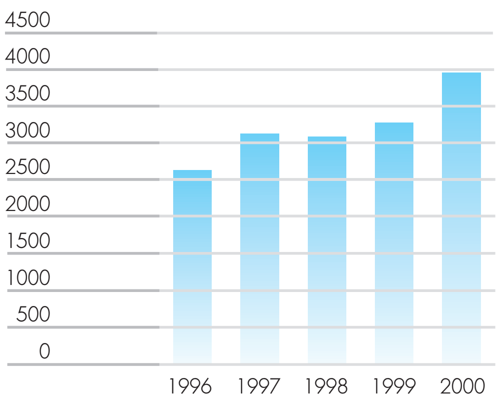
Financial review Georg Fischer Corporation

Review of the business year 2000
The year 2000 was a successful one for the Georg Fischer Corporation in strategic, operational and financial terms. At CHF 267 million, earnings before interest and taxes (EBIT) were up 53 % on the previous year. EBITDA (earnings before depreciation and amortisation) rose by 34 %. The increase also reflects the return on investments that have been made in recent months. Order intake in 2000 topped the 4 billion Swiss franc level for the first time, while sales totalled CHF 3,9 billion. More than two thirds of the 21 % increase in sales was attributable to organic growth. The Corporate Groups are correctly positioned in strategic terms; they are technology and market leaders; and they are exceptionally cost-effective at the operational level. They were therefore able to successfully exploit the growth potential in their markets and the favourable economic environment. Despite a massive rise in the tax burden, the Corporation's net profit was above the record year 1999 and amounts to CHF 151 million.

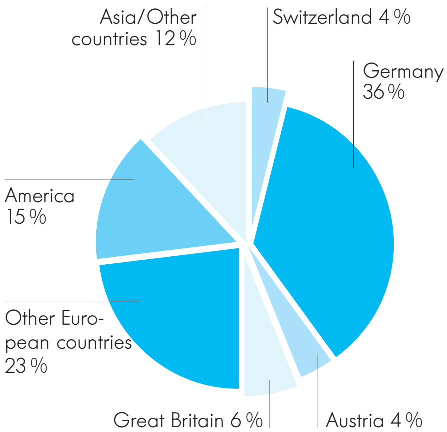
Georg Fischer Automotive Products strengthened its position as a leading design and manufacturing partner to the European automotive industry, as reflected in significantly higher orders on hand for the next few years and in the acquisition of new customers. EBIT grew by 18 % despite goodwill amortisation, integration and start-up costs. Piping Systems increased its sales by 32 % and nearly doubled the EBIT. At Agie Charmilles sales were up 39 % to CHF 1,25 billion, topping the one billion Swiss franc mark for the first time. EBIT and net profit levels more than doubled. Both Groups expanded their product offering via acquisitions. Following the divestiture of Georg Fischer Disa, the Plant Engineering Group is now focusing on plastics-processing systems. With the acquisition of Werner & Pfleiderer and the formation of the Coperion Group – carried out in conjunction with a financial investor – to create a leading world supplier, plans are being laid to spin off the Plant Engineering Group.

Since 1998, the Corporation has increased its sales by around 30 % through organic growth and acquisitions. During this period of upheaval and integration, the company value has grown steadily. This increase in value is set to continue at a faster pace in the years ahead and will sooner or later be reflected on the stock market.

Sales 1996–2000
(in million CHF)



Sales by geographical segment



Outlook
The Georg Fischer Corporation is tackling the year 2001 in a healthy condition. The basis that we have created allows us to look to the future with confidence. The scale and quality of the orders received, the large proportion of innovative and new products, the high level of operational efficiency and the global presence in the market have reduced the impact of regional

economic fluctuations on our earnings situation.

The Corporation's expansion is set to continue. The focus is on promoting organic growth and maximising the return on investments. Achieving a sustained increase in profitability and sales is our main target. This is particularly the case for acquisition-led expansion. We will take advantage of the opportunities swiftly and judiciously.

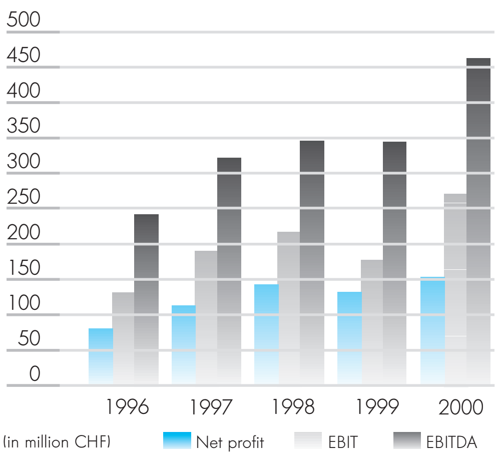
Scope of consolidation
In the year under review, the following acquisitions were consolidated for the first time: Georg Fischer Anderson GmbH, Georg Fischer Schwab GmbH, the IPS Group in Australia and China, the Mikron Group and Intech Enoma SA. The scope of consolidation was also widened by the full consolidation (previously at equity) of Beijing Agie Charmilles Ltd. and through the newly established company Agie Charmilles China. Following its divestiture as per 1. 1. 2000, the Georg Fischer Disa joint venture is no longer consolidated (sales in 1999 CHF 160 million [50%]).

Sales trends
The lower value of the Euro versus the Swiss franc compared with a year earlier was almost offset by the correspondingly higher exchange rate of the Dollar, with the result that the negative currency impact on sales amounted to only 1%.

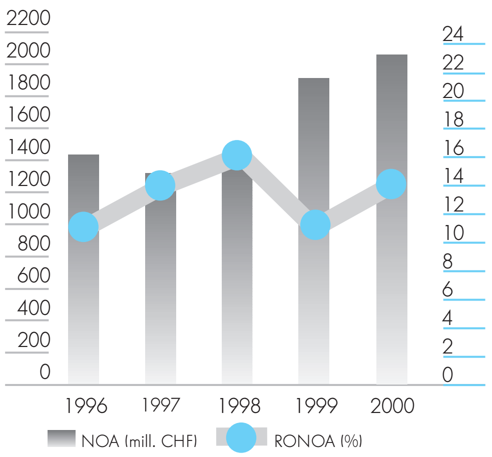
Sales in Europe and in America rose by 17% each, in Asia by 57%. As a result, the proportion of corporate sales in Asia increased from 8% to 10%.

Financial result
Despite a rise in net debt by 21% due to acquisitions and investments, the financial result improved compared with the previous year owing to income from asset management, in particular the sale of the 40% stake in SIG. In accordance with IAS 32, the $1^1/_2$% convertible loan 2000–2005 is broken down into its equity and liability components; the resulting additional annual interest charge amounts to CHF 3,4 million.

Income 1996–2000



NOA, RONOA 1996–2000



Result from investment properties
The result from investment properties declined to CHF 5 million (previous year CHF 22 million). The policy of selling investment properties is to continue, especially as the market has improved.

Taxes
Owing to the expiry of tax losses carried forward, the tax rate has increased massively. The reduction in deferred tax liabilities had a correspondingly positive effect on the result, mainly due to the German tax reform and the associated fall in the future tax rate. Overall, however, the rise in the tax burden is the reason why the increase in net profit in relation to the EBIT is not that strong.

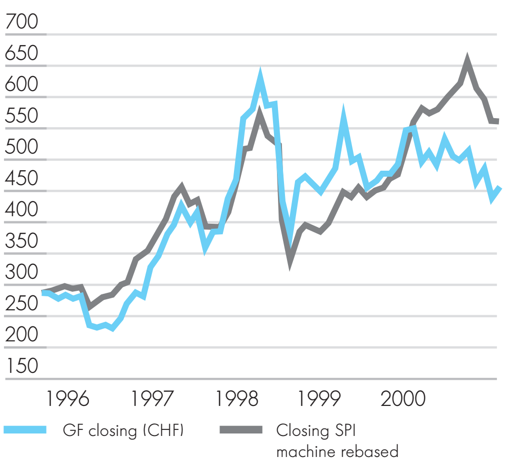
Minority interests in profit
These rose, in particular owing to the 30% minorities in Georg Fischer Manufacturing Technology profit. Manufacturing Technology reported an excellent result and is itself listed on the stock market.

Net profit, return on equity
Net profit (excl. minority interests) rose by 15% from CHF 131 million to CHF 151 million – the highest figure Georg Fischer has ever recorded. Despite a further rise in shareholders' equity, the return on equity (ROE) is in line with the Corporation's medium-term target of 15%.

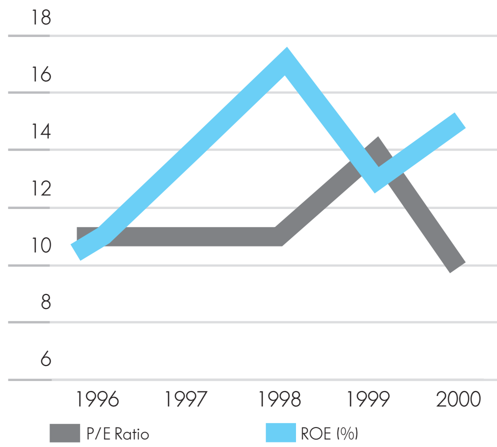
Market capitalisation, earnings per share
The market capitalisation stood at CHF 1587 million on 31. 12. 2000. Earnings per share grew by 16% from CHF 38 to CHF 44. The price-earnings ratio at the end of 2000 amounted to 10 (previous year 14).

Proposed dividend
At the Annual General Meeting, the Board of Directors will propose a 7% increase in the dividend to CHF 15 per share (previous year CHF 14). The payout ratio amounts to 34%, in line with the Corporation's profit-oriented dividend policy of distributing one third of profits.

Share price registered share 1996–2000



P/E Ratio, ROE 1996–2000



Net operating assets (NOA), return on net operating assets
Net operating assets rose by 7% to CHF 2045 million owing to the acquisitions and investments that have been made. Goodwill increased from CHF 260 million to CHF 326 million by 25%. Due to the good EBIT and successful management of net operating assets, the RONOA reached 14%. Thus the rise in the yield that we heralded last year has started.

Balance sheet
Due to the growth that has taken place, the Corporation's assets increased by 11% from CHF 3268 million to CHF 3616 million. Despite the 21% increase in sales, current assets grew by only 12%. The increase in investments is attributable to the acquisition of the Werner & Pfleiderer Group as well as the creation of a strategic investment. The equity ratio (including minority interests) fell only slightly from 36% to 35%, in line with the Corporation's policy. To finance the acquisitions as well as organic growth and for repayment of the existing debenture loan, credit facilities were increased and a new loan was issued.

Cash flow statement

Cash flow from operating activities rose by 15% from CHF 249 million to CHF 286 million. Investments in fixed assets amounting to CHF 220 million and the build-up in investments put pressure on cash flow from investing activities in the year under review. The acquisitions and investments carried out are already showing a good payback and will do so increasingly in 2001. Cash flow from financing activities is positive owing to the increase in credit facilities and the taking up of additional bank loans. Overall, net cash flow was practically in balance despite the expansion of business, acquisitions and a high volume of investment.

are brought up to the Georg Fischer standard as soon as possible. May 2000 saw the publication of the Corporation's first Environmental Report.

Financial risk management

Currency, interest rate and credit risks are assessed and managed centrally at Corporation level by the Treasury. The currency risk is minimised by pooling and netting. Interest-rate risks are taken into account by the financing of companies through the Corporate Holdings. In the year under review, the financing of the Corporate Subsidiaries in Germany was adapted to meet the requirements of the tax reform. Loan losses at Corporation

Free cash flow

million CHF	2000	1999
Cash flow from operating activities	286	249
Additions to tangible fixed assets net	–183	–53
Additions to intangible assets net	–44	–5
Additions to investments net [1]	–61	–3
Additions to financial assets net	–53	–5
Dividends	–58	–55
Free cash flow	**–113**	**128**

1) Includes non-consolidated investments. In the year 2000 mainly the Coperion Group, which will be consolidated as of 1.1.2001.

Innovation, research and development

These topics are presented by Corporate Groups on the pages to follow.

Quality, safety and environmental protection

The quality, safety and environmental sustainability of our manufacturing operations and our products are assured through active quality and environmental management. Nearly all our production and logistics facilities are ISO 9000 certified, and by the year 2002 will also be certified to ISO 14000 or corresponding environmental standards. At the end of 2000, about 70% of our employees were employed at environmentally-certified operations. Newly acquired firms

level are minimal owing to the high credit rating of our business partners.

Insurance and risk engineering

Insurance activities and risk engineering are carried out centrally at Corporation level. The majority of our large operations are audited and meet the requirements of highly protected risks (HPR). Acquired firms are included in the Corporation's relevant risk engineering and insurance programmes.

Profit-sharing scheme for employees

All the Corporation's employees share in the success of the company for which they work, on the basis of meeting the personal targets that they have agreed on with their superiors. The remuneration of management staff is profit-oriented. The profit-related share may amount to as much as 30 % of total salary. Furthermore, there is a stock compensation scheme for senior management. This scheme is approved by the Board of Directors for a four-year period. Likewise, the fees for the Board of Directors are entirely paid in the form of Georg Fischer registered shares.

Corporate governance and financial management
The duties and powers of the Board of Directors, its Committees, the members of the Corporate Management and Executive Committee are governed by the Georg Fischer Corporation's organisational and business regulations. The Board of Directors meets as often as business requires, but at least five times per year. For decisions to be valid, the presence of at least half the members is necessary, and proxies are not permitted. For dealing with reports from external and internal auditors, the Audit Committee, which comprises the Vice Chairman of the Board of Directors and two other members of the Board of Directors, meets at least twice a year and reports to the Board of Directors as a whole. Each Corporate Subsidiary is internally audited every two years as a rule, while external auditors carry out a full-scope audit of the annual financial statements of all Corporate Subsidiaries. The Board of Directors authorises investments and acquisitions, which are presented using standard Corporate instruments and prepared by Corporate Controlling if they exceed CHF 5 million in an individual case. All these investments and acquisitions are monitored by Corporate Controlling and Internal Auditing for adherence to the plans presented, and the findings are submitted to the Board of Directors. Corporate Management and the Executive Committee generally meet once a month.

The Corporation's income statement is consolidated monthly, and the balance sheet, cash flow statement and statement of changes in equity are consolidated quarterly in accordance with the same accounting standards as the annual financial statements by Corporate Controlling. Within 7 days (monthly statements) and 10 days (quarterly statements), the Board of Directors and Executive Committee are in possession of commented, reliable management documentation. According to a European benchmark study conducted by KPMG last year, Georg Fischer's reporting ranks among the best 10 % out of over 250 listed companies in Europe. The early availability of high-quality information allows for the efficient management of the Corporation.

Besides current statements, at least two year-end forecasts for the current year are drawn up. The budget for the subsequent year and mid-term planning for a further two years are produced with the same level of detail as the quarterly statements. Financial planning is based on a strategic plan drawn up annually on a joint basis by the Corporate Groups, the Executive Committee and the Board of Directors.

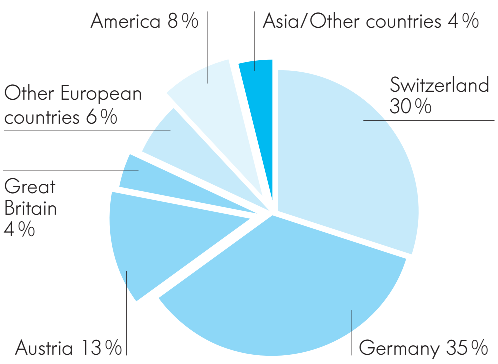
Value-based management
Georg Fischer attaches great importance to value-based management. Thus all acquisitions and major investments are examined in accordance with Corporation-wide methods for the generation of value and the corresponding effects on the value of the Corporation as a whole.

Value added statement Corporation

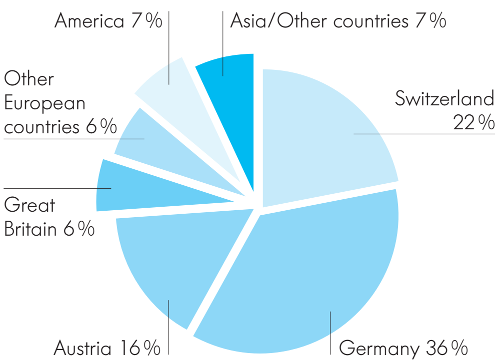
Origin of net value added	2000 mill. CHF	2000 % sales	1999 mill. CHF	1999 % sales
Sales	**3 903**	**100**	**3 239**	**100**
Changes in inventory, capitalised own production and other operating income	77	2	55	2
	3 980	102	3 294	102
Costs for materials and products	–1 715	–44	–1 353	–42
Operating expenses	–721	–18	–581	–18
Gross value added	**1 544**	**40**	**1 360**	**42**
Depreciation	–169	–5	–153	–5
Amortisation	–24	–1	–15	
Financial and other result net	31	1	35	1
Net value added	**1 382**	**35**	**1 227**	**38**

Distribution of net value added (NVA)	2000 mill. CHF	2000 % NVA	2000 % sales	1999 mill. CHF	1999 % NVA	1999 % sales
Employees						
• Personnel expenses	1 084	78	28	1 017	83	31
Public authorities						
• Income taxes	55	4	1	10	1	
Financial institutes						
• Interest expenses	62	5	2	53	4	2
Shareholders						
• Dividends	58	4	1	55	5	2
Retained earnings						
• Profit (incl. minority interests)	181			147		
• Dividend	–58			–55		
	123	9	3	92	7	3
Net value added	**1 382**	**100**	**35**	**1 227**	**100**	**38**

Gross value added 2000 Corporation



Employees 2000



Georg Fischer Automotive Products

Business year 2000
The European automotive industry can look back on yet another good year. Strong exports – underpinned by an attractive model strategy and the favourable currency situation – offset the falling demand in Germany that was caused by high petrol prices and a flooded used-car market. The order situation was excellent, with all plants running at high or, in some cases, very high capacity levels.

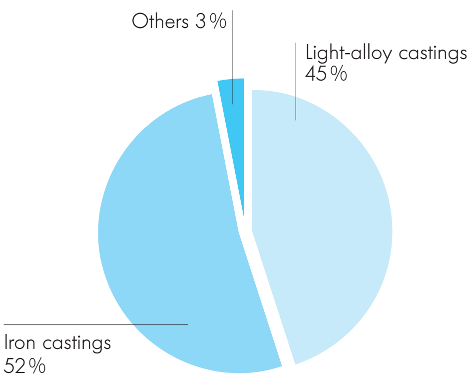
Besides large-scale projects for future generations of vehicles with existing clients, projects with new customers such as Peugeot, Citroën and Renault were especially welcome, securing further strong growth for us in the medium term.

excellent at most locations. The profit expectations resulting from the Mössner acquisition were matched in full. Results suffered from problems at the Lincoln plant, and at the Friedrichshafen and Herzogenburg plants. Restructuring, focusing and growth-related run-up costs, along with technical difficulties and inadequate margins on some orders, put a further squeeze on results. The measures taken during the financial year to ease and solve these problems have brought about some significant improvements. However, the situation at the moment is still considerably off-target. In 2001, the Group will redouble the efforts it made in the past business year.

Key figures

million CHF	2000	1999
Sales	1 446	1 189
EBIT	71	60
Net operating assets (NOA)	746	750
Employees at year end	6 702	6 685
Sales per employee 1 000 CHF	216	205
Gross value added per employee		
1 000 CHF	94	96
Gross value added in %		
personnel expenses	139	137
RONOA %	10	10
Return on sales (ROS) %	5	5

Gross sales 2000 by product segments



With the exception of the Lincoln plant, which continues to suffer from an unfavourable exchange rate situation, the iron castings once again successfully boosted its position and recorded good organic sales growth of 8 %. The 55 % jump in sales at the light-alloy castings compared with the previous year is mainly due to the fact that the full impact of the second semester 1999 acquisition of the Mössner Group was felt for the first time in the business year 2000. The share of light-alloy castings in the Group's sales stands at 45 %, with that of iron castings at 52 %.

EBIT showed an 18 % increase compared with the previous year. Here the development of profits ranged from positive to

Strategy implementation
With the new companies that it has acquired and now successfully integrated, Georg Fischer Automotive Products has bolstered its market position as a leading design and manufacturing partner to the European automotive industry. It is therefore in a position to offer iron, aluminium and magnesium as materials in the relevant processes of sand, permanent mould and diecasting.

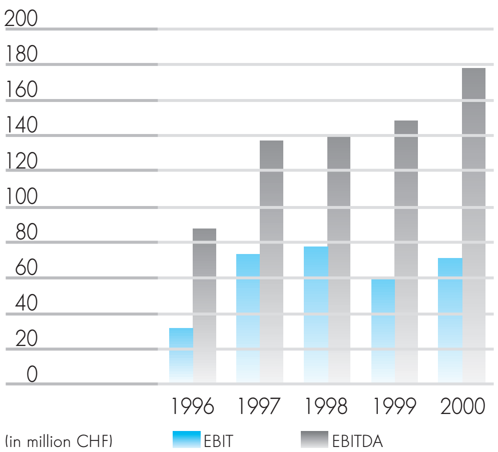
The project-related cooperation with the Latin American sector leader Tupy (Brazil) marked a further globalisation milestone.

Another globalisation move is under way for the possible rapid construction of a new light-alloys foundry in North America as soon as Georg Fischer lands the contract.

Innovation, research and development
Investment was once again at a high level. Further innovative steps have been taken towards realising the car bodywork of the future. These comprise investment in customer-related projects such as the replacement of the successful Audi A4 model in Friedrichshafen with a new type of sand-cast aluminium transverse link on the rear axle. They also include investment in pressure-casting cells for new projects such as thin-walled structural components for the new aluminium Audi A2. The expansion of machining capacity strengthened our already decentralised, broad-based skills in the processing of castings. By replacing old production facilities and other building and infrastructure measures, we modernised equipment at our sites.

With 90 design engineers at our three development locations plus our resident engineers, we aim to advise our clients more intensively on site and on a project-related basis. On the strength of our broad-based know-how, we intend to make our contribution to the shaping of economic product solutions. In the year 2000, about 3% of sales have been invested in research and development.

EBIT, EBITDA 1996–2000

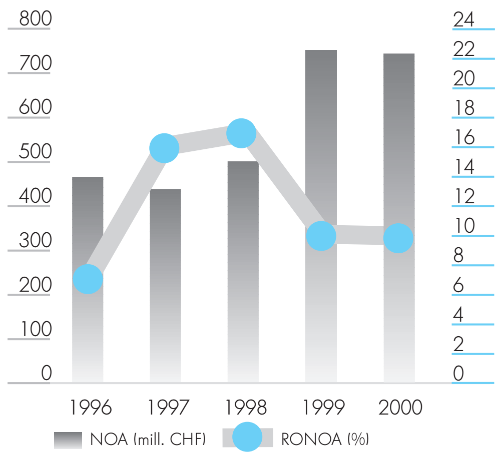


Personnel developments
In the year 2000, highly qualified employees have been appointed for important positions in the research and development department. In 2001, focus is given on the engagement of executives as well as on the promotion of management.

Outlook
European automotive production continues at a high level despite the clouds looming on the horizon for the car and commercial vehicle markets. We remain optimistic about 2001.

A number of factors will contribute to maintaining our leading position in the automotive industry through further organic growth. These are the large number of new projects and a well-filled product pipeline for the next few years plus the capacity expansion under way. For the coming year, the emphasis will be on profitable growth. We will focus on ensuring that the investments we have made pay off within the shortest possible timescale. At the same time we will make every effort to achieve a turnaround for those locations that have been suffering profitability problems.

NOA, RONOA 1996–2000



Georg Fischer Piping Systems

Business year 2000
With a jump in sales of over 30% and a near doubling of EBIT to CHF 73 million, financial year 2000 was a very successful one for Piping Systems. Over and above acquisitions, organic growth amounting to 13% in Europe, America and Asia made a significant contribution to the result.

Organic growth at the Industrial Systems Division was well above average, thereby playing a major role in the success of the Group. With its superior range of systems and excellent service offering, the Division further expanded its position as one of the world's leading suppliers of high-purity water piping systems in PVDF. However, the Division was also highly successful in other market segments such as pharmaceuticals, biotechnology and refrigeration technology, as well as in the general industrial business with PVC, ABS and polyolefines.

In the gas and water distribution business, the Georg Fischer Wavin joint venture again upped sales and profits. The partnership with Plasson has already generated initial synergies, particularly in the technology field.

The Automation Division also benefited from the strong economic situation in the industrial sector. In measuring technology, Signet reported strong growth and successfully began a partnership with the communications firm Xsilogy in the field of Internet-based remote retrieval of measuring data.

In domestic installations, the malleable cast fittings unit reported another superb result on stable market volumes. In cold and warm water systems in plastic, progress was made in Southern Europe, the UK and China in particular. In Germany, however, sales stagnated as a result of the unfavourable economic situation in the construction industry, particularly in the new eastern states.

In America, production of client-specific modules became one of the main pillars of growth besides business with the semiconductor industry.

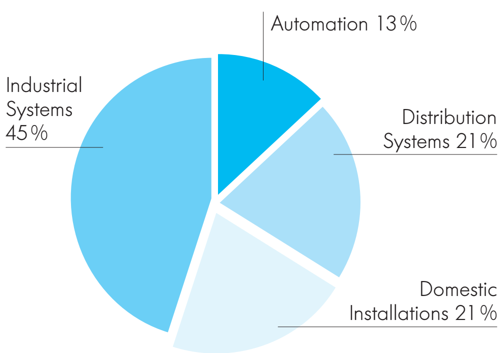
In Asia we recorded a sharp rise in sales and a significantly positive result. The main drivers of this success were the progress of the Shanghai plant in domestic installations, the investment in Chinaust and buoyant business in the industrial sector in Japan, Singapore and Taiwan.

Strategy implementation
The Group is a world leader in the supply of piping systems in plastic and complementary materials for industrial applications, for gas and water distribution and for domestic installations. Expansion of the global sales network and the stronger presence in local markets are accelerating organic growth.

Key figures

million CHF	2000	1999
Sales	887	673
EBIT	73	38
Net operating assets (NOA)	509	429
Employees at year end	3 457	2 895
Sales per employee 1 000 CHF	279	240
Gross value added per employee 1 000 CHF	114	103
Gross value added in % personnel expenses	147	136
RONOA %	16	10
Return on sales (ROS) %	8	6

Gross sales 2000 by business fields



In the industrial business, the pipe manufacturer Deka – integrated in 1998 – is making an ever greater contribution to the development of the fast-growing systems business.

The acquisition of Anderson opened the door to the high-growth business of high-grade steel fittings and is therefore underpinning our activities in attractive market segments such as pharmaceuticals and biotechnology.

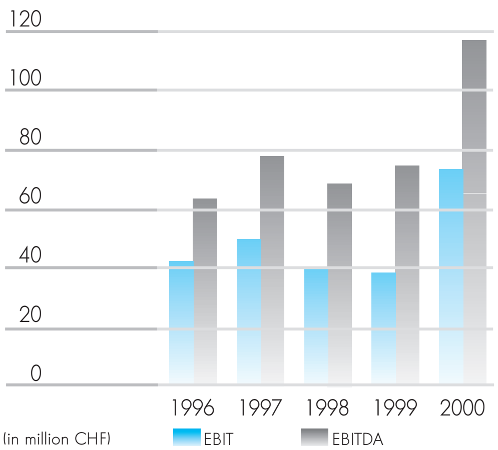
With the firms Tecno Plastic and Alprene, strong market positions in the price-sensitive segment of less complex water applications were created. This business has substantial growth potential worldwide.

one of the leading providers of modern domestic installation systems in Germany.

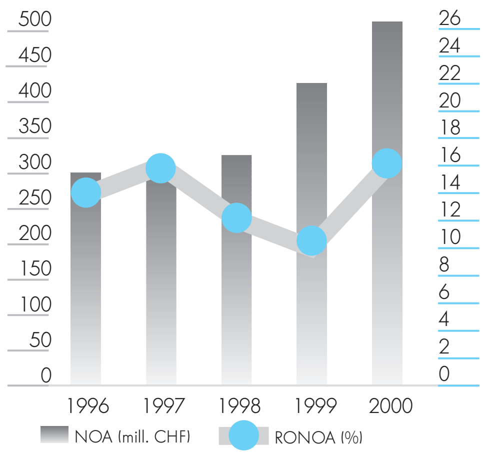
Innovation, research and development
At all units, the strong business performance in the year 2000, where we invested about 3 % of sales in research and development, was used to develop new products, as for example the DIASTAR diaphragm valve, expand information technology and optimise marketing, production and logistics processes. With the economy remaining in a healthy state, these efforts will lead to another rise in profitability.

Personnel developments
Due to the strong organic growth and the acquisitions, the number of employees rose by 19 % up to 3 457 during the year under review.

EBIT, EBITDA 1996–2000



NOA, RONOA 1996–2000



We significantly expanded our market position in the gas and water distribution systems business, through the acquisition of Australia's IPS group of firms. Via the acquisition of shares in the IPS subsidiary Chinaust, Georg Fischer now has a 50 % stake in the market leader for gas distribution in China, putting it in a pole position in this strategically important growth market.

Offering drinking water and heating systems in plastic and composite materials, as well as double wall and flushing systems from Georg Fischer Schwab, the joint venture with Fränkische Rohrwerke is set to be

Outlook
For 2001, the industrial business is expected to continue developing positively, particularly in Europe. No significant changes in the economic situation are expected for distribution or domestic installations either.

Georg Fischer Manufacturing Technology

Business year 2000
In financial terms, the year 2000 was an extremely successful one for the Agie Charmilles Group. Sales increased by 39% to CHF 1,25 billion, thus topping the one billion Swiss franc mark for the first time in the history of the business. Organic sales growth amounted to 28%. In terms of order intake, the Group recorded a whopping 41% jump. The EBIT increased to CHF 111 million by 127% compared to the previous year's figure.

The market region Europe North benefited from a widespread and steady economic recovery. In Germany, Switzerland, the Benelux countries and Scandinavia, the economic upturn was reflected in a clear increase in investment activity and a strong trend towards automated solutions. Intech maintained the strong results it had achieved in previous years. Mecatool's activities also remained at a high level thanks to the new Mexcel product range.

In region Europe South, all brands reaped the benefits of an expanding market in a healthy economic environment. Fuelled by buoyant developments in the telecommunications and automotive industry, sales rose by 19% compared with the previous year.

After a lull in 1999, the North American machine tools market enjoyed a continuous recovery in demand in the second half of 2000. At Bostomatic, sales did not meet expectations. Intech achieved a good result despite falling prices. Mecatool was able to increase its sales by 60% thanks to a rejuvenated product range.

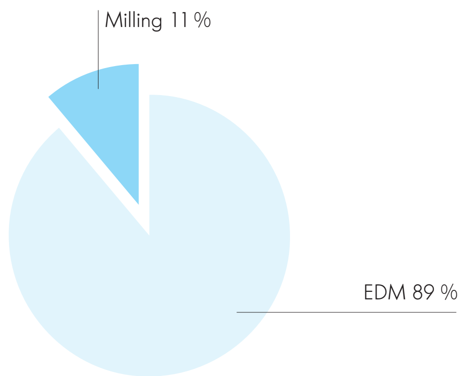
For the Agie Charmilles Group, 2000 was an absolute record year with a doubling of sales and the number of machines sold in Asia. All brands were able to reap the full benefits of a positive investment climate, attributable primarily to buoyant demand for equipment for telecommunications as well as the upturn in electronics manufacturing.

The region International Markets was particularly successful in the important Brazilian market as well, where it succeeded in translating the brand and marketing rights for Engemaq's diesinking machines that it acquired in 1999 into sales growth.

Key figures

million CHF	2000	1999
Sales	1 249	901
EBIT	111	49
Net operating assets (NOA)	618	539
Employees at year end	3 118	2 559
Sales per employee 1 000 CHF	440	360
Gross value added per employee 1 000 CHF	136	121
Gross value added in % personnel expenses	152	136
RONOA %	20	10
Return on sales (ROS) %	9	5

Gross sales 2000 by product segments



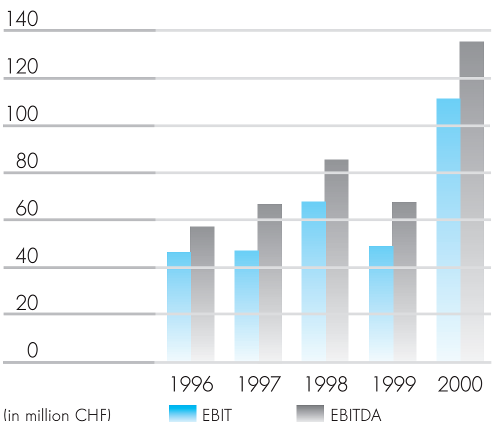
Strategy implementation
The most important event in strategic terms in the year under review was the August acquisition of Mikron Technology Group's "standard machines" (milling machines) product group. In the year under review, Mikron was consolidated for five months and generated CHF 101 million in sales. High-speed machining has in recent years developed into one of the key technologies for the tool- and mould-making industry. Thanks to the acquisition of Mikron, Agie Charmilles con-

tinued the HSM strategy it adopted in 1999 with Bostomatic and is becoming one of the world's most significant manufacturers in the rapidly growing HSM market. Thus Agie Charmilles achieved a critical breakthrough in becoming the world's leading systems supplier to the tool- and mould-making industry.

Innovation, research and development

All brands produced interesting new developments in the year under review. Agie succeeded in strengthening its position in relation to Japanese rivals with new products for the important volume market. Product launches included the Agiecut Classic 2S wiresinking machine and the Agietron Advance diesinking machine. Another new product for the market was AgieSoft Contact software. The newly developed programme enables our clients to monitor and control the ongoing discharge process from any location via computer. In addition, remote diagnosis is possible. The new Charmilles Roboform 35 QCRi experienced disproportionately strong demand. The diesinking machine allows the client to use it on an unsupervised, 24-hour basis. Another machine that Charmilles launched in the standard segment is the Robofil 230. Over and above this, all existing Charmilles diesinking systems achieved a 100% increase in performance. All in all, about 4,5% of sales have been invested in research and development in the year 2000.

EBIT, EBITDA 1996–2000



At the Agie Charmilles facility in Beijing, production capacity is being expanded owing to the warm reception enjoyed by the Actspark brand that was introduced in 1999.

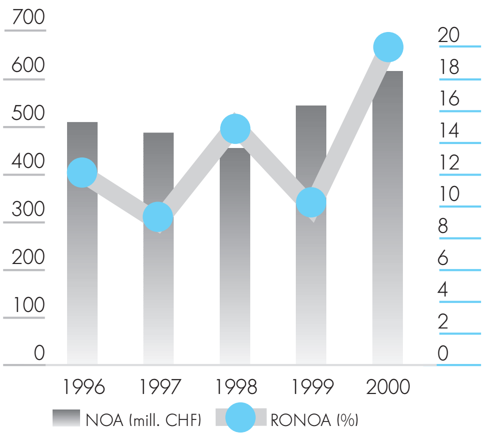
Personnel developments

The maxim of the numerous activities in development of human resources in the business year was "Passion for Excellence". The annual Global Management Workshop followed the same target.

Outlook

The positive trend of the year under review is likely to continue in the coming year as well, albeit at a slightly slower pace. For North and South Europe, the Agie Charmilles Group expects a good year despite a probable slowdown in growth. The outlook for the market region North America is modestly positive and depends very largely on developments in the US economy. Here the Agie Charmilles Group has in recent years created a solid basis for further growth with its innovative products. The economic situation in Asia is particularly promising, in particular given the benefits of rapid developments in the electronic industry. However, any optimism is tempered by certain risk factors such as the development of exchange rates – to which we are paying close attention.

NOA, RONOA 1996–2000



Georg Fischer Plant Engineering

Business year 2000
In the business year 2000, Georg Fischer Plant Engineering was consolidated in the Corporation's accounts in its previous structure, which comprises the three divisions Compounding Systems (Buss), Bulk Materials Handling (Waeschle) and Services (Logimatik, Forwarding Logistics, Immobilienservice and Treuhand based in Schaffhausen as well as Buss Immobilien and Service AG).

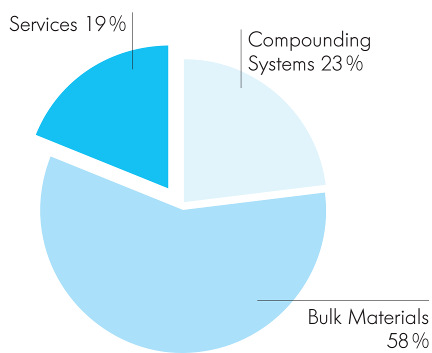
The order intake at Buss and Waeschle showed a gratifying trend, rising by 20 % and 18 % respectively over the previous year's level. Sales at Buss increased by 4 %, while Waeschle saw its sales fall slightly owing to the lower orders on hand from the previous year.

Strategy implementation
The consistent strategy that has been pursued over the past few years of focusing on core activities has reached a conclusion with the divestiture of the investment in the foundry systems business (Georg Fischer Disa). This move has allowed us to focus on plastics systems. The merger of Georg Fischer's Waeschle and Buss groups with Werner & Pfleiderer (previously part of Thyssen Krupp Industries, Germany), which is a leader in compounding technologies, resulted in the creation of a new market and technology leader in plastics-processing systems with a worldwide presence and with a comprehensive range of services in planning, engineering, components, integrated systems and full service.

Key figures

million CHF	2000	1999
Sales	354	512
EBIT	23	23
Net operating assets (NOA)	105	141
Employees at year end	1 212	1 980
Sales per employee 1 000 CHF	294	256
Gross value added per employee 1 000 CHF	122	102
Gross value added in % personnel expenses	129	122
RONOA %	20	18
Return on sales (ROS) %	6	4

Gross sales 2000 by business fields



The Group's EBIT reached a healthy figure of CHF 23 million, the 1999 result of Georg Fischer Disa meeting approximately the income from divestiture in 2000. The result for Buss is still unsatisfactory, while Waeschle achieved a better return on sales and Services once again ended the year on an upbeat note.

Net operating assets fell, primarily as a result of the divestiture of Georg Fischer Disa. Owing to the strong order intake of the Group's divisions, work in progress increased.

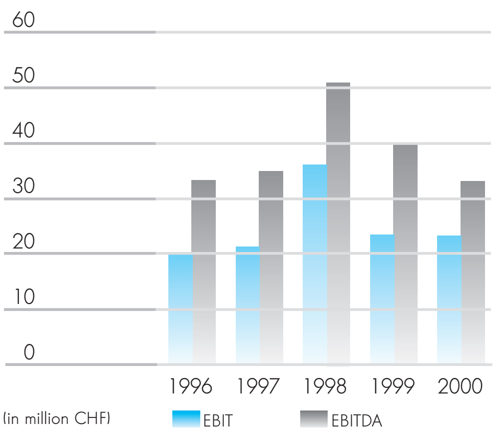
Innovation, research and development
The Group's investment in tangible fixed assets continued to fall short of the planned figures. In light of future optimisation at the Coperion Group, non-urgent plans were postponed. Forwarding Logistics, on the other hand, completed a new logistics centre in Schaffhausen at Herblingertal. At Pratteln, investment in the Buss Industrial Park was largely concluded.

In research and development, where we invested about 2 % of sales in research and development in the year 2000, we are focusing on those projects initiated in the past few years that are primarily concerned with improving the performance of individual components and systems, capturing new application areas and adjusting to new developments and new types of plastics. Another point of emphasis is the application and introduction of improved information technologies; a good example here being the needs of e-business. More than 10% of the Coperion Group's 2000 employees are either directly or indirectly involved in research and development functions. They are concerned with both process technology and the design of plant and machinery.

Personnel developments
Headcount remained more or less constant after adjustment for Georg Fischer Disa. We took account of the distinctive features of the ever-changing investment habits of our customers by switching staff between the individual companies within the different divisions.

The training initiative, started one year ago, has been consequently continued on all levels. All employees are individually recorded and trained according to their personal needs in a systematic process (at least three days a year).

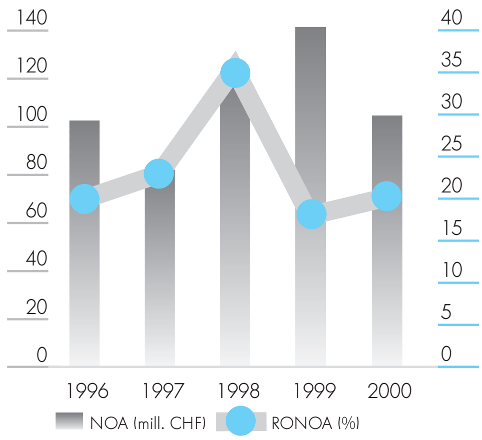
EBIT, EBITDA 1996–2000



Outlook
For the Services Division, we expect a continuation of growth in business activities both inside and outside the Georg Fischer Corporation. In particular, the new logistics centre at Schaffhausen is likely to provide a fillip to growth. As an independent unit, the Services Division now reports directly to the President and Chief Executive Officer as of 1.1.2001.

With regard to Plant Engineering, we expect the economy to remain healthy in Europe and Asia, although we believe the USA will continue to experience some degree of slowdown. Georg Fischer has a 50,1% stake (quota consolidated as of 1.1.2001) in the new Coperion Group that has sales of around CHF 625 million. With Georg Fischer providing the industrial leadership, the new Group constitutes the Plant Engineering Group of the Georg Fischer Corporation. It has strong growth potential, and there are plans to spin it off in the medium term. The new Coperion Group expects a rise in its order intake, sales and earnings. The planned investments will mainly be in the integration measures that are necessary for this Group.

NOA, RONOA 1996–2000



Consolidated financial statements

Balance sheet as per December 31, 2000

	Notes	2000 million CHF	%	1999 million CHF	%
Tangible fixed assets	(3)	1 240		1 231	
Intangible assets	(3) (4)	353		303	
Investments	(3)	147		46	
Other financial assets	(3) (5)	26		36	
Fixed assets	(3)	**1 766**	**49**	**1 616**	**49**
Inventories	(6)	601		537	
Trade accounts receivable	(7)	799		669	
Deferred tax assets	(23)	6			
Other accounts receivable	(8)	153		152	
Securities		78		77	
Cash and cash equivalents		213		217	
Current assets		**1 850**	**51**	**1 652**	**51**
Assets		**3 616**	**100**	**3 268**	**100**
Share capital		336		344	
Share premium		111		140	
Revaluation reserve		62		61	
Retained earnings		611		519	
Shareholders' equity		**1 120**	**31**	**1 064**	**32**
Minority interests		**145**	**4**	**122**	**4**
Banks		238		289	
Mortgages		15		19	
Loans	(9)	527		339	
Deferred tax liabilities	(10)	68		96	
Provisions	(11)	285		298	
Employee benefits	(12)	94		132	
Other accounts payable		40		11	
Long-term liabilities		1 267	35	1 184	36
Banks		474		319	
Mortgages		3		5	
Loans	(9)			100	
Employee benefits	(12)	32		5	
Trade accounts payable		295		229	
Current tax liabilities		106		71	
Other accounts payable	(13)	174		169	
Current liabilities		1 084	30	898	28
Liabilities	(14)	**2 351**	**65**	**2 082**	**64**
Liabilities and shareholders' equity		**3 616**	**100**	**3 268**	**100**

Income statement 2000

	Notes	2000 million CHF	%	1999 million CHF	%
Gross sales		**3 959**		**3 285**	
Sales deductions		–56		–46	
Sales		**3 903**	**100**	**3 239**	**100**
Changes in inventory		11		–14	
Other operating income	(19)	66		69	
Income		**3 980**	**102**	**3 294**	**102**
Costs for materials and products		–1 715		–1 353	
Operating expenses	(20)	–721		–581	
Gross value added		**1 544**	**40**	**1 360**	**42**
Personnel expenses	(21)	–1 084		–1 017	
Depreciation	(3)	–169		–153	
Amortisation	(4)	–24		–15	
Earnings before interest and taxes (EBIT)		**267**	**7**	**175**	**5**
Financial result	(22)	–36		–41	
Result from investment properties		5		22	
Result from investments				1	
Profit before taxes		**236**	**6**	**157**	**5**
Income taxes	(23)	–55		–10	
Profit (incl. minority interests)		**181**	**5**	**147**	**5**
Minority interests		–30		–16	
Net profit (excl. minority interests)		**151**	**4**	**131**	**4**
Earnings per share in CHF	(24)	44		38	
Diluted earnings per share in CHF	(24)	40		37	

Consolidated financial statements

Statement of changes in equity 2000

million CHF	Share capital	Share premium	Revaluation reserve	Retained earnings	Cumulative translation differences	Shareholders' equity	Minority interests
Balance at 31.12.1998	**330**	**104**	**77**	**423**	**–28**	**906**	**97**
Own shares, changes		–3				–3	
Net profit				131		131	16
Capital increase from conversion of loans	14	39				53	
Dividends				–46		–46	–9
Translation differences					23	23	4
Other changes			–16	16			14
Balance at 31.12.1999	**344**	**140**	**61**	**524**	**–5**	**1 064**	**122**
Own shares, changes	–8	–29				–37	
Net profit				151		151	30
Capital increase from conversion of loans							
Shareholders' equity from convertible loans				20		20	
Dividends				–48		–48	–10
Translation differences					–31	–31	1
Other changes			1			1	2
Balance at 31.12.2000	**336**	**111**	**62**	**647**	**–36**	**1 120**	**145**

Own shares of nominal value CHF 14 million (previous year CHF 6 million) are deducted from the share capital. The related surplus of CHF 34 million (previous year CHF 5 million) is deducted from the share premium.

Regarding share capital and own shares see Notes to the financial statements of Georg Fischer Ltd on pages 72 to 76.

Cash flow statement 2000

	Notes	2000 million CHF	1999 million CHF
Profit before taxes		236	157
Non-cash financial income		33	41
Depreciation	(3)	169	153
Amortisation	(4)	24	15
Other non-cash income		109	73
Changes			
• Inventories		–29	–45
• Trade accounts receivable		–105	50
• Other accounts receivable		1	–27
• Trade accounts payable		12	–22
• Provisions and other non-interest-bearing liabilities		–122	–127
Paid income taxes		–42	–19
Cash flow from operating activities		**286**	**249**
Additions			
• Tangible fixed assets	(3)	–220	–145
• Intangible assets	(4)	–44	–7
• Investments	(3)	–87	–3
• Other financial assets	(3)	–54	–14
Disposals			
• Tangible fixed assets	(3)	37	92
• Intangible assets	(4)		2
• Investments	(3)	26	
• Other financial assets	(3)	1	9
Changes in securities		–3	–20
Cash flow from acquisitions and divestitures	(2)	–45	–232
Interests received		9	9
Cash from asset management		–4	4
Cash flow from investing activities		**–384**	**–305**
Internal financing		**–98**	**–56**
Dividends paid		–58	–55
Interests paid		–38	–53
Issue / Repayment loans	(9)	105	
Capital increase / decrease			
Changes in other interest-bearing liabilities		90	77
Cash flow from financing activities		**99**	**–31**
Translation differences on cash and cash equivalents		–5	2
Net cash flow		**–4**	**–85**
Cash and cash equivalents at beginning of year		217	302
Cash and cash equivalents at year end		**213**	**217**

Notes to the consolidated financial statements

Corporate accounting principles

General
The consolidated financial statements of the Georg Fischer Corporation comply with the International Accounting Standards (IAS) of the International Accounting Standards Committee (IASC). They furthermore comply with the Listing Rules of the Swiss Exchange SWX.

The consolidated annual accounts are based on the audited financial statements of the Georg Fischer corporate subsidiaries for the year ended December 31, prepared in accordance with corporate accounting principles.

Scope and principles of consolidation
The consolidated financial statements include both those of Georg Fischer Ltd and those of all Swiss and foreign subsidiaries in which the holding company holds directly or indirectly a participation of 50 % or more, and which are subject to Georg Fischer corporate management responsibility.

Those companies in which Georg Fischer Ltd has a direct or indirect participation exceeding 50 % are fully consolidated. Assets, liabilities, income and expenses are taken over at 100 % according to the full consolidation method. All transactions between corporate subsidiaries (accounts receivable, accounts payable, income and expenses) are eliminated upon consolidation. Minority interests included in equity and results of consolidated companies are presented separately. Intermediate profit on transactions between corporate subsidiaries and inventory is credited or debited to the result. Capital consolidation is based on the purchase method, whereby the acquisition cost of a subsidiary is eliminated at the time of acquisition against net assets at fair value determined according to uniform corporate valuation principles.

Joint ventures in which Georg Fischer Ltd has a direct or indirect participation of 50 %, and whose management is not solely controlled by the Georg Fischer Corporation, are included in the consolidated financial statements using the quota consolidation method.

Companies in which the Georg Fischer Corporation has operative influence and a minority interest between 20 % and 50 % are included in the consolidated financial statements using the equity method of accounting and are recognised as non-consolidated investments.

Investments below 20 % are recognised as non-consolidated investments at the lower of acquisition cost or fair value.

Companies acquired or divested during the year are added to the scope of consolidation per date of purchase or removed therefrom per date of sale, affecting the result.

Gross sales and revenue recognition
Billings for goods and services are booked as gross sales per date of performance. Gross sales are stated before value added or sales tax and without deduction of discounts and credits. Long-term manufacturing contracts are recognised applying the percentage-of-completion method.

Foreign currencies
Assets and liabilities in the financial statements of corporate subsidiaries denominated in foreign currencies are translated into Swiss francs at the exchange rate applying per balance sheet date. Any such items covered by hedging instruments are

translated at the respective fixed exchange rate. Translation differences with regard to transactions and balance sheet amounts denominated in foreign currencies are credited or debited to the result of the respective subsidiary.

For consolidation purposes the financial statements of corporate subsidiaries denominated in foreign currencies are translated into Swiss francs as follows: balance sheets at year-end rates, income and cash flow statements at average rates for the year under review. Any resultant translation differences, as well as differences resulting from equity-like corporate loans denominated in foreign currencies, are credited or debited to retained earnings without impact on the result.

Financial instruments
Risks in connection with interest and currency exchange are covered by the Corporation using forward foreign currency rate transactions, currency options and swaps. Credit lapse risks are limited by closing agreements only with parties and institutions with adequate credit ratings.

Tangible fixed assets
Tangible fixed assets, except for investment properties, are stated at acquisition or manufacturing cost less appropriate depreciation. Assets acquired under long-term lease contracts are capitalised at the lower of minimum lease payments or fair value. The related outstanding lease instalments are presented under liabilities.

Assets are depreciated on a straight line basis over their useful lives or lease terms whatever the shorter: buildings 20 to 40 years, machinery 3 to 15 years, others (vehicles, EDP, etc.) 3 to 5 years.

All profit or loss from disposals of tangible fixed assets is booked to the result. Assets of relatively minor value are charged directly to the income statement.

Investment properties are stated at prudent market values, taking into account deferred taxes. Market values are reviewed periodically by corporate and external experts.

Intangible assets
Intangible assets with financial yield, such as acquired royalties, patents and similar rights, are amortised on a straight line basis over a maximum of 5 years.

Goodwill, the difference between the acquisition cost and the fair value of the acquired net assets, and acquired intangible values from asset deals are capitalised and amortised on a straight line basis over the estimated useful life, not exceeding 20 years.

Other financial assets
Other financial assets are recognised at the lower of acquisition cost or fair value.

Inventories
Trade goods are generally valued at mean purchase price, and manufactured products at manufacturing cost, including direct labour and materials used, as well as a commensurate share of related overhead costs. If the net realisable value is lower, valuation adjustments are made accordingly.

Long-term manufacturing contracts are valued at the pro rata net realisable value, applying the percentage-of-completion method.

Prepayments to suppliers are added to inventories, whilst prepayments received from customers on orders in progress are deducted.

Accounts receivable
Accounts receivable are stated at nominal values. Allowance for del credere depends on maturity structure and identifiable solvency risks. Apart from individual allowances with respect to specific identifiable risks, overall allowances are recognised based on statistically determined risk of non-payment.

Securities
Marketable securities are stated at market value as of balance sheet date, and are not intended for permanent retention.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, postal and bank accounts and fixed-term deposits up to 90 days, which are stated at nominal value.

Revaluation reserve
The effect of revaluation of investment properties is included in shareholders' equity as revaluation reserve, taking account of deferred taxes. In case of selling a property, the related revaluation amount is transferred to retained earnings without affecting the result.

Employee benefits
Corporate pension funds in favour of employees comply with the respective legislation in each country. They mainly comprise financially independent funds and foundations. Some of these funds are based on defined contribution plans, some on defined benefit plans. Pension funds are generally financed by employer and employee contributions.

In case of defined contribution plans, paid or owed employer contributions are booked to the income statement, as incurred.

In case of defined benefit plans, the projected benefit obligation is calculated applying the projected unit credit method. All significant pension fund obligations and the assets covering them are assessed annually. Independent actuarial calculations are carried out at least every third year. Current service costs are booked to the income statement, past service costs are booked to the income statement on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses calculated periodically are booked to the income statement on a straight line basis over the remaining service years if exceeding 10 % of the fair value of pension fund assets or the present value of the obligations, whichever the higher. Deficits, resulting from these calculations are booked as liabilities. Prepaid contributions (employer contributions) are capitalised under other financial assets. Other employee benefit surpluses are only capitalised if available to the Corporation as future contribution repayments or reductions.

Taxes
Adequate amounts are set aside for all tax obligations, irrespective of due date.

Current income taxes are calculated on the taxable profit. Deferred taxes are calculated by applying the balance sheet liability method on the temporary differences between the carrying values and tax values of assets and liabilities. Tax relief on corporate losses carried forward is not taken into account unless considered feasible. Calculation of deferred taxes is based on the expected local tax rate of the respective corporate subsidiary.

Provisions
Provisions are recognised if present obligations based on past events are known and probable, and a reliable estimate of the amount can be made.

Leases
Lease agreements are included in the balance sheet if contractual risks and benefits are largely carried by the subsidiary concerned. Lease instalments are divided into interest outlay and redemption payments according to the annuity method. Leased assets are written off over their useful life or lease term, whatever the shorter.

Operating lease instalments are charged to the income statement over the lease term on a straight line basis.

Liabilities
Interests are booked to the income statement.

Convertible loans are splitted and presented according to their liability and equity components.

Research and development
All research costs are recognised in the income statement when incurred. Development costs are only capitalised if defined criteria are met and to the extent that such outlay is likely to be covered by corresponding future income.

Impairment
If there is any indication that an assets value has declined significantly, a formal estimate of its recoverable amount (impairment test) is made at least once a year. If the carrying amount exceeds the recoverable amount, the valuation adjustment is booked to the income statement.

Earnings per share
Earnings per share are calculated from corporate net profit divided by the weighted average number of shares in circulation over the reporting period. Diluted earnings per share include in addition all potential shares that might have resulted for example from exercised option or conversion rights.

Supporting information

1

Changes in scope of consolidation

During the year under review the scope of consolidation changed as follows:

Additions (Sales prorata)	**Disposals**
per 1.1.2000	per 1.1.2000
Georg Fischer Anderson GmbH, Dortmund (Sales CHF 5 million)	Georg Fischer Disa (joint venture)
Georg Fischer Schwab GmbH, Pfullingen (Sales CHF 35 million)	
Beijing Agie Charmilles Ltd, Beijing (Sales CHF 14 million)	
per 1.4. 2000	
IPS Group, Australia/China (Sales CHF 45 million)	
per 1.8.2000	
Mikron Group, Switzerland (Sales CHF 101 million)	
per 1.9.2000	
Intech Enoma SA, Besançon (Sales CHF 5 million)	
per 1.10.2000	
Agie Charmilles (China), Shanghai (Sales CHF 49 million)	

2

Cash flow from acquisitions and divestitures

million CHF	2000		1999	
	Acquisitions	Divestitures	Acquisitions	Divestitures
Tangible fixed assets	–39	14	–163	
Intangible assets	–1	6	–3	
Investments				
Other financial assets		8	–2	
Inventories	–63	17	–49	
Trade accounts receivable	–103	42	–103	
Other accounts receivable	–15	7	–16	
Securities			–22	
Cash and cash equivalents	–20	15	–53	
Provisions	9	–20	61	
Employee benefits	3	–9	1	
Other accounts payable (long-term)	63	–1	170	
Trade accounts payable	73	–10	49	
Other accounts payable (short-term)	30	–30	35	
Net assets	**–63**	**39**	**–95**	
Acquired/divested cash and cash equivalents	20	–15	53	
	–43	24	–42	
Goodwill/intangible values	–36		–190	
Profit from divestitures		10		
Net cash flow	**–79**	**34**	**–232**	

Movements of fixed assets

million CHF	Tangible fixed assets								Financial assets		Fixed assets	
	Investment properties	Operating properties	Machinery and equipment	Other tangible fixed assets	Assets under construction	Leased assets	**Tangible fixed assets**	**Intangible assets**	Investments	Other financial assets	Total 2000	Total 1999
Purchase values												
As per January 1	142	878	1 296	374	56	7	2 753	330	49	36	3 168	2 648
Revaluation												
Additions		20	73	28	98	1	220	18	120	3	361	169
Disposals	–12	–7	–36	–20	–4		–79	–2	–19	–1	–101	–142
Changes in scope of consolidation		7	33	–6	4		38	66		–8	96	470
Other changes, reclassifications		16	25	16	–51		6	6		–4	8	–15
Translation differences	–1	–18	–57	–7	–3	–1	–87	–16	–1		–104	38
As per December 31	**129**	**296**	**1 334**	**385**	**100**	**7**	**2 851**	**402**	**149**	**26**	**3 428**	**3 168**
Accumulated depreciation												
As per January 1	–34	–417	–806	–264		–1	–1 522	–27	–3		–1 552	–1 354
Additions	–1	–29	–105	–34		–1	–170	–24			–194	–169
Disposals	2	3	28	19			52	2			54	66
Changes in scope of consolidation			–19	6			–13	1			–12	–98
Other changes, reclassifications		–1	2	–6			–5	–3			–8	15
Translation differences	1	7	35	4			47	2	1		50	–12
As per December 31	**–32**	**–437**	**–865**	**–275**		**–2**	**–1 611**	**–49**	**–2**		**–1 662**	**–1 552**
Carrying values												
As per January 1	108	461	490	110	56	6	1 231	303	46	36	1 616	1 294
As per December 31	**97**	**459**	**469**	**110**	**100**	**5**	**1 240**	**353**	**147**	**26**	**1 766**	**1616**

Insurance value of tangible fixed assets amounts to CHF 3 990 million (previous year CHF 4 039 million). Approved additions to tangible fixed assets amount to CHF 151 million (previous year CHF 55 million).

The disposals of investments are mainly due to the sale of the SIG Schweizerische Industrie-Gesellschaft Holding AG shares. Additions in investments are due to investments in the Coperion Group and to the building up of a strategic investment.

Changes in investment properties

million CHF	2000	1999
Book value before revaluation	35	47
Revaluation reserve	62	61
Carrying value	**97**	**108**

The revaluation reserve has changed by CHF 1 million due to property sales (previous year CHF –16 million).

4 Movements of intangible assets

million CHF	Goodwill, intangible values	Other	2000	1999
Purchase values				
As per January 1	275	55	330	110
Additions	16	2	18	7
Disposals		–2	–2	–2
Changes in scope of consolidation	65	1	66	209
Other changes*, reclassifications	14	–8	6	4
Translation differences	–14	–2	–16	2
As per December 31	**356**	**46**	**402**	**330**
Accumulated amortisation				
As per January 1	–15	–12	–27	–10
Additions	–18	–6	–24	–15
Disposals		2	2	1
Changes in scope of consolidation	1		1	–1
Other changes, reclassifications	1	–4	–3	–2
Translation differences	1	1	2	
As per December 31	**–30**	**–19**	**–49**	**–27**
Carrying values				
As per January 1	260	43	303	100
As per December 31	**326**	**27**	**353**	**303**

* subsequent goodwill adjustments due to purchase accounting (IAS 22)

5 Other financial assets

Other financial assets include prepaid employer contributions totalling CHF 13 million (previous year CHF 14 million).

6 Inventories

million CHF	2000	1999
Raw materials and components	191	174
Work in progress	144	131
Finished goods, goods for resale	266	284
Inventories on stock	601	589
Prepayments to suppliers		9
Prepayments received from customers		–61
Inventories	**601**	**537**

The revaluation allowance deducted from inventories on stock amounts to CHF 128 million (previous year CHF 99 million).

7 Trade accounts receivable

The valuation adjustments deducted from trade accounts receivable amount to CHF 32 million (previous year CHF 24 million).

Other accounts receivable 8

million CHF	2000	1999
Taxes recoverable	65	55
Other accounts receivable	64	81
Accruals	24	16
Total	**153**	**152**

Loans 9

million CHF	2000	1999
Georg Fischer Ltd, Schaffhausen		
Debenture loans		
$5\,^3/_4$ % 1995–2000 (10. 3.)		100
$4\,^5/_8$ % 1996–2002 (3. 7.)	100	100
$3\,^1/_2$ % 1999–2009 (5. 2.)	192	192
Convertible loans		
2 % 1997–2003 (25. 4.)	47	47
$1\,^1/_2$ % 2000–2005 (31.1.)	204	
Equity component convertible loans	–16	
Total	**527**	**439**

The $3^1/_2$ % debenture loan 1999–2009 can be augmented by Georg Fischer Ltd at any time. Of the 2 % convertible loan 1997–2003, each bond at par value CHF 5 700 can be converted at any time until April 18, 2003, into 15 Georg Fischer Ltd registered shares at par value CHF 100. Of the $1^1/_2$ % convertible loan 2000–2005, each bond at par value CHF 2 500 can be converted at any time until January 31, 2005, into 3,4965 registered shares at par value CHF 100 each. The equity component of the convertible loans amounts to CHF 16 million. The thereof arising additional interest expenses amount to CHF 3,4 million. The Annual General Meeting approved the respective conditional capital increase in order to secure the conversions.

Deferred tax liabilities 10

Deferred tax liabilities are assigned to the following balance sheet items:

million CHF	2000	1999
Tangible fixed assets	55	73
• thereof investment properties	20	23
Inventories	5	5
Other financial assets (incl. prepaid employer contributions)	6	9
Provisions	2	9
Deferred tax liabilities net	**68**	**96**

In compliance with the exception of IAS 12 revised, no deferred taxes are recognised on investments in subsidiaries.

11 Movements of provisions

million CHF	Warranties	Services yet to be rendered	Others	Total 2000	Total 1999
As per January 1	72	89	137	298	284
Creation	22	51	97	170	119
Consumption	–39	–56	–35	–130	–92
Liquidation	–8	–9	–17	–34	–53
Changes in scope of consolidation	–6	–7	2	–11	37
Translation differences	–2	–2	–4	–8	3
As per December 31	**39**	**66**	**180**	**285**	**298**

For greater clarity, provisions have been allocated to new categories (previous year adjusted accordingly).

12 Employee benefits

The situation with regard to defined benefit plans is as follows:

million CHF	2000[1]	2000	1999[2]
Projected benefit obligation	1 202	194	190
Assets at fair value	1 477	148	79
Unrecognised actuarial gains/losses			2
Deficit/Surplus	**275**	**–46**	**–109**
Liabilities for defined benefit plans		73	82
Loans payable		53	55
Unrecognised pension assets	**275**	**80**	**28**

1) Swiss plans
2) previous year without Swiss plans

The total increase in unrecognised pension assets is due to the first-time inclusion of Swiss plans, according to the law defined contribution plans, in the IAS 19 calculation. Deficits in German plans are covered by provisions, recognised in the balance sheet as liabilities for employee benefits.

Changes to the liabilities for defined benefit plans are as follows:

million CHF	2000	1999
Liabilities as per January 1	82	53
Conversion of plans		27
Cost of defined benefit plans	18	15
Paid-in contributions to defined benefit plans	–27	–26
Changes in scope of consolidation	–2	14
Translation differences	2	–1
Liabilities as per December 31	**73**	**82**

Analysis of employee benefit costs:

million CHF	2000[1]	2000	1999[2]
Current service costs	31	13	12
Past service costs			1
Interest costs	47	12	10
Expected return on plan assets	–74	–7	–8
Actuarial gains/losses			
Cost of defined benefit plans	4	18	15
Employee contributions	11		
Unrecognised income	7		
Employer contributions	14		
Cost of defined contribution plans		31	42
Employee benefit costs	**14**	**49**	**57**

1) Swiss plans
2) previous year without Swiss plans

Actuarial calculations are based on the following assumptions:

	2000	1999
Discount rate	4 %–7 %	4 %–7 %
Expected return on plan assets	2 %–7 %	2 %–6 %
Salary increase rates	2 %	2 %

13 Other accounts payable (short-term)

million CHF	2000	1999
Welfare contributions	26	24
Other liabilities	68	61
Other interest-bearing liabilities	2	15
Deferrals	78	69
Total	**174**	**169**

14 Interest-bearing liabilities

million CHF				2000	1999
Maturity	within 1 year	up to 5 years	over 5 years	Total	Total
Banks	474	169	69	712	608
Mortgages	3	5	10	18	24
Loans		130	397	527	439
Employee benefit plans	32	10	11	53	55
Other interest-bearing liabilities	1	9	7	17	26
Total	**510**	**323**	**494**	**1 327**	**1 152**

75 % of long-term liabilities are at fixed interest rates. They include interest rate swaps of CHF 30 million, for which Georg Fischer is the fixed rate payer.

Debt covenants were complied with.

15 Contingencies

Contingencies include ceded assets with right of regress totalling CHF 10 million (previous year CHF 12 million), as well as guarantees and sureties of CHF 11 million (previous year CHF 34 million) to third parties.

16 Financial instruments

Risk management instruments and off-balance-sheet risks
The Corporation uses derivative financial instruments mainly for hedging risks in connection with interest rate and foreign currency fluctuations. Only first-class financial institutes are employed. The various risk items in connection with existing assets and liabilities as well as future engagements are centrally managed at corporate level. Cash and cash equivalents are actively managed by means of securities transactions.

Foreign exchange risks
Foreign exchange risks on net cash inflows and on corporate loans are partially covered by forward foreign currency rate contracts according to risk assessment. The

maturities of these contracts are spread over the next 12 months. In accordance with the hedging policy, only few foreign currency items are hedged.

Forward foreign currency rate contracts (purchases):

million CHF	Contract value	Fair value [1]	Market value
1999	137	8	145
2000	**37**	**–1**	**36**

1) unrealised loss/gain

Forward foreign currency rate contracts by currencies:

million CHF	2000	1999
USD	26	72
GBP		5
Euro	1	1
Others	10	59
Total	**37**	**137**

Interest risks
Cash and cash equivalents are invested on a short-term basis. Securities primarily include fixed interest-bearing values with mid-term maturity. Interest risks are not covered.

Credit risks
Current bank deposits are placed with institutes with a high credit rating. Credit risk on trade accounts receivable is limited due to the wide distribution of Georg Fischer customers among different business sectors and geographical regions. There are no significant concentrations of credit risks.

Fair values
The carrying values of cash and cash equivalents, securities, trade accounts receivable and current liabilities approximate their fair values according to IAS.

Leases 17

million CHF	2000	1999
Liabilities under leases up to 1 year	1	1
Liabilities under leases 2 to 5 years	2	2
Liabilities under leases over 5 years	2	2
Finance leases (nominal values)	**5**	**5**
Liabilities under leases up to 1 year	8	5
Liabilities under leases 2 to 5 years	15	8
Liabilities under leases over 5 years	1	1
Operating leases (nominal values)	**24**	**14**

18 **Pledged assets**

Assets pledged or restricted on title in part or whole amount to CHF 116 million (previous year CHF 73 million).

19 **Other operating income**

Other operating income mainly includes commission income, capitalised own production, patent and licence fees.

20 **Operating expenses**

million CHF	2000	1999
Rent, leasing, services from third parties	202	166
Public relations, communication, travel and entertainment, sales-related costs	239	198
Repair and maintenance, insurance costs	123	100
Other expenses	157	117
Total	**721**	**581**

21 **Personnel expenses**

million CHF	2000	1999
Salaries and wages	890	836
Employee benefits	63	57
Welfare contributions	131	124
Total	**1 084**	**1 017**

According to a plan established by the Board of Directors for a period of 4 years, shares of Georg Fischer Ltd are distributed as part of the incentive. In the year under review 2 696 shares were used. The transaction is booked to personnel expenses in the income statement. The shares are purchased on the market.

22 **Financial result**

million CHF	2000	1999
Interest income	9	9
Interest expenses	–62	–53
Other financial result	17	3
Total	**–36**	**–41**

Interest expenses include additional expenses of CHF 3,4 million from convertible loans. Other financial result includes income from sale of SIG shares, foreign exchange differences on currency transactions not related to sales of goods or services, income from securities and issuing fees.

Income taxes 23

Income tax expenses are calculated as follows:

million CHF	2000	1999
Profit before taxes	236	157
Tax expenses at expected tax rate	71	57
Tax relief on losses carried forward	–14	–31
Reversal of other deferred tax assets	–2	–16
Income tax expenses	**55**	**10**
Current taxes	79	17
Reimbursement rights	–6	
Deferred taxes	–18	–7

The following tax losses carried forward are at the disposal of the Corporation and have been completely allowed for:

million CHF	Due	2000	1999
	unlimited	102	74
	after 2003	33	
	2003	11	48
	2002	44	1
	2001	9	19
	2000		16
Total tax losses carried forward		**199**	**158**
Tax relief effect		63	56
Valuation adjustment		–63	–56

Earnings per share 24

Earnings per share are calculated from corporate net profit divided by the weighted average number of shares in circulation over the reporting period (shares issued minus own shares), totalling 3 396 332 shares in 2000 (previous year 3 440 477). Diluted earnings per share in addition take account of effects resulting from potential conversion of all convertible bonds issued. The average number of shares taken as a basis in 2000 for calculating diluted earnings per share is 3 810 560 (previous year 3 563 597). The basis for the calculation of diluted earnings per share is the adjusted corporate net profit amounting to CHF 154 million (previous year CHF 132 million) including interest cost savings after taxes of about CHF 3,4 million (previous year CHF 1 million) from possible conversion.

25 Related parties

Total fees for the members of the Board of Directors for 2000 amounted to 2 103 registered shares of Georg Fischer Ltd (previous year 1 906 registered shares).

As in the previous year, there are no accounts receivable from or payable to members of the Board of Directors or important shareholders.

Transactions with related parties are conducted exclusively at arm's length.

26 Foreign exchange rates

		2000	1999	2000	1999
		Average rates		Year-end rates	
1	EURO	1,55760	1,60100	1,52300	1,60530
1	GBP	2,556	2,430	2,445	2,580
1	USD	1,687	1,501	1,637	1,594
100	ATS	11,3194	11,6327	11,0681	11,6662
100	DEM	79,6379	81,8420	77,8698	82,0777
100	FRF	23,7452	24,4024	23,2180	24,4726
100	ITL	0,0804424	0,0826688	0,0786564	0,0829068
100	JPY	1,567	1,325	1,424	1,560
100	NLG	70,6800	72,6362	69,1107	72,8453

27 Events occurring after the balance sheet date

Per February 13, 2001, the consolidated financial statements have been approved by the Board of Directors. There have been no events between December 31, 2000, and the date of approval of the said consolidated financial statements, that would lead to an adjustment of the values of assets and liabilities.

Per January 1, 2001, Georg Fischer Ltd indirectly acquired 50,1% (quota consolidation) of the newly founded Coperion Group. The remaining 49,9 % of the shares are held by West Private Equity Ltd. For the constitution of the Coperion Holding, Georg Fischer contributed its investments in Buss and Waeschle. West Private Equity, on the other side, paid in cash which served to purchase the Werner & Pfleiderer Group from Thyssen Krupp.

With effect from January 1, 2001, Georg Fischer Ltd has acquired the Pipe Fittings Company Italia (Pfci) Srl. The company manufactures and markets multilayer piping systems for sanitary and heating applications (sales per year CHF 24 million).

Report of the Group Auditors to the General Meeting of Georg Fischer Ltd, Schaffhausen

As Group auditors, we have audited the consolidated financial statements of Georg Fischer Ltd, Schaffhausen, and subsidiaries, presented on pages 32 to 33 and 48 to 66 and consisting of the consolidated balance sheet, the consolidated income statement, the statement of changes in equity, the cash flow statement, and notes to the consolidated financial statements for the year ended on December 31, 2000. Certain financial statements of subsidiaries which form a material part of the consolidated financial statements have been audited by other auditors.

The 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 auditing standards promulgated by the Swiss profession and with the International Standards on Auditing issued by the International Federation of Accountants (IFAC). Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. We have examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. We have furthermore assessed and evaluated the accounting principles used and significant estimates made by the management, as well as the overall presentation of the consolidated financial statements. 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 consolidated financial position, results of operations and cash flows in accordance with the International Accounting Standards of the IASC and are in accordance with the Swiss law.

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

KPMG

KPMG Fides Peat

Peter Hess
Swiss Certified Accountant
Auditors in charge

Philipp Hallauer
Swiss Certified Accountant

Zurich, February 13, 2001

Five-year overviews

Corporation

million CHF	1996	1997	1998	1999	2000
Order intake	2 568	3 253	3 020	3 247	4 095
Orders on hand at year end	891	1 013	862	843	942
Sales	2 568	3 076	3 038	3 239	3 903
EBITDA	239	321	347	343	460
EBITA	132	193	221	190	291
EBIT	130	190	216	175	267
Profit before taxes and amortisation	109	149	205	172	260
Profit (incl. minority interests)	85	127	162	147	181
Net profit (excl. minority interests)	78	114	144	131	151
Cash flow from operating activities	151	336	305	249	286
Depreciation	107	128	126	153	169
Amortisation	2	3	5	15	24
Additions to fixed assets	157	116	124	145	220
Cash flow from acquisitions and divestitures	N/A	N/A	67	232	45
Fixed assets	1 356	1 282	1 294	1 616	1 766
Current assets	1 302	1 417	1 473	1 652	1 850
Assets	2 658	2 699	2 767	3 268	3 616
Shareholders' equity (incl. minority interests)	837	951	1 003	1 186	1 265
Long-term liabilities	1 211	1 226	1 275	1 184	1 267
Current liabilities	610	522	489	898	1 084
Net debt	848	615	580	856	1 036
Asset structure					
• Fixed assets %	51	47	47	49	49
• Current assets %	49	53	53	51	51
Capital structure					
• Shareholders' equity (incl. minority interests) %	32	35	36	36	35
• Long-term liabilities %	45	46	46	36	35
• Current liabilities %	23	19	18	28	30
Return on equity (ROE) %	11	14	17	13	15
Return on net operating assets (RONOA) %	11	14	16	11	14
Return on sales (ROS) %	5	6	7	5	7
Assets turnover	2,2	2,2	2,2	2,0	2,0
Cash flow from operating activities in % sales	6	11	10	8	7
Employees at year end	11 728	11 910	12 173	14 285	14 656
European Union	6 870	6 874	7 576	8 976	9 045
• thereof Germany	3 792	3 764	4 468	5 018	5 223
• thereof Austria	1 669	1 632	1 530	2 267	2 276
• thereof Great Britain	760	828	846	843	852
Other European countries	3 609	3 492	3 029	3 539	3 543
• thereof Switzerland	3 554	3 444	2 957	3 094	3 202
America	985	1 033	1 000	1 090	999
Asia, Australia	264	511	568	680	1 069

Share information

	1996	1997	1998[1]	1999	2000
Share capital					
Number of shares as per December 31					
• Bearer shares	549 600	549 600			
• Registered shares	524 400	524 400	3 361 590	3 499 275	3 499 485
Dividend-entitled thereof					
• Bearer shares	539 600	539 693			
• Registered shares	524 400	524 400	3 311 590	3 449 275	3 449 485
Conditional capital					
• Bearer shares	70 000	69 907			
• Registered shares			260 810	485 365	485 155
Number of registered shareholders	**3 405**	**3 177**	**8 745**	**10 185**	**11 775**
Share prices adjusted in CHF					
Bearer share					
• highest	1 625	2 400			
• lowest	1 150	1 395			
• closing	1 390	2 000			
Registered share					
• highest	306	440	664	571	603
• lowest	212	266	332	439	422
• closing	275	388	465	550	460
Price-earnings ratio	**11**	**11**	**11**	**14**	**10**
Market capitalisation as per December 31					
• million CHF	894	1 283	1 538	1 897	1 587
• in % of sales	35	42	51	59	41
• in % of shareholders' equity	116	151	168	178	142
Cash flow from operating activities in CHF per					
• Bearer share	317	438			
• Registered share	63	88	92	72	84
Earnings in CHF per					
• Bearer share	121	177			
• Registered share	24	35	43	38	44
Shareholders' equity in CHF per					
• Bearer share	1 196	1 314			
• Registered share	239	263	276	308	330
Dividend paid million CHF	**29**	**39**	**46**	**48**	**52**
Dividend (proposed) in CHF per					
• Bearer share	45	60			
• Registered share	9	12	14	14	15
Pay-out ratio in %	**37**	**34**	**32**	**37**	**34**

1) Standard registered share according to approval by the Annual General Meeting of March 25, 1998

Shareholding restrictions: Up to 174 974 registered shares (5 % of registered share capital) with voting rights may be held per shareholder.

Ticker symbols
Telekurs, Dow Jones (DJT): FI-N
Reuters: FGEZn

Security number: 175.230
ISIN: CH000175 230 9
Cedel / Euroclear Common Code: XS008592691

Georg Fischer Ltd

Balance sheet as per December 31, 2000

1 000 CHF	Notes	2000	1999
Loans to third parties		24 940	310
Loans to consolidated companies		475 758	324 092
Investments		582 923	527 276
Fixed assets	(I)	**1 083 621**	**851 678**
Accounts receivable from consolidated companies		380 304	392 114
Other accounts receivable		9 139	10 764
Accruals		3 493	2 346
Securities		87 034	32 448
Cash and cash equivalents		36 882	113 477
Current assets	(II)	**516 852**	**551 149**
Assets		**1 600 473**	**1 402 827**
Share capital		349 948	349 927
Legal reserves		252 930	215 763
Special reserves		125 163	92 270
Retained earnings		176 323	179 657
Shareholders' equity	(III)	**904 364**	**837 617**
Long-term liabilities			
• Banks			
• Loans		554 998	446 786
• Loans from third parties		2 987	3 737
• Provisions		63 011	60 714
Current liabilities			
• Banks		2 412	2 096
• Accounts payable to third parties		613	2 297
• Accounts payable to consolidated companies		58 509	34 978
• Other accounts payable		769	734
• Deferrals		12 810	13 868
Liabilities	(IV)	**696 109**	**565 210**
Liabilities and shareholders' equity		**1 600 473**	**1 402 827**

Income statement 2000

1 000 CHF	Notes	2000	1999
Income from investments		109 228	129 045
Financial income		64 761	34 175
Income from Corporation		11 937	14 111
Other income		5 860	6 364
Income	(VII)	**191 786**	**183 695**
Expenses for investments		899	4 951
Financial expenses		52 551	29 918
Charges to Corporation		3 003	3 986
External expenses		7 921	9 511
Personnel expenses		10 977	10 811
Income taxes		1 479	408
Expenses	(VIII)	**76 830**	**59 585**
Profit		**114 956**	**124 110**

Statement of changes in equity 2000

1 000 CHF	Share capital	General reserves	Reserve for own shares	Special reserves	Retained earnings	Shareholders' equity
Balance at 31.12.1998	**336 159**	**165 046**	**8 000**	**55 600**	**141 910**	**706 715**
Capital increase from conversion of loans	13 768	39 387				53 155
Profit					124 110	124 110
Dividend					–46 363	–46 363
Allocation to special reserves				40 000	–40 000	
Reclassifications			3 330	–3 330		
Balance at 31.12.1999	**349 927**	**204 433**	**11 330**	**92 270**	**179 657**	**837 617**
Capital increase from conversion of loans	21	60				81
Profit					114 956	114 956
Dividend					–48 290	–48 290
Allocation to special reserves				70 000	–70 000	
Reclassifications			37 107	–37 107		
Balance at 31.12.2000	**349 948**	**204 493**	**48 437**	**125 163**	**176 323**	**904 364**

Notes to the financial statements

Financial review

Cash and cash equivalents were above all utilised for financing acquisitions and building up the securities position during the year under review.

The corporate subsidiaries are provided with appropriate equity, as well as with refinancing loans from the Corporation. As a result of the financing of acquisitions, loans to corporate subsidiaries have increased.

Due to the new financing guidelines in Germany – which are linked to the tax reform that comes into effect in 2001 – a fundamental change had to be made to the shareholder financing arrangements that have been used in the past.

To take advantage of this tax reform, profit and loss transfer agreements with companies were terminated in order to minimise the tax charge in Germany. This reduced the income from investments at Georg Fischer Ltd, as no dividend payments were made by these companies in the year 2000, although it does mean a tax advantage for the Corporation.

The increase in loans is due to the issue of the new $1\frac{1}{2}$% convertible loan of CHF 208 million (incl. CHF 5 million issuing costs, which are to be amortised over its lifetime at the expense of the financial result). This increase serves for financing acquisitions, and for redeeming the debenture loan of CHF 100 million which matured on 10.3.2000.

In the year 2000, the cross-shareholding in SIG was reduced. The financial result was higher than in the previous year owing to this sale and to an improved interest spread in lendings.

In the year under review, our financial expenses suffered from currency exchange losses on loans in Euro to corporate subsidiaries. Excluding this negative influence, the financial result would have risen even more significantly.

Supporting information

Fixed assets I

Loans to third parties increased due to the granting of loans to the Werner & Pfleiderer acquisition, which is not yet consolidated.

Loans to corporate subsidiaries rose due to the granting of additional loans to subholding companies for financing acquisitions as well as to refinancing.

The direct and indirect investments in subsidiaries of Georg Fischer Ltd include the companies listed on pages 78 to 81.

Significant additions to investments were the acquisitions of Mössner Altenmarkt and the IPS Group in Australia/China, as well as the building up of a strategic investment. Portfolio disposals included the divestiture of the Disa Group and the contribution of Waeschle Asia Pacific Pte Ltd, Singapore, within the newly formed Coperion Group.

The carrying value of investments is conservatively assessed and solidly based on the company values.

Current assets II

The increase in securities is mainly a result of the rise in the own shares item. The remaining increase is due to a build-up in the securities portfolio.

The decrease in cash and cash equivalents is a result of the financing of acquisitions and the building up of the securities portfolio.

Shareholders' equity III

Share capital
Share capital of CHF 349,9 million comprises 3 499 485 registered shares at par value CHF 100 each. After deduction of non-issued registered shares with a nominal value of CHF 5 million, which remain at the disposal of the Board of Directors, total dividend-bearing nominal capital amounts to CHF 344,9 million.

Conditional capital
CHF 34 999 500 of the conditional capital increase of up to CHF 35 million approved by the Annual General Meeting of April 19, 1995, is reserved as security for the conversion rights of the 2 % convertible loan 1997–2003. Conversions still outstanding at 31.12.2000 totalled CHF 12 291 000.

Further conditional capital of up to CHF 36 224 000 was approved by the Annual General Meeting of March 17, 1999. Of this, CHF 29 131 800 has been reserved as security for the conversion rights of the 1 1/2% convertible loan 2000–2005. As at 31.12.2000, none of these conversions had yet been exercised.

The issue of new registered shares was examined by the auditors and complies with Swiss law and the company's articles of association as well as the relevant issue prospectus.

IV Liabilities

A breakdown of the loans can be found in note 9 on page 59 in the Notes to the consolidated financial statements. At 31.12.2000, conversion rights amounting to 227 085 registered shares had been exercised from the 2% convertible loan issued in 1997.

Pension fund obligations per December 31, 2000, totalled CHF 1 051 600 (previous year CHF 1 875 622).

The increase in liabilities to consolidated companies is above all attributable to refinancing.

V Own shares held by Georg Fischer Ltd and by subsidiaries

	Number of registered shares	Total value 1 000 CHF
Balance as per 1.1.2000	11 872	6 330
• Purchase	121 690	56 911
• Sales at prevailing stock exchange rates	–39 127	–19 602
• Gain on sales/valuation adjustments		–202
Balance as per 31.12.2000	**94 435**	**43 437**

Besides normal trading activities, own shares are reserved for Board members' fees and annual bonus payments to senior management.

Likewise at the disposal of the Board of Directors are registered shares totalling CHF 5 million par value.

VI Contingent liabilities

1 000 CHF	2000	1999
Guarantees and pledges in favour of third parties		
Guaranteed maximum amount	489 518	456 406
• draw-down thereof	225 663	201 864

Georg Fischer Ltd carries joint liability to the federal tax authorities for value added tax debts of all Swiss subsidiaries.

Income VII

The income from investments includes the profit distribution from directly affiliated corporate subsidiaries.

Although 2000 was a good year for the Georg Fischer Corporation, there was a decline in revenues. However, this is merely the result of a switching of periods, as the German tax reform – which takes effect from 1.1.2001 – meant it was favourable for tax reasons to postpone dividend distributions to the year 2001 through the cancellation of profit and loss transfer agreements.

The substantially higher financial income is due to the sale of SIG shares and the improved interest spread for loans to consolidated companies.

Expenses VIII

The rise in financial expenses results from the markedly higher currency exchange losses that were incurred in particular due to the weak Euro.

There are no further facts present that would require disclosure according to Art. 63b of the Swiss Code of Obligations.

Proposal by the Board of Directors of Georg Fischer Ltd, for the distribution of retained earnings

1 000 CHF	2000	1999
Profit	114 956	124 110
Carried forward from previous years	61 367	55 547
Retained earnings	**176 323**	**179 657**
Proposal by the Board of Directors:		
• Dividend payment		
of CHF 15.– per registered share (previous year CHF 14.–)	51 742	48 290
• Allocation to special reserves	60 000	70 000
To be carried forward	**64 581**	**61 367**

Schaffhausen, February 13, 2001

For the Board of Directors
The Chairman

Robert A. Jeker

Report of the Statutory Auditors to the General Meeting of Georg Fischer Ltd, Schaffhausen

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement, statement of changes in equity and notes on pages 70 to 76) of Georg Fischer Ltd, Schaffhausen, for the year ended December 31, 2000.

The 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 auditing standards promulgated by the Swiss profession, 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, financial statements and the proposed appropriation of retained earnings comply with Swiss law and the company's articles of association.

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

KPMG

KPMG Fides Peat

Peter Hess Swiss Certified Accountant Auditors in charge	Arthur Buck Swiss Certified Accountant

Zurich, February 13, 2001

Companies

Company	Country	Share capital		Participation	Consoli-
			million	%	dation
Corporation					
Georg Fischer International Corporation, Barbados	BB	BRL	0,1	100	C
Munot Reinsurance Ltd, Hamilton	BM	CHF	0,2	100	C
Georg Fischer Ltd, Schaffhausen	CH	CHF	349,9		C
Rhenum Metall AG, Schaffhausen	CH	CHF	1,0	100	C
Georg Fischer Risk Management Ltd, Schaffhausen	CH	CHF	0,5	100	C
Georg Fischer Liegenschaften AG, Schaffhausen	CH	CHF	12,0	100	C
Georg Fischer Immobilien AG, Schaffhausen	CH	CHF	3,0	100	C
Eisenbergwerk Gonzen AG, Sargans	CH	CHF	0,5	49	B
Berufsbildungszentrum SIG Georg Fischer AG, Neuhausen	CH	CHF	1,0	50	B
Georg Fischer Geschäftsführungs-GmbH, Singen	DE	EUR	0,1	100	C
Georg Fischer AG & Co, Singen	DE	EUR	25,6	100	C
Georg Fischer Beteiligungs-GmbH, Singen	DE	EUR	15,3	100	C
Georg Fischer Verwaltungs GmbH, Singen	DE	EUR	0,1	100	C
Georg Fischer Holding NV, Epe	NL	NLG	2,0	100	C
George Fischer Holding Ltd, Coventry	GB	GBP	11,9	100	C
George Fischer Corporation, Bloomingdale, IL	US	USD	0,1	100	C
Georg Fischer Automotive Products					
Georg Fischer Automobilguss AG, Herzogenburg	AT	EUR	4,6	100	C
Georg Fischer Mössner GmbH, Altenmarkt	AT	EUR	2,2	100	C
Georg Fischer Mössner GmbH, Gleisdorf	AT	EUR	1,8	100	C
Georg Fischer Fahrzeugtechnik AG, Schaffhausen	CH	CHF	1,0	100	C
Zhangjiagang Mössner Non Ferrous Die Casting Co Ltd,					
Zhangjiagang	CN	CNY	45,4	88	C
Georg Fischer GmbH & Co KG, Mettmann	DE	EUR	17,9	100	C
Georg Fischer Automobilguss GmbH, Singen	DE	EUR	12,8	100	C
Georg Fischer GmbH, Leipzig	DE	EUR	0,8	100	C
Georg Fischer GmbH, Friedrichshafen	DE	EUR	0,4	100	C
Georg Fischer GmbH, Garching/München	DE	EUR	1,0	100	C
Georg Fischer GmbH, Bitterfeld	DE	EUR	0,2	100	C
AGVS Aluminium Werke Villingen GmbH, Villingen	DE	DEM	0,8	26	B
Georg Fischer Verkehrstechnik GmbH, Singen	DE	EUR	6,1	100	C
Georg Fischer Mössner GmbH, Werdohl	DE	EUR	0,3	100	C
Georg Fischer Mössner GmbH, München	DE	EUR	2,5	100	C
George Fischer (Lincoln) Ltd, Lincoln	GB	GBP	4,6	100	C
Georg Fischer Mössner GmbH, Apc	HU	HUF	359,1	100	C
George Fischer Automotive Products Inc, Bloomfield Hills, MI	US	USD	0,1	100	B

Company	Country	Share capital		Participation	Consoli-
			million	%	dation
Georg Fischer Piping Systems					
Georg Fischer Fittings GmbH, Traisen	AT	EUR	3,6	51	C
Georg Fischer Rohrleitungssysteme GmbH, Herzogenburg	AT	ATS	2,5	100	C
George Fischer Pty Ltd, Oakleigh	AU	AUD	3,0	100	C
George Fischer IPS Pty Ltd, Kingsgrove	AU	AUD	0,4	100	C
Georg Fischer NV-SA, Bruxelles	BE	BEF	20,0	100	C
George Fischer Ltda, São Paulo	BR	BRL	0,5	100	B
Georg Fischer Piping Systems Ltd, Schaffhausen	CH	CHF	20,0	100	C
Georg Fischer Kunststoffarmaturen AG, Seewis	CH	CHF	2,5	100	C
Georg Fischer Wavin Ltd, Subingen	CH	CHF	17,8	60	C
Georg Fischer Building Technology Ltd, Schaffhausen	CH	CHF	2,0	100	C
Georg Fischer Rohrleitungssysteme (Schweiz) AG, Schaffhausen	CH	CHF	0,5	100	C
Georg Fischer Piping Systems Ltd, Shanghai	CN	CNY	41,4	95	C
Chinaust Plastics Corp Ltd, Zhuozhou	CN	CNY	8,8	50	Q
Shanghai Chinaust Plastics Corp Ltd, Shanghai	CN	CNY	7,2	50	Q
Changchun Chinaust Automobile Parts Corp Ltd, Changchun	CN	CNY	2,6	43	Q
Georg Fischer Anderson GmbH, Dortmund	DE	DEM	0,3	100	C
Georg Fischer DEKA GmbH, Dautphetal-Mornshausen	DE	DEM	5,0	100	C
Georg Fischer Rohrverbindungstechnik GmbH, Singen	DE	DEM	4,0	100	C
Georg Fischer GmbH, Albershausen	DE	DEM	5,0	100	C
Georg Fischer Schwab GmbH & Co KG, Pfullingen	DE	DEM	2,0	100	C
Georg Fischer A/S, Birkerød	DK	DKK	0,5	100	C
Georg Fischer SA, Madrid	ES	EUR	1,5	100	C
George Fischer SA, Saint-Denis	FR	EUR	1,1	100	C
George Fischer Plastics Ltd, Huntingdon	GB	GBP	0,3	100	C
George Fischer Castings Ltd, Bedford	GB	GBP	0,3	100	C
George Fischer Sales Ltd, Coventry	GB	GBP	1,9	100	C
George Fischer Trenton Ltd, Mumbai	IN	INR	30,0	51	C
Plasson Ltd, Maagan Michael	IL	ILS	0,1	20	E
Georg Fischer TIL SpA, Genova-Quarto	IT	ITL	500,0	100	C
Georg Fischer SpA, Cernusco sul Naviglio	IT	ITL	2500,0	100	C
Omicron Srl, Caselle di Selvazzano	IT	ITL	99,0	90	C
Alprene Srl, Castel Maggiore	IT	ITL	180,0	100	C
Tecno Plastic SpA, Busalla	IT	ITL	1200,0	80	C
Kubota George Fischer Ltd, Osaka	JP	JPY	480,0	50	Q
Georg Fischer WAGA NV, Epe	NL	NLG	0,8	100	C
Georg Fischer NV, Epe	NL	NLG	2,0	100	C
Georg Fischer AS, Rud	NO	NOK	0,4	100	C
Georg Fischer Sp.z.o.o., Warszawa	PL	PLN	0,3	100	C
Arabian Plastic Manufacturing Company, Riyadh	SA	SAR	27,0	26	E
Georg Fischer AB, Aelvsjö-Stockholm	SE	SEK	1,6	100	C
George Fischer Pte Ltd, Singapore	SG	SGD	1,0	100	C
Signet Scientific Company, El Monte, CA	US	USD	0,5	100	C
George Fischer Sloane Inc, Little Rock, AR	US	USD	10,7	100	C
George Fischer Inc, Tustin, CA	US	USD	4,3	100	C
Xsilogy Inc, San Diego, CA	US	USD	8,0	13	B
Alprene Plastic Products (Pty) Ltd, Brackenfell, Cape Town	ZA	ZAR	0,0	49	B

Company	Country		Share capital million	Participation %	Consoli-dation
Georg Fischer Manufacturing Technology					
Agie Charmilles Export Corporation, Barbados	BB	USD	0,1	100	C
Charmilles Technologies Ltda, São Paulo	BR	BRL	0,9	100	C
Agie Charmilles Holding Ltd, Zug	CH	CHF	97,7	70	C
AGIE Ltd, Losone	CH	CHF	35,0	100	C
AGIE Sales Ltd, Losone	CH	CHF	0,1	100	C
Agie Charmilles Management Ltd, Meyrin	CH	CHF	0,5	100	C
Agie Charmilles International SA, Meyrin	CH	CHF	4,0	100	C
Fluri Liegenschaften AG, Dietlikon	CH	CHF	4,7	100	C
Charmilles Technologies SA, Meyrin	CH	CHF	34,0	100	C
Charmilles Technologies Maschinenbau AG, Schaffhausen	CH	CHF	5,0	100	C
Charmilles Technologies Sales Ltd, Meyrin	CH	CHF	1,5	100	C
Intech EDM AG, Dietlikon	CH	CHF	0,2	100	C
Mecatool AG, Flawil	CH	CHF	1,0	100	C
Mikron AG, Nidau	CH	CHF	3,5	100	C
Mikron Sales AG, Nidau	CH	CHF	1,0	100	C
Mikron Comp-Tec AG, Nidau	CH	CHF	3,5	100	C
Step-tec AG, Luterbach	CH	CHF	1,3	20	B
Agie Charmilles China Ltd, Hongkong	CN	HKD	0,5	100	C
Mikron China Ltd, Hongkong	CN	HKD	0,1	100	C
Mikron Hongkong Ltd, Hongkong	CN	HKD	0,1	55	C
Beijing Agie Charmilles Ltd, Beijing	CN	CNY	76,8	53	C
Mikron Machine Technology (Shanghai), Shanghai	CN	CNY	1,7	100	C
Agie Charmilles (China) Shanghai Ltd, Shanghai	CN	CNY	2,5	100	C
Agie Charmilles Holding GmbH, Fellbach	DE	DEM	10,0	100	C
AGIE GmbH, Schorndorf	DE	DEM	4,0	100	C
Charmilles Technologies GmbH, Fellbach	DE	DEM	5,0	100	C
Bostomatic GmbH, Fellbach	DE	DEM	2,0	100	C
Intech EDM GmbH, Mönchengladbach	DE	DEM	0,1	100	C
Mikron GmbH Hannover, Langenhagen	DE	DEM	0,5	100	C
Charmilles Technologies SA, Sant Boi de Llobregat-Barcelona	ES	ESP	200,0	100	C
Mikron Barcelona S.A., Gavà	ES	ESP	25,0	100	C
Agie Charmilles Holding SAS, Palaiseau	FR	FRF	39,5	100	C
AGIE Sarl, Bezons	FR	FRF	25,0	100	C
Charmilles Technologies SA, Palaiseau	FR	FRF	20,0	100	C
L'Usinage Electrique, Palaiseau	FR	FRF	2,0	100	C
Intech EDM SA, Evry	FR	FRF	0,9	100	C
Intech Enoma SA, Besançon	FR	FRF	4,9	100	C
Mikron France Sàrl, Trappes	FR	FRF	3,0	100	C
Agie Charmilles Holding Ltd, Coventry	GB	GBP	2,5	100	C
AGIE Ltd, Birmingham	GB	GBP	0,6	100	C
Charmilles Technologies Ltd, Stratford-upon-Avon	GB	GBP	2,0	100	C
Intech EDM Ltd, Coventry	GB	GBP	0,1	100	C
Mikron (Birmingham) Ltd, Birmingham	GB	GBP	0,3	100	C
AGIE SpA, Origgio	IT	ITL	5000,0	100	C
Charmilles Technologies Srl, Cusano Milanino	IT	ITL	1170,0	100	C
Mecatool SrL, Grandate	IT	ITL	192,0	100	C
Mikron Pavia S.r.l., Torre d'Isola	IT	ITL	190,0	100	C
Agie Charmilles Japan Ltd, Yokohama	JP	JPY	440,0	100	C
Otra Agie Charmilles Ltd, Seoul	KR	KRW	975,0	67	C

Company	Country	Share capital		Participation	Consoli-
			million	%	dation
Georg Fischer Manufacturing Technology (continued)					
Intech EDM BV, Lomm	NL	NLG	0,3	100	C
Charmilles Technologies SPb Ltd, St. Petersburg	RU	RUB	0,1	100	B
Agie Charmilles (SEA) Pte Ltd, Singapore	SG	SGD	0,6	100	C
Mikron Machine Tools Asia Pte Ltd, Singapore	SG	SGD	0,1	100	C
Charmilles Technologies Co Ltd, San Chung, Taipei Hsien	TW	TWD	10,0	100	C
Agie Charmilles Holding Corp, Bloomingdale, IL	US	USD	0,1	100	C
AGIE Ltd, Davidson, NC	US	USD	5,0	100	C
ELOX Corporation, Davidson, NC	US	USD	4,5	100	C
Charmilles Technologies Corporation, Lincolnshire, IL	US	USD	6,5	100	C
Charmilles Technologies Manufacturing Corporation, Owosso, MI	US	USD	3,3	100	C
Bostomatic Corp, Milford, MA	US	USD	17,8	100	C
Intech Technology Corporation, Broadview, IL	US	USD	1,5	100	C
Mecatool Ltd, Lincolnshire, IL	US	USD	0,5	100	C
Georg Fischer Plant Engineering					
Georg Fischer Anlagenbau Holding AG, Pratteln	CH	CHF	30,0	100	C
Buss Compounding Systems Ltd, Pratteln	CH	CHF	10,0	100	C
Buss Immobilien und Service AG, Pratteln	CH	CHF	5,0	100	C
Georg Fischer Logimatics Ltd, Schaffhausen	CH	CHF	0,5	100	C
Georg Fischer Forwarding Logistics Ltd, Schaffhausen	CH	CHF	0,5	100	C
Georg Fischer Immobilien Service AG, Schaffhausen	CH	CHF	0,5	100	C
Georg Fischer Treuhand AG, Schaffhausen	CH	CHF	0,1	100	C
Waeschle GmbH, Weingarten	DE	DEM	15,0	100	C
Buss Waeschle Sarl, Saint-Denis	FR	FRF	0,2	100	B
Buss Waeschle Ltd, Cheadle Hulme	GB	GBP	0,3	100	C
Waeschle Ideal Ltd, New Delhi	IN	INR	11,8	51	C
Waeschle Srl, Ferrara	IT	ITL	1000,0	100	C
Buss (Japan) Ltd, Tokyo	JP	JPY	50,0	100	C
Buss (Benelux) BV, Rijen	NL	NLG	0,1	30	B
Waeschle Asia Pacific Pte Ltd, Singapore	SG	SGD	1,0	100	C
Buss Waeschle Holding Corp, Bloomingdale, IL	US	USD	6,0	100	C
Buss (America) Inc, Bloomingdale, IL	US	USD	2,5	100	C
Waeschle Inc, Bloomingdale, IL	US	USD	1,5	100	C

C = Fully consolidated company
Q = Quota-consolidated company
E = Valuation according to equity method
B = Recorded at book value on a cost basis

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