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**Year-end presentation 2000**

# **Georg Fischer Corporation**

**Martin Huber**  
President & CEO

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**2000**

**Successful year for  
Georg Fischer**

## Corporate key figures 2000

[mill. CHF]	2000	1999	Δ
<b>Sales</b>	<b>3 903</b>	<b>3 239</b>	<b>21%</b>
Order intake	4 095	3 247	26%
Orders on hand at year end	942	843	12%
EBITDA	460	343	34%
<b>EBIT</b>	<b>267</b>	<b>175</b>	<b>53%</b>
Profit (incl. minority interests)	181	147	23%
<b>Net profit</b>	<b>151</b>	<b>131</b>	<b>15%</b>
Net operating assets	2 045	1 906	7%
Additions to tangible fixed assets	220	145	52%
Number of employees	14 656	14 285	3%

# Reasons for our success in 2000

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- Favourable conditions in terms of market and regions
- Most operating units very strongly positioned
- Coherent strategy that has been consistently implemented over several years
- Acquisitions carefully selected and successfully integrated
- Over 14,000 well trained and motivated employees

# Highlights 2000

## Georg Fischer Corporation

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- Strategic
  - Strategic steps taken so far are producing a return and are well in line with market demands
  - Continuous increase in value
  - 4 strong core businesses, correctly positioned in strategic terms and with above-average growth potential, form the basis for the Corporation's continued expansion
- Operational
  - Sales up 21 %; more than two thirds of this due to organic growth
  - EBIT increase of over 50 % despite higher amortisation thanks to operational excellence and strong market position
  - Record profit despite higher tax
  - Prospects for growth and earnings are favourable assuming the economic situation remains healthy

## Corporate key figures 2000

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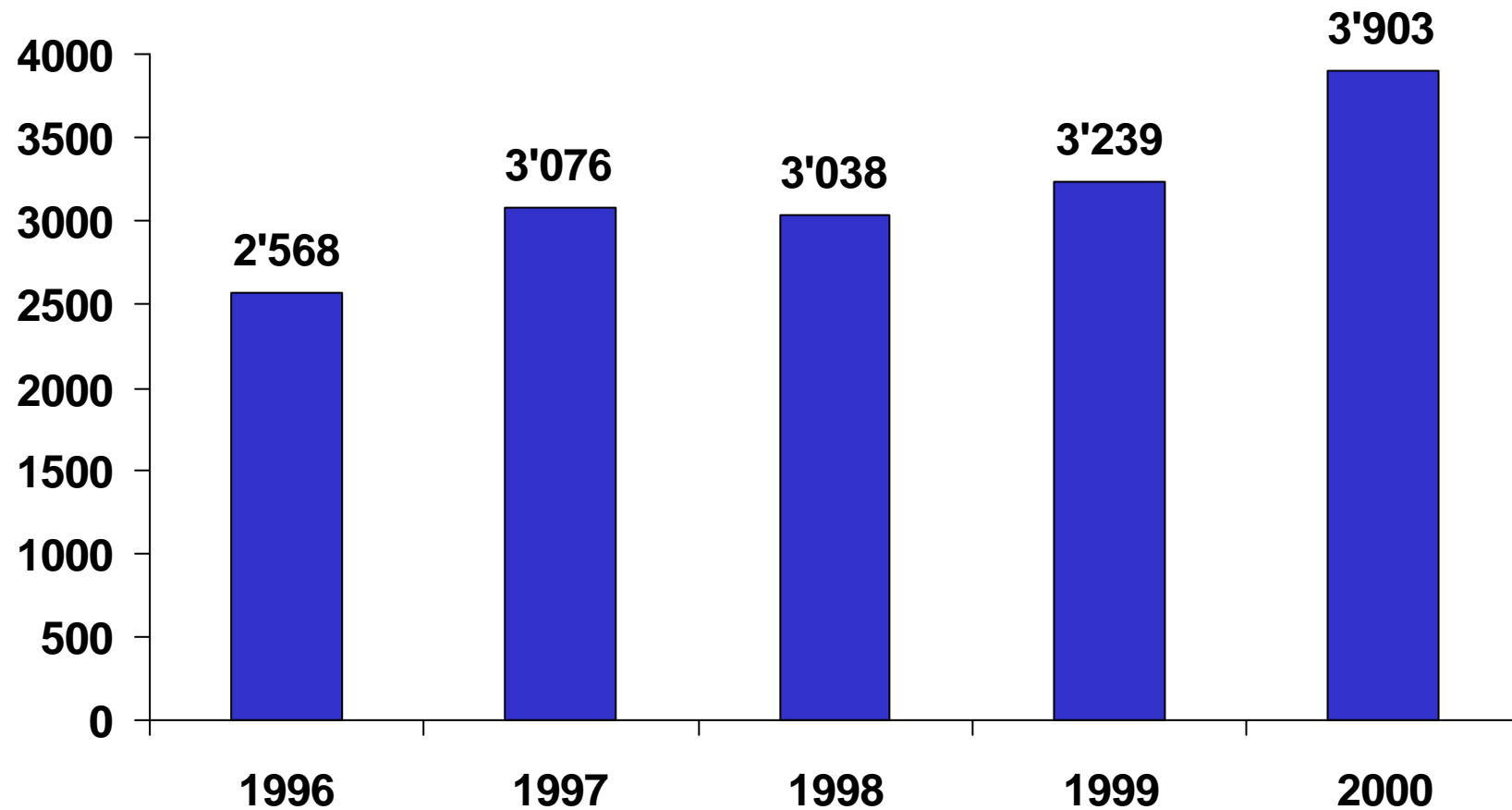
	2000	1999
ROE	15	13
RONOA	14	11
EBITDA margin	12	8
ROS	7	5
Assets turnover	2.0	2.0
Gross value added in % personnel expenses	142	134
Sales per employee [1 000 CHF]	270	245

# Sales 1996 - 2000

## Corporation

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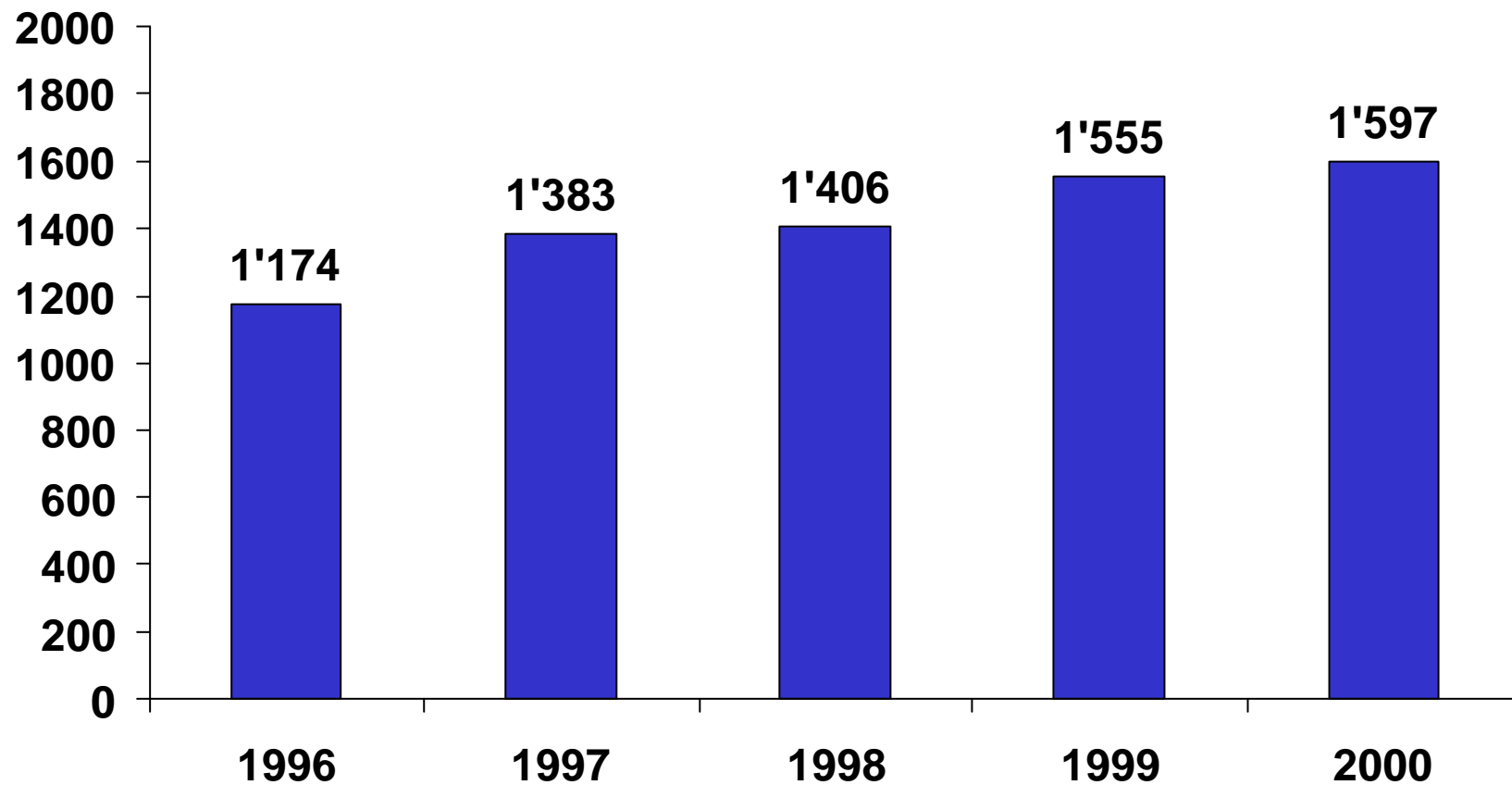
[mill. CHF]



# Sales Europe 1996 - 2000 Corporation

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[mill. Euro]

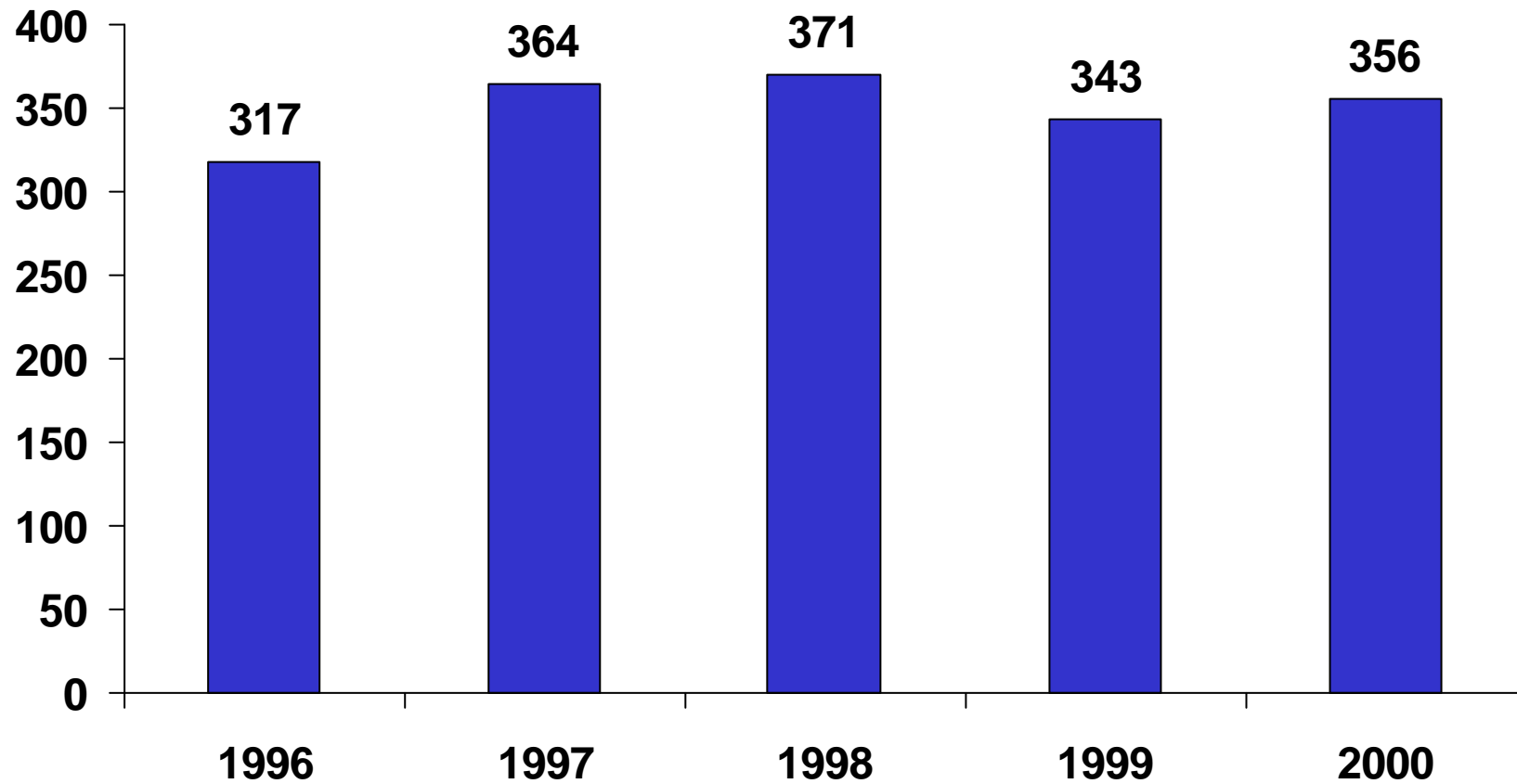




# Sales America 1996 - 2000 Corporation

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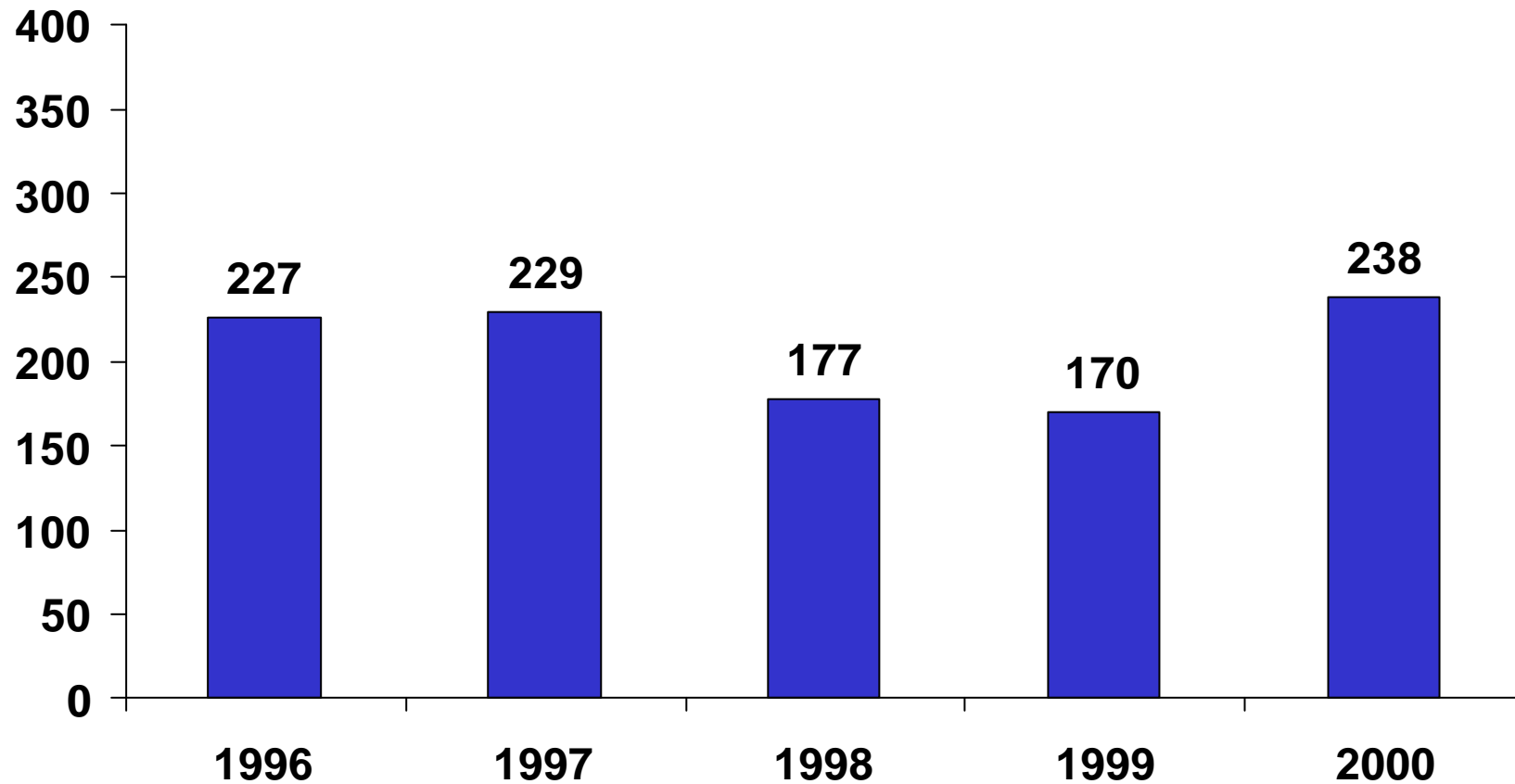
[mill. USD]



# Sales Asia 1996 - 2000 Corporation

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[mill. USD]



# Sales 2000 by geographical area

## Corporation

**Asia/Others**  
**12%** (8%)

**America**  
**15%** (16%)

**Other European countries**  
**23%** (25%)

Last year figures in brackets

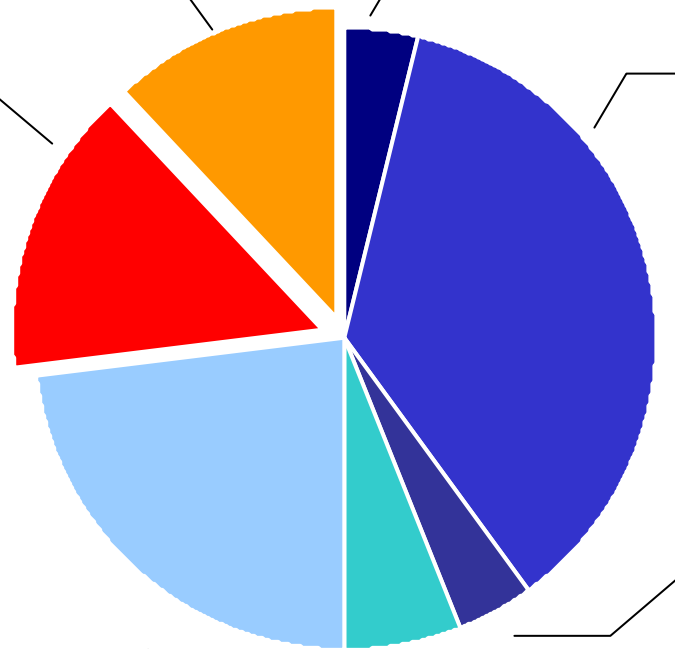
**Switzerland**  
**4%** (5%)

**Germany**  
**36%** (37%)

**Europe**  
**73%** (76%)

**Austria**  
**4%** (3%)

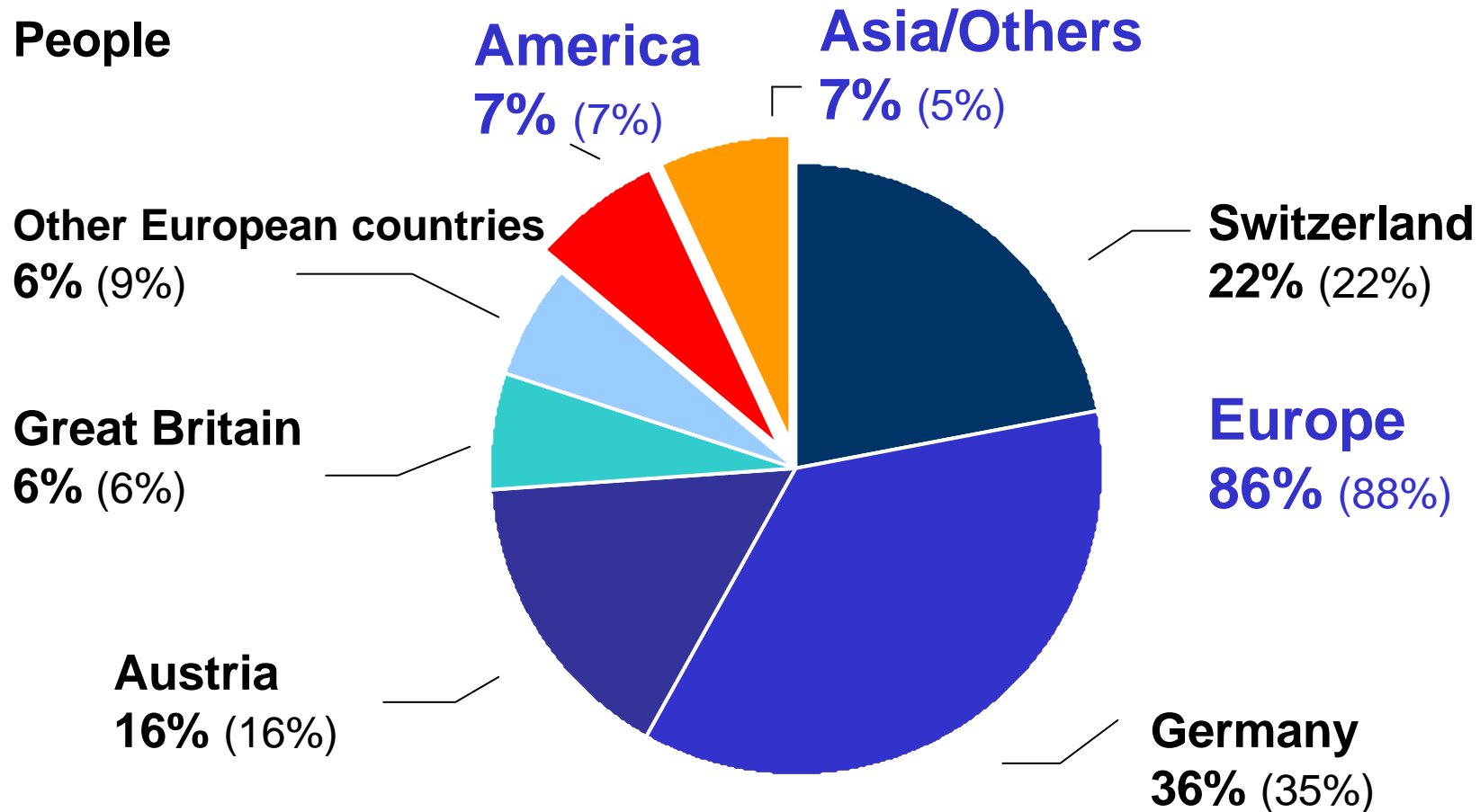
**Great Britain**  
**6%** (6%)



# Number of employees 2000 by geographical area Corporation

14 656  
People

Last year figures in brackets



# Gross value added 2000 by geographical area Corporation

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**Asia/Others 4% (2%)**

**America 8% (9%)**

**Other European  
countries 6% (7%)**

**Great Britain  
4% (5%)**

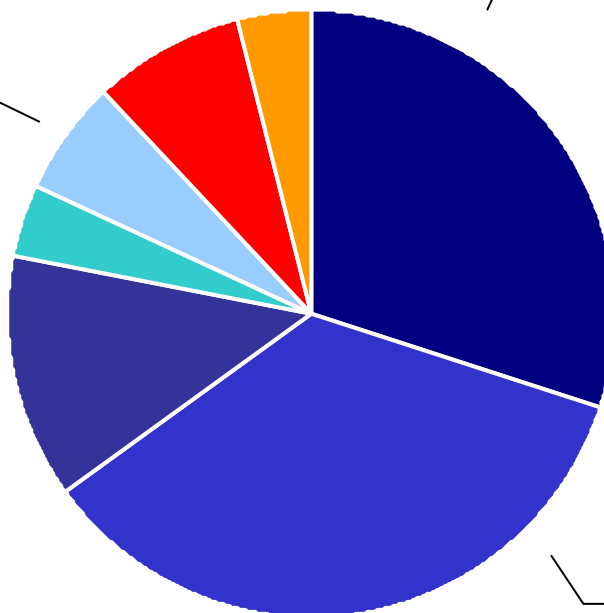
**Austria  
13% (12%)**

Last year figures in brackets

**Switzerland  
30% (28%)**

**Europe 88%  
(90%)**

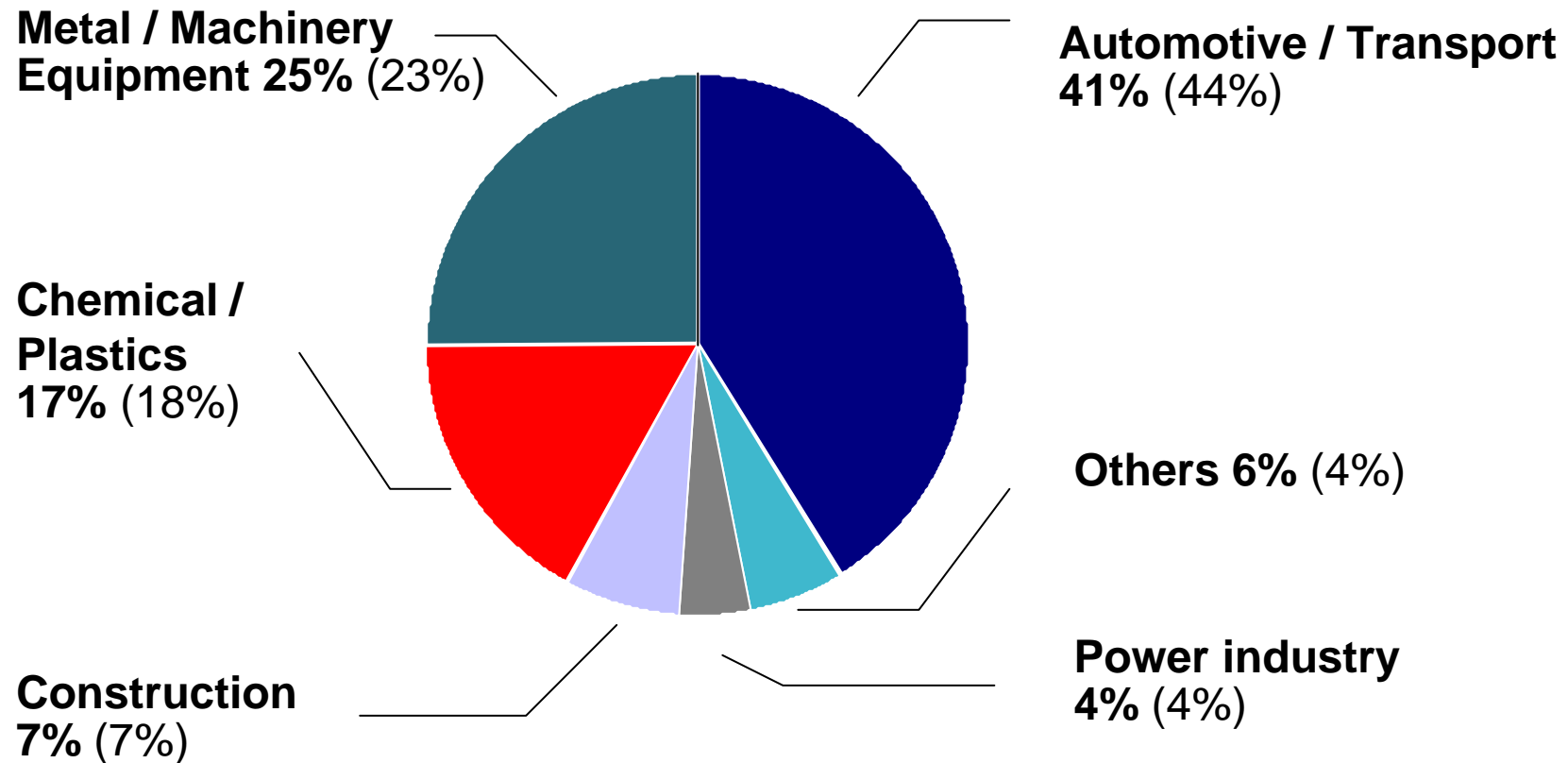
**Germany  
35% (37%)**



# Sales 2000 by industry Corporation

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Last year figures in brackets



# Sales 2000 by Corporate Groups

[mill. CHF]	2000	1999	Δ
Automotive Products	1 446	1 189	22%
Piping Systems	887	673	32%
Manufacturing Technology	1 249	901	39%
Plant Engineering	354	512	-31%
Corporation	3 903	3 239	21%

# Sales 2000 by Corporate Groups

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[mill. CHF]

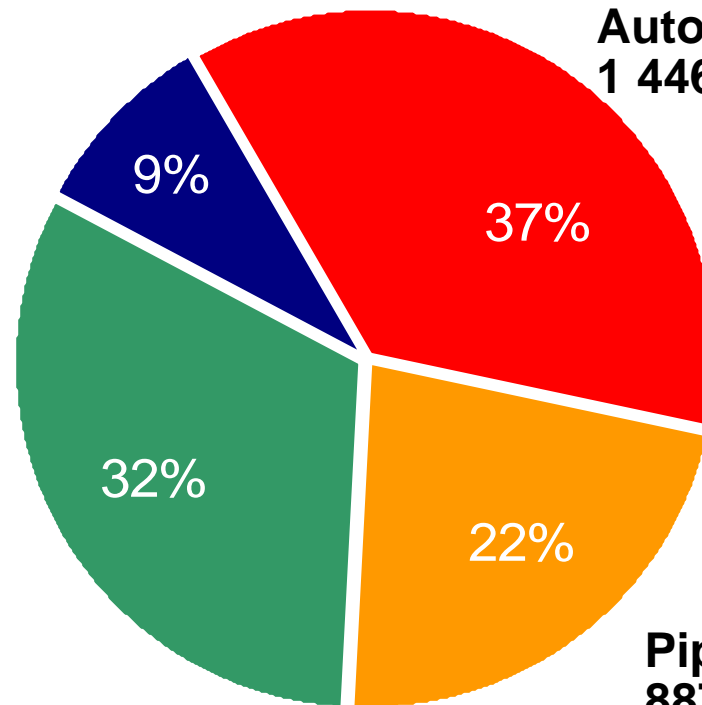
Last year figures in brackets

**Plant Engineering**  
**354 (512)**

**Automotive Products**  
**1 446 (1 189)**

**Manufacturing  
Technology**  
**1 249 (901)**

**Piping Systems**  
**887 (673)**





# EBITDA 2000 by Corporate Groups

[mill. CHF]	<b>2000</b>	1999	Δ
Automotive Products	<b>178</b>	147	21%
Piping Systems	<b>117</b>	75	56%
Manufacturing Technology	<b>135</b>	69	96%
Plant Engineering	<b>33</b>	40	-18%
Corporation	<b>460</b>	343	34%

# EBIT 2000 by Corporate Groups

[mill. CHF]	<b>2000</b>	1999	$\Delta$
Automotive Products	<b>71</b>	60	18%
Piping Systems	<b>73</b>	38	92%
Manufacturing Technology	<b>111</b>	49	127%
Plant Engineering	<b>23</b>	23	
Corporation	<b>267</b>	175	53%

# Highlights of 2000

## Georg Fischer Automotive Products

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- Excellent market/order situation owing to new customers and products
- EBIT up 18% despite growth-induced goodwill amortisation (around CHF 12 million) and start-up/integration charges
- Structural projects to improve profits will take effect over the next few years
- Substantial organic growth in traditional iron castings business
- In light alloys, Mössner is matching profit expectations
- Reinforcing and expanding market position as leading development and manufacturing partner to the European automotive industry
- Major investments in the future
- Cooperation with TUPY of Brazil

# Key figures 2000

## Georg Fischer Automotive Products

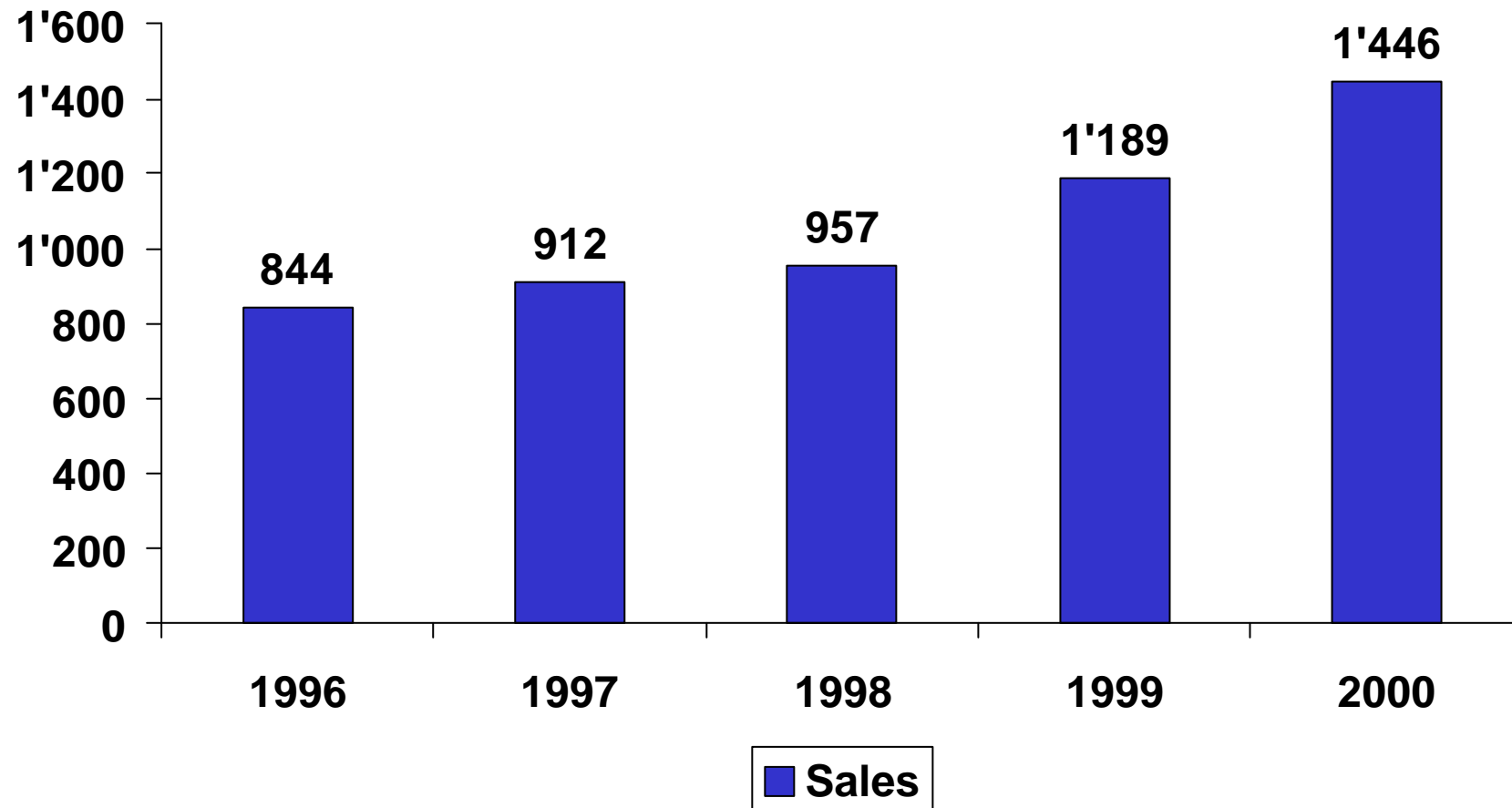
		2000	1999	Δ
Sales	mill. CHF	<b>1 446</b>	1 189	22%
EBITDA	mill. CHF	<b>178</b>	147	21%
EBIT	mill. CHF	<b>71</b>	60	18%
Net operating assets	mill. CHF	<b>746</b>	750	-1%
RONOA	%	<b>10</b>	10	
Number of employees		<b>6 702</b>	6 685	
EBITDA margin	%	<b>12</b>	12	
ROS	%	<b>5</b>	5	
Assets turnover		<b>2.0</b>	1.9	
Gross value added in % personnel expenses	%	<b>139</b>	137	
Sales per employee	1 000 CHF	<b>216</b>	205	

# Sales 1996 - 2000

## Georg Fischer Automotive Products

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[mill. CHF]

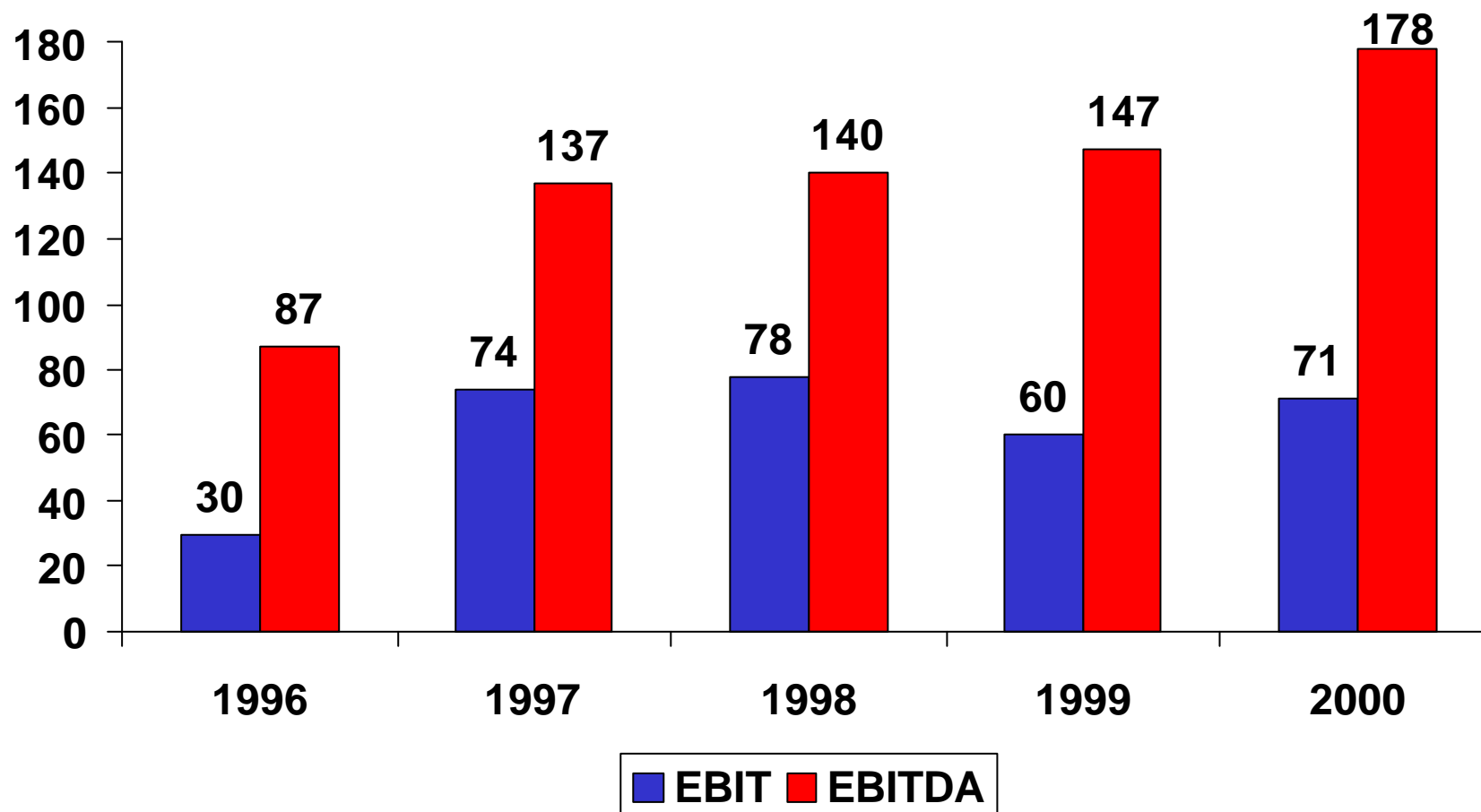


# EBIT / EBITDA 1996 - 2000

## Georg Fischer Automotive Products

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[mill. CHF]



# Highlights of 2000

## Georg Fischer Piping Systems

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- Very good market situation worldwide
- Jump in sales and doubling of EBIT stem mainly from organic growth and successful integration of acquisitions
- Industrial Systems and Automation benefiting from strong market and attractive projects, in particular in the semiconductor industry and in life sciences
- Systems for Gas and Water Distribution successful despite difficult market conditions
- Significant expansion move in Domestic Installations through Schwab acquisition and new German distribution company (Fränkische)
- Rapid, profitable expansion of activities in Asia

# Key figures 2000

## Georg Fischer Piping Systems

		2000	1999	Δ
Sales	mill. CHF	<b>887</b>	673	32%
EBITDA	mill. CHF	<b>117</b>	75	56%
EBIT	mill. CHF	<b>73</b>	38	92%
Net operating assets	mill. CHF	<b>509</b>	429	19%
RONOA	%	<b>16</b>	10	60%
Number of employees		<b>3 457</b>	2 895	19%
EBITDA margin	%	<b>13</b>	11	
ROS	%	<b>8</b>	6	
Assets turnover		<b>1.9</b>	1.8	
Gross value added in % personnel expenses	%	<b>147</b>	136	
Sales per employee	1 000 CHF	<b>279</b>	240	

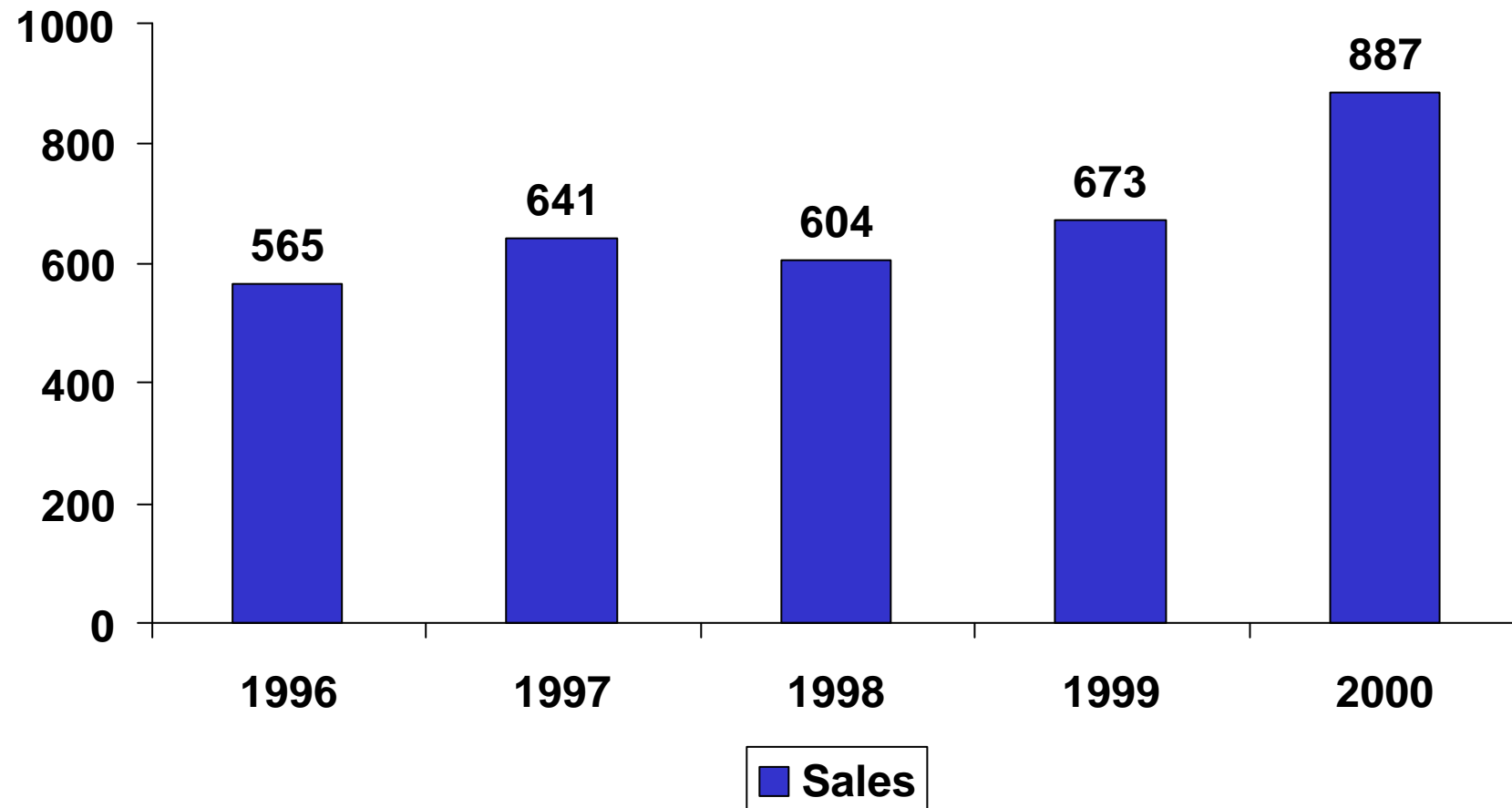


# Sales 1996 - 2000

## Georg Fischer Piping Systems

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[mill. CHF]

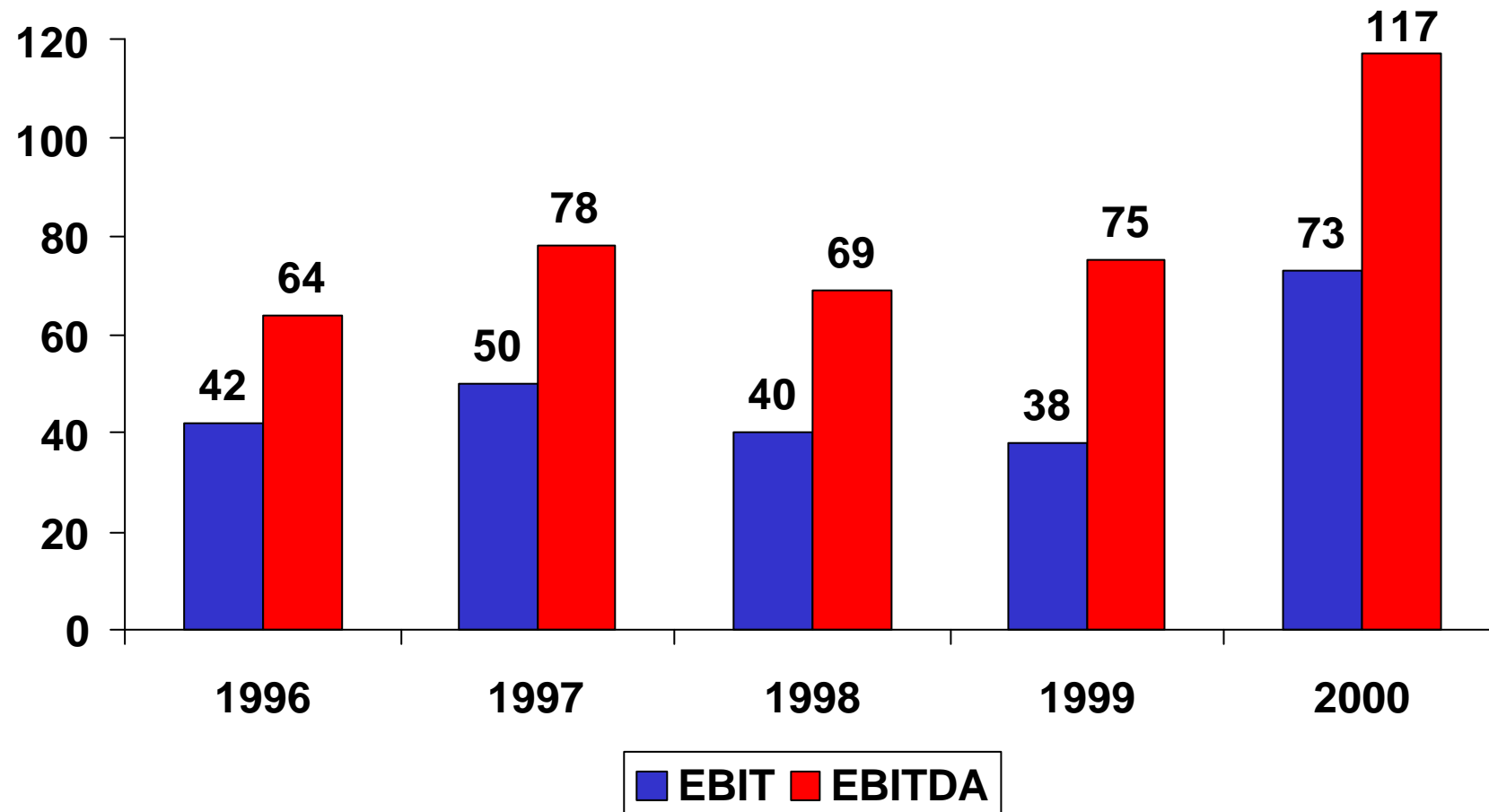


# EBIT / EBITDA 1996 - 2000

## Georg Fischer Piping Systems

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[mill. CHF]



# Highlights of 2000

## Georg Fischer Manufacturing Technology

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- Very positive market environment
- Young, market-led product range and global presence enable optimum exploitation of favourable market situation
- Success of expansion strategy in China and Latin America
- Record results thanks to organic growth
- Very high capacity utilisation at manufacturing plants; delivery times nevertheless short
- Strategic expansion in high-speed milling sector (Mikron acquisition)
- Leading systems supplier in growth market of tool and mould making

# Key figures 2000

## Georg Fischer Manufacturing Technology

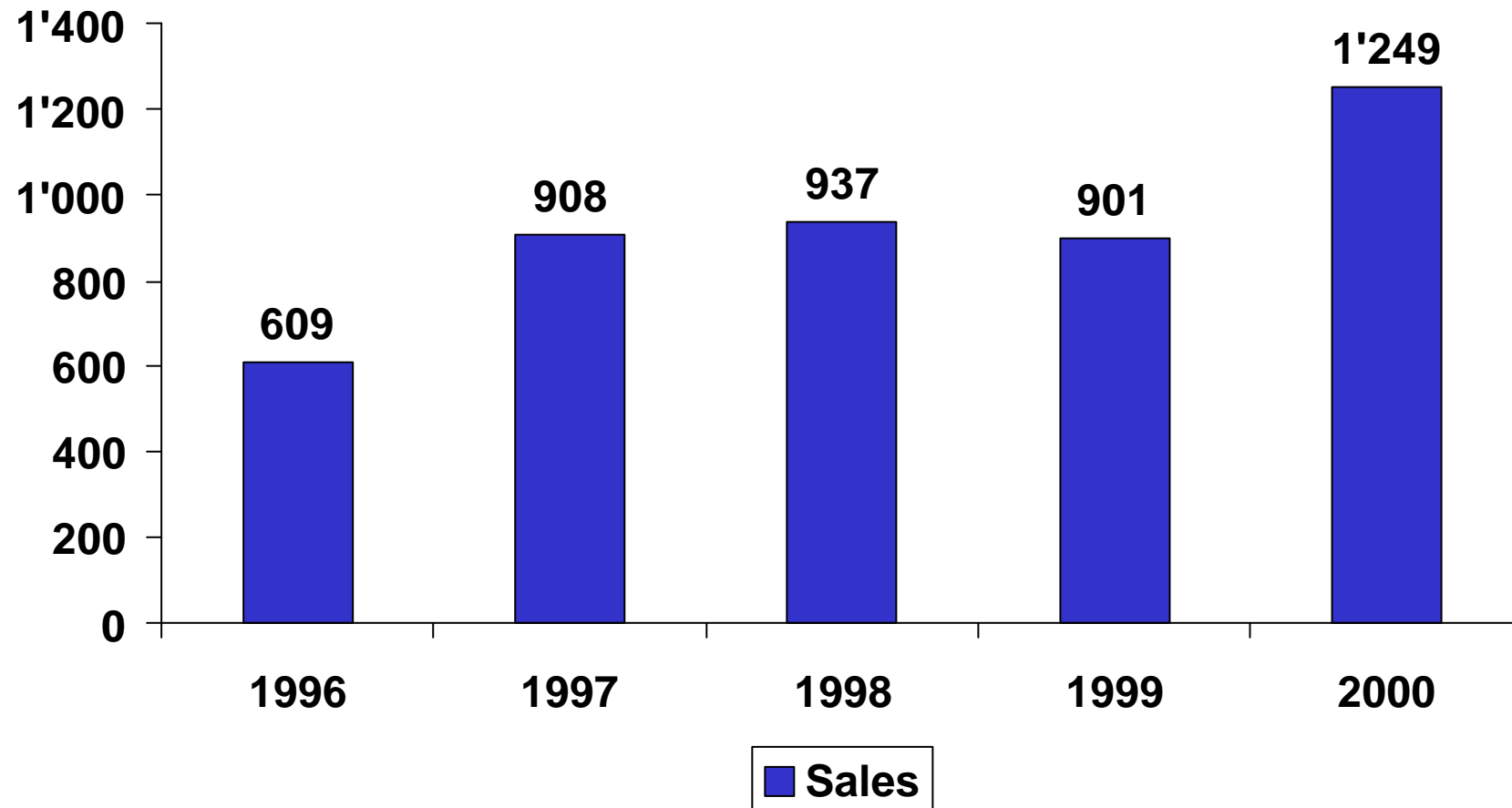
		2000	1999	Δ
Sales	mill. CHF	<b>1 249</b>	901	39%
EBITDA	mill. CHF	<b>135</b>	69	96%
EBIT	mill. CHF	<b>111</b>	49	127%
Net operating assets	mill. CHF	<b>618</b>	539	15%
RONOA	%	<b>20</b>	10	100%
Number of employees		<b>3 118</b>	2 559	22%
EBITDA margin	%	<b>11</b>	8	
ROS	%	<b>9</b>	5	
Assets turnover		<b>2.2</b>	1.8	
Gross value added in % personnel expenses	%	<b>152</b>	136	
Sales per employee	1 000 CHF	<b>440</b>	360	

# Sales 1996 - 2000

## Georg Fischer Manufacturing Technology

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[mill. CHF]

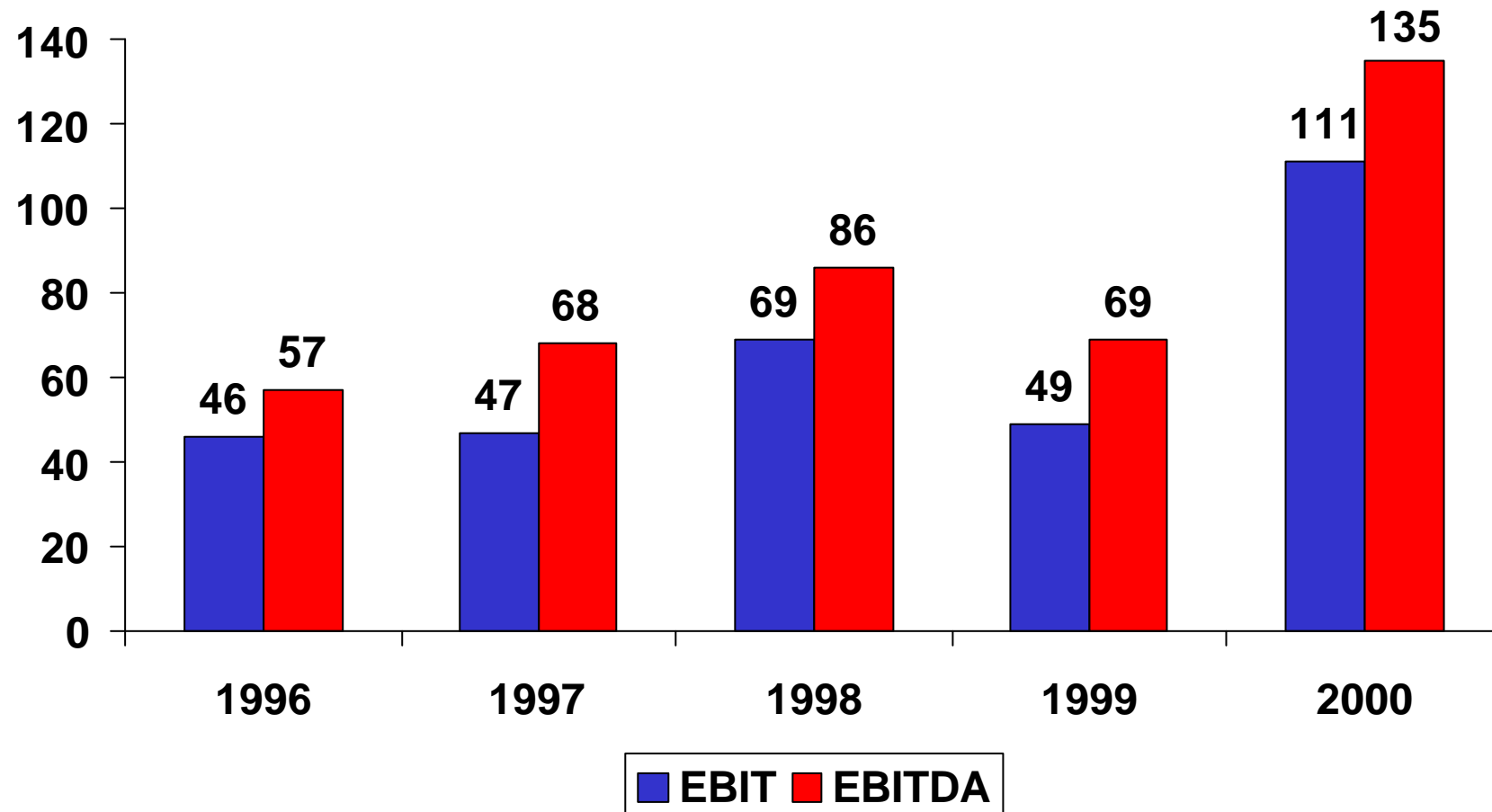


# EBIT / EBITDA 1996 - 2000

## Georg Fischer Manufacturing Technology

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[mill. CHF]



# Highlights of 2000

## Georg Fischer Plant Engineering

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- Divestment of Georg Fischer Disa (foundry systems)
- Focus on plastics systems
- Stagnating sales, strong order intake
- One-off effect on earnings, successful Services and Waeschle
- World market leader in systems for plastics processing through merger with Werner & Pfleiderer to form COPERION Group
- Services: strong earnings, proportion of sales to customers outside the Corporation now stands at over one third

# Key figures 2000

## Georg Fischer Plant Engineering

		2000	1999	Δ
Sales	mill. CHF	<b>354</b>	512	-31%
EBITDA	mill. CHF	<b>33</b>	40	-18%
EBIT	mill. CHF	<b>23</b>	23	
Net operating assets	mill. CHF	<b>105</b>	141	-26%
RONOA	%	<b>20</b>	18	11%
Number of employees		<b>1 212</b>	1980	-39%
EBITDA margin	%	<b>9</b>	8	
ROS	%	<b>6</b>	4	
Assets turnover		<b>3.1</b>	3.9	
Gross value added in % personnel expenses	%	<b>122</b>	122	
Sales per employee	1 000 CHF	<b>294</b>	256	

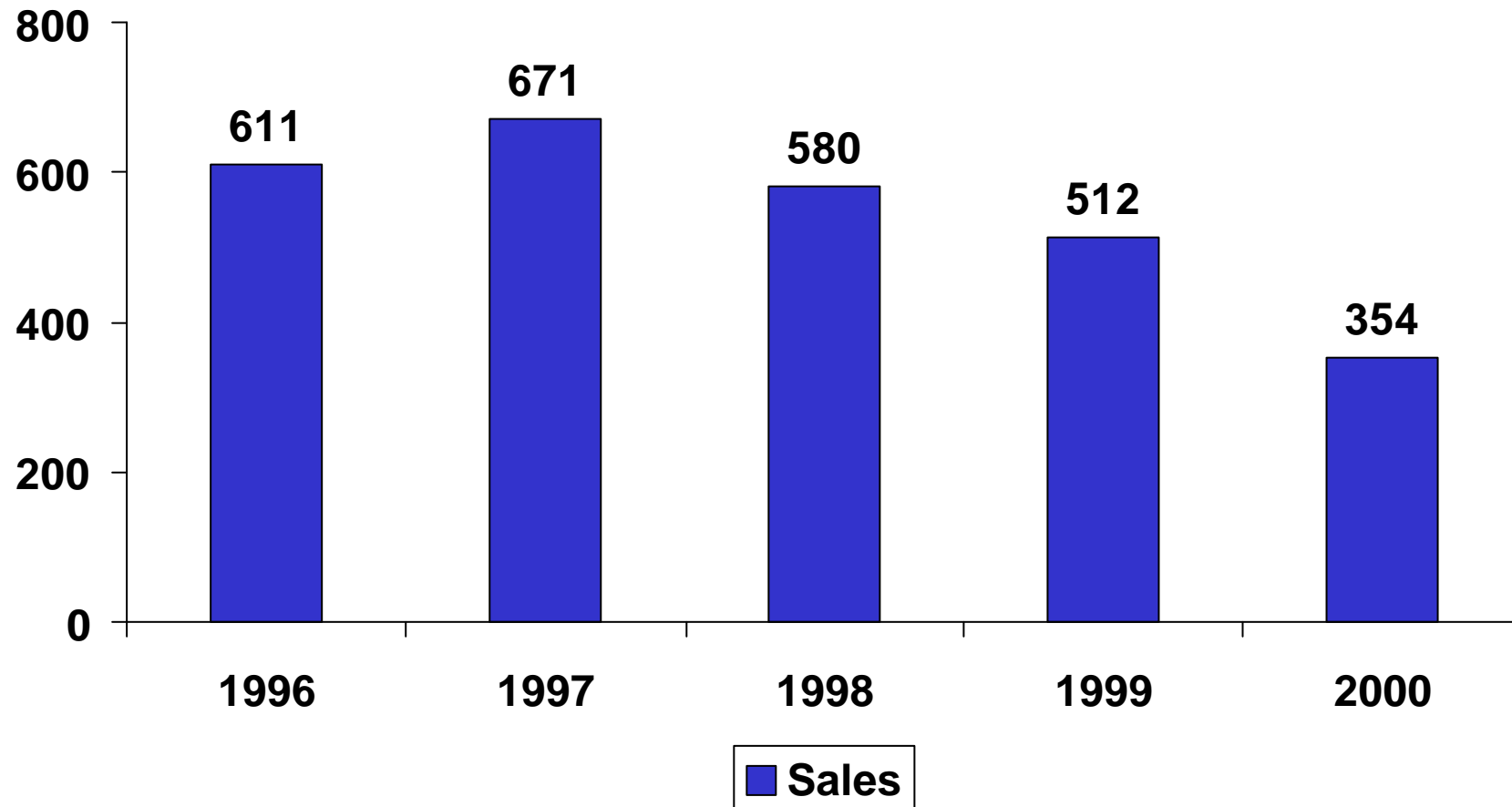


# Sales 1996 - 2000

## Georg Fischer Plant Engineering

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[mill. CHF]

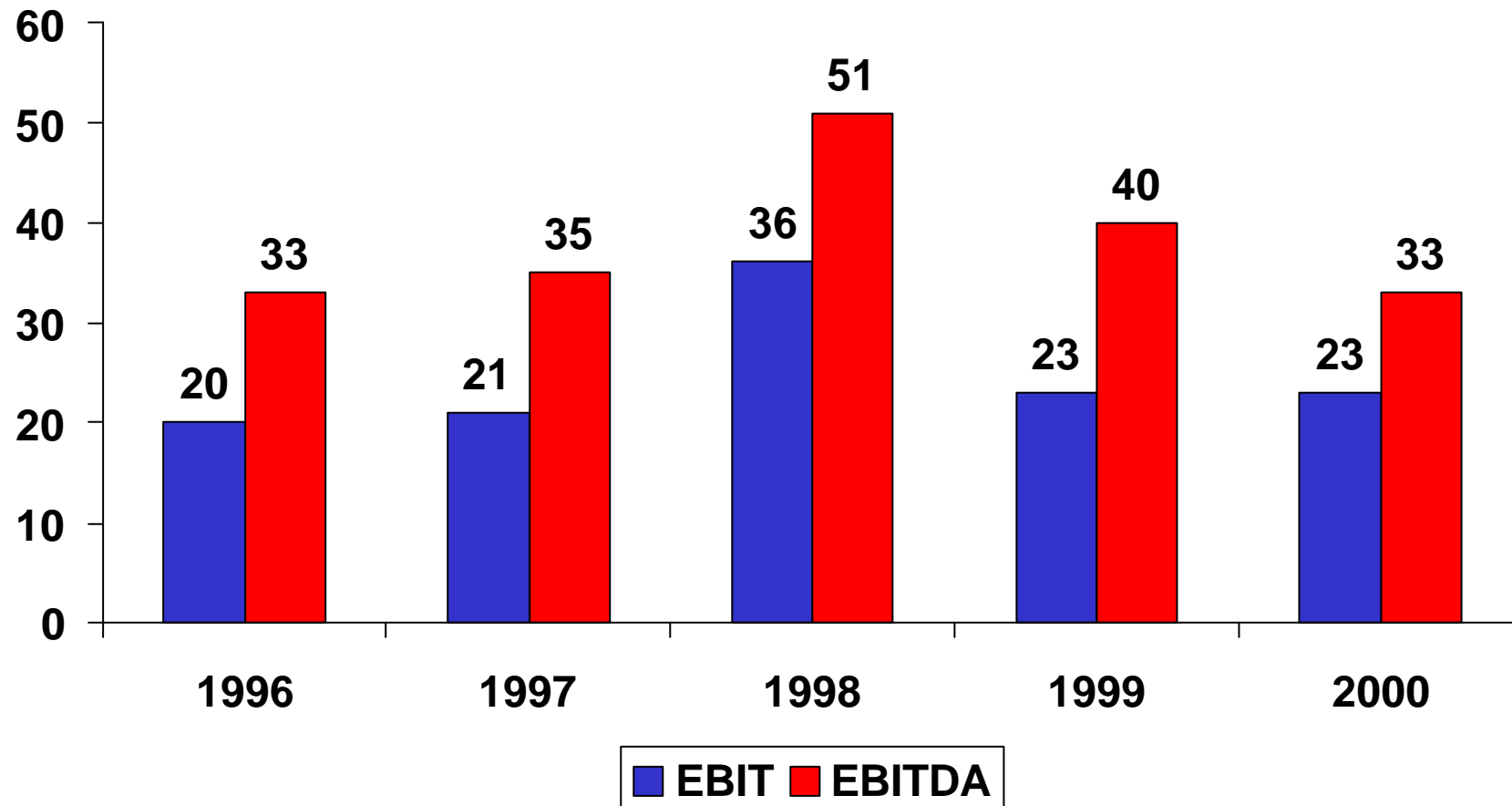


# EBIT / EBITDA 1996 - 2000

## Georg Fischer Plant Engineering

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[mill. CHF]



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**Year-end presentation 2000**

# **Financial Statements and Corporate Financing**

**Friedrich Rufer**  
Chief Financial Officer

# Consolidated financial statements 2000

## Changes in scope of consolidation

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Georg Fischer Anderson GmbH, Dortmund	1.1.2000	A
Georg Fischer Schwab GmbH, Pfullingen	1.1.2000	A
Beijing Agie Charmilles Ltd, Beijing	1.1.2000	A
IPS Group, Australia / China	1.4.2000	A
Mikron Group, Switzerland	1.8.2000	A
Intech Enoma SA, Besançon	1.9.2000	A
Agie Charmilles (China), Shanghai	1.10.2000	A
Georg Fischer Disa (joint venture)	1.1.2000	D

## Consolidated income statement 2000

[mill. CHF]	2000	1999	Δ
<b>Sales</b>	<b>3 903</b>	<b>3 239</b>	<b>21%</b>
Gross value added	1 544	1 360	14%
Personnel expenses	-1 084	-1 017	7%
EBITDA	460	343	34%
Depreciation, amortisation	-193	-168	15%
<b>EBIT</b>	<b>267</b>	<b>175</b>	<b>53%</b>
Financial result	-36	-41	12%
Non operating result	5	22	23%
Profit before taxes	236	157	50%
Income taxes	-55	-10	450%
Profit (incl. minority interests)	181	147	23%
Minority interests	-30	-16	88%
<b>Net profit (excl. minority interests)</b>	<b>151</b>	<b>131</b>	<b>15%</b>

# Consolidated balance sheet 2000

## Assets

[mill. CHF]	2000	%	1999	%
Tangible fixed assets	1 240		1 231	
Intangible assets	353		303	
Investments	147		46	
Other financial assets	26		36	
<b>Fixed assets</b>	<b>1 766</b>	<b>49</b>	<b>1 616</b>	<b>49</b>
Inventories	601		537	
Trade accounts receivable	799		669	
Other accounts receivable	159		152	
Securities, cash and cash equivalents	291		294	
<b>Current assets</b>	<b>1 850</b>	<b>51</b>	<b>1 652</b>	<b>51</b>
<b>Assets</b>	<b>3 616</b>	<b>100</b>	<b>3 268</b>	<b>100</b>

# Consolidated balance sheet 2000

## Liabilities and shareholder's equity

[mill. CHF]	2000	%	1999	%
Share capital	336		344	
Share premium and revaluation reserve	173		201	
Retained earnings	611		519	
<b>Shareholder's equity</b>	<b>1 120</b>	<b>31</b>	<b>1 064</b>	<b>32</b>
<b>Minority interests</b>	<b>145</b>	<b>4</b>	<b>122</b>	<b>4</b>
Long-term liabilities	1 267		1 184	
Current liabilities	1 084		898	
<b>Liabilities</b>	<b>2 351</b>	<b>65</b>	<b>2 082</b>	<b>64</b>
<b>Liabilities and shareholder's equity</b>	<b>3 616</b>	<b>100</b>	<b>3 268</b>	<b>100</b>

# Cash flow statement 2000

[mill. CHF]

**2000    1999**

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<b>Cash flow from operating activities</b>	<b>286</b>	<b>249</b>
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<b>Cash flow from investing activities</b>	<b>-384</b>	<b>-305</b>
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<b>Internal financing</b>	<b>-98</b>	<b>-56</b>
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# Financing

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- The relative interest expenses could be decreased despite a higher net debt due to acquisitions and investments in tangible fixed assets
- The 5  $\frac{3}{4}$ % debenture loan of CHF 100 mill. matured in March 2000 was replaced by a 1  $\frac{1}{2}$ % convertible loan of CHF 208 mill.
- Advantage of favourable interests taken - long-term maturities
- First debenture loan of Agie Charmilles planned
- Other financial result was influenced by divested SIG shares

# Investment properties

## Reduction of tied-up funds

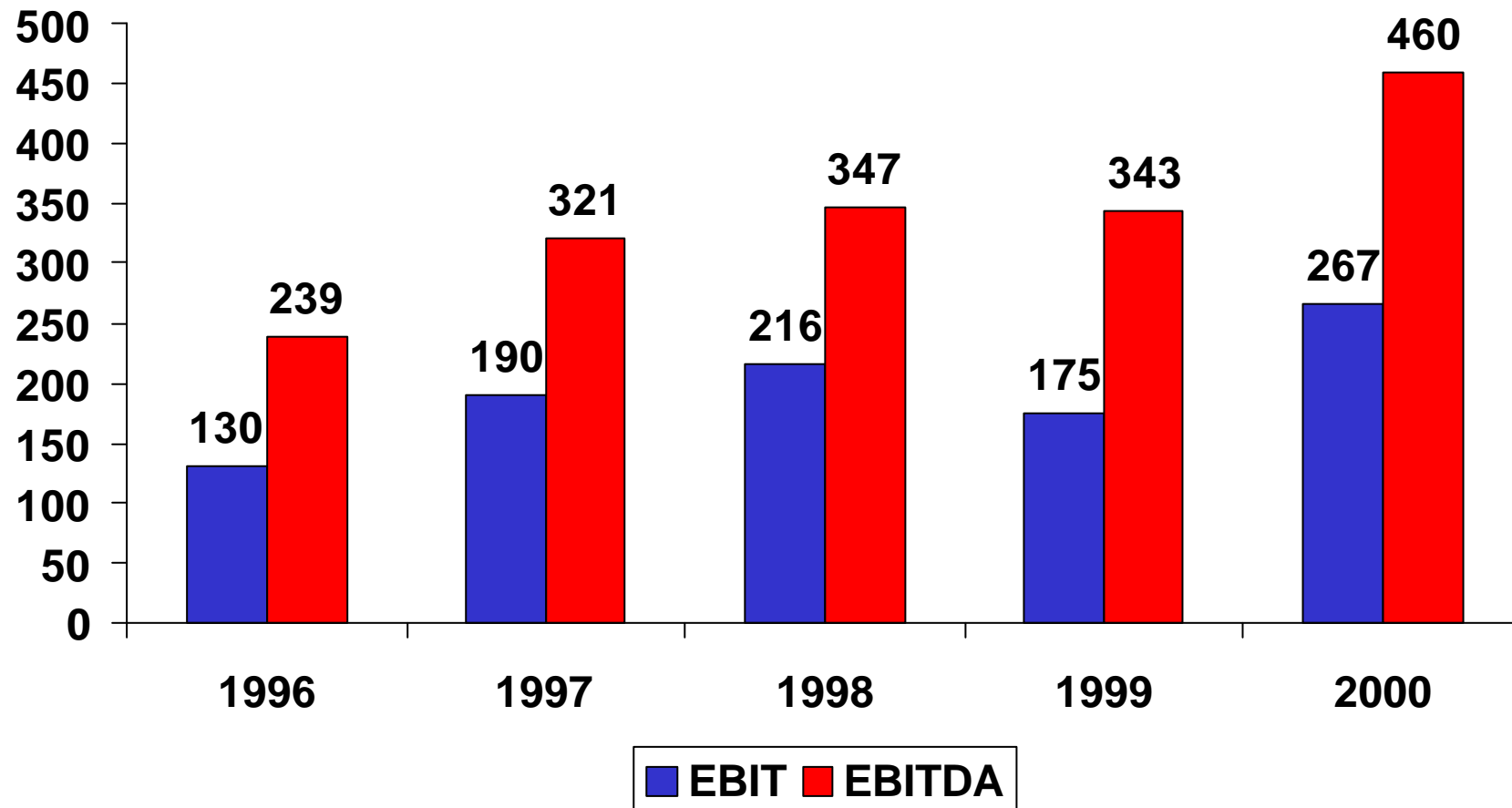
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- Sales income of about CHF 15 mill. in 2000
- Bigger amount planned in 2001
- Major projects outstanding

# EBIT / EBITDA 1996 - 2000

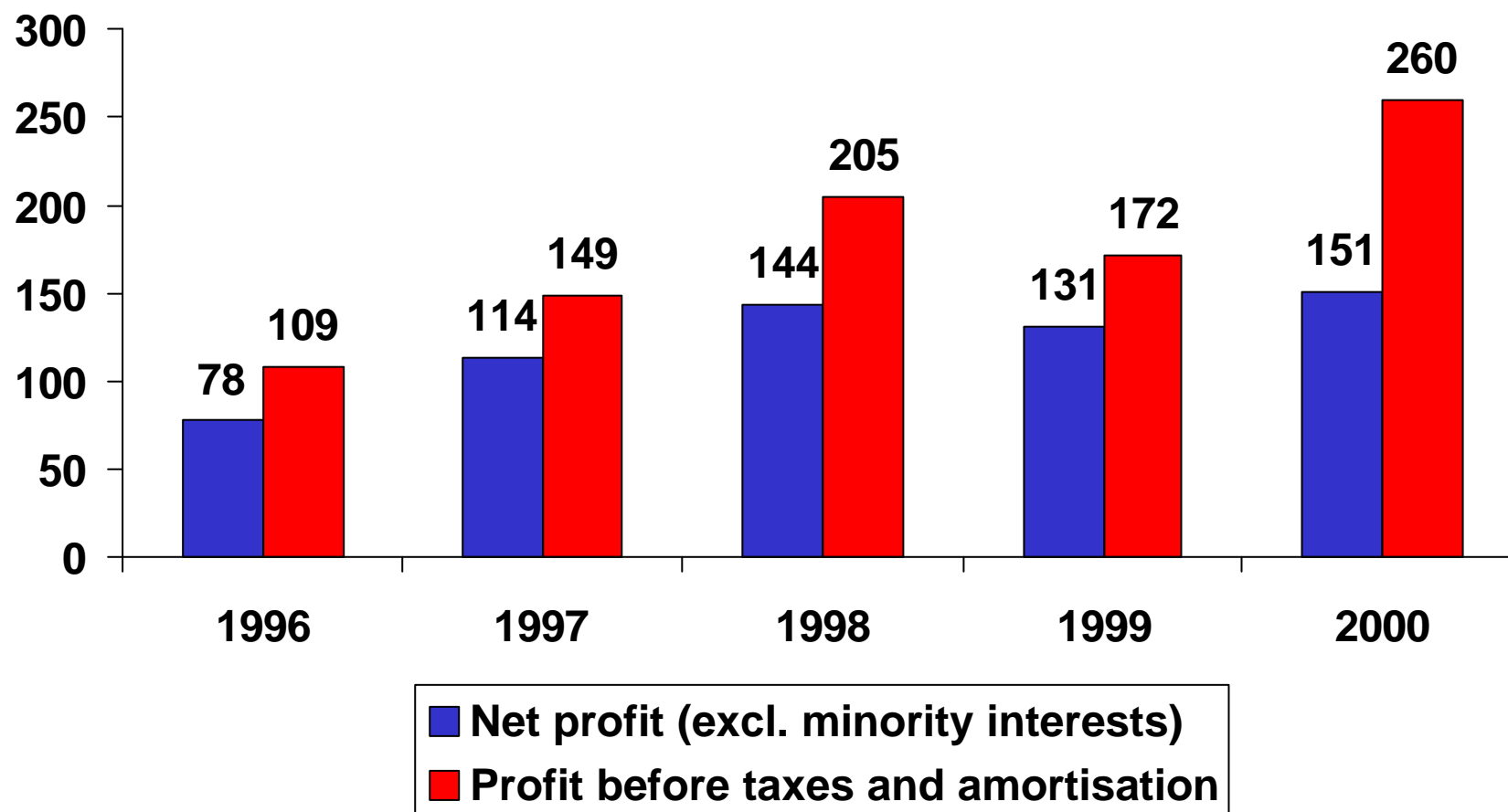
## Corporation

[mill. CHF]



# Net profit (excl. minority interests) / Profit before taxes and amortisation

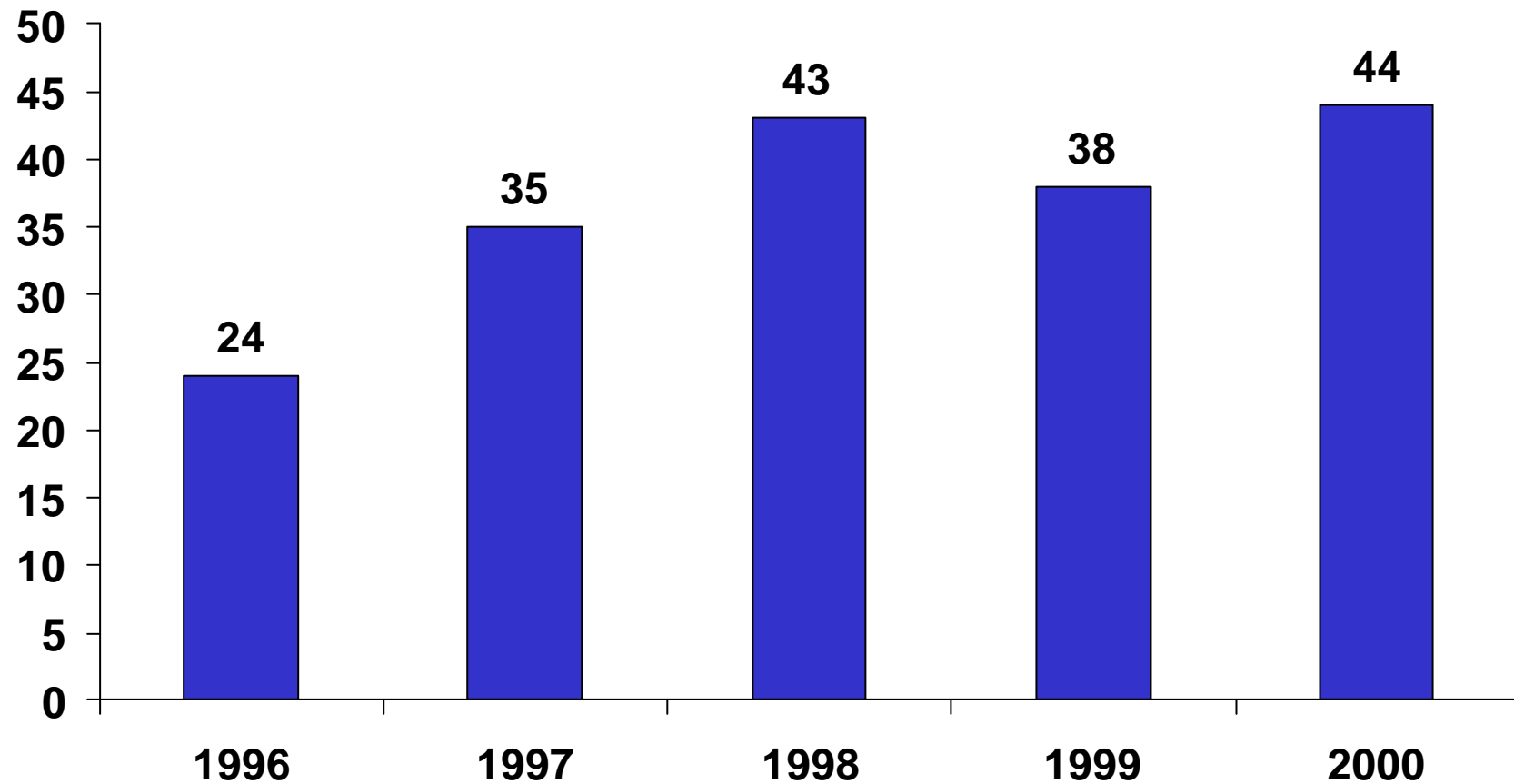
[mill. CHF]



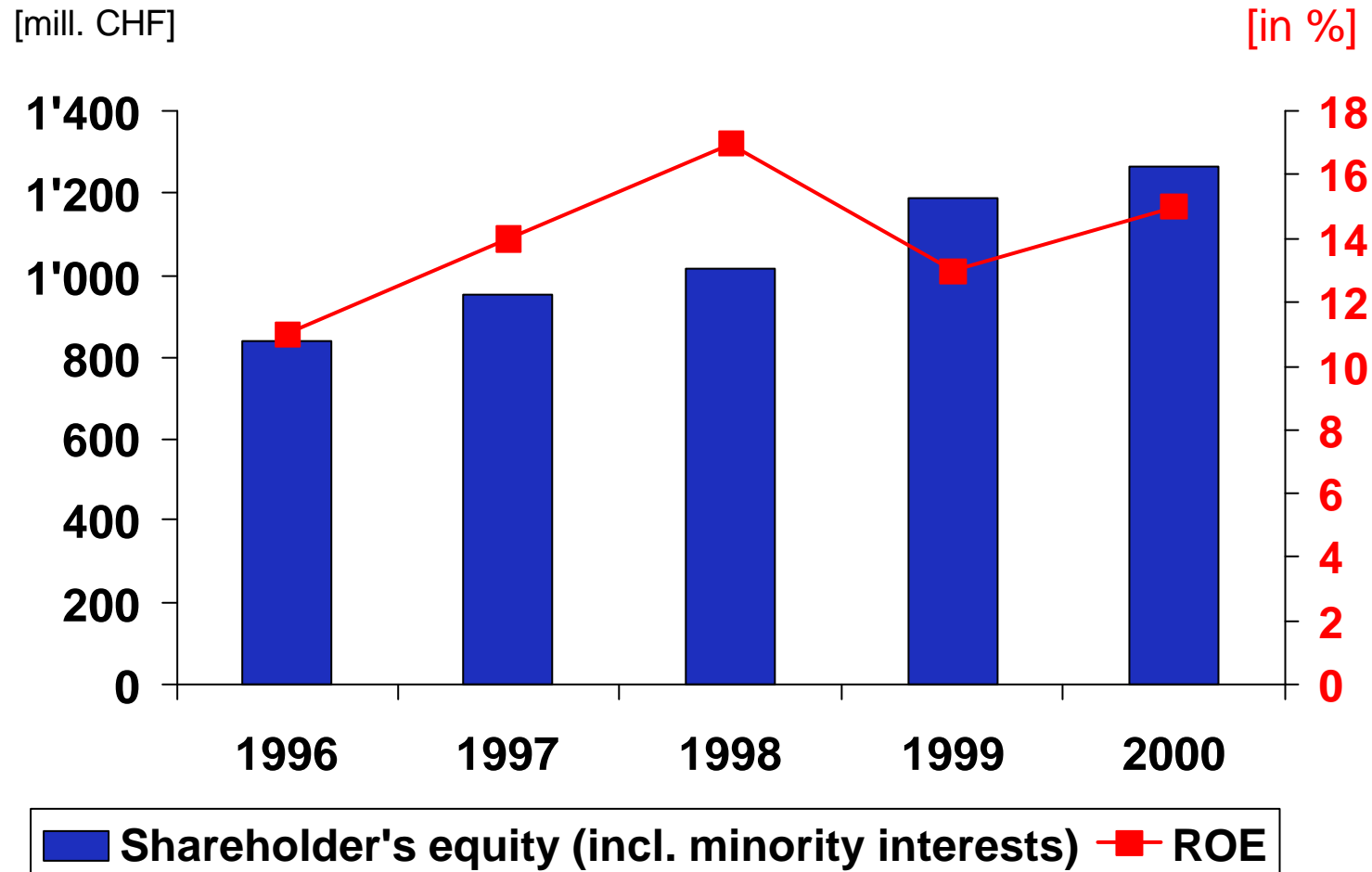
# Earnings per share 1996 - 2000

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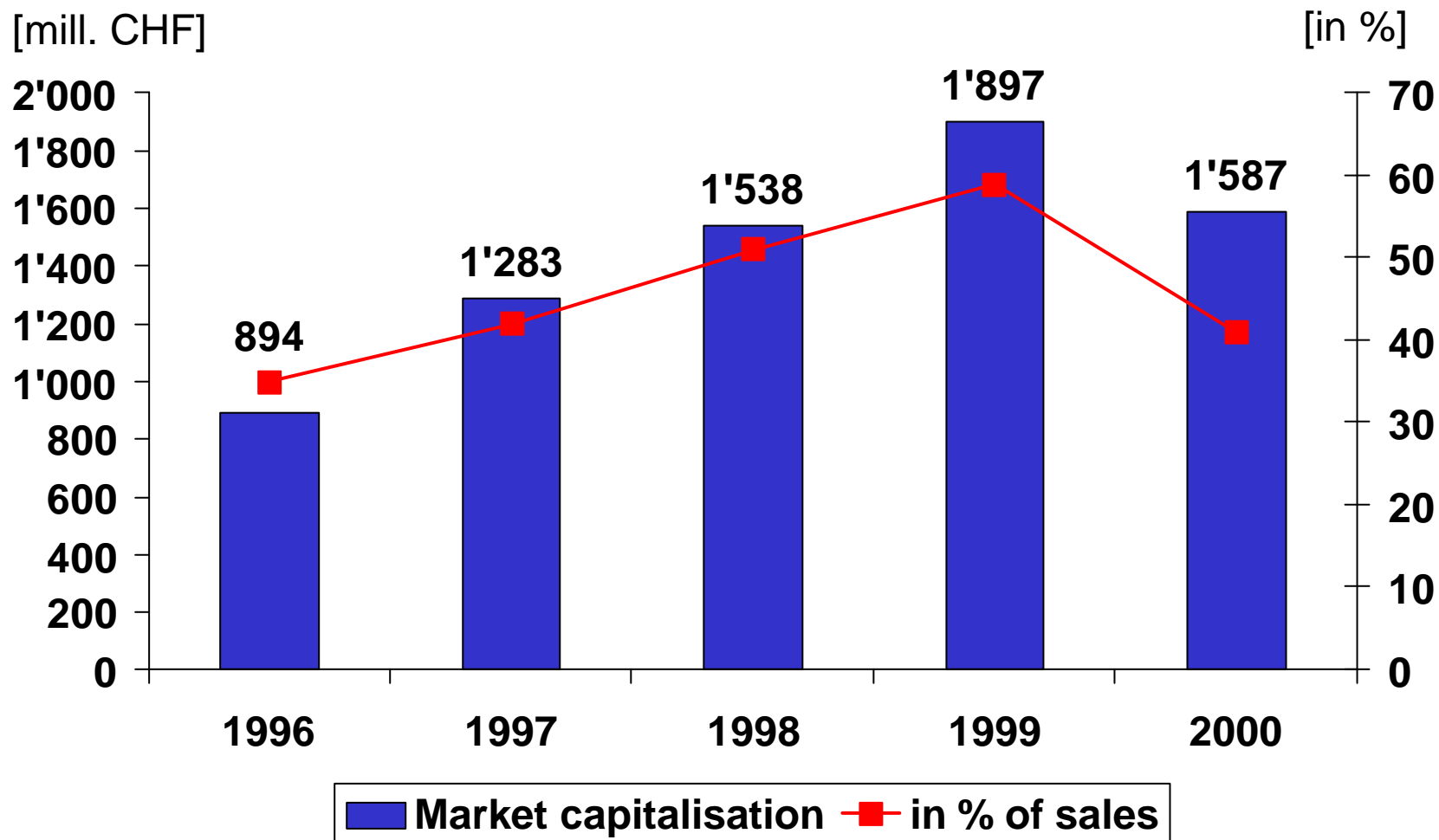
[CHF]



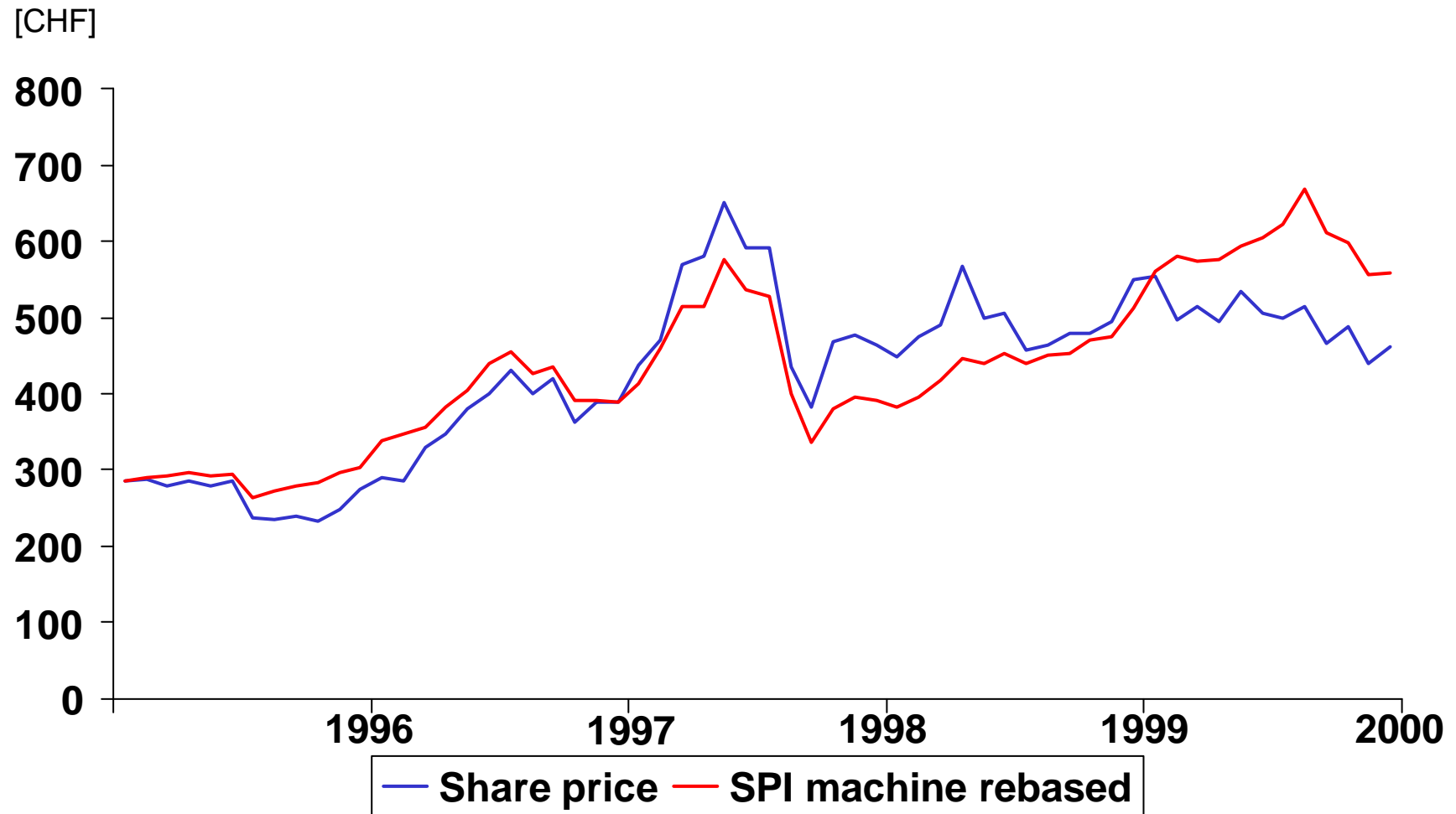
# Shareholder's equity (incl. minority interests) and ROE 1996 - 2000



# Market capitalisation 1996 - 2000



# Share price 1996 - 2000





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**Year-end presentation 2000**

# **Outlook**

**Martin Huber**  
President & CEO

# Outlook Corporation

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- Market environment will not provide any additional fillip
- Europe, Asia and Brazil doing well, USA uncertain
- Georg Fischer in healthy position and optimistic
- Order intake and capacity utilisation remain at high level
- Goals for 2001:
  - Continue to increase revenues and earnings
  - Comfortably meet interim strategic targets
  - Further increase value of the business

# Outlook

## Georg Fischer Automotive Products

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- Strategic pending issue in North America: production plant in USA
  - Construction of new light alloys foundry
  - Local production of iron castings, partnership solutions possible
- In Europe, investments in existing plants to be achieved on time and within budget
- Further growth in iron and light alloy castings
- Increase in profitability through consistent implementation of action plans for plants with poor returns
- Successfully resisting pressure on prices
- Georg Fischer Automotive Technology Group is well equipped for the future owing to new design projects, customers and products

# Outlook

## Georg Fischer Piping Systems

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- Successfully exploiting positive market developments
- Further strategic expansion moves:
  - Sanitary systems in Europe
  - Industrial systems in general
  - Further penetration in Asia
- Continuing to develop recent strategic acquisitions
- Exploiting growth potential in core markets

# Outlook

## Georg Fischer Manufacturing Technology

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- Positive market trend likely to continue, but may slow down slightly
- Innovative products
- Growth in HSM (Mikron)
- Exploiting potential for strategic expansion through distribution of consumables and accessories
- Potential synergies in sales, logistics and product development

# Outlook

## Georg Fischer Plant Engineering

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- Healthy economic situation in Europe and Asia, slowdown in USA
- Rise in sales and earnings at new Coperion Group
- Aim is to make the new business a real success
- Substantially increasing the value of the business
  - Expanding market position
  - Exploiting growth potential
  - Realising synergies
- Spin-off of Coperion is a key target

# Outlook

## Georg Fischer Services

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- Systematically exploiting growth potential, primarily
  - Information technology (SAP, networks, Internet)
  - Forwarding logistics (implementation of independent logistics concepts)
- Boosting sales to third-party market
- Exploiting shared services within the Corporation

# Outlook

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**2001**

**Our confidence about the future is based on:**

- **Industrial leadership**
- **Increasing value through shrewd strategic expansion**



# Confidence in the future: Industrial leadership

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## Factors of success for Georg Fischer

- Strong potential for growth in our markets
- Excellent market position of the core businesses
- Clearly focused, profitable activities
- High-calibre products in technology terms
- Large proportion of innovative new products
- Operational excellence
- Less sensitivity towards regional economic fluctuations

# Confidence in the future: Increasing value through shrewd strategic expansion

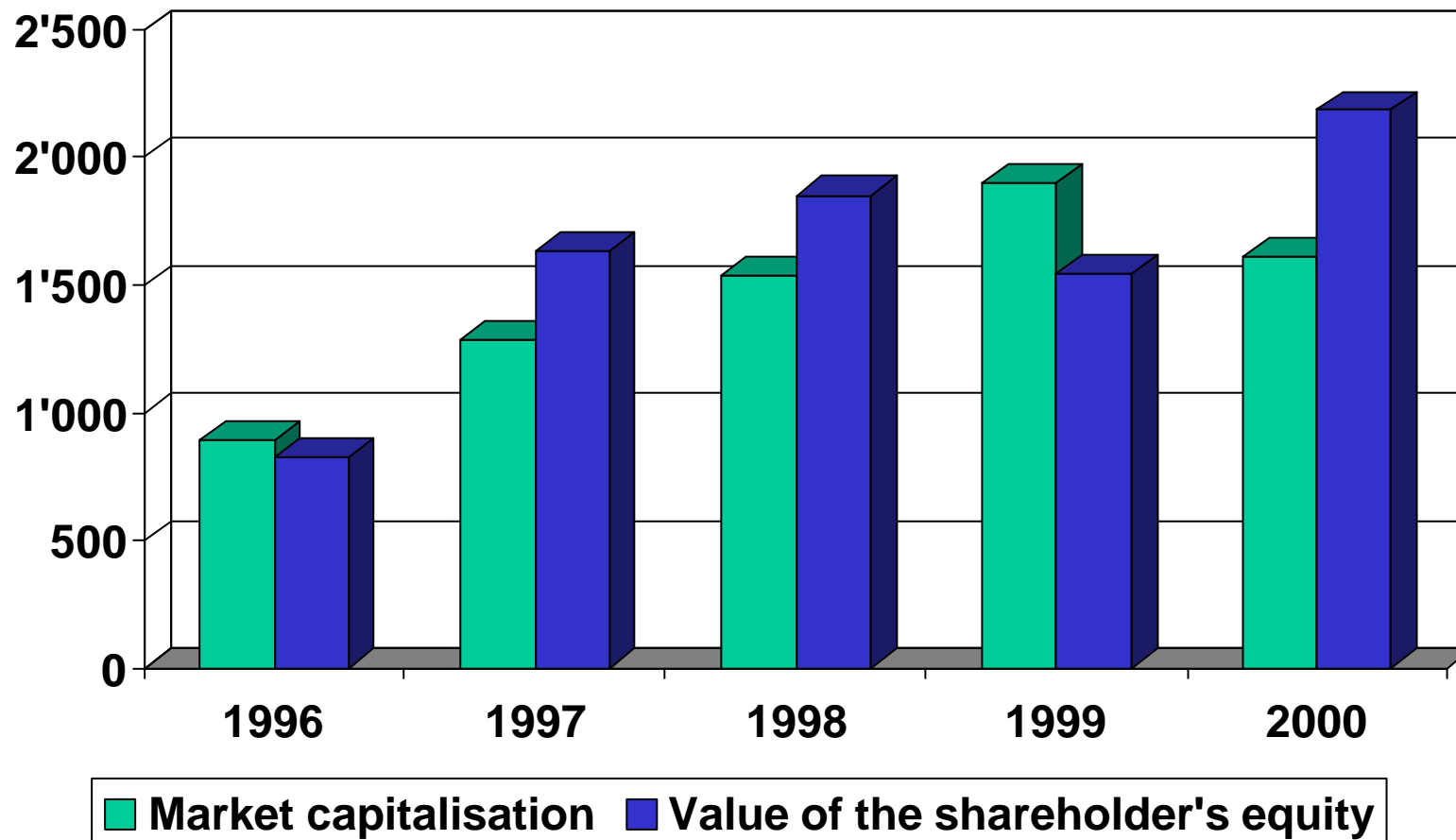
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## Factors of success for Georg Fischer

- Continuing to increase value through
  - sustained growth in profitability
  - emphasis on organic growth
  - shrewd acquisitions policy
- Continuity of corporate culture, management and strategic objectives
- Winning in the race against time (“fast and accurate”)

# Value of the shareholder's equity / market capitalisation

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# Value based management

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- Has been done for years with GF
- Financial key figures (RONOA concept) reliable
- New terms in use with GF

$$\text{ROIC} = \frac{\text{NOPAT (net operating profit after tax)}}{\text{invested capital}}$$

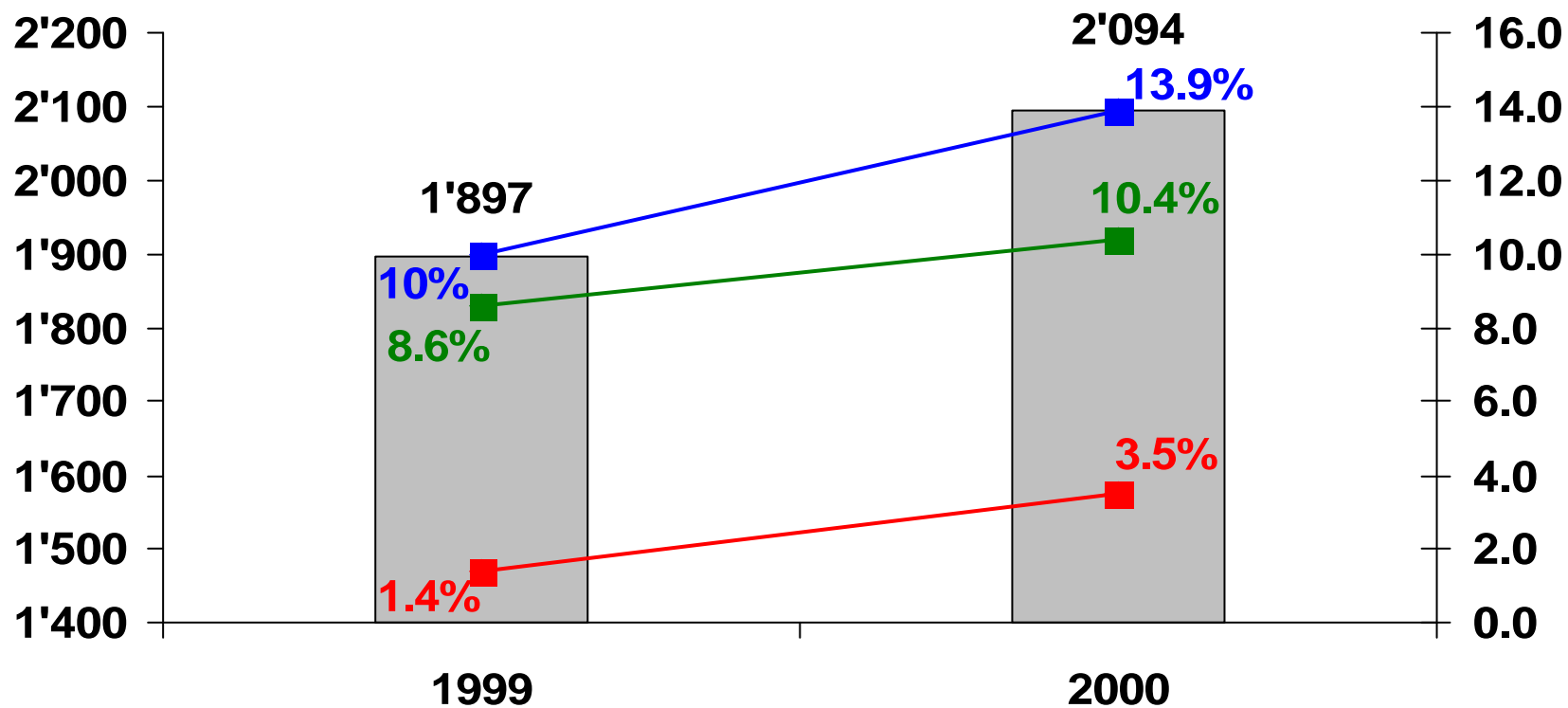
$$\text{Free cash flow} = \text{NOPAT} - \text{investments}$$

$$\text{Economic profit} = \text{invested capital} \times (\text{ROIC} - \text{WACC})$$

# ROIC

Inv. Capital  
[mill. CHF]

[in %]



Invested capital EBITA return ROIC Income taxes

# EBITA / Economic profit

[CHF]

