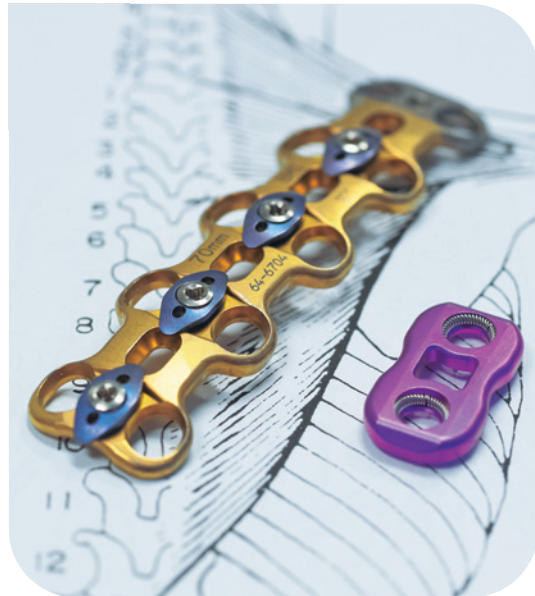




Mid-Year Report
2009



Key figures as per 30 June

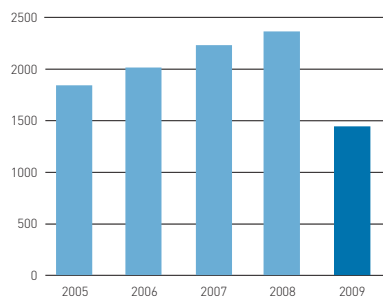
million CHF	Corporation		GF Piping Systems		GF Automotive		GF AgieCharmilles	
	2009	2008	2009	2008	2009	2008	2009	2008
Order intake	1 365	2 459	563	655	549	1 206	253	598
Sales	1 448	2 383	529	622	626	1 214	293	547
EBITDA	19	240	55	93	4	123	-39	28
EBIT before special charges	-63	157	30	72	-44	72	-46	20
Special charges	59		10		39		6	
EBIT	-122	157	20	72	-83	72	-52	20
Net profit / (loss)	-139	109						
Free cash flow	-125	-212						
Investments ¹	75	92	20	18	51	65	1	6
Return on Sales (EBIT margin) % ²	-4.4	6.6	5.7	11.6	-7.0	5.9	-15.7	3.7
Return on Net Operating Assets (RONOA) % ²	-7	17	9	24	-12	17	-20	8
Number of employees	13 015	13 954	4 490	4 381	5 523	6 065	2 855	3 355

1 Investments equal the purchase cost of property, plant and equipment and intangible assets acquired.

2 In the year 2009 based on EBIT before special charges.

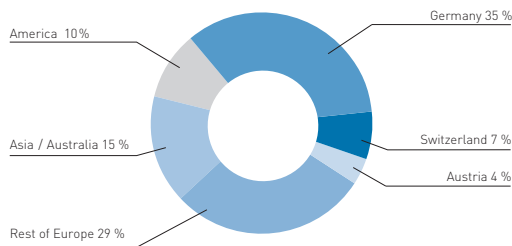
Sales January to June

million CHF



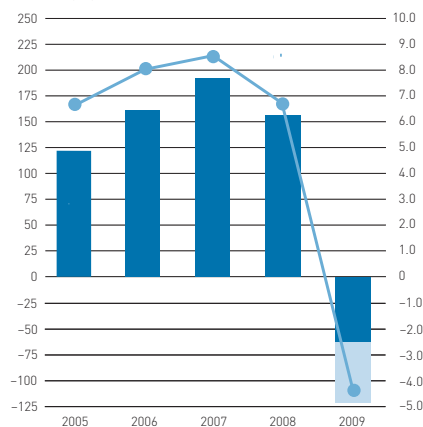
Sales January to June 2009 by region (in %)

(100 % = CHF 1.45 billion)



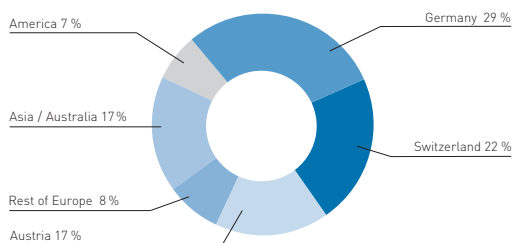
EBIT / ROS January to June

million CHF



Employees as per 30 June 2009 by region (in %)

(100 % = 13 015)



■ EBIT / EBIT before special charges
 ■ Special charges
 ● ROS (EBIT margin) / ROS before special charges

Mid-Year Report as per 30 June 2009

Georg Fischer: the structural programme makes an impact

The first-half results of the Georg Fischer Corporation reflect the global crisis in the markets. Sales were 39 % below the level reported in the excellent first six months of 2008. The operating result (EBIT) comes to CHF –122 million, a figure that includes CHF 59 million in one-off special charges for the current structural programme. GF Automotive and GF AgieCharmilles were especially hard hit by the downturn, while GF Piping Systems was less severely affected. The structural programme announced in May 2009 is on track and is already having a positive impact that will intensify in the course of the year. Operating and personnel costs in the first half of 2009 were reduced by 26 % compared with the same period the previous year.

Georg Fischer generated a turnover of CHF 1,448 million in the first half of 2009, compared with CHF 2,383 million in the same period the previous year. Adjusted for currency fluctuations and changes in the scope of consolidation, the decline was 38 %. GF Automotive and GF AgieCharmilles saw sales decline by about half, GF Piping Systems by about 15%. The crisis has affected all segments and regions, though to a varying degree.

The operating result (EBIT) before special charges stood at CHF –63 million at mid-2009. The measures taken have increasingly made their impact felt so that the operating loss before special charges was 60 % lower in the second quarter than in the first. In addition, the first-half figures include one-off special charges to EBIT amounting to CHF 59 million. The net loss for the first six months was CHF –139 million.

Free cash flow came to CHF –125 million. Receivables and inventories were reduced by CHF 139 million. The decline in sales and the cuts in investment spending led to a sharp fall in payables to suppliers. This effect was intensified by the decrease in production volume, which was kept low in order to reduce inventories. Net working capital increased slightly as a result. Investments in property, plant and equipment were reduced sharply by 20 % to CHF 72 million compared with the same period a year ago. The negative free cash flow has increased net debt to

CHF 702 million. New lending terms (covenants) were negotiated with the banks for the syndicated loan, and the conditions are being met. A new loan agreement is being drafted. The equity ratio is still a very solid 42 %.

The structural programme is working effectively

Georg Fischer launched a broad-based structural programme in the first half of 2009 in order to sustainably reduce the Corporation's overall costs by CHF 350 million by 2012. The goal is to post an operating profit in 2010, to generate an EBIT margin of 8 % and to decrease net debt to below CHF 400 million by 2012 at the latest. Georg Fischer believes that the worst will be over in 2009 but that a sustainable upswing is not likely before 2011.

The implementation of the structural programme is in full swing. It involves drastic cost-cutting measures, adjustments to capacity and structures, and divestment of assets not essential for operations. The Corporation announced the programme on 28 May 2009. Most of the measures will be completed by the end of 2009. Georg Fischer will take a special charge of about CHF 100 million to the 2009 annual accounts, of which CHF 59 million is included in the statement for the first half of 2009.

The savings already reduced operating and personnel costs by CHF 260 million or 26% in the first six months of the year. Short-time work continued in June 2009 at a lower level. 4,000 employees are affected. Where short-time work is not possible, working hours have been reduced and wages adjusted accordingly. As of May, the fixed salaries of the Executive Committee and of 250 senior managers were lowered by 10%, and the fixed salary of the CEO and the cash compensations of the Directors were decreased by 20%.

The three Corporate Groups have launched a number of long-term structural adjustments.

GF Piping Systems is consolidating production at Georg Fischer TPA S.r.l. at one location in Busalla and is pooling its Swiss building technology operations at the newly acquired firm of Georg Fischer JRG AG in Sissach. The entire organisation was streamlined as of 1 July 2009.

GF Automotive is adjusting structures and production capacity to demand. In the light metal segment, it has already sold its Gleisdorf foundry, and negotiations are being conducted to sell the Garching plant. The Herzogenburg site is being streamlined and restructured. Production in Canada is being shifted to China.

In view of the ongoing crisis, GF AgieCharmilles is speeding up efforts to focus its production sites in Switzerland. Production in Schaffhausen will be moved to Nidau by the autumn. The global sales organisation has been streamlined in recent months. The Corporate Group is forging ahead with measures to lower costs, trim the product range and speed up product development.

The implementation of the structural programme will bring about a Corporation-wide reduction in payroll of 2,300 positions or 16%. Some 1,300 positions worldwide were cut in the first half of 2009.

Corporate Groups

GF Piping Systems reported sales of CHF 529 million in the first half of 2009. This is equivalent to a decline of 15% versus the very strong first semester 2008 (22% adjusted for currency fluctuations and acquisitions). One reason for the downswing was the unusually severe winter, which hampered sales in the infrastructure business. Turnover in America and Asia was the least affected, whereas sales in Europe fell more sharply. Operating profit (EBIT) before special charges improved in the second quarter and came to CHF 30 million for the first half (ROS 6%). The new fittings plant in Ratnagiri, India, started up production. It will enable local customers to satisfy the substantial demand in India for water and gas utility products. The production site that opened last year in Malaysia is enjoying strong order intake. This year another plant will be commissioned in China. An upswing is taking shape mainly in the infrastructure business (water and gas utilities). On the whole, the Corporate Group expects markets to improve slightly in the second half of 2009.

GF Automotive suffered from the massive slump in sales of its customers in the passenger and especially the commercial vehicle segments. The key German market showed some improvement in May and June, particularly owing to the scrappage scheme and to tax breaks. Sales plunged rapidly by 48% to CHF 626 million, producing a first-half operating loss before special charges of CHF -44 million despite restructuring and cost-cutting measures. EBIT for the first half came to CHF -83 million. At GF Automotive, too, a positive EBIT trend is emerging. Customers in the passenger vehicle segment have now more or less depleted their inventories, and the industry appears to have touched bottom. The commercial vehicle market, however, will not start growing until 2010 or 2011. It is still very difficult to make any forecasts for the second half of 2009, as visibility remains poor. In May, GF officially inaugurated its first iron foundry in China, the most modern plant of this type in the world. The light metal foundry in Suzhou operated successfully and raised sales by 22%. GF Automotive is consolidating its position in what is now

the world's largest car market. The current crisis has intensified the trend to more fuel-efficient and lighter vehicles. GF Automotive is currently developing light-weight construction solutions for successor models together with several customers.

GF AgieCharmilles is facing a challenging situation. Some markets, such as Japan or Europe, have stalled almost completely. This impacts not only on sales of machines but also on the service business since the installed machines are less in use. Order intake was 58 % lower year-on-year, while sales fell 46 % to CHF 293 million. Even with intensive measures to scale back costs (-29 %) it is not easy to cope quickly with a slump on this scale. All the same, the measures taken are now beginning to have more of an impact. EBIT before special charges came to CHF -46 million. Special charges of CHF 6 million are being taken for restructuring. No market recovery is in sight as yet. The only positive signals are coming from China, where GF Agie-Charmilles launched its first locally developed and manufactured milling machine in June.

Outlook for 2009/2010 – strategy

There are signs that GF Automotive and GF Piping Systems have touched bottom, whereas the outlook at GF AgieCharmilles remains uncertain. Georg Fischer now believes that demand in 2009 is stabilising at a low level. With markets expected to be flat or to recover only gradually in 2009, the Corporation is forecasting a drop in sales of about one third compared with the previous year. As the structural measures are having an increasing impact, the operating result should pick up in the second half of 2009 and produce a positive EBIT in 2010.

Georg Fischer will drive forward the structural programme forcefully. Most of the measures will be completed in the second half. The Corporation is thus responding promptly to the changed market conditions.

Georg Fischer is sticking to its long-term strategy. The Corporate Groups will selectively exploit opportunities in growth markets. The expansion of GF Piping Systems will be continued.

Martin Huber

Martin Huber
Chairman of the Board
of Directors

Yves Serra
President and
Chief Executive Officer

Statement of financial position

million CHF	Notes	30 June 2009	%	31 Dec. 2008	%
Investment properties		38		36	
Property, plant and equipment for own use		1 089		1 101	
Intangible assets		348		346	
Investments in associates		1		1	
Other financial assets		5		4	
Deferred tax assets		53		55	
Non-current assets	(2.1)	1 534	50	1 543	47
Assets held for sale	(2.2)	20		4	
Inventories		675		801	
Trade accounts receivable		546		566	
Income taxes receivable		26		22	
Other accounts receivable		92		105	
Marketable securities		6		17	
Cash and cash equivalents		158		233	
Current assets	(2.2)	1 523	50	1 748	53
Assets		3 057	100	3 291	100
Share capital		82		101	
Share premium		180		167	
Retained earnings		976		1 088	
Equity attributable to shareholders of Georg Fischer Ltd		1 238	41	1 356	41
Non-controlling interests		40	1	48	2
Equity	(2.3)	1 278	42	1 404	43
Bank liabilities	(2.5)	174		110	
Bonds	(2.5)	175		174	
Deferred tax liabilities		85		87	
Provisions		73		76	
Employee benefits		163		158	
Other non-current liabilities		20		16	
Non-current liabilities		690	22	621	19
Bank liabilities	(2.5)	465		262	
Bonds	(2.5)			200	
Restructuring provisions ¹	(2.4)	31		6	
Other provisions ¹		55		71	
Employee benefits		33		43	
Liabilities corresponding to assets held for sale	(2.4)	16			
Trade accounts payable		200		388	
Current tax liabilities		47		36	
Other current liabilities		242		260	
Current liabilities		1 089	36	1 266	38
Liabilities	(2.4)	1 779	58	1 887	57
Liabilities and equity		3 057	100	3 291	100

¹ The previously reported provisions were splitted in restructuring provisions and other provisions.

Income statement

million CHF	Notes	Jan. – June		Jan. – June		Jan. – Dec.	
		2009	%	2008	%	2008	%
Gross sales		1 483		2 420		4 533	
Sales deductions		-35		-37		-68	
Sales	(3.1)	1 448	100	2 383	100	4 465	100
Changes in inventory		-68		18		49	
Other operating income		26		33		106	
Income		1 406	97	2 434	102	4 620	103
Cost of materials and products		-637		-1 184		-2 277	
Operating expenses		-285		-434		-845	
Gross value added		484	33	816	34	1 498	34
Personnel expenses		-465		-576		-1 108	
Depreciation		-75		-77		-210	
Amortization		-7		-6		-46	
EBIT before special charges	(3.2)	-63		157		134	
Special charges	(3.2)	-59					
EBIT	(3.2)	-122	-8	157	7	134	3
Interest income	(3.3)	1		2		5	
Interest expense	(3.3)	-15		-17		-37	
Other financial result	(3.3)	-1		-3		-6	
Result of investment properties		3					
Share in the result from associated companies		2					
Profit / (loss) before taxes		-132		139		96	
Income taxes	(3.3)	-7		-30		-27	
Net profit / (loss)	(3.4)	-139	-10	109	5	69	2
thereof attributable to shareholders of Georg Fischer Ltd		-141		100		56	
thereof attributable to non-controlling interests		2		9		13	
Basic earnings / (loss) per share in CHF	(3.4)	-35		25		14	
Diluted earnings / (loss) per share in CHF	(3.4)	-35		25		14	

Statement of comprehensive income

million CHF	Jan. – June 2009	Jan. – June 2008	Jan. – Dec. 2008
Net profit / (loss)	-139	109	69
Other comprehensive income:			
Translation adjustments recognized in the reporting period	28	-44	-98
Cumulated translation adjustments transferred to the income statement	1		2
Income taxes on other comprehensive income			
Other comprehensive income, net of taxes	29	-44	-96
Total comprehensive income	-110	65	-27
thereof attributable to shareholders of Georg Fischer Ltd	-112	57	-39
thereof attributable to non-controlling interests	2	8	12

Statement of changes in equity

million CHF	Share capital	Share premium	Cumulative translation adjustments	Other retained earnings	Equity attributable to shareholders of Georg Fischer Ltd	Non-controlling interests	Equity
Balance as per 31 December 2007	201	167	-55	1 182	1 495	45	1 540
Net profit				100	100	9	109
Other comprehensive income:							
Translation adjustments recognized in the reporting period			-43		-43	-1	-44
Cumulated translation adjustments transferred to the income statement							
Income taxes on other comprehensive income							
Other comprehensive income, net of taxes			-43		-43	-1	-44
Total comprehensive income			-43	100	57	8	65
Changes in own shares		3			3		3
Reduction in par value / dividends	-100				-100	-9	-109
Balance as per 30 June 2008	101	170	-98	1 282	1 455	44	1 499
Balance as per 31 December 2008	101	167	-150	1 238	1 356	48	1 404
Net profit / (loss)				-141	-141	2	-139
Other comprehensive income:							
Translation adjustments recognized in the reporting period			28		28		28
Cumulated translation adjustments transferred to the income statement			1		1		1
Income taxes on other comprehensive income							
Other comprehensive income, net of taxes			29		29		29
Total comprehensive income			29	-141	-112	2	-110
Changes in own shares	1	13			14		14
Capital increase non-controlling interests						2	2
Reduction in par value / dividends	-20				-20	-12	-32
Balance as per 30 June 2009	82	180	-121	1 097	1 238	40	1 278

Statement of cash flows

million CHF	Notes	Jan. – June 2009	Jan. – June 2008	Jan. – Dec. 2008
Net profit / (loss)		-139	109	69
Income taxes		7	30	27
Financial result		15	18	38
Depreciation		75	77	210
Amortization		7	6	46
Non-cash special charges		51		
Other non-cash income and expenses		27	15	-30
Increase in provisions, net		8	28	67
Use of provisions		-29	-19	-52
Changes in				
Inventories	(4)	117	-99	-102
Trade accounts receivable	(4)	22	-142	145
Other accounts receivable		11	6	-6
Trade accounts payable		-187	-23	-59
Other non-interest-bearing liabilities		4	42	-29
Interest paid		-17	-15	-31
Income taxes paid		-17	-40	-96
Cash flow from operating activities		-45	-7	197
Additions to				
Property, plant and equipment		-72	-90	-243
Intangible assets		-3	-2	-4
Other financial assets		-1		
Disposals of				
Property, plant and equipment		4	2	6
Other financial assets		1	1	1
Purchase / disposal of marketable securities			1	1
Cash flow from acquisitions	(4)	-10	-120	-209
Cash flow from divestitures				50
Interest received		1	3	4
Cash flow from investing activities		-80	-205	-394
Free cash flow	(4)	-125	-212	-197
Changes in own shares		12	-2	-5
Capital increase non-controlling interests		2		
Par value reduction / dividends paid		-32	-109	-109
Repayment of bonds		-200		
Increase of bank loans		340	16	82
Repayment of bank loans		-10	-9	-21
Changes in other interest-bearing liabilities (mainly current bank accounts)		-62	76	111
Cash flow from financing activities		50	-28	58
Translation adjustment on cash and cash equivalents		2	-8	-16
Net cash flow		-73	-248	-155
Cash and cash equivalents at beginning of year		233	388	388
Cash and cash equivalents at end of period¹		160	140	233

1 Cash and cash equivalents as of 30 June 2009 include cash and cash equivalents in the amount of CHF 158 million as disclosed in the statement of financial position and CHF 2 million included in the assets held for sale.

Corporate accounting principles

Basis of preparation of the consolidated interim financial statements

The consolidated interim financial statements are those of Georg Fischer Ltd and all Swiss and foreign subsidiaries in which it holds – either directly or indirectly – more than 50 % of the voting rights or for which it has operational and financial management responsibility. Those entities are fully consolidated. Joint ventures in which Georg Fischer Ltd has a direct or indirect participation of 50 %, or where the Georg Fischer Corporation exercises joint control, are included in the consolidated financial statements using the proportionate consolidation method. Investments in associates in which the Georg Fischer Corporation has a non-controlling interest of at least 20 % but less than 50 %, or over which it otherwise has significant influence, are included in the consolidated financial statements using the equity method of accounting. The consolidated interim financial statements cover the six-month period ended 30 June 2009 (hereafter “the interim period”) and are prepared in accordance with the International Accounting Standard 34 (IAS 34) “Interim Financial Reporting”. These consolidated interim financial statements do not include all the notes contained in the consolidated annual financial statements, and for that reason should be read in conjunction with the consolidated financial statements for the year ended 31 December 2008.

The consolidated interim statements were approved by the Board of Directors on 14 July 2009.

The accounting principles applied in the interim financial statements are consistent with those used in the 2008 annual report, except where noted in the following paragraph:

Effective 1 January 2009 Georg Fischer adopted the newly issued IFRS 8 “Operating Segments”, IFRIC 13 “Customer Loyalty Programs”, IFRIC 15 “Agreements for the construction of Real Estate” and IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” as well as the revised IAS 23 “Borrowing Costs”, IAS 1 “Presentation of Financial Statements”, IFRS 2 “Share-based Payment”, IAS 32 “Financial Instruments: Presentation”, IFRS 7 “Financial Instruments: Disclosures” and IAS 39 / IFRIC 9 “Embedded Derivatives”. With the exception of IFRS 8, IAS 1 and IAS 23 the adoption had no effect on the consolidated interim financial statements.

As the internal reporting to the Executive Committee and the Board of Directors is generated according to the existing Corporate Groups and based on the same recognition and measurement principles as the consolidated financial statements, there have been no changes in the definition of the operative segments due to the adoption of IFRS 8 but additional disclosures for the total year. The adoption of IAS 1 revised led to the additional disclosure of the statement of comprehensive income as Georg Fischer opted for a separate disclosure of the calculation of total comprehensive income. The adoption of IAS 23 revised led to an insignificant capitalization of borrowing costs for current investment projects.

The following new and revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements. Their impact on the consolidated financial statements of Georg Fischer has not yet been systematically analysed. However, a preliminary assessment has been conducted by management and the expected impact of each standard and interpretation is presented in the following table.

Standard / Interpretation		Effective date	Date planned for adoption by Georg Fischer
IFRIC 17 – Distributions of Non-cash Assets to Owners	*	1 July 2009	Financial year 2010
IFRIC 18 – Transfer of Assets from Customers	*	1 July 2009	Financial year 2010
Amendments to IFRS 1 – First-time Adoption of IFRS	*	1 July 2009	–
Amendments to IAS 39 – Financial Instruments: Recognition and Measurement (Eligible Hedged Items)	*	1 July 2009	Financial year 2010
IFRS 3 rev. – Business Combinations	****	1 July 2009	Financial year 2010
IAS 27 rev. – Consolidated and Separate Financial Statements	****	1 July 2009	Financial year 2010
IFRS 5 rev. – Assets held for Sale	***	1 July 2009	Financial year 2010
Improvements to IFRSs	***	1 July 2009 1 January 2010	Financial year 2010

* No impact or no significant impact is expected on the consolidated financial statements.

** The impact on the consolidated financial statements is expected to result in additional disclosures or changes in presentation.

*** The impact on the consolidated financial statements can not yet be determined with sufficient reliability.

**** This Standard will have an effect on transactions effective on or after 1 January 2010.

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the consolidated interim financial statements. If in future such estimates and assumptions, which are based on management's best judgement at the date of the consolidated interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change. With the following exceptions estimates and assumptions made by the management in the consolidated interim financial statements are not different from those made in the consolidated financial statements for the year ended 31 December 2008.

Within the past six month management modified the following estimates and assumptions:

- Net realisable value of single items of property, plant and equipment
- Measurement of provisions.

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

Notes to the consolidated interim financial statements

Segment information as per 30 June

million CHF	GF Piping Systems		GF Automotive	
	2009	2008	2009	2008
Order intake	563	655	549	1 206
Orders on hand at end of period ¹	70	35	272	941
Sales²	529	622	626	1 214
EBITDA	55	93	4	123
Depreciation	20	18	46	49
Amortization	5	3	2	2
EBIT before special charges	30	72	-44	72
Special charges	10		39	
Impairment of property, plant and equipment ³			8	
EBIT	20	72	-83	72
Assets ⁴	989	941	1 164	1 452
Liabilities ⁴	236	225	424	582
Investments ⁵	20	18	51	65
Research and development	12	12	22	36

In accordance with IFRS 8 the operating segments consist of the three Corporate Groups GF Piping Systems, GF Automotive and GF AgieCharmilles.

- 1 As of 31 December 2008 change of definition for GF Automotive. Comparable figures are not adjusted.
- 2 Sales between segments are insignificant.
- 3 Contained in special charges.
- 4 Segment assets and liabilities excluding financial and income tax positions.
- 5 Investments equal the purchase cost of property, plant and equipment and intangible assets acquired.

1 Changes in scope of consolidation

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

Additions (Formations)

as of 15 March 2009
 Georg Fischer Corys LLC, Dubai
 Joint Venture, Share Georg Fischer 49 %
 pro rata sales 2009: No sales (company setup)
 GF Piping Systems

Disposals

as of 30 June 2009
 Georg Fischer GmbH & Co KG, Gleisdorf
 pro rata sales 2009: CHF 19 Mio.
 GF Automotive

2 Statement of financial position

Total assets declined by CHF 234 million or 7 % compared with the end of 2008. This was due in particular to the systematic reduction of inventories and to a decrease in liquidity.

2.1 Non-current assets

Non-current assets were virtually unchanged in absolute terms and in their structure; they are only CHF 9 million below year-end 2008. Owing to the decline in total assets, however, the ratio of non-current assets to total assets increased by 3 percentage points to 50 %.

GF AgieCharmilles		Non-allocated		Eliminations		Corporation	
2009	2008	2009	2008	2009	2008	2009	2008
253	598					1 365	2 459
97	205					439	1 181
293	547					1 448	2 383
-39	28	-1	-4			19	240
7	7	2	3			75	77
	1					7	6
-46	20	-3	-7			-63	157
6		4				59	
		1				9	
-52	20	-7	-7			-122	157
608	792	352	335	-56	-81	3 057	3 439
142	253	1 017	920	-40	-40	1 779	1 940
1	6	3	3			75	92
21	27					55	75

2.2 Current assets

Current assets fell to CHF 1.52 billion, which was 13% lower than at the start of the year. This marked a drop of CHF 225 million. The deliberate reduction in inventories contributed CHF 126 million to the decrease in current assets.

The planned disposal of the GF Automotive light metal foundry in Garching, Germany, as part of the structural programme, resulted in a reclassification of all assets – with the exception of land and buildings – in the line item “Assets held for sale”. As a result of the measurement at market and net realizable values, a loss of CHF 4 million was posted in the income statement in the line special charges.

2.3 Equity

Equity fell by CHF 126 million compared with the end-of-year 2008. The decrease was mainly due to the net loss of CHF 139 million. The par value reduction of CHF 20 million was paid out at the end of June 2009, leading to a decrease in equity. Currency fluctuations led to an increase of equity by CHF 28 million.

In the period under review the 50,000 shares at the disposal of the Board of Directors were transferred into tradeable shares. Thereof 34,830 shares have been sold. Another 32,761 own shares have been disposed in the first half 2009. These transactions resulted in an increase of CHF 14 million in the equity.

The equity ratio declined slightly but is still a high 42%.

2.4 Liabilities

Non-current liabilities increased by about CHF 70 million. Some additional long-term loans were negotiated with the banks. These new credit lines have mostly been drawn.

The restructuring provisions amounting to CHF 31 million consist of CHF 16 million for structural adjustments and CHF 15 million for personnel measures.

The bond which was repaid in February is no longer included in current liabilities. However, bank loans have increased by about CHF 200 million. The liabilities corresponding to assets held for sale of the projected divestment of the light metal foundry in Garching were completely reclassified and amount to CHF 16 million. The steep fall in sales resulted in a lower procurement volume, which explains why trade accounts payable declined by CHF 188 million.

2.5 Financing

The 3½% bond of CHF 200 million, which was due for repayment at the beginning of February 2009, was not renewed. Refinancing was effected by using the syndicated loan for the same amount. Owing to the deterioration in profitability, lending terms (covenants) had to be renegotiated. A new syndicated loan with a higher limit is being negotiated with the banks to replace the existing loan.

Net debt

million CHF	30 June 2009	31 Dec. 2008
Bank liabilities	639	372
Bonds	175	374
Employee benefits	43	43
Other interest-bearing liabilities	9	7
Interest-bearing liabilities	866	796
Marketable securities	6	17
Cash and cash equivalents	158	233
Net debt	702	546

Net debt as at 30 June 2009 came at CHF 702 million, which is an increase of CHF 156 million compared with end-December 2008. The increase is by and large equivalent to the negative free cash flow, the par value repayment and the dividends paid to shareholders of non-controlling interests. The sale of own shares and shares held at the disposal of the Board of Directors had a positive cash impact of CHF 12 million.

3 Income statement

The structure of the income statement has been changed. In order to create transparency regarding one-off costs, a new line "Special charges" has been introduced. This makes it possible to identify clearly the costs arising from the restructuring programme.

3.1 Sales

Sales in the first half fell drastically by 39% to CHF 1.45 billion. Changes in the scope of consolidation largely cancelled each other out so that the overall effect was an increase in sales of only CHF 4 million. Currency translation effects reduced sales by 2% (CHF 58 million). Adjusted for changes in the scope of consolidation, the real decline in local currencies was 38%.

3.2 EBIT

The EBIT trend was impacted by the decline in volume and the restructuring effects. Costs were reduced substantially, but the scale of the reduction is considerably less than that of sales. Operating and personnel expenses together were lowered by 26%. This percentage can be expected to increase in the second half. Nevertheless, EBIT from operations before special charges was CHF -63 million, compared with operating profit of CHF 157 million in the same period the previous year. Only GF Piping Systems generated a positive result of CHF 30 million before special charges, equivalent to an EBIT margin of 5.7%.

The special charges arising from the restructuring programme came to CHF 59 million as per end-June 2009 and are composed as follows:

million CHF	
Impairments on property, plant and equipment	9
Personnel and social expenses	17
Structural adjustments	13
Loss on the divestiture of Gleisdorf	16
Valuation loss on assets held for sale	4
Total special charges	59

The bulk of the costs are related to the disposal of the Gleisdorf plant and the planned disposal of the Garching plant. In these companies a divestiture loss of CHF 16 million (Gleisdorf) and substantial write-offs on plant and equipment as well as provisions of CHF 20 million (Garching) had to be recognized. Total EBIT adds up to a loss of CHF 122 million.

Currency translation effects had a negative impact on the accounts, especially at GF Piping Systems and GF AgieCharmilles. The overall negative impact of currency movements on EBIT came to CHF 10 million in the first half. The principal factor was the euro's loss of value against the Swiss franc.

3.3 Financial result and taxes

Interest expenses were below the previous year's level despite the higher net debt because interest rates fell again sharply. The banks' higher interest margins barely had any effect, though the impact will increase appreciably in the second half.

Even though Georg Fischer posted a net loss before taxes, taxes will be payable because operations in some countries and some companies were profitable and these profits cannot be offset against the losses of the other companies. Taxes come to CHF 7 million (previous year: CHF 30 million).

3.4 Net profit / (loss) and earnings / (loss) per share

The Corporation posted a net loss of CHF 139 million. Based on the loss attributable to the shareholders of Georg Fischer Ltd results a loss per share of CHF 35 (previous year: earnings per share of CHF 25).

4 Free cash flow

Free cash flow came to CHF -125 million (previous year: CHF -212 million), which was again clearly negative. This result can be explained mainly by the large loss posted and the negative change in net working capital. Despite the very steep drop in sales, net working capital increased in comparison with the end of 2008. Inventories were reduced by a substantial CHF 117 million. Trade accounts receivable declined sharply as of the fourth quarter of 2008. In addition, both GF Piping Systems and GF Automotive posted substantially higher sales in June than in December, which resulted in an increase in receivables. Thanks to a huge reduction in receivables at GF AgieCharmilles, the positive impact on net working capital amounts to CHF 22 million. There was a marked negative effect from trade accounts payable. Accounts payable decreased in line with the fall in sales volume, and this effect was amplified by the reduction in inventories. Production was substantially lower than sales, with the result that purchase volumes and accounts payable fell by a disproportionate amount. The trend was heightened by the sharp drop in investment spending compared with the second half of 2008.

The cash flow from acquisitions in the amount of CHF 10 million stems from a final payment relating to an Earn-out clause from the acquisition of the Central Plastics group of GF Piping Systems.

5 Events after the reporting period

There have been no events between 30 June 2009 and 14 July 2009 that would require an adjustment to the carrying amounts of assets and liabilities or would need to be disclosed under this heading.

Disclaimer

The statements in this report relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions; foreign exchange rates; regulatory rules; market conditions; the actions of competitors and other factors beyond the control of the company.

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The recording of the telephone conference held on 17 July 2009 is available for download on our website.

2 March 2010
 Publication of Annual Report 2009, Media and Financial Analysts' Conference

24 March 2010
 Annual General Meeting of the financial year 2009

19 July 2010
 Publication of Mid-Year Report 2010

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