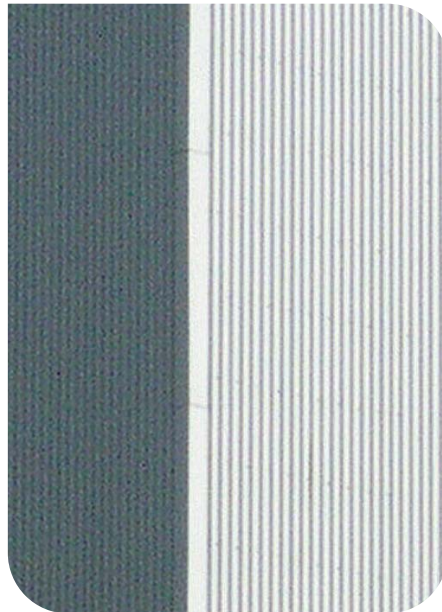




Mid-Year
Report 2005



Mid-Year Report as per June 30, 2005

Georg Fischer reports steep rise in profit

Georg Fischer continues to implement its growth strategy successfully. Year-on-year, sales increased by 5% and operating profit improved by nearly 50%, demonstrating its success in the market and the impact of its restructuring programme. This trend should continue in the second half of the year.

Financial statements as per June 30, 2005

Most key figures improved again in the first half of 2005. At CHF 1,852 million, consolidated sales are up 4.8% on the previous year (CHF 1,767 million). A particularly encouraging rise in sales came from the largest Corporate Group, GF Automotive, which grew in the stagnating European market. In Europe, the main sales region, the individual sectors are showing a mixed picture.

In Germany, there are still no signs of an upswing. In America, demand remains strong, and in Asia, the market trend continues to be very positive with a few exceptions. On balance, growth in the global economy is flattening out, and this is reflected in the trend of order intake.

The additional volume and, above all, the impact of the completed restructuring programme are reflected in another substantial improvement in the Group's earnings. Earnings before interest and taxes (EBIT) stand at CHF 122 million (previous year: CHF 83 million), which translates into a rise of 47%. By achieving an EBIT margin of 6.6% (previous year: 4.7%), Georg Fischer has taken another step closer to meeting its target of an 8% EBIT margin by 2007. All Corporate Groups are contributing to the improvement in earnings. EBIT as per June 30, 2005 includes exceptional

income from receivables written off and a special charge relating to the relocation of production capacity for the light-metal pressure die casting business in Munich. At CHF 76 million, net profit is almost 50% up on the previous year (CHF 51 million). Net debt fell by CHF 117 million year-on-year to stand at CHF 765 million as per June 30, 2005.

Even though the restructuring programme has been completed, energetic efforts to increase efficiency and improve competitiveness continue, particularly at the European sites.

Corporate Groups

GF Automotive grew in spite of stagnating markets and again improved profitability. Sales rose 4.6% year-on-year to CHF 926 million. At CHF 57 million, EBIT are 16% up on the previous year. The EBIT margin increased to 6.2% (previous year: 5.5%). The new plant for aluminium die casting in Suzhou (China) will start production in August. Georg Fischer is endeavouring to improve the competitiveness of the German production sites. As part of the measures aimed at improving profitability, production is being relocated from Munich to other existing plants, as already announced. The associated costs are included in the first-half result of GF Automotive. Raw material prices are currently on a downward trend, but their future path remains uncertain.

GF Piping Systems also increased sales and earnings again. Sales grew slightly, by 3.2% to CHF 425 million, and EBIT improved by 12% to CHF 37 million. The EBIT margin rose from 8.0% to 8.7%. The economic environment was little changed compared with the previous year. In Western Europe, the trend seems to be toward stagnation. Germany remains weak, but GF Piping Systems nevertheless grew in the German market. America remained on a positive trend. In the growth market of Asia, there was evidence of a slowdown in construction activity in China and a lack of investment in the semiconductor industry.

KEY FIGURES as per June 30

million CHF	Corporation		GF Automotive		GF Piping Systems		GF Machine Tools	
	2005	2004	2005	2004	2005	2004	2005	2004
Order intake	1 907	1 924	931	990	442	431	534	500
Sales	1 852	1 767	926	885	425	412	501	466
EBITDA	202	169	110	101	53	51	37	21
EBIT before special charges		83		49		33		8
EBIT	122	92	57	37	37	35	29	8
Return on Sales ROS (EBIT margin) % ¹	6.6	4.7	6.2	5.5	8.7	8.0	5.7	1.7
Net profit	76	51						
Number of employees	12 335	12 360	5 818	6 008	3 185	3 163	3 171	3 023

1 Previous year before special charges

GF Machine Tools lifted sales by 7.4% to CHF 501 million and generated EBIT of CHF 29 million (CHF 8 million in the previous year). Reflecting this growth, the EBIT margin increased to 5.7%. Business in Northern Europe is on a positive trend, while Southern Europe remains at the low level seen in previous years. In North America, Latin America and Asia, growth remains strong. Steps to expand production capacity in China have been completed, enabling Georg Fischer to develop rapidly in the main market. The high-speed milling business is the fastest growing product segment.

Market highlights

GF Automotive built a new plant in Suzhou, China, in just a few months and will start producing light-metal die-cast components in August. The properties of SiboDur, an iron castings material developed by GF Automotive, are opening up additional potential for cast products, for example as an alternative to forged chassis parts, crankshafts or connecting rods.

GF Piping Systems has continued to strengthen its presence in non-cyclical markets. The easy-to-install, pre-insulated piping system Cool-Fit is being offered to customers worldwide in the growth market for refrigeration systems. In Europe's plumbing and heating sector, GF is offering i-Fit, an innovative system for pipe connections that slashes installation times. For the Chinese market, the plant in Shanghai is producing a locally developed system using the plastic material PE-RT.

At GF Machine Tools, the development of the new generation of EDM products is going according to plan. Two new machines produced at the extended facilities in China have been introduced for the lower price segment. In addition, two new products have been launched for high-speed milling. The new sales company in Thailand reported a good start.

Outlook for 2005

Achieving a similar result in the second half of the year is a demanding but not impossible target provided that economic conditions do not deteriorate unexpectedly.



Martin Huber
Chairman of the Board
of Directors



Kurt E. Stirnemann
President and
Chief Executive Officer

Balance sheet

million CHF	Notes	June 30, 2005	%	June 30, 2004	%	Dec. 31, 2004	%
Property, plant and equipment		1 029		1 018		1 047	
Intangible assets		248		259		248	
Investments in associates		1		4		1	
Other financial assets		114		131		110	
Deferred tax assets		36		50		53	
Non-current assets	(2)	1 428	46	1 462	48	1 459	46
Inventories	(2)	599		548		556	
Trade accounts receivable	(2)	723		682		617	
Income taxes receivable		10		12		9	
Other accounts receivable		92		109		91	
Marketable securities		15		12		14	
Cash and cash equivalents	(2)	217		230		442	
Current assets	(2)	1 656	54	1 581	52	1 729	54
ASSETS	(2)	3 084	100	3 043	100	3 188	100
Share capital		306		335		335	
Share premium		139		129		129	
Retained earnings		551		419		466	
Equity attributable to shareholders of Georg Fischer Ltd		996	32	883	29	930	29
Minority interests		98	3	86	3	93	3
Equity	(2)	1 094	35	969	32	1 023	32
Banks		197		285		199	
Mortgages		6		6		6	
Subordinated convertible bond		156		152		154	
Other debenture loans		370		196		369	
Deferred tax liabilities		72		78		82	
Provisions		93		75		79	
Employee benefits		159		143		149	
Other non-current liabilities		29		51		30	
Non-current liabilities	(2)	1 082	35	986	32	1 068	34
Banks		206		219		193	
Mortgages		1		1		1	
Other debenture loans	(2)			205		197	
Employee benefits		31		31		31	
Restructuring provisions				24		9	
Trade accounts payable		296		294		374	
Current tax liabilities		55		46		42	
Other current liabilities		319		268		250	
Current liabilities	(2)	908	30	1 088	36	1 097	34
Liabilities		1 990	65	2 074	68	2 165	68
LIABILITIES AND SHAREHOLDERS' EQUITY	(2)	3 084	100	3 043	100	3 188	100

Income statement

million CHF	Notes	Jan. – June 2005	%	Jan. – June 2004	%	Jan. – Dec. 2004	%
Gross sales		1 877		1 789		3 583	
Sales deductions		-25		-22		-43	
Sales	(3)	1 852	100	1 767	100	3 540	100
Changes in inventory		2		4		20	
Other operating income	(3)	30		21		55	
Income		1 884	102	1 792	101	3 615	102
Cost of materials and products	(3)	-847		-793		-1 646	
Operating expenses		-327		-326		-642	
Gross value added	(3)	710	38	673	38	1 327	37
Personnel expenses	(3)	-508		-504		-979	
Depreciation	(3)	-79		-75		-143	
Amortisation		-1		-11		-25	
Special charges restructuring plan				9		9	
EBIT	(3)	122	7	92	5	189	5
Financial result	(3)	-20		-25		-56	
Result of investment properties				1		4	
Profit before taxes		102		68		137	
Income taxes	(3)	-26		-17		-32	
Net profit	(3)	76	4	51	3	105	3
thereof attributable to shareholders of Georg Fischer Ltd		67		48		94	
thereof attributable to minority interests		9		3		11	
Earnings per share in CHF		20		14		28	
Diluted earnings per share in CHF		18		13		26	

Statement of changes in equity

million CHF	Share capital	Share premium	Cumulative translation adjustments	Changes in fair value of financial assets	Other retained earnings	Equity attributable to shareholders of Georg Fischer Ltd	Minority interests	Equity
Balance at December 31, 2003	335	128	-93		474	844	88	932
Changes in fair value of financial assets				4		4		4
Translation adjustments			-14			-14		-14
Net income recognised directly in equity			-14	4		-10		-10
Net profit for the period					48	48	3	51
Total recognised income and expense for the period			-14	4	48	38	3	41
Changes in own shares		1				1		1
Dividends							-5	-5
Balance at June 30, 2004	335	129	-107	4	522	883	86	969
Balance at December 31, 2004	335	129	-105	3	568	930	93	1 023
Changes in fair value of financial assets				5		5		5
Translation adjustments			13			13	2	15
Net income recognised directly in equity			13	5		18	2	20
Net profit for the period					67	67	9	76
Total recognised income and expense for the period			13	5	67	85	11	96
Changes in own shares	5	10				15		15
Reduction in par value/dividends	-34					-34	-6	-40
Balance at June 30, 2005	306	139	-92	8	635	996	98	1 094

Cash flow statement (condensed)

million CHF	Jan. – June 2005	Jan. – June 2004	Jan. – Dec. 2004
Cash flow from operating activities ¹	25	60	272
Cash flow from investing activities	-49 ²	-9 ²	-79
Free cash flow¹	-24	51	193
Cash flow from financing activities ¹	-205	-75	-3
Translation adjustment on cash and cash equivalents	4	-2	-4
Net cash flow	-225	-26	186
Cash and cash equivalents at beginning of year	442	256	256
Cash and cash equivalents at end of period	217	230	442

¹ Interest paid are now shown as part of the operating activities.

The comparative figures were adjusted to conform with the current mid-year's presentation.

² Incl. proceeds from divestitures of CHF 2 million (previous year CHF 64 million).

Corporate accounting principles

Basis of preparation of the consolidated interim financial statements

The consolidated interim financial statements are those of Georg Fischer Ltd, a company registered in Schaffhausen, Switzerland, 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 (hereafter “the Group”) for the six-month period ended June 30, 2005 (hereafter “the interim period”). They are prepared in accordance with the International Accounting Standard 34 (IAS 34) “Interim Financial Reporting”. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2004, as they provide an update of previously reported information. They were approved for issue by the Board of Directors on July 12, 2005.

The accounting principles used are consistent with those used in the consolidated financial statements for the year ended December 31, 2004, except where noted below. Where necessary, the comparatives have been reclassified or extended from the previously reported interim results to take into account any presentational changes made in the consolidated interim financial statements.

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 the 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 period in which the circumstances change.

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

Changes in corporate accounting principles

In 2003 the International Accounting Standards Board (IASB) published a revised version of IAS 32 “Financial Instruments: Disclosure and Presentation”, a revised version of IAS 39 “Financial Instruments: Recognition and Measurement” and “Improvements to International Accounting Standards”, which makes changes to 14 existing standards. In 2004 the IASB published IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations”, IFRS 4 “Insurance Contracts”, IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, revised versions of IAS 36 “Impairment of Assets” and IAS 38 “Intangible Assets” and further amendments to IAS 39. The Group adopted these effective January 1, 2005.

IAS 1 (revised): “Presentation of financial statements”:

Amongst other matters, the revised standard requires that minority interests in the net assets of a subsidiary be presented as part of consolidated equity and not as a separate category on the balance sheet, and that minority interests in the net income of a subsidiary be presented as part of consolidated net income in the income statement. The revised standard requires retrospective application.

IFRS 3: “Business combinations”:

Amongst other matters, the new standard requires that amortisation of goodwill cease from the date of implementation. Goodwill is tested for impairment on an annual basis. The standard requires prospective application. Had this standard been applied in the interim period of 2004, then goodwill amortisation expenses of CHF 9.5 million would not have been recorded. No additional impairment would have been necessary.

The new standard also affects the Group’s effective tax rate, as no tax benefit was recorded in respect of goodwill amortisation that is not deductible for tax purposes. In the Group’s mid-year result 2004, the effective tax rate is therefore expected to decrease by approximately 3 percentage points.

Georg Fischer assessed the impact of the other amendments and newly applicable standards and did not identify any significant impact on the Group’s equity and net income.

Notes to the consolidated financial statements

1 Changes in scope of consolidation

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

Additions

as per April 1, 2005 Agie Charmilles (Thailand) Co. Ltd, Bangkok

2 Balance sheet

There has been no significant change in the balance sheet compared with the financial statements as per December 31, 2004. Total assets declined by around CHF 100 million, or 3%.

Non-current assets declined by CHF 31 million since investments in the first half were CHF 26 million lower than depreciation. Current assets were reduced by a total of about CHF 70 million. Inventories and trade accounts receivable increased by CHF 149 million owing to higher sales and the usual seasonal fluctuations in business. By contrast, cash fell by CHF 225 million to CHF 217 million. The reason for this was the redemption of CHF 197 million of the convertible bond that fell due in January 2005.

Equity rose by CHF 71 million to CHF 1 094 million. The main reasons for this change were the net profit and the sale of Georg Fischer own shares in the amount of CHF 14 million. The par value reduction paid out on July 1, 2005 of CHF 10 per share – or a total of CHF 34 million – has already been deducted from equity. The equity ratio increased again and is now 35%.

Non-current liabilities changed only slightly by CHF 14 million, rising to CHF 1 082 million. Current liabilities fell by CHF 189 million, owing in particular to the redemption of the convertible bond.

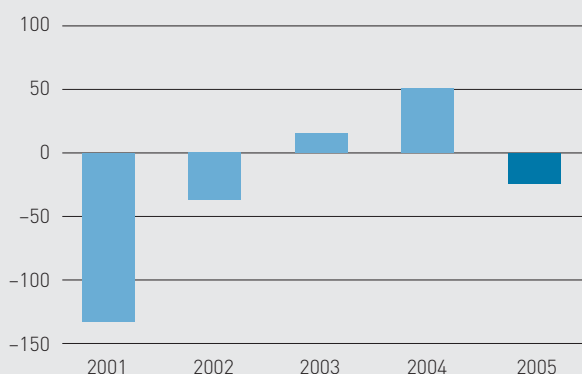
The company's financing situation is very solid. There are no significant repayments of financial debt due this year or next. The maturities are distributed fairly evenly over the period 2007–2010.

Net debt

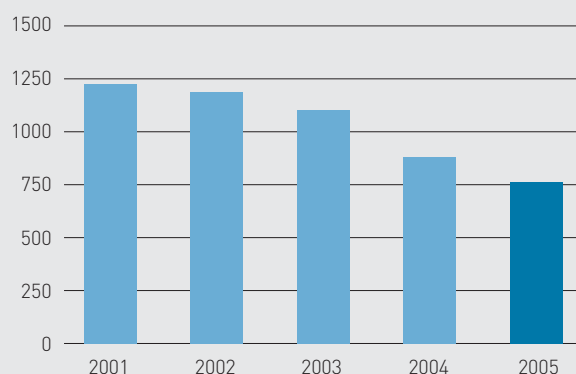
million CHF	June 30, 2005	June 30, 2004
Banks	403	504
Mortgages	7	7
Debenture loans	526	553
Employee benefit plans	49	51
Other interest-bearing liabilities	12	9
Interest-bearing liabilities	997	1 124
Marketable securities	15	12
Cash and cash equivalents	217	230
Net debt	765	882

Net debt as per June 30, 2005 was CHF 765 million. The increase compared with the year-end figure is of a seasonal nature, and a further reduction in net debt can be anticipated for the full year. Compared with the first half year of 2004, net debt improved by CHF 117 million.

Free cash flow January to June
million CHF



Net debt as per June 30
million CHF



3 Income statement

Sales in the first half of 2005 increased 4.8% to CHF 1,852 million compared with the prior-year period. Other operating income includes extraordinary revenue of CHF 7 million, which was generated by the sale of an old, completely value adjusted receivable which was part of a debt rescheduling agreement.

The price of raw materials had contradictory effects in the first half. The price of scrap edged down, whereas the higher price of oil increased the costs for energy and plastic granulates. Gross value added came to 38%, which was in line with the first-half result in 2004. Since last year scrap prices rose primarily in the second half and we were not able to pass on the higher prices immediately, gross value added at the end of 2004 was one percentage point lower at 37%.

Personnel expenses remained unchanged from the previous year level at CHF 508 million. It should be recognised that for the costs of the redundancy plan in connection with the closure of the foundry in Munich a provision has already been created.

Depreciation increased by an additional CHF 8 million necessitated by the closure of the Munich plant, as a result of which the total amount was CHF 4 million higher than the previous year.

The impact of currency effects on sales and EBIT was negative. The average exchange rates of US Dollar and Euro in the first half of 2004 were higher than in the period under review. If the previous year's exchange rates were to be applied, sales would be CHF 15 million and EBIT CHF 6 million higher.

EBIT came to CHF 122 million, an increase of 47% compared with EBIT before special charges in the year-back period. The EBIT margin thus increased to 6.6%.

The financial result came to CHF –20 million, compared with CHF –25 million the previous year, owing to lower net debt, a fall in interest rates and positive currency effects.

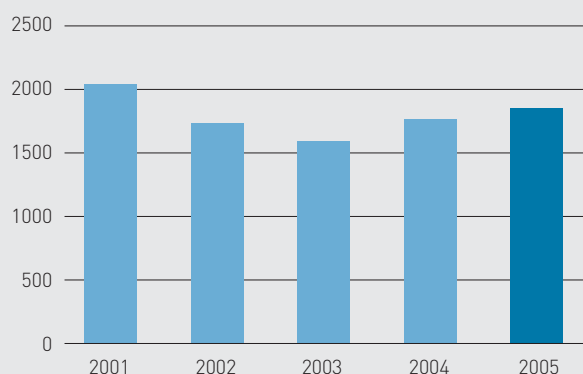
Income tax increased in parallel to the pretax result to CHF 26 million, equivalent to a tax rate of 25%.

Net profit stood at CHF 76 million, which equates to a 49% increase.

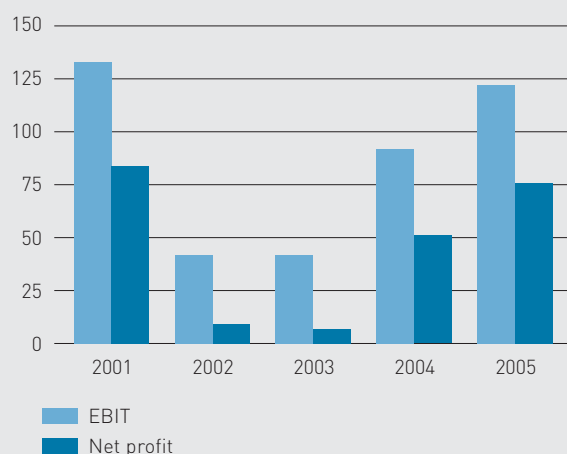
4 Free cash flow

Free cash flow amounts to minus CHF 24 million, due primarily to the seasonal nature of the business. Consequently, we can expect a significantly positive figure for the full year 2005. The negative change in comparison with the prior-year period was due mainly to the increase in net current assets and the absence of proceeds from divestitures.

Sales January to June
million CHF



Results January to June
million CHF



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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On our website you can download the recording of the Analysts' Telephone Conference held on July 18, 2005.

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