

# Notes to the consolidated financial statements

## Segment information

| CHF million                                | GF Piping Systems |       |
|--|-------------------|-------|
|  | 2014              | 2013  |
| <b>Order intake</b>                        | <b>1 493</b>      | 1 418 |
| <b>Orders on hand at year-end</b>          | <b>73</b>         | 64    |
| <b>Sales<sup>1</sup></b>                   | <b>1 476</b>      | 1 402 |
| <b>Sales by region</b>                     |                   |       |
| Europe                                     | 593               | 582   |
| – Thereof Germany                          | 156               | 150   |
| – Thereof Switzerland                      | 111               | 114   |
| – Thereof Austria                          | 23                | 24    |
| – Thereof Rest of Europe                   | 303               | 294   |
| Americas                                   | 321               | 316   |
| Asia                                       | 375               | 385   |
| – Thereof China                            | 286               | 280   |
| Rest of world                              | 187               | 119   |
| <b>Sales</b>                               | <b>1 476</b>      | 1 402 |
| <b>EBITDA</b>                              | <b>190</b>        | 187   |
| Depreciation on tangible fixed assets      | –47               | –44   |
| Amortization on intangible assets          | –1                | –2    |
| <b>Operating result (EBIT)</b>             | <b>142</b>        | 141   |
| <b>Assets<sup>2</sup></b>                  | <b>1 215</b>      | 1 165 |
| – Thereof current assets                   | 705               | 645   |
| – Thereof non-current assets               | 510               | 520   |
| <b>Investments by region</b>               |                   |       |
| Europe                                     | 30                | 28    |
| – Thereof Germany                          | 1                 | 3     |
| – Thereof Switzerland                      | 20                | 18    |
| – Thereof Austria                          |                   | 3     |
| – Thereof Rest of Europe                   | 9                 | 4     |
| Americas                                   | 10                | 10    |
| Asia                                       | 6                 | 14    |
| – Thereof China                            | 6                 | 14    |
| Rest of world                              | 6                 | 7     |
| <b>Investments</b>                         | <b>52</b>         | 59    |
| – Thereof capital expenditures             | 49                | 55    |
| – Thereof investments in intangible assets | 3                 | 4     |
| <b>Liabilities</b>                         | <b>749</b>        | 679   |
| – Thereof current liabilities              | 369               | 362   |
| – Thereof non-current liabilities          | 380               | 317   |
| <b>Research and development</b>            | <b>38</b>         | 31    |

1 Sales with other divisions are not material.

2 The amount of investments in associates accounted for by the equity method is not material.

|  | GF Automotive |       | GF Machining Solutions |      | Total segments |       |
|--|---------------|-------|------------------------|------|----------------|-------|
|  | 2014          | 2013  | 2014                   | 2013 | 2014           | 2013  |
|  | <b>1 412</b>  | 1 527 | <b>932</b>             | 852  | <b>3 837</b>   | 3 797 |
|  | <b>370</b>    | 382   | <b>191</b>             | 132  | <b>634</b>     | 578   |
|  | <b>1 415</b>  | 1 498 | <b>905</b>             | 867  | <b>3 796</b>   | 3 767 |
|  | 1 214         | 1 300 | 425                    | 418  | 2 232          | 2 300 |
|  | 809           | 882   | 141                    | 142  | 1 106          | 1 174 |
|  | 3             | 6     | 58                     | 66   | 172            | 186   |
|  | 61            | 58    | 15                     | 16   | 99             | 98    |
|  | 341           | 354   | 211                    | 194  | 855            | 842   |
|  | 40            | 49    | 168                    | 158  | 529            | 523   |
|  | 156           | 143   | 269                    | 255  | 800            | 783   |
|  | 154           | 140   | 188                    | 166  | 628            | 586   |
|  | 5             | 6     | 43                     | 36   | 235            | 161   |
|  | <b>1 415</b>  | 1 498 | <b>905</b>             | 867  | <b>3 796</b>   | 3 767 |
|  | <b>154</b>    | 139   | <b>65</b>              | 62   | <b>409</b>     | 388   |
|  | -61           | -69   | -10                    | -10  | -118           | -123  |
|  |               |       | -2                     | -1   | -3             | -3    |
|  | <b>93</b>     | 70    | <b>53</b>              | 51   | <b>288</b>     | 262   |
|  | <b>1 108</b>  | 1 047 | <b>650</b>             | 583  | <b>2 973</b>   | 2 795 |
|  | 398           | 379   | 504                    | 449  | 1 607          | 1 473 |
|  | 710           | 668   | 146                    | 134  | 1 366          | 1 322 |
|  | 64            | 43    | 10                     | 9    | 104            | 80    |
|  | 22            | 24    |                        | 1    | 23             | 28    |
|  |               |       | 7                      | 7    | 27             | 25    |
|  | 42            | 19    |                        |      | 42             | 22    |
|  |               |       | 3                      | 1    | 12             | 5     |
|  |               |       | 1                      |      | 11             | 10    |
|  | 15            | 16    | 2                      | 7    | 23             | 37    |
|  | 15            | 16    | 2                      | 7    | 23             | 37    |
|  |               |       |                        |      | 6              | 7     |
|  | <b>79</b>     | 59    | <b>13</b>              | 16   | <b>144</b>     | 134   |
|  | 79            | 58    | 12                     | 15   | 140            | 128   |
|  |               | 1     | 1                      | 1    | 4              | 6     |
|  | <b>810</b>    | 785   | <b>403</b>             | 402  | <b>1 962</b>   | 1 866 |
|  | 351           | 342   | 235                    | 214  | 955            | 918   |
|  | 459           | 443   | 168                    | 188  | 1 007          | 948   |
|  | <b>19</b>     | 18    | <b>49</b>              | 46   | <b>106</b>     | 95    |

## Reconciliation to the segment information

| CHF million   | 2014         | 2013         |
|---|--------------|--------------|
| <b>Sales</b>  |              |              |
| Sales for reportable segments                       | 3 796        | 3 767        |
| Elimination of intercompany sales                   | -1           | -1           |
| <b>Consolidated sales</b>                           | <b>3 795</b> | <b>3 766</b> |
| <b>Operating result (EBIT)</b>                      |              |              |
| Total EBIT for reportable segments                  | 288          | 262          |
| Total EBIT Corporate Center and Corporate Services  | -13          | -11          |
| Other unallocated amounts                           | -1           |              |
| <b>Consolidated operating result (EBIT)</b>         | <b>274</b>   | <b>251</b>   |
| Interest income                                     | 3            | 3            |
| Interest expense                                    | -39          | -36          |
| Other financial result                              | -6           | -12          |
| <b>Ordinary result</b>                              | <b>232</b>   | <b>206</b>   |
| Non-operating result                                | 14           | 1            |
| Extraordinary result                                |              | -26          |
| <b>Profit before taxes</b>                          | <b>246</b>   | <b>181</b>   |
| Income taxes  | -51          | -36          |
| <b>Net profit</b>                                   | <b>195</b>   | <b>145</b>   |
| <b>Assets</b>                                       |              |              |
| Assets for reportable segments                      | 2 973        | 2 795        |
| Elimination of intercompany positions               | -305         | -308         |
| Other assets  |              |              |
| – Current assets (mainly cash and cash equivalents) | 211          | 532          |
| – Non-current assets                                | 107          | 103          |
| Other unallocated amounts                           | 3            | 4            |
| <b>Consolidated assets</b>                          | <b>2 989</b> | <b>3 126</b> |
| <b>Investments</b>                                  |              |              |
| Investments for reportable segments                 | 144          | 134          |
| Other investments                                   |              |              |
| – Germany   | 11           |              |
| – Switzerland                                       | 2            | 2            |
| <b>Investments Corporation</b>                      | <b>157</b>   | <b>136</b>   |
| <b>Liabilities</b>                                  |              |              |
| Liabilities for reportable segments                 | 1 962        | 1 866        |
| Elimination of intercompany positions               | -718         | -658         |
| Other liabilities                                   |              |              |
| – Current liabilities                               | 41           | 354          |
| – Non-current liabilities                           | 567          | 552          |
| Other unallocated amounts                           | 33           | 34           |
| <b>Consolidated liabilities</b>                     | <b>1 885</b> | <b>2 148</b> |

## Geographical information

| CHF million              | Non-current assets |       | Sales        |       |
|--------------------------|--------------------|-------|--------------|-------|
|                          | 2014               | 2013  | 2014         | 2013  |
| <b>Total</b>             | <b>1 188</b>       | 1 137 | <b>3 795</b> | 3 766 |
| Europe                   | 833                | 809   | 2 231        | 2 299 |
| – Thereof Germany        | 347                | 352   | 1 105        | 1 174 |
| – Thereof Switzerland    | 261                | 257   | 172          | 185   |
| – Thereof Austria        | 185                | 162   | 99           | 98    |
| – Thereof Rest of Europe | 40                 | 38    | 855          | 842   |
| Americas                 | 80                 | 70    | 529          | 523   |
| Asia                     | 218                | 200   | 800          | 784   |
| – Thereof China          | 204                | 185   | 628          | 586   |
| Rest of world            | 57                 | 58    | 235          | 160   |

## Products and services

| CHF million                        | Sales        |       |
|------------------------------------|--------------|-------|
|                                    | 2014         | 2013  |
| <b>GF Piping Systems</b>           | <b>1 476</b> | 1 402 |
| Industry <sup>1</sup>              | 500          | 524   |
| Utility <sup>2</sup>               | 563          | 540   |
| Building technology <sup>3</sup>   | 413          | 338   |
| <b>GF Automotive</b>               | <b>1 415</b> | 1 498 |
| Passenger cars                     | 928          | 975   |
| Trucks                             | 409          | 433   |
| Industrial applications            | 78           | 90    |
| <b>GF Machining Solutions</b>      | <b>905</b>   | 867   |
| EDM (Electric Discharge Machining) | 319          | 295   |
| Milling                            | 260          | 245   |
| Automation/Tooling/Laser           | 71           | 73    |
| Customer service                   | 255          | 254   |

1 Products for the treatment and transport of water and other media for industrial applications.

2 Products for the supply of gas and water.

3 Products for the supply of water in buildings.

## Information about major customers

There are no single customers whose sales amount to 10% or more of the sales of the Corporation.