

Notes

1 Changes in scope of consolidation

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

Additions (acquisitions) 2014 //

- As of 1 July 2014, Meco Eckel GmbH, Biedenkopf-Wallau, Germany
Pro rata sales 2014: CHF 27.7 million, GF Automotive
- As of 1 July 2014, Liechti Engineering AG, Langnau, Switzerland
Pro rata sales 2014: CHF 32.2 million, GF Machining Solutions

Disposals (divestitures) 2014 //

- As of 1 January 2014, Georg Fischer Kokillenguss GmbH, Herzogenburg, Austria
Pro rata sales 2014: CHF 0 million, GF Automotive
- As of 1 November 2014, Agie Charmilles Thailand Co Ltd, Bangkok, Thailand
Pro rata sales 2014: CHF 0 million, GF Machining Solutions

During the previous year, the scope of consolidation changed as follows:

Additions (acquisitions) 2013 //

- As of 16 July 2013, Hakan Plastik A.S., Cerkezköy, Turkey
Pro rata sales 2013: CHF 50 million, GF Piping Systems
- As of 11 September 2013, Sterisol AG, Sissach, Switzerland
Merged as per 11 September 2013 with Georg Fischer JRG AG, Sissach, Switzerland, GF Piping Systems

2 Acquisitions and divestitures of affiliated companies

Additions (acquisitions) 2014

Acquisition of Meco Eckel GmbH // Georg Fischer BV & Co KG, Singen (Germany), acquired 51% of the capital of Meco Eckel GmbH, Biedenkopf-Wallau (Germany). The closing date was 1 July 2014.

Mold maker Meco Eckel generated sales of approximately CHF 43 million in 2013 with 130 employees. In addition to its headquarters in Biedenkopf-Wallau (Germany), the company also has a facility in Leipzig (Germany). Meco Eckel is a well-known and leading specialist in the production of tools and molds for the automobile industry. The partnership with Meco Eckel GmbH means contact early on for designing casting, quicker processes for implementing designs in production, and seamless delivery and services for clients.

The following table shows the assets and liabilities assessed at fair value at the time control was acquired. For this presentation, the translation of the original euro values into Swiss francs was calculated with the exchange rates of the respective transaction date:

CHF million	Acquired assets and liabilities (51%)
Trade accounts receivable	6
Inventories	4
Other accounts receivable	1
Property, plant, and equipment	2
Deferred tax assets	1
Total assets	14
Non-interest bearing liabilities	14
Interest-bearing liabilities	1
Net assets	-1

Acquisition of Liechti Engineering AG // Georg Fischer Ltd, Schaffhausen (Switzerland), acquired 100% of the capital of Liechti Engineering AG, Langnau (Switzerland), on 1 July 2014. The closing date was 1 July 2014.

Liechti Engineering, a family-owned company, employs approximately 120 persons globally and in 2013 generated sales of CHF 50 million. In addition to its headquarters in Langnau (Switzerland), the company also has a facility in Huntersville, North Carolina (USA). Liechti Engineering is the leading specialist of five-axis milling machines designed to produce blades and blisks for aircraft engines and power-generating turbines.

The following table shows the assets and liabilities assessed at fair value at the time control was acquired.

CHF million	Acquired assets and liabilities
Cash and cash equivalents	21
Marketable securities	1
Trade accounts receivable	15
Inventories	22
Other accounts receivable	2
Property, plant, and equipment	6
Other financial assets	1
Total assets	68
Deferred tax liabilities	1
Non-interest bearing liabilities	30
Net assets	37

Total cash-out for the acquisitions amounted to CHF 22 million in the period under review.

Disposals (divestitures) 2014

Divestiture of Georg Fischer Kokillenguss GmbH // On 30 January 2014, the division GF Automotive signed an agreement with retroactive effect to 1 January 2014 for the sale of the mold-casting foundry in Herzogenburg (Austria). As part of the strategy implementation, the divestment was planned in December 2013 and resulted in the reclassification of all assets and liabilities to the category "Assets held for sale" or "Liabilities held for sale".

The following table shows the net assets that have been sold by the sale date and the cash outflow from the transaction:

CHF million	Disposed assets and liabilities
Financial assets	7
Total assets held for sale	20
Total liabilities held for sale	-20
Net assets	7
Liabilities from divestiture	-7
Cash outflow from divestiture, net	0

Additions (acquisitions) 2013

Acquisition of Hakan Plastik A.S. // Georg Fischer Ltd, Schaffhausen (Switzerland), acquired 90% of the capital of Hakan Plastik A.S., Cerkezköy (Turkey). The acquisition includes an option to acquire the outstanding shares. The closing date was 16 July 2013.

Hakan Plastik A.S., founded in 1965, generated sales of approximately CHF 105 million in 2012 with 650 employees. In addition to its headquarters in Cerkezköy (Turkey), the company has another production site in Sanliurfa (Turkey). Hakan Plastik manufactures and sells plastic piping systems in the building technology, gas and water distribution, as well as irrigation applications. Hakan Plastik's main market is Turkey, the Middle East, and Eastern Europe.

The provisional price for the acquisition comes to CHF 69 million. This sum includes the purchase price in cash of CHF 67 million plus a conditional increase in the purchase price amounting to CHF 2 million (previous year: CHF 12 million), depending on the course of the business over a two-year period after the closing. For the goodwill calculation, the purchase price was calculated with the discounted contingent purchase price.

The following table shows the assets and liabilities assessed at fair value and the respective goodwill from the transaction at the time control was acquired. For this presentation, the translation of the original Turkish lira values into Swiss francs was calculated with the exchange rates of the respective transaction date. Additionally, a correction of CHF 2 million of the carrying amount of the acquired deferred tax assets of CHF 2 million (previous year: CHF 4 million) and a correction of CHF 1 million of the carrying amount of the acquired non-interest bearing liabilities of CHF 77 million (previous year: 78 million) as of December 2014 was taken into consideration:

CHF million

Acquired assets and liabilities (90%)

Cash and cash equivalents	5
Trade accounts receivable	61
Inventories	20
Other accounts receivable	1
Property, plant, and equipment	51
Deferred tax assets	2
Total assets	140
Non-interest bearing liabilities	77
Interest-bearing liabilities	55
Net assets	8
Goodwill, inclusive directly added cost	62
Purchase price	70
Less acquired cash and cash equivalents	-5
Less liabilities from contingent purchase price agreements	-3
Cash outflow from acquisitions, net	62

Acquisition of Sterisol AG // Georg Fischer JRG AG, Sissach (Switzerland), acquired 100% of the capital of Sterisol AG, Sissach (Switzerland), on 11 September 2013 within the scope of a "share deal". The price for the acquisition comes to CHF 2 million, plus a conditional increase in the purchase price amounting to a maximum of CHF 2 million, depending on the course of the business over a four-year period after the closing. For the goodwill calculation, the purchase price was calculated with the discounted contingent purchase price. Sterisol AG was merged on 4 October 2013 retroactively as of the acquisition date on 11 September 2013 into Georg Fischer JRG AG.

The acquisition of Sterisol AG included solely the acquisition of technology and know-how, therefore net assets amount to zero. The table below shows the assets and liabilities assessed at fair value and the respective goodwill from the transaction at the time control was acquired:

CHF million

Acquired assets and liabilities

Total assets	0
Net assets	0
Goodwill, inclusive directly added cost	3
Purchase price	3
Less liabilities from contingent purchase price agreements	-1
Cash outflow from acquisitions, net	2

3 Trade accounts receivable

Trade accounts receivable are, as shown in the table below and where required, value adjusted and allocated to the following regions:

CHF million	2014	2013
Gross values	669	593
Individual value adjustments	-8	-6
Overall value adjustments	-18	-19
Net values	643	568
Europe	322	296
– Thereof Germany	107	89
– Thereof Switzerland	26	25
– Thereof Austria	10	12
– Thereof Rest of Europe	179	170
Americas	86	71
Asia	198	169
– Thereof China	141	128
Rest of world	37	32
Total	643	568

As of the balance sheet date, the aging structure of the trade accounts receivable, which are not subject to individual value adjustments, was as follows:

CHF million	2014		2013	
	Receivable after individual value adjustments	Overall value adjustment	Receivable after individual value adjustments	Overall value adjustment
Not yet due	539		483	1
1 to 30 days overdue	49		46	
31 to 90 days overdue	43		33	
91 to 180 days overdue	15	3	10	3
More than 180 days overdue	15	15	15	15
Total	661	18	587	19

Value adjustments on trade accounts receivable have changed as follows:

CHF million	2014	2013
Individual value adjustments		
As of 1 January	6	6
Increase/decrease	2	
As of 31 December	8	6
Overall value adjustments		
As of 1 January	19	18
Increase/decrease	-1	1
As of 31 December	18	19

The individual value adjustments amounted to CHF 8 million (previous year: CHF 6 million). It is assumed that part of the underlying receivables will be paid. The receivables which are not due are mainly receivables arising from long-standing customer relationships. On past experience, GF does not anticipate any significant defaults. For further information on credit management and trade accounts receivable, see chapter "Risk management".

4 Inventories

CHF million	2014	2013
Raw materials and components	266	266
Work in progress	121	102
Finished goods	433	428
Gross value inventories on hand	820	796
Valuation adjustments	-154	-149
Inventories	666	647

5 Income taxes receivable

Out of the income taxes receivable of CHF 9 million, CHF 2 million relate to Germany, CHF 2 million to Switzerland, CHF 1 million to France, CHF 1 million to the USA, CHF 1 million to China, CHF 1 million to the Netherlands, and CHF 1 million to Turkey.

6 Other accounts receivable

CHF million	2014	2013
Tax credits from indirect taxes	35	40
Other current accounts receivable	27	23
Total	62	63

7 Assets held for sale

In the year under review, "Assets held for sale" are not reported.

In the previous year, under this position CHF 23 million have been reported representing the planned divestment of the gravity die-casting business in Herzogenburg (Austria), executed in January 2014 by the division GF Automotive. The corresponding liabilities also amount to CHF 23 million.

8 Movements of property, plant and equipment

CHF million	Investment properties	Undeveloped property	Land	Buildings	Building components	Machinery and production equipment	Other equipment	Assets under construction	Assets held under finance leases	Property, plant, and equipment for own use
Cost										
As of 31 December 2012	71	3	32	610	110	1 609	326	73	6	2 769
Additions				3	3	37	9	78		130
Disposals	-4			-3	-5	-28	-14		-1	-51
Changes in scope of consolidation			10	15		21			9	55
Other changes, reclassifications	3			-33	32	2	-8	-77		-84
Translation adjustment			-1			12	-1		-1	9
As of 31 December 2013	70	3	41	592	140	1 653	312	74	13	2 828
Additions				13	5	29	7	96	2	152
Disposals	-4				-1	-23	-12		-1	-37
Changes in scope of consolidation				7		2	1			10
Other changes, reclassifications	16			7	-12	46	5	-68	2	-20
Translation adjustment	-1			4			2	2		8
As of 31 December 2014	81	3	41	623	132	1 707	315	104	16	2 941
Accumulated depreciation										
As of 31 December 2012	-24			-364	-64	-1 149	-261	-3	-5	-1 846
Additions	-1			-16	-6	-88	-15		-1	-126
Impairment						-7				-7
Disposals	1			3	5	28	14		1	51
Other changes, reclassifications	-3			38	-27	51	13	3		78
Translation adjustment				-1		-12				-13
As of 31 December 2013	-27			-340	-92	-1 177	-249		-5	-1 863
Additions	-1			-16	-6	-83	-15		-2	-122
Impairment										
Disposals						22	11		1	34
Other changes, reclassifications	-9			-4	13	-1	4			12
Translation adjustment					1	6				7
As of 31 December 2014	-37			-360	-84	-1 233	-249		-6	-1 932
Carrying amount										
As of 1 January 2013	47	3	32	246	46	460	65	70	1	923
As of 31 December 2013	43	3	41	252	48	476	63	74	8	965
As of 31 December 2014	44	3	41	263	48	474	66	104	10	1 009

The insurance value of property, plant, and equipment amounted to CHF 4 246 million (previous year: CHF 4 241 million).

The line "Changes in the scope of consolidation" shows exclusively the acquisition of Meco Eckel GmbH (Germany), by GF Automotive and the acquisition of Liechti Engineering AG (Switzerland), by GF Machining Solutions.

Investments in property, plant, and equipment in 2014 came to CHF 152 million (previous year: CHF 130 million). They were made primarily by the two divisions GF Automotive (CHF 79 million; previous year: CHF 58 million) and GF Piping Systems (CHF 49 million; previous year: CHF 55 million). Investments in property, plant, and equipment with an effect on liquidity in the period 2015 to 2018 amount to CHF 139 million. This amount mainly relates to investments for the divisions GF Piping Systems in the amount of CHF 20 million and GF Automotive in the amount of CHF 118 million.

The values in the lines "Other changes, reclassifications" relate mainly to two circumstances. The first is that, following the divestment of the gravity die-casting foundry in Herzogenburg, properties no longer used in operations with a carrying amount of CHF 7 million were reclassified to the item "Investment properties". The second is that a fully depreciated asset in the position "Assets held for sale" was reclassified and exited the scope of consolidation in connection with the divestment of the gravity die-casting foundry in Herzogenburg.

The fair value of investment properties, as determined by internal experts on the basis of capitalized and current market values, is CHF 69 million (previous year: CHF 76 million). The reduction in the market value is attributable to the sale of investment properties.

No interest on liabilities was capitalized in the period under review.

9 Movements of intangible assets

CHF million	Land use rights	Software	Royalties, patents, others	Total
Cost				
As of 31 December 2012	13	27	16	56
Additions		6		6
Disposals			-1	-1
Translation adjustment		2	-2	
As of 31 December 2013	13	35	13	61
Additions		5		5
Disposals	-1			-1
Other changes, reclassifications	1	-1	1	1
Translation adjustment	2			2
As of 31 December 2014	15	39	14	68
Accumulated amortization				
As of 31 December 2012	-3	-18	-15	-36
Additions		-3		-3
Translation adjustment		-2	3	1
As of 31 December 2013	-3	-23	-12	-38
Additions		-3		-3
As of 31 December 2014	-3	-26	-12	-41
Carrying amount				
As of 1 January 2013	10	9	1	20
As of 31 December 2013	10	12	1	23
As of 31 December 2014	12	13	2	27

The intangible assets are subdivided into the categories: land use rights, software, and royalties, patents, others. These are the major categories of the intangible values.

Land use rights amounted to CHF 12 million, nearly remained unchanged compared to the previous year (CHF 10 million) as did the category software which amounted to CHF 13 million (previous year: CHF 12 million), and the category royalties, patents, others which amounted to CHF 2 million (previous year: CHF 1 million).

The main reason for the change in the category software was the SAP implementation in various countries by GF Piping Systems.

Goodwill // Goodwill from acquisitions is offset against the Corporation's equity at the acquisition date. The theoretical amortization is based on the straight-line method over the useful live of five years. The theoretical capitalization of the goodwill would affect the result of the consolidated financial statements as follows:

Theoretical movements goodwill

CHF million	2014	2013
Cost		
As of 1 January	488	424
Additions from acquisitions	6	71
Adjustments (earn-out, others)	-6	4
Translation adjustment	13	-11
As of 31 December	501	488
Accumulated amortization		
As of 1 January	406	390
Additions regular	21	18
Translation adjustment	10	-2
As of 31 December	437	406
Theoretical book values, net		
As of 1 January	82	34
As of 31 December	64	82

Effect on income statement

CHF million	2014	2013
Operating result (EBIT)	274	251
Return on sales (EBIT margin) %	7.2	6.7
Amortization goodwill	-21	-18
Theoretical operating result (EBIT) incl. amortization goodwill	253	233
Theoretical return on sales (EBIT margin) %	6.7	6.2
Net profit	195	145
Amortization goodwill	-21	-18
Theoretical net profit incl. amortization goodwill	174	127

Effect on balance sheet

CHF million	2014	2013
Equity according to balance sheet	1 104	978
Theoretical capitalization net book value goodwill	64	82
Theoretical equity incl. net book value goodwill	1 168	1 060
Equity as % of balance sheet total	36.9	31.3
Theoretical equity incl. net book value goodwill as % of balance sheet total (incl. goodwill)	38.3	33.0

All goodwill positions offset against equity are tested for impairment once a year. An impairment test is performed if there is any indication that the goodwill positions could be affected from such an impairment. On the basis of the impairment test made on the balance sheet date, it was found that there were not any indications for impairments and therefore all goodwill positions have retained their recoverable value.

The goodwill of Georg Fischer Hakan Plastik AS was additionally tested for impairment. The recoverable amount of Georg Fischer Hakan Plastik AS equals the value in use, which is determined based on future discounted cash flows.

As a basis for the calculation, business plans for the next five years are used. Subsequent years are included in the calculation using a perpetual annuity with a growth assumption of zero. The projections are based on knowledge and experience and also on current judgments made by management as to the probable economic development of the relevant markets. It is assumed that there are no significant planned changes in the organization of any of the divisions, except for the measures already decided and announced.

By applying the capital asset pricing model, a specific rate for the cost of capital was calculated for Georg Fischer Hakan Plastik AS. The calculation of this discount rate refers to the data of a relevant peer group. Furthermore, specific values for the risk-free interest rate, the market risk premium, the borrowing costs, and the tax rate were applied.

Since the cash flow projections are based on cash flows after tax, the discount rate has also been determined taking tax effects into account. The discount rate for Georg Fischer Hakan Plastik AS was determined at 14.1%.

It was confirmed that the theoretical goodwill of Georg Fischer Hakan Plastik AS retained its recoverable value.

10 Categories of financial instruments

The following table shows the carrying amount of all financial instruments per category. For details on the market values of the bonds, see note 14.

CHF million	2014	2013
Financial instruments (assets)		
Cash and cash equivalents (without fixed-term deposits)	367	319
Fixed-term deposits	7	322
Other financial assets ¹	19	14
Trade accounts receivable	643	568
Other accounts receivable ²	27	23
Accrued income	15	13
Loans and receivables started at amortized cost	711	940
Marketable securities	4	3
Financial assets at market value through profit or loss	4	3
Derivative financial instruments	2	9
Financial instruments (liabilities)		
Other financial liabilities	210	183
Trade accounts payable	419	421
Bonds	497	796
Other liabilities current/non-current ³	68	69
Accrued liabilities and deferred income ⁴	181	175
Liabilities stated at amortized cost	1 375	1 644
Derivative financial instruments	52	37

1 Relates to loans to third parties, security deposits, and long-term invested securities for the settlement of pension liabilities. For more details, see note 11.

2 The balance sheet item "Other accounts receivable" includes tax credits. For more details, see note 6.

3 The balance sheet items "Other liabilities current/non-current" include derivative financial instruments. For more details, see note 16.

4 For more details, see note 17.

The carrying amount of the securities and listed non-controlling interests recognized at their fair value is determined on the basis of the share prices at the balance sheet date. The market value of the foreign exchange contracts on the balance sheet is determined by the replacement value at the balance sheet date.

11 Other financial assets

Other financial assets amounted to CHF 20 million and included investments in associates with a carrying value of CHF 1 million as well as long-term loans and receivables of CHF 15 million (previous year: CHF 12 million).

Investments in associates // The investments are in detail:

- Wibilea AG, Neuhausen (Switzerland)
- Eisenbergwerk Gonzen AG, Sargans (Switzerland)
- Mecartex SA, Losone (Switzerland)
- Georg Fischer Corys LLC, Dubai (United Arab Emirates)
- Polytherm Central Sudamericana SA, Buenos Aires (Argentina)

Long-term loans and receivables // CHF 11 million of the long-term loans and receivables fall due in the next three years and CHF 4 million at a later date. CHF 12 million were lent in euros, CHF 2 million in Brazilian reais and CHF 1 million in UAE dirhams. The interest rates for the loans granted in euros were around 6%. The long-term loans in Brazil are receivables from customer financing activities in local currency, the average interest rate for these loans is 12%.

Other financial assets also include long-term invested securities for the settlement of pension liabilities in the amount of CHF 4 million (previous year: CHF 2 million).

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities relate to the following balance sheet items:

CHF million	Tax assets	Tax liabilities	2014 net	Tax assets	Tax liabilities	2013 net
Investment properties		9	9		8	8
Property, plant, and equipment for own use	12	39	27	10	34	24
Intangible assets	4		-4	4		-4
Tax loss carryforwards	8		-8	13		-13
Inventories	20	12	-8	16	11	-5
Provisions	17	3	-14	18	3	-15
Other non-interest-bearing liabilities	40	3	-37	33	7	-26
Other balance sheet items	10	3	-7	19	2	-17
Total	111	69	-42	113	65	-48
Offsetting	-23	-23		-23	-23	
Deferred tax assets/liabilities	88	46	-42	90	42	-48

Deferred tax assets and liabilities are offset within Corporate Companies if there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes relate to the same fiscal authority. The effect from offsetting at Corporate Company level amounted to CHF 23 million (previous year: CHF 23 million). Deferred tax assets and liabilities are calculated based on the actually expected income tax rates per Corporate Company. For further information on the recognition of tax loss carryforwards, see note 30.

Temporary differences associated with investments in subsidiaries, for which no deferred tax liabilities have been recognized, amounted to CHF 357 million as of 31 December 2014 (previous year: CHF 354 million).

13 Movements of provisions

CHF million	Warranties	Onerous contracts	Legal cases	Restructuring provisions	Other provisions	Personnel and social security	Provisions	Deferred tax liabilities	Provisions and deferred tax liabilities
As of 1 January 2013	28	11	14	3	19	70	145	40	185
Reclassifications	-1	-1				-9	-11		-11
Increase	15	3	6	1	21	8	54	3	57
Use	-12	-2	-1	-2	-1	-6	-24		-24
Release	-4	-2	-3	-1	-1		-11	-5	-16
Changes in scope of consolidation	1					1	2	5	7
Translation adjustment						3	3	-1	2
As of 31 December 2013	27	9	16	1	38	67	158	42	200
- Thereof current	14	7		1	11	5	38		38
- Thereof non-current	13	2	16		27	62	120	42	162
As of 1 January 2014	27	9	16	1	38	67	158	42	200
Reclassifications						3	3		3
Increase	18	5	4	1	7	10	45	5	50
Interest expense arising from discounting					2		2		2
Use	-12	-3	-5	-1	-1	-6	-28		-28
Release	-4	-1	-3		-11	-4	-23	-3	-26
Changes in scope of consolidation	1	1			2		4	1	5
Translation adjustment						-1	-1	1	
As of 31 December 2014	30	11	12	1	37	69	160	46	206
- Thereof current	15	9		1	7	5	37		37
- Thereof non-current	15	2	12		30	64	123	46	169

Provisions are classified as follows: warranties on serial products (machines, etc.), onerous contracts (when the costs of meeting the contractual obligations exceed the expected economic benefits), legal cases, restructuring provisions (constructive and contractual obligations to third parties, which have been communicated), personnel and social security (provisions that are related to employee benefits), and other provisions.

The valuation of provisions in all categories is based on actual data if available (e.g. claims that have occurred or been reported) or on past experience in recent years and management estimates. The deferred tax liabilities are based on temporary valuation differences which are reported in the balance sheet at the Corporate Company level.

Warranty provisions amounting to CHF 30 million increased only slightly compared to the previous year (CHF 27 million). Thanks to a favorable claim history, it was possible to release CHF 4 million. At the same time, new warranty provisions of CHF 18 million had to be set aside, and CHF 12 million were utilized.

About one third of the warranty provisions are for GF Machining Solutions and about one quarter for GF Automotive. They derive from complaints and claims for damages at the various sites.

The interest expense arising from discounting was CHF 2 million and consists primarily of long-term provisions in the category of "Other provisions", which has a remaining term to maturity of two to three years and is discounted at an interest rate of 7.4%.

The non-current provisions in the category "Personnel and social security" in the amount of CHF 64 million (previous year: CHF 62 million) are expected to result in a cash outflow in an average of ten years, the non-current provisions in the other categories are expected to result in a cash outflow within the next two to three years.

Provisions shown under the category “Legal cases” can be split into a number of individual cases in the divisions with an estimated cash outflow of less than CHF 5 million per case.

The category “Other provisions” contains liabilities in connection with the divestment of the gravity die-casting foundry in Herzogenburg in the amount of CHF 14 million and provisions for employee commitments (CHF 10 million), for captive insurances (CHF 2 million), and for other operating risks.

Expenditures not connected with pension plans in the narrow sense, such as awards for length of service and anniversary bonuses – especially in Austria – are recognized in the category “Personnel and social security” and came to CHF 69 million in 2014 (previous year: CHF 67 million).

The values in the line “Reclassification” in the category “Personnel and social security” (CHF 3 million) refer to the takeover of personnel provisions of the gravity die-casting foundry in Herzogenburg that was divested.

14 Interest-bearing financial liabilities

Net debt, which is calculated as the difference between interest-bearing liabilities and cash, cash equivalents, and marketable securities, was virtually unchanged at CHF 354 million in the year under review (previous year: CHF 352 million). This modest change was primarily due to the fact that the free cash flow, which came to CHF 90 million, was offset by the dividend distribution (CHF 73 million) to GF shareholders and minority shareholders, as well as by currency effects and the impact of the change in the scope of consolidation.

Interest-bearing financial liabilities consist of the following items:

CHF million	Within 1 year	Up to 5 years	Maturity over 5 years	2014	Within 1 year	Up to 5 years	Maturity over 5 years	2013
Other financial liabilities (at fixed interest rates) ¹	17	46		63	50	22	1	73
Other financial liabilities (at variable interest rates)	137	7	3	147	99	7	4	110
Bonds (at fixed interest rates)		348	149	497	300	348	148	796
Loans from pension fund institutions	27			27	26			26
Total	181	401	152	734	475	377	153	1 005

¹ This category comprises other financial liabilities with a fixed interest period of more than three months.

In order to secure non-current liabilities, assets valued at CHF 17 million (previous year: CHF 16 million) were pledged or assigned. These assets consisted of property, valued at CHF 2 million (previous year: CHF 2 million), buildings at CHF 14 million (previous year: CHF 12 million), and payments to customers at CHF 1 million (previous year: CHF 2 million).

Further information on pledged assets can be found in note 23, “Pledged assets”.

The table below shows in detail the various categories of other financial liabilities by currency and interest rate.

CHF million	Issuing currency	Range interest rate %	2014	Issuing currency	Range interest rate %	2013
Other financial liabilities (at fixed interest rates)¹			63			73
	CHF	1.1–3.5	22	USD	3.2–7.2	35
	EUR	4.7–5.1	20	CHF	3.2	20
	CNY	6.1–7.6	11	EUR	3.2–4.7	12
	Others	4.3–7.2	10	Others	4.8–6.4	6
Other financial liabilities (at variable interest rates)			147			110
	CNY	5.0–6.0	64	CNY	2.6–7.4	65
	TRY	6.8–16.0	45	EUR	1.8–2.0	30
	EUR	1.2–2.0	29	SGD	2.4	5
	Others	0–17.3	9	Others	0–15.5	10
Bonds (at fixed interest rates)			497			796
Bond (Georg Fischer Finanz AG) 4 ½% 2009–2014 (22 September) Nominal value: CHF 300 million				CHF	4.7	300
Bond (Georg Fischer AG) 3 ¾% 2010–2016 (12 May) Nominal value: CHF 200 million			199	CHF	3.7	198
Bond (Georg Fischer Finanz AG) 1 ½% 2013–2018 (12 September) Nominal value: CHF 150 million			149	CHF	1.6	149
Bond (Georg Fischer Finanz AG) 2 ½% 2013–2022 (12 September) Nominal value: CHF 150 million			149	CHF	2.6	149
Loans from pension fund institutions			27			26
	EUR	6.0	25	EUR	6.0	25
	CHF	2.0	2	CHF	2.0	1
Total			734			1 005

1 This category comprises other financial liabilities with a fixed interest period of more than three months.

GF has the following syndicated loan:

Debtors	Term	Credit	Thereof utilized
Georg Fischer Ltd/Georg Fischer Finanz AG	2011–2016	CHF 250 million	CHF 0 million

The 4 ½% 2009–2014 bond of Georg Fischer Finanz AG was paid back in 2014. This bond had already been refinanced early in 2013.

The syndicated loan gives GF the necessary financial security to be able to act swiftly in the event it wishes to make acquisitions. This line of credit was not drawn on in the year under review. In addition to other terms, the loan contains covenants with respect to the net debt ratio (ratio of net debt to EBITDA), interest-coverage ratio (ratio of EBITDA to net interest expense), and equity ratio (ratio of equity to total assets).

The loan also has additional terms such as are usual for a syndicated loan.

The bonds placed on the market as well as the syndicated loan are subject to the usual cross-default clauses: the outstanding amounts move into default if the premature repayment of another financial obligation is demanded of the company or one of its major Corporate Companies owing to failure to meet the credit terms. As of the balance sheet date, the effective credit terms had been met.

The interest-bearing financial liabilities also include loan debts to employee benefit plans in Germany amounting to CHF 27 million (previous year: CHF 26 million).

15 Employee benefit liabilities

The overall situation for employee benefits in the Corporation is as follows:

Employer contribution reserves // As of 31 December 2014, employer contribution reserves amounted to CHF 1 million and result from the acquisition of Liechti Engineering AG, Langnau (Switzerland). The employer contribution reserves are included under Non-current assets in the position Other financial assets. There were no employer contribution reserves in the previous year.

Economical benefit/economical obligation and pension benefit expenses // The table below shows the economical benefit and the economical obligation at the end of the year under review and for the previous year, as well as the development of pension benefit expenses:

CHF million	2014		2013	2014				2013
	Surplus/deficit according to FER 26	Economical part of the Corporation	Economical part of the Corporation	Translation differences	Change to prior-year period or recognised in the current result of the period, respectively	Contributions concerning the business period	Pension benefit expenses within personnel expenses	Pension benefit expenses within personnel expenses
Patronage funds	9					1	1	1
Pension institutions w/o surplus/deficit						12	12	17
Pension institutions with surplus	12					7	7	2
Pension institutions with deficit	-21	-20	-19			1	1	1
Pension institutions without own assets		-111	-109	-2	4	-1	3	5
Loans from pension fund institutions		-27	-26					
Total		-158	-154	-2	4	20	24	26

The employee benefit plans with a shortfall of CHF 21 million in cover are based on defined benefit plans in the UK and the US. The amount of the shortfall depends largely on the value of the securities as well as discount rates. The entire economical obligation covering the outflow of funds anticipated in the medium term corresponds to the reported shortfall. It amounts to CHF 20 million. The economical obligation recognized in the balance sheet for employee benefit plans without own assets, i.e. unfunded plans, amounts to CHF 111 million and relates mainly to employee benefit plans in Germany. The loans by employee benefit plans to the amount of CHF 27 million (previous year: CHF 26 million) are from employee benefit plans in Germany that have invested their funds in Corporate Companies.

The table below summarizes pension benefit expenses in the year under review and for the previous year:

CHF million	2014	2013
Contributions to pension institutions from Corporate Companies	21	21
Contributions to pension institutions from employer contribution reserves		
Total contributions	21	21
+/- Changes ECR from asset development, value adjustments etc.		
Contributions and changes employer contribution reserves	21	21
Increase/decrease economical benefit Corporate from surplus		
Decrease/increase economical obligation Corporate from deficit		
Decrease/increase economical obligation Corporate from pension institutions without own assets	3	5
Total changes economical effects from surplus/deficit	3	5
Pension benefit expenses within personnel expenses in the period under review	24	26

The change in the economical obligation recognized in the balance sheet from employee benefit plans and the employer contributions paid for the year under review amount to CHF 24 million (previous year: CHF 26 million) and are contained in "Personnel expenses".

16 Other liabilities

CHF million	2014	2013
Social security	15	14
Other non-interest-bearing liabilities	27	34
Derivative financial instruments	52	37
Other tax liabilities (e.g. withholding tax)	26	21
Total	120	106
- Thereof short term	69	60
- Thereof long term	51	46

Derivative financial instruments // GF uses financial instruments as part of its Corporation-wide efforts to manage risk. Currency risks from accounts receivable, accounts payable, and financing in foreign currencies are partially hedged. The only hedging instruments employed are forward exchange contracts and currency swaps with a maximum maturity of twelve months. The hedging of other underlying assets consists of hedging against price fluctuations for the purchase of raw materials and electric power.

Positive market values are reported in the balance sheet under the item "Marketable securities", while negative values are carried under "Other liabilities".

The following table shows the market value (gross) of the derivative financial instruments as of 31 December 2014 and 2013, broken down by investment category:

CHF million	2014			2013		
	Contract- or nominal value	Positive fair value	Negative fair value	Contract- or nominal value	Positive fair value	Negative fair value
Derivative financial instruments						
Foreign exchange (e.g. derivative)	348		-10	250	9	
Other underlying basic values	148		-42	96		-37
Total	496		-52	346	9	-37

Furthermore, GF obtained with the acquisition of Hakan Plastik A.S. an option for the purchase of the remaining shares, which corresponds to a capital share of 10% of the company. This option cannot be valued reliably at present and therefore it is not recognized.

17 Accrued liabilities and deferred income

CHF million	2014	2013
Overtime, holiday, bonuses, and profit-sharing	81	74
Other accrued expenses and deferred income	100	101
Total	181	175

The other accrued expenses and deferred income in the amount of CHF 100 million (previous year: CHF 101 million) were recognized among others for interest, rents, commissions, and annual audit costs.

18 Share capital/capital management

Share capital // In the period under review the share capital decreased by CHF 37 million due to the pay-out in form of a reduction in par value of CHF 9 per registered share in 2014. As of 31 December 2014, it comprised 4 100 898 registered shares with a par value of CHF 1 each. Total dividend-bearing nominal capital amounted to CHF 4 100 898.

Capital management // The capital managed by the Corporation consists of the consolidated equity. The Corporation has set the following goals for the management of its capital:

- maintaining a healthy and sound balance sheet structure based on continuing values
- ensuring the necessary financial scope in order to be able to make investments and acquisitions in the future
- achieving a return for investors that is appropriate to the risk

The Corporation employs two ratios to monitor equity: the equity ratio and the return on equity. The equity ratio equates to equity as a percentage of total assets. Return on equity is obtained by measuring net profit as a percentage of average equity. These ratios are reported to the Executive Committee and the Board of Directors at regular intervals by internal financial reporting. The equity ratio as of 31 December 2014 was at 37%. The increase of this ratio (previous year: 31%) is mainly resulting from the higher net profit and the redemption of the bonds in 2014 in the amount of CHF 300 million reducing the balance sheet total.

As an industrial group, GF strives to have a strong balance sheet with a high portion of equity. In the medium term, the Corporation aims for an equity ratio of 35% to 40%. The medium-term target for return on equity is above 15%.

The ratios are shown in the table below:

CHF million	2014	2013
Equity attributable to shareholders of Georg Fischer Ltd	1 057	935
Non-controlling interests	47	43
Equity	1 104	978
Total assets	2 989	3 126
Equity ratio as %	37	31
Theoretical equity incl. net value goodwill	1 168	1 060
Theoretical equity ratio incl. net value goodwill as %, balance sheet total incl. goodwill	38	33
Average reported equity	1 041	979
Net profit	195	145
Return on average reported equity as %	19	15

The Corporation does not have any financial covenants with minimal capital requirements.

The Board of Directors proposes the appropriation of retained earnings to the Annual Shareholders' Meeting. GF pursues a results-oriented dividend policy and distributes as a rule about 30% to 40% of the Corporation's consolidated net profit to shareholders. This may be distributed either in the form of a dividend payment from the retained earnings or from the reserves from capital contributions. The Board of Directors is proposing to the Annual Shareholders' Meeting a dividend payment out of the reserves from capital contributions and the retained earnings of CHF 17 in total per registered share for the fiscal year 2014 (previous year: reduction in par value of CHF 9 and dividend payment out of the reserves from capital contributions of CHF 7 per registered share). As of 31 December 2014 the par value of the Georg Fischer registered share amounts to CHF 1.

The authorized capital and the conditional capital amount to a maximum of CHF 600 000. The maximum authorized or conditional capital is reduced by the amount that conditional or authorized capital is created by the issue of bonds or similar debt instruments or new shares.

By no later than 19 March 2016, the maximum authorized share capital will be CHF 600 000 divided into no more than 600 000 registered shares each with a par value of CHF 1.

The reserves which are not disposable respectively distributable amount to CHF 124 million as of 31 December 2014 (previous year: CHF 137 million).

19 Earnings per share

The earnings per share in the amount of CHF 45 (previous year: CHF 34) is calculated by dividing the portion of net profit attributable to Georg Fischer Ltd shareholders by the weighted average number of shares outstanding during the year under review (number of shares issued less number of treasury shares). The weighted average number of shares amounted to 4 085 397 in 2014 (previous year: 4 085 110).

There was no dilution of earnings per share in either the year under review or the previous year.

20 Treasury shares

CHF million	2014			2013		
	Quantity	Transaction price (Ø)	Purchase cost (Ø)	Quantity	Transaction price (Ø)	Purchase cost (Ø)
As of 1 January	16 329	571.48	9	15 248	357.39	5
Purchases	33 996	629.67	21	16 391	572.65	9
Disposals	-27 373	645.20	-18	-6 985	391.06	-3
Transfers (share-related compensation)	-8 279	627.50	-5	-8 325	370.07	-3
Changes in stock price			2			1
As of 31 December	14 673	622.33	9	16 329	571.48	9

As of end-2014, GF held 14 673 treasury shares each with a par value of CHF 1 (previous year: 16 329 registered shares). In the year under review, 33 996 treasury shares were purchased on the stock market at an average transaction price of CHF 629.67, and 27 373 treasury shares were sold on the stock market at an average transaction price of CHF 645.20.

In accordance with a plan defined by the Board of Directors, a fixed number of Georg Fischer registered shares are granted to members of the Executive Committee and members of senior management as a long-term financial incentive. Of the 14 673 treasury shares (registered shares) held by GF as of end-2014, 8 386 registered shares are earmarked for this long-term financial incentive, after consideration of the registered shares transferred in 2014 for the year under review. The distribution of these share-related compensations is effected in line with the conditions of the above-mentioned plan.

The share-related compensations to members of the Board of Directors and the Executive Committee and members of senior management are measured at fair value and recognized as an expense at the grant date; these compensations are booked to "Operating expenses" (see note 25) for the Board of Directors and to "Personnel expenses" (see note 26) for the Executive Committee and senior management. The total expense for the stock compensation plan came to CHF 5 million (previous year: CHF 5 million).

21 Contingent liabilities

Contingent liabilities amounted to CHF 4 million (previous year: CHF 6 million) and included obligations to take back leasing transactions entered into by third parties totaling CHF 2 million (previous year: CHF 3 million), as well as guarantees and securities granted to third parties of CHF 2 million (previous year: CHF 3 million). There are no contingent receivables.

22 Leases

CHF million	2014	2013
Liabilities under leases up to 1 year	17	17
Liabilities under leases 1 to 5 years	47	42
Liabilities under leases over 5 years	16	19
Operating leases (nominal values)	80	78

Liabilities under financial lease contracts amounted to CHF 10 million (previous year: CHF 8 million), and mainly relating to the machinery leases of the Georg Fischer Hakan Plastik AS of GF Piping Systems. The liabilities under financial lease are included in the position "Other financial liabilities" and are disclosed in note 14 "Interest-bearing financial liabilities".

23 Pledged assets

Assets pledged or restricted on title in full or in part amounted to CHF 22 million (previous year: CHF 22 million). In the year under review, CHF 15 million (previous year: CHF 14 million) related to land and buildings, CHF 6 million (previous year: CHF 7 million) to accounts receivable and CHF 1 million (previous year: CHF 1 million) to inventories.

The assets are pledged or restricted on title to secure bank loans.

24 Other operating income

CHF million	2014	2013
Sales of material, waste, and scrap	9	10
Income from insurance contracts	5	6
Income from services	14	10
Gains on disposal of property, plant, and equipment	1	
Foreign exchange gains/losses	3	-8
Remaining other operating income	13	10
Total	45	28

25 Operating expenses

CHF million	2014	2013
External services ¹	160	141
Rent, leases	49	47
Utility services third parties	103	118
Selling costs, commissions	124	127
Advertisements, communication	92	93
Repair, maintenance	100	95
Other expenses ²	37	37
Total	665	658

1 External services include e.g. temporary employees, IT costs, R&D, insurance costs as well as consulting.

2 Other expenses include compensation to the members of the Board of Directors of CHF 2.0 million.

26 Personnel expenses

CHF million	2014	2013
Salaries and wages	757	739
Employee benefits	24	26
Social security	154	149
Total	935	914

According to a plan established by the Board of Directors, a fixed number of registered shares of Georg Fischer Ltd are distributed to the members of the Executive Committee and the members of senior management as a long-term incentive. For the year under review, 6 753 shares (previous year: 6 398) were issued and recognized as personnel expenses at their market value of CHF 4.2 million (previous year: CHF 4.0 million).

27 Financial result

CHF million	2014	2013
Interest income	3	3
Net gains on financial instruments at fair value through profit or loss	1	
Financial income	4	3
Interest expenses	39	36
Net losses on financial instruments at fair value through profit or loss	1	9
Other financial expenses	6	3
Financial expenses	46	48

Additions of accrued interest of bonds are recognized in the amount of CHF 1 million (previous year: CHF 1 million) under interest expenses.

Net losses on financial instruments at fair value through profit or loss include mainly foreign exchange losses.

28 Non-operating result

The non-operating result amounted to CHF 14 million (previous year: CHF 1 million). The income mainly reflects the result of the sale of different investment properties.

29 Extraordinary result

In 2014, costs of CHF 5 million related to the sale of the gravity die-casting foundry in Herzogenburg (Austria) by the division GF Automotive were charged to the extraordinary result.

An earn-out adjustment for the discontinued operations of 2012 comprising the companies Georg Fischer GmbH, Friedrichshafen (Germany), and Georg Fischer GmbH, Garching (Germany) by the division GF Automotive resulted in an extraordinary income of CHF 5 million. Therefore the extraordinary result amounted to CHF 0 million.

In the previous year, the "Extraordinary result" was a loss of CHF 26 million. The sale of the gravity die-casting foundry in Herzogenburg (Austria) on 30 January 2014, with retroactive effect to 1 January 2014, was treated in 2013 as a discontinued operation. The extraordinary loss of CHF 26 million was reported in "Extraordinary result".

The table below shows the results of the gravity die-casting foundry as a discontinued operation:

CHF million	2014	2013
Sales	0	75
Operating result (EBIT)	0	-9
Cash flow from operating activities	0	1

30 Income taxes

The difference between the expected income tax expense and the effective income tax expense reflected in the financial statements can be explained as follows:

CHF million	2014			2013		
	Total	Thereof current taxes	Thereof deferred taxes	Total	Thereof current taxes	Thereof deferred taxes
Tax rate reconciliation						
Profit before taxes	246			181		
Expected income tax rate in %	22			20		
Expected income tax expense	53	50	3	36	43	-7
Non-tax deductible expenses/ tax exempted income				2	2	
Use of unrecognized tax loss carryforwards	-7	-10	3	-4	-5	1
Effect of non-recognition of tax losses in current year	4	4		6	6	
Recognition of previously unrecog- nized tax loss carryforwards	-2		-2			
Depreciation of recognized tax loss carryforwards	2		2			
Tax charges and credits related to prior periods, net	-1		-1	-1	-1	
Effect of change in tax rates	1		1	-1		-1
Other effects	1	-1	2	-2	2	-4
Effective income tax expense	51	43	8	36	47	-11
Effective income tax rate in %	21			20		

The expected income tax expense of the Corporation corresponds to the weighted average tax rate which is based on the profit/loss before taxes and the income tax rate of each individual Corporate Company. The change of the expected income tax rate is due to the variation in profitability and the change of the tax rate of different Corporate Companies.

The following unrecognized tax loss carryforwards are at the disposal of the Corporation:

CHF million	2014	2013
Expiry unlimited	198	250
After 2017	48	37
2017	8	4
2016	5	5
2015	11	13
2014		2
Total unrecognized tax loss carryforwards	270	311
Potential tax relief effect	73	85

The recognition of tax loss carryforwards is assessed on an annual basis and is based on current assumptions and estimates of the management. Tax loss carryforwards are recognized only to the extent that, within the next two to three years, sufficient taxable profit is expected to be available to allow the deferred tax asset to be utilized. In countries or Corporate Companies where such utilization is not probable, tax loss carryforwards are not recognized. The potential tax relief effect from the unrecognized tax loss carryforwards amounted to CHF 73 million.

As of 31 December 2014, based on the aforementioned estimates, tax loss carryforwards of CHF 32 million (previous year: CHF 51 million) were activated resulting in a deferred tax asset of CHF 8 million (previous year: CHF 13 million). Country-specific tax-relevant regulations and opportunities were hereby respected.

31 Related parties

Related parties include members of the Executive Committee and the Board of Directors, Employee benefit plans or important shareholders as well as companies under their control. Transactions with related persons and companies are generally conducted at arm's length.

The members of the Board of Directors are compensated with a fixed number of Georg Fischer registered shares and a cash remuneration. For special functions (e.g. Chairman, Vice Chairman, committee member, extraordinary meetings), an additional compensation commensurate with the time required is granted in cash.

The members of the Board of Directors received cash compensation of CHF 0.9 million in the year under review (previous year: CHF 1.0 million). In addition, a total of 1 650 Georg Fischer registered shares (par value of CHF 1) with a market value of CHF 1.0 million were allocated as share-related compensation (previous year: 1 600 Georg Fischer registered shares, equivalent to a market value of CHF 1.0 million). Together with other benefits, the total compensation paid to the Board of Directors in the year under review amounted to CHF 2.0 million (previous year: CHF 2.2 million). This total compensation of the Board of Directors is recognized in operating expenses (see note 25).

The members of the Executive Committee received 2 050 Georg Fischer registered shares (par value of CHF 1) with a market value of CHF 1.3 million in the year under review (previous year: 1 750 Georg Fischer registered shares with a market value of CHF 1.1 million). In addition, the members of the Executive Committee received a cash compensation and social security and pension contributions of CHF 5.3 million for the year under review (previous year: CHF 5.2 million). The total compensation of the Executive Committee is included in personnel expenses (see note 26).

Apart from the regular compensation paid to the Board of Directors and the Executive Committee, and the regular contributions to the various pension fund institutions, no transactions with related persons or companies took place.

The total compensation paid to the Board of Directors and Executive Committee breaks down as follows:

CHF 1 000	2014	2013
Compensation	5 259	5 376
Employee benefit contributions	748	712
Social security	330 ¹	400
Share-related compensation	2 327	2 102
Total compensation	8 664	8 590

1 Excluding for the Board of Directors employer contributions to social security of CHF 100 thousand.

Additional fees and remuneration // No member of the Executive Committee or the Board of Directors or any person closely associated with them received any fees or other payments for additional services to Georg Fischer Ltd or its Corporate Companies in the fiscal year 2014.

Loans to members of governing bodies // Neither Georg Fischer Ltd nor its Corporate Companies granted any guarantees, loans, advances, or credit facilities to members of the Executive Committee or the Board of Directors or to any person closely associated with them.

The detailed disclosure of compensation and participation of the Board of Directors and the Executive Committee in accordance with Swiss law can be found in the financial statements of Georg Fischer Ltd on pages 116 to 118.

32 Foreign exchange rates

CHF		Average rates		Spot rates	
		2014	2013	2014	2013
1	AED	0.249	0.252	0.270	0.242
1	ARS	0.113	0.171	0.117	0.136
1	AUD	0.825	0.898	0.810	0.793
1	BRL	0.389	0.432	0.372	0.376
1	CAD	0.828	0.901	0.852	0.835
1	CNY	0.149	0.151	0.160	0.147
1	EUR	1.215	1.231	1.203	1.226
1	GBP	1.506	1.450	1.540	1.468
1	HKD	0.118	0.120	0.128	0.115
1	INR	0.015	0.016	0.016	0.014
1	MXN	0.069	0.073	0.067	0.068
1	MYR	0.280	0.295	0.283	0.271
1	NZD	0.759	0.760	0.775	0.731
1	SGD	0.722	0.741	0.748	0.703
1	TRY	0.418	0.488	0.425	0.421
1	USD	0.915	0.927	0.990	0.889
100	CZK	4.413	4.743	4.338	4.475
100	DKK	16.296	16.503	16.151	16.432
100	JPY	0.866	0.952	0.827	0.847
100	KRW	0.087	0.085	0.091	0.085
100	NOK	14.551	15.802	13.330	14.615
100	PLN	29.030	29.356	28.075	29.560
100	SEK	13.365	14.241	12.770	13.845
100	THB	2.817	3.021	3.005	2.705
100	TWD	3.017	3.123	3.129	2.981

33 Events after the balance sheet date

The consolidated financial statements were approved and released for publication by the Board of Directors on 13 February 2015. They must also be approved at the Annual Shareholders' Meeting.

On 15 January 2015, the Swiss National Bank announced that it would abandon its peg of 1.20 Swiss francs per euro. The figures quoted in these annual financial statements are translated at the closing rates as at 31 December 2014 and therefore do not account for changes in the exchange rate after 31 December 2014.

GF's reporting currency for its financial statements is the Swiss franc. The increase in the value of the Swiss franc against the relevant foreign currencies has a negative exchange rate effect on sales and net profit. Half of the Corporation's invoices are denominated in euros and five percent in Swiss francs. Regarding costs, 20 percent are in Swiss francs.

Since 2011, GF has gradually reduced its euro and US dollar exposure. As of the end of 2014, the Corporation's transactional exposure amounts to CHF 50 million for the euro and CHF 150 million for the US dollar.

There were no other events between 31 December 2014 and 13 February 2015 that would require an adjustment to the carrying amounts of assets and liabilities and equity or would need to be disclosed under this heading.

34 Affiliated companies

Country	Division	Company	Functional currency	Share capital million	Participation %	Consolidation	Function	
Europe								
Austria	PS	Georg Fischer Fittings GmbH, Traisen	EUR	3.7	51	C	P	
	PS	Georg Fischer Rohrleitungssysteme GmbH, Herzogenburg	EUR	0.2	100	C	S	
	AU	Georg Fischer Automobilguss GmbH, Herzogenburg ¹	EUR	4.6	100	C	H	
	AU	Georg Fischer Druckguss GmbH, Herzogenburg	EUR	0.1	100	C	P	
	AU	Georg Fischer Eisenguss GmbH, Herzogenburg	EUR	0.1	100	C	P	
	AU	Georg Fischer GmbH & Co KG, Altenmarkt	EUR	2.4	100	C	P	
Belgium	PS	Georg Fischer NV-SA, Bruxelles	EUR	0.5	100	C	S	
Czech Republic	MS	GF Machining Solutions sro, Brno ¹	CZK	12.3	100	C	S	
	MS	System 3R Czech sro, Praha ¹	CZK	0.1	100	C	S	
Denmark	PS	Georg Fischer A/S, Taastrup ¹	DKK	0.5	100	C	S	
France	CM	Georg Fischer Holding SAS, Palaiseau ¹	EUR	6.4	100	C	H	
	PS	Georg Fischer SAS, Villepinte	EUR	1.1	100	C	S	
	MS	GF Machining Solutions SAS, Palaiseau	EUR	4.0	100	C	S	
Germany	CM	Georg Fischer BV & Co KG, Singen ¹	EUR	25.6	100	C	H	
	CM	Georg Fischer Geschäftsführungs-GmbH, Singen	EUR	0.1	100	C	M	
	CM	Georg Fischer Giessereitechnologie GmbH, Singen	EUR	0.5	100	C	M	
	CM	MGH Verwaltungs GmbH, Biedenkopf-Wallau	EUR	0.1	100	C	M	
	PS	Georg Fischer DEKA GmbH, Dautphetal-Mornshausen	EUR	2.6	100	C	P	
	PS	Georg Fischer GmbH, Albershausen	EUR	2.6	100	C	S	
	PS	Georg Fischer Fluorpolymer Products GmbH, Ettenheim	EUR	4.0	100	C	P	
	AU	Georg Fischer Automobilguss GmbH, Singen	EUR	12.8	100	C	P	
	AU	Georg Fischer GmbH, Mettmann	EUR	0.1	100	C	P	
	AU	Georg Fischer GmbH, Leipzig	EUR	0.9	100	C	P	
	AU	Georg Fischer GmbH, Werdohl	EUR	0.3	100	C	P	
	AU	Georg Fischer Dienstleistungen GmbH, Mettmann	EUR	0.1	100	C	M	
	AU	MECO Eckel GmbH & Co KG, Biedenkopf-Wallau	EUR	0.2	100	C	P	
	AU	Eckel & Co GmbH, Biedenkopf-Wallau	EUR	0.1	100	C	M	
	MS	GF Machining Solutions GmbH, Schorndorf	EUR	2.6	100	C	S	
	MS	System 3R Europe GmbH, Gross-Gerau	EUR	0.3	100	C	S	
	Great Britain	PS	George Fischer Sales Ltd, Coventry ¹	GBP	4.0	100	C	S
		MS	GF Machining Solutions Ltd, Coventry ¹	GBP	2.0	100	C	S
	Italy	CM	Georg Fischer Holding Srl, Caselle di Selvazzano	EUR	0.5	100	C	H
PS		Georg Fischer TPA Srl, Busalla	EUR	0.7	100	C	P	
PS		Georg Fischer Omicron Srl, Caselle di Selvazzano	EUR	0.1	100	C	P	
PS		Georg Fischer PfcI Srl, Valeggio sul Mincio	EUR	0.5	100	C	P	
PS		Georg Fischer SpA, Cernusco sul Naviglio	EUR	1.3	100	C	S	
MS		GF Machining Solutions SpA, Cusano Milanino	EUR	3.0	100	C	S	
Netherlands	CM	Georg Fischer Holding NV, Epe ¹	EUR	0.9	100	C	H	
	CM	Georg Fischer Management BV, Epe ¹	EUR	0.1	100	C	M	
	PS	Georg Fischer NV, Epe	EUR	0.9	100	C	S	
	PS	Georg Fischer WAGA NV, Epe	EUR	0.4	100	C	P	
Norway	PS	Georg Fischer AS, Rud ¹	NOK	1.0	100	C	S	
Poland	PS	Georg Fischer Sp.z.o.o., Warszawa ¹	PLN	18.5	100	C	S	
	MS	GF Machining Solutions Sp.z.o.o., Warszawa ¹	PLN	1.3	100	C	S	

¹ Directly held by Georg Fischer Ltd.

Country	Division	Company	Functional currency	Share capital million	Participation %	Consolidation	Function
Spain	PS	Georg Fischer SA, Madrid ¹	EUR	1.5	100	C	S
	MS	GF Machining Solutions SAU, Barcelona ¹	EUR	2.7	100	C	S
Sweden	PS	Georg Fischer AB, Stockholm ¹	SEK	1.6	100	C	S
	MS	System 3R International AB, Vällingby ¹	SEK	17.1	100	C	P
Switzerland	CM	WIBILEA AG, Neuhausen ¹	CHF	1.0	43	E	M
	CM	Eisenbergwerk Gonzen AG, Sargans ¹	CHF	0.5	49	F	M
	CM	Georg Fischer AG, Schaffhausen	CHF	4.1		C	H
	CM	Georg Fischer Liegenschaften AG, Schaffhausen ¹	CHF	4.0	100	C	M
	CM	Georg Fischer Finanz AG, Schaffhausen ¹	CHF	10.0	100	C	M
	PS	Georg Fischer Rohrleitungssysteme AG, Schaffhausen ¹	CHF	20.0	100	C	P
	PS	Georg Fischer Rohrleitungssysteme (Schweiz) AG, Schaffhausen ¹	CHF	0.5	100	C	S
	PS	Georg Fischer Wavin AG, Schaffhausen ¹	CHF	17.8	60	C	P
	PS	Georg Fischer JRG AG, Sissach ¹	CHF	1.8	100	C	P
	AU	Georg Fischer Automotive AG, Schaffhausen ¹	CHF	1.0	100	C	M
	MS	Agie Charmilles SA, Losone ¹	CHF	10.0	100	C	P
	MS	Agie Charmilles Services SA, Meyrin ¹	CHF	3.6	100	C	S
	MS	GF Machining Solutions Management SA, Meyrin ¹	CHF	0.5	100	C	M
	MS	GF Machining Solutions International SA, Losone ¹	CHF	2.6	100	C	S
	MS	Agie Charmilles New Technologies SA, Meyrin ¹	CHF	10.0	100	C	P
	MS	Mecartex SA, Losone	CHF	0.4	30	E	P
	MS	System 3R Schweiz AG, Flawil ¹	CHF	1.0	100	C	P
	MS	Mikron Agie Charmilles AG, Nidau ¹	CHF	3.5	100	C	P
	MS	Step-Tec AG, Luterbach ¹	CHF	1.3	98	C	P
	MS	Liechti Engineering AG, Langnau ¹	CHF	0.1	100	C	P
Near East							
UAE	PS	Georg Fischer Corys LLC, Dubai ¹	AED	0.3	49	E	P
Turkey	PS	Georg Fischer Hakan Plastik AS, Cerkezköy ¹	TRY	20.0	90	C	P
	MS	System 3R Hassas Baglama Ekipmanlari Tic Ltd Sti, Istanbul ¹	TRY	0.1	100	E	S
Americas							
Argentina	PS	Georg Fischer Central Plastics Sudamerica SRL, Buenos Aires ¹	ARS	1.4	100	C	S
	PS	Polytherm Central Sudamericana SA, Buenos Aires	ARS	0.1	49	E	S
Bermuda	CM	Munot Reinsurance Ltd, Hamilton ¹	EUR	0.1	100	C	M
Brazil	PS	Georg Fischer Sistemas de Tubulacoes Ltda, São Paulo ¹	BRL	4.1	100	C	S
	MS	GF Machining Solutions Ltda, São Paulo ¹	BRL	60.9	100	C	S
Canada	PS	Georg Fischer Piping Systems Ltd, Mississauga ¹	CAD	0.1	100	C	S
Mexico	PS	Georg Fischer SA de CV Mexico, Monterrey ¹	MXN	0.1	100	C	S
USA	CM	George Fischer Corporation, El Monte, CA ¹	USD	0.1	100	C	H
	PS	Georg Fischer LLC, Irvine, CA	USD	3.8	100	C	S
	PS	Georg Fischer Signet LLC, El Monte, CA	USD	0.1	100	C	P
	PS	Georg Fischer Central Plastics LLC, Shawnee, OK	USD	1.1	100	C	P
	PS	Georg Fischer Harvel LLC, Easton, PA	USD	0.1	100	C	P
	MS	GF Machining Solutions LLC, Lincolnshire, IL	USD	0.1	100	C	S
	MS	System 3R USA LLC, Chicago, IL	USD	0.1	100	C	S
MS	Liechti America LLC, Huntsville, NC	USD	0.1	100	C	S	

1 Directly held by Georg Fischer Ltd.

Country	Division	Company	Functional currency	Share capital million	Participation %	Consolidation	Function
Asia/Australia							
Australia	CM	George Fischer IPS Pty Ltd, Riverwood ¹	AUD	7.1	100	C	H
	PS	George Fischer Pty Ltd, Riverwood ¹	AUD	3.8	100	C	S
China	CM	Georg Fischer Business Services (Shanghai) Co Ltd, Shanghai ¹	CNY	1.1	100	C	M
	PS	Changchun Chinaust Automobile Parts Corp Ltd, Changchun	CNY	10.0	50	P	P
	PS	Chinaust Plastics Corp Ltd, Zhuozhou	CNY	53.6	50	P	P
	PS	Chinaust Plastics (Shenzhen) Co Ltd, Shenzhen ¹	CNY	45.0	50	P	P
	PS	Chinaust Plastics (Sichuan) Corp Ltd, Dujiangyan ¹	CNY	50.0	50	P	P
	PS	Hebei Chinaust Automotive Plastics Corp Ltd, Zhuozhou ¹	CNY	58.2	50	P	P
	PS	Shanghai Chinaust Automotive Plastics Corp Ltd, Shanghai ¹	CNY	40.3	50	P	P
	PS	Shanghai Chinaust Plastics Corp Ltd, Shanghai	CNY	58.3	50	P	P
	PS	Shanghai Georg Fischer Chinaust Plastics Fittings Corp Ltd, Shanghai ¹	CNY	52.0	51	C	P
	PS	Georg Fischer Piping Systems Ltd, Shanghai ¹	CNY	41.4	100	C	P
	PS	Georg Fischer Piping Systems (Trading) Ltd, Shanghai ¹	CNY	1.7	100	C	S
	PS	Georg Fischer Piping Systems Ltd, Beijing ¹	CNY	36.7	100	C	P
	AU	Georg Fischer Automotive (Suzhou) Co Ltd, Suzhou ¹	CNY	209.5	100	C	P
	AU	Georg Fischer Automotive (Kunshan) Co Ltd, Kunshan ¹	CNY	149.5	100	C	P
	MS	GF Machining Solutions Ltd, Hongkong ¹	HKD	3.0	100	C	S
	MS	ACM North China (HK) Ltd, Hongkong ¹	HKD	0.1	100	C	S
	MS	Agie Charmilles China (HK) Ltd, Hongkong ¹	HKD	0.5	100	C	S
	MS	Agie Charmilles China (Shanghai) Co Ltd, Shanghai	CNY	2.5	100	C	S
	MS	Agie Charmilles China (Shenzhen) Ltd, Shenzhen	CNY	2.5	100	C	S
	MS	Agie Charmilles China (Tianjin) Ltd, Tianjin	CNY	1.7	100	C	S
	MS	Beijing Agie Charmilles Industrial Electronics Co Ltd, Beijing ¹	CNY	80.3	78	C	P
	MS	Beijing Agie Charmilles Technology & Service Ltd, Beijing	CNY	4.5	78	C	S
	MS	Changzhou Agie Charmilles Machine Tool Co Ltd, Changzhou ¹	CNY	55.4	100	C	P
	MS	System 3R Shanghai Co Ltd, Shanghai	CNY	1.5	100	C	S
	MS	Liechti (Shanghai) Engineering Co Ltd, Shanghai	CNY	0.1	100	C	S
India	PS	Georg Fischer Piping Systems PVT Ltd, Mumbai ¹	INR	215.4	100	C	P
Japan	PS	Georg Fischer Ltd, Osaka ¹	JPY	480.0	81	C	S
	MS	GF Machining Solutions Ltd, Yokohama ¹	JPY	50.0	100	C	S
	MS	System 3R Japan Co Ltd, Tokyo ¹	JPY	94.0	100	C	S
Korea	PS	Georg Fischer Korea Co. Ltd., Yongin-si ¹	KRW	600.0	100	C	S
	MS	GF Machining Solutions Co Ltd, Seoul ¹	KRW	975.0	100	C	S
Malaysia	PS	George Fischer (M) SDN BHD, Shah alam ¹	MYR	10.0	100	C	P
New Zealand	PS	Georg Fischer Ltd, Wellington ¹	NZD	0.1	100	C	S
Singapore	PS	George Fischer Pte Ltd, Singapore ¹	SGD	3.0	100	C	S
	MS	GF Machining Solutions Pte Ltd, Singapore ¹	SGD	2.1	100	C	S
	MS	System 3R Far East Pte Ltd, Singapore ¹	SGD	0.8	100	C	S
Taiwan	PS	Georg Fischer Co Ltd, New Taipei City ¹	TWD	1.0	100	C	S
	MS	GF Machining Solutions Ltd, San Chung, Taipei Hsien ¹	TWD	10.0	100	C	S

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Division

CM = Corporate Management
PS = GF Piping Systems
AU = GF Automotive
MS = GF Machining Solutions

Consolidation

C = Fully consolidated
P = Proportionately consolidated
E = Stated based on the equity method
F = Stated at estimated fair value

Function

H = Holding
P = Production
M = Management and Services
S = Sales

Status as of 31 December 2014