

Annual Report 2016

Short version



Innovations for your success

In 2016, GF has developed itself fully in line with its strategic objectives.

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Our Corporation

GF comprises three divisions: GF Piping Systems, GF Automotive, and GF Machining Solutions. Founded in 1802, the Corporation is headquartered in Switzerland and is present in 33 countries with 131 companies, 51 of them production facilities. Its approximately 14'800 employees generated sales of CHF 3'744 million in 2016. GF is the preferred partner of its customers for the safe transport of liquids and gases, lightweight casting components in vehicles, and high-precision manufacturing technologies.

GF Piping Systems

GF Piping Systems is a leading supplier of piping systems made of plastics and metal. The division focuses on system solutions, high-quality components for the safe transport of water, chemicals and gas as well as corresponding services. Its product range includes fittings, valves, pipes, automation and jointing technologies and covers all applications throughout the water cycle.



COOL-FIT 2.0 – the revolution for efficient cooling: the solution is ideal for the transport of chilled water in buildings, in data centers and for process cooling.

GF Automotive

GF Automotive is a technologically pioneering development partner and manufacturer of lightweight cast components and systems made of ductile iron, aluminum, and magnesium for the global automotive industry as well as a variety of other industrial applications. The highly complex lightweight components contribute to making modern vehicles lighter and reduce their CO₂ emissions.



Battery housing for e-mobility: the lightweight component offers high functional integration in one large part.

GF Machining Solutions

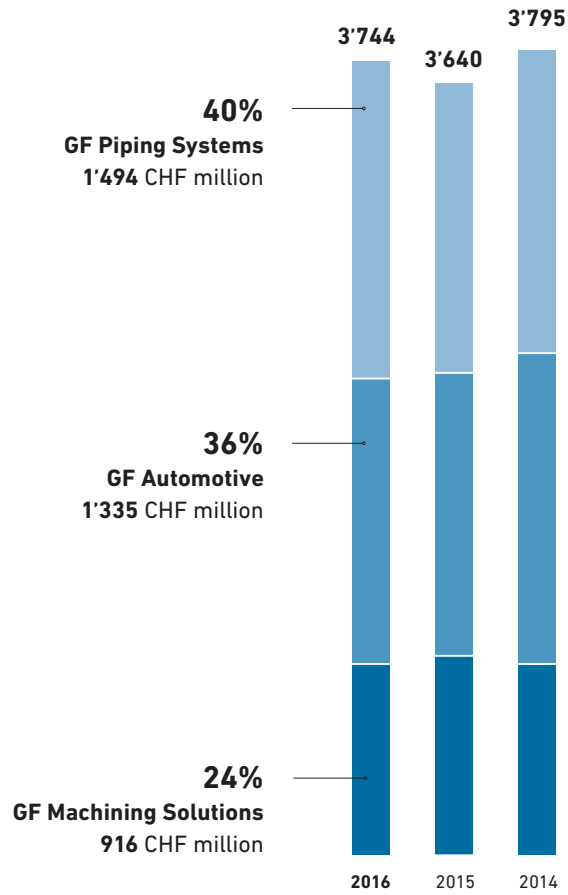
GF Machining Solutions provides milling and electrical discharge machines (EDM), additive manufacturing solutions, laser texturing, automation, tooling, and spindles. These complete solutions make the division one of the world's leading provider to the tool- and mold-making industry and to manufacturers of precision components. The key customer segments are the aerospace, medical, ICT, electronics, and automotive industries.



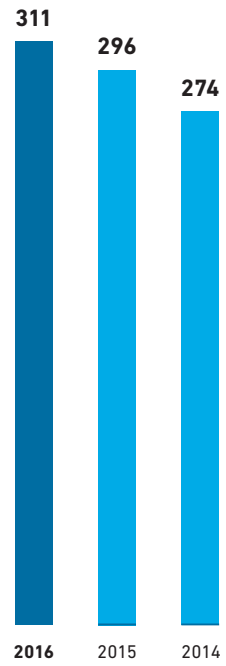
Laser P 400 U: the femtosecond laser is specifically designed for aesthetic and functional texturing of precision parts.

Key figures

Sales 3'744 CHF million



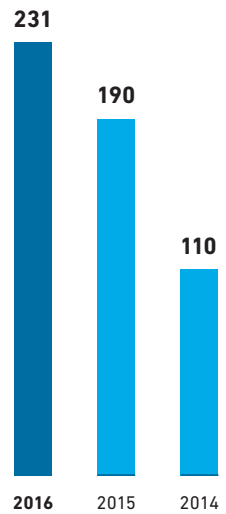
EBIT 311 CHF million



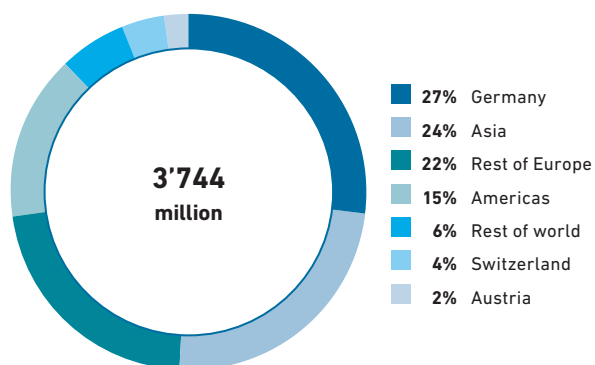
Net profit 225 CHF million



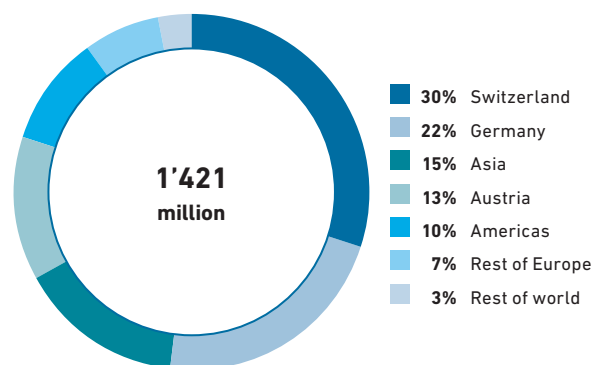
Free cash flow before acquisitions/divestitures 231 CHF million



Sales 2016 by region (in %)
(100% = CHF 3'744 million)



Gross value added 2016 by region (in %)
(100% = CHF 1'421 million)



	GF Corporation		GF Piping Systems		GF Automotive		GF Machining Solutions	
CHF million	2016	2015	2016	2015	2016	2015	2016	2015
Order intake	3'749	3'662	1'488	1'429	1'346	1'331	917	902
Sales	3'744	3'640	1'494	1'417	1'335	1'321	916	902
EBITDA	443	422	214	193	161	148	77	92
EBIT	311	296	162	143	100	89	62	78
Net profit	225	198						
Free cash flow before acquisitions/divestitures	231	190						
Return on sales (EBIT margin) %	8.3	8.1	10.8	10.1	7.5	6.7	6.8	8.6
Invested Capital (IC)	1'333	1'279	669	623	397	382	261	276
Return on invested capital (ROIC) %	19.3	18.9	20.6	18.0	23.1	22.1	18.3	21.9
Number of employees	14'808	14'424	6'507	6'237	5'047	5'037	3'102	3'003

A further increase in performance

Dear shareholders,

GF has developed itself in 2016 fully in line with its strategic objectives 2016–2020. Sales and profits increased anew and all three divisions generated value.

The Corporation has increased its sales by 3% to CHF 3'744 million. In local currencies and adjusted for acquisitions and divestments, turnover growth amounted to 2%. The operating result (EBIT) rose to CHF 311 million, up 5% compared to previous year. This resulted in an EBIT margin (ROS) of 8.3% against 8.1% in 2015. The return on invested capital (ROIC) increased to 19.3%, up from 18.9% in 2015. All three divisions generated ROICs well above their cost of capital, thus creating a high amount of value for the company.

Net profit amounted to CHF 225 million, 14% above previous year, resulting in earnings per share of CHF 53 against CHF 46 in 2015. Free cash flow before acquisitions and divestments reached CHF 231 million, clearly above the already high level of the previous year (CHF 190 million). Based on the above, the Board of Directors proposes to the Annual Shareholders' Meeting a dividend of CHF 20 per share (CHF 18 in 2016).

“Net profit amounted to CHF 225 million, 14% above previous year.”

GF Piping Systems

GF Piping Systems generated sales of CHF 1'494 million, up 5% from previous year. Adjusted for currency effects and acquisitions, sales went up 5%. In particular, the industrial applications experienced a strong demand worldwide. The Building Technology sector also brought

significant increases in sales whereas the utility-related turnover remained stable.

The operating result grew by CHF 19 million to CHF 162 million for a 10.8% ROS, against 10.1% in 2015. Well-loaded plants, including in Switzerland, and the strong growth in higher-margin businesses were the main factors behind this profitability increase.

GF Piping Systems acquired three companies during the year. In May, PT Eurapipe, Karawang (Indonesia), a manufacturer of polyethylene pipes and fittings, has been purchased to allow GF Piping Systems to set foot in this promising market. In August, GF Piping Systems acquired, through its Chinaust joint venture, two companies in China, Lingyun Jingran Gas Valve, which complements the divisional portfolio in the gas distribution sector, and Shuchang Auto Part, a supplier of plastic quick connectors for automotive fuel lines in cars and trucks. The integration of all acquired units is fully on track.

GF Automotive

GF Automotive increased its turnover by 1% to CHF 1'335 million. In local currencies, sales were at previous year's level.

It is however to be noted that raw material prices, specially scrap iron, decreased substantially in 2016. As price fluctuations are contractually passed over to customers, this had a negative impact of ca. 3% on the GF Automotive turnover. Discarding this negative effect, sales volume in local currencies would have been up approx. 3%. >



Yves Serra, President and CEO (left), and Andreas Koopmann, Chairman of the Board of Directors, at the GF Automotive plant in Suzhou (China).

Both passenger cars and commercial vehicles demand remained overall healthy, particularly in China but with significant differences among car and truck manufacturers.

The operating result amounted to CHF 100 million, a strong 12% increase to previous year resulting in a 7.5% ROS against 6.7% in 2015. Both Chinese plants as well as most light metal plants in Europe were fully utilized amid a high demand for aluminum components, including more and more for electric cars. The load of the European iron casting plants remained at previous year's level.

In the USA, the construction of the new light metal plant in Mills River, North Carolina, is proceeding according to plan for a start of production at year-end 2017.

GF Machining Solutions

Amid uneven markets, GF Machining Solutions increased its turnover by 2% to CHF 916 million. In local currencies and adjusted for acquisitions, sales stood at previous year's level. GF Machining Solutions enjoyed a healthy demand in the aerospace and medical fields, whereas the electronics sector in Asia remained flat in part because sales of electronic devices did not grow as fast as in the recent past.

The operating result reached CHF 62 million for a 6.8% ROS, supported by an increased focus on higher margin products. In 2015, the operating result of CHF 78 million had been boosted by the sale of an administrative building in Geneva, which added a one-time CHF 18 million to it.

In May 2016, the division acquired Microlution Inc. based in Chicago (USA), widening its technology portfolio in the promising field of micro-machining to support its customers' precision needs in the medical, aerospace, and electronics sectors.

“The implementation of our 2016–2020 strategy is well under way.”

Strategy 2020 – well under way

The implementation of our 2016–2020 strategy is well under way. The 2016 financial results are in line with our goal of a 3–5% annual top line growth and profitability ranges of 8–9% for the ROS as well as 18–22% for the ROIC.

GF kept expanding in growth markets with two acquisitions in China and one in Indonesia for GF Piping Systems. At the same time, productivity optimization is proceeding apace in Europe where the commissioning of a new automatized molding line has been started in Singen (Germany), and a high number of automation projects have been implemented in the other plants of GF Automotive.

The shift to higher-margin businesses is also on track with the entry at GF Piping Systems into new sectors like air-conditioning and the push at GF Automotive into electric car components. In addition, GF Machining Solutions has significantly expanded its offering and its sales in the growing aerospace business.

Finally, specific training programs are being conducted corporate-wide in order to accompany this shift, on one hand to accelerate customer-focused innovation and on the other hand to further enhance sales proficiency.

Solid financial structure allows for further growth

In April, GF successfully issued a CHF 225 million bond over ten years with a 0.875% coupon to replace a CHF 200 million bond, placed in 2010 with a 3.375% coupon. This new bond issuance supports the financing of future acquisitions and at the same time allows GF to reduce its financing costs.

Outlook 2017

Recent economic and political developments may add more uncertainty and volatility to our markets. We believe, however, that new businesses and recent acquisitions will support growth at GF Piping Systems. GF Automotive and GF Machining Solutions enjoy promising order backlogs in their core segments and the focus at all three divisions on higher-margin sectors starts bearing fruits. Based on today's evaluation of the overall business environment, we therefore expect for 2017 to increase results anew, in line with our 2016–2020 objectives.

Changes in the Board of Directors

At the Annual Shareholders' Meeting of March 2016, Ulrich Graf left the GF Board upon reaching the mandatory retirement age. Ulrich Graf served on the GF Board for 18 years during which GF benefited from his vast experience

as CEO and Chairman of several listed Swiss companies. Ulrich Graf also served as Chairman of the GF Compensation Committee from 2010–2016. We thank him very much for his long-lasting commitment and very valuable contributions to our company. At the same meeting, Riet Cadonau has been elected as new Board Member.

“Our heartfelt thanks go to our employees for their commitment and collaborative spirit.”

A great collaborative spirit to better serve our customers

Despite volatile and uneven markets, we achieved growth and financial results in line with our 2020 strategy. Our heartfelt thanks go to our employees for their commitment and collaborative spirit. This great teamwork across borders and various cultures, nurtured over the years, has been a key factor behind the best successes we have had, owing to a better understanding of and a quicker response to our customers' needs.

We have enjoyed working hand in hand with our customers whose feedback and ideas guide our innovation and service efforts. We are also very much honored and motivated by the trust placed in our company by our mid- and long-term as well as new shareholders.



Andreas Koopmann
Chairman of the
Board of Directors



Yves Serra
President and CEO

Highlights 2016

21/09



Technology Day: Innovations for attractive business segments

Every three years, GF holds a Technology Day in Schaffhausen, Switzerland, to present the trends and technologies of the future. At Technology Day 2016, all three divisions presented innovations that will lead to profitable growth in attractive business segments. The focus was on the latest developments in the fields of cooling in buildings, e-mobility and laser technology.

01/03

Kick-off for Strategy 2020

The year 2016 marked the start of a new chapter at GF: Strategy 2020. In order to grow profitably over the next five years, the company aims to expand into growth markets, shift the portfolio of the divisions into higher-margin businesses and drive sales and innovation excellence. By 2020, the objective is to achieve a turnover in the CHF 4.5 to 5 billion range (at constant currency levels) whilst maintaining a high profitability level.

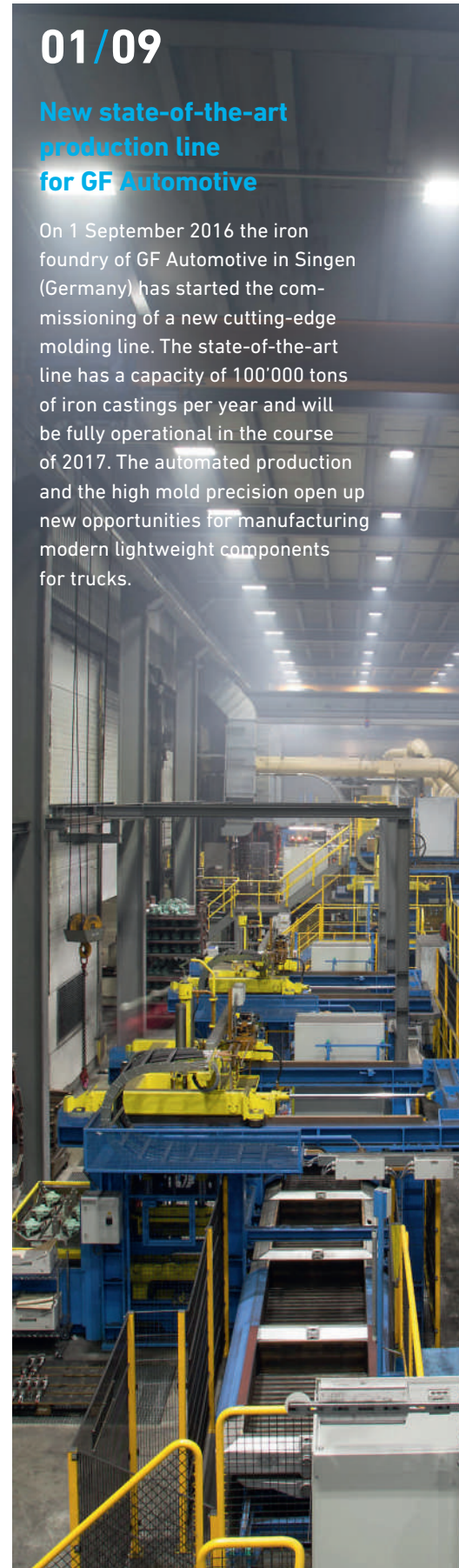
Major orders from renowned customers

Over the course of the year, GF received several major orders from renowned customers. In spring, GF Machining Solutions secured large orders for high-end milling machines with a value of USD 35 million. In July and September, GF Automotive entered into new agreements with European automotive manufacturers, amounting to EUR 84 million for the production of lightweight car components and EUR 77 million for the production of battery housings for hybrid vehicles.

01/09

New state-of-the-art production line for GF Automotive

On 1 September 2016 the iron foundry of GF Automotive in Singen (Germany) has started the commissioning of a new cutting-edge molding line. The state-of-the-art line has a capacity of 100'000 tons of iron castings per year and will be fully operational in the course of 2017. The automated production and the high mold precision open up new opportunities for manufacturing modern lightweight components for trucks.





01/08

New Head of GF Piping Systems

As of 1 August 2016, Joost Geginat took over the lead of GF Piping Systems. The new Head of the division is a German citizen and succeeded Pietro Lori, who retired after almost 30 years at GF. Joost Geginat has a broad international experience as a strategic and operational consultant in various industries.



04/05



GF Piping Systems is growing in South East Asia

Thanks to the acquisition of PT Eurapipe Solutions Indonesia, the division GF Piping Systems has strengthened its position in South East Asia. The acquired company, located in Karawang, east of Jakarta, has a strong reputation as a producer of high-quality pipes and fittings made of polyethylene.

11/05



GF Machining Solutions acquires specialist for micro-machining

The division GF Machining Solutions expanded its technology portfolio by acquiring Microolution Inc. This Chicago-based, innovative company is specialized in five-axis milling and femtosecond laser for drilling holes and the micro-machining of small parts.

Precision parts for watches: the femtosecond laser technology leads into a new era of micro-machining.

Innovation as key strategic topic

Innovations are a key factor for profitable growth at GF. They ensure competitiveness and therefore the future of the company. At the fifth Technology Day in Schaffhausen, the divisions showcased their latest developments and informed about the trends and technologies of tomorrow.

“In all three divisions, we are aiming to grow in higher margin businesses,” explained CEO Yves Serra on the occasion of the GF Technology Day in Schaffhausen at the end of September 2016. “Innovations,” he added, “are key to our success.” With this statement, the CEO clearly expressed how the topic of innovation is perceived within the company: at GF, innovations are products, solutions, and services developed in partnership with customers in order to address a genuine need. After all, it is only possible to generate true added value and expand into new market segments, if you fully understand the problems customers are facing. This is why the topic of innovation is a main pillar of Strategy 2020.

“In all three divisions, we are aiming to grow in higher margin businesses. Innovations are key to our success.”

Yves Serra
President and CEO

In the coming years, GF aims to enhance its innovative capacity and increase its pace of innovation with the support of the design thinking approach (see text box). At the fifth Technology Day, the divisions impressively illustrated that GF is already pursuing this path successfully.

Revolutionary cooling system

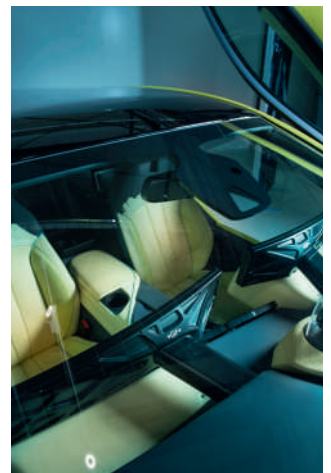
At the Technology Day, GF Piping Systems focused on the efficient cooling of buildings. With COOL-FIT 2.0, the division has developed a pre-insulated, corrosion-free plastic piping

system for transporting cooling media in air-conditioning systems for larger buildings. It is perfectly suited for use in air-conditioning for shopping malls, hospitals, hotel and office complexes, as well as for cooling large data centers where special requirements apply in terms of safety and efficiency. The revolutionary new system not only reduces energy consumption in water-cooled buildings by up to 30% but also makes installation incredibly simple.

The market potential is highly promising. While the air-conditioning market has been dominated by heavy steel pipes to date, there are signs of change now. More and more metal solutions are being substituted by plastic as building owners seek to avoid rusty, corroding pipes that result in leaks. The future belongs to light, durable systems such as COOL-FIT 2.0 which is also easy to handle. Steel pipes require a lot of effort to be welded, installed, and then, in a separate stage, covered in insulation material. COOL-FIT 2.0 significantly shortens this process due to the fact that it is an integrated solution. The comprehensive system with a globally unique combination of pre-insulated plastic pipes and fittings as well as cutting-edge electrofusion jointing technology eliminates several steps in the working process. As a matter of fact, installers who opt for the new GF Piping Systems solution are twice as fast as those still using conventional steel piping.

After the successful market launch in Switzerland, Germany, and the UK in 2016, the revolutionary cooling system is now being employed in several trend-setting representative buildings such as the Empa “Nest” in Dübendorf (Switzerland) and the “Triangle” at Cambridge University (UK).

COOL-FIT 2.0 is a combination of pre-insulated COOL-FIT pipes and fittings with state-of-the-art jointing technology which is unique worldwide.



Lightweight expertise in e-mobility: in cooperation with car visionaries such as Rinspeed, GF is working on the car of the future.

Lightweight expertise in e-mobility

Casting, machining, coating: GF Automotive is constantly improving its processes, tools and production lines in an effort to provide customers with more stable components at a lower weight. Several million lightweight components sold to date reflect the success of this approach. A look ahead to the future reveals that this development is set to continue: in 2025, every fifth new car worldwide will be equipped with a hybrid or electric engine, while production of vehicles with conventional engines will remain more or less constant. Consequently, more and more manufacturers are working together with GF Automotive to reduce the weight of

their vehicles. The most important parts include structural parts, gearbox housings, and wheel carriers in bionic design, as well as battery and electric motor housings in the e-mobility segment.

In addition, GF Automotive specialists are working increasingly on ready-to-mount components in order to provide finished parts to the customers. In doing so, the division is responding to a central customer need and aligning its production accordingly. More and more customers are asking for one-piece components in which various functions are integrated. This makes processes more streamlined and vehicles lighter. Especially with regard to the



- discussions revolving around the ranges of electric cars, weight reduction is a pivotal factor. Structural parts previously manufactured out of steel can now be made much lighter using aluminum or magnesium. Bionic design and the functional integration offered by casting technology offer additional weight savings potential: while automobile manufacturers previously had to install door frames composed of ten steel parts, GF Automotive is now offering a much lighter and more functional component as a single unit.

With this know-how spanning all engine types, GF Automotive is endeavoring to proactively shape the future of the automotive industry. This can be seen for example in cooperations with car visionaries such as Rinspeed, a Swiss think-tank conducting research into the car of the future. In addition to technology know-how for autonomous driving, Rinspeed studies involve a lot of bionic lightweight construction expertise contributed by GF Automotive.

Future-oriented laser technology

Industry 4.0, automated production, interconnected machines – innovation has many facets at GF Machining Solutions. In addition to the development of intelligent systems, the focus is also on future-oriented manufacturing technologies. One of these is femtosecond laser technology, which is heralding a new era in the field of micro-processing. The technology enables application of functional surfaces to any kind of mold or part. Moreover, femtosecond lasers allow optimum processing of extremely small parts and cavities. This opens up outstanding opportunities – even at a microscopic nano level.

“Femtosecond lasers allow optimum processing of extremely small parts and cavities.”

In creating these new functional surface structures, the developers of GF Machining Solutions drew direct inspiration from nature itself, be it self-cleaning surfaces that function like the skin of a fly's eye, or surfaces that completely repel water and ice like lotus leaves. There are virtually no limits to applications; thanks to femtosecond laser technology, customers can create surfaces with entirely new functionalities.

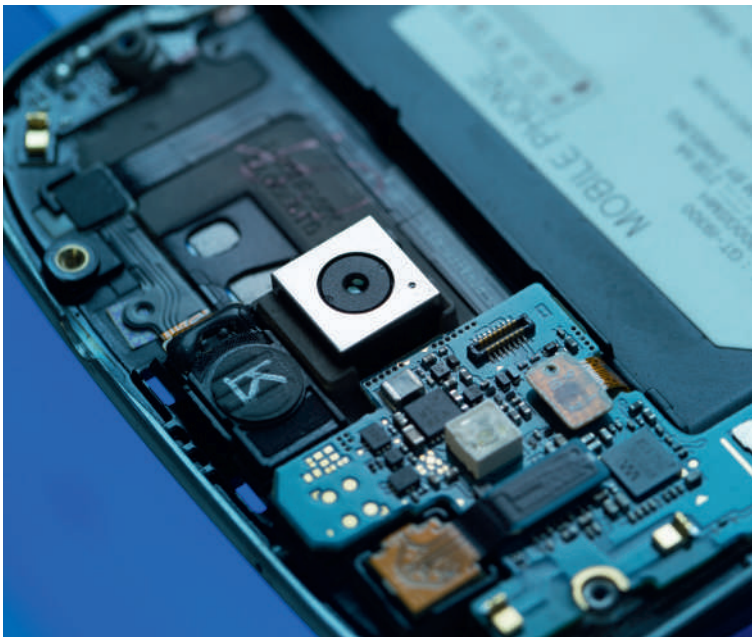
Design Thinking for innovation excellence

Innovation excellence and innovation speed are key elements of GF's Strategy 2020. This is why the company started to roll out the Design Thinking approach developed by Californian company IDEO in autumn 2016. The aim of this popular method is to develop solutions that address genuine customer needs. Success depends on clearly defined factors: multi-disciplinary teams, a “try early and often” culture and a structured process including rapid prototyping as well as an ongoing dialog with customers. In order to embed this Silicon Valley mindset in GF's innovation culture, more than 1'000 employees from research and development, product development, sales, and marketing will participate in trainings over the next two years. The first training sessions have already been held in Switzerland, China, and the USA. Further trainings, concrete projects as well as corresponding organizational measures are in the planning stage.

The new technology is deployed in a range of different segments. One example is the information and communications technology (ICT) sector, in which the structuring of camera lenses will now enable even higher levels of image sharpness. The aerospace sector will also be able to benefit from the various possibilities offered by femtosecond lasers, such as putting antifreeze surfaces on external airplane sensors. The pioneering technology offers advantages for the automotive industry, too. The beam response of headlamps can be improved by selective structuring of the glass surfaces, for example.

The acquisition of US micro-machining specialist Microlution in 2016 will support GF Machining Solutions in making the most of the numerous opportunities provided by the ICT, automotive and aerospace industries.

Smartphone cameras with incredible sharpness, improved beam lights or extremely fine engraving: state-of-the-art lasers can process surfaces in the nano range and give them completely new characteristics.



Developing the right skills for tomorrow

At GF a diverse and effective training and professional development program helps to ensure that employees all over the world acquire just the right skills which are needed for future success. The vast majority of the workforce benefit from a wide range of internal trainings.

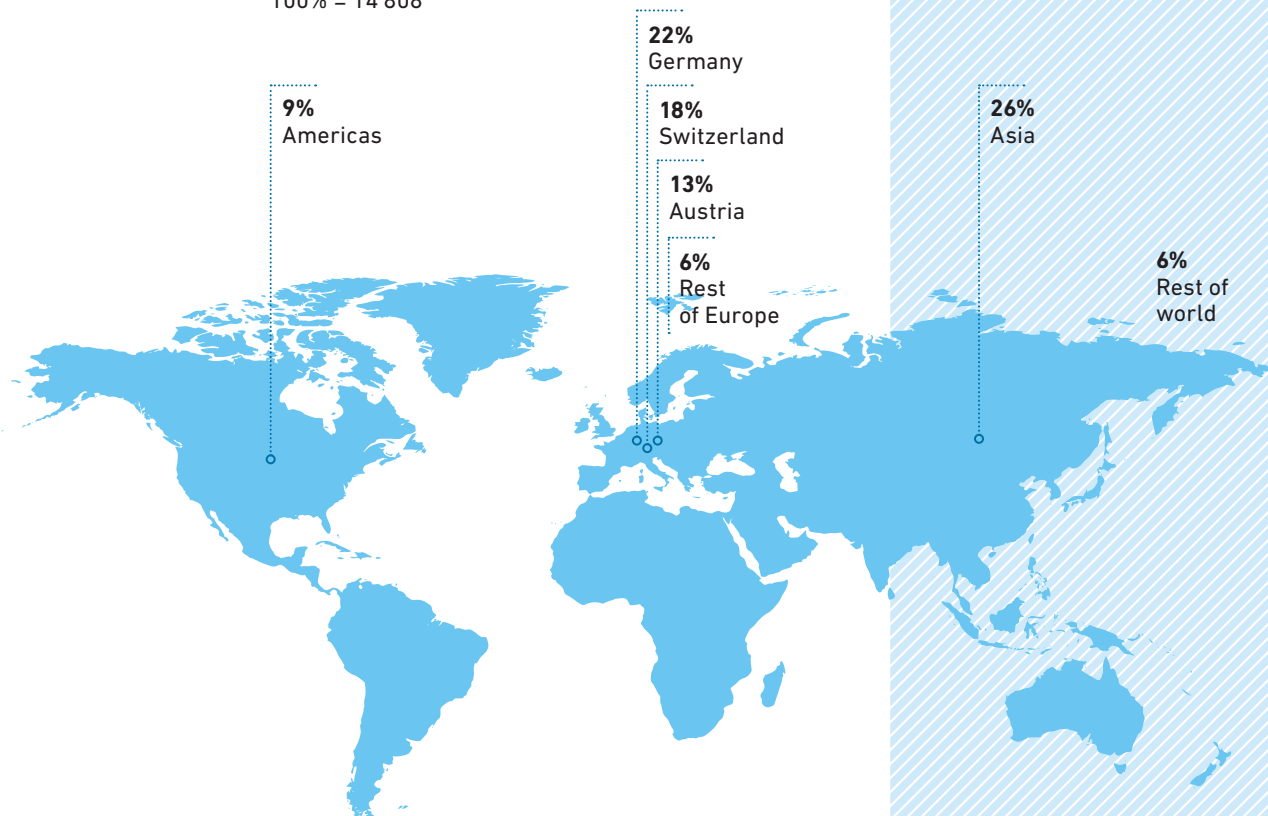
80%
of all employees participate in internal trainings every year

6 million
Swiss francs has been invested in professional development activities in 2016

> 500
apprentices are trained in more than 30 professions each year

Employees 2016 by region (in %)

100% = 14'808



“The training on design thinking has changed my view of things significantly; now I pay more attention to details and reflect more deeply about the impact of my actions.”

Ann Li
Building Technology Segment Manager, GF Piping Systems, Shanghai (China)



“I highly appreciate the regular trainings on work safety at our production site. They help us to recognize potential risks in time and to actively prevent accidents.”

Shuo Chen
Foreman of molding line, GF Automotive, Kunshan (China)



“In our business it is crucial to always keep up-to-date with the latest technologies. Each year, I participate in intensive trainings in order to provide my customers with optimum support.”

Ali Janes
Field Service Engineer, GF Machining Solutions, Irvine (USA)



“The variety of my apprenticeship has fascinated me right from the beginning.”

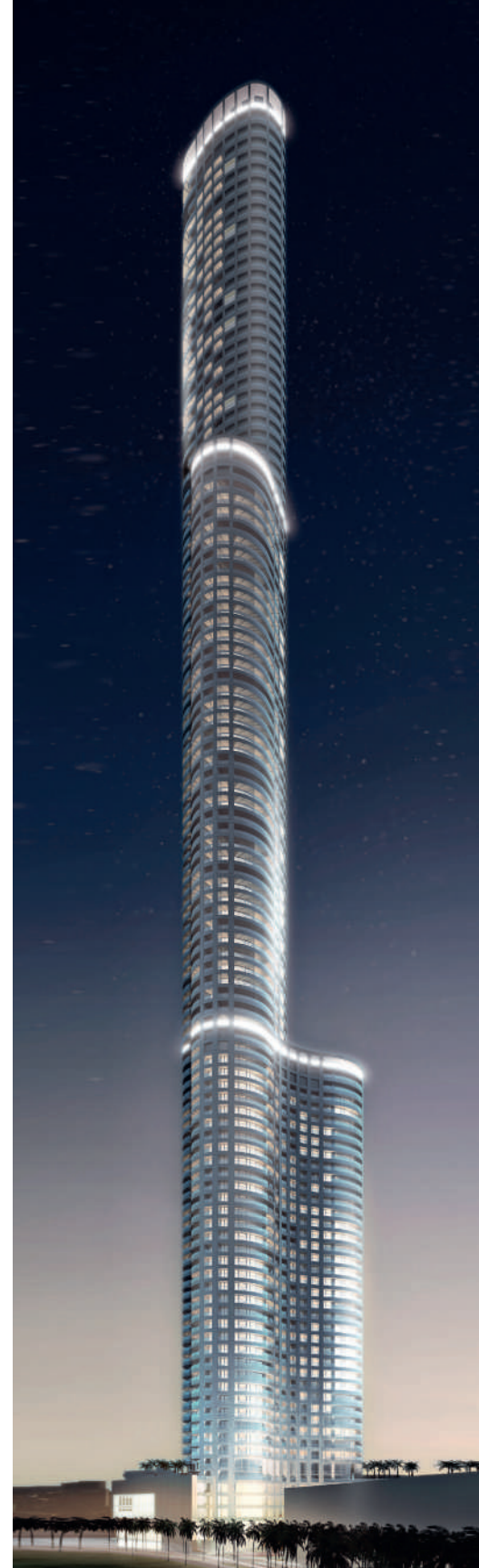
Tara von Arx
Apprentice Plastics Technologies, GF Piping Systems, Schaffhausen (Switzerland)

System solutions for an iconic landmark

The tallest residential building in the world is currently under construction in the Indian megacity of Mumbai: the World One Tower. GF Piping Systems is responsible for the entire water supply system in this gigantic skyscraper.



Shashank Sawant, Head of Building Technologies, GF Piping Systems in Mumbai, is the first point of contact for his customer Lodha Group.



World One in Mumbai is the tallest residential building in the world and the mega-city's new iconic landmark. (Image: Lodha Group)

A monumental construction is currently growing skywards in the heart of Mumbai: the World One in the luxurious district of Lower Parel, surrounded by hotels, exclusive boutiques, and sophisticated restaurants. On completion in 2018, it will rank as the tallest building in the sub-continent and the tallest residential building in the world. The 442-meter skyscraper will house 290 luxury apartments on 117 floors.

With their curved glass facades and sun terraces, the apartments offer future residents breathtaking views across the city and over the Arabian Sea. In addition to a large living room with home cinema, a kitchen, and various bedrooms, the apartment interiors also offer up to five bathrooms and an outdoor plunge pool. The water required is fed to the apartments through pipes provided by GF Piping Systems.

Solutions for an increased living comfort

"We're supplying all the World One piping systems for fresh water and waste water," says Shashank Sawant, Head of Building Technologies at the GF Piping Systems sales office in Mumbai. Polybutylene pipes of the INSTAFLEX system combined with plug-in fittings are used for the hot and cold water supply on the floors and in the apartments. "Thanks to the iFIT jointing technology our system is not only exceptionally quick to install, but also ensures a high degree of leak protection," explains Sawant.

"We're supplying all the World One piping systems for fresh water and waste water."

Shashank Sawant
Head of Building Technologies, GF Piping Systems, Mumbai (India)

World One residents obviously don't wish to be disturbed by waste water noise, so the sound-proofed waste water system Silenta Premium by GF Hakan made of mineral-reinforced polypropylene has been installed. As compared to PVC pipes, this material reduces the noise level from 40 db to as low as 13 db. "From the 35th floor upwards you can't hear the street noise any more. At this height, interior noise is perceived as particularly irritating," says Sawant. "Silenta Premium has the ability to dampen loud noises from the pipes on the inside, thereby providing increased living comfort."

In extremely tall buildings such as the World One, GF's plastic piping systems offer numerous other advantages. Since the pipes are very light and flexible, they help to reduce the overall weight of the building. Due to its enormous weight, the skyscraper will gradually sink into the ground over time, and this has to be incorporated in calculations at the planning stage. Furthermore, the top of World One can sway by up to 30 cm in high winds. The plastic piping can easily adapt to this movement. >

World One, Mumbai

At a height of 442 meters, World One is the tallest residential building in the world and Mumbai's new iconic landmark. The style of the skyscraper is defined by curved shapes and rounded facades. The design was created by New Yorker architecture bureau Pei Cobb Freed & Partners, famous for the glass pyramid in front of the Louvre in Paris and the John Hancock Tower in Boston. The interior design of the 290 apartments is by Armani/Casa, the interiors department of the Italian fashion label of the same name. In addition, the building has a viewing lounge at a height of 300 meters, a spa and fitness club on three floors, and a sports pavilion which includes squash and tennis courts, a jogging course, and a cricket and golf simulator. The building is surrounded by an 18'000-square-meter podium park created by world-famous landscape designer Ken Smith. In addition to the 117-floor World One, the World Towers development will include two more towers, World Crest, an already completed tower of 60 floors and a third tower of 80 floors.

➤ **Highly complex mega project**

But there is still a while to go before everything is finished. The building is currently growing skywards level by level. More than 38'000 meters of INSTAFLEX piping have been installed to date, along with more than 80'000 iFIT fittings and 97'000 iFIT adapters as well, as over 25'000 meters and 40'000 fittings of the Silenta Premium system. More than twice this amount of material will be required before the building is finished at the beginning of 2018.

“Thanks to the iFIT jointing technology our system is not only exceptionally quick to install, but also ensures a high degree of leak protection.”

Shashank Sawant

Head of Building Technologies, GF Piping Systems, Mumbai (India)

The logistics involved in this type of mega project are highly complex: the pipes for the World One are made at GF Piping Systems production facilities in Switzerland and Turkey. From there, they are transported to the sub-continent and put into interim storage at the GF Piping Systems India plant in Ratnagiri, 300 km south of Mumbai, after which they are delivered to the construction site on a just-in-time basis. An expert team ensures smooth operations and punctual delivery of the numerous components. In addition to this, GF runs on-site training sessions on the correct installation of the piping systems. And these have clearly been successful. Shashank Sawant points out that the customer is very satisfied with the products and services of GF Piping Systems: “The Lodha Group, which is responsible for development and construction of World One, has already commissioned us to realize more large-scale projects.”

Worldwide presence

GF Piping Systems supports its customers in over 100 countries through its own sales companies and representative offices. The division is present in Europe, Asia, and the Americas with more than 30 manufacturing sites and research and development centers, which also support energy-saving use of raw materials and resources.

Sales 2016

Total

1'494 CHF million

Utility

561 CHF million

Industry

540 CHF million

Building Technology

393 CHF million

GF Piping Systems provides solutions for hot and cold water supply as well as for the transport of used water.



In addition to the 117-floor World One, the World Towers project development include two more towers, World Crest, an already completed tower of 60 floors, and a third tower of 80 floors. (Image: Lodha Group)



The team behind the mega project (from left to right):
Susheel Pawar, Nitin Sawant,
Shashank Sawant and Deepak Rogye.

Lightweight construction for a Chinese heavyweight

SAIC Volkswagen, a joint venture between the VW Group and SAIC Motor, is the leading car manufacturer in the world's biggest automotive market China. Bionic lightweight construction components made by GF Automotive have been used for years to reduce weight in these cars, including from 2017 in the new flagship SUV for the Chinese market.



SAIC Volkswagen offers a giant model range from small and mid-sized cars to the seven-seater SUV, the Teramont.

As Head of Sales Iron Casting China, Maggie Jiang has provided customer support for SAIC Volkswagen ever since GF Automotive in Kunshan started serial production of lightweight parts for the company's cars.



Unparalleled success story

It all started with the VW Santana, which was the first model produced in a joint venture that Volkswagen and Shanghai Automotive Industry Corporation (SAIC) had just embarked upon in 1984. SAIC Volkswagen offers a giant product range and has now become the most important manufacturer in China, where every third new car in the world is produced. The Joint Venture sold 1.81 million vehicles in 2015, and has already hit this level again by November 2016.

GF Automotive has contributed to this success story for years, and continues to grow with its German-Chinese partner: in all its VW models produced in Shanghai, SAIC Volkswagen installs innovative lightweight components made by GF Automotive. "It's a great honor for us to enjoy the trust of China's biggest manufacturer, a company that is growing across all product categories," says Maggie Jiang, Head of Sales Iron Casting in China. She has been supporting the customer for six years, ever since serial production of the lightweight components started at the GF Automotive plant in Kunshan. "It was an important step for us," Maggie Jiang recalls, "because SAIC Volkswagen was not just keen to use our cast iron parts, but also wanted to tap into our local development expertise."

"It's a great honor for us to enjoy the trust of China's biggest manufacturer, a company that is growing across all product categories."

Maggie Jiang
Head of Sales Iron Casting China, GF Automotive, Kunshan (China)

Lightweight construction based on a special material

A few figures show just how important this step was and is: the 300 employees at Kunshan produced some 2.9 million components for the German-Chinese joint venture last year – including front knuckles, wheel carriers and upper

and lower control arms. Head of Sales Maggie Jiang knows why demand is so great: "Our bionic lightweight design is unique. The components save weight, yet still meet the customer's stability requirements." This is due to the fact that they are produced using Sibodur, an innovative high-strength spheroidal graphite iron made by GF Automotive, which is not only more suitable than steel but also less expensive. ➤

Worldwide presence

GF Automotive manufactures at eleven production sites in Germany, Austria, China, and USA. In those countries as well as in Switzerland, Korea, and Japan the division also operates sales offices. The lightweight research and development competency is in Schaffhausen (Switzerland) and Suzhou (China).

Sales 2016

Total

1'335 CHF million

Passenger Cars

877 CHF million

Trucks

393 CHF million

Industrial Applications

65 CHF million

- To make their vehicles lighter in the future, SAIC Volkswagen can rely on expertise from Kunshan, where GF Automotive experts work in close collaboration with SAIC Volkswagen to ensure all components are perfectly adapted to vehicle platforms. SAIC Volkswagen is making increasing use of the modular system known as MQB platform – to produce a wide range of model variants from a few components. Furthermore, the modules contribute significantly to targeted weight reduction, as SAIC Volkswagen has redeveloped them using lightweight materials. This brings down fuel consumption.

Order for prestige model

So it comes as no surprise that the partnership is set to grow further. For 2017, SAIC Volkswagen has ordered additional lightweight components from GF Automotive for its new flagship SUV: the seven-seater VW Teramont is to roll off the production line from spring 2017, showcasing the strengths of GF Automotive front knuckles and upper and lower control arms. Similar components are already installed in the smaller Tiguan SUV. As these off-road vehicles are very important to all parties, the development departments are in constant contact and engaged in ongoing dialog. “We’re experienced and well-coordinated, which is important because the demand for SUVs in China is huge,” says Maggie Jiang.

SAIC Volkswagen, a joint venture between the VW Group and SAIC Motor, is the leading car manufacturer in the world's biggest automotive market China.

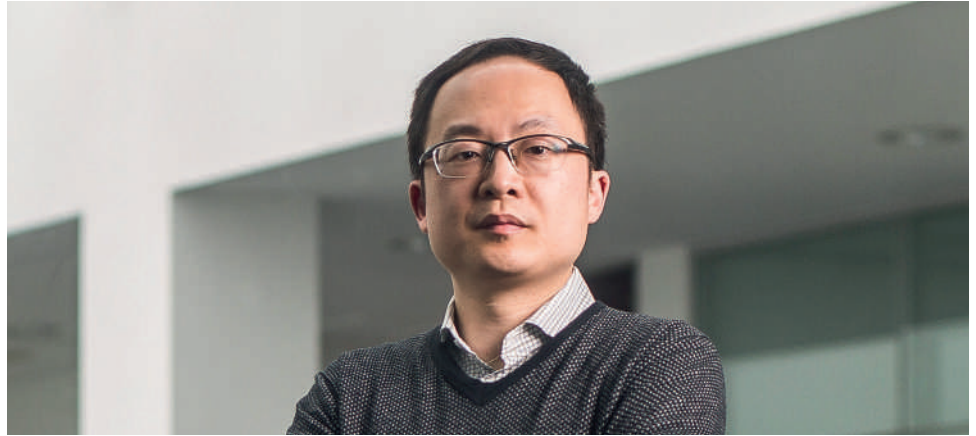


The seven-seater VW Teramont is the new flagship SUV of SAIC Volkswagen.



To make their vehicles lighter in the future, SAIC Volkswagen counts on lightweight components from GF Automotive, such as front knuckles.

Qian Peiqing,
Head of Department in the
Development Division at
SAIC Volkswagen
in Anting (China).



Safety a million times over

Qian Peiqing is a Head of Department in the Development Division of SAIC Volkswagen in Anting. He validates all suspension parts and knows what components must be capable of in order to be used by the company millions of times. This is why he appreciates working with GF Automotive.

SAIC Volkswagen and GF Automotive have worked together since 2007. Why does this partnership work so well?

It starts in the predevelopment phase: GF Automotive in Kunshan has excellent expertise in this field. In addition, the materials and production techniques are in line with our high quality standards. Another advantage of GF Automotive is its swift response time: if we come up against a problem in a test, for example, our colleagues at GF Automotive are always quick to come up with a solution.

Your company is the biggest automobile manufacturer in China. How important is quality when it comes to maintaining this status?

Quality is a key factor because of the enormous competitive pressure. This applies to the early development phase in particular: after all, this is where the quality foundation is laid down for subsequent serial production.

What are the standards you require of the components?

Every component I validate is relevant to safety, so our requirements here are particularly high. The material has to be able to stand up to all stress tests and maintain the required stability, for example. In lightweight construction in particular this is very demanding – after all, the

advantages of weight saving must not be at the expense of safety.

What are the benefits offered by GF Automotive's lightweight elements, such as the front knuckles?

The specific design and the material used ensure the same stability as conventional components, but at a reduced weight. Lightweight construction is an important issue for our end customers, too. They know that lightweight construction reduces fuel consumption and increases driving dynamics. Both of these are important selling points.

SAIC Volkswagen

SAIC Volkswagen is one of the oldest and biggest joint ventures in the Chinese automotive industry, producing at three plants: more than 22'000 employees are working at Anting, Nanjing, and Yizheng. Established in 1984, the one-millionth car came off the production line thirteen years later in Anting. Meanwhile, SAIC Volkswagen has an enormous model range from the small car to the seven-seater SUV, the Teramont. In 2015, SAIC Volkswagen supplied 1.81 million vehicles, making it the number one on the Chinese automotive market. The partnership with GF Automotive started in 2007.

High-speed production for the racing business

Toyota Racing Development relies on Mikron Mill high-speed milling machines to produce race engines. (Image: photo courtesy of Toyota Sports Media)



In the American motorsports series, Monster Energy NASCAR Cup, it all comes down to speed – both on the track and in the production of the racing engines. In order to remain at the front, the manufacturer Toyota Racing Development (TRD) relies on fully automated production – which is enabled by GF Machining Solutions.



Successful partnership: Martin Gorski (left) of GF Machining Solutions and Greg Ozmai of Toyota Racing Development collaborate as closely as possible to ensure that Toyota stays right up front.

The smell of fuel is in the air. Roaring engines and fast cars chasing each other bumper to bumper at speeds of more than 340 km/h over distances of more than 500 miles: the Daytona 500 is the most prestigious race in the Monster Energy NASCAR Cup, attracting thousands of motor racing fans to Daytona Beach in Florida (USA), every year. Last season everyone was amazed by one particularly outstanding triumph: for the first time in the history of this famous motor racing event, it was won by a Toyota. And not just that: the drivers in second, third and fifth position also crossed the finishing line in their Toyota Camrys fitted with TRD engines.

"Toyota completely dominated the race," Martin Gorski, Key Account Manager at GF Machining Solutions in Irvine, California (USA) points out proudly. After all, Toyota's success is to some extent proof of the successful collaboration between TRD and GF Machining Solutions. This is because the key components of the racing engines are made using high-performance milling machines produced by GF Machining Solutions.

The 800 horsepower engines are manufactured by TRD in their Costa Mesa, California headquarters, where about 200 employees design and build race engines. For them, speed is not just crucial on the race track, it's essential in the production of the engines and spare parts, too. After all, entire engines have to be delivered with strict and challenging time requirements each racing weekend to the NASCAR speedways all over the USA. A demanding task – which is why since 2014, TRD has opted for high-performance milling machines made by GF Machining Solutions.

"Our solution enables the customer to constantly adapt to the dynamic requirements of the racing business."

Martin Gorski
Key Account Manager of GF Machining Solutions, Irvine (USA)

Fully automated production

TRD runs eight GF machines in total: in a fully automated production cell, engine blocks, cylinder heads, pistons, and other engine components are milled by 5-axis machining centers of the type HPM 800 U as well as a larger HPM 1350 U. Thanks to the speed, flexibility, and precision of the production cell, TRD is able to turn out more than 400 engines per racing season.

"Our solution enables our customer to constantly adapt to the dynamic requirements of the racing business and meet the increasing demand for components at all times," explains Key Account Manager Martin Gorski. This is confirmed by Greg Ozmai, Group Vice President of Operations of TRD: "We were impressed by the power and flexibility of GF's machines." At any time, for example, a machine can be taken out of the production line, so that it can be used for individual tasks. >

Worldwide presence

GF Machining Solutions is present in more than 50 countries to provide customer services locally. Production facilities as well as research and development centers are located in Switzerland, Sweden, and China.

Sales 2016

Total

916 CHF million

Milling

292 CHF million

EDM

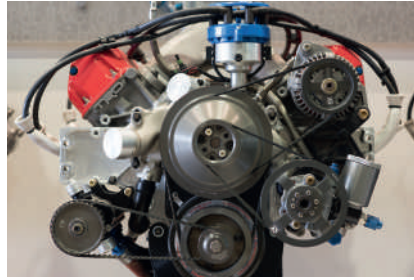
276 CHF million

Customer Services

253 CHF million

Automation/Tooling/Laser

95 CHF million



Thanks to fully automated production, TRD is able to turn out more than 400 engines per racing season.



TRD runs eight GF machines in total: in a fully automated production cell, engine blocks, cylinder heads, pistons, and other engine components are milled by 5-axis machining centers.



A robot loads the machines from more than one hundred open pallets.

> Professional Service Team

The combination of high-speed machines and automation enables TRD to ensure constant production with maximum output. In the fully automated production cell, a robot loads the machines from more than a hundred open pallets running along a 32-meter track. The result: TRD has been able to increase its productivity by 22%. "Thanks to automation, our team gains additional capacity that we are able to reinvest in further development of our engines and components," says Greg Ozmai. "And that's something that can give our teams a decisive advantage on the race track."

Not only the reliability of the machines was a key factor for TRD but also the close partnership with GF Machining Solutions. "TRD attaches great importance to a professional service team that responds immediately if required", says Martin Gorski. The division's site in Irvine is located barely more than about 20 minutes from TRD's headquarters. "This means we can respond extremely quickly to the customer's needs," explains the Key Account Manager.

The new NASCAR season is due to start again soon – naturally, TRD and GF Machining Solutions are set on finishing right up front again.



Greg Ozmai, Group Vice President of Operations of TRD: "We were impressed by the power and flexibility of the machines."

Understanding the racing business

As Group Vice President of Operations, Greg Ozmai is responsible for the internal and external supply chain at Toyota Racing Development. In this interview he explains why GF Machining Solutions is such an important partner for TRD – both today and in the future.

Mr. Ozmai, how did GF Machining Solutions contribute to the success of Toyota in the Monster Energy NASCAR Cup?

Our partnership with GF Machining Solutions, and the use of their technology, affords TRD the speed and flexibility to expedite development of our engines with greater speed and precision. Thanks to automation, we are able to reduce our component lead times and gain critical machining capacity utilizing full 24/7 manufacturing schedules.

What does GF Machining Solutions have to offer as a partner?

We attach great importance to direct and fast contact with our partners. GF Machining Solutions has shown particularly strong commitment here. We were impressed at how many of the division's employees were involved in the development of our system and remain involved in our success. As our main contact partner, Martin Gorski understood the demands we face in the racing business right from the outset.

What does the upcoming season have in store?

In addition to the existing teams, we'll be supporting a sixth Toyota Camry team in the 2017 Monster Energy NASCAR Cup. In other words, we need additional production capacity. We

expect to continue to grow with the innovative technologies provided by GF Machining Solutions in the future. Additionally, we are currently considering new machines in the area of EDM technology and laser texturing.

Toyota Racing Development and NASCAR

Toyota Racing Development has been active in US motor racing for many years, and since 2007 has been one of three manufacturers in the Monster Energy NASCAR Cup series – the leading series of the American motor sports association NASCAR. In the 2016 season, TRD supplied five teams with engines and aerodynamic parts based on the Toyota Camry. It was the most successful season to date for TRD, with a total of 16 victories. TRD also won the manufacturers' championship for the first time. The team particularly caused a stir at the most important race of the Monster Energy NASCAR Cup – the Daytona 500 in Florida (USA): with four drivers among the top five, it was one of the most significant races in the history of TRD.

“Well on track towards our goals”



Yves Serra,
President and CEO

Mr. Serra, in 2016, GF has started the implementation of its Strategy 2020. How satisfied are you with the progress?

It has been a promising start. All relevant financial figures have been further increased and are in line with the target ranges we announced in February 2016. Today, all three divisions of GF generate a high amount of value for our shareholders. Furthermore, visible progress has been made regarding our key strategic thrusts. We are well on track towards our goals.

Could you give us a few examples of this progress?

In Europe, for example, we further optimized the efficiency of our factories. A key factor behind this is the continuous automatization of our manufacturing processes, especially at GF Automotive, where robots have been and will be installed to handle tasks too dangerous or cumbersome for our employees, such as heavy loads or the transport of hot components. Furthermore, we are step-by-step shifting the portfolio of our three divisions towards businesses that generate more value for our customers as well as for our shareholders.

What does that mean in concrete terms?

What have the divisions done in order to generate more value for customers?

At GF Piping Systems, we developed pre-insulated polyethylene based systems for the transport of cooling media for air-conditioning. Our innovation called COOL-FIT 2.0 allows our customers to reduce the installation time by half and energy use by one third whilst offering lower costs than existing metal-based transport pipes, which require a cumbersome on-site isolation, and are prone to corrosion and condensation.

At GF Machining Solutions, we extended our technology portfolio by developing and launching femtosecond laser machines able to structure surfaces in any way our customers would like, offering the possibility to replace chemical etching or manual texturing processes used for the production of camera lenses or in watch-making.

“Teamwork has become a very important part of our culture, which we will continue to nurture.”

How important is the topic of innovation for GF?

For a Swiss company like GF, faced with a very strong home currency, innovation is our lifeblood. In this respect, I would like to thank our customers whose input and feedback guide our innovation efforts. In a very real sense, our customers are our best R&D engineers.

In your opinion: What is the most important ingredient for success at GF?

It is the commitment and collaborative spirit of our employees worldwide. Our strong teamwork across borders has been a key factor behind the greatest successes we have had, owing to a better understanding of our customers and a quicker response to their needs. Teamwork has become a very important part of our culture, which we will continue to nurture.



The GF Executive Committee from left to right:
Josef Edbauer (Head of GF Automotive)
Joost Geginat (Head of GF Piping Systems)
Yves Serra (President and CEO)
Andreas Müller (CFO)
Pascal Boillat (Head of GF Machining Solutions).

Balance sheet

As of 31 December 2016 and 2015, CHF million	2016	%	2015	%
Cash and cash equivalents	571		549	
Marketable securities	8		10	
Trade accounts receivable	666		640	
Inventories	673		640	
Income taxes receivable	14		13	
Other accounts receivable	52		49	
Prepayments to creditors	19		14	
Accrued income	21		19	
Current assets	2'024	63	1'934	63
Property, plant, and equipment for own use	1'026		988	
Investment properties	37		39	
Intangible assets	25		26	
Deferred tax assets	80		83	
Other financial assets	10		13	
Non-current assets	1'178	37	1'149	37
Assets	3'202	100	3'083	100
Trade accounts payable	470		420	
Bonds			200	
Other financial liabilities	145		158	
Loans from pension fund institutions	29		27	
Other liabilities	53		80	
Prepayments from customers	50		55	
Current tax liabilities	59		45	
Provisions	43		38	
Accrued liabilities and deferred income	218		198	
Current liabilities	1'067	34	1'221	39
Bonds	523		299	
Other financial liabilities	96		113	
Pension benefit obligations	119		120	
Other liabilities	47		46	
Provisions	105		109	
Deferred tax liabilities	45		45	
Non-current liabilities	935	29	732	24
Liabilities	2'002	63	1'953	63
Share capital	4		4	
Capital reserves	24		24	
Treasury shares	-10		-6	
Retained earnings	1'138		1'059	
Equity attributable to shareholders of Georg Fischer Ltd	1'156	36	1'081	35
Non-controlling interests	44	1	49	2
Equity	1'200	37	1'130	37
Liabilities and equity	3'202	100	3'083	100

Income statement

For the years ended 31 December 2016 and 2015, CHF million	2016	%	2015	%
Sales	3'744	100	3'640	100
Other operating income	45		50	
Income	3'789	101	3'690	101
Cost of materials and products	-1'751		-1'740	
Changes in inventory of unfinished and finished goods	57		25	
Operating expenses	-674		-628	
Gross value added	1'421	38	1'347	37
Personnel expenses	-978		-925	
Depreciation on tangible fixed assets	-126		-122	
Amortization on intangible assets	-6		-4	
Operating result (EBIT)	311	8	296	8
Interest income	2		2	
Interest expense	-30		-34	
Other financial result	-3		-16	
Ordinary result	280	7	248	7
Non-operating result	1		3	
Extraordinary result				
Profit before taxes	281	8	251	7
Income taxes	-56		-53	
Net profit	225	6	198	5
Thereof attributable to shareholders of Georg Fischer Ltd	216		188	
Thereof attributable to non-controlling interests	9		10	
Basic earnings per share in CHF	53		46	
Diluted earnings per share in CHF	53		46	

Cash flow statement

For the years ended 31 December 2016 and 2015 (condensed), CHF million	2016	2015
Net profit	225	198
Depreciation and non-cash income/expenses	269	238
Use of provisions	-31	-34
Changes in net working capital	-24	-21
Changes in other receivables and accrued income	-3	3
Changes in other liabilities and accrued liabilities and deferred income	36	21
Interest and income taxes paid	-72	-77
Cash flow from operating activities	400	328
Cash flow from investing activities	-265	-140
Free cash flow before acquisitions/divestitures	231	190
Free cash flow	135	188
Cash flow from financing activities	-107	0
Net cash flow	22	175

Balance sheet

As of 31 December 2016 and 2015, CHF 1'000	2016	2015
Cash and cash equivalents and short-term investments with a quoted market price	252'694	198'571
Other current receivables due from third parties	4'987	6'354
Other current receivables due from Corporate Companies	25'292	29'070
Accrued income and prepaid expenses	3'930	2'712
Current assets	286'903	236'707
Loans to Corporate Companies	146'690	341'083
Other financial assets	1'743	1'757
Investments	1'025'639	913'789
Non-current assets	1'174'072	1'256'629
Assets	1'460'975	1'493'336
Current liabilities with third parties	10'210	3'082
Short-term interest-bearing liabilities due to third parties		200'000
Short-term interest-bearing liabilities due to Corporate Companies	200'362	72'625
Accrued expenses and deferred income	11'106	15'261
Current liabilities	221'678	290'968
Long-term interest-bearing liabilities	5'586	3'029
Long-term provisions	22'098	21'217
Non-current liabilities	27'684	24'246
Liabilities	249'362	315'214
Share capital	4'101	4'101
Legal capital reserves		
Other capital reserves	89'506	89'506
Legal reserves		
Other legal reserves	59'234	59'234
Reserves for treasury shares	10'355	5'634
Statutory retained earnings		
Available earnings carried forward	941'110	938'223
Net profit for the year	107'307	81'424
Equity	1'211'613	1'178'122
Liabilities and equity	1'460'975	1'493'336

Income statement

For the years ended 31 December 2016 and 2015, CHF 1'000	2016	2015
Dividend income	138'729	131'647
Other income from investments	2'490	19
Income from services provided to Corporate Companies	58'072	53'497
Financial income	9'119	8'473
Commission income from Corporate Companies	11'454	11'986
Other income	2'305	5'194
Income	222'169	210'816
Value adjustment on investments	59'095	49'107
Other expenses for investments	4'563	2'791
Financial expenses	6'137	43'539
Cost of services provided by Corporate Companies	2'269	1'731
Personnel expenses	18'367	17'740
Other operating expenses	15'401	13'765
Direct taxes	9'030	719
Expenses	114'862	129'392
Net profit for the year	107'307	81'424

Statement of changes in equity

For the years ended 31 December 2016 and 2015, CHF 1'000	Share capital	General reserves ¹	Reserves from capital contributions ¹	Reserves for treasury shares ¹	Retained earnings	Equity
Balance as of 31 December 2014	4'101	148'740	9'983	9'131	994'459	1'166'414
Net profit for the year					81'424	81'424
Dividend payment					-59'750	-59'750
Dividend from reserves from capital contributions			-9'965			-9'965
Reclassification			-18	-3'496	3'514	
Rounding difference				-1		-1
Balance as of 31 December 2015	4'101	148'740		5'634	1'019'647	1'178'122
Net profit for the year					107'307	107'307
Dividend payment					-73'816	-73'816
Reclassification				4'721	-4'721	
Balance as of 31 December 2016	4'101	148'740		10'355	1'048'417	1'211'613

¹ Legal reserves.

Proposal by the Board of Directors

Proposal by the Board of Directors for the appropriation of the retained earnings 2016, CHF 1'000	2016	2015
Net profit for the year	107'307	81'424
Earnings carried forward	945'831	934'709
Reclassification of reserves from capital contribution to retained earnings		18
Allocation to/reduction in reserves for treasury shares	-4'721	3'496
Retained earnings	1'048'417	1'019'647
Dividend payment CHF 20 per registered share ¹	-82'018	-73'816
To be carried forward	966'399	945'831

¹ The dividend payment is based on the issued share capital as of 31 December 2016.
No distribution will be made for treasury shares held by Georg Fischer Ltd.

The Board of Directors will propose to the Annual Shareholders' Meeting of 19 April 2017 to pay out a dividend of CHF 20 per registered share out of retained earnings.

In the previous year, a dividend of CHF 18 per registered share out of retained earnings was paid out according to the decision of the Annual Shareholders' Meeting of 23 March 2016.

Schaffhausen, 17 February 2017

For the Board of Directors
The Chairman



Andreas Koopmann

Share information

	2016	2015	2014	2013	2012
Share capital					
Number of shares as of 31 December					
Registered shares	4'100'898	4'100'898	4'100'898	4'100'898	4'100'898
Thereof entitled to dividend	4'100'898	4'100'898	4'100'898	4'100'898	4'100'898
Number of registered shareholders	12'651	14'005	13'446	12'269	14'212
Share prices in CHF					
Registered share					
Highest (intraday)	901	739	738	648	451
Lowest (intraday)	601	524	494.75	363	302
Closing as of 31 December	834	679	629	628	368
Earnings in CHF					
Per registered share	53	46	45	34	32
Price-earnings ratio	16	15	14	18	11
Market capitalization as of 31 December					
CHF million	3'420	2'785	2'579	2'573	1'509
As % of sales	91	76	68	68	41
As % of equity attributable to shareholders of Georg Fischer Ltd	296	258	244	275	161
Cash flow from operating activities in CHF					
Per registered share	98	80	61	76	56
Equity attributable to shareholders of Georg Fischer Ltd in CHF					
Per registered share	283	264	259	229	229
Dividend paid (proposed) in CHF million¹	82	74	70	66	62
Dividend paid (proposed) in CHF					
Per registered share ¹	20	18	17	16	15
Pay-out ratio in %	38	39	38	47	47

¹ In 2016, as a dividend of CHF 20 out of retained earnings.
 In 2015, as a dividend out of retained earnings.
 In 2014, as a dividend out of retained earnings and reserves from capital contributions.
 In 2013, as a par value reduction and as a dividend out of reserves from capital contributions.
 In 2012, as a dividend out of reserves from capital contributions.

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER since the beginning of 2013. Prior-year figures have been adjusted accordingly.

Ticker symbols

Telekurs, Dow Jones (DJT): FI-N

Reuters: FGEZn

Security number: 175230

ISIN: CH0001752309

Cedel/Euroclear Common Code: XS008592691

Five-year overview of the Corporation

CHF million	2016	2015	2014	2013	2012
Order intake	3'749	3'662	3'836	3'795	3'691
Orders on hand at year-end ¹	614	612	634	577	565
Income statement					
Sales	3'744	3'640	3'795	3'766	3'720
EBITDA	443	422	399	380	351
Operating result (EBIT)	311	296	274	251	222
Net profit/loss	225	198	195	145	138
Cash flow					
Cash flow from operating activities	400	328	248	309	230
Cash flow from investing activities	-265	-140	-158	-201	-211
Free cash flow before acquisitions/divestitures	231	190	110	174	99
Free cash flow	135	188	90	108	19
Balance sheet					
Assets	3'202	3'083	2'989	3'126	2'664
Liabilities	2'002	1'953	1'885	2'148	1'685
Equity	1'200	1'130	1'104	978	979
Invested capital (IC)	1'333	1'279	1'354	1'224	1'217
Net debt	214	238	354	352	334
Key figures					
Return on equity (ROE) %	19.3	17.7	18.7	14.8	14.2
Return on invested capital (ROIC) %	19.3	18.9	17.9	16.7	15.7
Return on sales (EBIT-Marge) %	8.3	8.1	7.2	6.7	6.0
Asset turnover	2.9	2.8	2.9	3.0	3.2
Cash flow from operating activities in % of sales	10.7	9.0	6.5	8.2	6.2
Employees					
Employees at year-end	14'808	14'424	14'140	14'066	13'412
Europe	8'845	8'783	8'676	8'548	8'871
Asia	3'713	3'502	3'455	3'468	3'226
Americas	1'348	1'262	1'259	1'290	1'259
Rest of world	902	877	750	760	56

¹ In 2012, change of definition for GF Piping Systems.

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER since the beginning of 2013. Prior-year figures have been adjusted accordingly.

Important dates

2017

19 April

Shareholders'
Meeting for fiscal
year 2016

2017

19 July

Publication of
Mid-Year Report
2017

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Cover: GF employee

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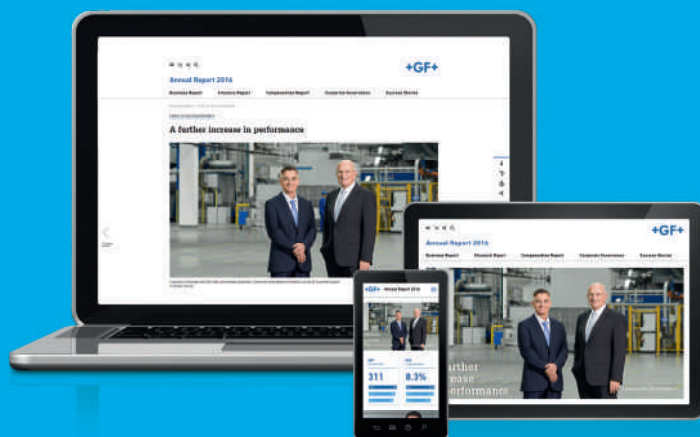
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