

Media Release

Beijing, 14 August 2010

Georg Fischer accelerates its expansion in China – Swiss President Doris Leuthard inaugurates new plant

Georg Fischer is further strengthening its market position in China: The Corporate Group GF Piping Systems is bringing its tenth production plant in China on stream. Using state-of-the-art production technology, the new plant will manufacture complete plastic piping systems for a wide variety of applications, including plumbing and heating. Tailor-made Swiss quality and local training for customers ensure a unique offering for the Chinese market. The new production site will be officially inaugurated today in the presence of the President of the Swiss Confederation, Doris Leuthard.

"The inauguration of our tenth plant for GF Piping Systems in China underscores our determination to continue growing in this country. We are pleased to be taking this important step today in the presence of Switzerland's President Doris Leuthard," said Martin Huber, Chairman of the Board of Directors of Georg Fischer, at the inauguration ceremony attended by some 200 key customers along with high-ranking leaders from the world of politics and business.

GF Piping Systems has been manufacturing in the People's Republic since 1998, providing customer-driven service to meet rising demand for modern building technology and reliable water distribution. Last year, two new factories of the joint venture GF Chinaust near Shanghai started up production. Georg Fischer has invested a total of RMB 58 million (CHF 9 million) in the new Beijing facility. The investment is paying off, since demand for top-quality piping systems in China is substantial. The country's standard of living is rising and along with it the desire for a reliable supply of water and gas, and new, comfortable living accommodation. China has become GF Piping Systems' largest and most important market. "In the first half of 2010 we chalked up sales growth of 45 percent in this country," said Pietro Lori, President of GF Piping Systems, in Beijing. "In 2009, China accounted for 14 percent of total sales and is likely to account for significantly more in 2010."

Expansion has many advantages

To keep pace with buoyant demand, GF Piping Systems' plants in China mainly supply the Chinese market. A large proportion of building technology customers is located in northern China, where cold winters require reliable heating systems. That is why Georg Fischer is expanding its production at the Tongzhou site in eastern Beijing. Located not far from the centre of China's capital and next to the motorway to the north of the country, GF Piping Systems can provide top-notch service to the regional market. "The new production plant in Beijing shortens transport times and simplifies logistics. This means big savings for our customers," explains Pietro Lori. He expects capacity utilisation rates at the new Beijing plant to be high within two years. Initially, the factory will create 60 new jobs. The expectation is that another 100 employees will be hired by the end of the initial phase in autumn 2011.

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The facility has its own training centre where GF Piping Systems offers local training courses. The centre has capacity for training 20 to 30 customers at a time. Lihui Yuan, Managing Director of GF Piping Systems China, says: "With our integrated training centres, we can demonstrate our products to customers and pipefitters in theory and in practice. This sets GF Piping Systems apart from both domestic and international players." With the new training centre in Beijing, customers from northern China no longer have to make a special trip to Shanghai for training. That saves time, energy and travel costs.

High production capacity serves individual solutions

No time was lost after the decision to expand was taken. The new plant was erected in a record 14 months on a 20,000 sq. metre site. The two-storey building has a usable space of 16,669 sq. metres for production, warehousing, offices and the integrated training facilities. The plant is initially equipped with two 50-metre long production lines on which 20,000 kilometres of piping can be manufactured every year in a high-speed extrusion process. In extrusion, the plastic is melted and then pressed evenly through a nozzle into the desired profile. Following the initial phase, additional extrusion lines will be brought on stream in the coming year. Once expansion has been completed, the planned production capacity is 80,000 kilometres of piping per annum. The new plant will also manufacture fittings and valves. Further expansion is possible, if desired. CEO Yves Serra emphasizes: "This new investment underscores the long term commitment of Georg Fischer towards China and is certainly in line with our strategy to further develop our sales in growth markets."

The facility in Beijing will manufacture building technology systems for hot and cold water installations along with heating and geothermal systems. In addition the corresponding jointing technology as well as instrumentation and control technology will be part of the package for the market.

"Our products are tailor-made and have a long life," says Yuan Lihui. "They are easy to install, reliable in operation and meet the highest standards. Our Chinese customers in various industries are impressed both by the quality and the price." In addition to solutions for building technology and water and gas distribution, the Swiss systems supplier also serves a number of other sectors in China such as ship-building, energy, the chemical process industry, food and beverages, microelectronics and water treatment.

Contributing to saving water and energy

Georg Fischer has a long history of providing secure and leakage-free water supply piping systems for residential buildings, thus contributing to saving water and energy. The environmentally friendly products of GF Piping Systems are increasingly being used in China too: GF Piping Systems supplied heating and cooling systems for pioneering, energy-saving construction projects in China such as tiptop Beijing and MOMA Beijing, to name but a few. The "Bird's Nest" Olympic Stadium in Beijing and the EXPO 2010 in Shanghai also use geothermal piping from GF Piping Systems. Also, the office area in the new plant is equipped with a geothermal system provided by GF Piping Systems for heating, cooling and hot water supply.

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Yuan Lihui sums it up: "We are constantly striving to optimise the ecological aspects of our products, processes and use of materials. The new plant with the integrated training centre is a big step in this direction."

Photographs of the inauguration will be available on www.georgfischer.com/picture_archive_en

Corporate Profile Georg Fischer - "Adding Quality to People's Lives"

Georg Fischer is focused on its three core businesses GF Piping Systems, GF Automotive and GF AgieCharmilles. Founded in 1802, the company is headquartered in Switzerland and has some 130 companies, 50 of them production facilities, in 30 countries. Its 12,000 employees generated sales revenue of 3 billion Swiss francs in 2009. The Corporation makes a direct contribution to the quality of life. Comfort, mobility and precision are the key market requirements that Georg Fischer satisfies with its products and services. You'll find further information at www.georgfischer.com.

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