BOSSARD
Proven Productivity

SEMI-ANNUAL REPORT

2016

CONTENTS

FASTER GROWTH AND IMPROVED PROFITABILITY

Ladies and Gentlemen,

In an intractably challenging market environment, the Bossard Group continued to grow during the first half of 2016 and bolstered profitability. Sales grew by 2.1 percent over the previous year to CHF 343.6 million. The positive growth dynamics in key markets were especially evident in the second quarter, during which sales grew by 3.3 percent compared to a modest 0.9 percent in the first quarter. The operating profit (EBIT) for the first six months grew by 4.3 percent to CHF 39.4 million (up from CHF 37.8 million last year). This boosted the operating margin to 11.5 percent – up from 11.2 percent last year when there had been increased margin pressure as a direct result of the appreciation of the Swiss franc. This margin growth again reflects Bossard's profit-oriented strategy. Net income rose by 5.6 percent to CHF 31.3 million during the first half of 2016 (up from CHF 29.6 million last year).

NEW GROWTH DYNAMICS IN EUROPE

The renewed uptick in sales is mainly driven by our European business: Revenues rose by 4.4 percent to CHF 207.7 million (+2.3 percent in local currency) in the Bossard Group's most important market region. Growth momentum was especially strong in the second quarter, which is reflected in a sales increase of 6.3 percent (+3.4 percent in local currency). This positive trend was largely due to demand in Bossard's key markets of Germany, France and Denmark. Business in Switzerland was also on the upswing.

CONTRASTING AMERICAN BUSINESS

In America, we remain up against highly contrasting business developments. A major customer in the agricultural technology sector is facing a doggedly challenging market, which, as already reported, is reflected in lower sales. On the other hand, our business with the largest US electric vehicle manufacturer is up thanks to healthy growth; demand has intensified over the last several weeks. Sales in the first half of the year underperformed the original forecast, but we anticipate the positive trend to continue in the second half of the year. As long as that holds true, we expect the Bossard Group to achieve an increase in sales in America for the entire year. The developments described account for the 0.9 percent drop in sales to CHF 86.4 million (–4.5 percent in local currency) in the first half of 2016.

ENCOURAGING SIGNS FROM INDIA, TAIWAN AND SINGAPORE

In Asia, demand was uneven as well. Like other industrial suppliers, Bossard observed sluggish demand in China where sales fell slightly during the first half of the year. However, additional revenues in other countries more than compensated for the loss. The progress of our activities in India, Taiwan and Singapore is particularly promising. Our net business in Asia grew by 1.6 percent in local currency over the first six month period. Currency shifts, however, led to a drop in sales by 1.4 percent to CHF 49.5 million.

HIGHER OPERATING AND NET INCOME

Gross profit grew by 4.0 percent over the first half of 2015 to CHF 107.3 million. The gross profit margin rose slightly, from 30.7 percent last year to 31.2 percent. In the same period, sales and administrative costs rose by 3.8 percent to CHF 67.9 million. Their percentage of net sales is 19.8 percent, slightly above the previous year's level. The number of employees also rose compared to 2015 from 2,018 to 2,051.

The overall positive course of business is clearly evident in the Bossard Group's profit position. Operating profit (EBIT) rose disproportionately to sales, increasing by 4.3 percent to CHF 39.4 million (CHF 37.8 million in the previous year). Last year's appreciation of the Swiss franc hurt the Group's margins and profitability. Our profit-oriented strategy did prove effective in the first half of the year with the EBIT margin rising to 11.5 percent (up from 11.2 percent in the previous year). This level of profitability, which is above average for the industry, falls within our medium-term target range of 10 to 13 percent. Net income likewise gained ground, increasing by 5.6 percent to CHF 31.3 million (CHF 29.6 million in the previous year).

Total assets climbed to CHF 476.3 million (as of June 30, 2016) compared to last year's CHF 447.8 million. Most of this growth comes from investments in long-term assets, especially in new office and logistics facilities in Germany and China, as we already reported.

EQUITY RATIO AGAIN AT 40 PERCENT

The equity ratio was 39.7 percent at the end of June 2016, therefore meeting our long-term target of 40 percent. In the previous year, it had hovered temporarily at 33.6 percent after various acquisitions in Europe and America. Net debt rose compared to year-end 2015 by CHF 17.1 million to CHF 164.9 million. This jump was driven by the new office and logistics investments previously mentioned as well as the dividends paid out in April 2016.

Cash flow from operating activities totaled CHF 27.9 million in the first six months, CHF 20.7 million higher than in the same period last year. This positive trend is primarily due to lower inventories. Free cash flow was CHF 7.0 million compared to last year's negative free cash flow of CHF 57.2 million resulting from the above-mentioned acquisitions.

A CAUTIOUSLY OPTIMISTIC OUTLOOK

Bossard is expecting overall business to be positive for the second half of the year. Our cautious optimism is grounded in the second-quarter growth trend in Europe where Bossard generates approximately 60 percent of its sales. The outlook for the leading US electric vehicle manufacturer also gives us reason for optimism. We expect sales volumes in the second half of the year to continue to climb with this customer. Of course, this overall outlook assumes that macroeconomic conditions remain relatively stable.

With a view toward the long term, we have launched various initiatives to spur additional growth in the entire company. In the first half of 2016, for instance, Bossard obtained official aviation certifications in Switzerland and France. Our growing commitment to the aerospace industry is based on the healthy outlook for this sector, especially in the USA and France. We are convinced that the quality of our products and services will give us a firm foothold in this highly profitable sector of the economy.

With its Smart Factory Logistics methodology, the Bossard Group is also a key player in the restructuring of industrial production and control processes. The proven Bossard methodology in setting up intelligent production facilities (SmartBin and SmartLabel technology) promotes leaner processes, faster throughput times, lower inventory and improved responsiveness, all of which ultimately results in a significant reduction in costs. For industrial companies under cost pressure, such benefits have become increasingly important. Bossard is well positioned in this regard, particularly as evidenced by our collaboration with the RWTH Aachen University on the "Industry 4.0" demonstration factory. This project explores the progressive fusion of production, information and communication technologies and provides real-world answers. In Aachen, Bossard and other renowned partners are demonstrating how "Industry 4.0" works. This new paradigm is revolutionizing assembly and production facilities, giving rise the world over to a new type of factory – the Smart Factory. We believe this partnership will attract considerable attention to our innovative solution approaches entirely in line with our philosophy of "Proven Productivity" with the aim to boost the competitiveness of our customers – sustainably and measurably.

Dr. Thomas Schmuckli Chairman of the Board of Directors	David Dean CEO

Zug, August 23, 2016

RESULTS IN FIGURES

IN CHF MILLION	FIRST 6 MONTHS 2016	FIRST 6 MONTHS 2015	YEAR 2015
Net sales	343.6	336.4	656.3
Gross profit	107.3	103.2	202.7
EBIT	39.4	37.8	70.3
in % of net sales	11.5	11.2	10.7
Net income	31.3	29.6	54.5
in % of net sales	9.1	8.8	8.3
Cash flow from operating activities	27.9	7.3	52.8
Current assets	344.5	339.1	343.0
Long-term assets	131.8	108.7	119.6
Current liabilities	175.4	175.9	160.5
Long-term liabilities	111.8	121.5	115.9
Shareholders' equity	189.1	150.4	186.2
in % of total assets	39.7	33.6	40.2
Total assets	476.3	447.8	462.6
Net debt	164.9	180.5	147.8
Weighted average number of employees [1]	1,963	1,948	1,950
Share capital [2]			
Number of shares entitled to dividend			
Registered shares A at CHF 5 par	6,216,375	6,210,856	6,212,677
Registered shares B at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered shares equivalents at CHF 5 par entitled to dividend	7,566,375	7,560,856	7,562,677
Market price in CHF (Ticker symbol: BOSN)			
Closing price share at end of reporting period	103.4	107.9	109.2
Share high during reporting period	112.0	118.4	118.4
Share low during reporting period	90.4	93.1	88.8
Key figures			
Consolidated earning per registered share in CHF [2] [3]	8.07	7.60	7.01
Net asset value per registered share in CHF	25.0	19.9	24.6
Price/earnings ratio (Basis: 30.06./31.12.)	12.8	14.2	15.6
Price/book value per share (Basis: 30.06./31.12.)	4.1	5.4	4.4

1) Period average full time equivalent
2) Basis: Annual average of share capital entitled to dividend
3) Basis: Net income of shareholders of Bossard Holding AG - First 6 months extrapolated to 12 months

CONSOLIDATED BALANCE SHEET

IN CHF 1,000	30.06.2016	30.06.2015	31.12.2015
Assets			
Current assets			
Cash and cash equivalents	24,070	16,617	29,918
Accounts receivable, trade	122,004	117,558	103,372
Other receivables	2,286	2,223	3,364
Prepaid expenses	8,705	8,630	7,758
Inventories	187,451	194,062	198,602
	344,516	**339,090**	**343,014**
Long-term assets			
Property, plant and equipment	100,192	86,595	91,920
Intangible assets	8,803	3,754	6,392
Financial assets	12,669	11,005	11,474
Deferred tax assets	10,143	7,326	9,802
	131,807	**108,680**	**119,588**
Total assets	**476,323**	**447,770**	**462,602**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	44,378	46,839	45,653
Other liabilities	14,773	12,007	12,267
Accrued expenses	23,797	25,172	20,362
Tax liabilities	3,793	5,526	8,062
Provisions	298	324	255
Short-term debts	88,396	86,053	73,935
	175,435	**175,921**	**160,534**
Long-term liabilities			
Long-term debts	100,609	111,026	103,811
Provisions	6,902	6,208	7,492
Deferred tax liabilities	4,292	4,271	4,579
	111,803	**121,505**	**115,882**
Total liabilities	**287,238**	**297,426**	**276,416**
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	–6,035	–6,534	–6,672
Capital reserves	63,083	84,858	85,311
Retained earnings	87,490	27,655	62,538
	184,538	**145,979**	**181,177**
Minority interest	4,547	4,365	5,009
Total shareholders' equity	**189,085**	**150,344**	**186,186**
Total liabilities and shareholders' equity	**476,323**	**447,770**	**462,602**

CONSOLIDATED INCOME STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2016	FIRST 6 MONTHS 2015
Net sales	**343,568**	**336,353**
Cost of goods sold	236,231	233,111
Gross profit	**107,337**	**103,242**
Selling expenses	45,579	44,110
Administrative expenses	22,322	21,311
EBIT	**39,436**	**37,821**
Financial result	1,701	1,687
Income before taxes	**37,735**	**36,134**
Income taxes	6,457	6,528
Net income	**31,278**	**29,606**
Attributable to:		
Shareholders of Bossard Holding AG	30,547	28,737
Minority interest	731	869

IN CHF	2016	2015
Earnings per registered share A [1)]	8.07	7.60
Earnings per registered share B [1)]	1.61	1.52

1) Earnings per share, extrapolated to 12 months, is based on the net income of shareholders of Bossard Holding AG and the number of shares entitled to dividend. There is no dilution effect.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				RETAINED EARNINGS				
IN CHF 1,000	ISSUED SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVES	RETAINED EARNINGS	TRANSLATION DIFFERENCES	SHARE-HOLDERS BOSSARD	MINORITY INTEREST	SHARE-HOLDERS' EQUITY
Balance at January 1, 2015	40,000	–6,844	106,615	135,524	–68,444	206,851	3,752	210,603
Dividend			–22,694			–22,694		–22,694
Net income for the period				28,737		28,737	869	29,606
Management participation plan			632			632		632
Change in treasury shares		310	305			615		615
Offset goodwill from acquisitions				–47,904		–47,904		–47,904
Minority interests from acquisitions						0	17	17
Translation differences					–20,258	–20,258	–273	–20,531
Balance at June 30, 2015	**40,000**	**–6,534**	**84,858**	**116,357**	**–88,702**	**145,979**	**4,365**	**150,344**
Balance at January 1, 2016	40,000	–6,672	85,311	142,252	–79,714	181,177	5,009	186,186
Dividend			–22,730			–22,730	–1,012	–23,742
Net income for the period				30,547		30,547	731	31,278
Management participation plan			539			539		539
Change in treasury shares		637	–37			600		600
Offset goodwill from acquisitions				–638		–638		–638
Translation differences					–4,957	–4,957	–181	–5,138
Balance at June 30, 2016	**40,000**	**–6,035**	**63,083**	**172,161**	**–84,671**	**184,538**	**4,547**	**189,085**

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2016	FIRST 6 MONTHS 2015
Net income	31,278	29,606
Income taxes	6,457	6,528
Financial income	–1,117	–1,929
Financial expenses	2,818	3,616
Depreciation and amortization	6,156	5,829
(Decrease)/Increase provisions	–526	681
Gain from disposals of property, plant and equipment	–95	–48
Loss from disposals of intangible assets	0	33
Interest received	498	450
Interest paid	–1,733	–1,665
Taxes paid	–10,023	–9,750
Increase management participation plan (part of equity)	539	632
Other non cash expenses	2,449	981
Cash flow from operating activities before changes in net working capital	36,701	34,964
Increase accounts receivable, trade	–20,930	–19,975
Increase other receivables	–967	–2,031
Decrease/(Increase) inventories	8,284	–6,513
(Decrease)/Increase accounts payable, trade	–629	2,043
Increase/(Decrease) other liabilities	5,480	–1,204
Cash flow from operating activities	**27,939**	**7,284**
Investments in property, plant and equipment	–14,744	–8,434
Proceeds from sales of property, plant and equipment	325	216
Investments in intangible assets	–3,074	–730
Cash flow from purchases companies	–1,538	–55,929
Investments in financial assets	–2,539	–52
Divestments of financial assets	618	439
Cash flow from investing activities	**–20,952**	**–64,490**
Borrowing/(Repaying) short-term debts	14,434	27,557
Borrowing/(Repaying) long-term debts	–3,139	45,479
Decrease treasury shares	73	0
Dividends paid to shareholders	–22,730	–22,694
Dividends paid to minority interests	–1,012	0
Cash flow from financing activities	**–12,374**	**50,342**
Translation differences	–461	–1,937
Change in cash and cash equivalents	**–5,848**	**–8,801**
Cash and cash equivalents at January 1	29,918	25,418
Cash and cash equivalents at June 30	24,070	16,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCOPE OF OPERATIONS (1)

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within Bossard Group (hereinafter "Bossard"). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services including inventory management solutions. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS (2)

The unaudited, consolidated interim financial statements for the first six months of 2016 were prepared in accordance with Swiss GAAP FER "Interim Financial Reporting Swiss GAAP FER 12".

The consolidated financial statements of Bossard are based on the financial statements of the individual Group companies at June 30, 2016 prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

PRINCIPLES OF CONSOLIDATION (2.1)

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign subsidiaries over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to Bossard. Group companies are excluded from the consolidation as of the date Bossard ceases to have control over the company. June 30 represents the uniform closing date for the semi-annual report for all companies included in the consolidated financial statements.

The purchase method of accounting is used for capital consolidation. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are fully consolidated. These are entities over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent directly or indirectly holds more than one half of the voting rights of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement.

MINORITY INTEREST

Minority interest of less than 20 percent is recognized at acquisition cost less any economically necessary impairment.

GOODWILL

In accordance to Swiss GAAP FER 30 "Consolidated financial statement" goodwill from new acquisitions is converted once to Swiss francs using the closing rate as at acquisition date and is fully offset against equity at the date of acquisition.

FOREIGN CURRENCY TRANSLATION (2.2)

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are drawn up in the applicable local currency.

Transactions in foreign currencies are translated at the time of the transaction at the daily rate applicable on that date. Exchange differences from adjustments of foreign exchange portfolios at the balance sheet date are recognized in the income statements of the Group companies as exchange gains or losses.

For the consolidated financial statements, the annual accounts of Bossard subsidiaries reporting in foreign currencies are translated into Swiss francs as follows: balance sheet items at end of June rates, equity at historical rates, and items on the income statement at the average exchange rate for the first half year. The translation differences are netted directly with the Group's consolidated translation differences in shareholders' equity.

Exchange differences arising from intercompany loans of an equity nature are booked to equity.

ACCOUNTING AND VALUATION PRINCIPLES (2.3)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

ACCOUNTS RECEIVABLE, TRADE

Accounts receivable are carried at the invoiced amount less allowances. The allowance for bad debts is based on the aging of accounts receivable and recognized credit risks.

INVENTORIES

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, the necessary value adjustments are made. Acquisition cost comprises product price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition value. Inventories that lack marketability or have low turnover are written down to the estimated market value less sales costs.

PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost, whereas buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation. Depreciation is calculated on a straight-line basis over the expected useful life of the asset. The general applicable useful lives are as follows:

Buildings	30–40 years
Machinery and equipment	5–20 years
Office machines and furniture	3–10 years
Vehicles	4–10 years

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs, which do not increase the value or useful life of an asset, are charged directly as an expense. Replacement work to increase the useful life of assets is capitalized. Fixed assets no longer in use or sold are taken out of the assets at acquisition cost minus the related accumulated depreciation. Any gains or losses arising are recognized in the income statement.

LEASING

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognized as an expense on a straight-line basis over the lease term.

INTANGIBLE ASSETS

SOFTWARE

Costs arising from the development of computer software are recognized as intangible assets; provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over a number of years.

Computer software is depreciated using the straight-line method over its estimated useful life, up to a maximum of 15 years.

OTHERS

This item includes rights. Rights are depreciated using the straight-line method over their estimated useful life, up to a maximum of ten years.

FINANCIAL ASSETS

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Changes in fair value are recognized in the income statement for the period in which they arise.

IMPAIRMENT

The recoverability of long-term assets is monitored annually. Impairment is treated adequately in the financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS

Financial instruments are recognized in the balance sheet at fair value. Positive replacement values are recognized under financial assets and negative replacement values under current liabilities. Derivative financial instruments held for hedging purposes are carried at the same value as the underlying transactions.

LIABILITIES

All liabilities of Bossard vis-à-vis third parties are recognized at nominal value.

PROVISIONS

A provision is recognized if, on the basis of past events, Bossard has reason to assume that it will need to meet an obligation for which the amount and due date are still uncertain but can be reliably estimated.

CONTINGENT LIABILITIES

Contingent liabilities are valued as at the balance sheet date. A provision is made if an outflow of funds without a utilizable inflow is both probable and assessable.

FINANCIAL DEBTS

Financial debts are recognized at nominal value. They are classified as current liabilities unless Bossard can defer the settlement of the liability for at least twelve months after the balance sheet date.

TREASURY SHARES

Treasury shares are recognized as deduction in the equity at acquisition cost. Any gains and losses from transactions with treasury shares are included in capital reserves and recognized in equity.

SHARE-BASED COMPENSATION

There is a share purchase plan for the board of directors and the executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price, less the allowable tax discount of approximately 16 percent for the three-year lockup period. The market value is always determined in February and is based on the average closing price over the last ten trading days in February.

There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSUs on Bossard Holding AG registered A shares. The conversion is performed at market value and is based on the average closing price over the last ten trading days in November. The stock options (RSU) are subject to a three-year vesting period. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as he or she has not left the company or been given notice. The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liabilities (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share of the last trading day of the fiscal year.

PENSION BENEFIT OBLIGATIONS

Bossard operates a number of pension plans in accordance with the legal requirements in the individual countries. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are dealt in accordance with Swiss GAAP FER 16.

Any actual economic impacts of pension plans on the company are calculated as at the balance sheet date. An economic benefit from a surplus is capitalized provided this is admissible and the surplus is to be used to decrease the company's future contributions to its pension plans. An economic liability is recognized if the conditions for forming a provision are met. Contributions by subsidiaries to other pension plans are recognized in the income statement in the year they are made.

NET SALES AND REVENUE RECOGNITION

Revenue is recognized at fair value and represents the amount receivable for goods supplied and services rendered, net of sales-related taxes and revenue reductions. Revenue reductions include all positions that can be directly assigned to the sales, such as discounts, losses on receivables and exchange rate differences. Sales revenues are recognized when the goods and services have been supplied or rendered.

NON-OPERATING RESULT

Non-operating results are expenses and income arising from events or transactions which clearly differ from the ordinary operations of Bossard.

INCOME TAXES

All taxes are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according the "liability method" for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets on temporary differences can only be capitalized if recovery is probable. Deferred taxes are calculated using the expected applicable local tax rates. Bossard will not capitalize tax savings from tax loss carryforwards. The value of such tax assets is recognized only when realized.

Taxes payable on the distribution of profits of subsidiaries and associates are accrued only for profits that are to be distributed the following year.

RELATED PARTIES

A party is related to Bossard if the party directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over Bossard, has joint control over Bossard (board of directors and executive committee) or is an associate or a joint venture of Bossard. In addition, members of the key management personnel of Bossard as well as pension plans are also considered related parties.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These assessments are based on the board of directors' and the executive committee's best knowledge and belief of current and future Bossard activities. The actual results may deviate from these estimates.

CHANGES IN THE SCOPE OF CONSOLIDATION (3)

In first half of 2016 the Bossard Group invested in the following company:

_Interfast AG, Switzerland
100 % investment, January 2016

Furthermore the following company from the scope of consolidation was merged with Bossard AG, Switzerland in June 2016:

_KVT-Fastening AG, Switzerland

In first half of 2015 the Bossard Group invested in the following companies:

_Aero-Space Southwest, Inc., USA
100 % investment, January 2015
_Aero-Space Southwest, Inc., Mexico
100 % investment, January 2015
_SertiTec SAS, France
100 % investment, January 2015
_Torp Tekniske AS, Norway
60 % investment, January 2015
_Forind Fasteners S.r.l., Italy
100 % investment, February 2015

SEGMENT INFORMATION (4)

The Bossard Group, with all of its Group companies, operates globally in the industrial fastening technology segment. All the Group companies are managed according to a consistent business strategy with a centralized decision-making structure. Key elements of Bossard's strategy include a consistent business model with uniform customer and product focus in the world's most important industrial regions. Bossard provides industrial companies with fastening technology products at their different production sites around the world and offers associated services with consistently high standards of quality, as well as standardized systems and processes. The board of directors and CEO manage the Bossard Group on the basis of the financial statements of the individual Group companies as well as the Group's consolidated financial statements. Due to their economic similarity, uniform strategy and similar product and service solutions for all Bossard customers, as well as the central management of the Group by the CEO, Bossard reports its business together in one segment in compliance with Swiss GAAP FER 31.

SALES BY REGIONS (5)

IN CHF MILLION	EUROPE		AMERICA		ASIA		GROUP	
FIRST 6 MONTHS	2016	2015	2016	2015	2016	2015	2016	2015
Sales	209.2	201.3	86.6	87.6	50.2	50.4	346.0	339.3
Sales deductions	1.5	2.3	0.2	0.4	0.7	0.2	2.4	2.9
Net sales	**207.7**	**199.0**	**86.4**	**87.2**	**49.5**	**50.2**	**343.6**	**336.4**

FINANCIAL RESULT (6)

IN CHF 1,000	FIRST 6 MONTHS 2016	FIRST 6 MONTHS 2015
Financial income	–1,117	–1,929
Financial expenses	2,818	3,616
Total Financial result	**1,701**	**1,687**

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND BUSINESSES (7)

ACQUISITIONS 2016

In January 2016, Interfast AG, Switzerland was acquired. In February 2016, assets from LWB VerbindungsTechnik AG, Switzerland were acquired as part of an asset deal.

IN CHF 1,000	PROVISIONAL MARKET VALUE AS PER ACQUISITION
Cash and cash equivalents	186
Accounts receivable, trade	138
Inventories	359
Other current assets	13
Accounts payable, trade	29
Other current liabilities	204
Net assets acquired	**463**
Goodwill	638
Total	1,101
Less acquired cash and cash equivalents	–186
Cash flow from acquisitions	**915**

ACQUISITIONS 2015

In January 2015, 100 % of the shares in Aero-Space Southwest, Inc., USA, Aero-Space Southwest, Inc., Mexico and SertiTec SAS, France as well as 60 % of the shares in Torp Tekniske AS, Norway were acquired. In February 2015, 100 % of the shares in Forind Fasteners S.r.l., Italy were acquired. The four companies are well-known specialists in high-quality fastening applications in their respective markets.

IN CHF 1,000	MARKET VALUE AS PER ACQUISITION
Cash and cash equivalents	1,172
Accounts receivable, trade	9,894
Inventories	12,445
Other current assets	695
Long-term assets	893
Accounts payable, trade	4,981
Other current liabilities	8,373
Long-term liabilities	828
Net assets	**10,917**
Minorities	–17
Net assets acquired	**10,900**
Goodwill	47,904
Total	58,804
Less acquired cash and cash equivalents	–1,172
Less purchase price not yet paid	–1,703
Cash flow from acquisitions	**55,929**

DISPOSALS

In 2015 and 2016, no subsidiaries were disposed.

EXCHANGE RATES (8)

	30.06.2016 EXCHANGE RATE	01.01.2016 – 30.06.2016 AVERAGE EXCHANGE RATE	31.12.2015 EXCHANGE RATE	30.06.2015 EXCHANGE RATE	01.01.2015 – 30.06.2015 AVERAGE EXCHANGE RATE
1 EUR	1.08	1.10	1.09	1.04	1.06
1 USD	0.97	0.98	1.00	0.94	0.95
1 GBP	1.31	1.41	1.47	1.47	1.44
1 AUD	0.73	0.72	0.73	0.72	0.74
1 RON	0.24	0.24	0.24	0.23	0.24
1 CAD	0.75	0.74	0.72	0.75	0.77
1 NOK	0.12	0.12	0.11	0.12	0.12
100 DKK	14.56	14.71	14.57	13.97	14.17
100 SEK	11.50	11.78	11.87	11.27	11.30
100 CZK	3.99	4.05	4.02	3.82	3.84
100 HUF	0.34	0.35	0.34	0.33	0.34
100 PLN	24.62	25.10	25.35	24.86	25.52
100 SGD	72.21	71.12	70.84	69.49	70.12
100 TWD	3.02	3.00	3.05	3.03	3.03
100 RMB	14.66	15.03	15.41	15.29	15.45
100 MYR	24.16	23.96	23.30	24.79	26.02
100 THB	2.77	2.77	2.77	2.77	2.87
100 INR	1.44	1.46	1.51	1.47	1.51
100 KRW	0.08	0.08	0.09	0.08	0.09
100 MXN	5.28	5.44	5.79	5.96	6.26

EVENTS OCCURING AFTER BALANCE SHEET DATE (9)

Since June 30, 2016 no major events occurred which would require additional disclosures or changes in the semi-annual report 2016.

A PROFILE OF THE BOSSARD GROUP

The Bossard Group is a leading international supplier of product solutions and services in industrial fastener and assembly technology. With its comprehensive product range of over 1,000,000 items, technical consulting (engineering) and inventory management (logistics) Bossard has established itself as an end-to-end supplier and partner in industry.

The Group's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With more than 2,000 employees in over 70 locations throughout the world, the Group generated CHF 656.3 million in sales in 2015. Bossard is listed on the SIX Swiss Exchange.

This report is also available in German. The German version is binding.

The complete semi-annual report 2016 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER "Interim Financial Reporting Swiss GAAP FER 12".

The semi-annual report contains forecasts. They reflect the company's present assessment of market conditions and future events and are thus subject to certain risks, uncertainties and assumptions. Through unforeseeable events the actual results could deviate from the forecasts made and the information published in this report. Thus all the forecasts made in this report are subject to this reservation.

DATES TO NOTE

Publication of sales results 3rd quarter 2016
October 11, 2016

Publication of sales results 2016
January 12, 2017

Meeting for financial analysts and media conference
Publication annual report 2016
March 8, 2017

Annual general meeting of shareholders
Publication of sales results 1st quarter 2017
April 10, 2017

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