

Press Release**Bossard Group****Sales third quarter 2015****Acquisitions favor surge in sales – third quarter slightly stronger than the first two quarters**

Zug, October 13, 2015 - **The Bossard Group has further consolidated its market position as a result of acquisitions. Thanks to this investment policy, sales increased in the first nine months of the current fiscal year by 5.9 percent to CHF 498.4 million – even though the appreciation of the Swiss franc took its toll. In its established business, Bossard felt the effects of the difficult conditions in various countries – particularly in Switzerland and China. Yet sales growth in the period from July to September was more gratifying in most markets than in the previous two quarters.**

In the first nine months of the 2015 fiscal year, Bossard generated sales of CHF 498.4 million (+5.9 percent in Swiss francs). In local currency, the consolidated revenue grew by a respectable 9.6 percent compared to 2014. In the third quarter resulted even a plus of 11.3 percent in local currency and 6.9 percent in Swiss francs. The growth can be attributed mainly to the Bossard Group's acquisition policy, which has expanded its market position in the USA, Italy, France and Scandinavia through targeted investment.

Excluding these acquisitions, sales totaled CHF 449.4 million, representing a decline of 1.2 percent in local currency. In Swiss francs this is equivalent to lower sales of 4.5 percent, an impact largely due to the strong appreciation of the Swiss franc at beginning of the year. An increase of 0.8 percent in local currency drove some of the improvements in the third quarter. This is a noteworthy development, considering the downward trend that existed in the first and second quarter. The improvement is due to increased sales in America and stabilized revenue in Europe.

Inconsistent business development in Europe

In its European business, Bossard was able to realize a sales growth of 4.8 percent in local currency for the first nine months. However, the prominent appreciation of the Swiss franc at the start of the year meant that the sales development measured in Swiss francs turned out negative on balance, falling by 3.1 percent to CHF 294.7 million. These figures continue to reflect the difficult and inconsistent demand situation in some European markets, and especially in Switzerland. The market position of many Swiss companies has suffered as a result of the Swiss franc appreciation, and continues to be reflected in lower sales and tighter margins. The slight weakening of the Swiss franc in recent weeks has not made any real difference to the situation yet.

The trend does appear to be reversing in European business since the third quarter: even though sales development – without acquisitions – turned out to be basically flat. The -0.2 percent decline in local currency was significantly less than in the previous two quarters.

The business in America is growing significantly

The Bossard Group's American business entered a new dimension at the start of the year, with the acquisition of Aero-Space Southwest, Inc.: as a result of this takeover, sales grew by 36.4 percent to CHF 126.4 million (+28.7 percent in local currency). Without this acquisition, the growth was 2.6 percent in Swiss francs (-3.2 percent in local currency).

In America, too, since the third quarter we have been seeing an improvement in the established business after the sales trend in the first and second quarter of 2015 was still negative: the months from July to September resulted in a plus of 3.5 percent in local currency or 7.4 percent in Swiss francs. This change is largely attributable to the increasing volume from the cooperation with the largest US electric vehicle manufacturer. Bossard has continued to be confronted with lower demand from our second major customer active in the agricultural technology sector.

Positive trend in most Asian markets

In most Asian markets Bossard distinguished itself with a pleasing growth in business, though this is dampened by the business development in China – an experience that must currently be shared by many industrial suppliers. On balance, sales in Asia increased in the first three quarters by 4.7 percent to CHF 77.3 million (+2.7 percent in local currency). The slow growth in demand in China can be seen from the figures for the Asian business for the third quarter (+1.5 percent to CHF 27.1 million; +1.1 percent in local currency). It is, however, gratifying that the generally weak demand in China among existing customers has been more than compensated for through business from new customers and healthy growth in other markets.

Outlook remains unchanged

As we indicated earlier, we estimate sales of approximately CHF 660 million for fiscal 2015 and an operating margin at par with the first half of the year. Business in Europe is likely to continue to be uneven; demand in Switzerland is expected to remain at a lower level compared to last year. In the US, we will continue to profit from the integration of Aero-Space Southwest, Inc. and from the growing cooperation with the US electric vehicle manufacturer mentioned previously.

Net sales 3rd quarter			change in %	
in CHF million	2015	2014	in CHF	in local currency
Europe	95.7	97.6	-1.9%	5.7%
America	39.2	27.2	44.1%	39.0%
Asia	27.1	26.7	1.5%	1.1%
Group	162.0	151.5	6.9%	11.3%

Net sales January - September			change in %	
in CHF million	2015	2014	in CHF	in local currency
Europe	294.7	304.2	-3.1%	4.8%
America	126.4	92.7	36.4%	28.7%
Asia	77.3	73.8	4.7%	2.7%
Group	498.4	470.7	5.9%	9.6%

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Profile:

The Bossard Group is a leading international supplier of product solutions and services in industrial fastener and assembly technology. With over 800,000 items in its comprehensive product range, technical consulting (engineering) and warehouse management (logistics) Bossard has positioned itself as an end-to-end supplier and partner in industry.

Bossard's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With more than 2,000 employees in over 60 locations throughout the world, the Group earned CHF 618 million in sales in 2014. Bossard is listed on the SIX Swiss Exchange.