

SEMI-ANNUAL REPORT

20

14

CONTENTS

03	Semi-Annual Report 2014
05	Results in Figures
06	Consolidated Balance Sheet
07	Consolidated Income Statement
08	Consolidated Statement of Changes in Equity
09	Consolidated Cash Flow Statement
10	Notes to the Consolidated Financial Statements
17	Dates to Note

SALES AND EARNINGS AT RECORD HIGH

Ladies and Gentlemen,

The Bossard Group can look back on successful business growth in the first half of 2014. Sales, operating profit (EBIT) and net income reached record highs. The Group did benefit from the overall improved economy. The good results, however, were also due to the Group's success in acquiring new customers. In the first six months, Bossard generated revenue in the amount of CHF 321.0 million (previous year: CHF 311.5 million). That is equivalent to 5.6 percent growth in local currency; in Swiss francs the gain is 3.0 percent. Operating profit rose by 12.0 percent to CHF 41.0 million (previous year: CHF 36.6 million), which represents an operating margin of 13.2 percent (up from 12.1 percent last year). Operating profit is considerably higher than the industry average. Net income also climbed to a record high of CHF 32.3 million (previous year: CHF 29.3 million). In spite of higher taxes, return on sales increased to 10.4 percent from last year's 9.7 percent.

EUROPE

Positive demand in Europe, which had already spurred business in the second half of 2013, continued into the first half of 2014. Growth in demand in this region of the world is even more significant because Bossard today generates two-thirds of its sales in Europe. Sales volume also rose year on year by CHF 12.7 million to CHF 208.2 million. That represents 7.1 percent growth in local currency and 6.5 percent in Swiss francs. Bossard boosted sales in nearly all markets, scoring double-digit growth especially in Spain and Italy.

AMERICA

In America, the Bossard Group garnered sales of CHF 65.7 million (-5.6 percent in local currency). While in the first quarter sales had been in the negative at -7.8 percent, they improved to -3.1 percent in the second quarter. In Swiss francs, the drop in sales was more marked at -10.1 percent due to the strength of the Swiss franc versus the U.S. dollar. In particular, weaker demand on the part of one major customer was reflected in the drop in sales. Yet we do expect good things for the second half of the year thanks to the three-year contract with electric car manufacturer Tesla announced in March. This will have a positive impact on the upward sales trend and offset the lower sales in the first half of 2014.

ASIA

Last year's gratifying growth trend in Asia continued into the first half of 2014, largely due to new customer sales. Sales rose an impressive 17.6 percent to CHF 47.1 million. Weakening currencies in Asia underlie the lesser growth rate of 9.8 percent in Swiss francs. In most of the sales countries, Bossard enjoyed double-digit growth rates, with Malaysia and China coming in at the top.

GROSS PROFIT

Gross profit rose by 7.1 percent over last year to CHF 130.3 million, resulting in a 40.6 percent margin (up from 39.1 percent in the previous year). The margin increase is attributable to the changed product mix as well as varying regional sales developments and the corresponding profit contribution. Prices on the procurement market were largely stable during the first half of the year, with the exception of stainless products, which were higher due to rising nickel prices.

OPERATING COSTS

Operating costs before depreciation and amortization rose from CHF 79.1 million to CHF 83.1 million (+5.2 percent). The higher costs were due mainly to greater personnel costs, especially associated with the expansion of branch offices in Europe and in other regions of the world. A separate subsidiary was opened in Germany, for example. Bossard also invested in opening up markets in Australia, Canada and Turkey. Last but not least, higher operating costs resulted from strategic investments to further solidify our competence as a supplier of engineered products. Finally, the number of employees grew year on year from 1,834 to 1,883.

OPERATING PROFIT / NET INCOME

In the first six months of the current fiscal year, the Bossard Group generated a record-high operating profit in the amount of CHF 41.0 million compared to CHF 36.6 million (+12.0 percent) in the previous year. At the same time, the operating margin rose from 12.1 percent to a new high of 13.2 percent. The growth in operating profit and margin was particularly satisfying in Europe and Asia. The record-high margin is well above the industry average. It confirms Bossard's consistent profitability strategy pursued over the last few years. Bossard set the target operating margin between 10 and 13 percent for the overall

business cycle. In America, the operating margin was only slightly below last year's level, although profits abroad were lower in the first half of the year due to a decrease in sales.

Despite a tax burden that was CHF 1.7 million higher, the Bossard Group boosted net income by CHF 3.1 million to a record of CHF 32.3 million (+10.5 percent). At the same time, return on sales rose from last year's 9.7 percent to 10.4 percent. Bossard's focused implementation of its strategy with targeted investments in employees, infrastructure and new market development as well as an expanded product line with higher-quality components have paid off; they form the basis for the business success achieved in recent years.

EQUITY / DEBT / CASH FLOW

Total assets rose by CHF 18.1 million to CHF 405.0 million compared to the end of 2013. This increase is particularly due to the rise in working capital and February's investment in BigHead Ltd. headquartered in Bournemouth, UK. The equity ratio at the end of June was 43.4 percent (37.3 percent in the previous year), up slightly from the end of 2013 (43.2 percent). It is clearly above the conservative minimum target of 40 percent set by the Executive Committee.

Net debt at the end of June 2014 amounted to CHF 117.7 million, an increase of CHF 16.5 million compared to the end of last year. Besides higher financial requirements for working capital and the investment in BigHead, a regular dividend disbursement of CHF 22.7 million was paid out in April. Investments in tangible and intangible assets amounted to CHF 5.8 million (compared to CHF 7.0 million in the prior year). Free cash flow was CHF 6.7 million in the first half of the year, slightly under the previous year's level of CHF 8.6 million.

OUTLOOK

Major indicators, such as the purchasing managers' indices in our largest sales markets, continue to lie above the 50-point level, although they were slightly down in recent times. Overall, Bossard is optimistic about the second half of the year. We expect continued growth, but do not foresee accelerated demand. This assessment applies to Europe in particular where Bossard generates two-thirds of its sales. In America, the contract with Tesla will affect business positively. In summary, the Bossard Group can confirm its forecast for the current fiscal year and will continue to pursue growth of 5 to 8 percent in local currency.



Dr. Thomas Schmuckli
Chairman of the Board of Directors



David Dean
CEO

Zug, August 26, 2014

RESULTS IN FIGURES

IN CHF MILLION	FIRST 6 MONTHS 2014	FIRST 6 MONTHS 2013 ADJUSTED	FULL YEAR 2013
Gross sales	321.0	311.5	609.7
Net sales	311.0	301.3	590.2
Gross profit	130.3	121.7	242.0
Operating expenses, depreciation and amortization	89.3	85.1	172.2
EBIT	41.0	36.6	69.8
in % of net sales	13.2	12.1	11.8
Net income	32.3	29.3	56.0
in % of net sales	10.4	9.7	9.5
Cash flow from operating activities	22.3	17.8	57.0
Current assets	298.8	298.8	289.1
Long-term assets	106.2	97.0	97.9
Current liabilities	146.9	129.2	129.9
Long-term liabilities	82.4	119.0	89.8
Shareholders' equity	175.7	147.6	167.3
in % of total assets	43.4	37.3	43.2
Total assets	405.0	395.8	387.0
Net debt	117.7	130.0	101.2
Weighted average number of employees ¹⁾	1,783	1,758	1,767
Share capital²⁾			
Number of shares entitled to dividend			
Registered shares A at CHF 5 par	6,218,620	6,216,694	6,217,846
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	7,568,620	7,566,694	7,567,846
Market price in CHF (Ticker symbol: BOSN)³⁾			
Closing price share at end of reporting period	105.70	73.25	103.25
Share high during reporting period	130.75	77.00	104.25
Share low during reporting period	100.30	59.05	59.05
Key figures			
Consolidated earning per registered share in CHF ^{2) 4)}	8.48	7.69	7.40
Net asset value per registered share in CHF	23.2	19.5	22.1
Price/earnings ratio (Basis: 30.06./31.12.)	12.5	9.5	14.0
Price/book value (Basis: 30.06./31.12.)	4.6	3.8	4.7

1) Period average full time equivalent

2) Basis: Annual average of share capital entitled to dividend after the share increase in March 2013 and the share conversion in April 2014

3) In consideration of the share conversion in April 2014

4) Basis: Net income of Shareholders of Bossard Holding AG - First 6 months extrapolated to 12 months

CONSOLIDATED BALANCE SHEET

IN CHF 1,000	30.06.2014	30.06.2013 ADJUSTED	31.12.2013
Assets			
Current assets			
Cash and cash equivalents	18,428	19,290	25,446
Accounts receivable, trade	106,492	106,308	89,435
Other receivables	1,609	5,692	5,397
Prepaid expenses	6,742	10,685	8,050
Inventories	165,544	156,869	160,748
	298,815	298,844	289,076
Long-term assets			
Property, plant and equipment	86,601	87,183	87,400
Intangible assets	3,522	3,372	3,364
Financial assets	10,439	1,353	1,651
Deferred tax assets	5,645	5,070	5,460
	106,207	96,978	97,875
Total assets	405,022	395,822	386,951
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	43,653	43,944	38,711
Other liabilities	10,193	12,206	12,691
Accrued expenses	24,434	24,964	24,569
Tax liabilities	4,288	7,839	6,577
Provisions	690	887	705
Short-term debts	63,666	39,319	46,609
	146,924	129,159	129,862
Long-term liabilities			
Long-term debts	72,500	110,000	80,000
Provisions	4,640	4,822	4,417
Deferred tax liabilities	5,305	4,227	5,374
	82,445	119,049	89,791
Total liabilities	229,369	248,208	219,653
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	-5,626	-4,572	-5,430
Capital reserves	106,233	127,123	127,708
Retained earnings	31,709	-18,349	2,034
	172,316	144,202	164,312
Minority interest	3,337	3,412	2,986
Total shareholders' equity	175,653	147,614	167,298
Total liabilities and shareholders' equity	405,022	395,822	386,951

CONSOLIDATED INCOME STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2014	FIRST 6 MONTHS 2013 ADJUSTED
Sales	321,032	311,471
Sales deductions	10,059	10,153
Net sales	310,973	301,318
Cost of goods sold	180,636	179,593
Gross profit	130,337	121,725
Personnel expenses	64,902	60,890
Administrative expenses	9,506	9,769
Other operating expenses	8,736	8,395
EBITDA	47,193	42,671
Depreciation	5,547	5,319
Amortization	640	743
EBIT	41,006	36,609
Financial result	1,605	2,027
Income before taxes	39,401	34,582
Income taxes	7,077	5,331
Net income	32,324	29,251
Attributable to:		
Shareholders of Bossard Holding AG	32,090	29,108
Minority interest	234	143
IN CHF	2014	2013
Earnings per registered share A ¹⁾	8.48	7.69
Earnings per registered share B ¹⁾	1.70	1.54

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

IN CHF 1,000	ISSUED SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVES	RETAINED EARNINGS		SHARE- HOLDERS BOSSARD	MINORITY INTEREST	SHARE- HOLDERS' EQUITY
				RETAINED EARNINGS	TRANSLATION DIFFERENCES			
Balance at January 1, 2013	32,000	-4,900	54,762	42,939	-76,367	48,434	3,427	51,861
Dividend				-17,143		-17,143		-17,143
Net income for the period				29,108		29,108	143	29,251
Management participation plan			315			315		315
Change in treasury shares		328	376			704		704
Capital increase	8,000		71,670			79,670		79,670
Offset goodwill from acquisitions				-1,605		-1,605		-1,605
Translation differences					4,719	4,719	-158	4,561
Balance at June 30, 2013	40,000	-4,572	127,123	53,299	-71,648	144,202	3,412	147,614
Balance at January 1, 2014	40,000	-5,430	127,708	80,151	-78,117	164,312	2,986	167,298
Dividend			-22,681			-22,681		-22,681
Net income for the period				32,090		32,090	234	32,324
Management participation plan			380			380		380
Change in treasury shares		-196	826			630		630
Offset goodwill from acquisitions				-1,282		-1,282		-1,282
Translation differences					-1,133	-1,133	117	-1,016
Balance at June 30, 2014	40,000	-5,626	106,233	110,959	-79,250	172,316	3,337	175,653

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2014	FIRST 6 MONTHS 2013 ADJUSTED
Net income	32,324	29,251
Income taxes	7,077	5,331
Financial income	-1,750	-1,039
Financial expenses	3,355	3,066
Depreciation and amortization	6,187	6,062
Increase/(Decrease) provisions	232	-100
(Gain)/Loss from disposals of property, plant and equipment	-23	107
Loss from disposals of intangible assets	5	65
Interest received	351	412
Interest paid	-1,379	-2,362
Taxes paid	-9,599	-3,513
Management participation plan expenses	380	315
Other non cash (income)/expenses	-557	3,246
Cash flow from operating activities before changes in net working capital	36,603	40,841
Increase accounts receivable, trade	-17,236	-20,430
Decrease/(Increase) other receivables	5,073	-2,073
(Increase)/Decrease inventories	-4,892	500
Increase accounts payable, trade	5,087	4,587
Decrease other liabilities	-2,355	-5,649
Cash flow from operating activities	22,280	17,776
Investments in property, plant and equipment	-5,010	-6,102
Proceeds from sales of property, plant and equipment	328	95
Investments in intangible assets	-804	-899
Cash flow from purchases companies	-1,282	-2,145
Investments in financial assets	-8,850	-176
Divestments of financial assets	62	81
Cash flow from investing activities	-15,556	-9,146
Borrowing/(Repaying) short-term debts	16,751	-78,257
(Repaying)/Borrowing long-term debts	-7,500	0
(Increase)/Decrease treasury shares	-196	328
Cash flow from share capital increase	0	79,670
Dividends paid	-22,681	-17,143
Cash flow from financing activities	-13,626	-15,402
Translation differences	-116	433
Change in cash and cash equivalents	-7,018	-6,339
Cash and cash equivalents at January 1	25,446	25,629
Cash and cash equivalents at June 30	18,428	19,290

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 2014 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, 2014 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.

FIRST-TIME ADOPTION OF SWISS GAAP FER 31

SWISS GAAP FER 31

The Swiss Foundation for Accounting and Recommendations (Swiss GAAP FER) approved the supplemental recommendation for publicly owned and listed companies on January 24, 2013. Swiss GAAP FER 31 will take effect January 1, 2015, and advance adoption is permitted.

The Bossard Group has adopted Swiss GAAP FER 31 entirely and retrospectively since the 2013 fiscal year. The new rules of Swiss GAAP FER 31 impact essentially the following areas of corporate accounting for the Bossard Group:

SHARE-BASED COMPENSATION

With the initial application of Swiss GAAP FER 31, share-based compensation is valued at present value when granted and is recognized over the vesting period as per-

sonnel costs and as equity (instruments with equity compensation) or liabilities (instruments with cash compensation).

Previously, the restricted stock unit (RSU) plan had been reported under provisions, in line with the accounting principles of the Group.

COMPARABLE PREVIOUS PERIOD

The initial application of Swiss GAAP FER 31 has an effect on the consolidated balance sheet and income statement only in relation to share-based compensation. For purposes of comparison, the previous periods of the current fiscal year were adjusted:

IN CHF 1,000	01.01.2013
Total equity before adjustment	50,108
Provision management participation plan - RSU	2,106
Deferred tax assets / liabilities	-353
Total equity after adjustment	51,861

IN CHF 1,000	FIRST 6 MONTHS 2013
Net income before adjustment	28,611
Management participation plan expenses - RSU	800
Deferred income tax expenses	-160
Net income after adjustment	29,251

OTHER ADJUSTMENTS FOR SWISS GAAP FER 31

The other new aspects of Swiss GAAP FER 31 have no influence on the consolidated balance sheet and income statements of the Group. However, additional disclosures to comply with Swiss GAAP FER 31 is included in the notes to the consolidated financial statements.

The main principles of consolidation and valuation are detailed in the following chapters.

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 fol-

lows: 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 ten 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 Group 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 share price for the previous ten trading days.

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 RSU's on Bossard Group shares. The conversion is performed at market value and is based on the

closing price for the share on the first day of trading in December. 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 business 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.

REVENUE RECOGNITION

Revenue is recognized at fair value and represents the amount receivable for goods supplied and services rendered, net of sales-related taxes. Sales revenues are recognized when the goods and services have been supplied or rendered.

SALES DEDUCTIONS

Sales deductions consist of items which relate directly to sales revenue, such as cash discounts and year-end rebates.

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 to 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 May 2014 Bossard Canada, Inc. was founded.

Furthermore the following companies from the scope of consolidation were merged with Bossard AG, Switzerland in May 2014:

- _ Trimec AG, Schweiz
- _ Intrado AG, Schweiz

In May 2013 Intrado AG, Switzerland was acquired (100 percent).

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 FIRST 6 MONTHS	EUROPE		AMERICA		ASIA		GROUP	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales	208.2	195.5	65.7	73.1	47.1	42.9	321.0	311.5
Sales deductions	8.0	7.8	1.0	0.9	1.0	1.5	10.0	10.2
Net sales	200.2	187.7	64.7	72.2	46.1	41.4	311.0	301.3

FINANCIAL RESULT (6)

IN CHF 1,000	FIRST 6 MONTHS 2014	FIRST 6 MONTHS 2013
Financial income	-1,750	-1,039
Financial expenses	3,355	3,066
Total Financial result	1,605	2,027

EXCHANGE RATES (7)

	30.06.2014 EXCHANGE RATE	01.01.2014 - 30.06.2014 AVERAGE EXCHANGE RATE	31.12.2013 EXCHANGE RATE	30.06.2013 EXCHANGE RATE	01.01.2013 - 30.06.2013 AVERAGE EXCHANGE RATE
1 EUR	1.21	1.22	1.23	1.23	1.23
1 USD	0.89	0.89	0.89	0.95	0.94
1 CAD	0.83	0.81	0.84	-	-
1 GBP	1.52	1.49	1.47	1.44	1.45
1 AUD	0.84	0.81	0.80	0.87	0.95
1 RON	0.28	0.27	0.27	0.28	0.28
100 DKK	16.28	16.36	16.43	16.49	16.49
100 SEK	13.26	13.64	13.85	14.02	14.41
100 CZK	4.42	4.45	4.48	4.73	4.79
100 HUF	0.39	0.40	0.41	0.42	0.42
100 PLN	29.20	29.25	29.48	28.40	29.45
100 SGD	71.01	70.67	70.30	74.93	75.31
100 TWD	2.97	2.95	2.98	3.16	3.15
100 RMB	14.41	14.51	14.59	15.32	14.99
100 MYR	27.61	27.27	27.12	29.94	30.45
100 THB	2.73	2.74	2.71	3.05	3.14
100 INR	1.48	1.47	1.44	1.59	1.70
100 KRW	0.09	0.08	0.09	0.08	0.08

EVENTS OCCURRING AFTER BALANCE SHEET DATE (8)

Since June 30, 2014 no major events occurred which would require additional disclosures or changes in the semi-annual report 2014.

A PROFILE OF THE BOSSARD GROUP

Bossard is a leading supplier of intelligent solutions for industrial fastening technology. With a comprehensive product range of over 800,000 items, technical consulting (engineering) and inventory management (logistics), Bossard has proven itself as a full range supplier and partner in the industry.

Bossard's customers include local and multinational industrial companies who use Bossard's solutions to improve their productivity. Employing more than 1,800 people in over 60 locations worldwide, the Group generated CHF 609.7 million in sales in 2013. Bossard is traded on the SIX Swiss Exchange.

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

The complete semi-annual report 2014 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 2014
October 14, 2014

Publication of sales results 2014
January 13, 2015

Meeting for financial analysts and media conference
Publication of results 2014
March 4, 2015

Annual general meeting of shareholders
Publication of sales results 1st quarter 2015
April 13, 2015