BOSSARD
Proven Productivity

REPORT TO THE SHAREHOLDERS

Impressive earnings growth – record-high profitability

SEMI-ANNUAL REPORT 2017

Key figures

in CHF million	First 6 months 2017	First 6 months 2016	Year 2016
Net sales	395.1	343.6	695.0
Gross profit	127.6	107.3	219.6
EBIT	51.4	39.4	78.5
in % of net sales	13.0	11.5	11.3
Net income	45.3	31.3	62.4
in % of net sales	11.5	9.1	9.0
Cash flow from operating activities	35.7	27.9	85.1
Current assets	369.3	344.5	347.4
Long-term assets	143.3	131.8	148.4
Current liabilities	187.2	175.4	179.5
Long-term liabilities	107.9	111.8	108.7
Shareholders' equity	217.5	189.1	207.6
in % of total assets	42.4	39.7	41.9
Total assets	512.6	476.3	495.8
Net debt	151.2	164.9	158.8
Weighted average number of employees [1]	2,132	1,963	2,012
Share capital [2]			
Number of shares entitled to dividend			
Registered shares A at CHF 5 par	6,240,814	6,216,375	6,240,207
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	7,590,814	7,566,375	7,590,207
Market price in CHF (Ticker symbol: BOSN)			
Closing price share at end of reporting period	194.4	103.4	143.4
Share high during reporting period	208.5	112.0	144.0
Share low during reporting period	142.7	90.4	90.4
Key figures			
Consolidated earning per registered share in CHF [2] [3]	11.60	8.07	8.04
Net asset value per registered share in CHF	28.7	25.0	27.4
Price/earnings ratio (Basis: 30.06./31.12.)	16.8	12.8	17.8
Price/book value per share (Basis: 30.06./31.12.)	6.8	4.1	5.2

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

CONTENTS

Group profile

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) is Bossard one of the established companies as an end-to-end supplier and partner in the industry.

The Group's customers include local and international industrial companies who use Bossard solutions to improve their productivity. With more than 2,100 employees in over 75 locations throughout the world, the Group generated CHF 695 million in sales in 2016. Bossard is listed on the SIX Swiss Exchange.

REPORT TO THE SHAREHOLDERS

Impressive earnings growth – record-high profitability

Ladies and Gentlemen,

The Bossard Group made remarkable strides during the first half of 2017: Not only did the Group maintain a high level of growth, it further improved its above-average profitability. The increase in EBIT by 30.2 percent to CHF 51.4 million reflects the strong profit dynamics. The EBIT margin rose from the prior year's 11.5 percent to 13.0 percent, reaching the upper end of our targeted profitability range. Net income grew to CHF 45.3 million, a hefty increase of 44.7 percent. This result does include an extraordinary income of CHF 4.5 million net. Bossard's solid market position is evident in the 15 percent sales increase to CHF 395.1 million. This growth spurt is primarily an expression of the solid organic growth that propelled us forward in all market regions.

Healthy demand in all three market regions drove sales in the first half of the year, reflecting the success of our long-term strategy of organic growth while consolidating our market position through acquisitions. Investments in organization and infrastructure over the last several years as well as a greater focus on high-quality products, engineering and logistics services support this growth. Finally, Bossard is also benefiting from the improved economic environment in all the major market regions.

High growth rates in Europe

Sales in Europe rose 7.5 percent to CHF 223.3 million, which in local currency was an even higher 8.6 percent. In Eastern and Southern Europe, Bossard hit double-digit growth rates on multiple fronts. All countries contributed to this growth in varying degrees, including Switzerland where business had long been lagging in the wake of the appreciation of the Swiss franc in early 2015.

Dynamic growth in America

Strong growth was especially evident in the America business, with sales rising not less than 32.3 percent to CHF 114.3 million. This marked increase in business volume is partly due to the acquisition of US-based Arnold Industries in September 2016. Yet even excluding this acquisition, sales rose 17.4 percent to CHF 101.4 million. Our successful cooperation with the largest US electric vehicle manufacturer played a major role in this organic growth. Last but not least, our second major customer, a company active in the agricultural technology sector, is regaining momentum. After a long period of declining sales, we are once again seeing growth from this customer.

Positive development in Asia

Our business in Asia is also progressing to our satisfaction. Sales in this region of the world rose 16.2 percent to CHF 57.5 million. This performance confirms our strategic objectives and the associated investments aimed at organic growth in this market region. Also in Asia, Bossard was able to boost sales across all countries, in the majority of market regions in the double-digit range.

Profitable growth confirms strategy

The overall positive development of the Bossard Group is also reflected in the gross profit, which climbed by 18.9 percent to CHF 127.6 million. The gross profit margin rose slightly, from 31.2 percent last year to 32.3 percent.

Sales and administrative expenses increased by 12.3 percent to CHF 76.2 million. However, these costs dropped from 19.8 to 19.3 percent as measured against net sales. The number of employees also rose over last year, from 2,051 to 2,246. The higher costs and the increase in the number of employees are attributable in part to the acquisition of Arnold Industries.

The marked sales increase fortunately resulted in above-average growth in earnings. EBIT grew by a healthy 30.2 percent to CHF 51.4 million. This performance again underscores that Bossard's top priority is not just growth per se, but profitable growth. The profitability-oriented strategy is also reflected in the EBIT margin increase from 11.5 to 13.0 percent, which is now at the upper end of our targeted profitability range. These figures demonstrate yet again that we are focused on markets and acquisitions that strengthen our high level of profitability and promote earnings performance.

The high level of operational performance is also reflected in our consolidated net income, which grew by 44.7 percent to CHF 45.3 million. The last time the Bossard Group posted such dynamic earnings increase was in 2013 following the successful acquisition and integration of KVT-Fastening. The result from the first half of 2017 does include an extraordinary gain of CHF 4.5 million net from the real-estate sale of our former location in Austria. Yet even without this one-time effect, Bossard's profits jumped by 30.4 percent in the first half of the year.

Equity ratio climbs in spite of acquisition

Total assets rose from CHF 476.3 million last year to CHF 512.6 million, or by 7.6 percent. This increase is largely due to the takeover of Arnold Industries. Remarkably, the equity ratio rose from 39.7 to 42.4 percent in spite of this acquisition and now lies well above the long-term target of 40 percent. The financial position strengthened, even though in the reporting period approximately CHF 42 million were debited to the equity due to the dividend payout and goodwill offset from the acquisition of Arnold Industries.

Net debt at the end of June was CHF 151.2 million, a reduction of CHF 7.6 million since the end of 2016. Taking into account the dividend payout of CHF 25.1 million in April of this year it reflects the strong cash flow development in the first half of 2017.

Cash flow from operating activities totaled CHF 35.7 million after the first six months, CHF 7.7 million higher than in the same period last year. Factors in this positive trend were the strong development of the business and the lower operating net working capital employed, which, measured against net sales, dropped from 40 to 36 percent compared to last year. The cash flow from investing activities dropped from CHF 21.0 million to CHF 2.8 million. Last year's substantial amount resulted largely from infrastructure investments in the German and the Chinese market. The aforementioned real-estate sale in Austria also made a positive impact on cash flow. In the first half of the year, free cash flow was CHF 32.9 million compared to last year's CHF 7.0 million.

Optimistic outlook

We look forward to continued positive growth in the second half of the year. This confidence is founded on the solid market positioning of the Bossard Group whose products and services are able to generate above-average growth in all market regions. More cause for optimism is the economic development as currently reflected in the purchasing managers' indices in all three market regions. This overall outlook does assume that macroeconomic conditions will remain relatively stable. Due to the base effect of the acquisition of Arnold Industries and strong sales in the electromobility sector in the second half of last year, growth in the second half of 2017 will not be as strong by comparison. We expect sales between CHF 770 and CHF 780 millon for all of 2017 – after CHF 695 million in the 2016 fiscal year.

Dr. Thomas Schmuckli Chairman of the board of directors	David Dean CEO

Zug, August 22, 2017

BOSSARD GROUP

Consolidated balance sheet

in CHF 1,000	30.06.2017	30.06.2016	31.12.2016
Assets			
Current assets			
Cash and cash equivalents	27,555	24,070	22,511
Accounts receivable, trade	138,998	122,004	124,235
Other receivables	4,266	2,286	2,920
Prepaid expenses	8,131	8,705	9,305
Inventories	190,383	187,451	188,445
	369,333	**344,516**	**347,416**
Long-term assets			
Property, plant and equipment	110,017	100,192	110,181
Intangible assets	17,897	8,803	14,774
Financial assets	3,952	12,669	12,569
Deferred tax assets	11,391	10,143	10,829
	143,257	**131,807**	**148,353**
Total assets	**512,590**	**476,323**	**495,769**

in CHF 1,000	30.06.2017	30.06.2016	31.12.2016
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	52,860	44,378	48,123
Other liabilities	14,886	14,773	16,854
Accrued expenses	26,982	23,797	22,266
Tax liabilities	6,520	3,793	4,782
Provisions	3,265	298	3,577
Short-term debts	82,658	88,396	83,861
	187,171	**175,435**	**179,463**
Long-term liabilities			
Long-term debts	96,111	100,609	97,417
Provisions	7,328	6,902	6,725
Deferred tax liabilities	4,471	4,292	4,520
	107,910	**111,803**	**108,662**
Total liabilities	**295,081**	**287,238**	**288,125**
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	–4,539	–6,035	–5,987
Capital reserves	63,307	63,083	63,427
Retained earnings	116,365	87,490	104,858
	215,133	**184,538**	**202,298**
Minority interest	2,376	4,547	5,346
Total shareholders' equity	**217,509**	**189,085**	**207,644**
Total liabilities and shareholders' equity	**512,590**	**476,323**	**495,769**

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	First 6 months 2017	First 6 months 2016
Net sales	395,135	343,568
Cost of goods sold	267,549	236,231
Gross profit	**127,586**	**107,337**
Selling expenses	49,537	45,579
Administrative expenses	26,686	22,322
EBIT	**51,363**	**39,436**
Financial result	2,805	1,701
Ordinary result	**48,558**	**37,735**
Non-operating result	6,055	0
Income before taxes	**54,613**	**37,735**
Income taxes	9,340	6,457
Net income	**45,273**	**31,278**
Attributable to:		
Shareholders of Bossard Holding AG	44,014	30,547
Minority interest	1,259	731

in CHF	2017	2016
Earnings per registered share A [1)]	11.60	8.07
Earnings per registered share B [1)]	2.32	1.61

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.

BOSSARD GROUP

Consolidated statement of changes in equity

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings: Retained earnings	Retained earnings: Translation differences	Share-holders Bossard	Minority interest	Share-holders' equity
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**

in CHF 1,000	Issued share capital	Treasury shares	Capital reserves	Retained earnings: Retained earnings	Retained earnings: Translation differences	Share-holders Bossard	Minority interest	Share-holders' equity
Balance at January 1, 2017	40,000	–5,987	63,427	185,727	–80,869	202,298	5,346	207,644
Dividend				–25,086		–25,086	–197	–25,283
Net income for the period				44,014		44,014	1,259	45,273
Management participation plan			612			612		612
Change in treasury shares		1,448	–732			716		716
Offset goodwill from acquisitions				–1,638		–1,638		–1,638
Changes scope of consolidation						0	–3,977	–3,977
Translation differences					–5,783	–5,783	–55	–5,838
Balance at June 30, 2017	**40,000**	**–4,539**	**63,307**	**203,017**	**–86,652**	**215,133**	**2,376**	**217,509**

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	First 6 months 2017	First 6 months 2016
Net income	45,273	31,278
Income taxes	9,340	6,457
Financial income	–1,553	–1,117
Financial expenses	4,358	2,818
Depreciation and amortization	7,141	6,156
Increase/(Decrease) provisions	949	–526
Gain from disposals of property, plant and equipment	–6,124	–95
Interest received	372	498
Interest paid	–1,809	–1,733
Taxes paid	–7,933	–10,023
Increase management participation plan (part of equity)	612	539
Other non-cash (income)/expenses	–2,453	2,449
Cash flow from operating activities before changes in net working capital	48,173	36,701
Increase accounts receivable, trade	–15,379	–20,930
Increase other receivables	–392	–967
(Increase)/Decrease inventories	–3,688	8,284
Increase/(Decrease) accounts payable, trade	5,197	–629
Increase other liabilities	1,776	5,480
Cash flow from operating activities	**35,687**	**27,939**
Investments in property, plant and equipment	–6,868	–14,744
Proceeds from sales of property, plant and equipment	7,041	325
Investments in intangible assets	–3,931	–3,074
Cash flow from purchases of companies	653	–1,538
Investments in financial assets	–302	–2,539
Divestments of financial assets	597	618
Cash flow from investing activities	**–2,810**	**–20,952**
Proceeds/Repayment of short-term debts	–1,099	14,434
Proceeds/Repayment of long-term debts	–1,480	–3,139
Purchase/Sale of treasury shares	293	73
Dividends paid to shareholders	–25,086	–22,730
Dividends paid to minority interests	–59	–1,012
Cash flow from financing activities	**–27,431**	**–12,374**
Translation differences	–402	–461
Change in cash and cash equivalents	**5,044**	**–5,848**
Cash and cash equivalents at January 1	22,511	29,918
Cash and cash equivalents at June 30	27,555	24,070

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 2017 were prepared in accordance with Swiss GAAP FER 31.
The consolidated financial statements of Bossard are based on the financial statements of the individual Group companies at June 30, 2017 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 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 year-end rates, equity at historical rates, and items on the income statement at the average exchange rate for the 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 and generally not depreciated. 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 (purchased or self-created) 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. No dilution effect results because no additional shares have been issued.

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 2017 bigHead Fasteners Ltd, England and bigHead Bonding Fasteners Ltd, England were included in the scope of consolidation with an investment of 19 percent.

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

- Interfast AG, Switzerland
  100 percent investment, January 2016

Further, the scope of consolidation changed in first half of 2016 as follows:

- KVT-Fastening AG, Switzerland (merger with Bossard AG)

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	2017	2016	2017	2016	2017	2016	2017	2016
Sales	223.9	209.2	114.3	86.6	57.5	50.2	395.7	346.0
Sales deductions	0.6	1.5	0.0	0.2	0.0	0.7	0.6	2.4
Net sales	**223.3**	**207.7**	**114.3**	**86.4**	**57.5**	**49.5**	**395.1**	**343.6**

Financial result (6)

in CHF 1,000	First 6 months 2017	First 6 months 2016
Financial income	–1,553	–1,117
Financial expenses	4,358	2,818
Total Financial result	**2,805**	**1,701**

Acquisition and disposal of subsidiaries and businesses (7)

Acquisitions 2017

In the first six months of year 2017, no subsidiaries were acquired.

In January 2017, Bossard took over the control of bigHead Fasteners Ltd, England. The following table shows the acquired balances at their market value. The resulting goodwill amounts to CHF 1.6 million.

in CHF 1,000	Provisional market value as per take over
Cash and cash equivalents	1,200
Accounts receivable, trade	483
Inventories	311
Other current assets	51
Long-term assets	819
Accounts payable, trade	341
Other current liabilities	807
Long-term liabilities	6,626
Net assets	**–4,910**
Minorities	–3,977
Net assets acquired	**–933**

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	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**

Disposals

In 2017 and 2016, no subsidiaries were disposed.

Exchange rates (8)

	30.06.2017 Exchange rate	01.01.2017–30.06.2017 Average exchange rate	31.12.2016 Exchange rate	30.06.2016 Exchange rate	01.01.2016–30.06.2016 Average exchange rate
1 EUR	1.09	1.08	1.07	1.08	1.10
1 USD	0.96	0.99	1.02	0.97	0.98
1 GBP	1.24	1.25	1.26	1.31	1.41
1 AUD	0.73	0.75	0.74	0.73	0.72
1 RON	0.24	0.24	0.24	0.24	0.24
1 CAD	0.74	0.75	0.76	0.75	0.74
1 NOK	0.11	0.12	0.12	0.12	0.12
1 ZAR	0.07	0.08	0.07	0.07	0.06
100 DKK	14.69	14.47	14.42	14.56	14.71
100 SEK	11.36	11.22	11.19	11.50	11.78
100 CZK	4.18	4.02	3.97	3.99	4.05
100 HUF	0.35	0.35	0.35	0.34	0.35
100 PLN	25.83	25.21	24.32	24.62	25.10
100 SGD	69.57	70.81	70.23	72.21	71.12
100 TWD	3.15	3.24	3.14	3.02	3.00
100 RMB	14.15	14.47	14.61	14.66	15.03
100 MYR	22.32	22.66	22.67	24.16	23.96
100 THB	2.82	2.87	2.84	2.77	2.77
100 INR	1.48	1.51	1.50	1.44	1.46
100 KRW	0.08	0.09	0.08	0.08	0.08
100 MXN	5.29	5.13	4.93	5.28	5.44

Events occurring after balance sheet date (9)

Since June 30, 2017 no major events occurred which would require additional disclosures or changes in the Semi-Annual Report 2017.

AGENDA

Publication of sales results, 3rd quarter 2017
October 10, 2017

Publication of sales results 2017
January 11, 2018

Meeting for financial analysts & media conference, publication of Annual Report 2017
March 7, 2018

Annual general meeting
April 9, 2018

Publication of sales results, 1st quarter 2018
April 9, 2018

The complete Semi-Annual Report 2017 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER 31.
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.

This Semi-Annual Report 2017 is also available in German. The German version is binding.

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