

## Press Release

### Bossard Group

#### Sales in third quarter 2014

#### Continuing on the path of growth – more challenging market environment

Zug, October 14, 2014, **The Bossard Group continues to maintain its growth track. In the first nine months of fiscal 2014, sales grew by 4.1 percent in local currency (+2.0 percent in Swiss Francs). This positive result was largely due to the demand trend in Europe and Asia. The more challenging market environment in Europe, partly rooted in geopolitical uncertainties, did slow growth in the third quarter.**

In the first nine months of this fiscal year, Bossard generated total revenue of CHF 473.5 million, a 4.1 percent increase in local currency over last year. In Swiss Francs, this represents a growth of 2.0 percent. In spite of sluggish demand in the third quarter, in **Europe** Bossard generated sales of CHF 306.7 million in the first nine months, which equals 5.2 percent growth in local currency (+4.5 percent in Swiss Francs) over last year. Business in **Asia** continues to flourish. With sales of CHF 73.8 million, an increase of 16.9 percent in local currency (+11.6 percent in Swiss Francs) was achieved. The growth trend in Asia is the result of targeted development work and is broad-based.

In **America** Bossard remain confronted with waning sales, largely due to lower business volume from one major customer. Another contributing factor was that Tesla, the US manufacturer of electric vehicles, temporarily reined in production at its Fremont, USA plant in the third quarter to expand its existing production capacities. Overall sales in America were CHF 93.0 million (-7.2 percent in local currency). In Swiss Francs, this represents a drop of 10.8 percent.

## **Slight sales increase in third quarter**

In the third quarter, the Bossard Group reached sales of CHF 152.5 million, an increase of 1.1 percent in local currency compared to last year. In Swiss Francs, sales remained at last year's level. As in previous quarters, sales were markedly different from region to region.

In **Europe**, the overall positive demand trend continued although growth did weaken. Third quarter sales grew by 1.5 percent in local currency (+0.4 percent in Swiss Francs to CHF 98.5 million). The lower growth rates as compared to previous quarters correlate with the persistent downward-trending economic indicators which are partly due to the geopolitical uncertainties in Europe.

Demand in **Asia** remained robust. With a jump of 15.7 percent in local currency, Bossard was able to post double-digit growth in the third quarter as well. In Swiss Francs, sales rose by 14.6 percent to CHF 26.7 million. This positive trend is largely due to demand from new customers. Thanks to targeted development work, Bossard was able to achieve double-digit growth rates in most of the sales countries in Asia.

As mentioned, continued soft sales in third quarter in **America** are due to weaker demand from a major customer, a development that was already noticeable in prior quarters. Add to that Tesla's temporary plant closure. This action on the part of the US electric vehicle manufacturer, aimed at expanding production capacities, in no way affected the excellent sales expectations with this customer. In net terms, Bossard posted sales in America of CHF 27.3 million in the third quarter, a drop of 10.9 percent in local currency (-12.2 percent in Swiss Francs).

## **In 2014 another growth step despite headwind**

For the fourth quarter, we expect to see very different sales trends from one region of the world to another. While in Asia we are continuing to target above-average growth, we expect demand to remain sluggish in Europe based on the current leading indicators. In America, the burgeoning sales volume with Tesla will affect business positively. Overall, for the fourth quarter we anticipate sales to remain on the level of the third quarter. For fiscal year 2014, we expect sales to be in the region of CHF 625 million, an increase of around 4.0 percent in local currency compared to last year.

Gross sales, Q3			Change in %	
in CHF million	2014	2013	in CHF	Local currency
Europe	98.5	98.1	0.4 %	1.5 %
America	27.3	31.1	-12.2 %	-10.9 %
Asia	26.7	23.3	14.6 %	15.7 %
<b>Group</b>	<b>152.5</b>	<b>152.5</b>	<b>0.0 %</b>	<b>1.1 %</b>

Gross sales January - September			Change in %	
in CHF million	2014	2013	in CHF	Local currency
Europe	306.7	293.6	4.5 %	5.2 %
America	93.0	104.3	-10.8 %	-7.2 %
Asia	73.8	66.1	11.6 %	16.9 %
<b>Group</b>	<b>473.5</b>	<b>464.0</b>	<b>2.0%</b>	<b>4.1 %</b>

## Additional information

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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 1,800 employees in over 60 locations throughout the world, the Group earned CHF 609.7 million in sales in 2013. Bossard is listed on the SIX Swiss Exchange.