

Annual Report 2012 Summary

INTELLIGENT
SOLUTIONS
FOR HIGH
PRODUCTIVITY

HISTORIC KEY FIGURES

IN 1,000 CHF	2012	2011	2010	2009	2008
Gross sales	487,094	473,484	477,609	395,109	565,701
Change to prior year in %	2.9	-0.9	20.9	-30.2	-5.8
Net sales	471,173	457,717	458,724	379,861	542,843
Gross profit	187,478	185,552	188,417	146,347	202,761
Personnel expenses	99,627	96,986	99,393	86,012	107,076
in % of gross profit	53.1	52.3	52.8	58.8	52.8
EBIT	47,631	50,260	47,266	18,813	45,121
in % of net sales	10.1	11.0	10.3	5.0	8.3
Net income	42,907	44,813	44,928	15,298	32,382
in % of net sales	9.1	9.8	9.8	4.0	6.0
Cash flow ¹⁾	53,354	54,649	55,413	26,972	44,238
in % of net sales	11.3	11.9	12.1	7.1	8.1
Capital expenditures	24,983	19,986	8,367	4,810	11,830
Operating net working capital ²⁾	202,225	202,563	172,559	155,596	214,337
in % of net sales	42.9	44.3	37.6	41.0	39.5
Net debt	202,185	29,607	25,747	38,640	98,577
Shareholders' equity	50,108	206,240	179,354	162,015	159,727
in % of total assets	13.3	62.3	61.3	56.9	45.6
Total assets	376,303	331,031	292,743	284,507	350,358
Return on equity	19.8 ³⁾	23.2	26.3	9.5	20.8
Return on average capital employed (ROCE)	18.2 ⁴⁾	21.2	23.1	7.5	15.4
Dividend yield (Basis: price at Dec. 31)	4.3	5.9	5.5	2.6	7.0
Earnings per share ^{5) 6)}					
Bearer share in CHF	14.38	14.89	14.81	4.97	10.68
Registered share in CHF	2.88	2.98	2.96	0.99	2.14
Price/earnings ratio (Basis: price at Dec. 31)	9.3	6.9	7.4	11.8	4.3
Price/book value per share	3.1 ⁷⁾	1.5	1.8	1.1	0.9
Annual weighted average number of employees ⁸⁾	1,551	1,493	1,393	1,355	1,666
Net sales per employee ⁹⁾	303.7	306.7	329.3	280.3	325.8

1) Net income + depreciation and amortization

2) Accounts receivable, inventories, less accounts payable

3) Adjusted for the goodwill offset

4) Adjusted for net assets KVT-Fastening

5) Basis: Average capital entitled to dividend

6) Basis: Share attributable to shareholders of Bossard Holding AG

7) On the supposition that the capital increase will be realized in March 2013

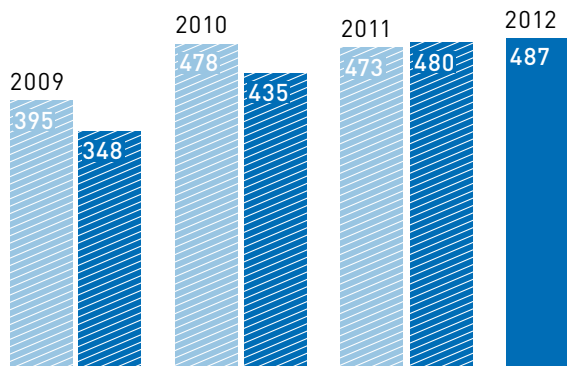
8) Average full time equivalent

9) Basis: Annual weighted average number of employees

For comparison, the figures of the year 2008 were adjusted to meet Swiss GAAP FER requirements.

SALES

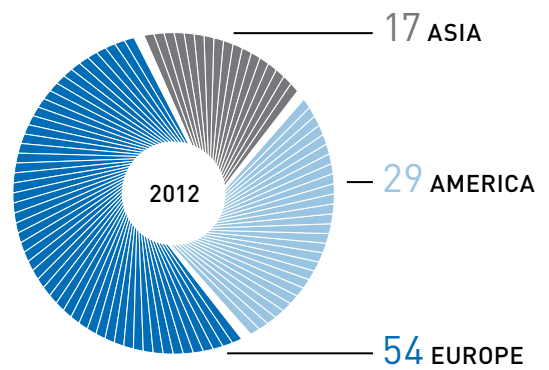
IN CHF MILLION



Actual
On a currency-adjusted basis

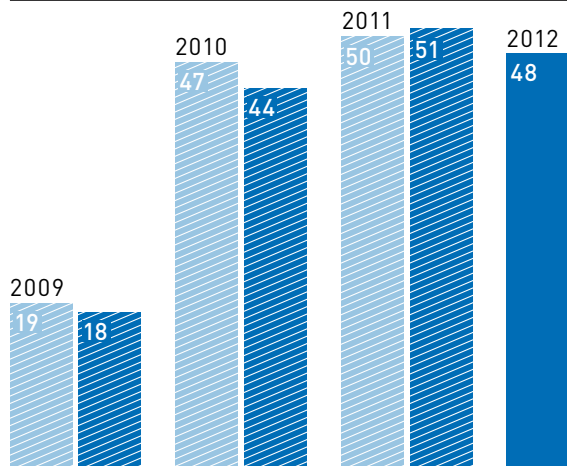
GEOGRAPHIC SALES DISTRIBUTION

IN %



OPERATING PROFIT

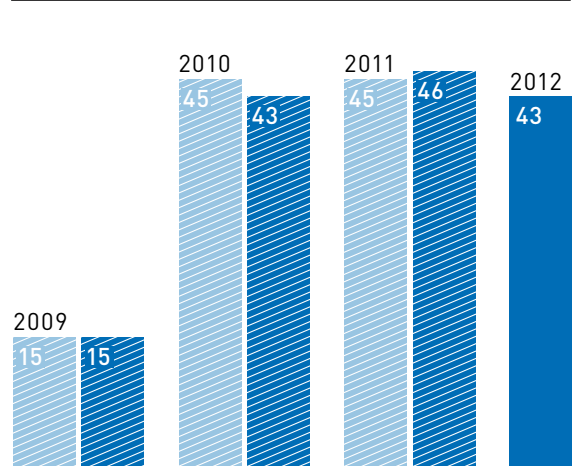
IN CHF MILLION



Actual
On a currency-adjusted basis

NET INCOME

IN CHF MILLION



Actual
On a currency-adjusted basis

Bossard is a leading supplier of intelligent solutions for industrial fastening technology. The company's complete portfolio for fasteners includes worldwide sales, technical consulting (engineering) and inventory management (logistics).

Its 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 around the world, the Group generated CHF 487.1 million in sales in 2012. Bossard is listed on the SIX Swiss Exchange.

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FINANCIAL REPORT

REPORT TO THE SHAREHOLDERS

BOSSARD – SET THE COURSE FOR THE FUTURE



Dr. Thomas Schmuckli, Chairman, and David Dean, CEO

LADIES AND GENTLEMEN,

Fiscal 2012 was a challenging year for our company, one in which we achieved the third-best result in our history despite the difficulties in the global economy. During this challenging year, we invested resolutely in our future development and we set an important strategic course for the future with divestments and the acquisition of the KVT-Fastening. In doing so, we built a firmer foundation for securing our highly ambitious long-term goals. We will reap our success once the economy begins to pick up again.

2012 BEGAN STRONG AND ENDED MODERATELY

We were correct in our assessment that 2012 would be a difficult year due to global uncertainty. The global downturn, which had set in as early as the second half of 2011, did not bode well. Nevertheless, we remained cautiously optimistic that, despite the greater economic pressure, we would successfully increase sales with new business thanks to our well stocked pipeline. The first half of the year got off to a promising start as we managed to increase our average daily sales by a total of 14.2 percent compared to the second half of 2011. North America demonstrated the best performance. Unfortunately, this strong growth was offset by a significant slowdown in sales dynamics and a 6.3 percent reduction in average daily sales during the second half of the year, leaving only minimal growth in net terms.

We were very satisfied with the strong two-digit growth rate that North America sustained over the entire year while Europe and Asia reported a slight sales decline in local currency. Despite these difficult market conditions, we invested as planned in employee training and education as well as in new product development, and we pressed ahead with our projects to expand the logistics infrastructure in several countries. In doing so, we established the conditions to achieve and manage our long-term growth and profit targets even if these efforts slightly reduced our profit margins over the short term compared to the record results achieved in previous years.

TRIED AND TESTED SUCCESS FACTORS

Three factors were responsible for our good overall result, which was above average for the industry: successful market cultivation, continuous pursuit of innovations and continuous improvements of our internal processes and workflows. These factors enabled us to absorb the weaker demand from our existing customers. We had the strong backing of our over 1,800 employees whose great dedication earned the confidence of our customers day after day – confidence that consolidates our partnership with them and forms the basis for successful collaboration in both good and challenging economic times. We are also proud of the many awards for best supplier or innovation partner that our customers gave us in 2012 as a sign of their appreciation. These distinctions motivate us and drive us to do our best over and over again.

STRATEGIC DECISIONS

Fiscal 2012 will be forever known as a strategic milestone in Bossard's history due to the purchase of KVT-Fastening. This acquisition meets our strategic objective of expanding our range of high-end and specialized fastening technology. KVT-Fastening is an ideal addition to our range of products and services. The company's dedicated approach to attracting customers through engineering and offering them economical solutions is entirely in keeping with Bossard's business model and corporate culture. KVT-Fastening is active primarily in Germany, Austria and Switzerland, and it has expanded its business activities to Central Eastern Europe in recent years.

We will replicate and utilize the expertise we have gained in the area of self-clinching fasteners, rivet technology and other niche segments worldwide throughout the entire Bossard Group. We see synergies primarily in the great potential that exists on the sales side. KVT-Fastening has an enormous portfolio of customers whom we hope to gain for our own business thanks to our universal line of Bossard fastening technology combined with our sophisticated logistics services. In addition, KVT-Fastening's long-term customer relationships give us easier and faster access to the key German sales market, which we have not yet cultivated to any large extent. We therefore believe that this acquisition will greatly strengthen Bossard's market position and generate additional growth over the medium term, even outside KVT's current market segments.

Along with this major acquisition, we streamlined our business portfolio. We sold a small distributor oriented business division in the United States to a long-term partner. Bossard North America can now focus entirely on its core business with OEMs, which will avoid the previous channel conflict with competing distributor customers.

In fiscal 2012, we also divested ourselves of a financial minority holding in Bossard & Staerkle AG in Zug, Switzerland, which is active in the steel business, earning us a book profit.

BOSSARD SHARES – A PROVEN CHOICE

Ladies and gentlemen, your company has earned a positive result even in the difficult 2012 fiscal year. In accordance with our dividend policy, we will pay out 40 percent of our consolidated net income to you in the form of dividends. This is a return of 4.6 percent, based on the average share price of CHF 124.80 in 2012. The stock market rewarded our strong business growth as Bossard's shares rose 31.4 percent in the reporting year, from CHF 102 to CHF 134.

Even at the higher price at the beginning of February 2013, Bossard shares remain an attractive investment since the board of directors plans to continue paying out 40 percent of the growing company's net income in the future.

Another leap forward for strategic success.

CAPITAL INCREASE FOR TARGETED INTERNAL FINANCING

To finance the major acquisition of KVT-Fastening, the board of directors submitted a capital increase proposal to the annual general meeting in order to cover approximately 40 percent of the financing with equity capital, as required by our long-term finance policy. With the capital increase, we will increase the amount of equity financing, which was greatly reduced by the goodwill offset, from 13.3 percent to roughly 35 percent, and thus again return to the range of our targeted minimum amount of 40 percent equity ratio. The capital increase will be structured as rights issue on the part of the current shareholders. In exercising their subscription right, the shareholders will therefore secure their acquired rights, and their shareholdings will not be diluted.

Kolin Holding AG – our largest shareholder, which is owned by the Bossard families – has expressed its intention to invest the full extent of its holding in the capital increase because it firmly believes in the strategic importance of the acquisition for the Group's long-term development and because it fully supports the wish of the board of directors and the executive committee to finance such a long-term investment with appropriate

equity. These steps meet the requirements for ensuring a tried and tested financing structure that will remain balanced over the long term. We greatly value this enormous show of confidence on the part of our main shareholder, and we would be delighted if you would also reaffirm your confidence in us by participating in the capital increase.

Bossard is and plans to remain a strong company: for our customers around the world, for our employees and especially for you, our valued shareholders. Thank you for your loyalty to and trust in our company.



Dr. Thomas Schmuckli
Chairman



David Dean
CEO

Zug, February 6, 2013

_ Our factors of success

Our customers benefit from our **global position and continuous development of our services** in our capacity as a leading global supplier of intelligent solutions for the industrial fastening technology sector.

Our long-term success, based on responsible action, establishes the necessary **trust** that our investors, customers, suppliers, employees and the general public place in us.

VALUES

BASIS FOR SUSTAINABLE COMPANY GROWTH

Successful, long-term business activity depends on a certain value system. As constants, these values shape our daily thinking and actions. The result is a sustainable corporate culture that is practiced by all employees. Our corporate responsibility is reflected in responsible company management, compliance with ethical values and responsibility toward our stakeholders and the environment.

WE KNOW OUR CUSTOMERS' NEEDS

Our customers benefit from our global position and continuous development of our services in our capacity as a leading global supplier of intelligent solutions for industrial fastening technology. With innovative solutions, top quality standards, customer proximity and a global presence, we are a powerful and competent partner for our customers' diverse and constantly changing needs, which we meet effectively and in a timely manner.

WE SELECT OUR PARTNERS WITH A VIEW TO THE FUTURE

Top performance is expected from our manufacturers. We consider them to be partners and demand superior attention to quality and a fair price policy. Our worldwide procurement network is continuously optimized, thereby securing global access to innovative solutions. We require our suppliers to meet the same standards that we offer our customers: competence, quality and reliability at the highest level.

WE BELIEVE IN SUSTAINABLE CORPORATE MANAGEMENT

Our long-term success, based on responsible action, establishes the necessary trust that our investors, customers, suppliers, employees and the general public place in us. Over the course of 180 years of sustainable corporate management, we have earned an excellent reputation which we view as a central prerequisite for achieving our long-term corporate targets. This reputation is based on integrity, transparency and professionalism. Our shared values are laid down in our code of conduct.

WE FOSTER CONTINUOUS AND PROFITABLE GROWTH

We rely on long-term, healthy and profitable growth rather than quick profits over the short term. Our financial resources are handled with care and professionalism. Moreover, our target is sustainable value growth and reasonable returns for our investors. In doing so, we gain the necessary entrepreneurial freedom of action and secure the company's independence.

WE SUPPORT AND PROMOTE OUR EMPLOYEES

We thrive on the dedication, knowledge and creativity of our employees. We provide a working environment that offers them fair opportunities and flexibility in order to support and foster entrepreneurial thinking. We expect our employees to utilize their knowledge and abilities effectively and with dedication. To this end, they must be able to participate actively and be given the opportunity for personal development. We specifically foster the skills and independence of our employees at all levels and allow them to participate in the company's success.

WE ARE COMMITTED TO THE PUBLIC AND THE ENVIRONMENT

We are aware that business success is always achieved in a social environment, and we view this as our responsibility. As a business enterprise, we can make a difference in our social environment and with a view to ecological development.

PUTTING VALUES INTO PRACTICE

The company's success depends on the trust that all stakeholders place in Bossard: customers, employees, suppliers, shareholders, public authorities and society as a whole. We therefore have laid down our basic ethical values in a code of conduct that is binding throughout the Group, one to which we feel obligated and to which we owe our long-standing reputation. Integrity, sense of responsibility, fairness, professionalism, compliance and transparency are the ethical constants on which we base our philosophy and actions.

_ History – from a local hardware store to a global group of companies

Bossard was founded in Zug, Switzerland in 1831. The hardware store gradually grew from a local specialty business to a regional one and then to Switzerland's leading fastener retail company. In the 1980s, Bossard ventured abroad. Bossard's successful progress is now being shaped by **the seventh generation** of the founding family.

Today, Bossard figures among **the market leaders in the fastening technology** sector in the three major economic regions: Europe, America and Asia. More than 37,000 customers place their trust in Bossard.

STRATEGY

RESOLUTELY TARGET-ORIENTED

In recent years, Bossard Group has grown into a global company with a uniform business system, a successful business model and a clearly structured and competitive performance profile, once again proving its competitive strength. Our strategy for the next few years is focused on systematic market development. Although we can count ourselves among the leading suppliers, the market nevertheless continues offering substantial growth opportunities due to its high degree of fragmentation. We plan to turn these opportunities into measurable business success, based on our many years of experience and expertise.

VISION – GLOBAL AMBITION

“We want to be the trusted expert brand providing assembly technology solutions for our customers globally.” To turn this vision into reality, Bossard concentrates on OEM (original equipment manufacturer) customer groups with the aim of helping them strengthen their competitive position. Bossard Group relies on outstanding services, technical consulting and efficient processes along the entire supply chain. Paired with trust and fairness, this approach has helped build long-term customer relationships.

Sustainable, qualitative growth is our priority.

PROFITABLE, QUALITATIVE GROWTH IN SIGHT

As part of our strategic objectives for the 2010–2015 period, we are striving for sustainable, qualitative growth. We want to substantially increase our sales revenue in the coming years to further strengthen and expand our market position. However, volume growth should never come at the expense of profit, which must at least keep pace with revenue. Moreover, the invested capital must yield a reasonable return for our investors.

Profitable growth is driven largely by accelerating sales and engineering. In addition to standard parts and customer-specific drawing parts, a greater range of intelligent fastening solutions is planned. Successful examples are ecosyn®-lubric (tribological dry coating for fastening elements subject to mechanical loads) and ecosyn®-grip (multifunctional reinforced fastener offering anti-loosening protection).

GREATER FOCUS ON HIGH-END PRODUCTS AND SOLUTIONS

In addition to the in-house developments, Bossard also relies on worldwide sales agreements with established manufacturers of attractive solutions. As part of our research and development, we plan to continue developing new proprietary products and customized application solutions.

On the whole, our strategy increasingly targets products and solutions that are proven to give customers added value and offer us attractive profit margins. The main focus is on engineering and the development of functional modules that intelligently combine multiple fastening parts in a single unit.

Primarily, Bossard aims to achieve this growth organically. Acquisitions are an option to augment this approach. However, this requires clearly defined requirements with a view toward products and markets.

MARKET DEVELOPMENT SHOWS THAT WE ARE ON THE RIGHT TRACK

Bossard's confidence that it can successfully implement this strategy is well justified. We are starting out in a strong position in both developed and emerging markets. Although highly fragmented markets mean intense competition, they also offer considerable room for growth. Moreover, we are seeing continued industrial consolidation as well as procurement-related concentration in our customer sectors. Due to our size and international presence, we are likely to derive better-than-average benefits from these trends in the coming years.

BUSINESS MODEL STRONG PERFORMANCE

Fasteners may not be everything, but almost nothing works without fasteners. From razors, lawnmowers and tractors to trains, computers and printers, few industrial products today can do without fasteners. Most of these elements are not visible at first glance, which does not make them any less important. Fasteners are key products, and modern industrial manufacturing would be unthinkable without them.

Thus the key to success is not just the product itself but also logistics and engineering. Bossard's advanced logistics systems promote smooth, reliable supply and lower warehousing costs. Our solution-oriented engineering services save our customers money early on during the design phase.

Bossard's portfolio thus covers the entire value chain for industrial fastening technology. Bossard successfully focuses on OEM customers in the machine building, transportation, medical technology, energy and electronics industries.

Bossard's global business model covers three strategic areas:

1. Product Solutions
2. Application Engineering
3. Customer Logistics

1. PRODUCT SOLUTIONS

Bossard has access to a unique global procurement network based on highly qualified manufacturers and efficient processes. More than 800,000 different fastening parts are available in our warehouses. Billions of fasteners and fastening elements leave our warehouses all over the world each year. Our product line covers standard parts, components developed in-house, branded products as well as special parts made to customer specifications.

TOP QUALITY AT FAIR PRICES

Bossard not only meets the ISO 9000 standard worldwide but also numerous country-specific certifications, which save customers the need for costly testing and inspections. Due to our global quality management system, multinational corporations around the globe rely on us because we provide the reliability and quality they require.

CONTINUOUSLY UPDATED INFORMATION

Our customers know they can rely on us anytime and anywhere in the world. We continuously up-date our product documentation in a number of different languages and make it available on the Internet. In addition, printed and continuously revised brochures and product data sheets provide customers and interested parties with the latest information.

Manufacturing products more safely, more efficiently and therefore more economically.

GUARANTEED SUPPLY SECURITY

As a consequence of our enormous product variety, we do not manufacture products ourselves but work closely with over 3,200 specialized manufacturers whom we select according to strict quality criteria. We rely on multiple sources for every single fastener. As a result, we guarantee the highest possible supply security so that production can keep rolling.

On average the fastener itself only accounts for 15 percent of the customer's total fastening costs. The remaining 85 percent of the costs come from development, procurement, testing, inventories, and assembly logistics. A correct understanding of cost efficiency therefore does not begin with the fastener itself but rather with the disproportionately larger costs for procurement, manufacturing and logistics (reflecting the principle of "total cost of ownership").

2. APPLICATION ENGINEERING

Bossard specialists support customers right from the early stages of planning and designing a new product. With their profound expertise and well-developed process thinking skills, our specialists not only find the most fitting fastening solution but contribute toward a systematic reduction in the customer's production and assembly costs.

A PARTNER FOR COMPLEX REQUIREMENTS

Our experienced specialists are experts in all matters pertaining to innovative, productive and high-quality fastening solutions, including all associated processes. Multifunctional fasteners can simplify production and assembly, increase corrosion resistance and security as well as improve assembly conditions or entire manufacturing processes. This means greater quality, efficiency and security as well as lower costs.

Our services go far beyond fasteners.

PROVEN POWER OF INNOVATION

Our passion for innovation is legendary and that spurs us to continue generating new logistics and engineering solutions that are equally valuable and cost-effective. Our solutions are a cornerstone of our success story and continue attracting the praise and appreciation of our customers. Various best-supplier and excellent-supplier awards encourage us to keep raising the bar on our own performance targets.

GLOBAL PRESENCE FOR GLOBAL CUSTOMERS

As one of the leading global players in the industry, Bossard transcends time zones and overcomes language barriers while always respecting the local environment. Our objective is to offer global companies a uniform standard of quality and maximum service locally; in Europe, America and Asia.

3. CUSTOMER LOGISTICS

Bossard helps its customers substantially to reduce or even eliminate procurement costs along the entire supply chain. Our logistics systems simplify their procurement processes, lower their warehousing costs and prevent supply bottlenecks. Modern systems trigger orders automatically at the right time and in the right quantity. One solution that Bossard's customers around the world depend on is known as SmartBin.

SMARTBIN – AUTOMATIC INTELLIGENCE

This fully automatic warehousing and ordering system guarantees the lowest possible warehousing costs as well as the right time for placing an order, and it prevents bottlenecks caused by forgotten or late orders. Customers can thus save up to 50 percent of their process costs. The fact that we have installed no fewer than 200,000 SmartBins at our customers speaks for itself.

BOSSARD INVENTORY MANAGEMENT (BIM) – FASTENERS AND MORE

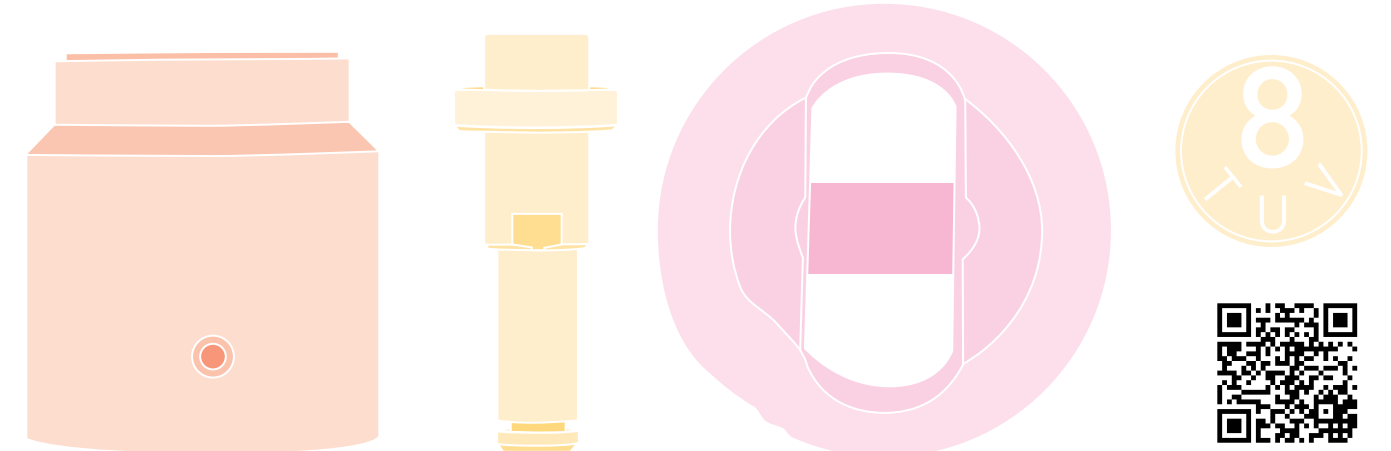
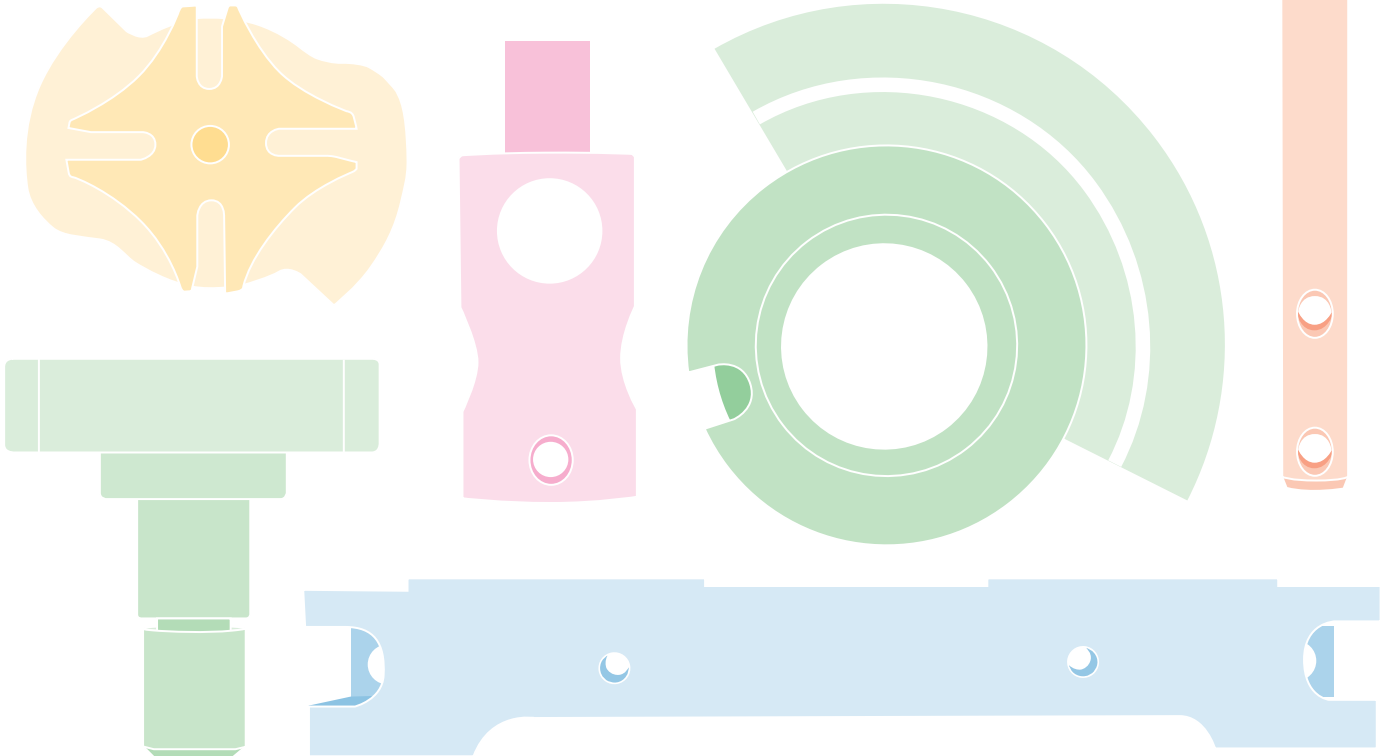
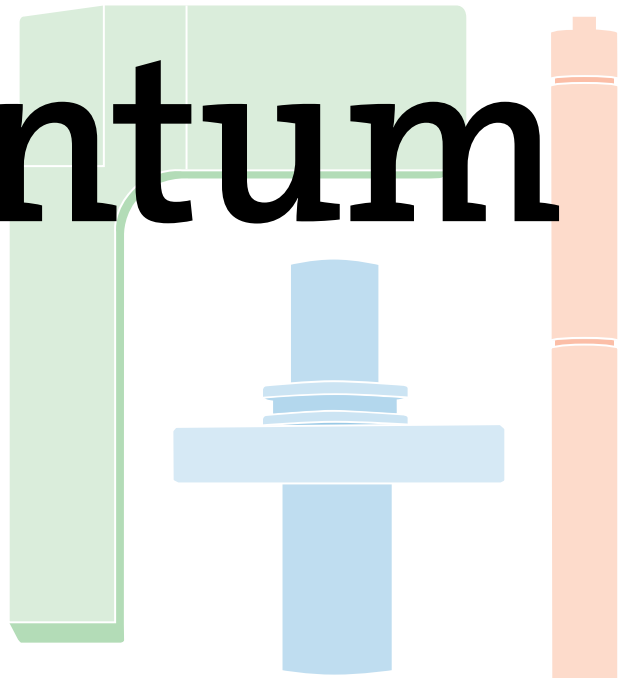
Bossard's services go far beyond fasteners. BIM is the company's intelligent logistics system for all management-intensive C-parts. C-parts are high-volume, low-cost products (not only fastening parts). BIM helps to minimize the procurement cost of all C-parts.

SPRING 2013

Momentum

THE BOSSARD MAGAZINE

BEYOND
CATALOG



ENGINEERED PRODUCTS

BEYOND CATALOG



Tee Bin Ong

The Bossard catalogs, also known as the “Blue Bible,” are legendary in the fastening industry. They combine more than 70,000 types of standard fasteners with detailed data and application do-how. As we continue to create success with our standard products, we are also an expert in providing engineered products that are beyond catalog. What does this mean?

Our customers want to make their products best-in-class in their industries. Product designers and engineers are expected to come up with designs and technologies that provide better features and stand out. When it comes to assembling the components, standard fasteners may not exist or they may not meet the technical requirements.

For example, a world leader in children's safety required specially designed spindles and lock nuts that met the European standard for child safety barriers for a safety gate. Bossard did it, and this is just one among 600,000 customized solutions that we provide.

In this edition of Momentum, we would like to demonstrate how Bossard's technical expertise and supply chain network come together to create engineered solutions that are beyond catalog.

A handwritten signature in black ink, appearing to read 'Tee Bin Ong', written in a cursive style.

Tee Bin Ong
Vice President Sales & Marketing

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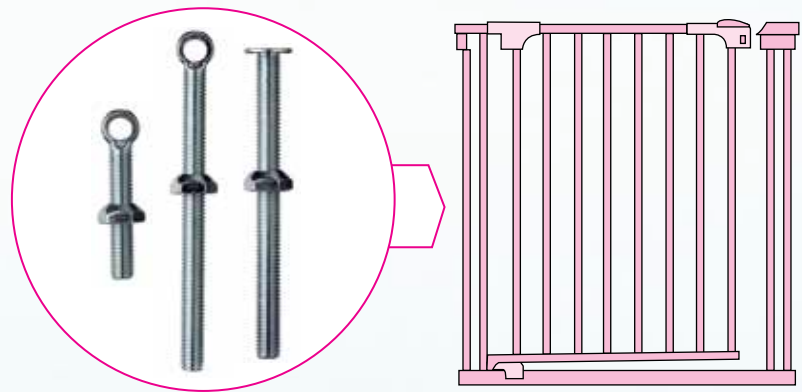
THE RATTLE TEST

BEYOND CATALOG

Toddler-proof products are in demand. Babies have a firm grip that places extreme stress on even the smallest parts, such as the fasteners of child safety gates.

THE ENGINEERED PRODUCT

Baby Dan (DK) develops and produces textiles and baby furniture as well as baby gates. As a world leader in child safety, Baby Dan has a seat on the European Committee that deals with the development of new standards. Bossard Denmark supplied different types of spindles and lock nuts for installing the gate at home. Important details, such as geometric tolerances and material and surface treatment specifications, were added to the technical drawings for this purpose. Baby Dan has already placed a new order for another engineered product.



The spindles and lock nuts (left) for tightening the gate (right) are made of steel in the property classes 4.6/4.8, with a zinc-plated surface. In compliance with the Restriction of the Use of Certain Hazardous Substances 2002/95/EC (RoHS), the product contains no chromium trioxide.

“Our customers expect our products to meet the strictest safety standards. With Bossard as our supplier, we are on the safe side.”

Henriette Haugan
Purchase Manager Baby Dan A/S,
Låsby, Denmark



EN1930:2011

This new European standard specifies the safety requirements and methods for testing child safety gates in the home. The gates must be fastened to openings in a way that prevents children up to two years old from getting past them. Bossard conducted the required rattle test for the fasteners, using a special test device in which a basketball simulates the load.



ON GOOD TERMS WITH THE CARETAKER

BEYOND CATALOG

School caretakers don't have it easy. Bossard and Embru-Werke AG, a long-established and leading Swiss manufacturer of school furniture, are making life easier for them.

30,000

This is the number of chairs of the relevant models that Embru-Werke AG (CH) produces each year. The new screws make it unnecessary to manually adjust the five rubber feet.

THE CHALLENGE

Chairs that permit a lot of movement are in vogue. Even in schools. And yet teachers are not the only ones who would prefer that students focus more on intellectual pursuits. Caretakers

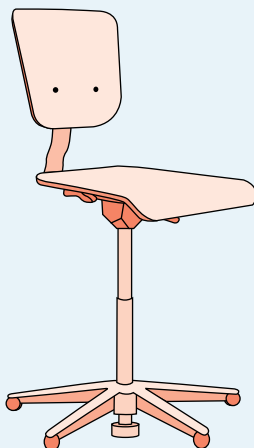
were faced with the problem that the rubber feet on Embru chairs became loose when students rocked their chairs back and forth, and these feet in some cases had to be tightened. Quite often, the entire base of the chair had to be replaced because the threads were stripped. The screws used as fasteners were unreliable and less than optimal. With these screws, the rubber could not always be snugly fitted during assembly. Working together with Embru's production manager and design engineer, Bossard came up with a solution that did not require changing the chair's design.



The finished product delivered by Bossard is a specially made screw that has a thread diameter of 4.5 mm. It cuts the thread the first time it is inserted and it comes with a special supporting shank. The Torx® drive prevents damage to the screw head at high torques. The underlying round flange holds the chair parts together securely.

BOSSARD ANALYTICS

Bossard tested the new fastening elements for the rubber feet in its test lab. The lab is a recognized ISO/IEC-accredited test lab, equipped with cutting-edge instruments. The test results demonstrated the reliability of the new screws.



“Thanks to Bossard, we can give our customers the option of having the new screws already fitted in delivered products.”

Michèle Steiner
Purchasing, Embru-Werke AG, Rütli,
Switzerland

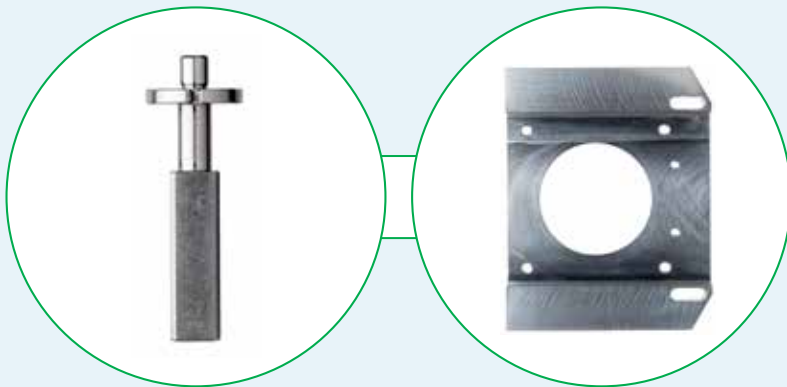
embru
möbel ein leben lang



NO MARGIN FOR ERROR IN BLOOD ANALYSIS

BEYOND CATALOG

A leading medtech company must be able to count on Bossard. Devices for medical diagnostics require mechanical components that operate with the utmost precision.



Two of the many parts that Bossard procures for its client. To the left, the initial bolt. To the right, the part that secures the position of the motor on the analysis module. Due to high temperatures in the analysis module, these parts are made of high-precision steel.

THE BENEFITS

The customer has taken advantage of Bossard's C-parts management service for several of its devices. Bossard coordinates about 120 suppliers of engineered products and saves the diagnostic solution provider the need to process 4,000 to 5,000 orders per year, including incoming goods inspections.

Because of its experience with C-parts management, Bossard has become this customer's preferred partner. The customer indicated that choosing Bossard had been the best decision it could have made. It is already considering expanding its collaboration, says the managing buyer.

THE ENGINEERED PRODUCT

The initial bolt procured through Bossard ensures ultra-precise centering of the needle for pipetting reagents from the various cartridges. Reagents are agents that can identify a substance in the blood. The bolt is used to configure the position of the draw-off needle before the analysis run.

THE END PRODUCT

The engineered product is part of a blood analyzer for clinical chemistry and immunology in labs. The machine is used to analyze just a few specimens or to perform several hundred tests per hour, depending on the model.

0.03^{mm}

The bolt height should not exceed this tolerance. The perpendicularity of the square head and the slot size are also important. The bolt is made of high-precision steel.



FACTS AND FIGURES

BEYOND CATALOG

Ten interesting facts about engineered products

>600,000
units

The number of engineered products processed and requested globally in 2012. Engineered products inquiries and orders are processed in close cooperation with sales and the regional companies that benefit from the service.

0.5
millimeters

The minimum diameter of custom-turned parts that Bossard can deliver is not much thicker than a razor blade. Bossard can process all machinable steels, including non-ferrous metals, plastics and special steels.

20
percent

The chromium content of nimonic, a specialty material with an extremely high thermal stability, which is why it is used for components such as aircraft parts.

-90
percent

The amount by which production waste is reduced thanks to the use of reliable screws; for example, in hearing aid micro-production.

23,110,000

units

The number of blind rivets specifically produced for a Danish client in 2012.

+/- 1

µm tolerance

100 times smaller than human hair: that is the accuracy of the Micro-Vu Vertex Multisensor Measuring Center that Bossard lab technicians use to measure parts with complex shapes.

3,000

metric tons

Quantity of specialty parts that Bossard delivered to customers in Switzerland alone in 2012. Many of these parts are used in mechanical engineering, equipment manufacturing and the medical industry. The lightest specialty part weighs about 0.05 grams and the heaviest about 18 kilograms.

500,000

units

Bossard can supply custom hot/cold-forged parts in volumes of 50,000 to 500,000 or more. In addition to screws and nuts, this includes more complex parts that are produced cost-efficiently in a multi-stage extrusion process.

1st

place

Bossard has earned recognition as a Partner-level supplier for 2012 in the John Deere Achieving Excellence Program. Partner-level status is Deere & Company's highest supplier rating in recognition of the provision of quality products, service, and commitment to continuous improvement.

10

accredited test laboratories

In Europe, America, and Asia, Bossard runs ten laboratories that have been accredited by the regional authorities and which ensure reliable quality assurance and flawless product quality.

PRODUCT HIGHLIGHTS

BEYOND CATALOG

Bossard not only procures C-parts, but each part is manufactured according to the customer's individual specifications.



Turned/milled part made of aluminum
→ \varnothing 80 mm



Milled part made of aluminum,
with anodizing
→ \varnothing 40 mm × 11 mm × 44 mm



Turned part with inner bore made
of stainless steel
→ \varnothing 100 mm × 25 mm



Plastic milled part, POM, black
→ 35 mm × 24 mm



Turned/milled part made of
stainless steel
→ \varnothing 32 mm



Turned/milled part made of high-quality stainless steel
→ Ø 15 mm × 68 mm



Turned part with laser engraving
→ Ø 10 mm × 15 mm



Stainless steel bushing
→ Ø 62 mm / 47 mm × 66 mm



Turned/milled part made of brass
→ Ø 35 mm × 40 mm



Turned part made of stainless steel with 6 holes
→ Ø 70 mm



Extruded part made of a high-temperature material
→ Ø 10 mm × 30 mm



Turned parts made of PMMA plastic
→ Ø 30 mm × 31 mm



Turned/milled part made of brass, nickel-plated
→ Ø 60 mm × 72 mm



Spindle made of stainless steel
→ Ø 8 mm × 150 mm



Turned/milled part made of free cutting steel with square head
→ Ø 25 mm × 65 mm



Milled part made of aluminum
→ 170 mm × 25 mm



Milled part made of aluminum with colorless anodizing
→ 33 mm × 50 mm

*ZNÜNI WITH...

BEYOND CATALOG



Daniel Stutz (43) heads the engineered products purchasing department for Bossard Central Europe. Having joined Bossard in 2001, Mr. Stutz has a background in industrial business and a degree in purchasing management. He leads a team of 14 specialists who procure hundreds of customized solutions for our customers each year.

We have heard success stories about how your team provides customized parts that sometime don't look like a normal nut or bolt. Could you share with us a typical workday?

I'm at the office by 7:30 a.m. and look at my e-mail. Our suppliers in the Far East are up to seven time zones away and a lot of messages arrive overnight. After that, I have a look at our open and due supplier orders. It is absolutely crucial for our industrial clients that we keep up with delivery times: Bossard is on time, every time. Then I will analyze the business development trend based on open inquiries from customers, orders placed with suppliers and procurement costing. This helps to identify potential areas for optimization. Like our customers, Bossard has set itself the goal of minimizing stock on hand while remaining ready to deliver at any time. Communication is the alpha and the omega of our job. That is why plenty of meetings and conferences are part of my daily routine.

What are the main challenges you and your team encounter? In providing individual solutions, understanding our customer's technical requirement is very important. This enables us to find the right supplier that can meet the quality and functionality we expect. And also the production capacity; for example, the technical design may come from Germany, the production is in Asia, and the finishing process is in Eastern Europe. Dealing with this is an enormous challenge. There is no "one size fits all" solution.

What is the most complex part you and your team have ever produced?

Complexity often derives from unpredictable incidents. I remember one customer, who specialized in medical devices,

was looking for a special part made of aluminium. Some kind of spots started to appear after surface treatment. These spots were unacceptable for the application since the aluminum surface was visible in the assembled device. After investigation, we resolved the problem by applying additional grinding and brushing in the manufacturing process.

What do you value in a supplier?

We evaluate suppliers from the process capability, quality control, technical support and cost competitiveness. There are times when a tool in the press breaks, for example, and the shipment is delayed. When this happens, we expect the supplier to discuss such issues openly and help us come up with solutions. In principle, we cultivate firm but fair business relationships with our partners.

Many players in the fastening industry now provide non-standard screws or parts. What differentiates Bossard from its competitors?

Our solid expertise combined with our vast experience makes sure that the right manufacturing capability matches the right job. Our corporate culture shapes our understanding of quality and our purchasing policy. We cultivate relationships with our suppliers and aim for long-term cooperation. This also means that we have to work together with the suppliers to find solutions in order to quote the best market prices. For that reason, all our buyers must have a technical background. In the end, it is about achieving the optimum total cost of ownership.

Last but not the least, what gives you most the satisfaction in what you do?

My team and I always find great joy when the solution we provide demonstrates outstanding performance and is accepted by our customer. For us, every day is different, which is why we enjoy our work with Bossard.

* Znüni is a Swiss expression for a morning snack break



Top: Judit Paczona, expert for engineered products, discussing a customer project with Markus Baumann, Head of the technical inspection department
Center: Peter Kűng, Application Engineering, testing fastener assembly
Bottom: Multisensor measuring of complex shapes

MORE THAN NUTS AND BOLTS

BEYOND CATALOG

When unique parts are wanted, industrial clients can count on Bossard. Experienced procurement experts around the globe can find the right manufacturing capability from a huge supplier base. The range of additional services for engineered products leaves nothing to be desired.

B

ossard defines engineered products as components designed and procured specifically for customers. They are not listed in Bossard's catalogue since the sizes and shapes are unique. They are usually manufactured according to the customer's specifications and drawings. The production process of a special part can involve precision turning or milling,

stamping or bending, and hot or cold forging. In short, engineered products are more than just nuts and bolts. As the examples on page 4 show, ranging from child safety to medical technology industries, Bossard often receives requests for engineering services for designing and creating customized solutions.

SUPPLIER BASE INTELLIGENCE

Bossard has access to a very large number of qualified suppliers throughout the world. "This gives our customers a kind of extended workbench," says Daniel Stutz, head of the engineered products purchasing department in Zug. The number of suppliers grows along with the number of customers and their projects. Bossard continuously identifies and develops potential manufacturers.

In the course of time, Bossard has developed an extraordinary supplier base intelligence. Manufacturers all over the world are entered into a database along with the relevant service details. Based on the type of manufacturing, they

are divided into three main groups: turned and milled parts, cold/hot-forged parts, and stamped/bent parts. Thanks to the continuous influx of new suppliers and research by the internal procurement market research department, the database is always up to date, and Bossard keeps up with the latest trends in the worldwide procurement markets.

"Bossard combines solid expertise with vast experience..."

Among other things, Bossard's code of conduct, technical expertise, quality assurance, and plant capacities play a role in evaluating suppliers. For security reasons, Bossard pursues a policy of ordering each product from two or more suppliers. This is more important than ever before, since risk management is becoming an ever higher priority in all companies.

SOLID EXPERTISE AND VAST EXPERIENCE

Thanks to their solid expertise and vast experience, Bossard's purchasers are able to match the right manufacturing with the right job. Certain materials are not always easy to obtain. Some brands of rust- and acid-resistant steel alloys are hard to find in a number of Asian countries. In these cases, Bossard encourages its suppliers to keep an eye out for sources of the relevant materials or to propose suitable alternatives. In rare instances, Bossard has even brokered materials. Purchasing faces a special challenge when appearance aspects unexpectedly come into play (see interview with Daniel Stutz on page 14).

THOROUGH QUALITY ASSURANCE

Bossard's quality assurance practices are particularly stringent when it comes to engineered products. A sample of each shipment is tested in one of the ten Bossard laboratories around the world. Specialists weigh the goods and test their mechanical and material-specific properties. Instruments for examining hardness, tensile strength, corrosion resistance and for determining the thread pitch of screws are available for this purpose. Test documents accompanying the delivery are examined by experts. A multi-sensor measuring device makes it possible to precisely inspect thin, elastic parts or those with variable dimensions. Bossard also conducts customer-specific spectral analyses, which involves irradiating materials in order to clearly identify them. When needed, experts also test the coefficient of friction of fastening elements. Shipments of parts intended for automatic processing remain unopened. In this case, the supplier guarantees the purity of the "bulk material" under ISO 16426 and ensures that the material contains no impurities that could cause malfunctions in the machinery.

A team of seven performs inspections in Zug. Two more employees handle application-specific tests. Bossard works with Sulzer Innotec to diagnose an item's functional reliability under load—for example, with the help of thermal shock tests.

The most important factor in the quality checks are the people involved. All team members have completed basic training in the industry. Their practical experience and customer knowledge enable them to evaluate the parts for the requirements to be met, even beyond the specifications in the technical drawings.

...to find the right manufacturing capability for any job at any time."

MORE VALUE ADDED WITH C-PARTS MANAGEMENT

The lion's share of costs (85 percent) goes to development, procurement, inspection, warehousing, and assembly logistics – and not to the materials of the C-parts. Bossard therefore focuses on lowering the total operating costs of its customers through assembly process improvement and C-parts management, which include engineered products. It is for this reason that Bossard introduced the Next Generation

service. Bossard Next Generation is a comprehensive service for design and process optimization focused on boosting manufacturing productivity and lowering total cost of ownership (TCO) using value stream analysis.

Bossard's C-parts management service provides a wide range of advantages for standardized products. And it also benefits customers who purchase non-catalog products from a single source. Bossard aims for close cooperations with customers who manufacture engineered products and fosters long-lasting partnerships. This approach creates synergies with other Bossard services, such as design and process optimization – in keeping with Bossard Next Generation. And it benefits Bossard as well.

NATIONALLY RECOGNIZED TESTING CENTER

The authoritative certification agencies have attested to Bossard's compliance with numerous standards. The most important one for Bossard is the company's status as a recognized testing center for mechanical fasteners under ISO/IEC 17025, according to Markus Baumann, who heads the technical inspection department. This certification is granted by the Swiss Accreditation Service (SAS).



Johnny Koh

Purchasing Engineered Products Asia-Pacific,
with Bossard for 4 years

“We offer an enormous range of C-parts from a single source.”

Engineered products are often needed in small quantities and yet must meet strict requirements. Finding the right supplier can therefore be quite a challenge. In China, many of them are fast and flexible, but less focused on consistency. In India, lead time and payment are the main criteria.



Curtis Brustkern

Purchasing Engineered Products North America,
with Bossard for 16 years

The first and most important step is to understand our customers' expectations: When do they want the product, what are the quality requirements, and what documentation is needed? With specials, you take away the commodity aspect of the fastener – you are actually providing an engineered solution.

“For me, the most desirable outcome is when a client no longer judges our product on its unit price but rather on the total value of the services Bossard provides.”



Pia Larsen

Purchasing Engineered Products Denmark,
with Bossard for 14 years

Many companies in our region buy engineered products on their own account. They will come to Bossard only if we can do this better than they can. To gain new customers, we continuously expand our supplier network and thus also our range of products for additional applications.

“Our database contains thousands of suppliers.”



We have many competitors in France. Fast response and a large service portfolio are determining factors in our success. We have to meet customer requirements by offering quality and competitive prices. That is why we buy mainly from France, particularly for our customers in the rail industry.

“Thanks to our expertise, we are competitive in purchasing complex parts.”



Joël Vogel

Purchasing Engineered Products France,
with Bossard for 17 years



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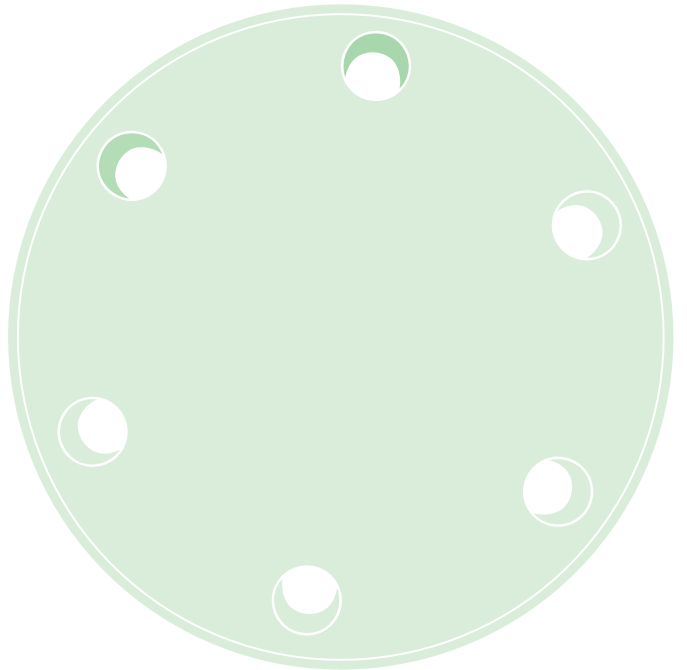
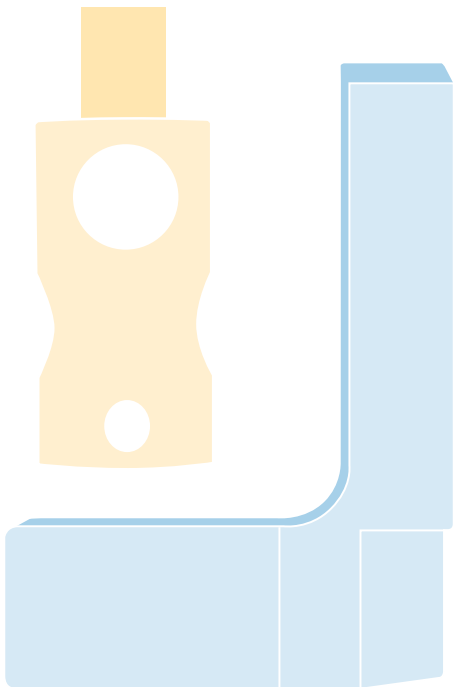
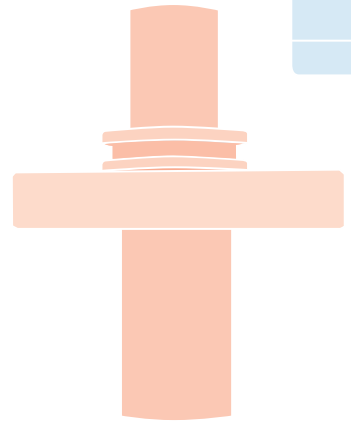
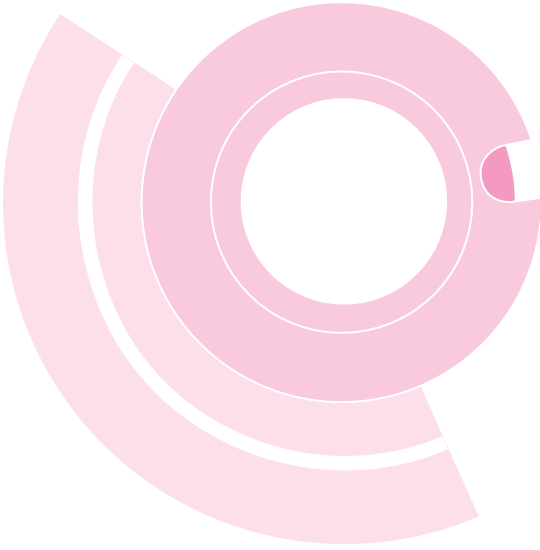
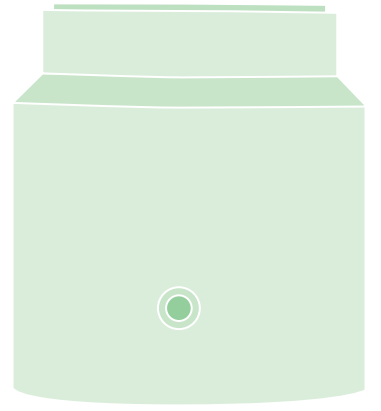
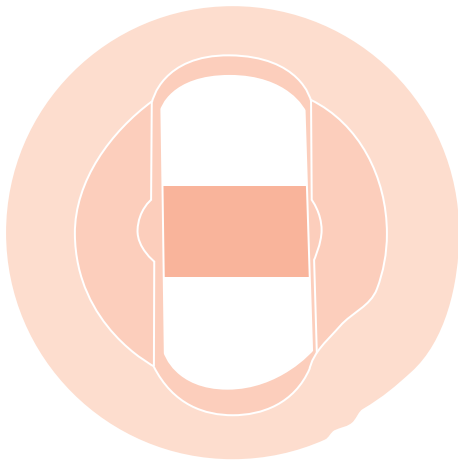
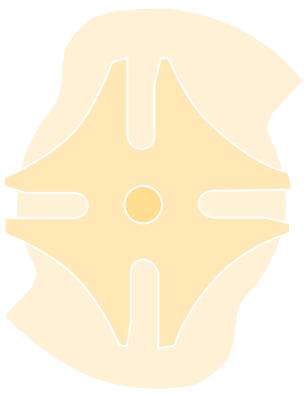
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EMPLOYEES KEY TO SUCCESS

First and foremost, Bossard has the dedication, knowledge and creativity of its more than 1,800 employees to thank for its success. This is why Bossard has always pursued a long-term human resources policy in which it fosters professional and personal development and allows its employees to participate in the company's success.

AN ATTRACTIVE EMPLOYER GROUP-WIDE

Bossard has always set great store in its social responsibility. Its Group-wide corporate culture is based on mutual trust as a prerequisite for necessary loyalty. Employees participate in the company's success at all levels. Bossard believes in the importance of employees knowing the Group's long-term targets and strategy. Conversely, managers know the expectations and targets of employees and help empower them to achieve success.

FROM EMPLOYEE SELECTION...

Careful selection and integration of employees is the basis for long-term retention. During recruitment, duties, requirements and processes are communicated clearly and transparently. Furthermore, employment conditions must always be fair. The careful integration of new employees is a key factor in working together successfully over the long term.

... TO CONTINUING EDUCATION AS AN INVESTMENT

We value well trained employees and foster line, specialist and project careers as well as the exchange of knowledge throughout the Group. Whenever possible, we recruit new managers from within our own ranks. In particular, we emphasize cross-divisional training because in-depth knowledge of our extensive product range and internal workflows promotes understanding and tolerance and forms the basis for intelligent cooperation. Developed in-house, our interactive online learning program contains more than 230 individual chapters and approximately 3,000 illustrations and provides relevant training in the fastening technology of today.

LEADERSHIP AND ENCOURAGEMENT

Frank interpersonal communication fosters dedication, creativity and efficiency. Our managers help their employees to achieve ambitious targets by encouraging initiative, performance and quality. In Bossard's view, leadership means respect, honesty, fairness and consistency, and cooperation is characterized by openness, trust and mutual appreciation.

MARKET-ORIENTED COMPENSATION SYSTEM

Performance is the key component in determining compensation. We encourage entrepreneurial thinking and action through a compensation system that is in line with the market and based on targets and individual performance. In addition to a fixed pay component, we offer different success-oriented compensation systems that support our winning spirit.

We thrive on the dedication, knowledge and creativity of our employees.

DIRECT AND OPEN COMMUNICATION

Both internally and externally, we communicate directly, clearly, transparently and in a timely manner. In doing so, we promote understanding for and acceptance of business decisions. We practice an open door policy. Constructive criticism is not only allowed, it is encouraged. Using regular employee surveys, we identify the strengths and weaknesses of our company and learn about the wishes and suggestions of our employees. This feedback is a valuable source of information for improvements.

DIVERSITY UNDER ONE ROOF

As a global company, we try to establish a working environment that is completely free of discrimination. We view gender equality as a matter of course and strictly comply with local laws. We are aware of its responsibility toward all internal and external contacts, which requires responsible thought and action. Our employees are required to meet the standards laid down in our code of conduct, which is binding throughout the Group. Moreover, we have committed ourselves to abiding by the ten sustainability principles of the U.N. Global Compact Initiative to underscore our acceptance of social and environmental responsibilities as a global company.

KVT-FASTENING PROFILE



KVT-Fastening is a leading international company specializing in fastening technology. It supplies high-quality advanced components and customized solutions for applications in a wide range of industries and sectors.

A SUCCESS STORY

Dr. Ing. Max Koenig laid the groundwork for today's KVT-Fastening over 85 years ago in Zurich. Dr. Ing. Koenig began offering light construction engineering services in 1927 with a focus on "custom sheet metal." Thanks to innovations and a clear emphasis on its core areas of expertise, the small light construction company grew into a global group. After an extremely successful start in Switzerland and the subsequent addition of new locations in Germany and Austria, the company continuously expanded its international presence and entered additional attractive markets.

LEADING EXPERTISE

Today, KVT-Fastening is a renowned international company specializing in high-quality specialty fastening and sealing applications. KVT-Fastening is a leading supplier of high-end fastening solutions throughout Europe, especially on the German, Swiss and Austrian markets. High-performance solutions from KVT-Fastening are in use wherever absolutely reliable fasteners are needed, with applications ranging from electronics and energy technology, automobiles and transportation to aerospace engineering, mechanical engineering, plant

construction, precision engineering and medical technology. These small but extremely strong parts play a crucial role.

FOCUS ON THE EMPLOYEES

The expertise of KVT-Fastening rests on the shoulders of people: highly trained employees with many years of experience. At KVT-Fastening, employees form the heart of the company. KVT-Fastening currently employs 230 people, all of whom dedicate themselves day after day to excellence in fastening technology, guarantee maximum reliability and make KVT-Fastening a reliable partner throughout the world. KVT-Fastening currently serves a steadily growing base of around 25,000 customers.

EUROPEAN PRESENCE

KVT-Fastening has three main logistics centers in Dietikon (Switzerland), Illerrieden/Ulm (Germany) and Asten/Linz (Austria) as well as other sales offices in Poland, Romania, Slovakia, Slovenia, the Czech Republic and Hungary.

SOLUTIONEERING – ONLY THE BEST SOLUTION IS GOOD ENOUGH

In both areas – fastening and sealing applications – KVT-Fastening provides high-quality engineering services based on a portfolio that includes over 70,000 products from leading manufacturers. However, KVT-



Fastening offers more than standard products and individual elements. It actively assists customers in finding the right solution, especially when it comes to individual requirements. KVT-Fastening specializes in customized and tailor-made systems and solutions. With over 85 years of experience, innovative knowledge and unique development and consulting expertise, KVT-Fastening delivers maximum reliability.

A PROMISING FUTURE

KVT-Fastening has long enjoyed a successful partnership with the Bossard Group. The company has been a member of the Bossard Group since November 30, 2012, and it makes an outstanding addition to Bossard's product and service portfolio. KVT-Fastening will continue to focus on its core area of high-end fastening solutions. Combined with the Bossard Group's expertise in materials management, C parts logistics, specialty parts procurement and process consulting, new attractive options will be found on the market. The future belongs to high-performance fastening and sealing technologies, and it is KVT-Fastening's expertise in these areas that make the company so strong and unique – both today and in the future.

KVT-FASTENING AT A GLANCE

- _Leading supplier of high-end industrial fastening solutions**
- _Market focus: Germany, Austria, Switzerland, Central Eastern Europe**
- _230 employees**
- _Three main logistics centers: Dietikon (Switzerland), Illerrieden (Germany) and Asten/Linz (Austria)**
- _25,000 active customers**
- _70,000 products**
- _More than 50 third-party brands**
- _CHF 120 million in sales in 2012**
- _More than 85 years of experience**

QUALITY AND PROCESSES

RELIABILITY WITHOUT COMPROMISE

It is our aim to go beyond the needs of our customers and give them maximum added value. Bossard is therefore committed to superior quality management and ongoing process improvement.

QUALITY BEGINS WITH PROCUREMENT

We know and use the global procurement market first hand. Qualified, innovative and flexible manufacturers are key to our business success. We therefore maintain close relationships with our manufacturers who are subject to strict inspection procedures based on the ISO 3269 standard. We perform regular on-site audits to ensure that our partners meet our high quality standards. We focus on production methods, process safety and quality management.

Bossard's quality management practices are aimed at avoiding errors or detecting and eliminating them at an early stage. We are able to distinguish between random and systematic errors. Due to error analyses, our manufacturers receive detailed information that enables them to quickly and permanently improve the quality of their products without red tape and thus save money.

Total Quality Management is our answer to quality challenges.

ADVANCED GLOBAL TESTING SYSTEM

Our advanced, systematically documented testing system ensures that the products of our manufacturers meet our customers' requirements. Incoming goods are tested simultaneously in ten different quality and test laboratories worldwide. In doing this, we use standard test plans and methods all over the world. We also record and evaluate the results in the same system worldwide, which makes it possible to consolidate and exchange all measurements. The testing process begins with testing of parts and ends with complaint management; consistent, transparent, global. This saves customers the need for expensive inspections and controls.

Our employees can retrieve and implement test plans worldwide with just one mouse click. Our database contains over 800,000 catalog and special items as well as the same number of test plans for checking these articles. All inspection plans are based on the ISO 3269 quality standard which is also Bossard's own standard.

ENGINEERING MAKES THE DIFFERENCE

Every delivered fastener is intended to meet or exceed our customer's expectations. Bossard's engineering team makes this possible. Our experts develop the best solution in collaboration with the customer. We analyze whether and how to optimize the product range and explore ways of reducing the number of parts. The aim is to lower the customer's production costs on a sustainable basis while improving quality at the same time, for instance through the use of new materials, corrosion prevention, reliable locking systems for nuts and bolts, or improvement of production processes.

QUALITY LOWERS COSTS

Bossard was one of the first companies in the industry to meet the quality assurance criteria of the ISO 9001 standard worldwide. In addition, country-specific certifications offer customers the security they need. Our state-of-the-art testing methods and laboratories guarantee flawless quality and reduce the risk for our customers that their products have defective fasteners. Hence, they not only avoid high follow-up costs but they also maintain their reputation for quality products.

QUALITY FOR THE ENVIRONMENT

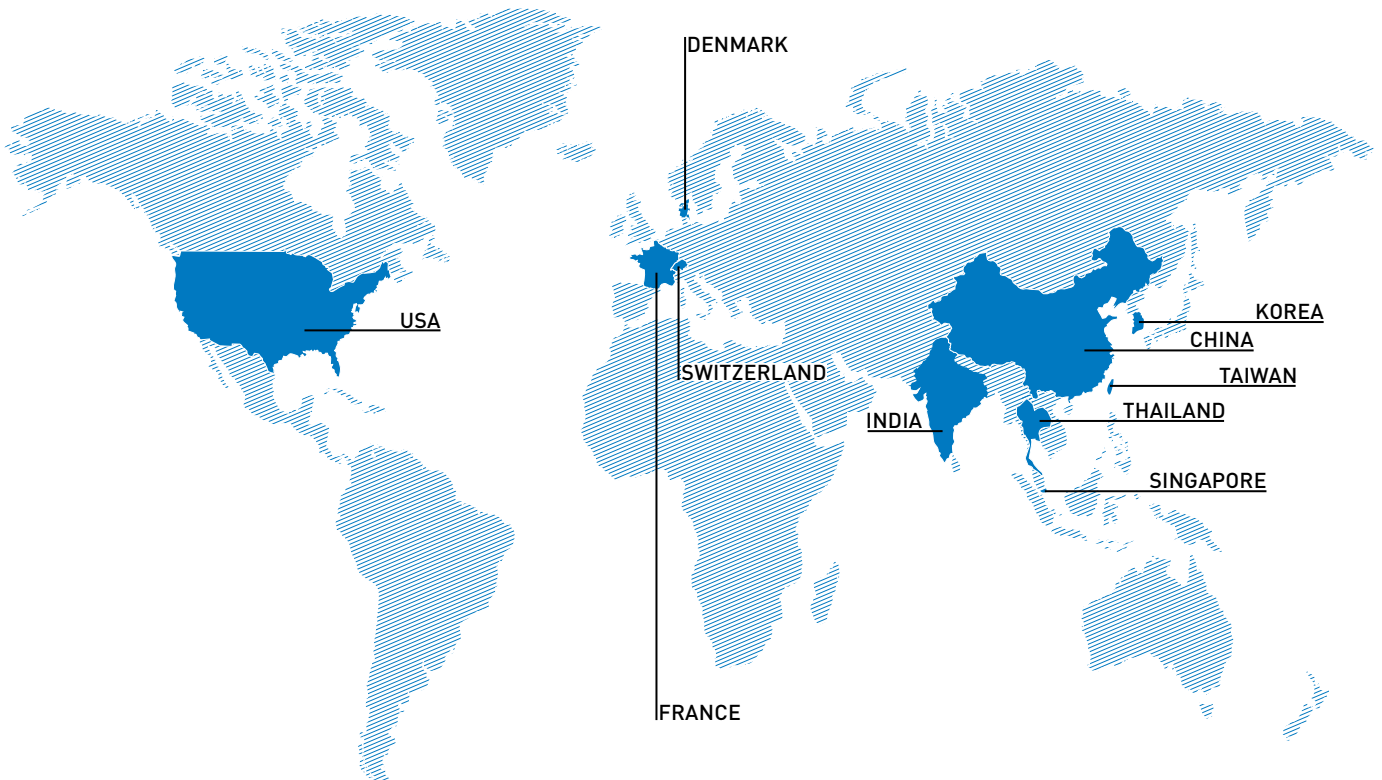
As a responsible company eager to make a contribution to a sustainable future, Bossard pays special attention to environmental aspects when selecting the products and manufacturers. In addition, we protect the environment with our own processes and technologies under the ISO 14001 standard. Ultimately, Bossard's environmental commitment is the driver behind its search for the fastening solutions of tomorrow which must achieve a holistic balance between cost-effectiveness, quality and the environment.

QUALITY AND TEST LABORATORIES PROVEN EXPERTISE AROUND THE GLOBE

Bossard's ten accredited test laboratories in Europe, America and Asia, along with their cutting-edge measuring and testing equipment, ensure reliable quality assurance and flawless product quality. Our customers benefit from certified processes, documented safety and proven testing competence.

Our wide range of tests include:

- _ Tensile and proof load testing
- _ Drive and torsional strength testing
- _ Hardness measurement
- _ Measurement of coating thickness
- _ Environment simulation test (corrosion test)
- _ Chemical analysis



BOARD OF DIRECTORS



The board of directors, from left:
Urs Fankhauser, Erica Jakober-Tremp, Anton Lauber,
Dr. Thomas Schmuckli, Prof. Dr. Stefan Michel, Helen Wetter-Bossard,
Dr. Beat E. Lüthi

DR. THOMAS SCHMUCKLI

Dr. Thomas Schmuckli was appointed chairman of the board in 2007. He was elected to the board in 2000, after having served as secretary to the board between 1997 and 2000. Since 1993 Thomas Schmuckli has been held management positions in the General Counsel division of Credit Suisse Group. In between he was head of process and product management at Zuger Kantonalbank, Zug, from 2000 to 2005. Currently, within Credit Suisse Asset Management, he is Head of Legal and Compliance Services, appointed as Managing Director. He serves as member on the board of directors of various Credit Suisse subsidiaries. Background: Studied law (LLB and LLD) at the University of Fribourg, is an accredited lawyer and notary, and later undertook management studies at the University of Zurich. He was born on February 4, 1963, and is a Swiss citizen.

ANTON LAUBER

Anton Lauber was elected to the board in 2006. Since 2012 he works as an independent Board Professional and Management Consultant. From 2008 to 2011 he headed as delegate of the board of Schurter AG the Schurter Group's Division Electronic Components in Lucerne, with 15 international group companies. From 1993 to 2008 he was CEO of Schurter AG and from 1996 he officiated as delegate of the board of Schurter AG. Between 1988 and 1992, he headed the production and R & D division of Schurter AG. Prior to that, he managed the Generator Plant of ABB Switzerland. He is a member of the board of directors of LEM Holding SA, Fribourg; Landert Motoren AG, Bülach; Fr. Sauter AG, Basel; Beutler Nova AG, Gettnau; CTC Analytics AG, Zwingen and Voegtlin – Meyer AG, Brugg and is chairman of the board of HighTech Aargau AG, Brugg. Furthermore, in Central Switzerland, he serves as chairman of the Council of Lucerne University of Applied Sciences and Arts. Background: Degree in Mechanical Engineering and various postdegree diplomas awarded by the University of St. Gallen, by IMD

in Lausanne and Lucerne University. Anton Lauber was born on July 26, 1951, and is Swiss citizen.

URS FANKHAUSER

Urs Fankhauser, dipl. masch. Ing. FH, was elected to the board in 2007. Since 2002 he has been a member of Sulzer Group's senior management and head of Sulzer's Chemtech division. From 2000 to 2002 he was president of Sulzer Chemtech Inc., Houston, and from 1993 to 2000 of Sulzer Chemtech Pte Ltd, Singapore. Background: Studied mechanical engineering at FH Burgdorf (technical college), awarded an MBA by Henley Management College, U. K., and completed the Advanced Management Program (AMP) at Harvard University, Boston. He is a member of the board of directors of Burckhardt Compression AG, Winterthur. Urs Fankhauser was born on January 24, 1960, and is a Swiss citizen.

ERICA JAKOBER-TREMP

Erica Jakober-Trempp was elected to the board in 2006 where, as the Bossard employee representative, she represents their interests. Erica Jakober-Trempp joined Bossard Switzerland as head of human resources in 1995. In 2006 she took over the management of the employee pension trust of Bossard Group. Before joining Bossard she held management positions in various international companies in the field of human resources. Background: Diploma in human resources management and parttime business management courses (SKU). Erica Jakober-Trempp was born on December 16, 1955, and is a Swiss citizen.

DR. BEAT E. LÜTHI

Dr. Beat E. Lüthi was elected to the board in 2002. He is CEO of CTC Analytics AG, Zwingen, a leading Swiss SME in the field of chromatography automation. From 2003 until 2007 he headed the Laboratory Division of Mettler-Toledo, Greifensee. Between 1998 and 2002 he was CEO of Feintool, Lyss. From 1990 to 1998 he held various management positions at Mettler-

Toledo. Background: Electrical engineering and Ph. D. from Swiss Federal Institute of Technology (ETH) in Zurich; Senior Management Program at INSEAD, Paris. He is a member of the board of directors of Straumann, Basel and chairman of the board of INFICON, Balzers. Beat Lüthi was born on January 12, 1962, and is a Swiss citizen.

PROF. DR. STEFAN MICHEL

Dr. Stefan Michel was elected as a member of the board in 2011. He is a professor for marketing and service management at the IMD Business School in Lausanne, Switzerland. Stefan Michel studied economics at Zurich University and took his doctorate in marketing. From 1998 to 2003 he taught marketing at Lucerne University of Applied Sciences and Arts and was a visiting professor at the universities of Zurich and Bern. Between 2003 and 2008 he taught at the prestigious Thunderbird School of Global Management in Arizona, U.S.A. He also heads his own consulting company, which he has built up alongside his academic activities. Dr. Stefan Michel was born on May 18, 1967, and is a Swiss citizen.

HELEN WETTER-BOSSARD

Helen Wetter-Bossard, lic. iur., was elected to the board in 2002 after she had served as secretary to the board for eighteen months. She is responsible for the operational management of her own family business and, since 2009, a member of the board of Wetter Gipsergeschäft AG. From 1996 to 1999 she worked as clerk to Canton Lucerne's administrative court. Between 2005 and 2011 she was a member of the auditing committee of the Corporation of Zug, which she has chaired since 2009. Since January 2012, she has been a member of the board of the Corporation of Zug. Background: Studied law (LLB) at the University of Zurich; further studies in board management. Helen Wetter-Bossard was born on April 15, 1968, and is a Swiss citizen.

EXECUTIVE COMMITTEE



The executive committee, from left:
Robert Ang, Beat Grob, Stephan Zehnder, David Dean,
Dr. Daniel Bossard, Steen Hansen

DAVID DEAN

David Dean, CEO, has been serving in this function since 2005. From 1998 to 2004 he served as CFO. From 1992 to 1997 he was corporate controller of Bossard Group. Prior to this, from 1990 to 1992, he was corporate controller and a member of the executive committee of an international logistics group. From 1980 to 1990 he worked for PricewaterhouseCoopers AG in various auditing and business consulting functions. He is a member of the regional advisory board of the Swiss National Bank. Background: Swiss certified accountant/controller, Swiss certified public accountant, PMD Harvard Business School and PMD IMD, Lausanne. David Dean was born on April 5, 1959, and is a Swiss citizen.

STEPHAN ZEHNDER

Stephan Zehnder has been serving as CFO since 2005. From 1996 to 1997 he was a controller in Bossard's corporate finance. In 1998 he took over the function of corporate controller of Bossard Group, remaining in this position until the end of 2004. Prior to joining Bossard he was employed by various international enterprises in functions concerned with finance and controlling. Background: MBA Finance from the Graduate School of Business Administration in Zurich and the University of Wales. Stephan Zehnder was born on October 20, 1965, and is a Swiss citizen.

BEAT GROB

Beat Grob has been CEO of Bossard's Central Europe region and a member of the executive committee since May 1, 2006. He had already been appointed managing director of Bossard Switzerland as of January 1, 2005. Beat Grob joined Bossard in 1995 as project manager logistics; the following year, he became head of logistics for Bossard Group. Before joining Bossard he worked as a practicing lawyer and banker. He is chairman of the board of directors of Kolin Holding AG, Zug, a member of the board of directors of Bossard Unternehmensstiftung AG, Zug, and a member of the board of directors of Röntgeninstitut Holding AG, Zug. Background: Studied law at the University of Zurich, postgraduate MBA from the University of San Diego. Beat Grob was born on May 1, 1962, and is a Swiss citizen.

DR. DANIEL BOSSARD

Dr. Daniel Bossard has been a member of the executive committee and CEO of the Northern and Eastern Europe region as of January 1, 2009. From 2006 to 2008 he served as sales & marketing manager of Bossard Group and was responsible for the reorientation of Bossard's sales strategy as well as the development of international customer relations. From 2003 until 2006 he was CEO of Bossard Denmark. Dr. Daniel Bossard joined Bossard in 2000 as e-business manager, after having worked as a consultant for Andersen Consulting (Accenture). He is chairman of the board of directors of Bossard Unternehmensstiftung AG, Zug, and a member of the board of directors of Kolin Holding AG, Zug. Background: Studied business administration at the University of St. Gallen, with postgraduate studies there leading to a doctorate in technology management (Dr. oec. HSG). Dr. Daniel Bossard was born on January 11, 1970, and is a Swiss citizen.

STEEN HANSEN

Steen Hansen has been CEO of Bossard America since February 2008. From 2006 to 2008 he served as president of Bossard IIP, Cedar Falls, Iowa. He was responsible for the Group's logistics between 2004 and 2006, having joined Bossard in 2001 as head of logistics Bossard Denmark. Prior to joining Bossard he filled various management positions, the last being supply chain manager at Nomeco Denmark, a leading wholesaler for pharmaceuticals. Background: Received a Bachelor degree in technology management and marine engineering at the Technical University of Denmark, and was awarded an MBA by the Swiss Federal Institute of Technology. He is member of the board of National Fastener Distribution Association in the US. He was born on April 11, 1959, and is a Danish citizen.

ROBERT ANG

Robert Ang has been CEO of Bossard Asia since June 1, 2009. From 2005 until 2009 he was responsible for Bossard Greater China (China, Taiwan). Prior to that he was General Manager of Bossard Southeast Asia. From 1997 until 1999 he was CEO of Bossard Singapore. Robert Ang managed his own company from 1994 until it was acquired by Bossard in 1997. He spent the previous four years as product manager for Conner Peripherals and Optics Storage Pte Ltd. in Singapore. Between 1986 and 1989 he worked as a strategic buyer at Printronix AG. Background: Diploma from Thames Business School and a diploma in mechanical engineering from Singapore Polytechnic. Robert Ang was born on August 26, 1963, and is a citizen of Singapore.

HIGHLIGHTS

Sales grew 2.9 percent in a challenging market environment.

America reported **double-digit growth** for the third time in a row.

10.1 percent operating margin – **high earnings level maintained.**

Profitability again **exceeds the average** for the industry in 2012.

Acquisition financing partially recovered; a **capital increase** of CHF 80 million **planned** for 2013.

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FINANCIAL REVIEW 2012

SUCCESS IN A CHALLENGING ENVIRONMENT

The Bossard Group earned CHF 487.1 million in sales this past business year, 2.9 percent more than in the previous year. In local currency, the sales volume rose by 1.4 percent. The operating profit (EBIT) was CHF 47.6 million, corresponding to a margin of 10.1 percent. The consolidated net income dropped slightly to CHF 42.9 million, or 9.1 percent of sales. In a market environment that was difficult for the economy as a whole, the Group thus maintained steady sales and a high earnings level and ended the business year with the third best result in the company's history.

AN UNEVEN YEAR

Sales development varied enormously over the course of the business year. The first six months of 2012 showed surprisingly positive results compared to the second half of 2011, with a 13.7 percent increase in sales. In the second half of the year, a weak business cycle caused a slowdown in business activities in our key markets, especially in Europe and Asia. This resulted in a sales growth of only 2.9 percent for the year as a whole, instead of the 5 percent to 8 percent increase that had been targeted.

GROSS SALES IN CHF MILLION	2012	2011	CHANGE	
			IN CHF	IN LOCAL CURRENCY
Europe	263.0	268.1	-1.9 %	-0.7 %
America	142.7	124.6	14.5 %	8.4 %
Asia	81.4	80.8	0.7 %	-2.6 %
Group	487.1	473.5	2.9 %	1.4 %

WEAK BUSINESS IN EUROPE

The generally weaker business cycle in Europe was felt in all our regional business units. Sales declined 1.9 percent to CHF 263.0 million, 0.7 percent in local currency. Excluding the acquisition of KVT-Fastening in November, the sales decrease was 2.8 percent in local currency. Thanks to new business, the slump in sales revenues turned out to be much less pronounced than was to be expected due to the slowdown in industrial production. The higher sales volume enabled Denmark and Poland to substantially expand their market shares.

DOUBLE DIGIT GROWTH IN AMERICA

Bossard saw sales grow 14.5 percent to CHF 142.7 million in America, or 8.4 percent in local currency. Excluding the divestment of Bossard Metrics, Inc., this growth was 10.6 percent. This respectable increase reflects strong demand from our regular customers as well as an increase

in business with new customers. The American markets thus stand out for the third time in a row with double digit sales growth. In Mexico, sales revenues again rose a disproportionate 21.9 percent.

A MODERATE SHOWING IN ASIA

In Asia, we earned CHF 81.4 million in sales in 2012, a slight 0.7 percent increase. In local currency, sales revenues dropped 2.6 percent below the previous year's figure. Our export-oriented customers, in particular, suffered from the weaker international demand. Sales to customers in the wind and solar energy sectors as well as the semiconductor industry in China, India and Korea also experienced a sharp decrease. Profits from new business made up for at least a portion of this sales loss. The only two countries in the Asia-Pacific region where Bossard was able to decisively overcome the general growth slump were Thailand and Malaysia; there the company had high double digit growth rates.

GROSS PROFIT SLIGHTLY HIGHER THAN LAST YEAR

Compared to the prior year, gross profit rose from CHF 185.6 million to CHF 187.5 million. In contrast, the gross profit margin dropped slightly from 39.2 percent to 38.5 percent, largely due to the variable regional sales growth and associated changes to the margin mix.

SLIGHTLY HIGHER OPERATING COSTS

The operating costs without depreciation and amortization increased 3.1 percent, or CHF 3.9 million, from CHF 125.5 million to CHF 129.4 million. Higher labor costs account for CHF 2.6 million of this figure. Following the acquisition of KVT-Fastening, the workforce grew from 1,585 to 1,812 employees.

A LOWER BUT STILL ABOVE AVERAGE EBIT MARGIN

The operating profit (EBIT) was CHF 47.6 million, or 5.2 percent less than in the prior year. The operating margin declined from 11.0 percent to 10.1 percent. The main reasons for this slight decline are a lower gross profit margin and the variable earnings growth in the individual market regions. While the operating margin increased in Europe and the Americas, it fell below the prior year's level in Asia. Despite the difficult market conditions, profitability as a whole remained at a high level, exceeding the average for the industry. Bossard thus reported a double digit EBIT margin for the third time in a row.

LOWER FINANCIAL EXPENSES

Despite higher interest costs toward the end of the year resulting from the acquisition of KVT-Fastening, the total financial expenses decreased by CHF 0.3 million, a year-on-year decline from CHF 2.1 million to CHF 1.8 million. This decrease is largely attributable to currency gains and low interest rates.

POSITIVE NON-OPERATING RESULT

The CHF 3.3 million non-operating result is the profit from the sale of the minority stake in Bossard & Staerkle AG, Zug, and the divestment of the operational business of Bossard Metrics, Inc. in the United States.

HIGHER TAX EXPENDITURES

Tax expenditures rose year on year CHF 2.8 million to CHF 6.2 million, with the tax rate rising from 7.0 percent to 12.6 percent. However, this tax rate remained comparatively low due to deduction of tax loss carryforwards. Part of this increase is also attributable to rising tax rates in individual countries and to only partially deductible tax loss carryforwards.

CONSOLIDATED NET INCOME BARELY MAINTAINED IN AN UNFAVORABLE ENVIRONMENT

In the past business year, the Bossard Group earned CHF 42.9 million in consolidated net income, a slight decrease of CHF 1.9 million, or 4.3 percent. This yielded a 9.1 percent return on sales (prior year: 9.8 percent), which is once again an excellent result in light of the difficult market conditions in Europe and Asia. The board of directors will propose to the annual general meeting a dividend of CHF 5.75 per bearer share. At a closing price of CHF 134 on December 31, 2012, this equals a dividend yield of 4.3 percent.

LOWER EQUITY RATIO DUE TO ACQUISITION – PARTIALLY COMPENSATED BY CAPITAL INCREASE

Due to the purchase of KVT-Fastening, total assets rose from CHF 331.0 million to CHF 376.3 million. The CHF 179.6 million in goodwill generated by the acquisition was directly offset with the equity, which therefore declined from CHF 206.2 million to CHF 50.1 million. The equity ratio (equity to total assets) decreased from 62.3 percent to 13.3 percent. To strengthen the company's financial footing, the Bossard Group plans a CHF 80 million capital increase in mid-March 2013, which will raise the equity ratio back up to around 35 percent. Adjusted

for the goodwill offset, the return on equity amounted to 19.8 percent, compared to 23.2 percent last year. The return on capital employed adjusted for the net assets of KVT-Fastening was 18.2 percent (prior year: 21.2 percent).

SIGNIFICANTLY HIGHER INVESTMENTS

The cash flow from operating activities rose by CHF 30.4 million to CHF 56.3 million, more than double the prior year's figures. The cash flow from investment activities was CHF 210.8 million, attributable primarily to the acquisition of KVT-Fastening. Investments in tangible and intangible assets amounted to CHF 22.5 million in 2012, compared to CHF 13.1 million in the prior year. Roughly two-thirds of the investments went toward expanding warehouse capacities in Switzerland, Malaysia and Korea. The remaining investments are primarily replacement investments in infrastructure and software. The net debt rose from CHF 29.6 million to CHF 202.2 million as a result of the acquisition. As mentioned above, part of this external financing is to be recovered by CHF 80 million in equity capital as part of the planned capital increase.

READY FOR THE ECONOMIC UPSWING

The economic situation remains difficult and challenging as we enter the current fiscal 2013. Even if the most recent market assessments turn out to be somewhat less negative, we are left with uncertainty about the indebtedness of many countries, which continues to be unresolved. Regardless, we are adhering firmly to our market and growth strategy. Even in this uncertain environment, we want to seize opportunities and be prepared for the possibility that the global business cycle will indeed enter an expansion phase. The initial price increases announced by manufacturers could be an early sign of accelerating demand.

CONSOLIDATED BALANCE SHEET

BOSSARD GROUP

IN CHF 1,000	31.12.2012	31.12.2011
Assets		
Current assets		
Cash and cash equivalents	25,629	15,647
Accounts receivable, trade	85,299	79,962
Other receivables	5,773	2,080
Prepaid expenses	8,290	7,965
Inventories	155,583	153,585
	280,574	259,239
Long-term assets		
Property, plant and equipment	86,201	64,896
Intangible assets	3,277	2,813
Financial assets	1,247	1,611
Deferred tax assets	5,004	2,472
	95,729	71,792
Total assets	376,303	331,031
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable, trade	38,657	30,984
Other liabilities	18,102	16,914
Accrued expenses	23,853	24,481
Tax liabilities	6,207	2,215
Provisions	979	1,254
Short-term debts	107,814	45,254
Loans from shareholders	10,000	0
	205,612	121,102
Long-term liabilities		
Long-term debts	110,000	0
Provisions	6,870	1,251
Deferred tax liabilities	3,713	2,438
	120,583	3,689
Total liabilities	326,195	124,791
Shareholders' equity		
Share capital	32,000	32,000
Treasury shares	-4,900	-5,041
Capital reserves	54,415	53,995
Retained earnings	-34,834	121,737
	46,681	202,691
Minority interest	3,427	3,549
Total shareholders' equity	50,108	206,240
Total liabilities and shareholders' equity	376,303	331,031

CONSOLIDATED INCOME STATEMENT

BOSSARD GROUP

IN CHF 1,000	2012	2011
Sales	487,094	473,484
Sales deductions	15,921	15,767
Net sales	471,173	457,717
Cost of goods sold	283,695	272,165
Gross profit	187,478	185,552
Personnel expenses	99,627	96,986
Administrative expenses	15,911	14,983
Other operating expenses	13,862	13,487
EBITDA	58,078	60,096
Depreciation	9,309	8,412
Amortization	1,138	1,424
EBIT	47,631	50,260
Financial result	1,806	2,085
Ordinary result	45,825	48,175
Non-operating result	3,279	0
Income before taxes	49,104	48,175
Income Taxes	6,197	3,362
Net income	42,907	44,813
Attributable to:		
Shareholders of Bossard Holding AG	42,866	44,260
Minority interest	41	553
IN CHF	2012	2011
Earnings per bearer share ¹⁾	14.38	14.89
Earnings per registered share ¹⁾	2.88	2.98

1) Earnings per share is based on the net income of the shareholders of Bossard Holding AG and the annual average number of outstanding shares entitled to dividend. There is no dilution effect.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

BOSSARD GROUP

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, 2011	32,000	-5,507	52,975	169,676	-73,393	175,751	3,603	179,354
Dividend				-17,802		-17,802		-17,802
Net income for the period				44,260		44,260	553	44,813
Change in treasury shares		466	1,020			1,486		1,486
Translation differences					-1,004	-1,004	-607	-1,611
Balance at December 31, 2011	32,000	-5,041	53,995	196,134	-74,397	202,691	3,549	206,240
Balance at January 1, 2012	32,000	-5,041	53,995	196,134	-74,397	202,691	3,549	206,240
Dividend				-17,861		-17,861		-17,861
Net income for the period				42,866		42,866	41	42,907
Change in treasury shares		141	420			561		561
Offset goodwill from acquisitions				-179,606		-179,606		-179,606
Translation differences					-1,970	-1,970	-163	-2,133
Balance at December 31, 2012	32,000	-4,900	54,415	41,533	-76,367	46,681	3,427	50,108

CONSOLIDATED CASH FLOW STATEMENT

BOSSARD GROUP

IN CHF 1,000	2012	2011
Net income	42,907	44,813
Income taxes	6,197	3,362
Financial income	-1,617	-1,353
Financial expenses	3,423	3,438
Depreciation and amortization	10,447	9,836
Increase provisions	1,537	359
Loss/(Gain) from disposals of property, plant and equipment	182	-32
Loss from disposals of intangible assets	3	1
Gain from divestments of financial assets	-910	0
Gain from disinvestments of shareholdings and businesses	-2,369	0
Interest received	593	758
Interest paid	-2,258	-1,190
Taxes paid	-4,998	-4,508
Other non-cash expense/(income)	-240	4,032
Cash flow from operating activities before changes in net working capital	52,897	59,516
Decrease/(Increase) accounts receivable, trade	2,616	-7,470
(Increase)/Decrease other receivables	-231	1,228
Decrease/(Increase) inventories	8,326	-30,485
(Decrease)/Increase accounts payable, trade	-3,390	3,367
Decrease other liabilities	-3,899	-214
Cash flow from operating activities	56,319	25,942
Investments in property, plant and equipment	-21,482	-12,231
Proceeds from sales of property, plant and equipment	799	344
Investments in intangible assets	-1,045	-825
Proceeds from sales of intangible assets	59	0
Cash flow from purchases of companies	-198,264	0
Cash flow from sales of shareholdings and businesses	7,568	0
Investments in financial assets	-108	-225
Divestments of financial assets	1,666	127
Cash flow from investing activities	-210,807	-12,810
Borrowing short-term debts	72,367	710
Borrowing long-term debts	110,000	0
Decrease treasury shares	141	466
Dividends paid	-17,861	-17,802
Cash flow from financing activities	164,647	-16,626
Translation differences	-177	161
Change in cash and cash equivalents	9,982	-3,333
Cash and cash equivalents at January 1	15,647	18,980
Cash and cash equivalents at December 31	25,629	15,647

BALANCE SHEET

BOSSARD HOLDING AG

IN CHF	NOTES	31.12.2012	31.12.2011
Assets			
Current assets			
Cash and cash equivalents		57,353	22,146
Marketable securities – treasury shares	3	3,049,735	3,191,338
Accounts receivable others		6,500	4,662
Accruals		152,094	–
Total current assets		3,265,682	3,218,146
Long-term assets			
Investments	2	118,023,215	118,313,215
Own shares	3	1,850,000	1,850,000
Total long-term assets		119,873,215	120,163,215
Total assets		123,138,897	123,381,361
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable Group companies		18,588,422	16,224,341
Accounts payable others		182,044	53,030
Bank loans		–	4,500,000
Accrued expenses		863,378	852,404
Total current liabilities		19,633,844	21,629,775
Total liabilities		19,633,844	21,629,775
Shareholders' equity			
Share capital		32,000,000	32,000,000
Legal reserve			
General reserve		16,000,000	16,000,000
Reserve for own shares	3	4,899,735	5,041,338
Other reserves		29,211,965	29,070,362
Retained earnings		21,393,353	19,639,886
Total shareholders' equity		103,505,053	101,751,586
Total liabilities and shareholders' equity		123,138,897	123,381,361

INCOME STATEMENT AND APPROPRIATION OF AVAILABLE EARNINGS BOSSARD HOLDING AG

INCOME STATEMENT

IN CHF	2012	2011
Income		
Dividend income, income from marketable securities	21,231,847	14,697,326
Interest income	109	244
Service fees from Group companies	336,000	336,000
Total income	21,567,956	15,033,570
Expenses		
General and administrative expenses	1,532,319	1,357,502
Financial expenses	410,547	583,514
Total expenses	1,942,866	1,941,016
Income before taxes	19,625,090	13,092,554
Taxes	10,853	35,000
Net income	19,614,237	13,057,554

CHANGES IN RETAINED EARNINGS

IN CHF	2012	2011
Retained earnings at beginning of year	19,639,886	24,384,044
Net income	19,614,237	13,057,554
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2011 and 2010 respectively	-17,860,770	-17,801,712
Retained earnings at end of year	21,393,353	19,639,886

THE BOARD OF DIRECTORS PROPOSES TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS THE FOLLOWING APPROPRIATION OF AVAILABLE EARNINGS AS AT DECEMBER 31, 2012

IN CHF	2012
Available retained earnings before distribution	21,393,353
Dividend of 57.5 percent on the share capital of max. CHF 30,150,000 eligible for dividends	-17,336,250
To be carried forward	4,057,103

NOTES TO THE FINANCIAL STATEMENTS

BOSSARD HOLDING AG

IN CHF	2012	2011
1. Guarantees, contingent liabilities, assets pledged in favour of third parties	303,544,519	111,635,138
thereof used	196,420,571	21,754,836
Bossard Group concentrates its main credit facilities in Bossard Holding AG. Bossard subsidiaries can draw on the credit lines, for which right Bossard Holding AG has undertaken guarantee obligations.		
2. Investments contain:		
Bossard Finance AG, Zug, wholly owned		
Bossard AG, Zug, 0 percent (2011: 100 percent)		
Bossard & Staerkle AG, Zug, 0 percent (2011: 8 percent)		
3. Balance of own shares		
a) Treasury shares		
Balance at Jan. 1 – 38,205 shares (2011: 48,048 shares)	3,191,338	3,657,401
Purchase: 2,493 bearer shares of CHF 10 par value (2011: 2,758 shares)	327,355	305,150
Sale: 0 bearer shares of CHF 10 par value (2011: 5,000 shares)	–	–311,454
Used for share option program: 7,111 bearer shares of CHF 10 par value (2011: 7,601 shares)	–468,958	–459,759
Balance at Dec. 31 – 33,587 shares, rate 134.00 (2011: 38,205 shares, rate 102.00)	3,049,735	3,191,338
b) Own shares		
Balance of own shares 185,000 bearer shares of CHF 10 par value (no voting rights and dividend entitlement – never issued)	1,850,000	1,850,000
c) Reserve for own shares		
Cost of treasury shares	3,049,735	3,191,338
Own shares – never issued	1,850,000	1,850,000
Reserve for own shares	4,899,735	5,041,338
4. Compensation and share holdings		
The disclosure of compensation and share holdings of the board and the executive committee as per Swiss Code of Obligations article 663b ^{bis} and article 663c can be found in the notes of the consolidated financial statements.		
5. Other information required by law		
Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, form a shareholder group in accordance with article 20 SESTA. They hold 56.5 percent (2011: 56.5 percent) of the voting rights. Kolin Holding AG, Zug, is wholly owned by the Bossard families.		
6. Risk management		
The risk management of Bossard Holding AG is continually documented and its effectiveness tested. At meetings held annually a standardized procedure is used to examine all business activities and balance sheet items for potential risks. Thus the comprehensive overview of the potential risk situation is updated every year. Each identified risk is evaluated in terms of the loss that might be incurred; targets and countermeasures are then drawn up on this basis. The results of the risk evaluation procedure are defined in a report submitted to the board of directors and the executive committee. Overall, hazards that could negatively impact on the future development of Bossard Holding AG can never be ruled out completely. Wars, terror attacks, acts of God, or pandemics are examples of such events.		



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This summary report and the annual report are also available in English and German on www.bossard.com > About us > Investor Relations.



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