INTERIM REPORT
01.01. – 30.04.2007

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BOSSARD

Content

Interim Report – First four Months 2007

Successful Start into the new Year – Sales and consolidated Net Income reached record Levels

– Sales up 6.7 Percent on the first four Months of 2006
– Marked, broadly based Growth in Europe
– Restructuring in America on Schedule
– New Record operating Profit and consolidated Net Income – up 20 Percent and 25 Percent respectively

Ladies and Gentlemen,

Bossard Group reported a new record sales total of CHF 204.1 million for the first four months of the current year. Consolidated net income for the same period also reached a record high of CHF 10.6 million.
The overall economic climate was exceptionally good in Europe. In such a favorable environment we were able to take full advantage of the opportunities arising in this market region and to turn them into excellent, broadly-based results. In America the slowdown of industrial development which had become apparent in 2006 continued. There was a noticeable collapse in demand in the sectors of capital goods and consumer durables which we mainly serve. The Asian region continued robust in the first four months of the year. However, in specific regions and in some sectors that are relevant for us, there have been signs since late fall 2006 that growth slowed down; this was partially evident in the first four months of 2007.

Continuing strong Growth in Europe
Bossard Group's total consolidated sales rose in the first four months of 2007 to a record of CHF 204.1 million, CHF 10.8 million higher than in 2006. This is the first time that Bossard has reported sales of more than CHF 200 million for a four-month period. In Swiss francs this was an increase of 5.6 percent and in local currencies of even 6.7 percent.
Demand in Europe, in particular, continued to grow strongly in the first four months of 2007. Sales in local currencies were up 18.5 percent year on year and in Swiss francs by more than 21 percent. All sales regions contributed to this good result and all reported double digit growth. Thus we made the most of a favorable economic climate and, additionally, won further market shares.

Curbed Growth in Asia
Compared to the first four months of 2006, sales were up for the reporting period by 7.5 percent, so that the development in this region was below expectations. Although growth increased by 53 percent in China and by 30 percent in Thailand, other areas in the region reported low or declining growth rates. In Southeast Asia and India sales were down by 10 percent in the first four months of 2007. In India we lost sales to a supplier whom we had previously represented in this market.

America largely as expected
Compared to the prior year, sales in America fell in local currency by 10.9 percent. We had expected this development, which confirmed the decrease in production previously announced by our customers.

IN CHF MILLION	4 MONTHS 2007	4 MONTHS 2006	CHANGE IN CHF	CHANGE IN LOCAL CURRENCY
Europe	117.6	97.1	21.1 %	18.5 %
America	60.7	71.8	–15.5 %	–10.9 %
Asia	25.8	24.4	5.7 %	7.5 %
Group	**204.1**	**193.3**	**5.6 %**	**6.7 %**

Slightly higher Gross Profit, stable operating Costs
Gross profit rose from CHF 68.3 million to CHF 70.9 million, an increase of 3.9 percent. The gross profit margin of 34.8 percent at the end of April was 0.5 percentage

points lower than in 2006. The price increase of stainless steel in particular increased pressure on margins. The higher cost of raw materials could not all be passed on to the customers without a time lag.
Operating costs after the first four months were at the prior year's level. Before restructuring costs, the operating costs even decreased by 2.5 percent. The lower costs are primarily attributable to the measures implemented in America to improve profitability, as well as to other corrective measures introduced as part of our restructuring effort there. Our restructuring plan is on schedule.
From our present perspective, we do not expect to exceed the restructuring costs of approximately CHF 5 million previously announced for the current year.

Record Levels for operating and consolidated Profit

The operating income (EBIT) rose from CHF 12.9 million in 2006 to a new record of CHF 15.4 million in the reporting period; this result is 20 percent higher than for the same period in 2006. The operating profit margin climbed from 6.9 percent to 7.9 percent. This was primarily achieved through the very strong development in Europe. The increase in sales led to a more than proportional rise in profit. The measures implemented in America impacted positively on earnings, so that ordinary operating profit increased despite a decline in sales.
In Asia the result suffered from sales losses in various markets and thus remained below target for the first four months of the year.
Overall, the Group's net income in the first four months amounted to CHF 10.6 million as against CHF 8.5 million in the prior year. This is the highest profit for a four-month period in the company's history and corresponds to a profit increase of 25 percent.

Healthy financial Situation

Total assets rose in the reporting period by CHF 22.2 million or 5.6 percent compared to the end of 2006. The main reasons for this were sales-related higher accounts receivable and inventories. The growth in the Group's net working capital requirement led to a higher net debt: It rose by CHF 7.3 million to CHF 120.8 million. The equity ratio remained at a healthy 43.2 percent. Irrespective of the increase of the capital employed, the Group's gearing (net debt/equity) remained at a very respectable 0.7.
Thus the Group's financial situation continues to be very strong.

Prospects

The prospects for the rest of the current year are good, and this despite the differing developments and results in our various markets. For seasonal reasons we do not expect the next two four-month periods to reach the high levels of the first four months. Experience has shown that sales volumes tend to be lower in the summer months and in December. For the Group as a whole, our target is sales growth of between 5 percent and 7 percent, and an increase in profit on the ordinary result that is higher than sales growth. This assessment is, of course, based on the assumption that no unforeseeable events occur which could lead to markedly different and unexpected developments in our various markets.

Dr. Thomas Schmuckli
Chairman of the
Board of Directors

David Dean
Chief Executive
Officer

Zug, June 5, 2007

Results in Figures

IN CHF MILLION		FIRST 4 MONTHS 2007	FIRST 4 MONTHS 2006	FULL YEAR 2006
Gross sales		204.1	193.3	559.5
Net sales		195.9	186.2	536.8
Gross profit		70.9	68.3	197.4
Operating expenses, depreciation and amortization		54.3	55.4	164.3
Ordinary EBIT		16.6	12.9	33.1
in % of net sales		8.5	6.9	6.2
EBIT after exceptional items [1]		15.4	12.9	22.7
in % of net sales		7.9	6.9	4.2
Ordinary net income		11.8	8.5	22.6
in % of net sales		6.0	4.6	4.2
Net income after exceptional items [1]		10.6	8.5	12.2
in % of net sales		5.4	4.6	2.3
Cash flow from operations		4.1	11.0	35.4
Current assets		291.4	261.6	267.8
Long-term assets		125.9	130.9	127.3
Current liabilities		172.0	156.8	156.6
Long-term liabilities		64.9	66.4	65.8
Shareholders' equity		180.4	169.3	172.7
in % of total assets		43.2	43.1	43.7
Total assets		417.3	392.5	395.1
Net debt		120.8	128.3	113.5
Headcount at end of reporting period		1,823	1,727	1,818
Share capital				
Number of shares entitled to dividend				
Registered shares at CHF 2 par		2,700,000	2,700,000	2,700,000
Bearer shares at CHF 10 par		2,470,206	2,460,206	2,460,206
Bearer shares equivalents at CHF 10 par				
entitled to dividend		3,010,206	3,000,206	3,000,206
Market price (ticker symbol: BOSZ/BOS)				
Closing price at end of reporting period	CHF	85.0	90.4	81.5
Bearer share high during reporting period	CHF	89.0	93.0	93.0
Bearer share low during reporting period	CHF	81.7	78.6	73.5
Key figures				
Consolidated net income per bearer share [2] [3]	CHF	11.6	8.1	7.4
Net worth per bearer share	CHF	59.9	56.4	57.6
Price/earnings ratio (basis: 30.04./31.12.)		7.2	10.6	10.9
Price/book value (basis: 30.04./31.12.)		1.4	1.6	1.4

[1] Exceptional items: Restructuring expenses America
[2] 4 months extrapolated to 12 months
[3] Basis: Ordinary net income (ordinary means: before exceptional items) of Shareholders' Bossard Holding AG

The unaudited, consolidated interim financial statements for the first four months of 2007 were prepared in accordance with the International Financial Reporting Standards (IFRS) "Interim Financial Reporting IAS 34". The complete interim report is available on www.bossard.com (Investor Relations – Publications/Reports).

Consolidated Balance Sheet

IN CHF 1,000	30.04.2007 UNAUDITED	%	30.04.2006 UNAUDITED	%	31.12.2006 AUDITED	%
Assets						
Current assets						
Cash and cash equivalents	8,111	1.9	7,970	2.0	8,947	2.3
Accounts receivable, trade	109,857	26.3	96,836	24.7	97,116	24.6
Other receivables and prepaid expenses	11,965	2.9	11,304	2.9	8,373	2.1
Inventories	161,520	38.7	145,457	37.0	153,398	38.8
	291,453	**69.8**	**261,567**	**66.6**	**267,834**	**67.8**
Long-term assets						
Property, plant and equipment	71,586	17.2	73,699	18.8	71,990	18.2
Intangible assets	51,590	12.4	53,832	13.7	52,313	13.2
Financial assets	2,676	0.6	3,414	0.9	2,946	0.8
	125,852	**30.2**	**130,945**	**33.4**	**127,249**	**32.2**
Total assets	**417,305**	**100.0**	**392,512**	**100.0**	**395,083**	**100.0**
Liabilities and shareholders' equity						
Current liabilities						
Accounts payable, trade	55,003	13.2	46,151	11.8	51,718	13.1
Other liabilities and accrued expenses	36,255	8.7	24,700	6.3	28,810	7.3
Current tax liabilities	5,803	1.4	5,334	1.4	7,699	1.9
Short-term debts	74,863	17.9	80,599	20.5	68,357	17.3
	171,924	**41.2**	**156,784**	**40.0**	**156,584**	**39.6**
Long-term liabilities						
Long-term debts	54,068	13.0	55,708	14.2	54,068	13.7
Other liabilities	3,736	0.9	3,871	1.0	3,771	1.0
Provisions	3,261	0.8	1,948	0.5	3,235	0.8
Deferred taxes	3,871	0.9	4,886	1.2	4,681	1.2
	64,936	**15.6**	**66,413**	**16.9**	**65,755**	**16.7**
Total liabilities	**236,860**	**56.8**	**223,197**	**56.9**	**222,339**	**56.3**
Shareholders' equity						
Share capital	32,000	7.6	32,000	8.1	32,000	8.1
Retained earnings and other reserves	144,366	34.6	133,765	34.1	137,042	34.7
	176,366	**42.2**	**165,765**	**42.2**	**169,042**	**42.8**
Minority interest	4,079	1.0	3,550	0.9	3,702	0.9
Total shareholders' equity	**180,445**	**43.2**	**169,315**	**43.1**	**172,744**	**43.7**
Total liabilities and shareholders' equity	**417,305**	**100.0**	**392,512**	**100.0**	**395,083**	**100.0**

Consolidated Income Statement

IN CHF 1,000	01.01.2007– 30.04.2007 UNAUDITED	01.01.2006– 30.04.2006 UNAUDITED
Gross sales	**204,102**	**193,278**
Sales deductions	8,183	7,050
Net sales	**195,919**	**186,228**
Cost of goods sold	124,988	117,933
Gross profit	**70,931**	**68,295**
Personnel expenses	36,479	36,250
Sales, marketing and administration expenses	7,040	7,821
Other operating expenses	6,753	7,470
Restructuring expenses	1,192	–
EBITDA	**19,467**	**16,754**
Depreciation and amortization	4,023	3,886
EBIT	**15,444**	**12,868**
Financial expenses net	1,431	1,910
Income before taxes	**14,013**	**10,958**
Taxes	3,388	2,451
Net income	**10,625**	**8,507**
Attributable to:		
Shareholders' Bossard Holding AG	10,492	8,114
Minority interest	133	393

IN CHF	2007	2006
Earnings per bearer share – basic [1]	10.46	8.11
Earnings per registered share – basic [1]	2.09	1.62

[1] Earnings per share is based on the net income of Shareholders' Bossard Holding AG. There is no dilution effect.

Consolidated Statement of Changes in Equity

IN CHF 1,000	ISSUED SHARE CAPITAL	OWN SHARES	RETAINED EARNINGS AND RESERVES	CUMUL. TRANSLAT. DIFFERENCE	SHARE-HOLDERS BOSSARD	MINORITY INTEREST	SHARE-HOLDERS' EQUITY
Balance at Jan. 1, 2006 (audited)	32,000	–2,083	162,556	–27,697	164,776	4,533	169,309
Translation difference				–954	–954	–290	–1,244
Total income and expense recognised directly in equity				**–954**	**–954**	**–290**	**–1,244**
Net income for the period			8,114		8,114	393	8,507
Total recognised income and expense for the period			**8,114**	**–954**	**7,160**	**103**	**7,263**
Dividend			–6,900		–6,900		–6,900
Treasury shares sold for option scheme		84	645		729		729
Change in scope of consolidation					–	–1,086	–1,086
Balance at April 30, 2006 (unaudited)	**32,000**	**–1,999**	**164,415**	**–28,651**	**165,765**	**3,550**	**169,315**

IN CHF 1,000	ISSUED SHARE CAPITAL	OWN SHARES	RETAINED EARNINGS AND RESERVES	CUMUL. TRANSLAT. DIFFERENCE	SHARE-HOLDERS BOSSARD	MINORITY INTEREST	SHARE-HOLDERS' EQUITY
Balance at Jan. 1, 2007 (audited)	32,000	–1,999	166,952	–27,911	169,042	3,702	172,744
Translation difference				1,038	1,038	244	1,282
Total income and expense recognised directly in equity				**1,038**	**1,038**	**244**	**1,282**
Net income for the period			10,492		10,492	133	10,625
Total recognised income and expense for the period			**10,492**	**1,038**	**11,530**	**377**	**11,907**
Dividend			–5,117		–5,117		–5,117
Treasury shares sold for option scheme		100	811		911		911
Balance at April 30, 2007 (unaudited)	**32,000**	**–1,899**	**173,138**	**–26,873**	**176,366**	**4,079**	**180,445**

Consolidated Cash Flow Statement

JANUARY–APRIL IN CHF 1,000	2007 UNAUDITED	2006 UNAUDITED
Cash flow from operating activities		
Net income	10,625	8,507
Taxes	3,388	2,451
Financial expenses net	1,431	1,910
Depreciation and amortization	4,023	3,886
Other non cash expenses	3,377	803
Cash flow from operating activities before changes in working capital	**22,844**	**17,557**
Increase receivables	–17,138	–19,785
(Increase)/decrease inventories	–10,694	7,848
Increase payables	9,080	5,410
Cash flow from changes in working capital	**–18,752**	**–6,527**
Cash flow from operations	**4,092**	**11,030**
Interest received	970	196
Interest paid	–759	–1,118
Income taxes paid	–6,094	–4,042
Net cash flow from operations	**–1,791**	**6,066**
Cash flow from investing activities		
Purchase of property, plant, equipment and computer software	–2,534	–3,242
Payments for purchases of investments	–	–1,607
Proceeds from sale property, plant and equipment	121	72
Decrease/(increase) of loans and deposits	259	–1,768
Net cash used for investing activities	**–2,154**	**–6,545**
Free cash flow	**–3,945**	**–479**
Cash flow from financing activities		
Sale of treasury shares/employee options	911	729
Increase of debts	6,506	3,062
Dividends paid	–5,117	–6,900
Cash flow from financing activities	**2,300**	**–3,109**
Translation difference	809	1,539
Change in cash and cash equivalents	**–836**	**–2,049**
Cash and cash equivalents at Jan. 1	8,947	10,019
Cash and cash equivalents at April 30	8,111	7,970

IN CHF 1,000	2007	2006
Change in cash and cash equivalents	–836	–2,049
Increase of debts	–6,506	–3,062
Increase of net debt	**–7,342**	**–5,111**
Net debt at Jan. 1	–113,478	–123,226
Net debt at April 30	**–120,820**	**–128,337**
Reconciliation of net debt		
Cash and cash equivalents	8,111	7,970
Debts	–128,931	–136,307
Net debt at April 30	**–120,820**	**–128,337**

Notes to the Consolidated Financial Statements

Scope of Operations (1)
Bossard Holding AG, Zug, Switzerland, a Swiss company limited by shares, is the ultimate parent company of all entities within the Bossard Group (hereinafter "Bossard") of companies. Bossard is a leading distributor of fasteners and small component parts and a provider of related engineering and inventory management solutions to original equipment manufactures in three geographic regions: Europe, America and Asia.

Basis for the Preparation of the Consolidated Financial Statements (2)
The unaudited, consolidated interim financial statements for the first four months of 2007 were prepared in accordance with the International Financial Reporting Standards (IFRS) "Interim Financial Reporting IAS 34".
The consolidated financial statements of the Bossard Group are based on the financial statements of the individual Group companies at April 30, 2007 prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the International Accounting Standards Board (IASB). They are prepared in accordance with Swiss law and the listing rules of the SWX Swiss Exchange.
The preparation of financial statements requires board of directors and group management to make estimates and assumptions that affect the amounts reported for assets and liabilities and contingent assets and liabilities at the date of the financial statements as well as revenue and expenses reported for the financial year. These estimates are based on group management's best knowledge of current events and actions that Bossard may undertake in the future.
However, actual results could differ from these estimates.

Adoption of New and Revised International Financial Reporting Standards (IFRS) (2.1)
In the financial year 2007, Bossard adopted the following new and revised standards and interpretations: IFRS 7, IAS 1 revised, IFRIC 8, IFRIC 9 and IFRIC 10. The adoption of these new and revised standards and interpretations has no material impact on the financial statements of Bossard.

Currently group management is examining the influence on Bossard's financial reporting on the following new standards as well as amendments and interpretations of existing standards which are not yet applicable for Bossard and have therefore not yet been adopted: IFRS 8, IFRIC 7, IFRIC 11 and IFRIC 12. Group management anticipates that adopting the issued but not yet effective standards and interpretations will have no material impact on the financial statements of Bossard.

In the financial year 2006, Bossard adopted the following new and revised standards and interpretations: IAS 19 revised, IAS 39 revised, IFRS 1 revised, IFRS 4 revised, IFRS 6, IFRIC 4, IFRIC 5 and IFRIC 6. The adoption of these new and revised standards and interpretations had no material impact on the financial statements of Bossard.

Principles of Consolidation (2.2)

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign subsidiaries over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to Bossard, and are excluded from the consolidation as of the date Bossard ceases to have control over the company. April 30 represents the uniform closing date for all companies included in the consolidated financial statements.
The purchase method of accounting is used for capital consolidation. Profits on intercompany sales not yet realized through sales to third parties as at balance sheet date are eliminated in the consolidation.

Investment in subsidiaries

Investments in subsidiaries are fully consolidated. These are entities over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns directly or indirectly more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement. Intercompany balances (incl. unrealized profit on intercompany inventories) and transactions are eliminated in full.

Investments in associates

Investments in associates are accounted for using the equity method of accounting. These are entities in which Bossard has significant influence and which are neither subsidiaries nor joint ventures of Bossard. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these decisions (usually 20–50 percent of voting rights). Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize Bossard's share of profit or loss of the investee after the acquisition date. Bossard did not own any investment in associates during the period under review.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting. These are contractual arrangements whereby two or more parties undertake an economic activity that is subject of joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Under the equity method, the investment in a joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize Bossard's share of profit or loss of the jointly controlled entity after the acquisition date. No joint venture was held by Bossard during the period under review.

Foreign Currency Translation (2.3)

The consolidated financial statements are expressed in Swiss francs (“CHF”). The functional currency of each Bossard company is the applicable local currency.
Transactions in foreign currencies are accounted for at the rates prevailing at the dates of the transactions. Items which are hedged against exchange rate exposures are translated at the hedged rate of exchange. The resulting exchange differences are recounted in the local income statements of the Bossard companies and included in net income.
Bossard companies translate monetary assets and liabilities denominated in foreign currencies to the reporting currency using balance sheet date exchange rates.
For the purposes of consolidation, assets and liabilities of foreign Bossard companies reporting in currencies other than CHF are translated to CHF at balance sheet date exchange rates, income and expense items are translated at the average exchange rate for the period, and the resulting translation differences are adjusted directly against the translation differences in shareholders’ equity.
Exchange differences arising on intercompany loans that are considered part of the net investment in a foreign entity are recorded in equity.

Accounting and Valuation Principles (2.4)

Cash and cash equivalents

Cash and cash equivalents is readily convertible into a known amount of cash with original maturities of three months or less. Cash and cash equivalents comprise cash at banks and on hand, deposits held at call with banks and other short-term highly liquid investments.

Accounts receivable

Accounts receivable are carried at invoiced amount less allowances. The allowance for bad debts is based on the aging of accounts receivable and recognized credit risks and is included in sales deductions. Apart from specific allowances for known credit risks, Bossard also makes a general provision based on statistical calculations on the historical loss experience.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the average purchase price (purchased goods) or production cost (manufactured goods).

Property, plant and equipment

Land is stated at cost, whereas buildings, plant, machinery, vehicles and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the expected useful life of the asset. The applicable useful lives of major classes of depreciable assets are as follows:

Buildings	30–40 years
Machinery and equipment	5–20 years
Computer systems	3– 6 years
Furniture	5–10 years

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs, which do not increase the value or useful life of an asset, are charged directly as an expense. Replacement work to increase the useful life of assets is capitalized. Fixed assets no longer in use or sold are taken out of the assets at acquisition cost minus the related accrued depreciation. Any gains or losses arising are recognized in the income statement.

Research and development

Research and development costs are recognized as an expense in the period in which they are incurred. Development costs are recognized as an asset only if specific criteria are met and the asset can be recovered from related future economic benefits, after deducting further development, production, selling and administrative costs directly incurred in marketing the product.

Leasing

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognised as an expense on a straight-line basis over the lease term.

Intangible assets

Software

Generally, costs associated with developing computer software programs are recognized as an expense as incurred. However, costs are recognized as an intangible asset if they are clearly associated with an identifiable and unique computer program, which will be controlled by Bossard and has a probable benefit exceeding the cost beyond one year. Associated costs include staff costs of the development team and an appropriate portion of relevant overheads. Expenditure, which enhances and extends the benefits of computer software programs beyond their original specifications, is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, not exceeding a period of ten years. They are at least reviewed for impairment at every balance sheet date and a continuing impairment gets accounted for accordingly.

Goodwill

Goodwill is the acquisition cost in excess of the fair value of an acquired company at the time of acquisition. The goodwill arising from the acquisition of a company is recognized under immaterial assets. Goodwill is subject to an at least annual impairment test and carried at original acquisition cost less accumulated impairment charges.

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Bossard provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than twelve months after the balance sheet date. These are classified as non-current assets.

Other investments

Other investments consist of non-derivative financial assets that are not a subsidiary nor an investment in associate or a joint venture. They are measured at their fair value and included in non-current assets unless management intends to dispose them of within twelve months of the balance sheet date. Gains or losses are included in net profit or loss for the period in which they arise.

Accounting for derivative financial instrument and hedging activities

All derivative financial instruments are recognized in the balance sheet at cost and are remeasured at their fair value. Changes in the fair value of derivatives that are designated to hedges of net investment in foreign entities are recognized in the translation differences in shareholders' equity. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Any changes that do not qualify for hedge accounting under IAS 39 are recognized immediately in the income statement.

Financial debts

Borrowings are recognized initially at fair value, net of transaction costs incurred. They are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.
Borrowings are classified as current liabilities unless Bossard can defer the settlement of the liability for at least twelve months after the balance sheet date.

Employee benefits

Pension obligations

Bossard operates a number of pension plans for most employees in accordance with the legal requirements in the individual countries. Their assets are generally held in separate trustee-administered funds or state-managed retirement benefit schemes. The pension plans are generally funded by payments from employees and by the relevant Group companies.
In addition the Group operates pension plans, which have the characteristics of defined benefit plans. The assets are also held in separate trustee-administered funds. The pension obligation is determined using the Projected Unit Credit Method, with actuarial valuations being carried out annually by an independent insurance expert. Under this method, the projected benefit obligation is calculated on the basis of the completed and expected future service years of employees, the future salary development and changes in retirement benefits. All actuarial gains and losses are spread forward over the average remaining service lives of employees. Bossard's contributions to the defined contribution pension plans are charged to the income statement in the year to which they relate.

Other long-term benefits

Other long-term benefits comprise mainly length of service compensation benefits which certain Bossard companies are required to provide in accordance with legal requirements in the respective countries. These benefits are accrued and calculated using the Projected Unit Credit Method. The corresponding liabilities are included under provision for pension and other termination benefits.

Profit sharing and bonus plans

Various Bossard companies have profit sharing programs and bonus plans for their employees. Such payments when made are recognized under personnel expenses in the income statement and under other liabilities in the balance sheet.

Provisions

Provisions are recognized when Bossard has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Taxes

All taxes are accrued irrespective of when such taxes are due.
Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Potential savings related to tax loss carry-forwards are generally recognized if the recovery is probable in medium term. Deferred taxes are calculated using the expected applicable local tax rates.
Taxes payable on distribution of the undistributed profits of subsidiaries and associates are accrued only if those profits are to be distributed the following year.

Share capital

Treasury shares are deducted from equity at cost price. Any gains and losses from transactions with treasury shares are included in retained earnings.

Financial risk management

Bossard's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates and raw material prices. Bossard's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of Bossard.

Board of directors and group management provide principles of overall risk management, as well as policies covering specific areas, such as foreign exchange and interest rate risk, raw material price risk, use of derivative financial instruments and investing excess liquidity.

Foreign exchange risk

Due to its international activities Bossard is exposed to foreign exchange risk arising from various currency exposures. Subsidiaries are encouraged, but not required, to use forward contracts to hedge their exposure to foreign currency risk.

The net investment in foreign entities is exposed to currency exchange risk. The currency exposure is hedged through borrowings denominated in the relevant foreign currency and forward exchange contracts. These forward exchange contracts have terms up to twelve months.

Interest rate risk

To minimize the interest expenses Bossard borrows substantially at variable interest rates. In certain market situations Bossard uses derivative financial instruments to hedge against interest rate fluctuations or to effectively convert borrowings from floating rates to fixed rates. Bossard has no significant interest-bearing assets.

Credit risk

Bossard's cash equivalents and short-term deposits are placed with high credit quality financial institutions. Trade receivables are recognized net of the allowance for doubtful receivables. Credit risk with respect to trade receivables is limited because of the large number of customers comprising Bossard's customer base. Bossard has no significant concentration of credit risk.

Price risks

Products marketed by Bossard may be subject to certain price risks, depending on the raw material price fluctuation (steel, chrome, nickel) and on exchange rates.

Liquidity risks

Judicious risk management includes ensuring that an adequate sum is available in the form of credit limits and through the possibility of refinancing.

Critical accounting estimates and assumptions

Impairment test for intangible assets

Important assumptions are, for example, discount rates and projection periods. The actual cash flows generated can deviate strongly from the planned discounted future values. Moreover, the effective life can be shortened or an impairment of value of the intangible assets can arise should the assets be used for a different purpose.

Actuarial assumptions

Bossard has various pension plans for which statistical assumptions are made in order to estimate future developments (such as discount rate, expected earnings, assumptions regarding compensation increases, graduated life tables and likelihood of withdrawal). Should these parameters change as a result of a change in the economic situation or new market conditions, later results could deviate decisively from expert opinion and calculations. In the medium term such deviations can impact strongly on expenses and earnings from pension plans.

Income taxes

The current tax provision is calculated on the basis of an interpretation of the tax laws in the various countries. Its accuracy is then determined within the scope of the final tax estimate or by government tax audits. This can lead to substantial adjustments of tax expenditure. Moreover, determining whether admissible tax loss carryovers can be capitalized requires a critical assessment of the likelihood of netting with future profits, which depends on diverse factors and developments.

Segment reporting

The segment reporting of the Group is carried out based on the three geographical areas: Europe, America and Asia. A geographical segment is engaged in providing products or services within a particular economic environment.

Related parties

A party is related to an entity if the party directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity, has joint control over the entity (board of directors and group management) or is an associate or a joint venture of the entity. In addition, members of the key management personnel of Bossard are also considered related parties. All transactions with related parties are on an arm's-length basis.

Net debt

Net debt comprises of the total of short-term and long-term debts less cash and cash equivalents.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Sales of goods are recognised when goods are delivered and title has passed.
Interest income is accrued on a time basis that reflects the effective yield on the asset.

Sales deductions

These consist of expenditures which relate directly to sales revenue, such as cash discounts, year-end rebates, third-party sales commissions, outward freight costs and bad debts.

Changes in the Scope of Consolidation (3)
As of January 1, 2007 the scope of consolidation has been unchanged.

As of January 1, 2006, 100 percent of Böllhoff Usinec s.a., Gretz Armainvilliers, France, was acquired. As of this date the company was included in the consolidation and merged into Bossard France SAS as of December 31, 2006. As of January 1, 2006, the 50 percent share hold in Hi-Tec Fastener ApS, Haslev, Denmark, was sold. In return, Bossard Denmark A/S acquired the assets of the "Industry Business segment" of Hi-Tec Fastener ApS. As of September 29, 2006, Bossard Hungary Kft., Törökbálint, Hungary, was incorporated. It is a 100 percent share of Bossard. As of November 1, 2006, Bossard increased its share in Bossard (Korea) Ltd, Anseong-City, Korea, from 55 percent to 100 percent.

Segment Information (4)

The Group is engaged in the distribution of fasteners and is managed through the three principal geographical areas Europe, America and Asia.

JANUARY-APRIL (UNAUDITED) IN CHF MILLION	EUROPE 2007	EUROPE 2006	AMERICA 2007	AMERICA 2006	ASIA 2007	ASIA 2006	ELIMINATIONS 2007	ELIMINATIONS 2006	CONSOLIDATED 2007	CONSOLIDATED 2006
External sales	117.6	97.1	60.7	71.8	25.8	24.4			204.1	193.3
Inter-segment sales	2.3	1.8	0.1	0.4	0.1	0.1	–2.5	–2.3	–	–
Total revenue	**119.9**	**98.9**	**60.8**	**72.2**	**25.9**	**24.5**	**–2.5**	**–2.3**	**204.1**	**193.3**
Segment EBITDA	16.2	11.7	3.2	3.4	0.0	1.7			19.4	16.8
Segment EBIT	13.7	9.3	2.3	2.6	–0.6	1.0			15.4	12.9
Segment EBIT before restructuring expenses	*13.7*	*9.3*	*3.5*	*2.6*	*–0.6*	*1.0*			*16.6*	*12.9*
Finance expenses net									–1.4	–1.9
Taxes									–3.4	–2.5
Net income for the period									**10.6**	**8.5**
Other information										
Segment assets	230.6	199.3	131.0	148.7	52.9	41.1			414.5	389.1
Unallocated corporate assets									2.8	3.4
Consolidated total assets									**417.3**	**392.5**
Segment liabilities	148.9	143.5	35.4	40.9	48.7	33.9			233.0	218.3
Unallocated corporate liabilities									3.9	4.9
Consolidated total liabilities									**236.9**	**223.2**
Capital expenditures										
– Property, plant, equipment, software, goodwill	1.4	2.0	0.4	0.4	0.7	0.8			2.5	3.2
Depreciation and amortization										
– Property, plant, equipment, software, goodwill	2.5	2.4	0.9	0.9	0.6	0.6			4.0	3.9
Employees										
4 months average number of employees	702	691	381	403	680	552			1,763	1,646

These regions comprise the following countries in which the Group operates with own subsidiaries:

Europe: Austria, Czech Republic, Denmark, France, Hungary, Italy, Poland, Slovakia, Spain, Sweden, Switzerland

America: Mexico, USA

Asia: China, India, Malaysia, Singapore, South Korea, Taiwan

Exchange Rates (5)

		30.04.2007 EXCHANGE RATE	01.01.2007–30.04.2007 AVERAGE EXCHANGE RATE	31.12.2006 EXCHANGE RATE	30.04.2006 EXCHANGE RATE	01.01.2006–30.04.2006 AVERAGE EXCHANGE RATE
1	EUR	1.65	1.62	1.61	1.57	1.56
1	USD	1.21	1.23	1.22	1.25	1.29
100	DKK	22.09	21.76	21.56	21.05	20.94
100	SEK	17.98	17.62	17.78	16.89	16.72
100	CZK	5.85	5.79	5.84	5.53	5.47
100	SKK	4.89	4.75	4.66	4.20	4.18
100	HUF	0.67	0.65	0.64	0.59	0.60
100	PLN	43.52	41.95	41.92	40.55	40.60
100	SGD	79.47	80.36	79.63	79.12	79.70
100	TWD	3.63	3.72	3.75	3.93	4.00
100	RMB	16.28	15.87	15.53	15.63	16.17
100	MYR	35.29	35.27	34.58	34.57	35.06
100	THB	3.48	3.67	3.42	3.35	3.33
100	INR	2.94	2.81	2.76	2.79	2.92
100	KRW	0.13	0.13	0.13	0.13	0.13

Events Occurring after Balance Sheet Date (6)

There were no events after April 30, 2007, which affect these statements negatively.

Bossard in Brief

The Bossard Group is a global group of companies. It is still molded by members of the founding family, now represented by the seventh generation. Our focus is on fasteners and fastening technology. Thus, in addition to our broad range of quality products, we provide full engineering support for fastener applications and offer logistics services for fasteners and other C parts. Among our customers there are many industrial companies with international operations. Our holding company, Bossard Holding AG, is headquartered in Zug, Switzerland, and is listed on the Swiss Exchange.

Dates to Note

October 2, 2007
2nd Interim Report 2007

January 29, 2008
First Results for 2007

March 12, 2008
Meeting for Financial Analysts and Press Conference
Hotel Widder, Zurich

April 15, 2008
Annual General Meeting

This interim report is also available in German.
The german version is the governing text.
Dieser Tertialbericht ist auch in deutscher Sprache erhältlich. Massgebend ist die deutsche Version.

This interim report contains forecasts. They reflect the company's present assessment of market conditions and future events and are thus subject do certain risks, uncertainties and assumptions. Through unforeseeable events the actual results could deviate from the forecasts made and the information published in this report. Thus all the forecasts made in this report are subject to this reservation.

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