

SEMI-ANNUAL REPORT

2015

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ACQUISITIONS CONSOLIDATE BOSSARD'S MARKET PRESENCE

Ladies and Gentlemen,

The Bossard Group continues to grow. However, as expected the appreciation of the Swiss franc has left its mark on both sales and profitability in the first half of 2015. On balance, sales increased by 5.4 percent to CHF 336.4 million, and by as much as 9.0 percent in local currency. This growth is, however, largely due to the acquisitions in the first months of this year. The weight of negative currency and demand trends, particularly in Switzerland, had a significant impact on earnings, thus the EBIT declined from CHF 41.0 million to 37.8 million. In comparison to last year, the operating margin fell from 12.8 percent to 11.2 percent, but is still at a high level compared to other companies in the sector. The above effects also resulted in a lower net income which decreased from last year's record of CHF 32.3 million to 29.6 million.

CHALLENGING SITUATION IN EUROPE

Bossard is facing a difficult market environment in Europe, and especially in Switzerland. The drop in demand as a result of the Swiss franc appreciation and currency discounts led to a noticeable decline in sales and margins. This means that sales, if acquisitions are not taken into account, fell by 9.6 percent to CHF 186.7 million; in local currency this is equivalent to a sales decrease of 1.8 percent. Thanks to the acquisitions in France, Italy and Norway, however, Bossard was able to further consolidate its market position in Europe. Including takeovers, sales increased by 4.6 percent in local currency; in Swiss francs, though, the result was a decline by 3.7 percent to CHF 199.0 million.

SURGE IN GROWTH IN AMERICA

Business growth in America was also driven by acquisitions. The takeover of Aero-Space Southwest, Inc. favored a sales leap of no less than 33.1 percent to CHF 87.2 million (+25.5 percent in local currency). Without this acquisition, sales would have increased slightly by 0.6 percent to CHF 65.9 million (-5.2 percent in local currency). As expected, overseas business was characterized by two opposing developments: business with the largest US electric vehicle manufacturer featured a growing dynamic, while demand from a major customer in the agricultural machinery segment continued to decline.

EMERGING BUSINESS IN ASIA

Market presence also continued to grow in Asia in the first half of 2015, with sales increasing by 6.6 percent

to CHF 50.2 million (+2.9 percent in local currency). Bossard's long-term investment strategy into the emerging Asian markets has created the basis for this continuous growth. Demand in China was more subdued, an experience which also has been shared by other industrial suppliers in recent months.

PRESSURE ON MARGINS DUE TO SWISS FRANC APPRECIATION

While gross profit increased slightly in terms of volume to CHF 103.2 million compared to the previous year, gross profit margin fell from 32.2 percent to 30.7 percent. This trend was due to harsher market environments in some regions, and not least to the above-mentioned appreciation of the Swiss franc and the currency discounts granted in the Swiss market. Prices on the procurement market fluctuated up and down. Overall, no significant changes are expected with regard to the procurement market in the next few months.

ACQUISITIONS ARE LIVING UP TO EXPECTATIONS

The growth of the Bossard Group led to an increase in sales and administration costs from CHF 61.7 million to 65.4 million which is mainly due to the acquisitions made. In proportion to sales, the costs amounted to 19.4 percent and therefore, were on the same level as last year. The number of employees increased in the corresponding period from 1,833 to 2,018, thereof 103 employees coming from acquisitions. The takeovers enabled the Bossard Group to consolidate its market position in various regional markets and thereby, become even stronger in the field of high-quality fastening solutions. All acquisitions have shown positive development and have fully satisfied the expectations of the executive committee.

APPRECIATION OF THE SWISS FRANC AFFECTS PROFITABILITY

The profit situation has suffered due to the Swiss franc appreciation and has created a difficult market situation in Switzerland as a consequence. Also, not related to Swiss franc has been the decline in sales in America for its core agricultural segment. Consequently, EBIT fell by 7.8 percent to CHF 37.8 million. The operating margin in turn decreased from a record 12.8 percent to 11.2 percent. Bossard's profitability does, however, continue to remain at a high level for the industry, and within the medium-term target margin of 10–13 percent. Excluding the one-time translation and valuation effects connected with the Swiss franc appreciation, the Group's operating

profit was even about CHF 1.0 million higher compared to the result for the first half of 2014.

The above factors also affected the Group's net income which fell from CHF 32.3 million to 29.6 million. Excluding the currency effects from the Swiss franc appreciation, the net income on a comparable basis was slightly higher than last year.

ACQUISITIONS IMPACT EQUITY RATIO

The growth of the Bossard Group has led to a further increase in total assets. They grew year-on-year from CHF 405.0 million to 447.8 million (as at June 30, 2015), which was mainly driven by the increase in net working capital, primarily inventory. This was largely due to the acquisitions made, to ensure the fast growing business with the US electric vehicle manufacturer, and also to the lower general demand from expectations.

The equity ratio fell from 43.4 percent to 33.6 percent (as at June 30, 2015) compared to last year, because the goodwill from acquisitions was completely offset against the shareholders' equity. The equity ratio is therefore, for a short time, below the long-term target of 40 percent, which Bossard aims for in the interests of a solid financing policy. However, it is expected that this target level will largely be achieved again by the end of the year.

The impact of the acquisitions is also reflected in the net debts, which increased from CHF 97.9 million at the end of 2014 to CHF 180.5 million. Thereof, CHF 55.9 million is accounted for by the acquisitions, while CHF 22.7 million were due to the dividends paid out in April. Investments in tangible and intangible assets amounted to CHF 9.2 million. This includes CHF 4.9 million for the new logistics and office infrastructures in Denmark, China and Thailand. The remaining CHF 4.3 million (previous year: CHF 5.8 million) is accounted for in replacement investments.

OVERALL FURTHER GROWTH IN 2015

The monetary measures of the European Central Bank, the weaker Euro and lower oil prices have so far not brought the expected tailwind in Europe. We therefore expect that the demand dynamics in Europe, where Bossard generates around 60 percent of its sales, will not change significantly in the second half of the year. The Swiss franc exchange rate and its effect on demand among Swiss industry customers will also probably continue to cause uncertainty in the second half of the year. It can be assumed that demand in Switzerland will remain at a lower level compared to last year. Busi-

ness in America has received new impetus thanks to the integration of Aero-Space Southwest, Inc. The increasing volumes from the cooperation with the US electric vehicle manufacturer will also stimulate demand in America. For our markets in Asia, we anticipate that the growth pattern that we have experienced in the first half of 2015 will continue. We expect sales of approximately CHF 660 million for the entire 2015 and to reach an EBIT margin on a par with the first six months.



Dr. Thomas Schmuckli
Chairman of the Board of Directors



David Dean
CEO

Zug, August 25, 2015

RESULTS IN FIGURES

IN CHF MILLION	FIRST 6 MONTHS 2015	FIRST 6 MONTHS 2014	YEAR 2014
Net sales	336.4	319.2	617.8
Gross profit	103.2	102.7	197.1
EBIT	37.8	41.0	72.8
in % of net sales	11.2	12.8	11.8
Net income	29.6	32.3	57.1
in % of net sales	8.8	10.1	9.2
Cash flow from operating activities	7.3	22.3	47.5
Current assets	339.1	298.8	325.1
Long-term assets	108.7	106.2	109.3
Current liabilities	175.9	146.9	149.3
Long-term liabilities	121.5	82.4	74.5
Shareholders' equity	150.4	175.7	210.6
in % of total assets	33.6	43.4	48.5
Total assets	447.8	405.0	434.4
Net debt	180.5	117.7	97.9
Weighted average number of employees ¹⁾	1,948	1,783	1,806
Share capital²⁾			
Number of shares entitled to dividend			
Registered shares A at CHF 5 par	6,210,856	6,218,620	6,207,458
Registered shares B at CHF 1 par	6,750,000	6,750,000	6,750,000
Registered shares equivalents at CHF 5 par entitled to dividend	7,560,856	7,568,620	7,557,458
Market price in CHF (Ticker symbol: BOSN)			
Closing price share at end of reporting period	107.9	105.7	109.3
Share high during reporting period	118.4	130.8	130.8
Share low during reporting period	93.1	100.3	88.0
Key figures			
Consolidated earning per registered share in CHF ^{2) 3)}	7.60	8.48	7.49
Net asset value per registered share in CHF	19.9	23.2	27.9
Price/earnings ratio (Basis: 30.06./31.12.)	14.2	12.5	14.6
Price/book value per share (Basis: 30.06./31.12.)	5.4	4.6	3.9

1) Period average full time equivalent

2) Basis: Annual average of share capital entitled to dividend

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

CONSOLIDATED BALANCE SHEET

IN CHF 1,000	30.06.2015	30.06.2014	31.12.2014
Assets			
Current assets			
Cash and cash equivalents	16,617	18,428	25,418
Accounts receivable, trade	117,558	106,492	95,347
Other receivables	2,223	1,609	7,602
Prepaid expenses	8,630	6,742	6,870
Inventories	194,062	165,544	189,853
	339,090	298,815	325,090
Long-term assets			
Property, plant and equipment	86,595	86,601	87,062
Intangible assets	3,754	3,522	3,669
Financial assets	11,005	10,439	11,450
Deferred tax assets	7,326	5,645	7,109
	108,680	106,207	109,290
Total assets	447,770	405,022	434,380
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade	46,839	43,653	42,918
Other liabilities	12,007	10,193	12,387
Accrued expenses	25,172	24,434	23,819
Tax liabilities	5,526	4,288	11,346
Provisions	324	690	533
Short-term debts	86,053	63,666	58,293
	175,921	146,924	149,296
Long-term liabilities			
Long-term debts	111,026	72,500	65,000
Provisions	6,208	4,640	4,945
Deferred tax liabilities	4,271	5,305	4,536
	121,505	82,445	74,481
Total liabilities	297,426	229,369	223,777
Shareholders' equity			
Share capital	40,000	40,000	40,000
Treasury shares	-6,534	-5,626	-6,844
Capital reserves	84,858	106,233	106,615
Retained earnings	27,655	31,709	67,080
	145,979	172,316	206,851
Minority interest	4,365	3,337	3,752
Total shareholders' equity	150,344	175,653	210,603
Total liabilities and shareholders' equity	447,770	405,022	434,380

CONSOLIDATED INCOME STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2015	FIRST 6 MONTHS 2014
Net sales	336,353	319,204
Cost of goods sold	233,111	216,498
Gross profit	103,242	102,706
Selling expenses	44,110	41,448
Administrative expenses	21,311	20,252
EBIT	37,821	41,006
Financial result	1,687	1,605
Income before taxes	36,134	39,401
Income taxes	6,528	7,077
Net income	29,606	32,324
Attributable to:		
Shareholders of Bossard Holding AG	28,737	32,090
Minority interest	869	234
IN CHF	2015	2014
Earnings per registered share A ¹⁾	7.60	8.48
Earnings per registered share B ¹⁾	1.52	1.70

1) Earnings per share, extrapolated to 12 months, is based on the net income of Shareholders of Bossard Holding AG and the number of shares entitled to dividend. There is no dilution effect.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN CHF 1,000	ISSUED SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVES	RETAINED EARNINGS		SHARE- HOLDERS BOSSARD	MINORITY INTEREST	SHARE- HOLDERS' EQUITY
				RETAINED EARNINGS	TRANSLATION DIFFERENCES			
Balance at January 1, 2014	40,000	-5,430	127,708	80,151	-78,117	164,312	2,986	167,298
Dividend			-22,681			-22,681		-22,681
Net income for the period				32,090		32,090	234	32,324
Management participation plan			380			380		380
Change in treasury shares		-196	826			630		630
Offset goodwill from acquisitions				-1,282		-1,282		-1,282
Translation differences					-1,133	-1,133	117	-1,016
Balance at June 30, 2014	40,000	-5,626	106,233	110,959	-79,250	172,316	3,337	175,653
Balance at January 1, 2015	40,000	-6,844	106,615	135,524	-68,444	206,851	3,752	210,603
Dividend			-22,694			-22,694		-22,694
Net income for the period				28,737		28,737	869	29,606
Management participation plan			632			632		632
Change in treasury shares		310	305			615		615
Offset goodwill from acquisitions				-47,904		-47,904		-47,904
Minority interests from acquisitions						0	17	17
Translation differences					-20,258	-20,258	-273	-20,531
Balance at June 30, 2015	40,000	-6,534	84,858	116,357	-88,702	145,979	4,365	150,344

CONSOLIDATED CASH FLOW STATEMENT

IN CHF 1,000	FIRST 6 MONTHS 2015	FIRST 6 MONTHS 2014
Net income	29,606	32,324
Income taxes	6,528	7,077
Financial income	-1,929	-1,750
Financial expenses	3,616	3,355
Depreciation and amortization	5,829	6,187
Increase provisions	681	232
Gain from disposals of property, plant and equipment	-48	-23
Loss from disposals of intangible assets	33	5
Interest received	450	351
Interest paid	-1,665	-1,379
Taxes paid	-9,750	-9,599
Increase management participation plan (part of equity)	632	380
Other non cash expenses/(income)	981	-557
Cash flow from operating activities before changes in net working capital	34,964	36,603
Increase accounts receivable, trade	-19,975	-17,236
(Increase)/Decrease other receivables	-2,031	5,073
Increase inventories	-6,513	-4,892
Increase accounts payable, trade	2,043	5,087
Decrease other liabilities	-1,204	-2,355
Cash flow from operating activities	7,284	22,280
Investments in property, plant and equipment	-8,434	-5,010
Proceeds from sales of property, plant and equipment	216	328
Investments in intangible assets	-730	-804
Cash flow from purchases companies	-55,929	-1,282
Investments in financial assets	-52	-8,850
Divestments of financial assets	439	62
Cash flow from investing activities	-64,490	-15,556
Borrowing/(Repaying) short-term debts	27,557	16,751
Borrowing/(Repaying) long-term debts	45,479	-7,500
Increase treasury shares	0	-196
Dividends paid	-22,694	-22,681
Cash flow from financing activities	50,342	-13,626
Translation differences	-1,937	-116
Change in cash and cash equivalents	-8,801	-7,018
Cash and cash equivalents at January 1	25,418	25,446
Cash and cash equivalents at June 30	16,617	18,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCOPE OF OPERATIONS (1)

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within Bossard Group (hereinafter "Bossard"). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services including inventory management solutions. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS (2)

The unaudited, consolidated interim financial statements for the first six months of 2015 were prepared in accordance with Swiss GAAP FER "Interim Financial Reporting Swiss GAAP FER 12".

The consolidated financial statements of Bossard are based on the financial statements of the individual Group companies at June 30, 2015 prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

CHANGED PRESENTATION OF THE INCOME STATEMENT

In the Financial Report 2014, Bossard presented a changed income statement, which is no longer based on the total-costs method but on the cost-of-sales method. In doing so, Bossard was exercising the option in accordance to Swiss GAAP FER 3, item 6. At the same time, the revised rules on recording sales in accordance with the Swiss GAAP FER framework and to Swiss GAAP FER 3, which will become effective on January 1, 2016, were applied at an early stage.

For better comparability, Bossard converted not only the figures of the current financial year, but also of the previous year. The positions cost of goods sold, personnel expenses, administrative expenses and other operating expenses as well as depreciation and amortization are structured as follows based on the cost-of-sales method: Cost of goods sold, selling expenses, as well as administrative expenses. In the presentation of the income state-

ment according to the total-costs method, the revenue reductions consisted mainly of discounts, losses on receivables, exchange rate differences and transportation costs. After the conversion of the income statement to the cost-of-sales method, transportation costs are reported as part of the cost of goods sold. Revenue reductions include all positions that can directly assigned to the sales, such as discounts, losses on receivables and exchange rate differences.

PRINCIPLES OF CONSOLIDATION (2.1)

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign subsidiaries over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to Bossard. Group companies are excluded from the consolidation as of the date Bossard ceases to have control over the company. June 30 represents the uniform closing date for the semi-annual report for all companies included in the consolidated financial statements.

The purchase method of accounting is used for capital consolidation. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

INVESTMENT IN SUBSIDIARIES

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

MINORITY INTEREST

Minority interest of less than 20 percent is recognized at acquisition cost less any economically necessary impairment.

GOODWILL

In accordance to Swiss GAAP FER 30 "Consolidated financial statement" goodwill from new acquisitions is converted once to Swiss francs using the closing rate as at acquisition date and is fully offset against equity at the date of acquisition.

FOREIGN CURRENCY TRANSLATION (2.2)

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are drawn up in the applicable local currency.

Transactions in foreign currencies are translated at the time of the transaction at the daily rate applicable on that date. Exchange differences from adjustments of foreign exchange portfolios at the balance sheet date are recognized in the income statements of the Group companies as exchange gains or losses.

For the consolidated financial statements, the annual accounts of Bossard subsidiaries reporting in foreign currencies are translated into Swiss francs as follows: balance sheet items at end of June rates, equity at historical rates, and items on the income statement at the average exchange rate for the first half year. The translation differences are netted directly with the Group's consolidated translation differences in shareholders' equity.

Exchange differences arising from intercompany loans of an equity nature are booked to equity.

ACCOUNTING AND VALUATION PRINCIPLES (2.3)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

ACCOUNTS RECEIVABLE, TRADE

Accounts receivable are carried at the invoiced amount less allowances. The allowance for bad debts is based on the aging of accounts receivable and recognized credit risks.

INVENTORIES

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, the necessary value adjustments are made. Acquisition cost comprises product price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition value. Inventories that lack marketability or have low turnover are written down to the estimated market value less sales costs.

PROPERTY, PLANT AND EQUIPMENT

Land is stated at cost, whereas buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation. Depreciation is calculated on a straight-line basis over the expected useful life of the asset. The general applicable useful lives are as follows:

Buildings	30–40 years
Machinery and equipment	5–20 years
Office machines and furniture	3–10 years
Vehicles	4–10 years

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

LEASING

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

INTANGIBLE ASSETS

SOFTWARE

Costs arising from the development of computer software are recognized as intangible assets provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over a number of years.

Computer software is depreciated using the straight-line method over its estimated useful life, up to a maximum of 15 years.

OTHERS

This item includes rights.

Rights are depreciated using the straight-line method over their estimated useful life, up to a maximum of ten years.

FINANCIAL ASSETS

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Changes in fair value are recognized in the income statement for the period in which they arise.

IMPAIRMENT

The recoverability of long-term assets is monitored annually. Impairment is treated adequately in the financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS

Financial instruments are recognized in the balance sheet at fair value. Positive replacement values are recognized under financial assets and negative replacement values under current liabilities. Derivative financial instruments held for hedging purposes are carried at the same value as the underlying transactions.

LIABILITIES

All liabilities of Bossard vis-à-vis third parties are recognized at nominal value.

PROVISIONS

A provision is recognized if, on the basis of past events, Bossard has reason to assume that it will need to meet an obligation for which the amount and due date are still uncertain but can be reliably estimated.

CONTINGENT LIABILITIES

Contingent liabilities are valued as at the balance sheet date. A provision is made if an outflow of funds without a utilizable inflow is both probable and assessable.

FINANCIAL DEBTS

Financial debts are recognized at nominal value.

They are classified as current liabilities unless Bossard can defer the settlement of the liability for at least twelve months after the balance sheet date.

TREASURY SHARES

Treasury shares are recognized as deduction in the equity at acquisition cost. Any gains and losses from transactions with treasury shares are included in capital reserves and recognized in equity.

SHARE-BASED COMPENSATION

There is a share purchase plan for the board of directors and the Group executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price, less the allowable tax discount of approximately 16 percent for the three-year lockup period. The market value is always determined in February and is based on the average share price for the previous ten trading days.

There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSU's on Bossard Holding AG shares. The conversion is performed at market value and is based on the closing price for the share on the first day of trading in December. The stock options (RSU) are subject to a three-year vesting period. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as he or she has not left the company or been given notice. The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liabilities (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share of the last trading day of the business year.

PENSION BENEFIT OBLIGATIONS

Bossard operates a number of pension plans in accordance with the legal requirements in the individual countries. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are dealt in accordance with Swiss GAAP FER 16.

Any actual economic impacts of pension plans on the company are calculated as at the balance sheet date. An economic benefit from a surplus is capitalized provided this is admissible and the surplus is to be used to decrease the company's future contributions to its pension plans. An economic liability is recognized if the conditions for forming a provision are met. Contributions by subsidiaries to other pension plans are recognized in the income statement in the year they are made.

NET SALES AND REVENUE RECOGNITION

Revenue is recognized at fair value and represents the amount receivable for goods supplied and services rendered, net of sales-related taxes and revenue reductions. Revenue reductions include all positions that can be directly assigned to the sales, such as discounts, losses on receivables and exchange rate differences. Sales revenues are recognized when the goods and services have been supplied or rendered.

NON-OPERATING RESULT

Non-operating results are expenses and income arising from events or transactions which clearly differ from the ordinary operations of Bossard.

INCOME TAXES

All taxes are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according to the "liability method" for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets on temporary differences can only be capitalized if recovery is probable. Deferred taxes are calculated using the expected applicable local tax rates. Bossard will not capitalize tax savings from tax loss carryforwards. The value of such tax assets is recognized only when realized.

Taxes payable on the distribution of profits of subsidiaries and associates are accrued only for profits that are to be distributed the following year.

RELATED PARTIES

A party is related to Bossard if the party directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over Bossard, has joint control over Bossard (board of directors and executive committee) or is an associate or a joint venture of Bossard. In addition, members of the key management personnel of Bossard as well as pension plans are also considered related parties.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These assessments are based on the board of directors' and the executive committee's best knowledge and belief of current and future Bossard activities. The actual results may deviate from these estimates.

CHANGES IN THE SCOPE OF CONSOLIDATION (3)

In first half of 2015 the Bossard Group invested into the following companies:

- Aero-Space Southwest, Inc., USA
100% investment, January 2015
- Aero-Space Southwest, Inc., Mexico
100% investment, January 2015
- SertiTec SAS, France
100% investment, January 2015
- Torp Tekniske AS, Norway
60% investment, January 2015
- Forind Fasteners S.r.l., Italy
100% investment, February 2015

In May 2014 Bossard Canada, Inc. was founded.

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

- Trimec AG, Switzerland
- Intrado AG, Switzerland

SEGMENT INFORMATION (4)

The Bossard Group, with all of its Group companies, operates globally in the industrial fastening technology segment. All the Group companies are managed according to a consistent business strategy with a centralized decision-making structure. Key elements of Bossard's strategy include a consistent business model with uniform customer and product focus in the world's most important industrial regions. Bossard provides industrial companies with fastening technology products at their different production sites around the world and offers associated services with consistently high standards of quality, as well as standardized systems and processes. The board of directors and CEO manage the Bossard Group on the basis of the financial statements of the individual Group companies as well as the Group's consolidated financial statements. Due to their economic similarity, uniform strategy and similar product and service solutions for all Bossard customers, as well as the central management of the Group by the CEO, Bossard reports its business together in one segment in compliance with Swiss GAAP FER 31.

SALES BY REGIONS (5)

IN CHF MILLION FIRST 6 MONTHS	EUROPE		AMERICA		ASIA		GROUP	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales	201.3	208.2	87.6	65.7	50.4	47.1	339.3	321.0
Sales deductions	2.3	1.6	0.4	0.2	0.2	0.0	2.9	1.8
Net sales	199.0	206.6	87.2	65.5	50.2	47.1	336.4	319.2

FINANCIAL RESULT (6)

IN CHF 1,000	FIRST 6 MONTHS 2015	FIRST 6 MONTHS 2014
Financial income	-1,929	-1,750
Financial expenses	3,616	3,355
Total Financial result	1,687	1,605

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND BUSINESSES (7)

ACQUISITIONS 2015

In January 2015, 100% of the shares in Aero-Space Southwest, Inc., USA, Aero-Space Southwest, Inc., Mexico and SertiTec SAS, France as well as 60% of the shares in Torp Tekniske AS, Norway were acquired. In February 2015, 100% of the shares in Forind Fasteners S.r.l., Italy were acquired. The four companies are well-known specialists in high-quality fastening applications in their respective markets.

IN CHF 1,000	PROVISIONAL MARKET VALUE AS PER ACQUISITION
Cash and cash equivalents	1,172
Accounts receivable, trade	9,894
Inventories	12,445
Other current assets	695
Long-term assets	893
Accounts payable, trade	4,981
Other current liabilities	8,373
Long-term liabilities	828
Net assets	10,917
Minorities	-17
Net assets acquired	10,900
Goodwill	47,904
Total	58,804
Less acquired cash and cash equivalents	-1,172
Less purchase price not yet paid	-1,703
Cash flow from acquisitions	55,929

ACQUISITIONS 2014

There was no acquisition in 2014.

A subsequent tax payment of CHF 1.3 million in connection with the acquisition of KVT-Fastening in 2012 led in an adjustment to the purchase price allocation, which resulted in a goodwill increase of CHF 1.3 million.

DISPOSALS

In 2014 and 2015, no subsidiaries were disposed.

EXCHANGE RATES (8)

	30.06.2015 EXCHANGE RATE	01.01.2015 – 30.06.2015 AVERAGE EXCHANGE RATE	31.12.2014 EXCHANGE RATE	30.06.2014 EXCHANGE RATE	01.01.2014 – 30.06.2014 AVERAGE EXCHANGE RATE
1 EUR	1.04	1.06	1.20	1.21	1.22
1 USD	0.94	0.95	0.99	0.89	0.89
1 GBP	1.47	1.44	1.55	1.52	1.49
1 AUD	0.72	0.74	0.81	0.84	0.81
1 RON	0.23	0.24	0.27	0.28	0.27
1 CAD	0.75	0.77	0.86	0.83	0.81
1 NOK	0.12	0.12	0.13	-	-
100 DKK	13.97	14.17	16.15	16.28	16.36
100 SEK	11.27	11.30	12.69	13.26	13.64
100 CZK	3.82	3.84	4.34	4.42	4.45
100 HUF	0.33	0.34	0.38	0.39	0.40
100 PLN	24.86	25.52	27.97	29.20	29.25
100 SGD	69.49	70.12	75.21	71.01	70.67
100 TWD	3.03	3.03	3.14	2.97	2.95
100 RMB	15.29	15.45	16.24	14.41	14.51
100 MYR	24.79	26.02	28.40	27.61	27.27
100 THB	2.77	2.87	3.02	2.73	2.74
100 INR	1.47	1.51	1.57	1.48	1.47
100 KRW	0.08	0.09	0.09	0.09	0.08

EVENTS OCCURRING AFTER BALANCE SHEET DATE (9)

Since June 30, 2015 no major events occurred which would require additional disclosures or changes in the semi-annual report 2015.

A PROFILE OF THE BOSSARD GROUP

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 2,000 people in over 60 locations around the world, the Group generated CHF 618 million in sales in 2014. Bossard is listed on the SIX Swiss Exchange.

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

The complete semi-annual report 2015 is available on www.bossard.com > About us > Investor Relations. This report is unaudited and prepared in accordance with Swiss GAAP FER "Interim Financial Reporting Swiss GAAP FER 12".

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

DATES TO NOTE

Publication of sales results 3rd quarter 2015
October 13, 2015

Publication of sales results 2015
January 12, 2016

Meeting for financial analysts and media conference
Publication annual report 2015
March 2, 2016

Annual general meeting of shareholders
Publication of sales results 1st quarter 2016
April 11, 2016

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