HALF-YEAR REPORT 2017

KEY FIGURES

in CHF million, unless otherwise indicated	01.01.– 30.06.2017	01.01.– 30.06.2016	Change in %
Incoming orders / net sales			
Total incoming orders	244.5	216.3	13.2
Rollers	53.5	48.1	11.2
Drives	71.7	61.7	16.2
Conveyors & Sorters	51.1	44.5	14.8
Pallet & Carton Flow	27.0	32.8	–17.7
Total net sales	**203.3**	**187.1**	**8.6**
Profitability			
EBITDA	29.6	30.9	–4.0
in % of net sales	14.6	16.5	
EBITA	23.8	25.4	–6.4
in % of net sales	11.7	13.6	
EBIT	20.5	22.0	–6.6
in % of net sales	10.1	11.7	
Net profit	**15.3**	**15.8**	**–3.1**
in % of net sales	7.5	8.4	
Cash flow			
Operating cash flow	17.6	14.2	23.9
in % of net sales	8.7	7.6	
Free cash flow	**8.2**	**8.3**	**–1.6**
in % of net sales	4.0	4.4	
Total investments / capital expenditure	**9.7**	**6.3**	**53.7**
Balance sheet	**30.06.2017**	**31.12.2016**	
Total assets	332.9	324.8	2.5
Goodwill	16.9	17.3	–2.3
Net financial assets	28.8	38.0	–24.2
Equity	**231.2**	**233.1**	**–0.8**
Equity ratio (equity in % of assets)	69.5	71.8	
Return on equity (in %)	13.2	16.4	–19.5
Other key figures			
RONA (return on net assets, in %)	14.6	17.1	–14.6
Average number of employees	2060	1892	8.9
Net sales per employee (in CHF thousand)	197	212	–7.1
Productivity (added value / total personnel expenses)	1.96	2.10	–6.7

ABOUT INTERROLL

The Interroll Group is the leading global provider of material handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. Interroll provides system integrators and OEMs with a wide range of platform-based products and services in these categories: Rollers (conveyor rollers), Drives (motors and drives for conveyor systems), Conveyors & Sorters as well as Pallet & Carton Flow (flow storage systems). Interroll solutions are in operation in express and postal services, e-commerce, airports, the food and beverage industry, fashion, and automotive sectors, and many other manufacturing industries. Among the end users are leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando. Headquartered in Switzerland, Interroll has a global network of 32 companies with sales of around CHF 401.5 million and 2,000 employees (2016).

www.interroll.com

23,000 CUSTOMERS AROUND THE WORLD

32 COMPANIES AROUND THE WORLD

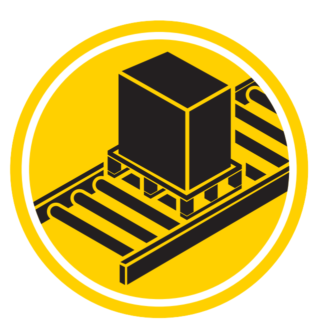
2,000 EMPLOYEES AROUND THE WORLD

INTERROLL PRODUCT GROUPS

ROLLERS

DRIVES

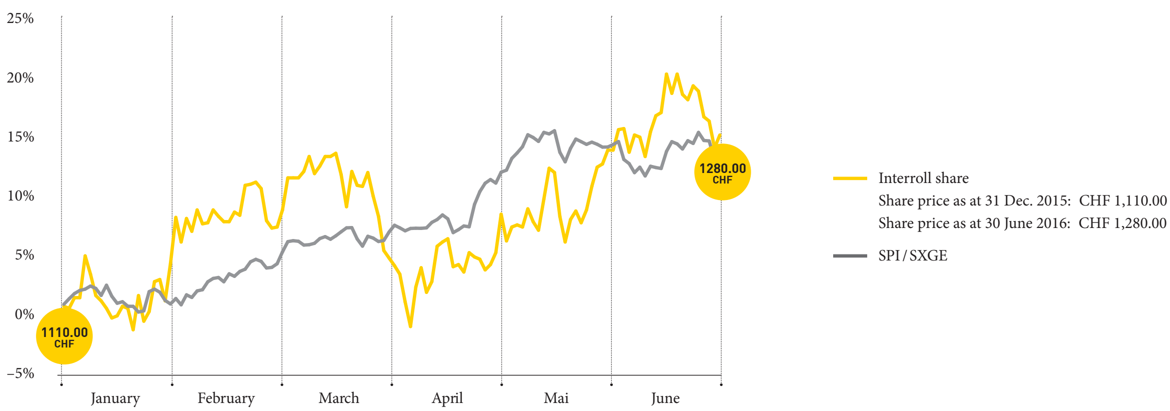
PALLET & CARTON FLOW



CONVEYORS & SORTERS

INTERROLL ON THE CAPITAL MARKET

Share price performance of Interroll relative to Swiss Performance Index SPI / SXGE



SWISS STOCK MARKET DID VERY WELL

The Swiss stock exchange experienced a very lively first six months of 2017. The blue chips barometer, the Swiss Market Index (SMI), reached 8,907 points at the end of June, thus improving 8.4 % in the first half of the year. The broad Swiss Performance Index (SPI) climbed to 10,128 points, which is as much as 13.0 % better than at the end of 2016.

INTERROLL SHARE ONCE AGAIN OUTPERFORMED SWISS INDICES IN ITS ANNIVERSARY YEAR

The Interroll share once again improved on the previous year's performance in the first half of 2017. At a closing price of CHF 1,280 on 30 June 2017, the Interroll share was up 15.3 % on the closing price at the end of 2016 (CHF 1,110). As such, the Interroll share once again outperformed the Swiss indices.

Interroll is celebrating its 20-year stock exchange anniversary. The registered shares were issued at CHF 235.00 per share on 5 June 1997. On 5 June 2017, the Group's market capitalisation was almost CHF 1.1 billion.

LITTLE CHANGE TO FREE FLOAT

Around 21 % of the Interroll shares (31 December 2016: 22 %) are in the hands of the remaining founder families. The free float as defined by the SIX Swiss Exchange was therefore around 79 % on 30 June 2017 (31 December 2016: 78 %).

Paul Zumbühl, Chief Executive Officer

GROWTH STRATEGY: E-COMMERCE AND INDUSTRY 4.0

Dear shareholders,
customers, employees and business partners,

The Interroll Group repeated its excellent performance of the 2016 financial year during the first half of 2017 and successfully continued its growth strategy with particularly strong new orders, net sales and cash flow.

Order intake rose by 13.2 % (12.8 % organically) in the first six months to a new record high of CHF 244.5 million (previous year: CHF 216.1 million). Expressed in local currency, growth was even stronger at 14.9 %. Included in the incoming orders is a large contract for five vertical sorters in the low tens of millions for a leading provider of package delivery and logistics solutions in the US.

Net sales grew by 8.6 % (8.2 % organically), reaching a new consolidated company record of CHF 203.3 million (previous year: CHF 187.1 million). Sales growth was 10.6 % in local currency.

Our efforts to generate new business bore fruit in the form of many orders from the food and beverage industry and the airport construction sector. Interroll's business growth is also supported by the global megatrends of e-commerce and online shopping and the related surge in demand for efficient materials handling solutions by providers of postal and logistics services.

The Group is poised to take even better advantage from the rapidly growing trends "Industry 4.0" and "Industrial Internet of Things". Process digitisation is growing in importance every single day. In materials handling, this involves the reduction of throughput times in the transport chain, solutions for decentralised conveyors and the expansion of services, e.g. operating and maintenance services.

As announced at the financial press conference in March 2017, Interroll wants to play a leading role here too and will invest up to an additional CHF 5 million per year in research and development over the next two years.

This is also the main reason for the decline in EBITDA of 4.0 % to CHF 29.6 million (previous year: CHF 30.9 million) in the first half of the year. The EBITDA margin was 14.6 % (previous year: 16.5 %). EBIT contracted by 6.6 % to CHF 20.5 million (previous year: CHF 22.0 million), while the EBIT margin stood at 10.1 % (previous year: 11.7 %).

Net profit fell by 3.1 % to CHF 15.3 million (previous year: CHF 15.8 million). Thanks to good balance sheet management, operating cash flow improved substantially by 23.9 % to CHF 17.6 million (previous year: CHF 14.2 million). At CHF 9.7 million (previous year: CHF 6.3 million), gross investments increased significantly.
Free cash flow was at CHF 8.2 million (previous year: CHF 8.3 million).

"Our excellence is sustainably guided by the principles of efficiency, culture and innovation."

Urs Tanner, Chairman of the Board of Directors

GREAT CAPACITY FOR INNOVATION AND THE RIGHT PARTNER IN THE MARKET

Interroll further strengthened its capacity for innovation and demonstrated its expertise by launching new products on the market. The new Softstart Control solution for checkout counters presented by Interroll at EuroShop in March is a brand new, multi-functional system that is very easy to install. With the new DM0080 as the first model, Interroll introduced a new generation of drum motors at the LOGIMAT fair in Stuttgart. In May, Interroll confirmed its position as a technological leader in the media with the presentation of the most powerful synchronous drum motor for belt conveyor systems available in the market, with a proven output of 1.1 kilowatts.

The partners of our "Rolling on Interroll" platform continue to appreciate our extensive expertise and project-based market experience. By now, the partner programme comprises 62 members from 31 countries with whose support we are continuing to develop a common vision of material flow in the future and intensifying our efforts to increase added value for our joint customers. This very powerful community dedicated to innovation and communication is constantly growing.

CULTURE FOR GROWTH AND COMPLIANCE MANAGEMENT STRENGTHENED FURTHER

Interroll's global success is based on collaboration within its team and with the customers. In order to achieve the strong growth that we are targeting, it is very important to have a corporate culture with a clear focus and strong identity. This is why Interroll is continuing its "Culture for Growth" programme this year.

In December 2016, we underlined our commitment to responsible corporate governance by joining the UN Global Compact. We have since aligned several of our compliance management processes and courses to this Compact, which we believe will further improve our competitive position.

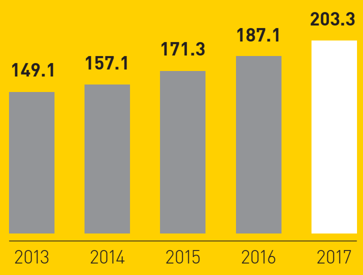
Together with our most valuable resources, the employees of Interroll, we wish to create long-term excellence for our customers and shareholders. In doing so, we are sustainably guided by the principles of efficiency, culture and innovation.

Sant'Antonino, 4 August 2017

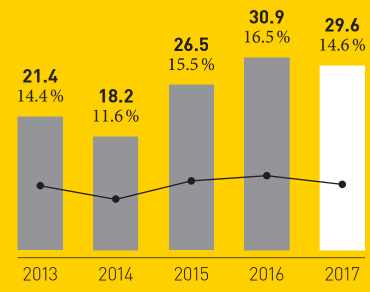
Urs Tanner *Chairman of the Board of Directors*	***Paul Zumbühl*** *Chief Executive Officer*

FINANCIAL POSITION, EARNINGS AND CASH FLOWS

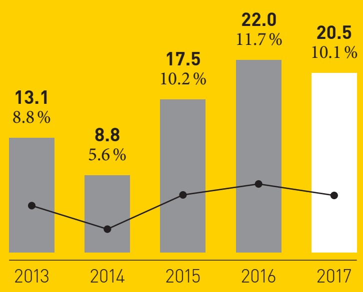
NET SALES



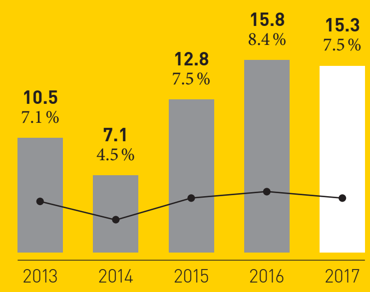
EBITDA AND EBITDA MARGIN



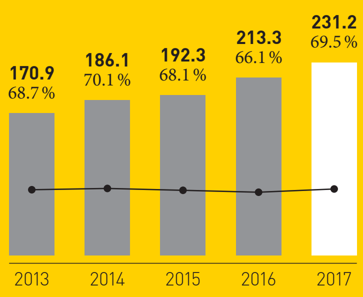
EBIT AND EBIT MARGIN



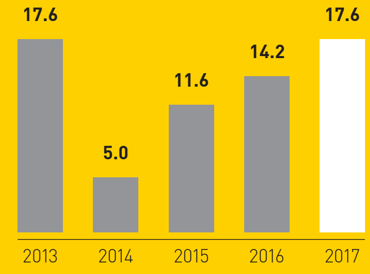
NET PROFIT



EQUITY AND EQUITY RATIO



OPERATIONAL CASH FLOW



All amounts in CHF million

STRONG ORDER INTAKE, NET SALES AND CASH FLOW

As announced at the financial press conference in March 2017, Interroll wants to exploit its financial strength to invest up to an additional CHF 5 million per year in research and development in 2017 and 2018. The Group also wants to strengthen its position as a technology and innovation leader in materials handling in the field of "Industry 4.0".

ORDER INTAKE AND NET SALES REACH NEW RECORD HIGHS

In the first half of 2017, the Interroll Group received record new orders for CHF 244.5 million (previous year: CHF 216.1 million). In local currencies, the Group posted 14.9 % growth. Growth in the reporting currency reached 13.2 % (organically 12.8 %) and was supported by the growing product business as well as by the promising demand for projects mainly for the food and beverage industry, e-commerce and airports. New orders received from the Asia region improved by more than 33 %.

At CHF 203.3 million (previous year: CHF 187.1 million), consolidated net sales also reached a new record and grew by 8.6 % in the reporting currency (8.2 % organically). In local currencies, the Group posted 10.6 % growth. Europe reported particularly strong sales growth of some 12 %, with all the countries contributing to this performance.

RESULTS BELOW PREVIOUS YEAR

Mainly as a result of the increase in research and development costs mentioned above, earnings before interest, taxes, depreciation and amortisation (EBITDA) dropped by 4.0 % in the first half of 2017 to CHF 29.6 million (previous year: CHF 30.9 million).

The EBITDA margin was 14.6 % (previous year: 16.5 %). Earnings before interest and taxes (EBIT) amounted to CHF 20.5 million (previous year: CHF 22.0 million), while the EBIT margin stood at 10.1 % (previous year: 11.7 %).

Net profit fell by 3.1 % to CHF 15.3 million (previous year: CHF 15.8 million). The net profit margin was 7.5 % (previous year: 8.4 %).

SOLID BALANCE SHEET PERFORMANCE

Total assets increased to CHF 332.9 million on 30 June 2017, up 2.5 % from the end of 2016 (CHF 324.8 million). In addition to the accounts receivable, the work in progress included in inventory increased substantially in the first half of the year. Interroll also received more payments on deposit. This development reflects the intensive project work done by the Interroll Group in the reporting period.

Among other things following the payment of a dividend of CHF 13.6 million in May 2017, net financial assets dropped to CHF 28.8 million as at 30 June 2017 (31 December 2016: CHF 38.0 million).

Equity declined by 0.8 % to CHF 231.2 million (31 December 2016: CHF 233.1 million). The equity ratio was 69.5 %, compared to 71.8 % at the end of 2016.

STRONG CASH FLOW

Thanks to good balance sheet management, operating cash flow increased substantially on the prior-year period (CHF 14.2 million) by 23.9 % to CHF 17.6 million.

At CHF 9.7 million, gross investments were considerably higher than in the previous year (CHF 6.3 million). These in particular include the further expansion of capacity at the Global Center of Excellence for rollers in Wermelskirchen, Germany and the purchase of land reserves for the Regional Center of Excellence for belt curves in Kronau, Germany.

Because of the higher investments, the free cash flow declined to CHF 8.2 million (previous year: CHF 8.3 million).

GROWING PRODUCT BUSINESS, PROMISING PROJECT DEMAND

Interroll's range of products comprises four product groups: "Rollers", "Drives", "Pallet & Carton Flow" and "Conveyors & Sorters". The "Rollers" and "Drives" product groups performed particularly well in the first half of 2017.

PRODUCT GROUP: ROLLERS

The "Rollers" product group serves as the foundation of the Interroll portfolio. Interroll has been producing rollers at Wermelskirchen in Germany since 1959, and now also produces rollers at five other sites. As such, Interroll is the world leader in this field. Rollers are used in many applications for internal logistics. Growth in the first half was also supported by very short delivery times, highly efficient production processes, proximity to customers and the excellent quality of Interroll's products. In addition, the company anticipated and exploited the potential offered by the latest market trends such as e-commerce, investments in modernisation and outsourcing.

In the first half of 2017, Interroll acquired new business for rollers in all regions. This strong demand is reflected in the production figures. Demand was also boosted by the further expansion of the customer base through Interroll's intensive sales efforts. The growing use of rollers in the MCP conveyor platform further strengthened synergies between Interroll's individual product groups.

The good performance of this product group is confirmed by the sales and order intake figures for the first half of 2017. At CHF 53.5 million, consolidated sales were up 11.2 % on the prior-year period (CHF 48.1 million). Consolidated order intake was 18.2 % better at CHF 55.1 million than in the prior-year period (CHF 46.6 million).

All regions made a positive contribution to this development, with demand in China providing a particular highlight. The Regional Center of Excellence in Suzhou (China) was equipped with a new production line and the related know-how by the Global Center of Excellence in Wermelskirchen in Germany.

The innovative magnetic speed controller MSC 50 has been welcomed by the markets. This device smartly controls the speed of items carried on gravity roller conveyors, thus preventing damage to these goods.

Strong demand for this product group allowed the expansion of the Global Center of Excellence for rollers in Wermelskirchen, Germany. In 2016, Interroll already invested EUR 5 million in the expansion of its building in Wermelskirchen, and this year the company will invest another EUR 3 million in the Global Center of Excellence.

Top quality Interroll conveyor rollers, available in 60,000 different configurations.

PRODUCT GROUP: DRIVES

The portfolio of the “Drives” product group includes driven conveyor rollers (24-volt RollerDrive), control systems and drum motors. The Global Centers of Excellence in Baal, Germany and in Hvidovre, Denmark bear global responsibility for drum motors at the Interroll Group.

Sales amounted to CHF 71.7 million, up 16.2 % on the previous year (CHF 61.7 million). Consolidated order intake rose by 17.8 % to CHF 75.5 million (prior-year period: CHF 64.1 million). The Americas region performed particularly well and sales of drum motors increased by 24 %. The Asia-Pacific region also posted growth in this area of around 15 %.

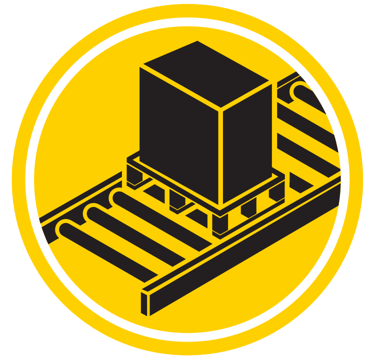
EMEA received 29 % more orders for the RollerDrive than in the first half of 2016, while Asia-Pacific posted an increase in orders of 71 %. Interroll, with its flexible, easy-to-install solutions, is a global leader in this field. In addition to being energy-efficient, the 24-volt RollerDrive is much quieter than comparable products.

In March 2017, Interroll introduced a new generation of drum motors to the European market. The innovative motor platform, which is predominantly used for modern conveyor belt systems in distribution centers, in production areas or in the food industry, has a completely modular design and encompasses both synchronous and asynchronous drive solutions. The product will be launched on the US and Asian markets during the course of this year.

In May, Interroll also launched the world’s most powerful synchronous drum motor for conveyor belt systems with a proven output of 1.1 kilowatts. With this new drum motor, Interroll customers can flexibly and efficiently implement new application scenarios in the internal flow of materials.

At EuroShop in Düsseldorf, Interroll presented a new, smart controlling system for checkout counters. The new Softstart Control solution assumes numerous control functions and is an easy-to-install control system. The new solution guarantees smooth running and gentle braking of the belt, even when it is heavily laden. More than 60 percent of all checkout counters worldwide are now fitted with key components from Interroll. Customers include Walmart, Tesco, Coop, Metro, Lidl, Aldi and Edeka.

Interroll Drum Motors and the RollerDrive product family comply with highest efficiency standards.



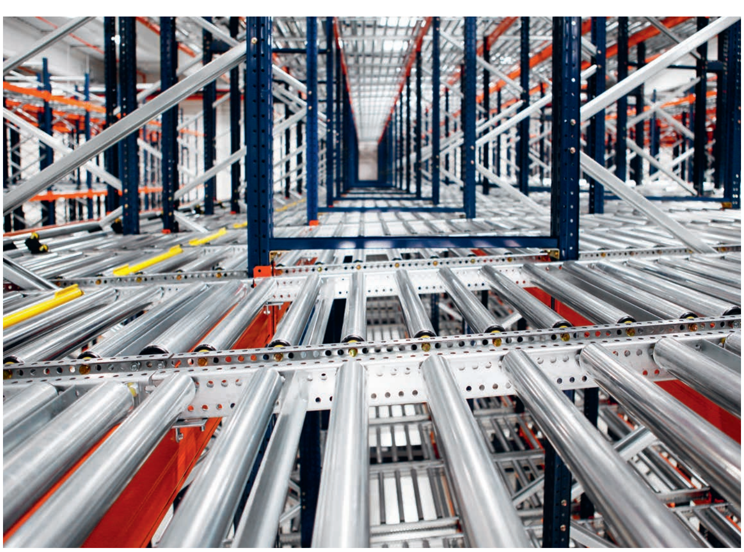
PRODUCT GROUP: PALLET & CARTON FLOW

The “Pallet & Carton Flow” product group offers flow storage solutions for pallets and parcel packaging based on the FIFO (first in, first out) or LIFO (last in, first out) principles. This product group is the responsibility of Interroll’s Global Center of Excellence in La Roche-sur-Yon in France.

At the end of the first half of 2017, Interroll posted a decline in consolidated sales for this product group of 17.7 % to CHF 27.0 million (previous year: CHF 32.8 million). Some projects in South Africa could be invoiced in the current year. The big mineral water project in Asia that was invoiced last year could not be compensated, however.

Consolidated order intake dropped by 7.5 % to CHF 28.6 million (previous year: CHF 30.9 million). Demand was particularly strong in the first half of 2017 in Asia and in North America, with demand from the food and beverage industry remaining very good. Interesting orders were received from Indonesia and the Philippines in the reporting period.

Flow storage solutions have proven to be particularly cost-effective for warehouses with high stock turnover. Interroll’s flow storage systems are checked at Interroll’s Test Center in La Roche-sur-Yon in France. After 50,000 test cycles under extreme conditions, Interroll can guarantee a long service life and maximum safety. Interroll sees great market potential in expanding this area with semi-automatic and fully automatic solutions and is preparing for new developments in this field.



Robust and reliable Interroll flow storage solutions.

PRODUCT GROUP: CONVEYORS & SORTERS

The “Conveyors & Sorters” product group comprises sorter and conveyor solutions that were developed at the Global Centers of Excellence in Sinsheim (Germany) and Cañon City (USA). These include crossbelt sorters, belt curves and modular conveyor platforms (MCP). Interroll has a strong position in this segment with its products and solutions, in particular in the equipping of airports and of postal/logistics distribution centers and in e-commerce. Projects for the tyre industry are also growing.

The product group generated consolidated sales in the first half of 2017 of CHF 51.1 million, which is an increase of 14.8% over the previous year (CHF 44.5 million). Order intake increased again by 14.4 % to CHF 85.2 million compared to CHF 74.5 million in the previous year.

Interroll received new orders for equipping the distribution centers of one of the leading courier companies in North America in the first half of 2017. In Europe, too, many orders were received from the postal and logistics services sector and from the food and beverage industry.

Modern materials flow facilities can be quickly and efficiently planned using Interroll’s modular concept. Changes can be made at any time and can even still be implemented during the installation phase. Facilities designed to take advantage of Interroll’s drive concepts are notable for their maximised availability, energy efficiency and very low operating and maintenance costs. This applies to new facilities as well as to modernised equipment.

The Regional Center of Excellence for belt curves in Kronau in Germany was commissioned in the first quarter of 2017. It was built from the company divisions acquired from Ortner GmbH in the fourth quarter of 2016. Additional land reserves were purchased for this Regional Center of Excellence in Kronau in Germany during the reporting period.

Interroll’s modular conveyor platform offers application flexibility.

SUSTAINABLE GROWTH IN ALL REGIONS

We continued our globalisation strategy in the first half of 2017 by tapping into new markets and reaching new customers. Interroll posted order intake growth in all regions. Europe-Middle East-Africa (EMEA) accounted for 61 % of total revenue, America for 28 % and Asia-Pacific for 11 %. Expectations regarding the newly concentrated “Tyre & Automotive” activities were exceeded. This focused industry management team supports customers in Europe and overseas and at the same time also develops new markets.

+3.5 %
ORDER INTAKE

+12.0 %
NET SALES

EUROPE-MIDDLE EAST-AFRICA

REGION POSTS SOLID PERFORMANCE

In the EMEA region, the growth of the past few years continued in the first half of 2017. Incoming orders, already at a high level, increased by 3.5 % on the previous year to CHF 135.3 million. Sales amounted to CHF 124.8 million, up 12.0 % on the prior-year period (CHF 111.5 million).

This performance was driven by a huge demand for rollers, drives and conveyor belts. While Central Europe, Eastern Europe and Northern Europe could substantially improve on their prior-year results, growth in Western Europe declined in the wake of a strong previous year. Africa reported encouragingly strong sales growth, albeit starting from a lower level.

At 61 % of total sales, EMEA is still the most important economic region for the Interroll Group. The technical requirements for internal logistics suppliers are high and demand flexible customer relationships, industry knowledge, technical expertise to solve problems, innovative answers to growing complexity, and new developments.

At the international LogiMAT trade fair in Stuttgart, Germany in March this year, Interroll’s newly designed stand presented technical innovations and showcased the company's broad industry knowledge and the high quality of its production and sales processes.

Interroll at the LogiMAT 2017 in Stuttgart

+25.7 %
ORDER INTAKE

+9.5 %
NET SALES

AMERICAS

ACTIVE PROJECT REGION

Sales for the America region amounted to CHF 56.4 million, up 9.5 % on the previous year (CHF 51.5 million). The North American market spearheaded by the US accounted for the lion's share of this performance. After a small “breather” in 2016, Interroll managed to post growth in this region again, thanks to continued strong demand from e-commerce, the food industry and the distribution center business. Interroll further strengthened its sales footprint in the US in the reporting period by establishing a new sales company in the Atlanta region.

Order intake, which grew by 25.7 % to CHF 76.6 million, added substantial impetus to the success of this region. Interroll received a large contract for five vertical sorters in the low tens of millions for a leading provider of packaging and logistics solutions in the US.

An office was opened in Mexico City to expand Interroll’s presence in the important South American growth market. Interroll intends to use this location as a hub for tapping into the markets in Mexico and its neighboring countries, which are growing dynamically on the back of e-commerce and the automobile industry and offer much business potential. This was successfully demonstrated by the Interroll product portfolio at the “Intralogistics Latin America” trade fair held in Mexico City at the end of June.

Delivery of sorters to the Brazilian Post Office continued in the reporting year. Interroll has a very successful local team to look after its long-standing customer relationships in the challenging but still very promising Brazilian market. In June, Interroll successfully presented all its product groups to the South American food industry at the FISPAL trade fair in São Paolo.

Intralogistics Latin America trade fair in Mexico City

+33.7%
ORDER INTAKE

-8.7%
NET SALES

ASIA-PACIFIC

REGION WITH EXCELLENT GROWTH PROSPECTS

Interroll's sales in the Asia-Pacific region contracted in the first half of 2017. A large project for Korea was invoiced in the previous year, which left a gap in the reporting year. Sales for the first six months of this year amounted to CHF 22.1 million, 8.7% less than in the prior-year period (CHF 24.2 million).

Order intake on the other hand rose by 33.7% from CHF 24.4 million in the previous year to a new record high of CHF 32.6 million.

Demand for Interroll "Rollers" and "Drives" technologies in particular, improved in this region.

Interroll at KOREAMAT 2017

As in the past years, China was Interroll's most important market in the region and posted further growth as well as good order intake.

Positive impetus came from Thailand. A resurge in new orders in Korea supports the positive outlook. Sales trended very positively in South-East Asia and some growth potential could be realised. This growth trend also continued with strong order intake.

This region is increasingly benefiting from the globalisation of the Interroll Group and the establishment of local production facilities. The successful integration of the Regional Centers of Excellence in Suzhou and Shenzhen into the production network continued to generate consistently positive synergy effects in the first half of 2017 thanks to improved local technical expertise and greater proximity to customers.

Interroll is consistently implementing its product strategy in Asia, too. This was very visible in April at KoreaMAT, one of the leading intralogistics trade fairs in the region. Interroll will launch its new generation of drum motors on the Asian market in autumn this year. Global market opportunities are thus strengthened by innovative and globally available technologies and services.

1 INTERIM FINANCIAL STATEMENTS OF INTERROLL GROUP

1.1 Consolidated statement of financial position

in CHF thousand	30.06.2017	in %	31.12.2016	in %
ASSETS				
Property, plant and equipment	97,736		95,859	
Intangible assets	36,517		38,629	
Financial assets	658		655	
Deferred tax assets	2,464		3,207	
Total non-current assets	**137,375**	**41.3**	**138,350**	**42.6**
Inventories	62,024		48,274	
Current tax assets	2,175		1,202	
Trade and other accounts receivable	99,313		98,725	
Cash and cash equivalents	31,975		38,264	
Total current assets	**195,487**	**58.7**	**186,465**	**57.4**
Total assets	**332,862**	**100.0**	**324,815**	**100.0**
EQUITY AND LIABILITIES				
Share capital	854		854	
Share premium	7,894		7,184	
Reserve for own shares	–3,565		–1,914	
Translation reserve	–57,688		–55,083	
Retained earnings	283,700		282,044	
Total equity	**231,195**	**69.5**	**233,085**	**71.8**
Financial liabilities	19			
Deferred tax liabilities	1,526		3,050	
Pension liabilities	8,309		8,154	
Provisions	7,419		6,867	
Total non-current liabilities	**17,273**	**5.2**	**18,071**	**5.6**
Financial liabilities	3,208		283	
Current tax liabilities	11,633		13,959	
Trade and other accounts payable	69,553		59,417	
Total current liabilities	**84,394**	**25.4**	**73,659**	**22.6**
Total liabilities	**101,667**	**30.5**	**91,730**	**28.2**
Total equity and liabilities	**332,862**	**100.0**	**324,815**	**100.0**

1.2 Consolidated income statement

in CHF thousand	Jan.–Jun. 2017	in %	Jan.–Jun. 2016	in %	Variance	in %
Net Sales	**203,276**	**100.0**	**187,123**	**100.0**	**16,153**	**8.6**
Material expenses	–83,787	–41.2	–79,948	–42.7		
Personnel expenses	–64,207	–31.6	–56,766	–30.3		
Increase / (decrease) in work in progress, finished products and own goods capitalised	6,569	3.2	10,217	5.5		
Other operating expenses	–33,675	–16.5	–30,659	–16.4		
Other operating income	1,471	0.7	924	0.5		
Operating result before depreciation and amortization (EBITDA)	**29,647**	**14.6**	**30,891**	**16.5**	**–1,244**	**–4.0**
Depreciation	–5,829	–2.9	–5,444	–2.9		
Operating result before amortisation (EBITA)	**23,818**	**11.7**	**25,447**	**13.6**	**–1,629**	**–6.4**
Amortisation	–3,306	–1.6	–3,495	–1.9		
Operating result (EBIT)	**20,512**	**10.1**	**21,952**	**11.7**	**–1,440**	**–6.6**
Financing expenses	–827	–0.4	–15	–0.0		
Financing income	75	0.0	646	0.3		
Financing result	**–752**	**–0.4**	**631**	**0.3**	**–1,383**	**–219.2**
Result before income taxes	**19,760**	**9.7**	**22,583**	**12.1**	**–2,823**	**–12.5**
Income tax expense	–4,485	–2.2	–6,818	–3.6		
Result	**15,275**	**7.5**	**15,765**	**8.4**	**–490**	**–3.1**
Result attributable to:						
– Non-controlling interests						
– Owners of Interroll Holding Ltd.	**15,275**	**7.5**	**15,765**	**8.4**	**–490**	**–3.1**
Values per share (in CHF)						
Non-diluted earnings (result) per share	17.94		18.54		–0.60	–3.2
Diluted earnings (result) per share	17.94		18.54		–0.60	–3.2

1.3 Consolidated statement of comprehensive income

in CHF thousand	Jan.–Jun. 2017	Jan.–Jun. 2016
Result	**15,275**	**15,765**
Other income		
Items that in the future may be reclassified subsequently to income statement		
– Currency translation differences	–2,605	–1,110
Total items that in the future may be reclassified subsequently to income statement	**–2,605**	**–1,110**
Other income	**–2,605**	**–1,110**
Comprehensive income	**12,670**	**14,655**
Result attributable to:		
– Non-controlling interests		
– Owners of Interroll Holding Ltd.	**12,670**	**14,655**

1.4 Consolidated statement of cash flows

in CHF thousand	Jan.–Jun. 2017	Jan.–Jun. 2016
Result	**15,275**	**15,765**
Depreciation, amortisation and impairment	9,135	8,939
Loss/(gain) on disposal of tangible and intangible assets	–3	–141
Financing result, net	752	–631
Income taxes	4,485	6,818
Changes in inventories	–15,049	–13,363
Changes in trade and other accounts receivable	–1,664	–22,107
Changes in trade and other accounts payable	10,508	23,687
Changes in provisions, net	552	577
Income taxes paid	–8,542	–6,371
Personnel expenses on share-based payments	2,240	1,223
Other non-cash expenses/(income)	–48	–155
Cash flow from operating activities	**17,641**	**14,241**
Acquisition of property, plant and equipment	–7,915	–5,531
Acquisition of intangible assets	–1,741	–752
Acquisition of financial assets	–12	
Proceeds from disposal of property, plant and equipment and intangible assets	128	296
Settlement of loans receivable	3	5
Interest received	69	51
Cash flow from investing activities	**–9,468**	**–5,931**
Free cash flow	**8,173**	**8,310**
Dividends	–13,619	–10,231
Acquisition of own shares	–3,181	
Proceeds from financial liabilities	3,000	
Repayment of financial liabilities	–55	–91
Interest paid	–12	–19
Cash flow from financing activities	**–13,867**	**–10,341**
Translation adjustment on cash and cash equivalents	–595	–39
Changes in cash and cash equivalents	**–6,289**	**–2,070**
Cash and cash equivalents at 1 January	38,264	31,654
Cash and cash equivalents at 30 June	**31,975**	**29,584**

1.5 Consolidated statement of changes in equity

in CHF thousand	Share capital	Share premium	Reserve for own shares	Translation reserve	Retained earnings	**Total equity**
Balance at 1 January 2016	**854**	**6,519**	**–1,623**	**–55,227**	**257,123**	**207,646**
Result					**15,765**	**15,765**
Other comprehensive income, net of taxes				**–1,110**		**–1,110**
Comprehensive income				**–1,110**	**15,765**	**14,655**
Share-based payments		370	854			1,224
Dividends					–10,231	–10,231
Balance at 30 June 2016	**854**	**6,889**	**–769**	**–56,337**	**262,657**	**213,294**
Balance at 31 December 2016	**854**	**7,184**	**–1,914**	**–55,083**	**282,044**	**233,085**
Result					**15,275**	**15,275**
Other comprehensive income, net of taxes				**–2,605**		**–2,605**
Comprehensive income				**–2,605**	**15,275**	**12,670**
Share-based payments		710	1,530			2,240
Purchase of own shares incl. tax effects			–3,181			–3,181
Dividends					–13,619	–13,619
Balance at 30 June 2017	**854**	**7,894**	**–3,565**	**–57,688**	**283,700**	**231,195**

2 NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of the consolidated financial statements

Convention of preparation
The condensed, unaudited consolidated interim financial statements at 30 June 2017 have been prepared in accordance with IAS 34 ("interim period") and are based on the uniform financial statements of Interroll Holding LTD. and its subsidiaries ("the Group"). All statements are prepared based on uniform Group accounting principles. These interim statements reflect an update of previously published information. Therefore, they should always be read in conjunction with the Annual Report 2016. The interim statements were approved by the Board of Directors on 26 July 2017.

The accounting standards used for these interim financial statements are identical to those published and described in the Annual Report 2016.

Foreign currency translation
The following key exchange rates were used for the translation of financial statements denominated in foreign currencies:

	Income statement (average rates)			Balance sheet (year-end rates)		
	Jan.–Jun. 2017	**Jan.–Jun. 2016**	Change in %	**30.06.2017**	**31.12.2016**	Change in %
1 EUR	1.078	1.098	–1.8	1.093	1.074	1.8
1 USD	0.986	0.986	0.0	0.958	1.019	–6.0
1 CNY	0.144	0.150	–4.4	0.141	0.147	–4.1

New or amended IAS / IFRS standards and interpretations
The IASB has published new and revised standards and interpretations. These come into force on or later than 1 January 2018 and are not early adopted in this financial statement. The impact of the introduction / amendment of IFRS 9 (Financial Instruments) and IFRS 16 (Leasing) cannot yet be assessed with sufficient certainty or the expectations of the impact are in line with the disclosures made in the Annual Report 2016. Had Interroll introduced IFRS 15 (Revenue from Contracts with Customers) already as per 1 January 2017, only minor changes would have been made to the current practise, according to recent assessments.
Various amendments will also come into force, which will have no significant impacts on the consolidated financial statements of the Interroll Group: IFRS 2 (Share-based Payment), IFRS 4 (Insurance Contracts), IAS 40 (Investment Property), the Annual improvements 2014-16, IFRIC 22 (Foreign Currency Transactions and Advance Consideration) as well as IFRIC 23 (Uncertainty over Income Tax Treatments).

Critical accounting estimates and judgements
The preparation of the consolidated interim financial statements requires management to make estimates, assumptions and judgements for the determination of income, expenses, assets, liabilities and for the disclosure of contingent liabilities. Such estimates, which are based on management's best knowledge and belief at the reporting date, may deviate from actual circumstances. In such a case, they will be modified as appropriate in the period in which the circumstances change.

Segment reporting
The Interroll Group consists of one single business unit. The complete product range is sold in all markets through the respective regional sales organisation. The customer groups of OEMs, system integrators and end users are provided with tailor-made product offerings and differentiated consulting levels. The Interroll manufacturing units focus on the production of specific product ranges. Assembly units receive semi-finished products from the manufacturing units and assemble a wide product range to serve their local markets. The Interroll Research Center, which is centrally located, develops new application technologies and new products for all product groups. Centers of Excellence, which focus on specific product groups, concentrate on the development of their assigned product portfolio.

Group Management and the whole Interroll management structure are organised by function (Overall Management, Products & Technology, Global Sales & Services, Marketing and Finance). The Board of Directors bases its financial management of the Group on both the sales generated in the product groups and geographical markets as well as on the consolidated financial statements. Group Management additionally assesses the achievement of financial and qualitative targets of all legal entities.

Financial instruments
Interroll Group has only financial instruments classified as hierarchy 2 in line with IFRS 13. These financial instruments include only foreign currency forward contracts and cash flow hedges. The valuation in hierarchy 2 is based on factors which cannot be tracked to actively listed prices on public markets. Instead, they can be monitored directly (as a price) or indirectly (as a derivative of the price). The amount of the financial instruments classified as hierarchy 2 is CHF 0.2 million at 30 June 2017 (31 December 2016: CHF 0.1 million).

2.2 Segment information

Net sales by geographical markets
Sales by geographical market is presented as follows:

in CHF thousand	Jan.–Jun. 2017	in %	Jan.–Jun. 2016	in %
Other Europe, Middle East, Africa	99,203	48.8	84,919	45.4
Germany	25,612	12.6	26,534	14.2
Total Europe, Middle East, Africa	**124,815**	**61.4**	**111,453**	**59.6**
USA	42,395	20.9	37,975	20.3
Other Americas	14,011	6.9	13,531	7.2
Total Americas	**56,406**	**27.8**	**51,506**	**27.5**
Asia incl. Australia	22,055	10.8	24,164	12.9
Total Asia-Pacific	**22,055**	**10.8**	**24,164**	**12.9**
Total Group	**203,276**	**100.0**	**187,123**	**100.0**

Material sales with specific customers
Sales are realised with more than 10,000 active customers. No customer accounts for net sales of more than four percent of Group sales.

Sales by product group
Sales realised in the first half-year by product group is presented as follows:

in CHF thousand	Jan.–Jun. 2017	in %	Jan.–Jun. 2016	in %
Drives	71,658	35.3	61,662	32.9
Rollers	53,507	26.3	48,054	25.7
Conveyors & Sorters	51,069	25.1	44,532	23.8
Pallet & Carton Flow	27,042	13.3	32,875	17.6
Total Group	**203,276**	**100.0**	**187,123**	**100.0**

2.3 Notes to the consolidated statement of financial position

Consolidated statement of financial position
Total assets increased by CHF 8.1 million compared to year-end 2016. Mainly accounts receivable and work in progress as part of inventories increased to a record level. This development shows the strong project growth of the Interroll Group in the first half of 2017. Current liabilities increased by CHF 10.7 million to CHF 84.4 million. Net working capital increased by CHF 7.5 million to CHF 82.3 million.

Investments / capital expenditures
A total of CHF 9.7 million in gross capital expenditures were invested in various production facilities. Total non-current assets reached CHF 137.4 million. Capital expenditure into intangible assets are mainly for the further development of the SAP ERP system.

In line with IAS 36, goodwill and other intangible assets are subject to an annual impairment test. These tests are normally performed in the second half of the year. Currently, there is no indication of impairment.

Net financial assets
Net financial assets at the end of the reporting period decreased by CHF 9.2 million compared to year-end 2016 and reached CHF 28.8 million by 30 June 2017.

Total credit lines available but unused at the end of the reporting period amount to CHF 74.4 million (end of 2016: CHF 78.6 million). From these credit lines, CHF 40.0 million are committed until first half 2018.

Debt covenants have always been complied with during the reported interim period as well as during the previous-year period.

Equity
The equity position decreased by CHF 1.9 million to CHF 231.2 million compared to the end of 2016, mainly as a result of lower net profit. The equity ratio at the end of the interim period corresponds to 69.5 % (year-end 2016: 71.8 %). In mid-2017, a dividend of CHF 16.00 per share was paid as agreed during the annual general meeting (previous year: CHF 12.00 per share).

2.4 Notes to the consolidated income statement

Net sales
Net sales in the reporting currency have increased by 8.6 % to CHF 203.3 million compared to the same period last year. 8.2% of this growth is of organic nature. In local currencies the increase reached 10.6 %. Above-average growth was seen in the Europe - Middle East - Africa business in particular.

Earnings before interest and taxes (EBIT)
Higher expenses for research and development are the main cause for the EBITDA decrease by 4.0 % to CHF 29.6 million (previous year: CHF 30.9 million). Interroll is accelerating development and extension of products and services for the fast growing "Industry 4.0" trend. The EBITDA margin was 14.6 % (previous year: 16.5 %).

The EBIT decreased by 6.6 % and reached CHF 20.5 million (previous year: CHF 22.0 million). In the reporting period, depreciation increased and amortisation decreased slightly compared to previous year.

Financing result
The net financial loss of CHF 0.8 million includes, apart from immaterial net financial interest income, mainly realised and unrealised foreign exchange losses. Due to its decentralised structure, the Interroll Group is generally not very highly exposed to currency fluctuations.

Income tax
Income tax expense is recognised based upon the best estimates of the weighted average annual income tax rate for the full financial year. The tax rate presented in the interim report generally contains tax recoveries / adjustment charges from previous years. It is also influenced by a differentiated assessment of future realisable losses carried forward. In the period under review, tax charges resulting from previous periods amounted to CHF 0.2 million (previous year: CHF 1.1 million).

Result
The net profit presented for the reporting period amounts to CHF 15.3 million (previous year: CHF 15.8 million).

2.5 Notes to the consolidated statement of cash flows

Cash flow from operating activities
Cash flow from operating activities amounts to CHF 17.6 million (previous year: CHF 14.2 million).

Cash flow from investing activities
Total investments of CHF 9.7 million (previous year: CHF 6.3 million) mainly include the amendment of the Global Competence Center for Rollers in Wermelskirchen, Germany and the purchase of land reserves for the Local Competence Center for Belt Curves in Kronau, Germany. In the previous year investments mainly included machinery and the SAP ERP system.

Cash flow from financing activities
In the first half of 2017, dividends totalling CHF 13.6 million were paid out (previous year: CHF 10.2 million).

2.6 Notes to the consolidated statement of changes in equity

Share capital
The shareholders' capital of CHF 854,000 is unchanged compared to year-end 2016.

Assignment of shares
Shares assigned to members of the management in the amount of CHF 1.5 million (previous year: CHF 0.9 million) were expensed.

3 FURTHER DISCLOSURES AND INFORMATION

Events after the balance sheet date, seasonality
The Group did not identify any events after the closing date of the interim statements that would have a material effect on the presentation of its financial position as at 30 June 2017. There are no other facts which require disclosure according to IAS 34.

The industry in which the Group operates does not have significant seasonal variations. However, changes in the economical environment could have an impact on the short-term profitability.

Contingent liabilities
There were no contingent liabilities in the period under review.

FINANCIAL CALENDAR 2018

Preliminary Financial Figures 2017	22 January
Publication Annual Report 2017 and Balance Sheet Press Conference	23 March
Annual General Assembly	4 May
Publication Half-Year Report 2018	3 August

CONTACT AND IMPRINT

If you have any questions regarding Interroll Group or would like to be included in our distribution list, please contact the Investor Relations Team:

investor.relations@interroll.com

Martin Regnet
Global PR Manager
Tel: +41 91 850 25 21
E-mail: m.regnet@interroll.com

Editor
Interroll Holding AG
Via Gorelle 3
6592 Sant'Antonino, Switzerland
Tel: +41 91 8502525
Fax: +41 91 8502505
www.interroll.com

NOTE ON THE HALF-YEAR REPORT

This half-year report is also available in German. If there are differences between the two, the German version takes priority. The half-year report is available as a PDF document.

NOTE ON ROUNDING

Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

FORWARD-LOOKING STATEMENTS

This half-year report contains certain forward-looking statements. Forward-looking statements include all statements which do not relate to historical facts and events and contain forward-looking expressions such as “believe”, “estimate”, “assume”, “expect”, “forecast”, “intend”, “could” or “should” or expressions of a similar kind. Such forward-looking statements are subject to risks and uncertainties since they relate to future events and are based on the company’s current assumptions, which may not take place in the future or be fulfilled as expected. The company points out that such forward-looking statements provide no guarantee for the future and that the actual events including the financial position and profitability of the Interroll Group and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets for the Interroll Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such forward-looking statements in this half-year report, no guarantee can be given that this will continue to be the case in the future.

Interroll Holding AG
Via Gorelle 3 | 6592 Sant'Antonino | Switzerland
www.interroll.com