



HALF-YEAR REPORT 2015

**INSPIRED BY**  
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**EFFICIENCY**

# KEY FIGURES

in CHF million, if not stated differently	01.01.– 30.06.2015	01.01.– 30.06.2014	Changes in %
<b>Incoming orders / net sales</b>			
Total incoming orders	206.3	172.9	19.3
Drives	53.2	56.0	-5.0
Rollers	48.3	39.4	22.6
Conveyors & Sorters	43.6	33.5	30.3
Pallet & Carton Flow	26.2	28.2	-7.1
<b>Total net sales</b>	<b>171.3</b>	<b>157.1</b>	<b>9.1</b>
<b>Profitability</b>			
EBITDA	26.5	18.2	45.5
in % of net sales	15.5	11.6	
EBITA	21.4	12.8	67.8
in % of net sales	12.5	8.1	
EBIT	17.5	8.8	99.7
in % of net sales	10.2	5.6	
<b>Net profit</b>	<b>12.8</b>	<b>7.1</b>	<b>78.8</b>
in % of net sales	7.5	4.5	
<b>Cash flow</b>			
Operating cash flow	11.6	5.0	129.9
in % of net sales	6.7	3.2	
<b>Free cash flow</b>	<b>-0.6</b>	<b>0</b>	<b>-100</b>
in % of net sales	-0.4	0	
<b>Total investments / capital expenditure</b>	<b>12.3</b>	<b>6.2</b>	<b>98.4</b>
<b>Balance sheet</b>			
	<b>30.06.2015</b>	<b>31.12.2014</b>	
Total assets	282.3	278.2	1.3
Goodwill	16.0	17.6	-9.1
Net financial assets (debts)	20.6	23.9	-13.8
<b>Equity</b>	<b>192.3</b>	<b>200.3</b>	<b>-4.0</b>
Equity ratio (equity in % of assets)	68.1	72.0	
Return on equity (in %)	8.9	9.9	-10.1
<b>Other key figures</b>			
RONA (Return on Net Assets, in %)	13.4	9.8	36.7
Average number of employees	1795	1675	7.2
Net sales per employee (in thousands CHF)	191	200	-4.5
Productivity (added value / total personnel expenses)	2.04	1.86	9.7

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# ABOUT INTERROLL

Interroll Group is a worldwide leading provider of high-quality key products and services for internal logistics. The company offers a broad product range in the four product groups “Rollers”, “Drives”, “Conveyors & Sorters” and “Pallet & Carton Flow” to around 23,000 customers around the world.

Core industries are courier, parcel, express and postal services, airports, food processing as well as distribution centers. Our products are in daily use at amongst others well-known global brands such as Amazon, Bosch, Coca-Cola, Coop, DHL, FedEx, Peugeot, PepsiCo, Procter & Gamble, Siemens, Walmart and Yamaha.

Interroll is engaged in global research projects on logistics efficiency and actively supports industry associations in developing standards. Headquartered in Sant’Antonino, Switzerland, Interroll operates a worldwide network of 31 companies with around 1,800 employees. The company was founded in 1959. Since 1997, Interroll Group has been listed on the SIX Swiss Exchange and included in the SPI index.

[www.interroll.com](http://www.interroll.com)

## INTERROLL PRODUCT GROUPS

### ROLLERS



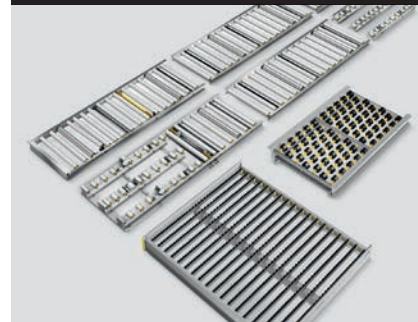
### DRIVES



### CONVEYORS & SORTERS

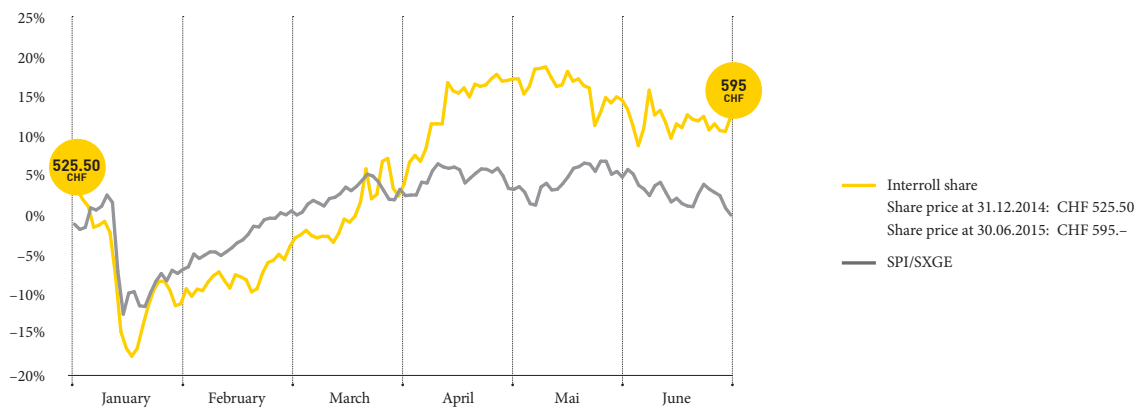


### PALLET & CARTON FLOW



# INTERROLL ON THE CAPITAL MARKET

## Share price performance Interroll



### INTERNATIONAL STOCK MARKETS CHARACTERISED BY HIGH VOLATILITY

The performance of the stock markets in the first half of 2015 was characterised by the SNB's (Swiss National Bank) decision to abandon the euro-franc exchange rate, the uncertain situation in Greece and the Ukraine crisis.

Following a significant drop in share prices after the SNB's decision was announced, the Swiss stock market had recovered positively once again and even reached a new high for the year in April. However, it recorded a loss at the end of the first half of the year due to the ongoing unsuccessful negotiations with Greece.

### INTERROLL SHARE POSTS POSITIVE PERFORMANCE

In the first half of 2015, Interroll shares showed a strong upward trend following their good performance in 2014. The share closed at CHF 595.00 on 30 June 2015 and was thus 13.2% higher than at the end of 2014 (CHF 525.50).

This means the Interroll share even outperformed the SPI Index, which was at 8,918 points on 30 June 2015, in other words only 0.7% higher than the closing price in 2014 (8,857 points). At 8,780 points on 30 June 2015, the SPI Index was -2.3% lower than its closing price in 2014 (8,983 points).

# STRONGLY SUCCESSFUL INTO THE FUTURE BY FOCUSING ON CUSTOMERS AND OFFERING INNOVATIVE SOLUTIONS

**PAUL ZUMBÜHL** (left)

CEO

**KURT RUDOLF** (right)

Chairman of the Board of Directors



Dear Shareholders, Customers and Business Partners,

The Interroll Group is continuing its growth strategy and has gotten off to a good start to the new financial year 2015 with considerable growth rates in order intake and sales. All regions developed very positively in the first half of the year. The distribution of sales in the three regions has continued to improve and we are generating a higher share of our turnover outside Europe. Demand for our products is high all over the world. For example, after receiving an order for six crossbelt sorters for Brazil Post in 2014, we received another order for four more sorters via the system integrator NPI in April 2015.

Our order intake increased from CHF 172.9 million in the first half of 2014 to CHF 206.3 million in the first half of 2015. Sales in local currency rose by 18.5%. Part of this sales growth was eliminated due to the significant translation risk from converting revenues primarily from the euro zone into the reporting currency CHF. Consolidated sales therefore amounted to CHF 171.3 million, an increase of 9.1% compared to the first half of 2014 (CHF 157.1 million).

We also increased our EBITDA by 45.5% from CHF 18.2 million to CHF 26.5 million. The EBITDA margin was 15.5% (previous year: 11.6%). EBIT of CHF 17.5 million in the first half of 2015 was 99.7% higher than in the same period of the previous year (CHF 8.8 million).

During the last financial year, we reported extensively on our strategic non-recurring expenses and investments, which we made mainly in the first half of 2014. Because we did not incur these one-time expenses again this year and managed to increase our sales and our productivity quite significantly in the first half of 2015, we succeeded in increasing our net profit by 78.8% to CHF 12.8 million (previous year: CHF 7.1 million). We expect the increase in net profit to be slightly lower in the second half of 2015 because less one-time effects from the previous year will fall away.

The new modular conveyor platform that we launched quite successfully in Europe in 2014 is attracting a great deal of interest among our customers and we have already received several lucrative orders. Now we are planning to gradually launch the platform in Asia and in the USA.

***“We reached significant higher sales and further increased our productivity.”***

By acquiring Portec, the leading US manufacturer of belt curves, we expanded our global product line in the area of highly efficient belt curves and other conveyor solutions in 2013. In 2015, we started manufacturing and marketing this reliable, robust and globally recognised solution, that has already been installed over 80,000 times, in Europe as well. This means we will be able to supply our customers in this region with this proven solution more quickly in the future.

We continue to work on developing and improving our products and have extended our controller family for use with RollerDrive to include MultiControl. Thus we are able to offer our customers the appropriate control of the conveyor that fits their exact needs for any conveyor task.

Our continued strong performance is also reflected in the performance of our share, which rose by 13.2% in the first half of 2015. Interroll's share price was CHF 595.00 on 30 June 2015.

We will continue to do everything we can to continue writing Interroll's success story this year too. With our clear focus on innovations, we will strive to meet the high demands that our customers place on key products and solutions in the area of internal logistics and thus further extend our leading global market and technological position.

Our new building in Baal / Hückelhoven, Germany, is proceeding according to schedule. With the relocation of the Interroll Research Center, the Interroll Academy and the Interroll Coating Center (rubber coating) to the site in Hückelhoven in the fall of 2015, we will be able to optimise our own internal logistics and intermesh development and production to an even greater extent in the future.

We would like to thank all of our employees for their dedication in contributing to Interroll's positive development. And we also thank our customers, suppliers, financiers and, of course, you, our dear shareholders, for your trust in our company.

Despite the current uncertainties in the economic and political environment – more specifically, the situation in Greece – we are confident that 2015 will be a successful year for Interroll and that we will be able to develop our company sustainably and successfully. This is because we think long-term and act in a future-oriented manner. But also because we are capable of making changes without losing our roots. Our company culture is dedicated to growth. With our internal programme "Culture for Growth" we want to boost employee identification with Interroll and and to further improve competitive distinction.

We would be pleased if you would continue to benevolently support the company on this path.

Sant'Antonino, 7 August 2015



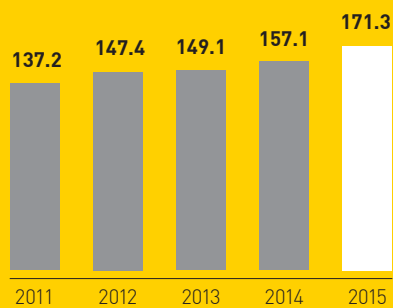
*Kurt Rudolf  
Chairman of the  
Board of Directors*



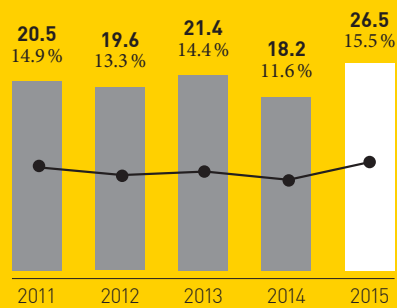
*Paul Zumbühl  
Chief Executive Officer*

# OVERVIEW OF FINANCIAL POSITION, EARNINGS AND CASH FLOWS

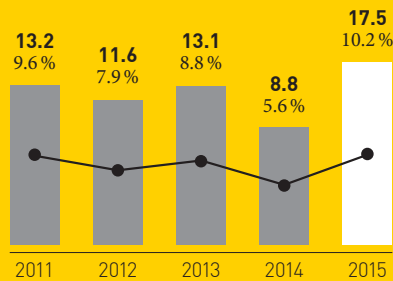
## NET SALES



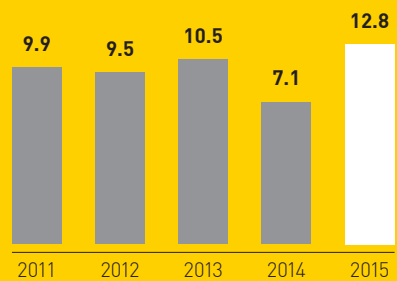
## EBITDA AND EBITDA MARGIN



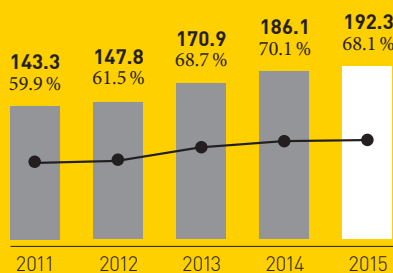
## EBIT AND EBIT MARGIN



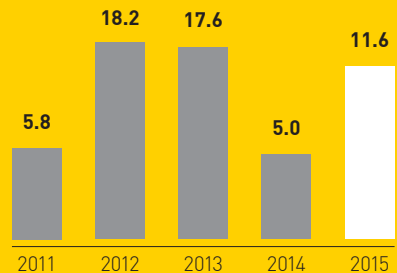
## NET PROFIT



## EQUITY AND EQUITY RATIO



## OPERATING CASH FLOW





### **ORDER INTAKE AND SALES DEVELOP VERY POSITIVELY**

In the first six months of 2015, order intake increased by 19.3% to CHF 206.3 million (previous year: CHF 172.9 million). Organic growth of 17.6% was achieved. Adjusted for smaller divestments, the acquisition of Pert in China in June 2014 contributed 1.7% to this increase.

In local currency, order intake rose sharply by 28.1% and sales by 18.5%. Part of this sales growth was eliminated due to the significant translation effects from converting revenues primarily from the euro zone into the reporting currency CHF. While the currency translation effects from Europe were extremely negative, the currency developments in the dollar and the emerging countries zone were slightly positive.

Despite the significant translation effect, consolidated sales increased to CHF 171.3 million and thus by 9.1% in the reporting currency CHF compared to the previous year (CHF 157.1 million). This increase can be attributed to both organic sales growth of 7.3% and to the successful integration of the acquisition Pert, which, adjusted for smaller divestments, amounted to 1.8%.

### **PARTICULARLY STRONG INCREASE IN PROFIT ALSO DUE TO NON-RECURRING EXPENSES IN 2014**

In 2014, we realised significant strategic non-recurring expenses and investments to foster long-term growth and sustained profitability. The costs of launching the modular conveyor platform and consolidating plants in the United States as part of our acquisition of Portec in 2013 and the new Center of Excellence in Atlanta were mainly incurred in the first half of the year and thus had a negative impact on our results.

Despite the significant negative currency effects referred to above, but bolstered by significantly higher sales as well as the further increase in productivity in 2015 and the fact that the one-time expenses in 2014 were no longer incurred, profit before interest, taxes, depreciation and amortisation (EBITDA) increased by 45.5% to CHF 26.5 million in the first half of 2015 (previous year: CHF 18.2 million). The EBITDA margin was 15.5% (previous year: 11.6%).

Earnings before interest and taxes (EBIT) also increased compared to the previous year. After CHF 8.8 million in the previous year, this figure was CHF 17.5 million in the first half 2015. The EBIT margin was 10.2% (previous year: 5.6%).

Compared to last year, this year's result increased significantly from CHF 7.1 million to CHF 12.8 million.

### **SOLID BALANCE SHEET DEVELOPMENT**

The balance sheet increased as of 30 June 2015 to CHF 282.3 million and was thus 1.3% above the level at the end of 2014 (CHF 278.2 million). This increase reflects the strong growth of the Group despite negative translation effects. For example, significant assets in the euro zone were converted into the reporting currency CHF at a lower exchange rate than they were a year ago.

Equity amounted to CHF 192.3 million on 30 June 2015 and was thus slightly lower than it was on 31 December 2014 (CHF 200.3 million). This decline resulted primarily from the currency translation differences. The equity ratio was thus 68.1% compared to 72.0% on 31 December 2014.

Net financial assets per 30 June 2015 amounted to CHF 20.6 million and remained strongly in the positive range thereby supporting the group's long term debt-free growth.

### **CASH FLOW REFLECTS GROWTH AND INVESTMENTS**

Receivables from customers and inventories both increased in the first half of 2015 due to the high sales in local currency and the planned gradual introduction of the modular conveyor platform in China and the USA.

Operating cash flow increased to CHF 11.6 million (previous year: CHF 5.0 million) due to higher net profit.

The investments of gross CHF 12.3 million (previous year: CHF 6.2 million) pertained to extensions and renewals of our machinery, the SAP project and mainly the new building in Baal/Hückelhoven, Germany.

The higher investments compared to the previous year resulted in a negative free cash flow of CHF -0.6 million for the first half year (previous year: CHF 0.03 million).

# OVERVIEW BY PRODUCT GROUPS

All product groups have performed well in local currency terms. However, due to the significant negative translation effects as a result of conversion of sales primarily from the euro zone to the reporting currency CHF, part of our sales growth has been eliminated in the individual product groups.

## PRODUCT GROUP DRIVES

The Drives product group comprises our driven conveyor rollers (24 volt RollerDrive), including the control systems, and our drum motors. Due to currency translation effects, consolidated sales in the reporting currency CHF totalled CHF 53.2 million in the first six months of 2015 (previous year: CHF 56.0 million). In local currencies we were able to reach a low double-digit growth rate.

Order intake rose in Group currency to CHF 57.2 million (previous year: CHF 56.9 million), however.

### 24 Volt RollerDrive

Our motor-driven 24 volt conveyor rollers are characterised by low energy consumption, reductions in noise and their easy installation and maintenance. We thus help our customers to remain competitive and organise their internal logistics processes efficiently.

Customers around the world appreciate the advantages that 24 volt technology offer. We were able to increase order intake in this product group quite significantly in

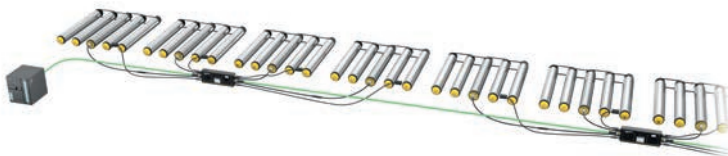
all three regions and are observing that consciousness of using drives that save energy is growing also in the Americas and the Asia-Pacific region.

We offer our customers the appropriate control of the conveyor for every application that meets their exact requirements. In June 2015, we expanded our control family for use with the RollerDrive EC 310 to include Interroll MultiControl, a network card for PROFINET, EtherNet/IP and EtherCAT. There is no need to set up an additional sensor or actuator level due to the direct integration of sensors and RollerDrive in the field bus level.

### Drum Motors

Our asynchronous and synchronous drum motors are extremely durable, reliable and low on maintenance and yet also known for their extremely high energy efficiency. Because the entire drive unit is located inside the drum capsule, they take up less space and meet the requirements of the international protection classes IP66 and IP69k. Our asynchronous drum motors meet the material requirements that the USDA/FDA and the EU ordinance EG 1935/2004 place on use in the area of food. Our synchronous drum motor is the only one that has been certified for use in hygienic industrial applications by the European Hygienic Engineering & Design Group (EHEDG).

The increasing demand for our synchronous drum motors has resulted in a gratifying increase in production volume at our Center of Excellence in Baal/Hückelhoven, Germany.



Configuration of sensor or RollerDrive properties takes place using either a web user interface, the SPS programming software or the Interroll Teach-In procedure (automatic configuration and addressing). This guarantees a quick and easy start up on-site.

## PRODUCT GROUP ROLLERS

Our product group Rollers includes all non-driven conveyor rollers. Consolidated sales for this product group amounted to CHF 48.3 million, significantly higher than in the previous year's figure of CHF 39.4 million (+22.6%).

Consolidated order intake amounted to CHF 48.1 million (previous year: CHF 41.1 million).

The demand for our high-quality conveyor rollers was extremely positive in all regions. In Eastern Europe, for example, we were able to achieve growth in order intake of close to 60%. The Americas region increased its order intake quite significantly by almost 30% due to additional outsourcing activities of various customers. The more than 500 million conveyor rollers we have

manufactured make us the leading supplier in this area. Thanks to our shortest delivery times, our customers can remain flexible when it comes to purchasing and must maintain only low stock levels. Our conveyor roller manufacturing is designed to accommodate very small quantities and approximately half of our order positions in Wermelskirchen have a lot size of less than 10 units. Our customers are thus able to react to short term project changes in a flexible and efficient manner.

In March 2015, we launched our customer programme "Rolling on Interroll." Medium-sized plant and machinery construction companies in particular are struggling with ever-growing competition, higher technical requirements and ever tighter project deadlines in today's market environment. Here, they rely on the delivery reliability and product quality that Interroll offers. And this is now being expressed in the quality seal "Rolling on Interroll."



This strategic loyalty programme underscores Interroll's business model as a neutral provider of key products for internal logistics with open platforms and interfaces and as a strong partner for plant and machinery construction companies worldwide.

## PRODUCT GROUP CONVEYORS & SORTERS

Our Conveyors & Sorters product group encompasses sorters and modules that are used in key positions in the field of internal logistics. These include crossbelt sorters, belt curves, roller and belt conveyors, but also the modular conveyor platform. At CHF 43.6 million, consolidated sales were 30.3% higher in the first half of 2015 than in the previous year (CHF 33.5 million).

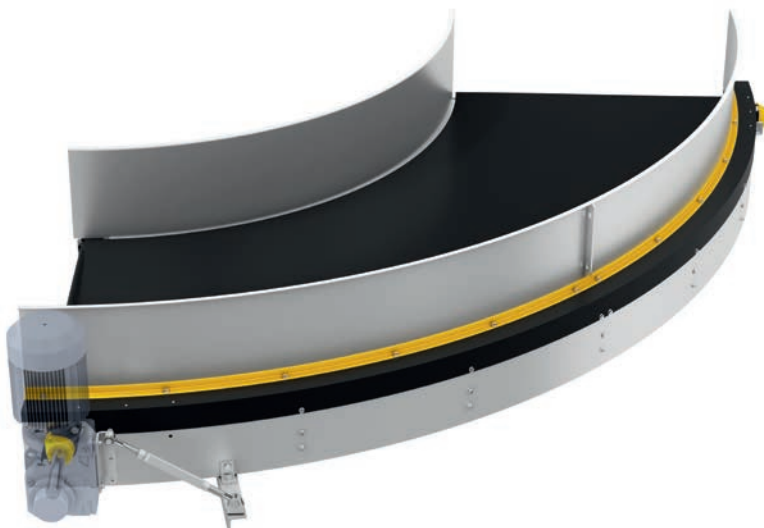
Consolidated order intake amounted to CHF 70.6 million (previous year: CHF 47.8 million). This includes four of the ten sorters from the contract for Brazil Post.

In May 2014, we introduced our modular conveyor platform to the European market. Customers realise what advantages our platform offers when it comes to managing fluctuations in the flow of goods, managing changes in order structures and product assortments both quickly and efficiently. We have already received lucrative orders in Europe and expect the order situation to continue to develop positively. Now Asia and the US will follow successively where customers have also already shown great interest in this innovative platform. The platform is characterised by high quality, flexibility, energy efficiency and an attractive design. The iF Design Award that we received in 2015 shows that attractive industrial design and high-quality technology are not mutually exclusive.

The Interroll Portec belt curve, which has already been installed over 80,000 times, is a belt conveyor solution for medium and heavy load. We have been manufacturing and marketing this in Europe as well since 2015 and can therefore deliver it more quickly to our customers in this region.

Thanks to increasing automation in the Asia-Pacific region, we managed to grow significantly by increasing our order intake in this region by over 30%. S.F. Express in China views Interroll as a strategic partner for key elements of conveyor systems and recently signed a framework contract for Interroll Portec belt curves. S.F. Express will therefore also specify Interroll Portec belt curves in its order specifications in the future.

The Americas region also developed very positively in the first half of 2015. We received several large orders there. For example, Brazil Post placed an additional order for four crossbelt sorters via the American system integrator NPI after the company had already ordered six sorters in November 2014.



Since the acquisition of Portec, USA, in 2013 respectively Pert, China, in 2014 the belt curve business has been developing significantly better than expected.



With our expertise, we help system integrators and end customers to overcome challenges in the planning of distribution warehouses with fast moving products and a high return on investment.

## PRODUCT GROUP PALLET & CARTON FLOW

The Pallet & Carton Flow product group includes our dynamic storage solutions for pallets and parcel packaging based on the FIFO (First In, First Out) or LIFO (Last In, First Out) principle. Consolidated sales in the first six months of 2015 amounted to CHF 26.2 million (previous year: CHF 28.2 million).

Consolidated order intake rose to CHF 30.4 million (previous year: CHF 27.2 million).

Flow storage utilises the effect of inclined planes. Therefore there is no need to supply power to the drive systems. Studies show the high energy efficiency and environmental performance of flow storage with an average payback of two to three years.

In the first half of 2015, we were able to take interesting orders, particularly in Asia-Pacific, and have grown extremely strongly in the region with respect to order intake. Our customer Nongshim Engineering from Korea, for example, will be equipping a new distribution center in China with an Interroll flow storage system.

We have also realized some interesting projects in Europe. For example, Prix Quality, one of the biggest discounters in Northern Italy, has equipped its main distribution warehouse via a systems integrator with an Interroll FIFO solution as part of its continued expansion. This resulted in savings in a number of areas, especially with regard to space, but also in the area of energy consumption by completely overhauling its internal logistics.

# OVERVIEW BY REGION

## POSITIVE DEVELOPMENT IN THE THREE OPERATIONAL REGIONS

We continue to pursue our strategy of internationalisation by moving into new markets and attracting new customers. Europe accounted for roughly 61% of our total revenue and Asia-Pacific 13%. In the Americas, this figure increased to 27%.



Interroll invested in its own repair service for drum motors in Spain in 2015.

## EUROPE- MIDDLE EAST- AFRICA

### POSITIVE DEVELOPMENT OF THE EMEA REGION

The significant negative translation effects as a result of the conversion of sales primarily from the euro zone to the reporting currency CHF have eliminated a portion of our sales growth in the EMEA region. Nevertheless, our consolidated sales developed positively in this region in the first half of 2015. At CHF 104.2 million, they were 3.2% higher than in the previous year (CHF 101.0 million). The sales increase in local currency was 18.9%.

Sales in local currency developed quite differently in the various European regions. In the German-speaking countries, the Benelux region and France, Interroll grew solidly. In Italy and Eastern Europe, we grew strongly. Turkey and South Africa, on the other hand, have gotten off to a somewhat slow start and did not perform as planned.

We are continuously expanding our activities in the area of service. For example, we established a repair service for drum motors in Spain and have invested in a service center of our own and additional staff.

We now also manufacture and market the Interroll Portec belt curve in Europe and can therefore deliver it faster to our customers in this region. This reliable, robust and globally recognised belt curve has already been installed over 80,000 times all over the world.

# +3.2%

**SALES IN EMEA WERE SIGNIFICANTLY AFFECTED BY NEGATIVE TRANSLATION EFFECTS. NEVERTHELESS THEY ARE DISTINCTLY IMPROVED.**

## AMERICAS

### SALES DEVELOP STRONGLY IN THE AMERICAS

The Americas region recorded consolidated sales growth of 22.4% or 20.2% in local currencies in the first half of 2015. Consolidated sales amounted to CHF 45.4 million (previous year: CHF 37.1 million).

We are also seeing a good development in Brazil. After signing a framework agreement with the Brazil Post together with the US-based system integrator National Presort L.P. (NPI) to supply a total of six sorters from 2015 to 2017 in November 2014, we received an additional order for four more cross belt sorters in April 2015. Due to the size of this order, the regional Center of Excellence in Atlanta is working together very closely with the global Interroll Center of Excellence for Subsystems in Sinsheim, Germany.

The expansion of the Interroll Portec site in Cañon City, Colorado, as a regional Center of Excellence is progressing rapidly and with the introduction of the Interroll production system, we were able to increase productivity at this location already noticeably.

The installation work on a new, state-of-the-art automated system for manufacturing carton flow tracks is currently being carried out at our Center of Excellence in Atlanta, Georgia. Production is expected to begin in the fall. This additional capacity and our fast delivery times will help us to continue developing the North American market for Carton Flow very quickly.

# +22.4%

**THE AMERICAS REGION WAS ABLE TO SHOW A STRONG SALES INCREASE.**



Interroll crossbelt sorters are installed at CEP (courier-express-parcel) providers all over the world.

## ASIA-PACIFIC

### SALES DEVELOPED POSITIVELY IN THE ASIA-PACIFIC REGION

The Asia-Pacific region continues to be of great importance to our growth potential. The demand for products and thus also for the appropriate internal logistics remains high. Consolidated sales in the first half of 2015 amounted to CHF 21.7 million (previous year: CHF 19.0 million). This equates to an increase of 14.7% or 12.6% in local currencies.

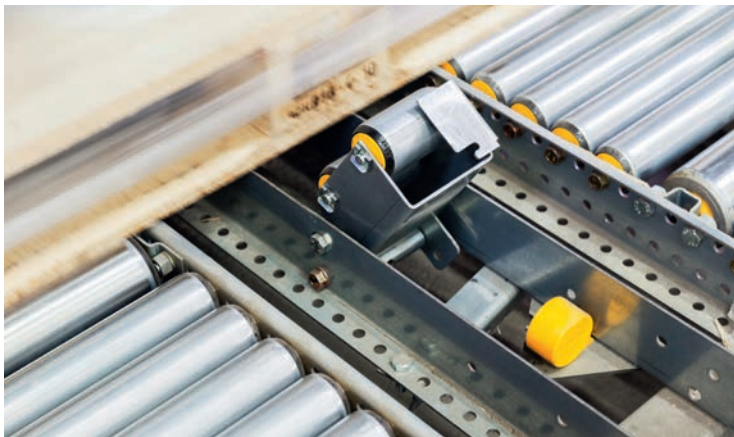
We were able to strengthen our market position even further in Asia-Pacific in the first half of 2015. We not only received interesting follow-up orders from long-standing customers such as China Post or SF Express, but were also able to expand our customer base.

Order intake in the Southeast Asian region rose by around 28% showing that our greater expansion in the region is bearing fruit. We received some interesting orders especially in Pallet & Carton Flow as well as Conveyor Rollers.

The Nongshim Group, a leading Korean manufacturer in the food industry in Asia, is building a new bottling facility for mineral water in China and will equip the new distribution center Baeksansu with Pallet Flow modules and the appropriate safety equipment from Interroll through its own system integrator Nongshim Engineering.

We will officially launch the modular conveyor platform in Asia at CeMAT Asia in Shanghai in October 2015. We expect our innovative solution to meet with considerable interest in this region too. The feedback that we have received from customers and partners who visited our booth at CeMAT in Hannover in 2014 makes us very optimistic.

We also expect the boom in e-commerce and food processing in China to continue and ensure a continued high demand. Compared to the previous year, our sales in China have increased by around 29%. We are also seeing a very positive trend in Korea. In Japan, however, we were not yet able to meet planned expectations.



The Interroll Safety Separator and the patented Magnetic Speed Controller are being used successfully all over the world.

# +14.7%

**ASIA-PACIFIC DEVELOPED POSITIVELY COMPARED TO THE PREVIOUS YEAR.**



# 1 FINANCIAL INTERIM STATEMENTS OF INTERROLL GROUP

## 1.1 Consolidated statement of financial position

in thousands CHF	30.06.2015	in %	31.12.2014	in %
<b>ASSETS</b>				
Property, plant and equipment	83,040		85,969	
Intangible assets	44,146		49,874	
Financial assets	580		626	
Deferred tax assets	3,281		4,150	
<b>Total non-current assets</b>	<b>131,047</b>	<b>46.4</b>	<b>140,619</b>	<b>50.6</b>
Inventories	46,203		42,273	
Current tax assets	1,057		457	
Trade and other accounts receivable	78,260		70,428	
Cash and cash equivalents	25,691		24,380	
<b>Total current assets</b>	<b>151,211</b>	<b>53.6</b>	<b>137,538</b>	<b>49.4</b>
<b>Total assets</b>	<b>282,258</b>	<b>100.0</b>	<b>278,157</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	8,540		8,540	
Share premium	6,401		6,416	
Reserve for own shares	-1,415		-2,008	
Translation reserve	-61,298		-41,104	
Retained earnings	240,059		228,486	
Non-controlling interests				
<b>Total equity</b>	<b>192,287</b>	<b>68.1</b>	<b>200,330</b>	<b>72.0</b>
Financial liabilities	144		153	
Deferred tax liabilities	3,471		5,286	
Pension liabilities	7,430		5,766	
Provisions	6,148		6,000	
<b>Total non-current liabilities</b>	<b>17,193</b>	<b>6.1</b>	<b>17,205</b>	<b>6.2</b>
Financial liabilities	4,903		317	
Current tax liabilities	9,042		8,029	
Trade and other accounts payable	58,833		52,276	
<b>Total current liabilities</b>	<b>72,778</b>	<b>25.8</b>	<b>60,622</b>	<b>21.8</b>
<b>Total liabilities</b>	<b>89,971</b>	<b>31.9</b>	<b>77,827</b>	<b>28.0</b>
<b>Total liabilities and equity</b>	<b>282,258</b>	<b>100.0</b>	<b>278,157</b>	<b>100.0</b>

## 1.2 Consolidated income statement

in thousands CHF	Jan.–Jun. 2015	in %	Jan.–Jun. 2014	in %	Variance	in %
<b>Net Sales</b>	<b>171,338</b>	<b>100.0</b>	<b>157,068</b>	<b>100.0</b>	14,270	9.1
Material expenses	-70,412	-41.1	-67,956	-43.3		
Personnel expenses	-51,303	-29.9	-50,551	-32.2		
Increase / (Decrease) in work in progress, Finished products and own goods capitalised	3,636	2.1	3,194	2.0		
Other operating expenses	-27,500	-16.1	-28,271	-18.0		
Other operating income	775	0.5	4,756	3.0		
<b>Operating result before depreciation and amortisation (EBITDA)</b>	<b>26,534</b>	<b>15.5</b>	<b>18,240</b>	<b>11.6</b>	8,294	45.5
Depreciation	-5,113	-3.0	-5,471	-3.5		
<b>Operating result before amortisation (EBITA)</b>	<b>21,421</b>	<b>12.5</b>	<b>12,769</b>	<b>8.1</b>	8,652	67.8
Amortisation	-3,872	-2.3	-3,981	-2.5		
<b>Operating result (EBIT)</b>	<b>17,549</b>	<b>10.2</b>	<b>8,788</b>	<b>5.6</b>	8,761	99.7
Financing expenses	-12	-0.0	-220	-0.1		
Financing income	169	0.1	371	0.2		
<b>Financing result</b>	<b>157</b>	<b>0.1</b>	<b>151</b>	<b>0.1</b>	6	4.0
<b>Result before income taxes</b>	<b>17,706</b>	<b>10.3</b>	<b>8,939</b>	<b>5.7</b>	8,767	98.1
Income tax expense	-4,929	-2.8	-1,793	-1.1		
<b>Result</b>	<b>12,777</b>	<b>7.5</b>	<b>7,146</b>	<b>4.5</b>	5,631	78.8
<b>Result attributable to:</b>						
- Non-controlling interests			116	0.1	0	
- Owners of Interroll Holding Ltd.	<b>12,777</b>	<b>7.5</b>	<b>7,030</b>	<b>4.5</b>	5,747	81.7
<b>Values per share (in CHF)</b>						
Non-diluted earnings (result) per share	15.05		8.27		6.78	82.0
Diluted earnings (result) per share	15.05		8.27		6.78	82.0

## 1.3 Consolidated statement of comprehensive income

in thousands CHF	Jan.–Jun. 2015	Jan.–Jun. 2014
<b>Result</b>	<b>12,777</b>	<b>7,146</b>
Other income		
<b>Items that will not be reclassified to income statement</b>		
Remeasurements of pension liabilities	-1,485	-933
Income tax	281	185
<b>Total items that will not be reclassified to income statement</b>	<b>-1,204</b>	<b>-748</b>
<b>Items that in the future may be reclassified subsequently to income statement</b>		
Currency translation differences	-20,194	-629
<b>Total items that in the future may be reclassified subsequently to income statement</b>	<b>-20,194</b>	<b>-629</b>
<b>Other income</b>	<b>-21,398</b>	<b>-1,377</b>
<b>Comprehensive income</b>	<b>-8,621</b>	<b>5,769</b>
<b>Result attributable to:</b>		
– Non-controlling interests		116
– Owners of Interroll Holding Ltd.	<b>-8,621</b>	<b>5,653</b>

## 1.4 Consolidated statement of cash flows

in thousands CHF	Jan.–Jun. 2015	Jan.–Jun. 2014
<b>Result</b>	<b>12,777</b>	<b>7,146</b>
Depreciation, amortisation and impairment	8,985	9,452
Loss/(gain) on disposal of tangible and intangible assets	88	-633
Financing result, net	-157	-151
Income taxes	4,929	1,793
Changes in inventories	-7,986	-3,962
Changes in trade and other accounts receivable	-15,996	-10,670
Changes in trade and other accounts payable	11,780	5,483
Changes in provisions, net	842	329
Income taxes paid	-4,139	-5,313
Personnel expenses on share-based payments	972	926
Other non-cash expenses/(income)	-543	626
<b>Cash flow from operating activities</b>	<b>11,552</b>	<b>5,026</b>
Acquisition of property, plant and equipment	-11,106	-5,492
Acquisition of intangible assets	-1,189	-662
Acquisition of financial assets	6	-18
Proceeds from disposal of property, plant and equipment and intangible assets	64	1,074
Settlement of loans receivable	-9	44
Interests received	33	60
<b>Cash flow from investing activities</b>	<b>-12,201</b>	<b>-4,994</b>
<b>Free cash flow</b>	<b>-649</b>	<b>32</b>
Distribution from reserves from capital contributions	-	-7,494
Acquisition of own shares	-394	-375
Proceeds from financial liabilities	4,723	4,970
Repayment of financial liabilities	-80	-52
Interests paid	-15	-47
<b>Cash flow from financing activities</b>	<b>4,234</b>	<b>-2,998</b>
Translation adjustment on cash and cash equivalents	-2,274	103
<b>Changes in cash and cash equivalent</b>	<b>1,311</b>	<b>-2,863</b>
Cash and cash equivalent at 1 January	24,380	20,797
<b>Cash and cash equivalent at 30 June</b>	<b>25,691</b>	<b>17,934</b>

## 1.5 Consolidated statement of changes in equity

in thousands CHF	Share capital	Share Premium	Reserve for own shares	Translation reserve	Retained earnings	Non-controlling interests	Total Equity
<b>Balance at 1 January 2014</b>	<b>8,540</b>	<b>13,740</b>	<b>-1,641</b>	<b>-45,463</b>	<b>211,924</b>	<b>145</b>	<b>187,245</b>
<b>Result</b>					<b>7,030</b>	<b>116</b>	<b>7,146</b>
<b>Other comprehensive income, net of taxes</b>				<b>-629</b>	<b>-748</b>		<b>-1,377</b>
<b>Comprehensive income</b>				<b>-629</b>	<b>6,282</b>	<b>116</b>	<b>5,769</b>
Distribution from reserves from capital contributions, net		-7,494					-7,494
Share-based payments		169	756				925
Purchase of own shares incl. tax effects			-375				-375
<b>Balance at 30 June 2014</b>	<b>8,540</b>	<b>6,415</b>	<b>-1,260</b>	<b>-46,092</b>	<b>218,206</b>	<b>261</b>	<b>186,070</b>
<b>Balance at 31 December 2014</b>	<b>8,540</b>	<b>6,416</b>	<b>-2,008</b>	<b>-41,104</b>	<b>228,486</b>		<b>200,330</b>
<b>Result</b>					<b>12,777</b>		<b>12,777</b>
<b>Other comprehensive income, net of taxes</b>				<b>-20,194</b>	<b>-1,204</b>		<b>-21,398</b>
<b>Comprehensive income</b>				<b>-20,194</b>	<b>11,573</b>		<b>-8,621</b>
Share-based payments		-15	987				972
Purchase of own shares incl. tax effects			-394				-394
<b>Balance at 30 June 2015</b>	<b>8,540</b>	<b>6,401</b>	<b>-1,415</b>	<b>-61,298</b>	<b>240,059</b>		<b>192,287</b>

## 2 NOTES TO THE CONSOLIDATED FINANCIAL INTERIM STATEMENTS

### 2.1 Basis of the consolidated financial statements

#### Convention of preparation

The condensed, unaudited consolidated interim financial statements at 30 June 2015 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. This interim statement reflects an update of previously published information. Therefore, it should always be read in conjunction with the annual report 2014. The interim statements were approved by the Board of Directors on 28 July 2015.

As per 1 January 2015 the Interroll Group has adopted the new IASB standards and interpretations (IAS 19 and the annual improvement project). There was no significant impact on the disclosure and reporting of this interim statement from the adoption of new and amended standards and interpretations.

#### Foreign currency translation

The following most important 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. 2015	Jan.–Jun. 2014	Change in %	30.06.2015	31.12.2014	Change in %
1 EUR	1.047	1.219	-14.1	1.041	1.202	-13.4
1 USD	0.942	0.889	5.9	0.931	0.990	-6.0
1 CAD	0.757	0.811	-6.7	0.752	0.855	-12.0
1 GBP	1.440	1.489	-3.3	1.464	1.544	-5.2
1 SGD	0.698	0.706	-1.1	0.691	0.749	-7.7
1 CNY	0.152	0.144	5.4	0.150	0.160	-6.0
1 PLZ	0.253	0.292	-13.1	0.249	0.281	-11.7
1 THB	0.029	0.027	4.4	0.028	0.030	-8.3
1 ZAR	0.079	0.083	-5.0	0.076	0.086	-11.0

#### 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 2016 and are not early adopted in this financial statement. The impact of the introduction/amendment of IFRS 9 (Financial Instruments), IFRS 10 and IAS 28 (Group closing and investments into associated companies and joint ventures), IFRS 11 (Joint Arrangements), IFRS 15 (Revenue Recognition) as well as IAS 16 and IAS 38 (Clarification on acceptable depreciation methods) cannot yet be assessed with sufficient certainty or the expectations of the impact are in line with the disclosures made in the annual report 2014. Based on a first assessment, with the exception of IFRS 15, Group Management does not expect significant impacts on the consolidated financial statements from these standards and interpretations.

#### 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 being OEMs, system integrators and end users are taken care of by 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 organized by functions (Overall Management, Products & Technology, Global Sales & Services, Marketing and Finance). The financial management of the Group by the Board of Directors is effected on the one hand by the turnover of the product groups and geographical markets and on the other hand by the reporting of 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 0.1 million at 30 June 2015 (31 December 2014: CHF 0.1 million).

## 2.2 Segment information

### Net sales by geographical markets

Turnover by product groups according to geographical markets is presented as follows:

in thousands CHF	Jan.–Jun. 2015	in %	Jan.–Jun. 2014	in %
Other Europe, Middle East, Africa	81,901	47.8	75,266	47.9
Germany	22,341	13.0	25,770	16.4
<b>Total Europe, Middle East, Africa</b>	<b>104,242</b>	<b>60.8</b>	<b>101,036</b>	<b>64.3</b>
USA	37,147	21.7	30,126	19.2
Other Americas	8,212	4.8	6,949	4.4
<b>Total Americas</b>	<b>45,359</b>	<b>26.5</b>	<b>37,075</b>	<b>23.6</b>
Asia incl. Australia	21,737	12.7	18,957	12.1
<b>Total Asia-Pacific</b>	<b>21,737</b>	<b>12.7</b>	<b>18,957</b>	<b>12.1</b>
<b>Total Group</b>	<b>171,338</b>	<b>100.0</b>	<b>157,068</b>	<b>100.0</b>

### Material turnover with specific customers

Turnover is realised with more than 10,000 active customers. There is no customer achieving a turnover of more than four percent of Group sales.

### Turnover by product group

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

in thousands CHF	Jan.–Jun. 2015	in %	Jan.–Jun. 2014	in %	Jan.–Jun. 2013	in %
Drives	53,201	31.0	55,988	35.7	54,598	36.6
Rollers	48,295	28.2	39,390	25.1	38,623	25.9
Conveyors & Sorters	43,648	25.5	33,498	21.3	26,068	17.5
Pallet & Carton Flow	26,194	15.3	28,192	17.9	29,849	20.0
<b>Total Group</b>	<b>171,338</b>	<b>100.0</b>	<b>157,068</b>	<b>100.0</b>	<b>149,138</b>	<b>100.0</b>

## 2.3 Notes to the consolidated statement of financial position

### Consolidated statement of financial position

Total assets increased by CHF 4.1 million compared to year end 2014. Assets and liabilities from the euro zone were translated into the reporting currency Swiss francs at considerably lower rates. Particularly due to an increase in inventories and higher account receivables, the net working capital increased by CHF 4.8 million to CHF 57.6 million. During the period under review current liabilities increased by CHF 12.2 million to CHF 72.8 million.

### Investments / capital expenditures

A total of CHF 12.3 million in gross capital expenditures were invested. Total non-current assets reached CHF 131.0 million. Capital expenditure into intangible assets in essence are 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, no evidence exists for impairments.

### Net financial assets

Net financial assets at the end of the reporting period decreased by CHF 3.3 million compared to year end 2014 and reached CHF 20.6 million by 30 June 2015.

Total credit lines available at the end of the reporting period amount to CHF 78.8 million, of which CHF 73.9 million remain unused (end of 2014: CHF 78.4 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 8.0 million to CHF 192.3 million compared to the year end 2014. Particularly currency translation adjustments, mainly from the euro zone, increased by CHF 20.2 million. The equity ratio at the end of the interim period corresponds to 68.1 % (year end 2014: 72.1 %). Mid August 2015 a maximum of CHF 7.7 million will be paid out to shareholders resulting from the agreed par value reduction from CHF 10.00 to CHF 1.00 per Interroll share during the annual general meeting held as per 8 May 2015.



## 2.4 Notes to the consolidated income statement

### Net sales

Net sales in reporting currency have increased by 9.1 % to CHF 171.3 million compared to the same period last year. In local currencies the increase reached 18.5%. Organic growth accounts for 7.3% while the remainder is mainly driven by the Pert acquisition in China as per September 2014. The negative currency translation effect of 9.4% in total, mainly resulted from the euro zone, while the dollar area (mainly USA, Canada and Australia) and the emerging market countries (mainly Turkey, South Africa, Thailand, China and Brasil) were slightly positive. Organic growth expressed in local currency reached 16.7%.

### Earnings before interest and taxes (EBIT)

Despite the mentioned negative currency translation effects, but favoured by the significantly higher revenues in local currency as well as the lapse of development cost in 2014 (e.g. consolidation of companies in the North American business region and the development of the new modular conveyor platform in Europe) led to an EBITDA increase of 45.5% to CHF 26.5 million (previous year: CHF 18.2 million). The EBITDA margin was 15.5% (previous year: 11.6%).

The EBIT increased by 99.7% and reached CHF 17.5 million (previous year: CHF 8.8 million). In addition to the better operational performance decreased depreciation and amortisation led to this improvement.

### Financing result

The net financial result of CHF 0.2 million includes, besides a not material net financial interest income, mainly realised and not realised foreign exchange gains. Due to its decentralised structure, the Interroll Group is generally not much 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 distinguished assessment of future realisable losses carried forward. In the period under review tax charges resulting from previous periods amounted to CHF 0.05 million (previous year: CHF 1.1 million).

### Result

The net profit presented for the reporting period amounts to CHF 12.8 million (previous year: CHF 7.1 million).

## 2.5 Notes to the consolidated statement of cash flows

### Cash flow from operating activities

Cash flow from operating activities amounts to CHF 11.6 million (previous year: CHF 5.0 million).

### Cash flow from investing activities

Total investments of CHF 12.3 million (previous year: CHF 6.2 million) include amendments and renewals of machinery, the SAP ERP system and mainly a new building under construction of Interroll in Baal/Hückelhoven, Germany. By locating the Interroll Research Center, the Interroll Academy and the Interroll Coating Center (gumming) under one roof in Hückelhoven by autumn 2014 the development and production departments will be even better coordinated.

### Cash flow from financing activities

No material cash outs from financing activities were incurred during the first half year 2015.

## 2.6 Notes to the consolidated statement of changes in equity

### Share capital

The decision of the ordinary general shareholder meeting from 8 May 2015 to reduce the par value of the Interroll share from CHF 10.00 to CHF 1.00 will be executed by mid August 2015.

### Assignment of shares

Shares assigned to members of the management in the amount of CHF 1.0 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 statement that would have a material effect on the presentation of its financial position as at 30 June 2015. 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 2016

Preliminary Financial Figures 2015	22 January 2016
Publication Annual Report 2015 and Balance Sheet Press Conference	18 March 2016
Annual General Assembly	13 May 2016
Publication Half-Year Report 2016	5 August 2016

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### 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 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 future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe”, “estimate”, “assume”, “expect”, “forecast”, “intend”, “could” or “should” or expressions of a similar kind. Such future-oriented 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 in the future take place or be fulfilled as expected. The company points out that such future-oriented 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 future-oriented statements in this half year report, no guarantee can be given that this will continue to be the case in the future.



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