



Annual Profile 2015
Bobst Group SA

NEW PERSPECTIVES

 **BOBST**

KEY FIGURES

In million CHF		2010		2011 (restated)		2012 (restated)		2013 (restated)		2014	
Assets	Non-current assets	645.8	39%	742.2	43%	558.9	37%	571.1	37%	524.6	32%
	Current assets	997.6	61%	975.4	57%	966.8	63%	955.9	63%	1 098.6	68%
		1 643.4	100%	1 717.6	100%	1 525.7	100%	1 527.0	100%	1 623.2	100%
Liabilities	Equity	577.7	35%	557.1	32%	410.1	27%	508.1	33%	454.8	28%
	Non-current liabilities	508.2	31%	680.9	40%	600.8	39%	407.7	27%	482.1	30%
	Current liabilities	557.5	34%	479.6	28%	514.8	34%	611.2	40%	686.3	42%
	1 643.4	100%	1 717.6	100%	1 525.7	100%	1 527.0	100%	1 623.2	100%	
Net cash/Net debt		-163.3		-256.2		-190.4		-109.0		-17.7	
Sales		1 280.2		1 270.3		1 263.7		1 353.9		1 300.0	
Operating result (EBIT)		61.3		27.5		19.0		60.3		81.7	
As % of sales		4.8%		2.2%		1.5%		4.5%		6.3%	
Net result		49.3		2.5		-5.0		27.7		53.0	
As % of sales		3.9%		0.2%		-0.4%		2.0%		4.1%	
As % of equity		8.5%		0.4%		-1.2%		5.5%		11.7%	
Capital expenditure (CAPEX)		56.8		87.6		62.5		29.5		27.1	
Return on capital employed (ROCE)		n/a		n/a		2.5%		8.6%		12.6%	
Share income											
Share price at the end of the year		43.0		23.3		26.1		30.3		38.4	
Market capitalization		765.8		415.0		464.8		538.8		634.3	
EPS (16 518 478 shares)		2.98		0.03		-0.43		1.58		3.06	
Price-earnings ratio		14.4		776.7		-60.7		19.1		12.5	
Dividend paid:											
- total, in million CHF		0.0		0.0		0.0		13.4		20.6	
- payout ratio		0.0%		0.0%		0.0%		48.4%		38.9%	
- dividend yield		0.0%		0.0%		0.0%		2.5%		3.3%	
Headcount		5 121		5 343		5 124		4 929		4 841	
% change compared to previous year		-6.7%		4.3%		-4.1%		-3.8%		-1.8%	

ELEVATING PERFORMANCE



GROWING EXCELLENCE



“125 YEARS OF PASSION FOR PEOPLE AND FOR TECHNICAL INNOVATION”

Bobst Group and its environment

In 2014, the global economy remained positive overall, but with large shifts in growth rates impacting the investment potential of many economies. Political instability in countries such as Ukraine, Syria, and Egypt, as well as currency fluctuations, has impinged on business dynamics. In Asia, the Chinese growth rate is lower than expected, while India has started to regain confidence after the last elections. North America is progressing strongly, yet South America remains subdued. In this challenging context, the resilience of the packaging industry represents a key element in the capacity of the Group to reach the ambitious objectives set for the year. Due to Amazon, eBay, Zalando, and others, e-commerce is contributing to a bright, strong future for packaging.

Value creation

Bobst Group has set a clear mid-term target for value creation of a minimum 8% EBIT and 15% ROCE. With the excellent performance of 2014 reaching 6.3% EBIT level, we were one year ahead of the average yearly improvement needed to get to the 8% mid-term. The decision of the Swiss National Bank on January 15, 2015 to discontinue the EUR/CHF 1.20 minimum floor introduced in 2011 will change the landscape for the Swiss export industry.

The Swiss-based operations, and translation effects, have a large impact on the Group's EBIT. In light of this, value creation becomes more difficult to achieve and our mid-term objective

will have to be adjusted, while maintaining our market and product strategies.

Group Strategy

We will continue to generate profitable growth by deploying our Group strategy based on the four pillars of effective organization, operational excellence, people and growth. We express the company values through the words “People – Knowledge and Values”, emphasizing behaviors, innovations and customer satisfaction.

Turnover

Consolidated sales for the full year 2014 amounted to CHF 1.3 billion, a decrease of CHF 54 million, or 4%, compared with 2013. The operating profit was CHF 81.7 million. As a share of the total turnover, the geographical distribution shows that the biggest increase occurred in Europe, with 46.3%, while Asia/Oceania was disappointing with 21.7%. This was mainly due to important one-time sales in Indonesia recorded in 2013 and to a general slowdown of machines imported into China in 2014. The Americas gained slightly with a 29.2% share, while Africa recorded 2.8%.

Sales in the second half of the year were again higher than in the first semester. Sales of Sheet-fed products remained stable compared to the previous year, with strong activity in flat-bed die-cutters, flexo presses and folder-glueers for corrugated board compensating for the reduced demand for products in the folding carton industry.

The Business Unit Web-fed suffered in 2014, with sales down 15.8% due to lower activity in tobacco markets and in

special machines for film applications. Consolidation among customers, new regulations and e-cigarettes might impact our activities in tobacco in the near future.

Sales of services and spare parts have been negatively impacted by exchange rate effects.

Our consolidated net result for 2014 of CHF 53 million represents an increase of CHF 25.3 million (91%) compared to 2013.

The Board of Directors proposes a dividend for 2014 amounting to CHF 1.25 per share, which represents an increase of CHF 0.50 per share (67%) compared to CHF 0.75 per share in 2013.

Innovation is our company's DNA

Innovation is decisive for our future. As such we have launched or will be launching more than eight new models between Q1 2014 and Q2 2015:

In Folding Carton, the NOVACUT 106 ER Autoplaten® with in-line blanking offers easy automation of carton die-cutting, the SP 92 FCH & 106 FCH directly address the needs of the Chinese foiling market, and the LILA II range of folder-glueers brings added flexibility to packaging manufacture.

For Corrugated Board, in growing markets, the NOVAFLUTE allows users to enter the high quality litho-laminating business and the FFG 8.20 DISCOVERY produces a very wide range of boxes. The EXPERTFOLD 145/165 gives users true control over their corrugated board folding and gluing operations.

For Flexible Materials, the RS 3.0 delivers high quality and efficiency in gravure printing onto film, while the RS 5002 is a compact machine delivering good performance for users not requiring high levels of automation.

Some entities of the Group developed specific continuous improvement programs which are the result of a great multicultural team spirit and ultimately tend to increase customer satisfaction and profitability.

Board of Directors re-election/election

At the forthcoming Annual General Meeting of Shareholders on April 29, 2015, the mandates of all members of the Board of Directors will come to an end. Alain Guttman, Thierry de Kalbermatten, Michael W.O. Garrett, Ulf Berg and Jürgen Brandt will be proposed for re-election for a new period of one year. Prof. Dr. Gian-Luca Bona, CEO of Empa, will be proposed as a new member of the Board. His profile and experience will bring the company important added value in the field of new technologies, especially in the digital world.

Outlook for 2015

Since December 2014, falling oil prices have been acting as a stimulus for consumption in the mature economies, while increasing risks in the emerging ones, particularly Russia and Brazil, with a possible domino effect on the world economy. In Europe this situation is forcing the European Central Bank to put into place quantitative easing and the European authorities to make structural reforms. Thus economic recovery is very unlikely in the coming months, with growth expected to be around 0.8% in 2015.

In the United States, growth should reach a yearly average of 3% in 2015.

China is witnessing the first diminution of its key rate since 2012. The estimated 7% Chinese growth for 2015 is relative, as

it remains in the context of gradual structural slowdown.

In 2015, Bobst Group will focus its strategy on innovation and product launches. We will dedicate core resources and energy to keeping our technological lead and enhancing customer satisfaction – which is one of our main priorities.

Our customers acknowledge our commitment to development and higher throughput.

On the Digital Packaging Solutions side, in 2015 we will be installing prototypes for digital printing at corrugated board sites.

The Business Unit Services has started a transformation program spanning the next two years to align every technology and process worldwide.

As bookings were good in the last months of 2014, the Group started 2015 with a higher backlog of orders than the year before, and we assume that our customers' positive investment mood will continue for the first months of 2015. The Group therefore anticipates a good utilization of production capacities for at least the first semester. However, a significant negative impact comes from the decision of the Swiss National Bank to discontinue the minimum exchange rate of CHF 1.20 per Euro.

Vision leading to values

The vision of the company should be something powerful enough to encourage employees and to foster personal commitment. It should contribute to the building of foundations for the next generation and be the driving factor behind success – providing that everyone in the company adheres to it. To build and personify this vision, we need strong, passionate collaborators and leaders who:

- Understand that customers are essential to our livelihood;
- Contribute to value creation, both human and financial, to foster mutual success;
- Create an environment where it is enjoyable to live and work.

We want to thank all our employees for their professionalism and involvement, as well as their determination to ensure the company's success.

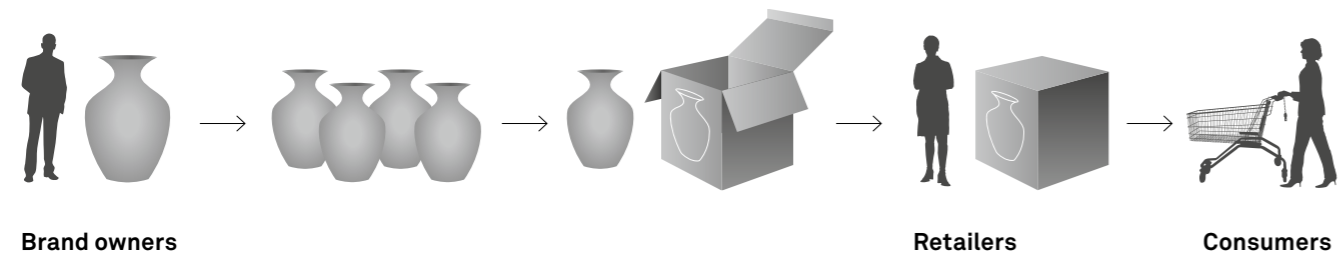
Our appreciation also goes to our shareholders, customers, banks, and financial partners, who have supported us steadfastly over the long term. We will strive to deserve their confidence by further strengthening Bobst Group's role as a leading player in the packaging industry.


Alain Guttman
Chairman of the Board


Jean-Pascal Bobst
Chief Executive Officer

CREATING VALUE

VALUE CREATION FROM BRAND OWNER TO CONSUMER



Brand owners

Research, development, production and marketing of goods

Manufacturing of goods

Packing

Retailers

Distribution to consumer

Consumers

Converters

BOBST customers



FOLDING CARTON



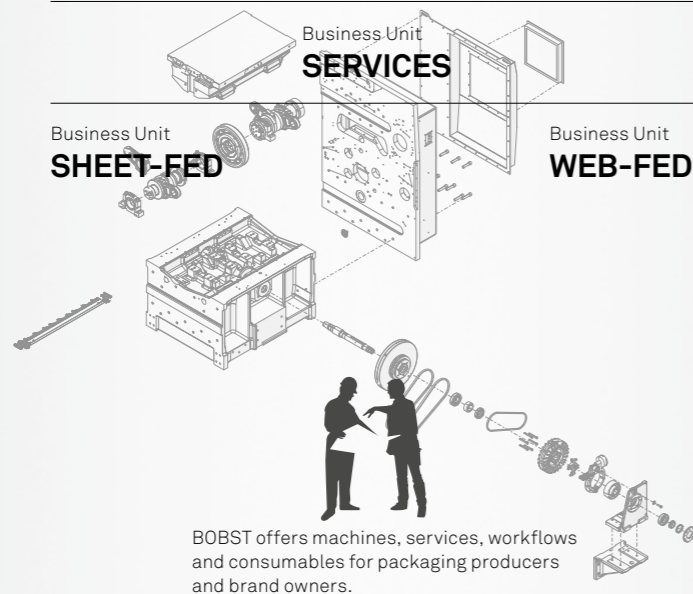
CORRUGATED BOARD



FLEXIBLE MATERIALS

BOBST sales and services dedicated by industry

BOBST organization



BOBST offers machines, services, workflows and consumables for packaging producers and brand owners.



PREPARING FOR TOMORROW

SUPPORTING THE MARKET'S NEEDS



Mr. Michael Becker
Head of global Packaging, Henkel AG, Germany
We need superior packaging solutions that are innovative, sustainable and user-friendly.



Mr. Philippe Wyss
Member of the Board, Coop AG, Switzerland
The pressure on time to market will increase drastically in every step of the packaging production process.



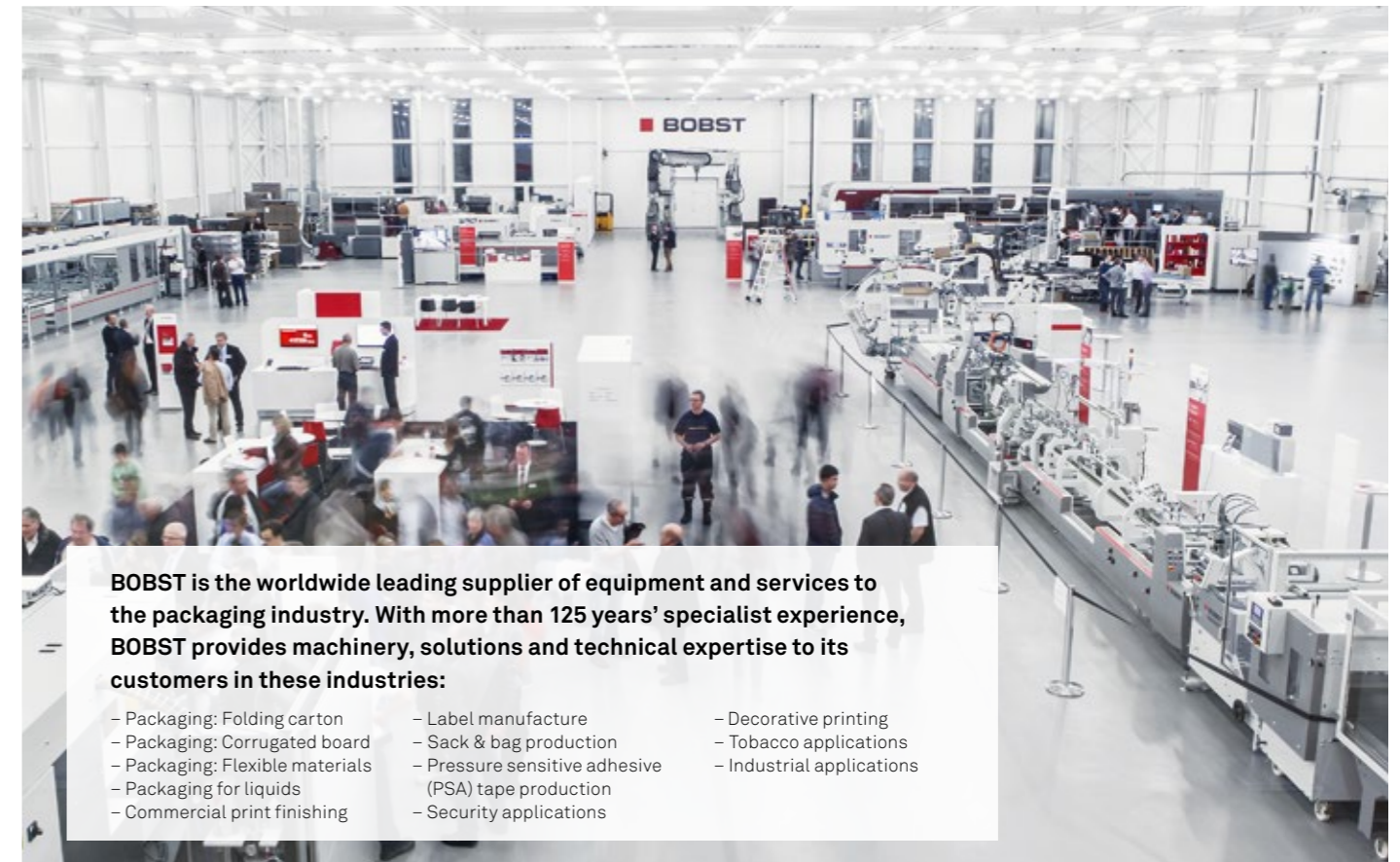
Mr. Torben Reine
CEO, LGR Packaging, France
We expect technology to be a source of creative new ways of thinking packaging.



Mr. Björn Schumacher
CEO, Schumacher Packaging GmbH, Germany
The enormous performance of the machine meets the increasingly complex customer requests for customization. It has also realized packaging innovations that offer our customers a decisive way to stand out from the competition.



Mr. Ashok Chaturvedi
Chairman and Managing Director, Uflex Ltd, India
An old saying – Slow and steady wins the race. Today's saying – Speedy and steady wins the race.



BOBST is the worldwide leading supplier of equipment and services to the packaging industry. With more than 125 years' specialist experience, BOBST provides machinery, solutions and technical expertise to its customers in these industries:

- Packaging: Folding carton
- Packaging: Corrugated board
- Packaging: Flexible materials
- Packaging for liquids
- Commercial print finishing
- Label manufacture
- Sack & bag production
- Pressure sensitive adhesive (PSA) tape production
- Security applications
- Decorative printing
- Tobacco applications
- Industrial applications

PACKAGING FOR THE WORLD MARKET

BOBST IS A LEADING SUPPLIER TO THE GLOBAL PACKAGING MARKET

GLOBAL MARKET
Global packaging industry:
\$ 800 billion sales in 2012*

52%

OF ALL GLOBAL PACKAGING SALES ARE ACCOUNTED FOR BY INDUSTRIES SERVED BY BOBST

15%



Flexible plastic



7%



Flexible foil & Flexible paper



30%



Corrugated board Folding carton



* Source: Smithers Pira, 2013

ENGINEERING INNOVATION

EXPANDING MARKETS WITH EIGHT NEW MODELS



FOLDING CARTON



NOVACUT 106 ER

Autoplaten® die-cutter with in-line blanking, for easy automation of production and improved product quality.



SP 92 FCH*

High performance and quality, with stops for foil web changes reduced to a minimum.



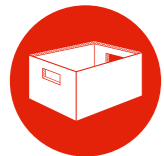
SP 106 FCH*

BOBST hot foil stamping takes a new direction.



LILA II

A host of innovations to further improve the quality of the finished box, regardless of the substrate processed.



CORRUGATED BOARD



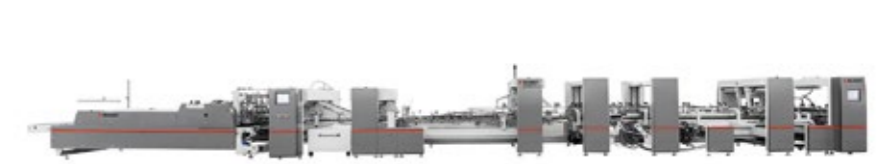
FFG 8.20 DISCOVERY

Discover the future of box making for a wide range of box styles.



NOVAFLUTE

Easy entry to the high quality litho-laminating business.

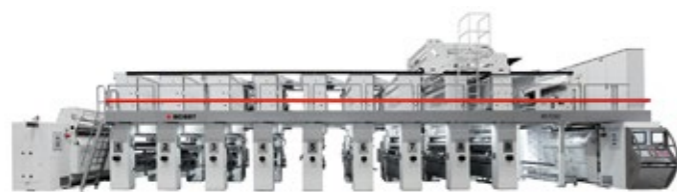


EXPERTFOLD 145 / 165

True control when folding and gluing corrugated board and litho-laminated boxes.



FLEXIBLE MATERIALS



RS 5002 / RS 3.0

Delivering superior quality and operational efficiency for film and paper applications.

* For Chinese market only

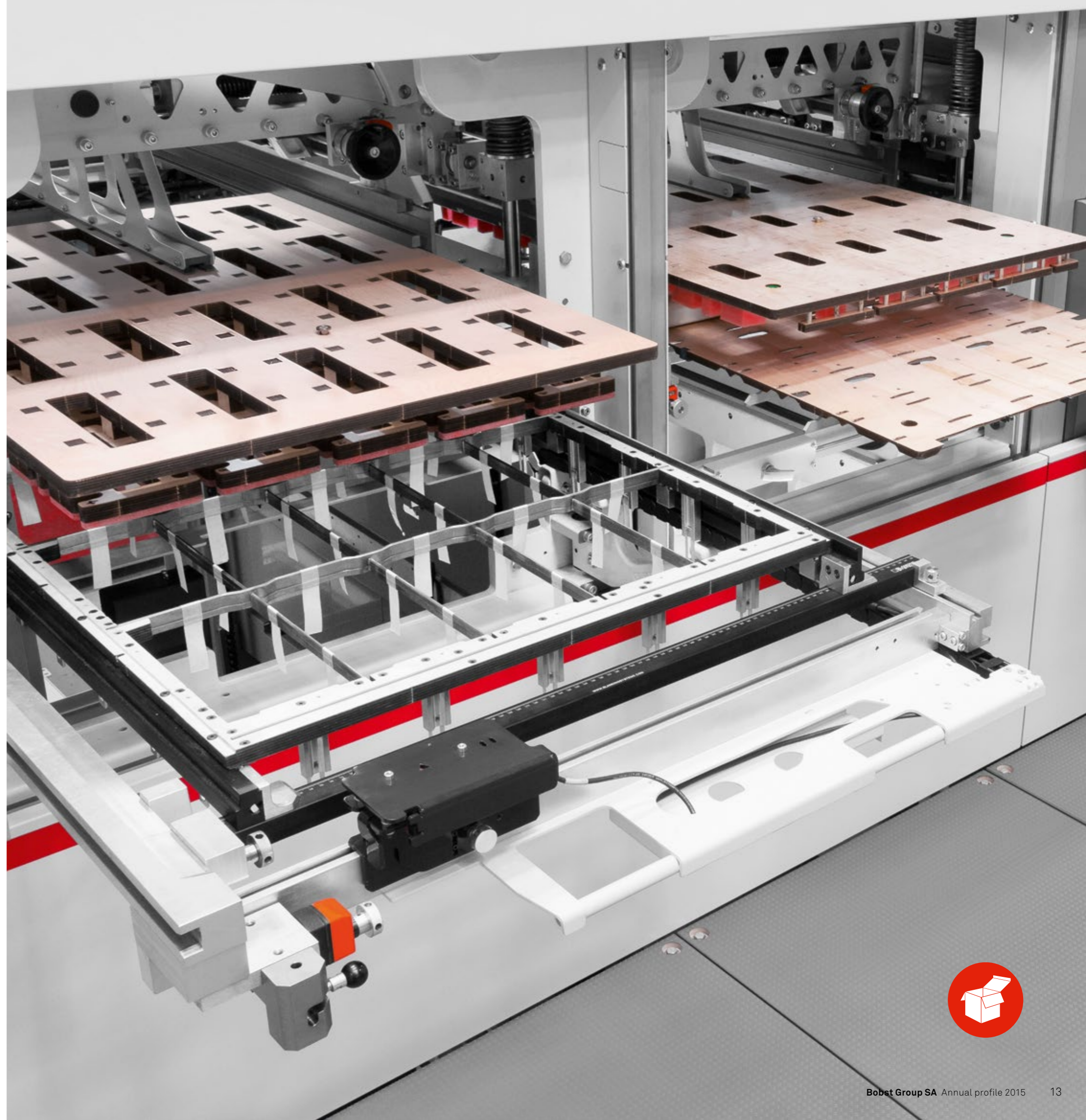
FLATTER BLANKS – BETTER BLANKS

NOVACUT 106 ER – AUTOPLATEN® DIE-CUTTER

NOVACUT 106 ER offers automatic in-line blank separation without the production or investment headaches that users expect from this process. Perfectly stacked bundles of blanks are produced, ready for downstream processing with no need for breaking out by hand: which not only increases plant efficiency but also improves box quality and the performance of downstream processes. Used in conjunction with the BOBST Angle Lock® blanking tool system, NOVACUT allows users to blank jobs that previously would not have been cost effective – regardless of where they operate in the world.

> 7 000
fully blanked sheets per hour

80%
of Angle Lock® components
can be reused, saving costs



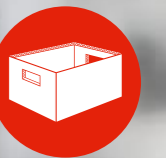
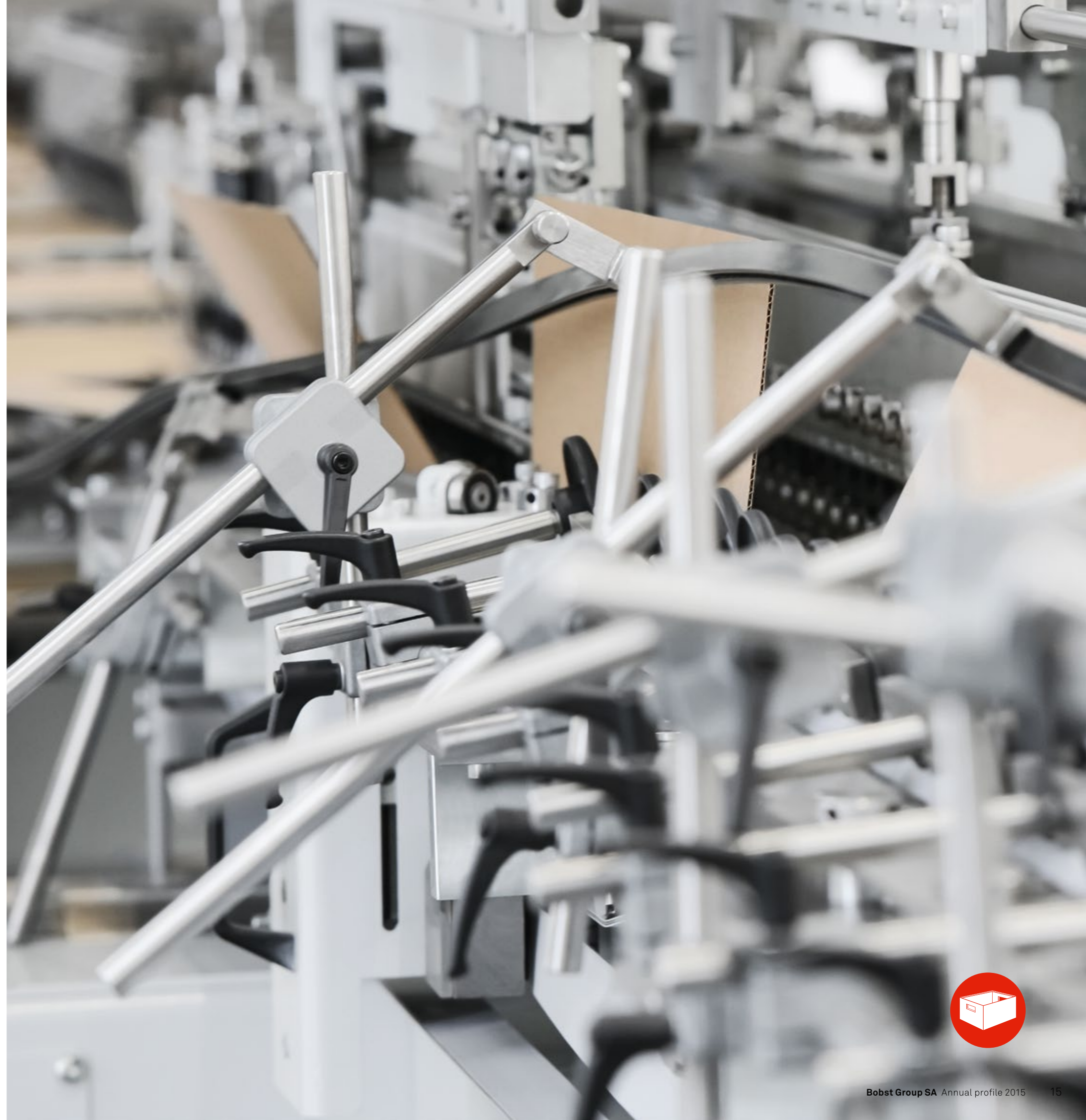
TRUE CONTROL

EXPERTFOLD 145/165 – FOLDER-GLUER

Much of today's corrugated box production is shelf-ready packaging or destined for auto packing lines. EXPERTFOLD gives users the control they need to create this packaging efficiently and with excellent quality. Its ACCUFEED blank alignment unit ensures precise folding and quick setting. A high accuracy pre-breaker guarantees excellent box performance on machine-erect lines. A new, extra long, folding section with a completely redesigned creasing unit creates smoother, higher quality folding. And a raft of quality assurance systems such as the unique ACCUCHECK XL module mean that customers can be sure of 'zero-fault' quality.

100%
of production meets
customers' quality criteria

> 50%
faster set-ups



ACHIEVING BRILLIANCE

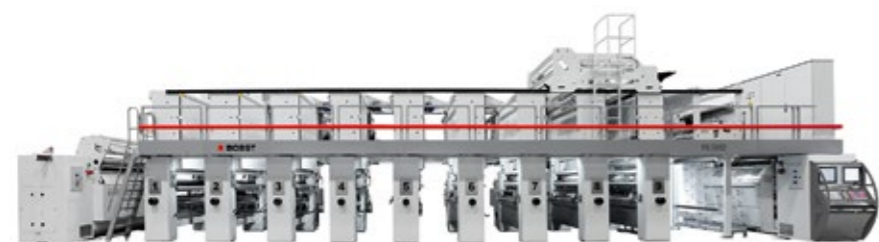
RS 5002/RS 3.0 – ROTOGRAVURE PRINTING PRESS

A compact machine delivering great performance, the RS 5002/RS 3.0 provides the features that packaging printers need to meet brand owners' stringent requirements for high quality graphics with fast turnaround. The all-on-board design of this shaftless gravure printing press provides for a layout that benefits both machine productivity and environmental sustainability, whilst the standard configuration offers faster press delivery and commissioning times. A host of technical efficiencies add the extra value to flexible packaging production that ensures industrial competitiveness and profitability.

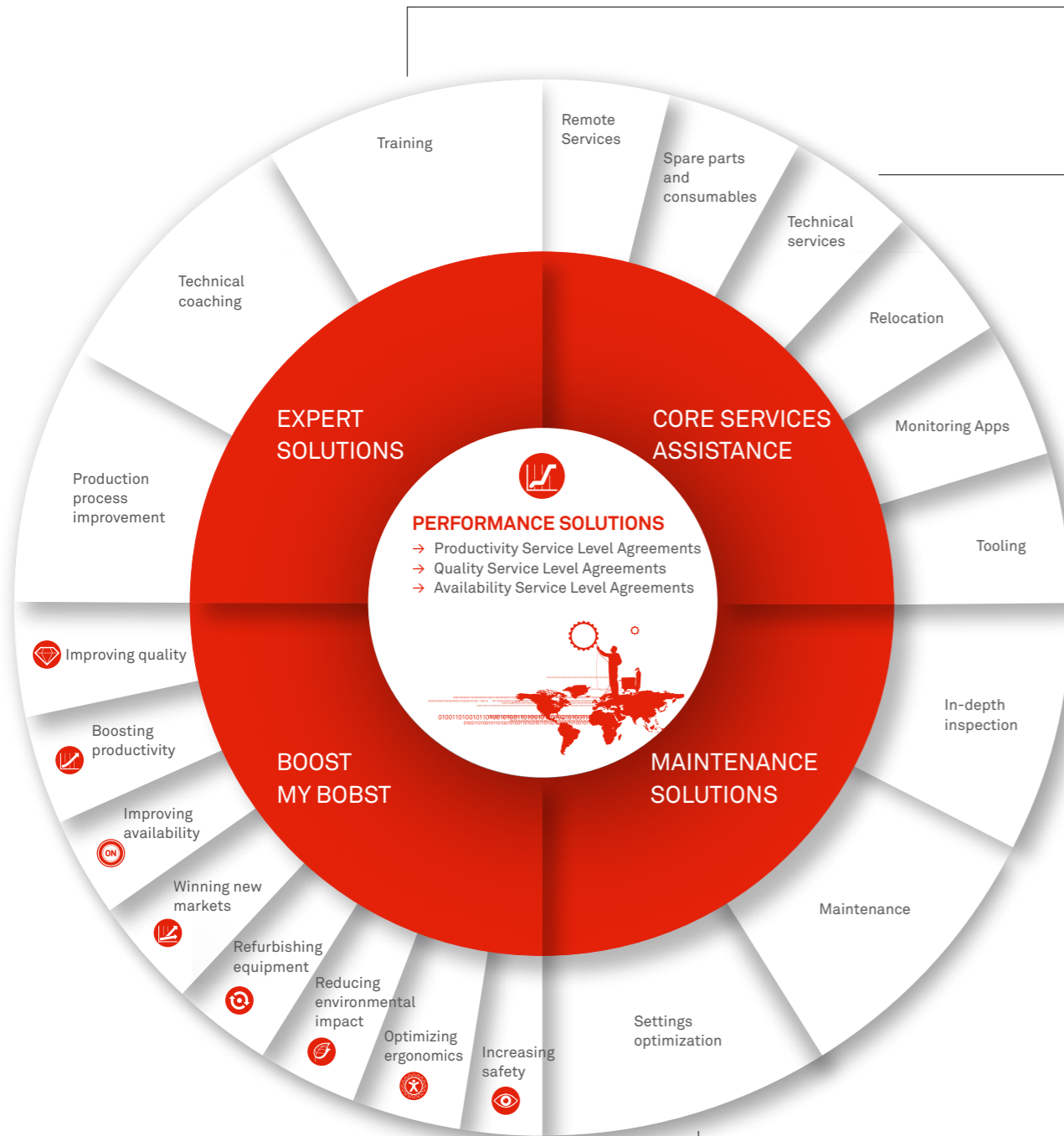
25%
more efficient drying

40%
less offline preparation
than trolley presses

30%
reduction in energy consumption



TAILORED SERVICES



Our service team receives 8 000 days of training each year – as well as other information and support.



12 000 YEARS

Guaranteeing the best level of service doesn't just happen. The employees within our team total 12 000 years of experience in services.



REAL-TIME VIEWING

Connect to your BOBST machine with BOBST Monitoring Apps.



COMPLETE INSPECTIONS

A BOBST expert makes a comprehensive and detailed analysis of your equipment's condition, following an in-depth inspection.



SETTINGS OPTIMIZATION

40% Productivity gain by optimizing machine settings.

Beyond parts and maintenance

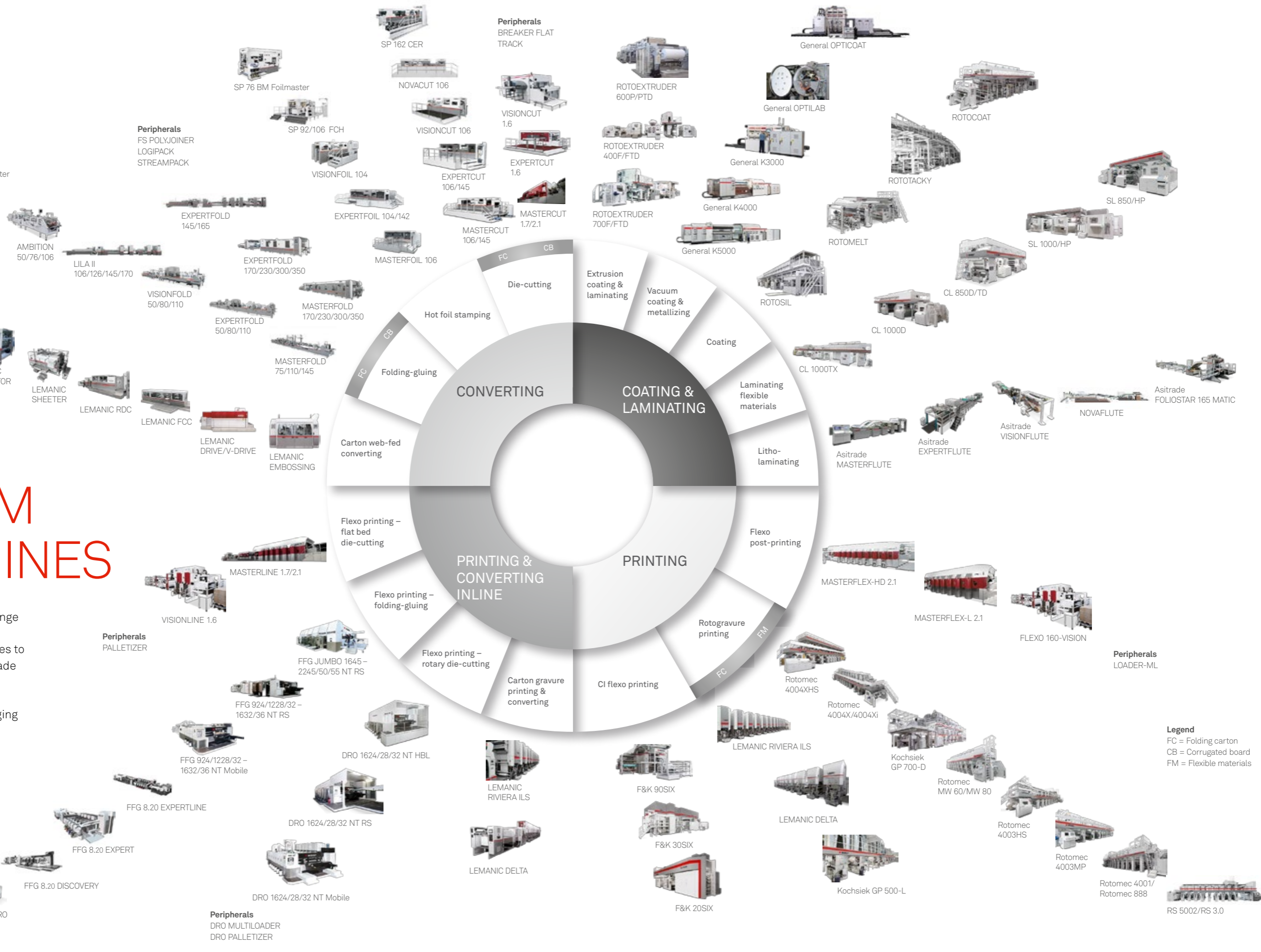
Today's packaging manufacturers demand much more from their suppliers' service operations than just spare parts and the availability of on-call technicians. With increasing pressure to maximize the investment they have made in equipment and systems, they now expect suppliers to offer service level agreements, machine upgrades, in-depth inspection services, remote diagnostics & monitoring, training courses and specialist production process improvement advice – all of which BOBST has pioneered as part of its drive to become the benchmark for services in the packaging industry.

To ensure first-class quality of service, BOBST has highly trained employees. In total our technical department receives more than 8 000 days worth of training each year. This ensures that all of our team, from field technicians to process specialists, have the right skills to perform BOBST services.

Without BOBST Service Solutions, customers' machine performance decreases rapidly over time. This is why we have developed three programs: BOBST Maintenance Solutions, Boost My BOBST, and Expert Solutions.

DREAM MACHINES

The BOBST equipment range encompasses solutions from stand alone machines to fully integrated, tailor-made lines, each offering the exacting quality and high performance that packaging manufacturers need.



ENTERING A NEW ERA OF DIGITAL PRINTING SOLUTIONS



TAKING PACKAGING TO THE NEXT LEVEL

BOBST will install prototypes in 2015 of the new digital technology for the corrugated packaging industry – offering new and exciting business opportunities to both packaging manufacturers and brand owners alike.

NEW PERSPECTIVES, WITH HIGHER PRINTING QUALITY

Faster time to market

Flexibility in production speeds up response to market needs.

Sustainability

Digital printing enables savings in waste, paper, obsolete inventory and ink.

Printing quality

The printing quality of digital technology offers high graphic printing capabilities.

Food safety

Ink that is food compliant, with no migration or contamination.

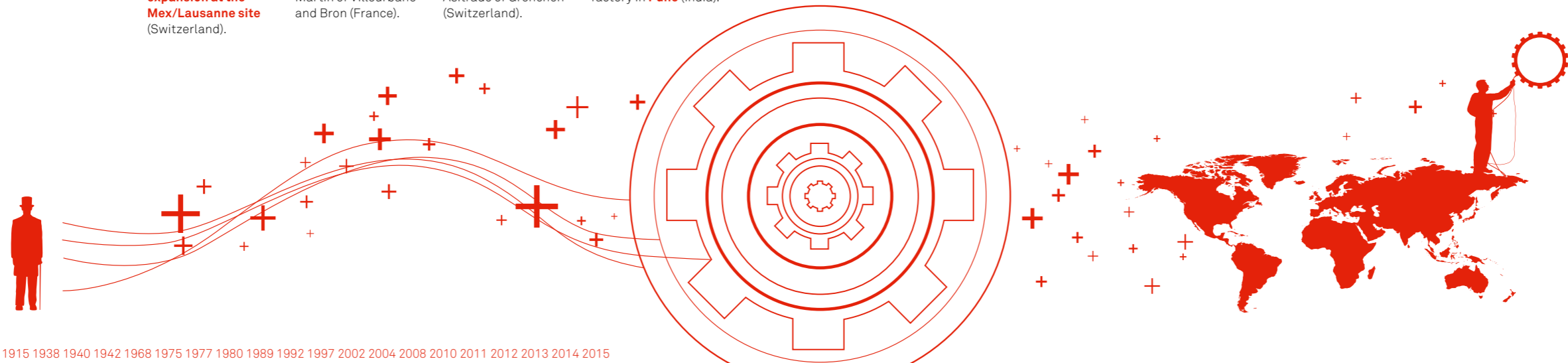
Customization/Versioning

Versioning, mass customization, personalization: all are possible.

PIONEERING PACKAGING

COMPANY MILESTONES

- 1890** Joseph Bobst opens a **printing supplies** shop in Lausanne (Switzerland).
- 1938** Up-scaling to **industrial production** with the inauguration of the Prilly/Lausanne site (Switzerland).
- 1965** **Acquisition** of Champlain in Roseland/NJ (USA).
- 1977** Beginning of the **expansion at the Mex/Lausanne site** (Switzerland).
- 1980** Operations begin at a factory in **Maua** (Brazil).
- 1985** **Acquisition** of Martin of Villeurbane and Bron (France).
- 1987** **Acquisition** of Schiavi SpA of Piacenza and Modena (Italy).
- 1993** **Acquisition** of Asitrade of Grenchen (Switzerland).
- 1997** Operations begin at a factory in **Itatiba** (Brazil) and in **Shanghai** (China).
- 2002** Construction of a factory in **Pune** (India).
- 2004** **Acquisition** of Atlas, General, Midi, Rotomec and Titan.
- 2008** **Acquisition** of Fischer & Krecke GmbH of Bielefeld (Germany).
- 2011** **Acquisition** of 65% of Gordon Ltd, based in Hong Kong (China), holding company of the Shanghai Eternal Machinery Co. Ltd, and of the brands Eterna and Brausse.
- 2012** Consolidation of the Group's brand portfolio under **one single brand. New branding.**
- 2013** Completion of the move of operations from Prilly to Mex (Switzerland). **Inauguration of Bobst Mex SA (Switzerland).**
- 2014** Continuation of **Group strategy** based on the four pillars of effective organization, operational excellence, people and growth. Completion of the development of **digital pre-series machines** for client installation beginning of 2015. Successful end of the Group transformation program.



1890 1915 1938 1940 1942 1968 1975 1977 1980 1989 1992 1997 2002 2004 2008 2010 2011 2012 2013 2014 2015
 1890 1915 1938 1940 1942 1968 1975 1977 1980 1989 1992 1997 2002 2004 2008 2010 2011 2012 2013 2014 2015
 1890 1915 1938 1940 1942 1968 1975 1977 1980 1989 1992 1997 2002 2004 2008 2010 2011 2012 2013 2014 2015

INNOVATION MILESTONES

- 1915** The first BOBST press for **Braille embossing** is designed, giving printers an easier way to produce material for the visually impaired. It takes almost a hundred years for the packaging industry to take up the technology.
- 1940** The world's first automatic die-cutter, the BOBST AP 900, enters production and revolutionizes the process of cutting and creasing carton board. Even today, **AP 900's** are still in use in parts of the world.
- 1942** BOBST launches the **PCR 382**, its first folder-gluer. Applying a range of technological solutions, the **PCR 382** establishes a trend for innovation that continues right up to the present day.
- 1968** The **CORSAIR 940/1225** is BOBST's first Swiss made web-fed gravure printing press and is designed specifically for the flexible packaging market.
- 1975** BOBST Graphic **Eurocat 120/150/160**. A range of phototype-setting systems for job composition, including complicated charts and paginations at speeds of up to 120 000 characters per hour.
- 1989** The ground breaking Martin **FFG 1330 Superline** brings numerical control to the flexo folder-gluer. Only three 1330's are built, but the technology used paves the way for virtually every FFG produced afterwards.
- 1992** BOBST **CUBE**, an operator-machine interface specially developed by BOBST, provides improved signals and information. The screen makes operating any machine very easy.
- 2008** To help pharmaceutical companies meet strict new EU packaging legislation, BOBST develops the **ACCUBRAILLE** system for fast, accurate and reliable rotary Braille embossing onto drug packaging.
- 2010** The **MASTERFOIL 106 PR** is the first hot foil stamper with cam driven and Power Register technologies. **MASTERFLUTE**, the latest generation from Asitrade of high performance sheet to web laminator.
- 2011** BOBST **ACCUCHECK** becomes the first built-in zero-fault quality control system for folder-gluer. BOBST General **Hawkeye** detects, counts and categorizes pinholes and other metallizing defects from 0.1 mm upwards.
- 2012** The new BOBST **EXPERTCUT** maximizes productivity and the platform-based **F&K 20SIX CL** flexo press brings outstanding print quality.
- 2014** Expanding markets with **eight new models**:
 - NOVACUT 106 ER;
 - SP 92 FCH;
 - SP 106 FCH;
 - LILA II;
 - FFG 8.20 DISCOVERY;
 - NOVAFUTE;
 - EXPERTFOLD 145/165;
 - RS 5002/RS 3.0.



INSPIRING PERSPECTIVES

HIGHLIGHTS AND MILESTONES

BOBST 125TH ANNIVERSARY

5–10 February
PLASTINDIA
Gandhinagar

14–17 April
SINOCORRUGATED
Shanghai

19–23 May
CONVERFLEX
Milan

16–19 June
ROSUPACK
Moscow

12–15 May
EXPOGRÁFICA
Mexico City

7–12 April
PRINT CHINA
Houjie

7–10 October
ALLPRINT
Jakarta

2015

April
CHINAPLAS
Shanghai

18–21 October
ALL IN PRINT
Shanghai

13–16 April
GULF PRINT & PACK
Dubai

CHINA PRINT

2016

17–20 October
SUPER CORR EXPO
Orlando

19–26 October
K2016
Düsseldorf

31 May–10 June
DRUPA 2016
Düsseldorf

4–10 May
INTERPACK
Düsseldorf

2017

24–26 October
PROPAK CAPE
Cape Town

EMPOWERING THE NEXT GENERATION



Group Executive Committee

Philippe Milliet

Head of Business Unit Sheet-fed since 08.11.2011.
1963, Swiss national.

Attilio Tissi

Chief Financial Officer since 08.11.2011.
1968, Swiss and Italian national.

Stephan März

Head of Business Unit Services since 01.04.2011.
1971, German national.

Jean-Pascal Bobst

Chief Executive Officer since 07.05.2009.
1965, Swiss national.

Erik Bothorel

Head of Business Unit Web-fed since 01.01.2010.
1962, French national.

BOBST follows a long-term strategy

By focusing on four strategic objectives – effective organization, operational excellence, people and growth – we aim to maintain our position of leadership in the markets we operate in and achieve the same in any new markets we enter. Delivering these objectives involves a range of initiatives such as developing common technical platforms, creating strong and highly reliable service support and products, and establishing lean systems throughout the organization, from production to back office activities. We will continue to invest in our people, from those focused internally to the process specialists who help our customers maximize their production. New ranges of products will be launched extending our global offering for the entry level market segment. This will further contribute to the long-term sustainable development of the Group.

Values

The phrase that exemplifies BOBST is “People – Knowledge and Values” because it is the people of our Group and the vast technical knowledge they have which translates into success. The values we aim to hold, both as a Group and as individuals, include trust, openness, recognition and passion. With these we aim to ensure, among other things, a life-work balance, a pleasant work environment and a greener product offering which takes into account issues such as global resources, waste and the optimization of energy consumption.

Shareholders

We seek to achieve sustainable profitability across business cycles, ensuring “value creation” for our Group. Our challenge is to transform the Group into the benchmark for our industry while keeping our technical and innovation leadership. This will involve developing even stronger relationships with our customers, partners and suppliers, to ensure both a “common good” and mutual longevity.

FOUR PILLARS OF THE GROUP TRANSFORMATION PROGRAM

1.

EFFECTIVE ORGANIZATION

Create common technical platforms & modules with standard components, focused R&D competence centers per technology.

2.

OPERATIONAL EXCELLENCE

Use best the synergies within the Group, lean culture implementation (for all functions), implementation of shared service centers with common practices.

3.

PEOPLE

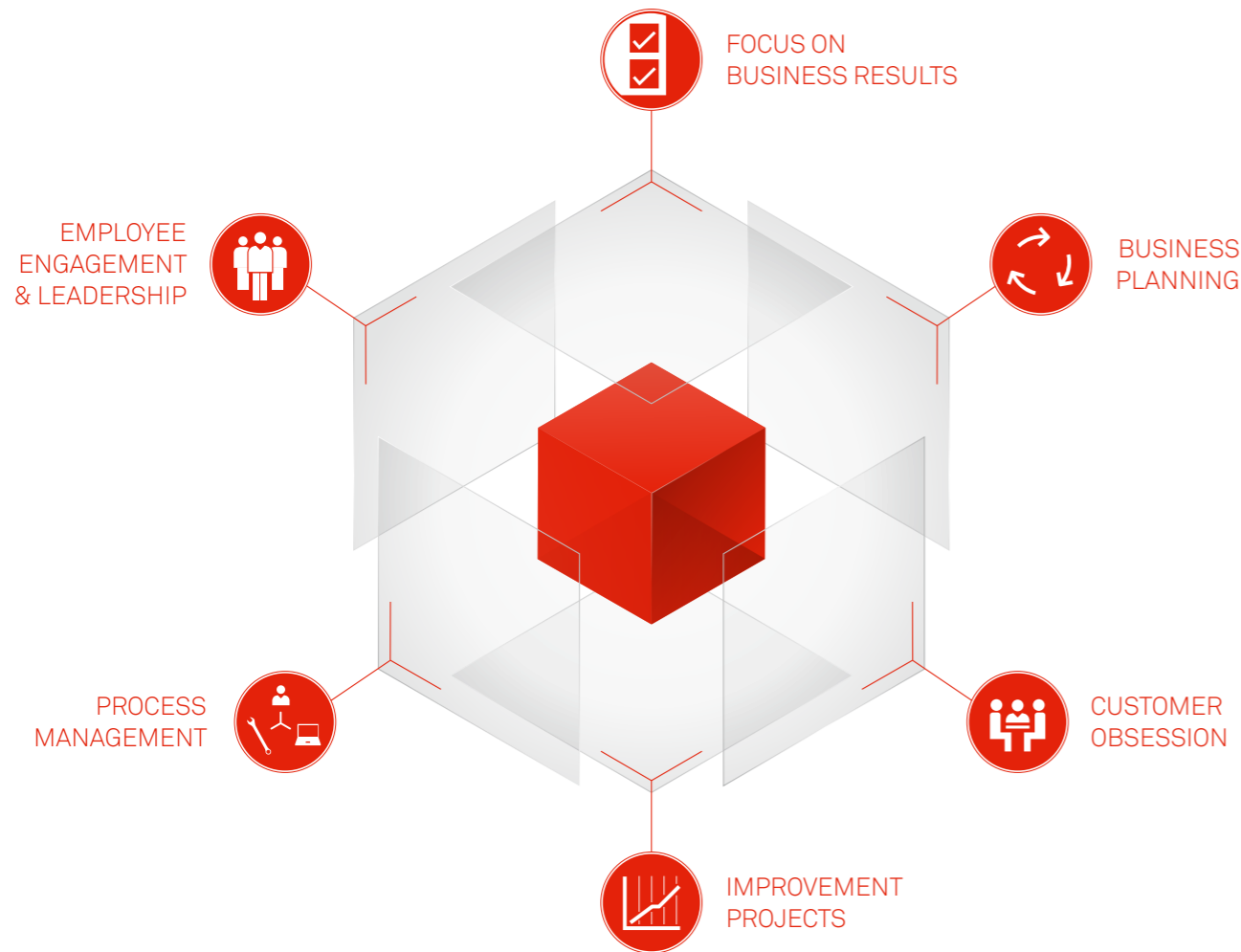
Retain best competencies. Simplification of management levels. Simplification of the organization, roles, accountabilities, responsibilities.

4.

GROWTH

Increase market penetration in medium, entry and basic segments. This by acquiring companies or by developing own local/cost effective machines. BU Services to increase customer satisfaction and align every technology and process worldwide.

OPERATIONAL EXCELLENCE



BOBST reflects excellence in every dimension: engineering excellence, product excellence, service excellence and innovation excellence

Operational Excellence comes from our mindset of continuous improvement and the way we run our business to be number one in our markets.

By subsequently applying Operational Excellence at all levels of the organization we aim to achieve our strategic objective of maintaining leadership and making the organization resilient against any future economic shocks and crises.

Benchmark and culture

We measure Operational Excellence in six dimensions (see chart above). For each of these six dimensions we assess the level of the activity, and the level of the person or team responsible, on a regular basis. We apply continuous improvement processes until all activities run at the right level of performance.

Benefits for all stakeholders

Operational Excellence stimulates value creation and accelerates value capture in a sustainable way. By empowering people at all levels to listen to customer needs, it helps us to fulfil customer expectations, delivering the right solutions in due time and to the right quality. Our people, knowledge and values benefit all stakeholders.

TEAM ENGAGEMENT FOR CONTINUOUS IMPROVEMENT



CUSTOMER CARE IMPROVEMENT

This team is dedicated to improve processes in order to provide 100% complete and accurate quote/order information to customers.

Vince Petroccio
Stephen Bongo
Claire Cook
Michael D'Achille
Matthew Weron



SMART MACHINE SELLING

A new methodology, which takes sales processes to a higher level of performance and effectiveness, is being adopted by the BOBST BU Sheet-fed community worldwide.

Yoshihiro Ohkawa
Steve Creasey
Brian Kentopp
Emilio Corti
Luigi Seregni
Samir Khoudja
Carlos Gutierrez
Dirceu Fumach
Gleb Gazukin
Venugopal Menon
Roy Subhasis
Pierpaolo Gamba
Dieter Legat
Gabriel Migy

DRIVING SUSTAINABILITY

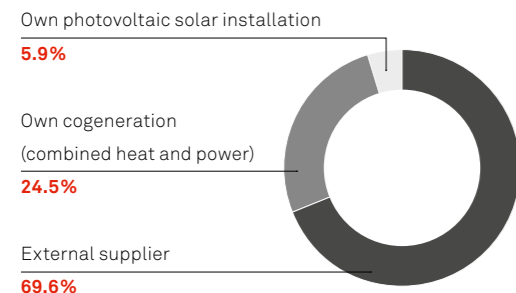
A TWO-FOLD APPROACH

The pressure that consumers, regulatory bodies and brand owners put onto packaging manufacturers to improve pack sustainability is inevitably passed on to the suppliers of their equipment. The BOBST response to this is two-fold. Firstly, we continually look for opportunities to design, or re-design, our equipment so that it reduces process waste levels, energy use, or any potential environmental risks that its use might create. In parallel with this, BOBST takes a holistic approach to the whole process of manufacturing the equipment our customers buy from us. We take pride in the initiatives we undertake to reduce our own energy use and the carbon miles that components cover, while we also strive to rid our plants of potentially harmful chemicals and processes and to make the workplace as safe and positive a place as possible.

By taking this twin pronged approach we constantly improve the environment that our employees, clients and neighbors work and live in.

BOBST produces a comprehensive sustainability report which can be found online at: <http://investors.bobst.com/publications>.

Distribution of electricity consumption (Mex, Switzerland)



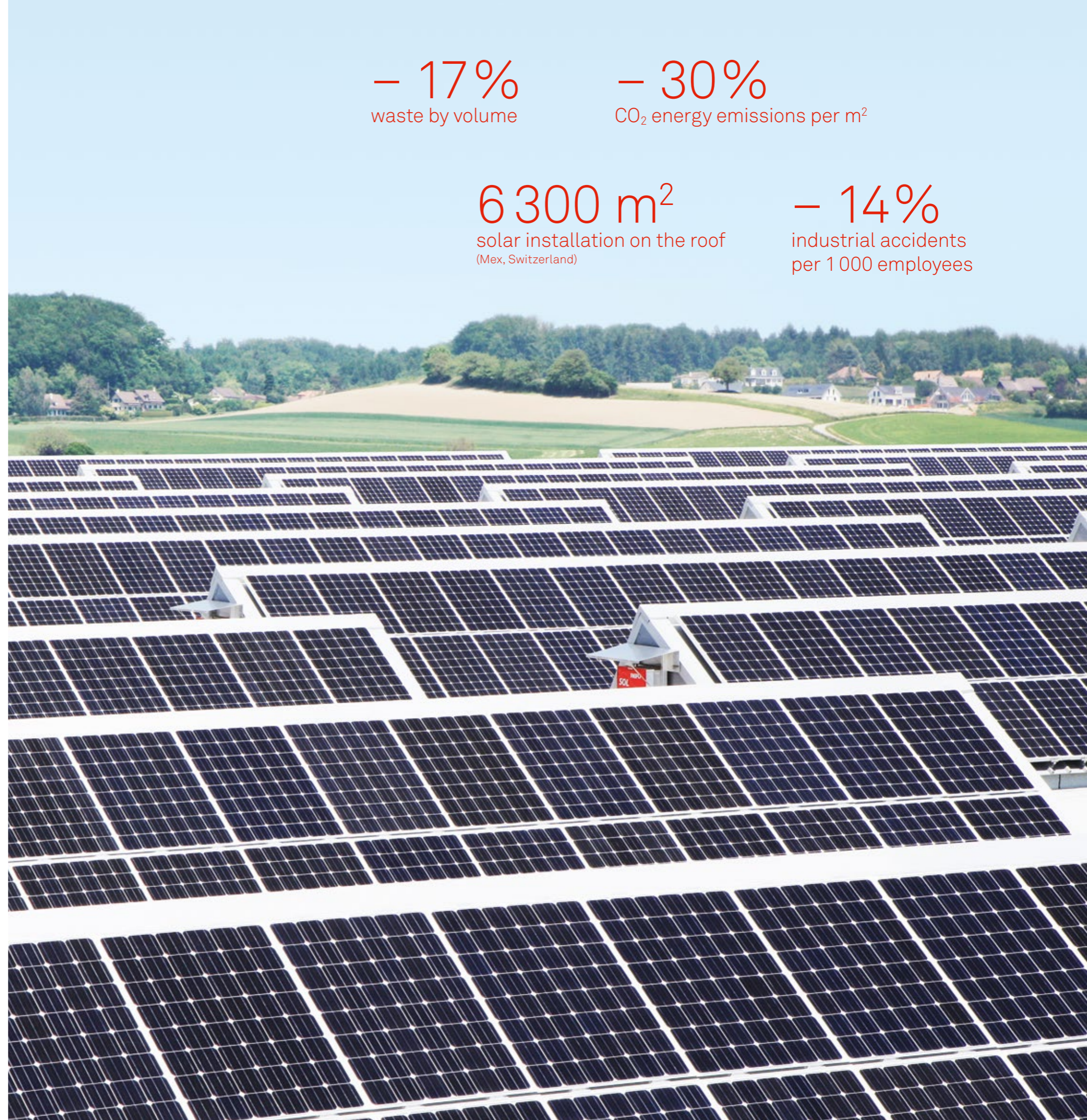
Mex site, Switzerland
Photovoltaic solar installation on the roof.

– 17%
waste by volume

– 30%
CO₂ energy emissions per m²

6 300 m²
solar installation on the roof
(Mex, Switzerland)

– 14%
industrial accidents
per 1 000 employees



CONSOLIDATED PROFIT AND LOSS

In million CHF	2014	2013
Sales	1 300.0	1 353.9
Other operating income	18.0	24.4
Raw materials and services	-761.3	-816.0
Personnel costs	-424.4	-440.3
Depreciation and amortization	-38.2	-41.0
Other operating expenses	-12.4	-20.7
Operating result (EBIT)	81.7	60.3
Share of net result in associates	7.3	1.6
Interest expenses	-16.8	-22.5
Other financial expenses and income	-0.1	3.5
Result before income tax	72.1	42.9
Income tax	-19.1	-15.2
Net result	53.0	27.7
Attributable:		
To shareholders	50.5	26.2
To non-controlling interest	2.5	1.5
Earnings per registered share (in CHF)	3.06	1.58
Diluted earnings per registered share (in CHF)	3.06	1.58

Source: Annual report 2014 – Financial statements 2014 – Consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

In million CHF	31 December 2014	31 December 2013 (restated)	1 January 2013 (restated)
Intangible fixed assets	33.9	36.7	47.2
Goodwill	77.4	78.0	77.2
Tangible fixed assets	294.4	303.4	319.5
Financial assets other	3.4	8.0	8.2
Investments in associates	63.0	58.3	56.4
Employee benefits	0.0	33.6	0.0
Receivables	6.8	7.4	9.9
Finance lease receivables	0.6	10.2	4.4
Prepaid expenses and accrued income	1.3	1.2	1.1
Deferred tax assets	43.8	34.3	35.0
Non-current assets	524.6	571.1	558.9
Inventories	319.9	313.7	317.7
Receivables	288.6	287.9	321.9
Finance lease receivables	6.3	7.5	8.3
Income tax receivables	11.9	9.9	5.9
Financial assets other	75.0	7.0	0.0
Prepaid expenses and accrued income	9.6	7.1	4.5
Derivative financial instruments	1.0	5.6	3.1
Cash and cash equivalents	386.3	317.2	305.4
Current assets	1 098.6	955.9	966.8
Total assets	1 623.2	1 527.0	1 525.7
Share capital	16.5	17.8	17.8
Reserves	385.5	463.0	398.4
Net result	50.5	26.2	-7.1
Shareholders' equity	452.5	507.0	409.1
Non-controlling interest	2.3	1.1	1.0
Equity	454.8	508.1	410.1
Borrowings	268.3	264.1	411.5
Provisions	13.8	3.9	5.3
Employee benefits	141.2	56.0	118.8
Trade and other payables	29.6	28.1	28.7
Accrued expenses and deferred income	0.0	0.1	0.1
Deferred tax liabilities	29.2	55.5	36.4
Non-current liabilities	482.1	407.7	600.8
Borrowings	210.7	162.1	84.3
Provisions	43.7	53.3	35.4
Employee benefits	3.8	3.8	3.3
Trade and other payables	327.6	296.5	323.3
Accrued expenses and deferred income	72.0	84.3	50.6
Income tax payables	17.8	10.3	17.4
Derivative financial instruments	10.7	0.9	0.5
Current liabilities	686.3	611.2	514.8
Total liabilities and equity	1 623.2	1 527.0	1 525.7

Source: Annual report 2014 – Financial statements 2014 – Consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

In million CHF		2014	2013
Net result		53.0	27.7
Elimination of income from associates		-7.3	-1.6
Elimination of income taxes		19.1	15.2
Elimination of depreciation, amortization, employee benefits and provisions		35.0	58.0
Elimination of the result on disposal of assets		-0.8	11.3
Elimination of interest expenses(income)		11.7	15.9
Elimination of derivative financial instruments results		5.4	-0.6
Changes in inventories		-2.4	2.5
Changes in receivables		13.6	-24.0
Changes in payables		17.6	6.3
Paid taxes		-15.5	-27.5
Cash flow from operating activities	Total A	129.4	83.2
Purchase of intangible assets		-6.2	-5.7
Purchase of tangible assets		-19.7	-23.6
Purchase of financial assets		-75.0	-18.6
Loans and advances made		-1.5	-1.0
Proceeds from sale of tangible assets		4.1	50.6
Proceeds from sale of financial assets		7.0	11.6
Loan repayments and advances received		4.5	0.7
Interest received		5.1	6.1
Dividends received		1.4	0.6
Cash flow from(used in) investing activities	Total B	-80.3	20.7
Proceeds from borrowings		211.9	13.9
Repayments of borrowings		-156.9	-78.9
Interest paid		-18.5	-23.7
Dividends paid to Group shareholders		-12.5	0.0
Dividends paid to non-controlling interest		-0.8	-0.9
Cash flow from(used in) financing activities	Total C	23.2	-89.6
Effects of exchange variances	Total D	-3.2	-2.5
Increase in cash and cash equivalents	A+B+C+D	69.1	11.8
Cash and cash equivalents at beginning of period		317.2	305.4
Cash and cash equivalents at end of period		386.3	317.2
Variance		69.1	11.8

Source: Annual report 2014 – Financial statements 2014 – Consolidated financial statements.

SEGMENT REPORTING

In million CHF	2014	2013
Revenue		
Sheet-fed third party sales	639.2	638.9
Sheet-fed inter-segment	18.8	18.8
Sheet-fed total revenue	658.0	657.7
Web-fed third party sales	282.9	336.5
Web-fed inter-segment	3.8	3.8
Web-fed total revenue	286.7	340.3
Services third party sales	377.3	376.6
Other third party sales	0.6	1.9
Eliminations inter-segment	-22.6	-22.6
Total third party sales	1 300.0	1 353.9

No operating segments were aggregated to form the above reportable operating segments.

Inter-segment operations correspond to the contribution paid by the Business Unit Services to the other Business Units for the right to sell spare parts and services for their equipment. These contributions do not generate internal margin.

In million CHF	Sheet-fed		Web-fed		Services		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Results										
Total segment operating result (EBIT)	26.2	5.7	16.8	25.4	38.8	30.8	-0.1	-1.6	81.7	60.3
Share of result of associates	7.3	1.6							7.3	1.6
Financial result									-16.9	-19.0
Result before income tax									72.1	42.9

Source: Annual report 2014 – Financial statements 2014 – Consolidated financial statements.

Certain statements in the annual profile, including but not limited to those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for Company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward-looking statements. These statements are based on current decisions and plans as well as on currently known factors. They involve known and unknown risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the Company. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange rate fluctuations and interest rate fluctuations, competitive product and pricing pressures, the Company's operating conditions, and regulatory developments.

The annual profile is available in English, Chinese and French. In case of doubt, the English version prevails.

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