

HALF-YEAR REPORT 2015

Bobst Group SA

EVOLUTION OF THE GROUP'S BUSINESS ACTIVITY DURING THE FIRST HALF-YEAR OF 2015

In million CHF	June 2011	June 2012 (restated)	June 2013	June 2014	June 2015
Sales	562.2	532.9	563.0	560.5	524.7
Operating result (EBIT)	-24.2	-28.5	-3.8	20.1	10.3
In % of sales	(4.3%)	(5.3%)	(0.7%)	3.6%	2.0%
Net result	-27.7	-35.1	-13.0	3.9	10.4
In % of sales	(4.9%)	(6.6%)	(2.3%)	0.7%	2.0%
Earnings per share	-1.72	-2.19	-0.83	0.16	0.61
Number of employees	5 333	5 224	5 025	4 855	4 884
% change compared with same period of previous year	1.7%	(2.0%)	(3.8%)	(3.4%)	0.6%
Capital expenditures	35.5	32.3	13.5	7.9	7.9

Distribution of sales by Business Unit

In million CHF	Jan-Jun 2013		Jan-Jun 2014		Jan-Jun 2015	
Sheet-fed	236.0	41.9%	232.2	41.4%	235.8	45.0%
Web-fed	139.7	24.8%	147.9	26.4%	108.2	20.6%
Services	185.8	33.0%	180.2	32.2%	180.2	34.3%
Other	1.5	0.3%	0.2	0.0%	0.5	0.1%
Total	563.0	100.0%	560.5	100.0%	524.7	100.0%

Distribution of sales by business activity

In million CHF	Jan-Jun 2013		Jan-Jun 2014		Jan-Jun 2015	
Machines	375.0	66.6%	378.9	67.6%	343.0	65.4%
Spare parts	155.9	27.7%	148.8	26.5%	149.3	28.4%
Services	32.1	5.7%	32.8	5.9%	32.4	6.2%
Total	563.0	100.0%	560.5	100.0%	524.7	100.0%

Distribution of sales by geographical zone

In million CHF	Jan-Jun 2013		Jan-Jun 2014		Jan-Jun 2015	
Europe	241.3	42.9%	244.5	43.6%	274.7	52.3%
Americas	166.8	29.6%	153.6	27.4%	143.5	27.4%
Asia and Oceania	139.1	24.7%	150.5	26.9%	97.5	18.6%
Africa	15.8	2.8%	11.9	2.1%	9.0	1.7%
Total	563.0	100.0%	560.5	100.0%	524.7	100.0%

EVOLUTION OF THE GROUP'S BUSINESS ACTIVITY DURING THE FIRST HALF-YEAR OF 2015

- The weak Euro had a significant negative impact on sales, which were CHF 35.8 million lower than in the previous year, and on operating result (EBIT), which was CHF 9.8 million lower than in H1 2014.
- Net result improved to CHF 10.4 million, from CHF 3.9 million in 2014.
- Continued strong cash inflow from operating activities of CHF 48.9 million.
- Acquisition of Nuova Gidue completed at the end of May.
- Bookings up 11% and backlog 16% higher than in previous year.

KEY FIGURES

During the first half of 2015 consolidated sales amounted to CHF 524.7 million, representing a reduction of CHF 35.8 million, or -6.4%, compared to the same period in 2014. This evolution was mainly linked to the decision of the Swiss National Bank to no longer maintain a minimum exchange rate of CHF 1.20 per Euro.

The overall unfavorable exchange rate evolution due to the conversion of foreign currencies for consolidation accounted for CHF -23.7 million, or -4.2%, and the transactional impact on sales volumes from our Swiss operations accounted for CHF -13.7 million, or -2.5%. Volume and price variances had a negative impact of CHF -2.9 million, or -0.5%.

An improvement of CHF 4.5 million, or plus 0.8%, came from a change in the scope of consolidation due to the acquisition of Nuova Gidue Srl, which was completed at the end of May.

Sales by BU	30 June 2015 (In million CHF)	30 June 2014 (In million CHF)	Evolution (In %)
BU Sheet-fed	235.8	232.2	+1.5
BU Web-fed	108.2	147.9	-26.8
BU Services	180.2	180.2	0.0
Other	0.5	0.2	+89.2
Total	524.7	560.5	-6.4

The operating result (EBIT) was CHF 10.3 million, compared to CHF 20.1 million for the same period in 2014. The reduction in the operating result (EBIT) was due to the unfavorable exchange rate impact. The additional efficiency measures launched after 15 January, 2015 delivered the anticipated effects and mitigated significantly the impact of the weak Euro. A very high utilization at all plants also had a positive effect on the operating result (EBIT) for the first half-year 2015.

The Sheet-fed and Services Business Units improved their operating results (EBIT) despite the unfavorable exchange rate impact. The Business Unit Web-fed could not offset the negative Euro-impact, as sales in the first half of 2015 were significantly lower than in the previous year. This was mainly due to a lower backlog at the beginning of this year compared to 2014.

EBIT by BU	30 June 2015 (In million CHF)	30 June 2014 (In million CHF)	Evolution (In million CHF)
BU Sheet-fed	-8.8	-9.4	+0.6
BU Web-fed	-2.2	+11.7	-13.9
BU Services	+20.8	+17.8	+3.0
Other	+0.5	0.0	+0.5
Total	+10.3	+20.1	-9.8

The net result was CHF 10.4 million, compared to CHF 3.9 million in 2014. This improvement was achieved thanks to a favorable impact from currency hedging in place, as shown in the financial results, and to a one-time tax credit. The improved net result, as well as ongoing measures to optimize net working capital, again resulted in a significant cash inflow from operating activities, amounting to CHF 48.9 million, compared to CHF 49.3 million in the first six months of 2014. Net debt increased to CHF 26.4 million from CHF 17.7 million at the end of 2014. The weakening of the Euro against the Swiss Franc impacted net debt unfavorably, as nearly all the debt is in Swiss Francs and a large part of the cash is in Euros.

The CHF 190.0 million in public bonds which came to maturity on 22 June 2015 was reimbursed. The consolidated shareholders' equity reached 24.8% of the total balance sheet, compared to 27.9% at the end of 2014. The reduction of the equity was mainly due to the impact of a further reduction of interest rates on the accounting of employee benefits (IAS 19R), as well as to currency translation differences largely caused by the weakening of the Euro.

BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

Business Unit Sheet-fed

Business activity in the first half-year of 2015 followed the same trend as last year, with strong performance in the corrugated board industry offsetting lower activity in the folding carton sector. Total bookings for the first half-year of 2015 were better than the same period in 2014.

Demand continues to be driven by mature markets, and particularly by the large countries in Europe. Bookings are slightly below expectations in North America, while Central America performed well above expectation. Overall, bookings in growing markets slightly improved compared to last year, especially in the Africa & Middle East zone. But South America underperformed and China had a slow semester – though better than the previous year.

The first digital printing machine installed at one of our customers' sites has begun production activity. The second machine is being installed at a further customer and production will start on that line by the end of July 2015.

The decision of the Swiss National Bank to no longer maintain the Euro vs. Swiss Franc rate of 1.20 impacted negatively on overall sales; however sales for the first semester of 2015 were still above those of last year. Based on the current backlog level and the usual positive volume imbalance in the second half of the year, the Business Unit Sheet-fed is forecasting more sales for the full year than in 2014.

Business Unit Web-fed

While overall business activity in the flexible materials market remained in line with the previous year, sales for the first half-year of 2015 were significantly lower than 2014 due to the impact of the Euro vs. Swiss Franc exchange rate and a backlog at the beginning of the year that was lower than in 2014. A positive momentum in the industry should ensure that the Business Unit Web-fed will reach its targeted volumes, in local currencies, by year-end. As the largest element of Web-fed business (80%) is transacted in Euros, the fall in this currency in relation to the Swiss Franc significantly impacts sales when converted. However, as the Business Unit's main costs are Euro-based, paying special attention to these will compensate for this effect and will help the Business Unit achieve its financial targets.

Volumes in mature countries remained in line with 2014. In the BRIC countries, with the exception of India which showed a good level of activity, China, Russia and Brazil remained at a very low level of activity.

The Flexo product line saw a strong increase in machine bookings during the first half-year, mainly due to the performance of the 20SIX product range. With regards to the Gravure product line, the new RS 3.0, which was shown for the first time in October last year, has already reached the number of sales the previous model achieved in a full year.

Another change in the Business Unit came from the acquisition of 65% of the Italian manufacturer Nuova Gidue Srl. This company provides highly automated narrow and mid-web in-line flexographic and offset presses for the self-adhesive labels industries and short-run solutions for packaging converters. With the innovative technologies of Nuova Gidue, BOBST now offers the widest range of printing and converting solutions and confirms its strategy of growth in the label industry.

The acquisition puts BOBST in a unique position, supplying label solutions for low to high volumes, in all printing technologies, and with converting. Additionally, synergies can be expected in both the market and technology development.

Business Unit Services

First half-year sales for the Business Unit Services were equal to those of the same period in 2014. However, while the exchange rate evolution of the US Dollar had a positive impact on Business Unit Services volumes, sales in Euros suffered a negative impact.

In the European and North American markets business volumes increased, mainly through more contract business such as maintenance programs and contracts for remote troubleshooting and monitoring. BOBST now has more than 3000 machines under maintenance contracts and more than 1200 machines connected through remote access. BRIC regions show stagnation in service business.

The Business Unit expects to see normal business development for the second half of 2015, if no major changes in the world economy or exchange rates occur.

The Business Unit Services will continue to follow its vision of becoming the service benchmark in the packaging industry. The focus for the remainder of 2015 will therefore be to 'train and retain' existing service technicians, to hire additional ones, to further optimize spare parts management, and to continue to work on customer satisfaction.


OUTLOOK FOR THE SECOND HALF OF 2015

The Group expects to see continued good demand in Europe and North America. Asia should improve after a slow beginning of the year and South America will remain low due to a difficult economic environment. However, market conditions remain volatile. At current exchange rates, and barring unforeseen circumstances, the Group is confident of achieving full year sales of CHF 1.25 to 1.30 billion in 2015. For the full year 2015 the Group expects to achieve an operating result (EBIT) margin of higher than 5% and a net result margin of higher than 3%.

As already communicated in March 2015, it will take more time to achieve the mid- to long-term financial targets, of at least 8% operating result (EBIT) and a minimum 15% return on capital employed (ROCE), due to the decision of the Swiss National Bank to discontinue the EUR/CHF 1.20 minimum floor. The Group continues to implement its strategy – which is to innovate, to increase its presence in growing markets, to increase the performance of its services and to improve its operational excellence – in order to create value for its stakeholders.



Alain Guttmann
Chairman of the Board



Jean-Pascal Bobst
Chief Executive Officer

Financial calendar	
03 December 2015	Conference for financial analysts and the media
02 March 2016	Publication of financial statements for the 2015 financial year
	Results press conference and presentation of the 2015 financial statements
06 April 2016	Annual General Meeting of Shareholders

INTERIM CONSOLIDATED PROFIT AND LOSS

In million CHF	Notes	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Sales		524.7	560.5	1 300.0
Other operating income		4.5	11.7	18.0
Raw materials and services		-289.5	-309.7	-761.3
Personnel costs		-204.5	-217.7	-424.4
Depreciation and amortization		-17.9	-18.7	-38.2
Other operating expenses		-7.0	-6.0	-12.4
Operating result (EBIT)		10.3	20.1	81.7
Share of result of associates		1.4	1.8	7.3
Interest expenses		-7.7	-9.2	-16.8
Other financial income	5	7.2	5.2	15.4
Other financial expenses	6	-3.2	-9.9	-15.5
Result before income tax		8.0	8.0	72.1
Income tax	7	2.4	-4.1	-19.1
Net result		10.4	3.9	53.0
Attributable:				
To shareholders		10.1	2.6	50.5
To non-controlling interest		0.3	1.3	2.5
Earnings per registered share (in CHF)		0.61	0.16	3.06
Diluted earnings per registered share (in CHF)		0.61	0.16	3.06

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In million CHF	Notes	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net result for the period		10.4	3.9	53.0
Other comprehensive income to be reclassified to profit and loss in subsequent periods:				
Currency translation differences		-48.8	-1.3	5.2
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year		5.6	-3.0	-3.1
Net gain/(loss) on cash flow hedges during the year		-3.7	-0.3	-5.6
Income tax		-0.8	1.3	3.5
Total other comprehensive income to be reclassified to profit and loss in subsequent periods:		-47.7	-3.3	0.0
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Actuarial gains/(losses) on defined benefit plans		-48.0	-3.9	-120.2
Income tax effect		9.5	0.9	28.9
Total other comprehensive income not to be reclassified to profit and loss in subsequent periods:		-38.5	-3.0	-91.3
Other comprehensive income/(loss) for the period, net of tax		-86.2	-6.3	-91.3
Total comprehensive income/(loss) for the period		-75.8	-2.4	-38.3
Attributable:				
To shareholders		-75.1	-3.3	-42.2
To non-controlling interest		-0.7	0.9	3.9

INTERIM CONSOLIDATED BALANCE SHEET

In million CHF	Notes	June 2015	June 2014 (restated)	December 2014
Intangible fixed assets		36.2	33.5	33.9
Goodwill		81.0	77.8	77.4
Tangible fixed assets		273.6	293.8	294.4
Financial assets other		2.9	3.1	3.4
Investments in associates		55.0	58.4	63.0
Employee benefits		0.0	30.1	0.0
Receivables		7.1	7.5	6.8
Finance lease receivables		4.4	4.6	0.6
Prepaid expenses and accrued income		1.2	1.1	1.3
Deferred tax assets		50.7	34.4	43.8
Non-current assets		512.1	544.3	524.6
Inventories		376.6	377.5	319.9
Receivables		231.8	238.8	288.6
Finance lease receivables		4.0	2.7	6.3
Income tax receivables		9.7	8.2	11.9
Financial assets other		0.0	0.0	75.0
Prepaid expenses and accrued income		11.9	9.1	9.6
Derivative financial instruments		7.6	2.6	1.0
Cash and cash equivalents		254.0	235.4	386.3
Current assets		895.6	874.3	1 098.6
Total assets		1 407.7	1 418.6	1 623.2
Share capital		16.5	16.5	16.5
Reserves		322.7	471.9	385.5
Net result		10.1	2.6	50.5
Shareholders' equity		349.3	491.0	452.5
Non-controlling interest		1.6	1.2	2.3
Equity	8	350.9	492.2	454.8
Borrowings	9	265.6	121.8	268.3
Provisions		16.2	15.9	13.8
Employee benefits		168.9	55.2	141.2
Trade and other payables		49.1	28.1	29.6
Deferred tax liabilities		28.5	52.4	29.2
Non-current liabilities		528.3	273.4	482.1
Borrowings	9	14.7	195.5	210.7
Provisions		41.7	40.1	43.7
Employee benefits		3.6	3.8	3.8
Trade and other payables		376.9	332.3	327.6
Accrued expenses and deferred income		69.1	74.0	72.0
Income tax payables		10.9	5.6	17.8
Derivative financial instruments		11.6	1.7	10.7
Current liabilities		528.5	653.0	686.3
Total liabilities and equity		1 407.7	1 418.6	1 623.2

INTERIM CONSOLIDATED CASH FLOW STATEMENT

In million CHF		Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net result		10.4	3.9	53.0
Elimination of income from associates		-1.4	-1.8	-7.3
Elimination of income taxes		-2.4	4.1	19.1
Elimination of depreciation, amortization and provisions		4.7	21.5	35.0
Elimination of the result on disposal of assets		1.7	-0.2	-0.8
Elimination of interest expenses/(income)		5.9	6.1	11.7
Changes in derivative financial instruments		-3.3	0.5	5.4
Changes in inventories		-67.7	-64.3	-2.4
Changes in receivables		40.7	57.3	13.6
Changes in payables		65.3	30.2	17.6
Paid taxes		-5.0	-8.0	-15.5
Cash flow from operating activities	Total A	48.9	49.3	129.4
Acquisition of subsidiaries, net of cash acquired		-4.6	0.0	0.0
Purchase of intangible assets		-2.6	-3.6	-6.2
Purchase of tangible assets		-7.7	-6.2	-19.7
Purchase of financial assets		0.0	0.0	-75.0
Purchase of investments in associates		-1.6	0.0	0.0
Loans and advances made		-0.2	-0.2	-1.5
Proceeds from sale of intangible assets		0.1	0.0	0.0
Proceeds from sale of tangible assets		0.0	2.0	4.1
Proceeds from sale of financial assets		75.0	7.0	7.0
Loan repayments and advances received		0.3	0.2	4.5
Interest received		1.8	3.1	5.1
Dividends received		2.8	1.1	1.4
Cash flow from investing activities	Total B	63.3	3.4	-80.3
Proceeds from borrowings		2.3	51.3	211.9
Repayments of borrowings		-190.7	-155.0	-156.9
Interest paid		-12.7	-17.4	-18.5
Dividends paid to shareholders		-20.6	-12.5	-12.5
Dividends paid to non-controlling interest		0.0	-0.8	-0.8
Cash flow from financing activities	Total C	-221.7	-134.4	23.2
Effects of exchange variances	Total D	-22.8	-0.1	-3.2
Increase/(decrease) in cash and cash equivalents	A+B+C+D	-132.3	-81.8	69.1
Cash and cash equivalents at beginning of period		386.3	317.2	317.2
Cash and cash equivalents at end of period		254.0	235.4	386.3
Variance		-132.3	-81.8	69.1

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Own shares	Hedge reserve	Translation reserve	Other reserves	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
Balance at 1 January 2015	16.5	0.0	-3.6	-83.6	0.4	522.8	452.5	2.3	454.8
Result for the period						10.1	10.1	0.3	10.4
Currency translation differences			0.2	-48.0			-47.8	-1.0	-48.8
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			5.6				5.6		5.6
Net gain/(loss) on cash flow hedges during the year			-3.7				-3.7		-3.7
Actuarial gains/(losses) on defined benefit plans						-48.0	-48.0		-48.0
Income tax			-0.8			9.5	8.7	0.0	8.7
Total comprehensive income/loss	0.0	0.0	1.3	-48.0	0.0	-28.4	-75.1	-0.7	-75.8
Share-based payments					-0.4		-0.4		-0.4
Non-controlling interest arising on business combination							0.0	2.1	2.1
Liability recognized on put option						-7.1	-7.1	-2.1	-9.2
Dividends						-20.6	-20.6		-20.6
Balance at 30 June 2015	16.5	0.0	-2.3	-131.6	0.0	466.7	349.3	1.6	350.9
Balance at 1 January 2014	17.8	-1.4	1.8	-87.6	0.2	576.2	507.0	1.1	508.1
Result for the period						2.6	2.6	1.3	3.9
Currency translation differences				-0.9			-0.9	-0.4	-1.3
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			-3.0				-3.0		-3.0
Net gain/(loss) on cash flow hedges during the year			-0.3				-0.3		-0.3
Actuarial gains/(losses) on defined benefit plans						-3.9	-3.9		-3.9
Income tax			1.3			0.9	2.2	0.0	2.2
Total comprehensive income/loss	0.0	0.0	-2.0	-0.9	0.0	-0.4	-3.3	0.9	-2.4
Share-based payments					-0.2		-0.2		-0.2
Own shares cancellation	-1.3	1.4				-0.1	-0.0		-0.0
Dividends						-12.5	-12.5	-0.8	-13.3
Balance at 30 June 2014	16.5	0.0	-0.2	-88.5	0.0	563.2	491.0	1.2	492.2

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Own shares	Hedge reserve	Translation reserve	Other reserves	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
Balance at 1 January 2014	17.8	-1.4	1.8	-87.6	0.2	576.2	507.0	1.1	508.1
Result for the period						50.5	50.5	2.5	53.0
Currency translation differences			-0.2	4.0			3.8	1.4	5.2
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year			-3.1				-3.1		-3.1
Net gain/(loss) on cash flow hedges during the year			-5.6				-5.6		-5.6
Actuarial gains/(losses) on defined benefit plans						-120.2	-120.2		-120.2
Income tax			3.5			28.9	32.4		32.4
Total comprehensive income/loss (restated)	0.0	0.0	-5.4	4.0	0.0	-40.8	-42.2	3.9	-38.3
Share-based payments					0.2		0.2		0.2
Own shares cancellation	-1.3	1.4				-0.1	0.0		0.0
Dividends						-12.5	-12.5	-0.8	-13.3
Change in liability recognized on put option							0.0	-1.9	-1.9
Balance at 31 December 2014	16.5	0.0	-3.6	-83.6	0.4	522.8	452.5	2.3	454.8

NOTES

NOTE 1

GENERAL INFORMATION

Bobst Group SA, a company incorporated in Switzerland and having its main offices at 3, Route de Faraz, in Mex/Switzerland, is the holding company of the Bobst Group, worldwide leading supplier of equipment and services to packaging manufacturers in the folding carton, corrugated board and flexible materials industries.

This consolidated interim financial information is published in English and has not been audited by the Group's auditors.

NOTE 2

BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As interim condensed consolidated financial statements they do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of Bobst Group SA as at 31 December 2014.

The accounting policies applied by the Group in these condensed interim consolidated financial statements are consistent with those of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as at 1 January 2015.

The Group has adopted the new standards and amendments to standards described below.

Defined Benefit Plans: Employee Contributions – Amendments to IAS 19

The amendment clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, the amendment permits, if the amount of the contributions is independent of the number of years of service, the recognition of such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is not relevant to the Group.

Annual Improvements to IFRSs 2010–2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these condensed consolidated interim financial statements. They include:

Share-based Payment – IFRS 2

This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' which were previously part of the definition of 'vesting condition'.

These amendments do not impact the Group's accounting policies.

Business Combinations – IFRS 3

The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value through profit or loss at each reporting date. This is consistent with the Group's current policy and does not impact the Group's accounting policy.

NOTES

NOTE 2 (CONTINUED)

BASIS OF PREPARATION AND ACCOUNTING POLICIES

Operating Segments – IFRS 8

The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria (IFRS 8.12) including a brief description of operating segments that have been aggregated.

These amendments also clarify that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operation maker, similar to the required disclosure for segment liabilities.

The Group does not apply the aggregation criteria and already discloses the reconciliation of segment assets to total assets.

Property, Plant and Equipment – IAS 16 / Intangible Assets – IAS 38

The amendment clarifies that when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The Group did not record any revaluation adjustments during the current interim period.

Related Party Disclosures – IAS 24

The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. This amendment is not relevant to the Group.

Annual Improvements to IFRSs 2011–2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these condensed consolidated interim financial statements. They include:

Business Combinations – IFRS 3

The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. Bobst Group SA is not a joint arrangement, and thus this amendment is not relevant to the Group and its subsidiaries.

Fair Value Measurement – IFRS 13

The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

Investment Property – IFRS 40

The amendment clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

NOTES

NOTE 3

SEASONALITY OF OPERATIONS

Even if there is no reason to expect seasonality from the nature of the Group activities, in recent years its customers have appeared to be more inclined to take delivery in the second half of the year. Consequently, higher revenues and operating profits are usually observable during that period than during the first six months.

NOTE 4

SEGMENT REPORTING

In million CHF	June 2015	June 2014	December 2014
Revenue			
Sheet-fed third party sales	235.8	232.2	639.2
Sheet-fed inter-segment	9.2	9.0	18.8
Sheet-fed total revenue	245.0	241.2	658.0
Web-fed third party sales	108.2	147.9	282.9
Web-fed inter-segment	1.6	1.8	3.8
Web-fed total revenue	109.8	149.7	286.7
Services third party sales	180.2	180.2	377.3
Other third party sales	0.5	0.2	0.6
Eliminations inter-segment	-10.8	-10.8	-22.6
Total third party sales	524.7	560.5	1 300.0
Results			
Sheet-fed	-8.8	-9.4	26.2
Web-fed	-2.2	11.7	16.8
Services	20.8	17.8	38.8
Other	0.5	0.0	-0.1
Total segment operating result (EBIT)	10.3	20.1	81.7
Share of result of associates	1.4	1.8	7.3
Financial result	-3.7	-13.9	-16.9
Result before income tax	8.0	8.0	72.1

NOTES

NOTE 5

OTHER FINANCIAL INCOME

In 2015, the other financial income includes CHF 3.3 million gains on derivative financial instruments (30 June 2014 loss of CHF 0.5 million included in other financial expenses).

NOTE 6

OTHER FINANCIAL EXPENSES

In 2015, the other financial expenses include costs related to the purchase of foreign exchange hedging instruments of CHF 1.8 million.

In 2014, the other financial expenses included an expense of CHF 3.3 million related to the exchange of CHF 60 million of the CHF 250 million 5% debenture bonds 2009–2015 (BOB09) for the new bond BOB14 and an amount of CHF 4.6 million related to the creation of a provision on a loan made to a subcontractor.

NOTE 7

INCOME TAX

Taxes for the half-year period are accrued at expected tax rates, on an annual basis, prevailing in the different countries.

In 2015, income taxes have benefited from a positive effect of a tax credit of CHF 5.6 million relating to the merger of two subsidiaries in France as well as a positive effect of CHF 2.5 million of changes in tax rates on previously recognized tax assets and liabilities.

NOTE 8

EQUITY

At the Annual General Meeting of Shareholders held on 29 April 2015, the shareholders approved the distribution of an ordinary dividend of CHF 1.25 per share (2014: CHF 0.75 per share).

On 20 June 2014 the share capital of Bobst Group SA was reduced by CHF 1 291 524 from CHF 17 810 002 to CHF 16 518 478 by way of cancellation of the corresponding number of registered shares namely the own shares held by the Company.

NOTE 9

BORROWINGS

On 22 June 2015, Bobst Group SA reimbursed the CHF 190.0 million public bond 2009–2015 (BOB09) made on 22 June 2009 with an annual interest rate of 5%.

On 2 September 2014, Bobst Group SA successfully completed the placement of a CHF 150.0 million straight bond with a term of 6 years (maturity 30 September 2020) and a coupon of 1.5%.

NOTES

NOTE 10

FINANCIAL INSTRUMENTS' FAIR VALUE DISCLOSURES

Carrying amount versus fair value

The fair value of financial assets and financial liabilities, together with the carrying amounts in the interim consolidated balance sheet, are as follows:

In million CHF	June 2015		June 2014		December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets other – Non-current	2.9	2.9	3.1	3.1	3.4	3.4
Financial assets other – Current	0.0	0.0	0.0	0.0	75.0	75.0
Trade receivables	178.9	178.9	191.1	191.1	247.0	247.0
Finance lease receivables	8.4	8.4	7.3	7.6	6.9	6.9
Other receivables	52.2	52.2	46.5	46.5	41.5	41.5
Accrued income	4.7	4.7	4.4	4.4	3.5	3.5
Derivative financial instruments	7.6	7.6	2.6	2.6	1.0	1.0
Cash and cash equivalents	254.0	254.0	235.4	235.4	386.3	386.3
Total	508.7	508.7	490.4	490.7	764.6	764.6
Financial liabilities						
Borrowings – Bank and other non-current	6.5	6.5	12.3	12.3	9.3	9.3
Borrowings – Bank and other current	14.7	14.7	5.9	5.9	20.9	20.9
Borrowings – Debenture bonds	259.1	268.5	299.1	311.8	448.8	452.1
Trade and other payables	188.7	188.7	197.4	197.4	206.0	206.0
Accrued expense	60.6	60.6	67.5	67.5	64.1	64.1
Derivative financial instruments	11.6	11.6	1.7	1.7	10.7	10.7
Total	541.2	550.6	583.9	596.6	759.8	763.1

Financial instruments carried at fair value

The Group held the following financial instruments at fair value at 30 June 2015. The Group has no financial instruments with fair value that are determined by reference to significant unobservable inputs, i.e. those that would be classified as Level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy.

There are no non-recurring fair value measurements.

In million CHF	June 2015	Fair value measurements at the end of reporting period using:	
		Level 1	Level 2
Derivative financial instruments (current):			
Forward foreign exchange contracts	7.6	0.0	7.6
Total financial assets carried at fair value	7.6	0.0	7.6
Derivative financial instruments (current):			
Forward foreign exchange contracts	11.6	0.0	11.6
Total financial liabilities carried at fair value	11.6	0.0	11.6

NOTES

NOTE 10 (CONTINUED)

FINANCIAL INSTRUMENTS' FAIR VALUE DISCLOSURES

In million CHF	June 2014	Fair value measurements at the end of reporting period using:	
		Level 1	Level 2
Derivative financial instruments (current):			
Forward foreign exchange contracts	2.6	0.0	2.6
Total financial assets carried at fair value	2.6	0.0	2.6
Derivative financial instruments (current):			
Forward foreign exchange contracts	1.7	0.0	1.7
Total financial liabilities carried at fair value	1.7	0.0	1.7

In million CHF	December 2014	Fair value measurements at the end of reporting period using:	
		Level 1	Level 2
Derivative financial instruments (current):			
Forward foreign exchange contracts	1.0	0.0	1.0
Total financial assets carried at fair value	1.0	0.0	1.0
Derivative financial instruments (current):			
Forward foreign exchange contracts	10.7	0.0	10.7
Total financial liabilities carried at fair value	10.7	0.0	10.7

The Group determines the Level 2 fair value of derivative financial instruments using price quotes for similar instruments, appropriately adjusted.

The Group uses the following hierarchy based on the inputs to valuation techniques used for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES

NOTE 11

CHANGES IN THE SCOPE OF CONSOLIDATION

In 2015 the Group has no significant acquisition or disposal of subsidiaries.

The scope of consolidation was impacted by the following changes during the first half of 2015 :

- On 3 March 2015, participation of 30% in IVG Weiherhammer active in real estate (Equity method).
- On 29 May 2015, acquisition of 65% of Nuova Gidue active in the manufacture and sale of machinery for the flexible packaging industry (Full consolidation method).

NOTE 12

SUBSEQUENT EVENTS

The condensed interim consolidated financial statements were approved for publication by the Board of Directors on 27 July 2015. No events have occurred up to 27 July 2015, which would necessitate additional adjustments to the book values of the Group's assets or liabilities or which require disclosure.

NOTE 13

EXCHANGE RATES

	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Profit and loss statement			
1 EUR	1.05	1.22	1.21
1 USD	0.95	0.89	0.92
1 GBP	1.45	1.49	1.50
1 CNY	0.15	0.14	0.15
	Jun 2015	Jun 2014	Dec 2014
Balance sheet			
1 EUR	1.04	1.22	1.20
1 USD	0.93	0.89	0.99
1 GBP	1.46	1.51	1.54
1 CNY	0.15	0.14	0.16

Certain statements in the half-year report, 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.

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