

HALF-YEAR REPORT 2016

Bobst Group SA

KEY FIGURES

In million CHF	June 2016	June 2015
Sales	600.4	524.7
Operating result (EBIT)	18.0	14.7
In % of sales	3.0%	2.8%
Net result	9.7	14.8
In % of sales	1.6%	2.8%
Earnings per share	0.57	0.86
Number of employees	4 992	4 884
% change compared with same period of previous year	2.2%	0.6%
Capital expenditures	9.8	7.9

Distribution of sales by Business Unit

In million CHF	Jan-Jun 2016		Jan-Jun 2015	
Sheet-fed	289.2	48.2%	235.8	45.0%
Web-fed	100.6	16.7%	108.2	20.6%
Services	210.1	35.0%	180.2	34.3%
Other	0.5	0.1%	0.5	0.1%
Total	600.4	100.0%	524.7	100.0%

Distribution of sales by business activity

In million CHF	Jan-Jun 2016		Jan-Jun 2015	
Machines	388.6	64.7%	343.0	65.4%
Spare parts	174.3	29.0%	149.3	28.4%
Services	37.5	6.3%	32.4	6.2%
Total	600.4	100.0%	524.7	100.0%

Distribution of sales by geographical zone

In million CHF	Jan-Jun 2016		Jan-Jun 2015	
Europe	309.1	51.5%	274.7	52.3%
Americas	161.3	26.8%	143.5	27.4%
Asia and Oceania	100.8	16.8%	97.5	18.6%
Africa	29.2	4.9%	9.0	1.7%
Total	600.4	100.0%	524.7	100.0%

EVOLUTION OF THE GROUP'S BUSINESS ACTIVITY DURING THE FIRST HALF-YEAR OF 2016

- Sales up 14% compared to H1 2015.
- Half-year EBIT up to CHF 18.0 million from CHF 14.7 million in 2015.
- Stable bookings and slightly higher backlog than in previous year.
- The drupa 2016 exhibition was a real success for BOBST, launching six new products.

KEY FIGURES

During the first half of 2016, consolidated sales amounted to CHF 600.4 million, representing an increase of CHF 75.7 million, or +14.4%, compared with the same period in 2015. This evolution was mainly driven by a good backlog at the beginning of the year and an overall good level of activity. Volume and price variances had a positive impact of CHF 46.7 million, or +8.9%. An improvement of CHF 14.9 million, or +2.8%, came from the full impact of the Nuova Gidue acquisition which only affected one month in the first half-year 2015.

The favorable exchange rate evolution, due to the conversion of foreign currencies for consolidation, accounted for CHF +10.8 million, or +2.1%, and the transactional impact on sales volume from our Swiss operations accounted for CHF +3.3 million, or +0.6%.

Sales by BU	30 June 2016 (In million CHF)	30 June 2015 (In million CHF)	Δ %
BU Sheet-fed	289.2	235.8	+22.6
BU Web-fed	100.6	108.2	-7.0
BU Services	210.1	180.2	+16.6
Other	0.5	0.5	0.0
Total	600.4	524.7	+14.4

Bobst Group has changed its accounting standard from IFRS to Swiss GAAP FER as from fiscal year 2016 onwards. The 2015 figures have been restated whenever applicable, in order to ensure a correct comparison with 2016.

The operating result reached CHF 18.0 million, compared with CHF 14.7 million for the same period in 2015. The increase in the operating result (EBIT) was mainly due to the positive contribution from higher sales. This improvement was partly offset by higher costs, particularly for the launch of new products and for exhibitions.

The Business Units Sheet-fed and Services improved their operating results (EBIT) with higher sales, whereas the operating result of Business Unit Web-fed was lower than in the first half of 2015 due to lower sales, a less favorable product mix and pressure on margins.

EBIT by BU	30 June 2016 (In million CHF)	30 June 2015 (In million CHF)	Δ (In million CHF)
BU Sheet-fed	-2.5	-5.2	+2.7
BU Web-fed	-7.5	-2.1	-5.4
BU Services	+28.5	+21.5	+7.0
Other	-0.5	+0.5	-1.0
Total	+18.0	+14.7	+3.3

The net result reached CHF 9.7 million, compared to CHF 14.8 million in 2015. Financial expenses reduced further in the reporting year, but the Group had a one-time CHF 8.1 million positive tax effect in 2015 which did not occur in 2016.

Cash inflow from operating activities was CHF 11.6 million, compared with CHF 48.9 million in the first six months of 2015. This was mostly due to high activity levels in the first half of the year leading to higher receivables than in the previous year, and temporarily higher inventories for machines to be invoiced in the second half of the year.

Net debt increased to CHF 20.2 million from CHF 1.7 million at the end of 2015. This was mainly due to the usual increase of net working capital during the year. The consolidated shareholders' equity reached 30.7% of the total balance sheet, compared to 31.1% at the end of 2015.

Transition from IFRS to Swiss GAAP FER

As a consequence of the transition from IFRS to Swiss GAAP FER, results in the income statement for the year 2015 have slightly improved, primarily due to the adjustment of employee benefits and acquisition related charges. In the balance sheet, the biggest changes concern employee benefit liabilities as well as goodwill and other intangible assets from acquisitions, which have been offset with equity. This leads, together with other effects, to a reduction in total assets of CHF 93.1 million and an increase in equity of CHF 8.2 million on the balance sheet as at 31 December 2015. As a consequence of these changes the shareholders' equity ratio on 31 December 2015 improved from 28.6% to 31.1%.

BUSINESS ACTIVITY AND OUTLOOK BY BUSINESS UNIT

Business Unit Sheet-fed

Compared with the exceptionally active first half of 2015, activity in the first six months of 2016 was slightly below expectations.

Drupa was a clear success, with strong activity throughout the show, resulting in significant handshakes on deals across all geographical areas.

Both the MASTERCUT 106 PER and new MASTERFOLD 110 premiered at drupa surprised customers with their advanced technical solutions which make them the most productive machines in the market. Higher running speeds, much faster make-readies, less waste, increased uptime, and technology that makes 'zero-fault' production achievable, all addressed users' needs for increased automation and the ability to change jobs quickly and accurately.

As in 2015, overall demand continues to be driven by mature markets, in particular North America, but also Western Europe. Emerging markets are performing better in 2016 thanks to South East Asia and Africa & Middle East, however South America continues to underperform. India has seen a slow start to 2016 and China is still impacted by the country's current economic situation.

Despite total bookings for the first half-year of 2016 being 6% down on the same period in 2015, sales for the half-year were 22.6% up, particularly due to the good backlog available at the beginning of the year. The result is that the outlook for the full year is promising, based upon the current backlog and the usual stronger second half. There will, of course, be challenges still to meet, especially for the die-cutting-stamping and folding-gluing product lines.

Business Unit Web-fed

The first half of the year was in line with 2015 with regards to bookings, largely due to customers putting investments on hold until the drupa 2016 exhibition, which ran from the end of May into June.

The drupa 2016 exhibition was a success and led to a large number of handshakes on deals during the show. The exhibition allowed the BU to show new facets of the integration of its product lines, while simultaneously presenting many new machines. The gravure product line exhibited printing units from the new 6002 and 6003 rotogravure presses, while the flexographic product line showed the new MW 85 F, a machine designed for short runs and minimized waste. The lamination product line presented the new CL 750 solvent and solventless compact laminator, which completes the product range for converters looking for non-automatic machines, particularly for medium run production and emerging markets. The label product line premiered the M6 in-line flexo press in two configurations, one for flexible packaging and one for folding carton applications. Both machines were demonstrated using extended color gamut printing, which maximizes the efficiency of the printing process and avoids the need for Pantone colors.

Overall market trends are in line with last year. Mature countries and the US showed a good level of activity, even as consolidation continues among customers. Activity in emerging markets, China and South America has been slow, while India, the Middle East and Africa have shown good levels of activity despite political instability in some areas.

Sales for the first half of 2016 are behind, compared to the first half of 2015. Despite this, the backlog and the good performance at drupa mean that the BU should meet its objectives for the year.

Business Unit Services

The first half-year of 2016 saw Business Unit Services sales 16.6% above the same period in 2015.

In the European and North American markets volumes rose, mainly through increased contract business such as maintenance programs, machine inspections and contracts for remote troubleshooting and monitoring. Thanks to newly hired field service technicians, the number of service hours delivered was increased. While sales in Europe and North America grew by almost 20%, and Africa & Middle East grew by 8%, South America showed stagnation. Asia, after a slow 2015, saw customers increasingly asking for BOBST Services support and the BU recorded a 20% growth here, largely due to machine overhauls and relocations.

The Business Unit Services expects to see normal business development for the second half of 2016, if no major changes in the world economy or exchange rates occur, and the BU will continue to follow its vision of becoming the service benchmark in the packaging industry.

OUTLOOK FOR THE SECOND HALF OF 2016

The Group expects to see continued strong demand in Europe and North America. Asia should further improve, but demand in South America will remain low due to a slow economy. Most of the handshakes from drupa will transform into orders in the third quarter, which will lead to a very busy second half of 2016 in nearly all plants. Due to the strength of business in the first half-year, at current exchange rates, and barring unforeseen circumstances, the Group is confident of achieving full year sales of CHF 1.35 to 1.40 billion in 2016 (previous guidance CHF 1.30 to 1.35 billion). For the full year 2016 the Group expects a similar operating result (EBIT) as the restated operating result (EBIT) for 2015 (CHF 83.9 million). The net result will be lower than the restated net result for 2015 (CHF 67.1 million), as the Group benefitted from a one-time tax credit in 2015.

The mid- to long-term financial targets of at least 8% operating result (EBIT) and a minimum 15% return on capital employed (ROCE) remain unchanged. Feedback received from customers and visitors at drupa confirmed the success of the Group's strategy – which is to innovate and to increase the performance of its services.



Alain Guttmann
Chairman of the Board



Jean-Pascal Bobst
Chief Executive Officer

Financial calendar	
20 December 2016	Conference for financial analysts and the media
03 March 2017	Publication of financial statements for the 2016 financial year
	Results press conference and presentation of the 2016 financial statements
06 April 2017	Annual General Meeting of Shareholders

INTERIM CONSOLIDATED PROFIT AND LOSS

In million CHF	Notes	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Sales		600.4	524.7	1 330.9
Other operating income		8.4	4.5	10.6
Raw materials and services		-352.0	-289.5	-812.0
Personnel costs		-217.9	-200.8	-396.5
Depreciation and amortization		-14.6	-17.2	-34.3
Other operating expenses		-6.3	-7.0	-14.8
Operating result (EBIT)		18.0	14.7	83.9
Share of result of associates		0.0	1.4	6.6
Interest expenses		-2.7	-7.4	-10.3
Other financial income		3.4	7.2	4.5
Other financial expenses		-2.4	-3.2	-5.3
Result before income tax		16.3	12.7	79.4
Income tax		-6.6	2.1	-12.3
Net result		9.7	14.8	67.1
Attributable:				
To shareholders		9.4	14.3	66.4
To non-controlling interest		0.3	0.5	0.7
Earnings per registered share (in CHF)		0.57	0.86	4.02
Diluted earnings per registered share (in CHF)		0.57	0.86	4.02

Restated prior year figures due to change from IFRS to Swiss GAAP FER (refer to Note 2).

INTERIM CONSOLIDATED BALANCE SHEET

In million CHF	Notes	June 2016	June 2015	December 2015
Intangible fixed assets		30.8	25.2	27.2
Tangible fixed assets		257.1	273.6	267.2
Financial assets other		19.2	43.4	19.0
Investments in associates		30.9	27.0	33.2
Employer contribution reserves		25.9	25.9	25.9
Receivables		4.6	7.1	3.8
Finance lease receivables		6.6	4.4	6.5
Prepaid expenses and accrued income		1.4	1.2	1.4
Deferred tax assets		35.7	35.7	35.5
Non-current assets		412.2	443.5	419.7
Inventories		403.1	376.6	320.4
Receivables		244.1	230.4	305.5
Finance lease receivables		6.8	4.0	6.4
Income tax receivables		6.2	9.7	8.5
Prepaid expenses and accrued income		9.8	11.9	7.3
Derivative financial instruments		3.0	7.6	1.3
Cash and cash equivalents		256.9	254.0	279.2
Current assets		929.9	894.2	928.6
Total assets		1 342.1	1 337.7	1 348.3
Share capital		16.5	16.5	16.5
Reserves		385.7	341.2	336.6
Net result		9.4	14.3	66.4
Shareholders' equity		411.6	372.0	419.5
Non-controlling interest		2.1	17.5	2.3
Equity		413.7	389.5	421.8
Borrowings		264.7	266.5	265.6
Provisions		18.6	16.2	16.5
Employee benefits		37.3	40.1	39.8
Trade and other payables		21.6	49.1	21.4
Deferred tax liabilities		46.8	48.9	48.4
Non-current liabilities		389.0	420.8	391.7
Borrowings		12.4	14.7	15.3
Provisions		50.1	41.7	47.0
Employee benefits		1.7	2.2	1.6
Trade and other payables		393.4	376.9	363.7
Accrued expenses and deferred income		70.3	69.4	81.9
Income tax payables		6.1	10.9	17.8
Derivative financial instruments		5.4	11.6	7.5
Current liabilities		539.4	527.4	534.8
Total liabilities and equity		1 342.1	1 337.7	1 348.3

Restated prior year figures due to change from IFRS to Swiss GAAP FER (refer to Note 2).

INTERIM CONSOLIDATED CASH FLOW STATEMENT

In million CHF		Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Net result		9.7	14.8	67.1
Elimination of income from associates		0.0	-1.4	-6.6
Elimination of income taxes		6.6	-2.1	12.3
Elimination of depreciation, amortization and provisions		16.8	0.3	19.3
Elimination of the result on disposal of assets		1.5	1.7	1.6
Elimination of interest expenses/(income)		1.7	5.6	7.3
Changes in derivative financial instruments		-1.7	-3.3	0.4
Changes in inventories		-80.9	-67.7	-6.8
Changes in receivables		56.9	40.7	-29.2
Changes in payables		19.4	65.3	50.6
Paid taxes		-18.4	-5.0	-11.2
Cash flow from operating activities	Total A	11.6	48.9	104.8
Acquisition of subsidiaries, net of cash acquired		0.0	-4.6	-3.6
Purchase of intangible assets		-6.5	-2.6	-8.1
Purchase of tangible assets		-4.9	-7.7	-14.0
Purchase of investments in associates		-0.7	-1.6	-1.5
Loans and advances made		0.0	-0.2	-0.2
Proceeds from sale of intangible assets		0.0	0.1	0.0
Proceeds from sale of tangible assets		0.2	0.0	2.2
Proceeds from sale of financial assets		0.0	75.0	75.0
Loan repayments and advances received		1.5	0.3	1.2
Interest received		0.9	1.8	3.0
Dividends received		3.2	2.8	3.0
Cash flow from investing activities	Total B	-6.3	63.3	57.0
Acquisition of non-controlling interest		0.0	0.0	-25.6
Proceeds from borrowings		1.3	2.0	10.1
Repayments of borrowings		-6.1	-190.7	-195.8
Interest paid		-2.7	-12.4	-15.2
Dividends paid to shareholders		-20.6	-20.6	-20.6
Dividends paid to non-controlling interest		0.0	0.0	-1.0
Cash flow from financing activities	Total C	-28.1	-221.7	-248.1
Effects of exchange variances	Total D	0.5	-22.8	-20.8
Increase/(decrease) in cash and cash equivalents	A+B+C+D	-22.3	-132.3	-107.1
Cash and cash equivalents at beginning of period		279.2	386.3	386.3
Cash and cash equivalents at end of period		256.9	254.0	279.2
Variance		-22.3	-132.3	-107.1

Restated prior year figures due to change from IFRS to Swiss GAAP FER (refer to Note 2)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Hedge reserve	Translation reserve	Other reserves	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
Balance at 31 December 2014 (according to IFRS)	16.5	-3.6	-83.6	0.4	522.8	452.5	2.3	454.8
Adjustments Swiss GAAP FER (see Note 2 Basis of preparation and accounting policies)			83.6		-111.5	-27.9	14.5	-13.4
Balance at 1 January 2015 (restated, according to Swiss GAAP FER)	16.5	-3.6	0.0	0.4	411.3	424.6	16.8	441.4
Result for the period					14.3	14.3	0.5	14.8
Currency translation differences		0.2	-39.0			-38.8	-0.9	-39.7
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
Income tax		-0.8				-0.8		-0.8
Non-controlling interest arising on business acquisition						0.0	1.1	1.1
Goodwill on acquisition					-8.2	-8.2		-8.2
Share-based payments				-0.4		-0.4		-0.4
Dividends					-20.6	-20.6		-20.6
Balance at 30 June 2015 (according to Swiss GAAP FER)	16.5	-2.3	-39.0	0.0	396.8	372.0	17.5	389.5
Balance at 1 January 2016	16.5	-1.5	-36.0	0.4	440.1	419.5	2.3	421.8
Result for the period					9.4	9.4	0.3	9.7
Currency translation differences			1.8			1.8		1.8
Net gain/(loss) on cash flow hedges reclassified to profit and loss during the year		2.3				2.3		2.3
Net gain/(loss) on cash flow hedges during the year		-0.2				-0.2		-0.2
Income tax		-0.7				-0.7		-0.7
Acquisition of non-controlling interests					0.5	0.5	-0.5	0.0
Share-based payments				-0.4		-0.4		-0.4
Dividends					-20.6	-20.6		-20.6
Balance at 30 June 2016	16.5	-0.1	-34.2	0.0	429.4	411.6	2.1	413.7

Restated prior year figures due to change from IFRS to Swiss GAAP FER (refer to Note 2).

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In million CHF	Share capital	Hedge reserve	Translation reserve	Other reserves	Retained earnings	Total shareholders' equity	Non-controlling interest	Total equity
Balance at 31 December 2014 (according to IFRS)	16.5	-3.6	-83.6	0.4	522.8	452.5	2.3	454.8
Adjustments Swiss GAAP FER (see Note 2 Basis of preparation and accounting policies)			83.6		-111.5	-27.9	14.5	-13.4
Balance at 1 January 2015 (restated, according to Swiss GAAP FER)	16.5	-3.6	0.0	0.4	411.3	424.6	16.8	441.4
Result for the period					66.4	66.4	0.7	67.1
Currency translation differences		0.2	-36.0			-35.8	0.0	-35.8
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		-2.3				-2.3		-2.3
Income tax		-1.4				-1.4		-1.4
Share-based payments								0.0
Own shares cancellation								0.0
Dividends					-20.6	-20.6	-1.0	-21.6
Goodwill on acquisition					-17.0	-17.0	1.0	-16.0
Change in non-controlling interests							-15.2	-15.2
Balance at 31 December 2015 according to Swiss GAAP	16.5	-1.5	-36.0	0.4	440.1	419.5	2.3	421.8

Restated prior year figures due to change from IFRS to Swiss GAAP FER (refer to Note 2).

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, one of the world's leading suppliers of equipment and services to packaging and label 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

Since 1 January 2016, the consolidated interim and annual financial statements are prepared in accordance with the entire existing accounting principles of Swiss GAAP FER (Generally Accepted Accounting Principles FER [Fachempfehlung zur Rechnungslegung]).

These unaudited interim consolidated financial statements do not include all the information required for full annual financial statements. They should therefore be read in conjunction with the consolidated financial statements of Bobst Group SA as at 31 December 2015, which were prepared in accordance with the International Financial Reporting standards (IFRS).

With the exception of the items listed below, 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 2015.

1. Goodwill from acquisitions

Goodwill from acquisitions, as well as brand names, distribution channels and technologies, which are identified during the purchase price allocation and which are part of the goodwill under Swiss GAAP FER, are directly offset, as at the acquisition date, with retained earnings in equity in accordance with the allowed treatment under Swiss GAAP FER 30 "Consolidated Financial Statements". Under IFRS, goodwill was capitalized and tested for its recoverable value annually. Brand names, distribution channels and technologies under IFRS were separately capitalized and amortized over their estimated useful economic lives as part of the purchase price allocation. Under Swiss GAAP FER, any intangible assets identified at acquisition are not separated, but instead remain part of goodwill.

2. Goodwill included in the acquisition costs of associated companies

Under IFRS, goodwill included in the acquisition costs of associates forms part of the equity value of the associated companies. Under Swiss GAAP FER, such goodwill is recognized directly in equity.

3. Employee benefits

In accordance with Swiss GAAP FER 16 "Pension benefit Obligations" an economical obligation or a benefit from Swiss pension schemes is determined from the statements made on the basis of Swiss GAAP FER 26 "Accounting of Pension Plans". The economic impact from pension schemes of foreign subsidiaries is determined in accordance with the local valuation methods in effect. Employer contribution reserves and comparable items are capitalized in accordance with Swiss GAAP FER 16. Under IFRS, defined benefit plans were calculated in accordance with the projected unit credit method and recognized in accordance with IAS 19.

NOTES

NOTE 2 (CONTINUED)

BASIS OF PREPARATION AND ACCOUNTING POLICIES

4. Debenture bonds issue costs

Under IFRS, debenture bonds issue costs were initially recorded as a reduction of the related liability and recognized in the income statement over the period of the debenture bonds, on an effective interest rate basis. Under Swiss GAAP FER, such debenture bond issue costs are recognized directly in the profit and loss statement.

5. Deferred taxes

The above-mentioned valuation and balance sheet adjustments have effects on the deferred taxes in the balance sheet and in the profit and loss statement.

6. Translation differences

The historical foreign currency translation differences resulting from foreign operations was offset against the retained earnings as part of the restatement on 1 January 2015.

The changes to accounting principles made by Swiss GAAP FER became effective retrospectively on 1 January 2015. The presentation and structure of the balance sheet, profit and loss statement, cash flow statement and statement of changes in equity were adjusted to meet the requirements of Swiss GAAP FER. The previous periods were restated in order to ensure comparability with the presentation of the period under review.

The tables below show the effect of the changeover from IFRS to Swiss GAAP FER on equity and the net result.

In million CHF	31 December 2015	30 June 2015	1 January 2015
Equity according to IFRS	413.6	350.9	454.8
Swiss GAAP FER adjustments:			
Compensation of goodwill from acquisitions	-79.5	-81.0	-77.4
Compensation of goodwill from associates	-29.1	-28.0	-32.4
Offset acquired trade names, know-how and customer relationships	-10.7	-11.0	-7.5
Adjustment employee benefits	119.2	128.5	80.9
Employer contribution reserves	25.9	25.9	25.9
Reclassification call/put option on non-controlling interest	16.6	40.5	25.8
Borrowings issue costs	-0.8	-0.9	-1.2
Deferred taxes	-33.4	-35.4	-27.5
Total adjustments to equity	8.2	38.6	-13.4
Equity according to Swiss GAAP FER	421.8	389.5	441.4
Net result according to IFRS	59.2	10.4	
Swiss GAAP FER adjustments:			
Adjustment amortization intangible assets	1.6	0.7	
Adjustment employee benefits	6.9	3.7	
Adjustment borrowings issue costs	0.4	0.3	
Adjustment deferred taxes	-1.0	-0.3	
Total adjustments to net result	7.9	4.4	
Net result according to Swiss GAAP FER	67.1	14.8	

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 2016	June 2015	December 2015
Revenue			
Sheet-fed third party sales	289.2	235.8	658.1
Sheet-fed inter-segment	10.7	9.2	18.8
Sheet-fed total revenue	299.9	245.0	676.9
Web-fed third party sales	100.6	108.2	296.8
Web-fed inter-segment	1.9	1.6	3.6
Web-fed total revenue	102.5	109.8	300.4
Services third party sales	210.1	180.2	374.8
Other third party sales	0.5	0.5	1.2
Eliminations inter-segment	-12.6	-10.8	-22.4
Total third party sales	600.4	524.7	1 330.9
Results			
Sheet-fed	-2.5	-5.2	29.2
Web-fed	-7.5	-2.1	11.0
Services	28.5	21.5	43.6
Other	-0.5	0.5	0.1
Total segment operating result (EBIT)	18.0	14.7	83.9

NOTES

NOTE 5 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 due to changes in tax rates on previously recognized tax assets and liabilities.

NOTE 6 EQUITY

At the Annual General Meeting of Shareholders held on 6 April 2016, the shareholders approved the distribution of an ordinary dividend of CHF 1.25 per share (2015: CHF 1.25 per share).

NOTE 7 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%.

NOTE 8 CHANGES IN THE SCOPE OF CONSOLIDATION

In 2016 the Group has undertaken no acquisition or disposal of subsidiaries.

NOTES

NOTE 9

SUBSEQUENT EVENTS

The condensed interim consolidated financial statements were approved for publication by the Board of Directors on 25 July 2016. No events have occurred up to 25 July 2016, which would necessitate additional adjustments to the book values of the Group's assets or liabilities or which require disclosure.

NOTE 10

EXCHANGE RATES

	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Profit and loss statement			
1 EUR	1.09	1.05	1.07
1 USD	0.98	0.95	0.97
1 GBP	1.40	1.45	1.47
1 CNY	0.15	0.15	0.15
	Jun 2016	Jun 2015	Dec 2015
Balance sheet			
1 EUR	1.09	1.04	1.08
1 USD	0.98	0.93	0.99
1 GBP	1.32	1.46	1.47
1 CNY	0.15	0.15	0.15

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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ISIN: CH0012684657
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the Worldwide code of employee and business conduct,
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