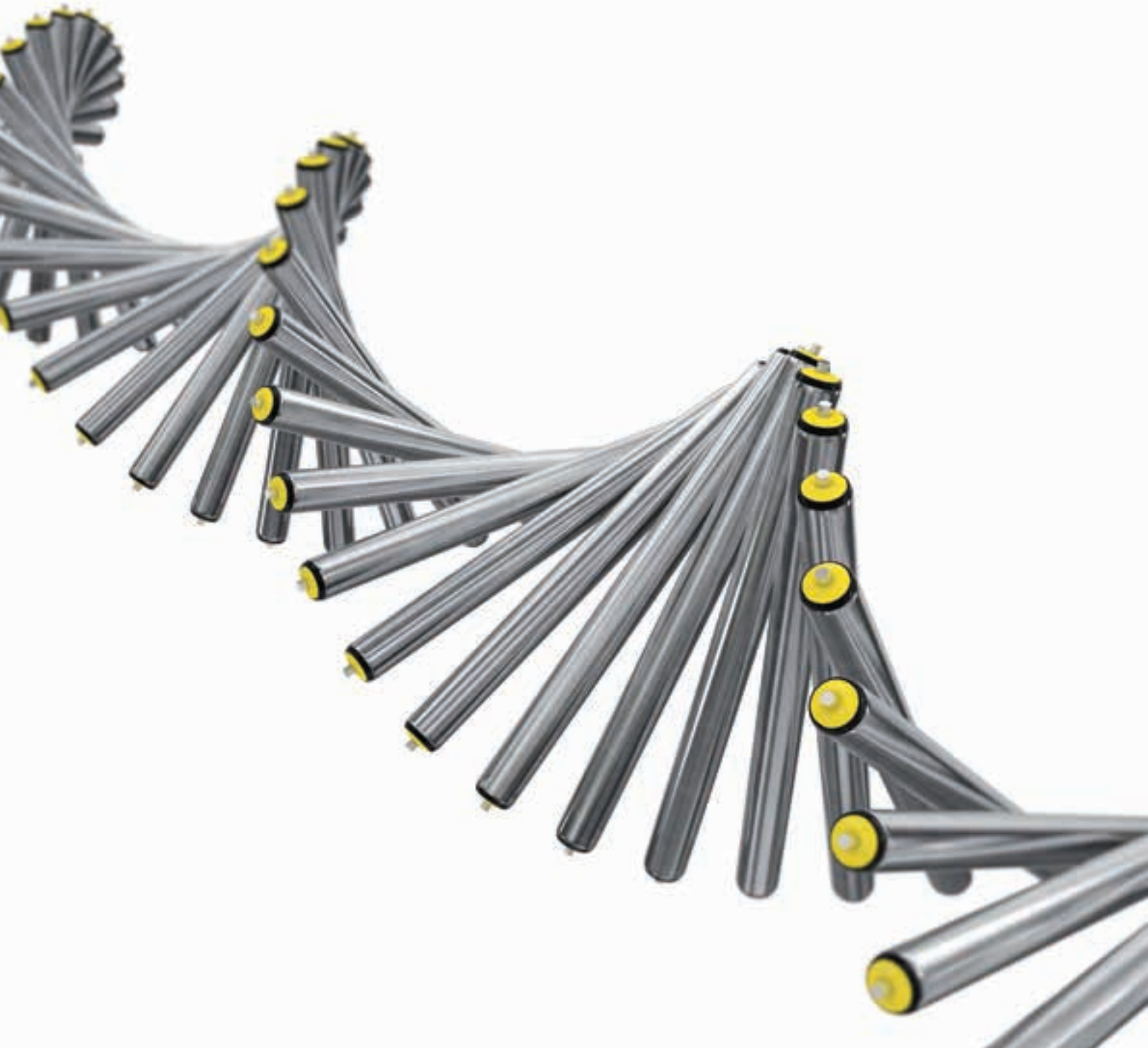


HALF-YEAR REPORT 2016



INSPIRED BY EFFICIENCY



KEY FIGURES

in CHF million, if not stated differently	01.01.– 30.06.2016	01.01.– 30.06.2015	Changes in %
Incoming orders / net sales			
Total incoming orders	216.3	206.3	4.8
Rollers	48.1	48.3	-0.4
Drives	61.7	53.2	16.0
Conveyors & Sorters	44.5	43.6	2.1
Pallet & Carton Flow	32.8	26.2	25.2
Total net sales	187.1	171.3	9.2
Profitability			
EBITDA	30.9	26.5	16.4
in % of net sales	16.5	15.5	
EBITA	25.4	21.4	18.8
in % of net sales	13.6	12.5	
EBIT	22.0	17.5	25.1
in % of net sales	11.7	10.2	
Net profit	15.8	12.8	23.4
in % of net sales	8.4	7.5	
Cash flow			
Operating cash flow	14.2	11.6	23.3
in % of net sales	7.6	6.7	
Free cash flow	8.3	-0.6	100.0
in % of net sales	4.4	-0.4	
Total investments / capital expenditure	6.3	12.3	-43.8
Balance sheet			
	30.06.2016	31.12.2015	
Total assets	322.7	293.0	10.1
Goodwill	16.5	16.7	-1.2
Net financial assets	29.4	31.3	-6.1
Equity	213.3	207.6	2.7
Equity ratio (equity in % of assets)	66.1	70.9	
Return on equity (in %)	15.0	14.4	4.2
Other key figures			
RONA (Return on Net Assets, in %)	15.1	15.3	-1.3
Average number of employees	1856	1820	2.0
Net sales per employee (in thousands CHF)	202	198	2.0
Productivity (added value / total personnel expenses)	2.07	2.04	-1.5

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ABOUT INTERROLL

Interroll Group is a leading global provider of high-quality key products and services for internal logistics. The company offers a broad product range in the four product groups “Rollers”, “Drives”, “Conveyors & Sorters” and “Pallet & Carton Flow” to about 23,000 customers (system integrators and OEMs) around the world. Our core industries include courier, parcel, express and postal services, airports, food processing as well as distribution centres.

Interroll products are in use at well-known global brands such as Amazon, Bosch, Coca-Cola, Coop, DHL, FedEx, Peugeot, PepsiCo, Procter & Gamble, Siemens, Walmart and Yamaha, amongst others. Interroll is engaged in global research projects on logistics efficiency and actively supports industry associations in developing standards. Headquartered in Sant’Antonino, Switzerland, Interroll operates a worldwide network of 30 companies with around 1,900 employees. The company was founded in 1959. Since 1997, Interroll Group has been listed on the SIX Swiss Exchange and included in the SPI index.

www.interroll.com

**23,000
CUSTOMERS
AROUND
THE WORLD**

**30
COMPANIES
AROUND
THE WORLD**

**1,900
EMPLOYEES
AROUND
THE WORLD**

INTERROLL PRODUCT GROUPS

ROLLERS



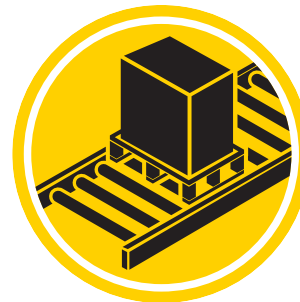
DRIVES



CONVEYORS & SORTERS

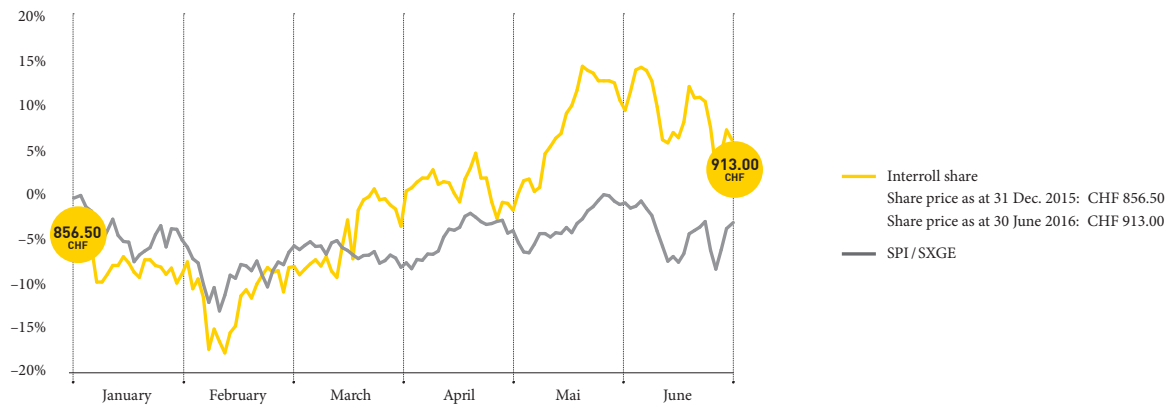


PALLET & CARTON FLOW



INTERROLL ON THE CAPITAL MARKET

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



INTERNATIONAL STOCK MARKETS CHARACTERISED BY HIGH VOLATILITY

International stock markets experienced high volatility in the first half of 2016. After a significant drop in share prices in the first quarter, the Swiss Stock Index staged a recovery. Discussions about Great Britain remaining in the European Union ushered in another round of high volatility on the international exchanges toward the end of the second quarter of 2016.

INTERROLL SHARES CONTINUE POSITIVE TREND

Interroll shares once again continued their strong year-on-year performance in the first half of 2016. With a closing price of CHF 913.00 on 30 June 2016, Interroll shares were 6.6% higher than the closing price for 2015 (CHF 856.50).

As such, Interroll shares recovered more strongly than the Swiss Index as a whole. The SPI Index stood at 8,660 points at 30 June 2016 or -2.9% below the closing price for 2015 (8,918 points). The SMI Index closed for the first half of the year at 8,020 points, -8.7% below the closing price for 2015 (8,780 points).

SHAREHOLDER BASIS INCREASINGLY INTERNATIONAL

In the first half of 2016, an increasing percentage of shareholders based outside Switzerland purchased shares of Interroll. On 30 June 2016, 49% of shareholders were based abroad, compared with 41% on 31 December 2015.

Growth strategy successfully continued



Paul Zumbühl, Chief Executive Officer

Dear shareholders,
customers, employees and business partners,

The Interroll Group managed to build on its strong 2015 fiscal year and continued its course of growth through the first half of 2016. All product groups and regions developed well. Business outside Europe performed especially strongly.

Order intake rose in the first six months by 4.8%, from CHF 206.3 million a year ago to a new record of CHF 216.3 million. Net sales grew by 9.2%, finishing at a consolidated value of CHF 187.1 million (previous year: CHF 171.3 million).

EBITDA climbed in the first half of the year by 16.4%, from CHF 26.5 million to CHF 30.9 million. The EBITDA margin stood at 16.5% (previous year: 15.5%). EBIT of CHF 22.0 million for the first half of 2016 represented a 25.1% jump on a year-on-year basis, from CHF 17.5 million. EBIT margin totalled 11.7% (previous year: 10.2%).

Operating cash flow improved by CHF 2.7 million to CHF 14.2 million (previous year: CHF 11.6 million), thanks primarily to higher net profits of CHF 15.8 million (previous year: CHF 12.8 million). Impacted by investment levels below those of the previous year, free

cash flow jumped by CHF 8.9 million from CHF –0.6 million a year ago to CHF 8.3 million as at 30 June 2016.

Interroll's strong results in the first half of 2016 reflected a continuation of the positive trends from recent years.

In May, Kurt Rudolf stepped down from his role as Chairman of the Board of Directors. We owe him our express thanks for his dedication and service to the company. New Chairman of the Board of Directors Urs Tanner has expressed his stated intent to pursue the same constructive, goal-oriented collaboration with the group management.

TECHNOLOGICAL AND INNOVATIVE EXPERTISE ONCE AGAIN PUT TO THE TEST

Interroll found a good opportunity to demonstrate its strong technical expertise early this year. We presented our new MSC 50 magnetic speed controller to the public for the first time at the LOGIMAT trade show in Stuttgart, Germany. Interroll also launched new technologies on the market outside Europe as well. Our modular conveyor platform (MCP) has been a successful seller on the European and Asian markets for the past two years, and went on sale in April in the Americas as well. This represents a consistent continuation of Interroll's strategy of providing its cus-

“Our growth policies are based on trusted, well-established partnerships with our customers, innovative technology and processes and healthy finances. With these strengths in mind, we plan on continuing our work in the future as well.”



Urs Tanner, Chairman of the Board of Directors

tomers with innovative, high-quality technology at its many locations around the world.

More than 150 customers and partners had a chance on April 2016 to experience this first-hand at the Innovation Summit in Baal, Germany. Our innovation centre there, including the headquarters for the Interroll Research Centre and our Academy, opened their doors to present their broad range of expertise in internal logistics. Another programme started a year ago, “Rolling on Interroll”, reflects the strong trust placed in Interroll by our partners. More than 40 partners are now engaged in the programme worldwide, forging closer business ties as well as a uniform concept of quality and service. We are thus very happy that the biggest platform for investment goods marketing in the German-speaking world, “Rolling on Interroll”, was awarded a BoB bronze medal in May.

EXPERIENCING THE CULTURE OF GROWTH TOGETHER

Success always reflects collaboration between people, externally and internally. Our “Culture for Growth” programme represents another pillar of our growth strategy. It was intended to provide all employees at Interroll with a shared understanding of leadership, values and cooperation, and nurture that understanding in daily working life. Culture for Growth isn't a

project in the traditional sense, but rather an attitude towards how we can continue to provide our customers and shareholders with our most valuable resource – our Interroll employees – for the long term. It represents a daily cornerstone obligation for our executives, and forms the sustainable foundation for continued improvement and solid growth at Interroll.

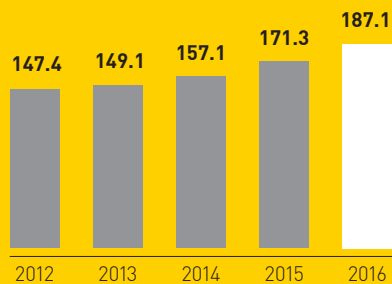
Sant'Antonino, 5 August 2016

Urs Tanner
Chairman of the
Board of Directors

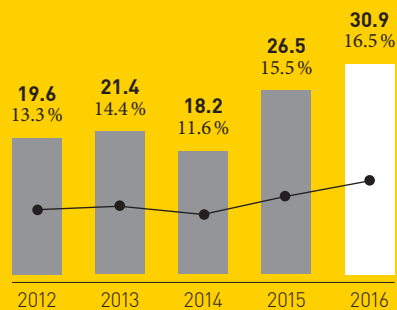
Paul Zumbühl
Chief Executive Officer

OVERVIEW OF FINANCIAL POSITION, EARNINGS AND CASH FLOWS

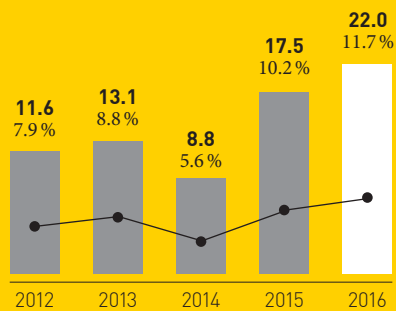
NET SALES



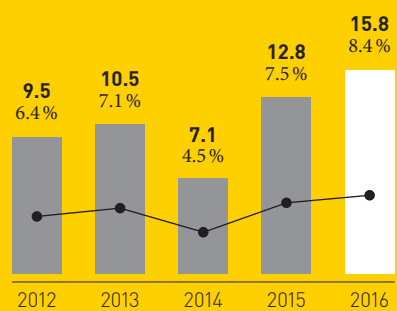
EBITDA AND EBITDA MARGIN



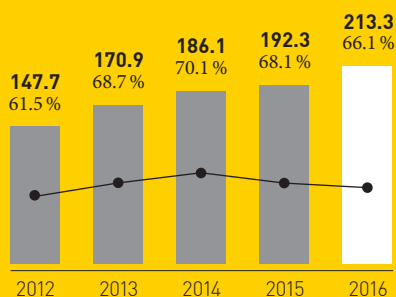
EBIT AND EBIT MARGIN



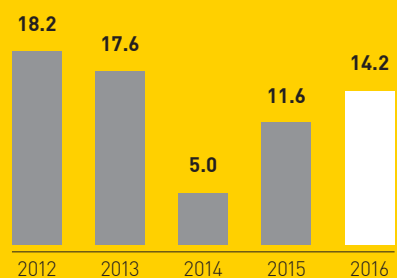
NET PROFIT AND NET PROFIT MARGIN



EQUITY AND EQUITY RATIO



OPERATING CASH FLOW



ORDER INTAKE AND SALES CONTINUE POSITIVE DEVELOPMENT

The Interroll Group saw record order intake in the first half of 2016 of CHF 216.3 million (previous year: CHF 206.3 million). Organic growth rose to 4.8%, underpinned by ongoing product business and projects in the areas of eCommerce and airports, especially in Asia.

Consolidated sales reached CHF 187.1 million (previous year: CHF 171.3 million), thus growing in the reporting currency by 9.2%. The growth, in which all regions played a role, is strictly organic in nature. Positive currency effects contributed 3.1% to the sales growth.

RESULTS EXCEEDED PREVIOUS YEAR'S FIGURES

Bolstered by the higher sales and the resulting economies of scale, EBITDA grew by 16.4% in the first half of 2016 to CHF 30.9 million (previous year: CHF 26.5 million). The EBITDA margin was 16.5% (previous year: 15.5%).

EBIT also grew year-on-year. After CHF 17.5 million in the previous year, this figure was CHF 22.0 million in the first half of 2016. The EBIT margin hit 11.7% (previous year: 10.2%).

Year-on-year net profit rose by a notable 23.4%, from CHF 12.8 million to CHF 15.8 million. The net profit margin stood at 8.4% (previous year: 7.5%).

CONTINUED SOLID BALANCE SHEET DEVELOPMENT

The balance sheet increased as of 30 June 2016 to CHF 322.7 million and was thus 10.1% above the level at the end of 2015 (CHF 293.0 million). In particular, accounts receivable and the portfolio of projects started in the first half of the year grew strongly. This trend reflects the intensive project orientation at the Interroll Group during the reporting period.

Higher net profits also impacted equity, which rose to CHF 213.3 million as at 30 June 2016. This is 2.7% above the closing value of CHF 207.6 million from 31 December 2015. The equity ratio was thus 66.1% compared to 70.9% on 31 December 2015.

Due to the dividend payment net financial assets decreased to CHF 29.4 million as at 30 June 2016.

IMPROVED CASH FLOW UNDERSCORES STRONG PROFITABILITY

Operative cash flow once again rose year-on-year, attributable in particular to the higher net profit, to CHF 14.2 million (previous year: CHF 11.6 million).

Investments totalling CHF 6.3 million gross were significantly below the levels seen in the previous year (CHF 12.3 million). This can be attributed in part to the fact that the Interroll Academy investment project in Baal, Germany, is no longer on the books.

Given the higher cash flow and lower investments, free cash flow reached CHF 8.3 million, a significant CHF 8.9 million improvement in a year-on-year comparison (2015: CHF -0.6 million).

STEADY PRODUCT BUSINESS AND EXPANDING PROJECT BUSINESS

Interroll breaks down its portfolio of services into four product groups: “Rollers”, “Drives”, “Conveyors & Sorters” and “Pallet & Carton Flow”. Each of these product groups saw growth in the first half of 2016.



PRODUCT GROUP ROLLERS

The “Rollers” product group forms the foundation of the Interroll portfolio. Since 1959, Interroll has been producing rollers at its location in Wermelskirchen, Germany, the global centre of excellence for Rollers and Driven Rollers. Since its founding, Interroll has produced more than 500 million rollers, making it the world’s leading company in this field. Rollers are used in numerous applications for internal logistics, such as conveying and sorting. Very short delivery times, high-efficiency production processes and the tremendous quality of Interroll’s products all played a significant role in its continued growth in the first six months of the year.

Interroll booked more business with rollers in the first half of 2016 in all regions. The strong demand has also been reflected in the production figures. June 2016 saw Interroll produce more rollers than any other

month in its history. Another reason for the increasing demand is a customer base that has been further expanded through Interroll’s intensive sales efforts. As with drives, the growing use of rollers in the new MCP conveyor platform has led to increased synergies between Interroll’s individual product groups.

The positive development of the product group is reflected in the sales and order intake from the first half of 2016. Although consolidated sales stood at CHF 48.1 million, or 0.4% below the figure (CHF 48.3 million) from the same time a year ago, consolidated order intake was recorded at CHF 48.5 million (previous year: CHF 48.1 million). The EMEA region was a particular highlight in terms of order intake, with Interroll enjoying roughly 7% year-on-year growth.

The MSC 50 magnetic speed controller was launched onto the market in spring, giving Interroll another showcase innovation for regulating the speed of roller ramps intelligently and preventing damage to transported material. The new product has already been very positively received by the market in the short period since its release.

The Interroll Production System (IPS) forms the foundation for efficient workflows and top quality for all Interroll processes. It allows Interroll to offer customers a broad choice of almost 60,000 conveyor variants at minimal production volumes – more than half the catalogue items can be produced in batch sizes of less than 10 units.



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



PRODUCT GROUP DRIVES

The portfolio for the “Drives” product group includes driven conveyor rollers (24-volt RollerDrive), control systems and drum motors. Through its RollerDrive products, Interroll serves as the leading provider of energy-efficient 24-volt technology. Drum motors from Interroll fulfil the highest hygiene standards for the food production industry and are European Hygienic Engineering & Design Group (EHEDG) certified. From a global standpoint, drum motors are produced within the Interroll Group at the global centre of excellence in Baal, Germany, and in Hvidovre, Denmark.

Sales amounted to CHF 61.7 million, a 16.0% year-on-year rise (CHF 53.2 million). Consolidated order intake increased to CHF 62.1 million, compared with CHF 57.2 million a year earlier. The EMEA region

grew particularly strongly, with a 26% rise for RollerDrive; Asia-Pacific was also a point of strength. Overall, EMEA produced 14% higher order intake for drum motors compared to the first half of 2015. The positive trend is based primarily on the strong performance in the key food markets of France and Great Britain.

Interroll and its products hold a globally leading role in this product segment. The 24-volt RollerDrive is not just energy-efficient; it also produces significantly less noise than comparable products. Beyond this it offers benefits common to all product groups at Interroll: rapid installation, quick and uncomplicated replacement and almost no maintenance required.

The strong demand for driven conveyor rollers from Interroll has necessitated an expansion of production capacities at the facility in Wermelskirchen, Germany. At the same time, Interroll is taking advantage of this opportunity to further improve its technology and to orient itself toward continued success for these activities in the future. Construction of a new hall began there in June 2016; it is expected to be completed in the coming year.



Interroll drum motors comply with the strictest hygiene specifications.



PRODUCT GROUP CONVEYORS & SORTERS

The “Conveyors & Sorters” product group encompasses sorter and conveyor solutions produced at the global centres of excellence in Sinsheim (Germany) and Cañon City (USA). It includes crossbelt sorters, belt curves and modular conveyor platforms. Interroll’s products and solutions in this segment have positioned it strongly in fields such as the equipping of airports and post/logistics distribution centres.

In the first half of 2016, the product group recorded consolidated sales of CHF 44.5 million, beating its figures from the year prior by 2.1% (CHF 43.6 million). Consolidated order intake increased by significant 5.4% to CHF 74.4 million, compared with CHF 70.6 million a year earlier.

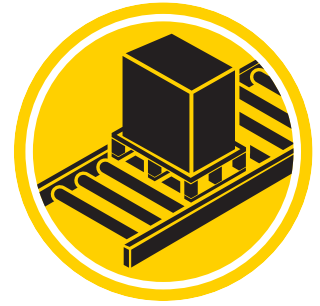
Interroll concluded the first half of 2016 with a new order to equip the luggage control stations at airports using its MCP modular conveyor platform. Within Germany, Interroll also invoiced a project for the equipping the distribution centre of a leading fashion producer; the project involved the longest stretch of conveyors ever delivered by Interroll. In South America, Interroll recently completed a large-scale order for the new conveyor platform.

Following its successes in Europe and Asia, Interroll released the modular conveyor platform onto the American market in early 2016. This represents a consistent continuation of Interroll’s globalisation strategy of making its innovative products available globally as quickly as possible.

Modern materials flow facilities can be planned quickly and efficiently using Interroll’s modular concept – adjustments can always be retrofit, even during the assembly stage. Facilities designed to take advantage of Interroll’s drive concepts are notable for their extreme high availability, energy efficiency and very low operating and maintenance costs. This applies to both new facilities and modernised existing equipment.

Interroll’s modular conveyor platform offers application flexibility.





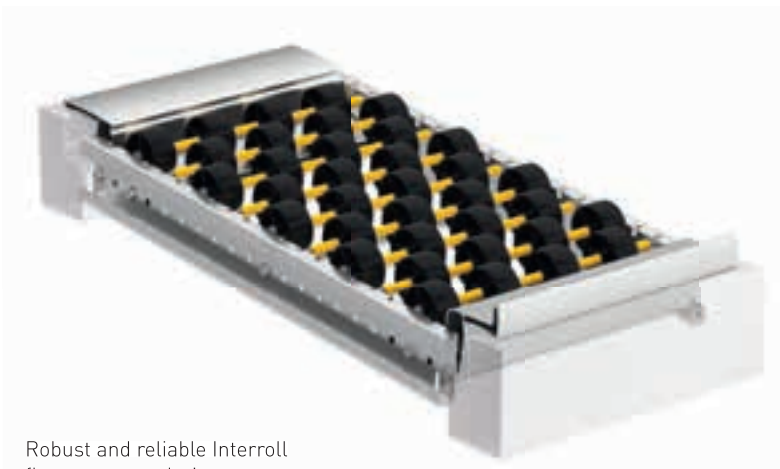
PRODUCT GROUP PALLET & CARTON FLOW

The “Pallet & Carton Flow” product group offers dynamic storage solutions for pallets and parcel packaging based on the FIFO (First In, First Out) or LIFO (Last In, First Out) principle. This product group is the responsibility of the global centre of excellence in La Roche-sur-Yon (France).

With the first half of 2016 now complete, Interroll is reporting consolidated sales of CHF 32.8 million, 25.2% higher than from the same period a year ago (CHF 26.2 million). Consolidated order intake rose to CHF 30.9 million (previous year: CHF 30.4 million). Asia and Europe produced especially strong demand during the first half of the year. In Korea, a large-scale project involving mineral water was billed. Europe saw demand rise on numerous markets. In Italy, Interroll successfully concluded projects that

included the specification of its products for a leading automaker. In Egypt, Interroll implemented its largest flow storage project outside Europe, working with a system integrator to equip the warehouse of a food company with 11,000 slots for pallets.

The dynamic storage solutions have proven an especially affordable long-term solution for warehouses with high inventory turnover. The flow storage system from Interroll is tested in the Interroll test centre in La Roche-sur-Yon, France. The solution survived 50,000 test cycles under extreme conditions, enabling Interroll to guarantee a long service life and maximum safety.



Robust and reliable Interroll flow storage solutions.

GLOBALISATION STRATEGY SUCCESSFULLY CONTINUED

We continued our globalisation strategy in the first half of 2016 as well by tapping new markets and reaching new customers. Interroll recorded growth in all regions. Europe-Middle East-Africa (EMEA) accounted for 59.6% of total revenue, Americas for 27.5% and Asia-Pacific for 12.9%.

EUROPE-MIDDLE EAST-AFRICA

REGION POSTS STRONG GROWTH

The EMEA region's growth from a year ago continued in the first half of 2016 as well. Incoming orders grew by 15.1% year-on-year, totalling CHF 130.8 million. Sales amounted to CHF 111.5 million, or 6.9% higher than in the same period a year ago. The growth was driven now as then by strong demand for rollers and drives as well as for sorters and conveyors. In northern and western Europe, demand for pallet and carton flow solutions remained unabatedly strong. The trends did vary between the individual regional markets. While central Europe maintained the same levels as a year ago, Italy and Spain rose despite difficult economic conditions and France in particular shone. Spain and Great Britain recorded monthly records for order index. Northern and eastern Europe developed positively as well. Orders in South Africa trailed expectations.

With a 59.6% share of overall sales at Interroll, EMEA remains the most important region for the Group. The technical requirements for suppliers of internal logistics are high and require solid customer relations, deep knowledge of the industry and technical know-how to produce innovative solutions for rising complexity and new trends. Interroll used the Innovation Summit in Baal, Germany, and the leading international technology fair CeMAT in Hannover, Germany, to present its technical innovations and broad industry expertise, as well as the high quality of its production and sales processes.

Interroll has launched into the Tire & Automotive field this year as well. A newly created international Key Account team supports customers in Europe and overseas, opening up new markets at the same time. This segment has shown a strong interest in Interroll, and business developed rapidly over the course of the first six months of the year.

+6,9%

IN REPORTING CURRENCY

IN THE EMEA REGION, GROWTH WAS
STRONG IN GERMANY AND FRANCE.

AMERICAS

SALES INCREASE IN THE AMERICAS

The Americas region also grew rapidly for the Interroll Group in the first half of 2016. Sales rose by 13.6% to CHF 51.5 million. The lion's share of that development came on the North American market, with the United States leading the way. Interroll's growth trends here from recent years continued as well. The positive growth can be attributed to the same factors as before: strong demand in the areas of e-commerce, food production and distribution centres. Incoming orders dropped by 6.2%, amounting to CHF 60.8 million.

South America also developed positively. The pleasantly strong growth in Brazil continued. With the delivery of the first sorters for a project with the Brazilian postal service, Interroll has positioned itself successfully despite the country's difficult political and economic conditions. The project required close collaboration between Interroll's responsible regional competence centre in Atlanta and the global competence centre for conveyors and sorters in Sinsheim. Beyond this, Interroll continued its consistent strategy of global availability of products and services. This spring it used the Modex trade fair in Atlanta, the largest logistics exhibition in the Americas, to present its modular conveyor platform (MCP). After a successful market launch in Europe and Asia over the past two years, the solution is now being offered on the growth market of the Americas.

The strong growth dynamic in the Americas is reflected by the founding of a sales and service subsidiary in Mexico City this year. It will help Interroll to provide better service to the logistics hub of Mexico and the surrounding countries, where e-commerce and automotive sectors are producing strong growth and offering tremendous potential for sales.

+13,6%

IN REPORTING CURRENCY

GROWTH IN THE AMERICAS REGION IS BEING DRIVEN MAINLY BY THE US AND BRAZILIAN MARKETS.

ASIA-PACIFIC

SOLID GROWTH REGION

Interroll continued its growth in the Asia-Pacific region as well in the first half of 2016. After a seasonally dictated weak start, sales through the first six months of this year totalled CHF 24.2 million, representing a 11.2% rise year-on-year. Incoming orders dropped by 12.6%, amounting to CHF 24.4 million in total.

As in recent years, China was Interroll's most important market in the region. Sales trends in Southeast Asia were somewhat slow due to the delay of new projects and ongoing projects that cannot yet be invoiced. The strong demand in the region for Interroll technology stretched across all product groups. For example, in the first half of 2016 Interroll completed a project

to equip a large aeronautics hub for a global post and logistics concern together with a system integrator.

The region is increasingly benefiting from the Interroll Group's global focus, including the founding of a local production facility. The successful integration of the regional centres of excellence in Suzhou and Shenzhen into the production chain – resulting in increased local technical expertise as well as greater proximity to customers – produced positive synergies in the first half of 2016.

Interroll is consistent in its pursuit of its product strategy in Asia. Following on the heels of the successful market introduction of the modular conveyor platform last year, Interroll will now launch its magnetic speed controller 50 (MSC 50) on the Asian market. This represents a further narrowing of the gaps in global product roll-outs, and increases its market opportunities worldwide through innovative, globally available technologies and services.

+11,2%

IN REPORTING CURRENCY

IN THE ASIA-PACIFIC REGION, THE CHINESE AND THE KOREAN SUBSIDIARIES BOTH REPORTED GROWTH.

1 FINANCIAL INTERIM STATEMENTS OF INTERROLL GROUP

1.1 Consolidated statement of financial position

in thousands CHF	30.06.2016	in %	31.12.2015	in %
ASSETS				
Property, plant and equipment	90,314		90,374	
Intangible assets	40,210		43,160	
Financial assets	621		626	
Deferred tax assets	3,308		3,959	
Total non-current assets	134,453	41.7	138,119	47.1
Inventories	57,132		44,833	
Current tax assets	2,273		1,360	
Trade and other accounts receivable	99,247		76,989	
Cash and cash equivalents	29,584		31,654	
Total current assets	188,236	58.3	154,836	52.9
Total assets	322,689	100.0	292,955	100.0
EQUITY AND LIABILITIES				
Share capital	854		854	
Share premium	6,889		6,519	
Own shares	-769		-1,623	
Translation reserve	-56,337		-55,227	
Retained earnings	262,657		257,123	
Non-controlling interests				
Total equity	213,294	66.1	207,646	70.9
Financial liabilities	8		8	
Deferred tax liabilities	3,514		4,505	
Pension liabilities	6,562		6,324	
Provisions	6,448		5,893	
Total non-current liabilities	16,532	5.1	16,730	5.7
Financial liabilities	204		296	
Current tax liabilities	13,345		11,784	
Trade and other accounts payable	79,314		56,499	
Total current liabilities	92,863	28.8	68,579	23.4
Total liabilities	109,395	33.9	85,309	29.1
Total liabilities and equity	322,689	100.0	292,955	100.0

1.2 Consolidated income statement

in thousands CHF	Jan.–Jun. 2016	in %	Jan.–Jun. 2015	in %	Variance	in %
Net Sales	187,123	100.0	171,338	100.0	15,785	9.2
Material expenses	-79,948	-42.7	-70,412	-41.1		
Personnel expenses	-56,766	-30.3	-51,303	-29.9		
Increase/(decrease) in work in progress, finished products and own goods capitalised	10,217	5.5	3,636	2.1		
Other operating expenses	-30,659	-16.4	-27,500	-16.1		
Other operating income	924	0.5	775	0.5		
Operating result before depreciation and amortisation (EBITDA)	30,891	16.5	26,534	15.5	4,357	16.4
Depreciation	-5,444	-2.9	-5,113	-3.0		
Operating result before amortisation (EBITA)	25,447	13.6	21,421	12.5	4,026	18.8
Amortisation	-3,495	-1.9	-3,872	-2.3		
Operating result (EBIT)	21,952	11.7	17,549	10.2	4,403	25.1
Financing expenses	-15	-0.0	-12	-0.0		
Financing income	646	0.0	169	0.1		
Financing result	631	0.3	157	0.1	474	301.9
Result before income taxes	22,583	12.1	17,706	10.3	4,877	27.5
Income tax expense	-6,818	-3.5	-4,929	-2.8		
Result	15,765	8.4	12,777	7.5	2,988	23.4
Result attributable to:						
- Non-controlling interests						
- Owners of Interroll Holding Ltd.	15,765	8.4	12,777	7.5	2,988	23.4
Values per share (in CHF)						
Non-diluted earnings (result) per share	18.54		15.05		3.49	23.2
Diluted earnings (result) per share	18.54		15.05		3.49	23.2

1.3 Consolidated statement of comprehensive income

in thousands CHF	Jan.–Jun. 2016	Jan.–Jun. 2015
Result	15,765	12,777
Other income		
Items that will not be reclassified to income statement		
Remeasurements of pension liabilities		-1,485
Income tax		281
Total items that will not be reclassified to income statement		-1,204
Items that in the future may be reclassified subsequently to income statement		
Currency translation differences	-1,110	-20,194
Total items that in the future may be reclassified subsequently to income statement	-1,110	-20,194
Other income	-1,110	-21,398
Comprehensive income	14,655	-8,621
Result attributable to:		
- Non-controlling interests		
- Owners of Interroll Holding Ltd.	14,655	-8,621

1.4 Consolidated statement of cash flows

in thousands CHF	Jan.–Jun. 2016	Jan.–Jun. 2015
Result	15,765	12,777
Depreciation, amortisation and impairment	8,939	8,985
Loss/(gain) on disposal of tangible and intangible assets	-141	88
Financing result, net	-631	-157
Income taxes	6,818	4,929
Changes in inventories	-13,363	-7,986
Changes in trade and other accounts receivable	-22,107	-15,996
Changes in trade and other accounts payable	23,687	11,780
Changes in provisions, net	577	842
Income taxes paid	-6,371	-4,139
Personnel expenses on share-based payments	1,223	972
Other non-cash expenses/(income)	-155	-543
Cash flow from operating activities	14,241	11,552
Acquisition of property, plant and equipment	-5,531	-11,106
Acquisition of intangible assets	-752	-1,189
Acquisition of financial assets		6
Proceeds from disposal of property, plant and equipment and intangible assets	296	64
Settlement of loans receivable	5	-9
Interests received	51	33
Cash flow from investing activities	-5,931	-12,201
Free cash flow	8,310	-649
Dividends	-10,231	
Acquisition of own shares		-394
Disposal of own shares		
Proceeds from financial liabilities		4,723
Repayment of financial liabilities	-91	-80
Interests paid	-19	-15
Cash flow from financing activities	-10,341	4,234
Translation adjustment on cash and cash equivalents	-39	-2,274
Changes in cash and cash equivalent	-2,070	1,311
Cash and cash equivalent at 1 January	31,654	24,380
Cash and cash equivalent at 30 June	29,584	25,691

1.5 Consolidated statement of changes in equity

in thousands CHF	Share capital	Share premium	Reserve for own shares	Translation reserve	Retained earnings	Total equity
Balance at 1 January 2015	8,540	6,416	-2,008	-41,104	228,486	200,330
Result					12,777	12,777
Other comprehensive income, net of taxes				-20,194	-1,204	-21,398
Comprehensive income				-20,194	11,573	-8,621
Distribution from reserves						
from capital contributions, net						
Share-based payments		-15	987			972
Purchase of own shares incl. tax effects			-394			-394
Balance at 30 June 2015	8,540	6,401	-1,415	-61,298	240,059	192,287
Balance at 31 December 2015	854	6,519	-1,623	-55,227	257,123	207,646
Result					15,765	15,765
Other comprehensive income, net of taxes				-1,110		-1,110
Comprehensive income				-1,110	15,765	14,655
Share-based payments		370	854			1,224
Dividends					-10,231	-10,231
Balance at 30 June 2016	854	6,889	-769	-56,337	262,657	213,294

2 NOTES TO THE CONSOLIDATED FINANCIAL INTERIM STATEMENTS

2.1 Basis of the consolidated financial statements

Convention of preparation

The condensed, unaudited consolidated interim financial statements at 30 June 2016 have been prepared in accordance with IAS 34 (“interim period”) and are based on the uniform financial statements of Interroll Holding LTD. and its subsidiaries (“the Group”). All statements are prepared based on uniform Group accounting principles. This interim statement reflects an update of previously published information. Therefore, it should always be read in conjunction with the Annual Report 2015. The interim statements were approved by the Board of Directors on 27 July 2016.

The accounting standards used for these interim financial statements are identical to those published and described in the Annual Report 2015.

Foreign currency translation

The following most important exchange rates were used for the translation of financial statements denominated in foreign currencies:

	Income Statement (average rates)			Balance sheet (year end rates)		
	Jan.–Jun.	Jan.–Jun.	Change	30.06.2016	31.12.2015	Change
	2016	2015	in %			in %
1 EUR	1.098	1.047	4.9	1.087	1.083	0.3
1 USD	0.986	0.942	4.6	0.979	0.995	-1.6
1 CNY	0.150	0.151	-0.7	0.147	0.154	-4.4

New or amended IAS/IFRS standards and interpretations

The IASB has published new and revised standards and interpretations. These come into force on or later than 1 January 2017 and are not early adopted in this financial statement. The impact of the introduction / amendment of IFRS 9 (Financial Instruments), IFRS 16 (Leasing), IFRS 10 and IAS 28 (Group closing and investments into associated companies and joint ventures), IFRS 11 (Joint Arrangements), IFRS 15 (Revenue Recognition) as well as IAS 16 and IAS 38 (Clarification on acceptable depreciation methods) cannot yet be assessed with sufficient certainty or the expectations of the impact are in line with the disclosures made in the Annual Report 2015. Based on a first assessment, with the exception of IFRS 15, Group Management does not expect significant impacts on the consolidated financial statements from these standards and interpretations.

Critical accounting estimates and judgements

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

Segment reporting

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

Group Management and the whole Interroll management structure are organized by functions (Overall Management, Products & Technology, Global Sales & Services, Marketing and Finance). The financial management of the Group by the Board of Directors is effected on the one hand by the turnover of the product groups and geographical markets and on the other hand by the reporting of the consolidated financial statements. Group Management additionally assesses the achievement of financial and qualitative targets of all legal entities.

Financial instruments

Interroll Group has only financial instruments classified as hierarchy 2 in line with IFRS 13. These financial instruments include only foreign currency forward contracts and cash flow hedges. The valuation in hierarchy 2 is based on factors which cannot be tracked to actively listed prices on public markets. Instead, they can be monitored directly (as a price) or indirectly (as a derivative of the price). The amount of the financial instruments classified as hierarchy 2 is CHF –0.1 million at 30 June 2016 (31 December 2015: CHF –0.5 million).

2.2 Segment information

Net sales by geographical markets

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

in thousands CHF	Jan.–Jun. 2016	in %	Jan.–Jun. 2015	in %
Other Europe, Middle East, Africa	84,919	45.4	81,901	47.8
Germany	26,534	14.2	22,341	13.0
Total Europe, Middle East, Africa	111,453	59.6	104,242	60.8
USA	37,975	20.3	37,147	21.7
Other Americas	13,531	7.2	8,212	4.8
Total Americas	51,506	27.5	45,359	26.5
Asia incl. Australia	24,164	12.9	21,737	12.7
Total Asia-Pacific	24,164	12.9	21,737	12.7
Total Group	187,123	100.0	171,338	100.0

Material turnover with specific customers

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

Turnover by product group

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

in thousands CHF	Jan.–Jun. 2016	in %	Jan.–Jun. 2015	in %	Jan.–Jun. 2014	in %
Drives	61,662	33.0	53,201	31.0	55,988	35.7
Rollers	48,054	25.7	48,295	28.2	39,390	25.1
Conveyors & Sorters	44,532	23.8	43,648	25.5	33,498	21.3
Pallet & Carton Flow	32,875	17.6	26,194	15.3	28,192	17.9
Total Group	187,123	100.0	171,338	100.0	157,068	100.0

2.3 Notes to the consolidated statement of financial position

Consolidated statement of financial position

Total assets increased by CHF 29.7 million compared to year end 2015. Mainly accounts receivable and work in progress as part of inventories increased to a record level. This development shows the strong project growth of the Interroll Group in the first half of 2016. Current liabilities increased by CHF 24.3 million to CHF 92.9 million. Net working capital increased by CHF 11.1 million to CHF 66.0 million.

Investments / capital expenditures

A total of CHF 6.3 million in gross capital expenditures were invested in various production facilities. Total non-current assets reached CHF 134.5 million. Capital expenditure into intangible assets in essence are for the further development of the SAP ERP system.

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

Net financial assets

Net financial assets at the end of the reporting period decreased by CHF 2.0 million compared to year end 2015 and reached CHF 29.4 million by 30 June 2016.

Total credit lines available but unused at the end of the reporting period amount to CHF 78.8 million (end of 2015: CHF 78.5 million). From these credit lines, CHF 40.0 million are committed until first half 2018.

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

Equity

Mainly due to the higher net profit the equity position increased by CHF 5.6 million to CHF 213.3 million compared to the year end 2015. The equity ratio at the end of the interim period corresponds to 66.1 % (year end 2015: 70.9%). Mid May 2016 a dividend of CHF 12.00 per share was paid as agreed during the annual general meeting.

2.4 Notes to the consolidated income statement

Net sales

Net sales in reporting currency have increased by 9.2 % to CHF 187.1 million compared to the same period last year. In local currencies the increase reached 6.1 %. All growth is of organic nature. Particularly in Asia a large Pallet and Carton Flow project could be billed.

Earnings before interest and taxes (EBIT)

In addition to higher sales und corresponding scale effects in the Group, the EBITDA increased by 16.4 % to CHF 30.9 million (previous year: CHF 26.5 million). The EBITDA margin was 16.5 % (previous year: 15.5 %).

The EBIT increased by 25.1 % and reached CHF 22.0 million (previous year: CHF 17.5 million). In addition to the better operational performance, decreased amortisation led to this improvement.

Financing result

The net financial result of CHF 0.6 million includes, besides a not material net financial interest income, mainly realised and not realised foreign exchange gains. Due to its decentralised structure, the Interroll Group is generally not much exposed to currency fluctuations.

Income tax

Income tax expense is recognised based upon the best estimates of the weighted average annual income tax rate for the full financial year. The tax rate presented in the interim report generally contains tax recoveries / adjustment charges from previous years. It is also influenced by distinguished assessment of future realisable losses carried forward. In the period under review tax charges resulting from previous periods amounted to CHF 1.1 million (previous year: CHF 0.05 million).

Result

The net profit presented for the reporting period amounts to CHF 15.8 million (previous year: CHF 12.8 million).

2.5 Notes to the consolidated statement of cash flows

Cash flow from operating activities

Cash flow from operating activities amounts to CHF 14.2 million (previous year: CHF 11.6 million).

Cash flow from investing activities

Total investments of CHF 6.3 million (previous year: CHF 12.3 million) include amendments and renewals of machinery and the SAP ERP system. The previous year mainly contained the construction of the Interroll Academy in Huckelhoven/Baal, Germany.

Cash flow from financing activities

In the first half year of 2016 dividend payments in the total amount of CHF 10.2 million were paid.

2.6 Notes to the consolidated statement of changes in equity

Share capital

The shareholders' capital of CHF 854,000 is unchanged compared to year end 2015. In August 2015 the shareholders' capital of CHF 8,540,000 was reduced by CHF 7,686,000 to CHF 854,000.

Assignment of shares

Shares assigned to members of the management in the amount of CHF 0.9 million (previous year: CHF 1.0 million) were expensed.

3 FURTHER DISCLOSURES AND INFORMATION

Events after the balance sheet date, seasonality

The Group did not identify any events after the closing date of the interim statement that would have a material effect on the presentation of its financial position as at 30 June 2016. There are no other facts which require disclosure according to IAS 34.

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

Contingent liabilities

There were no contingent liabilities in the period under review.

FINANCIAL CALENDAR 2017

Preliminary Financial Figures 2016	23 January
Publication Annual Report 2016 and Balance Sheet Press Conference	24 March
Annual General Assembly	12 May
Publication Half-Year Report 2017	4 August

CONTACT AND IMPRINT

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NOTE ON THE HALF YEAR REPORT

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

NOTE ON ROUNDING

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

FORWARD-LOOKING STATEMENTS

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



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