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Semi-Annual Report

We Enable Energy



vonRoll

Von Roll's order intake came to CHF 172.4 million in the first half of 2016.
 Sales amounted to CHF 174.1 million.
 EBIT amounted to CHF –5.4 million.

Key figures

in CHF 1,000	1H 2016	1H 2015
Order intake	172,385	190,967
Net sales	174,098	189,097
EBIT	– 5,384	– 6,557
Net income for the period	– 11,134	– 15,939
Cash flow from operating activities	– 12,583	– 16,822
Capital expenditures	13,923	14,880
Equity	72,795	97,884
Equity ratio (%)	14 %	22 %
Number of employees (FTE)	1,856	2,146

Key figures per share

in CHF	1H 2016	1H 2015
EBIT ¹	– 0.03	– 0.04
Net income ²	– 0.06	– 0.09
Cash flow from operating activities ³	– 0.07	– 0.09
Equity ⁴	0.41	0.55
Number of issued shares	184,778,889	184,778,889
Share price (high)	1.00	1.52
Share price (low)	0.51	0.87
Share price (end of period)	0.58	0.95
Market capitalisation (in CHF 1,000)	107,172	175,540

¹ EBIT/weighted average number of shares outstanding

² Net income/weighted average number of shares outstanding

³ Cash flow from operating activities/weighted average number of shares outstanding

⁴ Consolidated equity/weighted average number of shares outstanding

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Dear Shareholders

There were no significant changes in the relevant market segments compared with the previous year. The low level of sales remains the dominating key figure shaping our result. Market recessions had a negative impact, and the weak sales led to an operating EBIT of CHF -5.4 million as against CHF -6.6 million in 2015. In other words, the loss was reduced year on year. The overall result clearly does not yet meet our expectations.

However, the action taken, such as consolidating the plants and launching new products has already begun to bear fruit:

- » Gross profit increased by 11.1% year on year despite decreasing sales.
- » Although the target level has not yet been reached, the gross margin rose from 16.3% to 19.7%.
- » The cost-cutting programmes that were launched last year and that have already been implemented resulted in savings as intended.

In the largest segment, Insulation, sales declined by 4.3%, while the power generation market stabilised. Sales were weaker in the high-voltage motors and fire-resistant cables sectors. Both markets are heavily dependent on the crude oil price. Operating EBIT increased from CHF -4.0 million to CHF 0.8 million.

By contrast, the Composites segment posted disappointing results, with both sales and operating EBIT down on the previous year. This was primarily due to a lack of orders in the ballistics and aluminium smelter segments.

The persistently difficult business climate caused by the fraught market and inadequate capacity utilisation at the production facilities remain challenges which must be overcome. We are still working rigorously on implementing our new strategic focus of becoming a market- and customer-oriented company to achieve long-term success. In our largest segment, Insulation, the gross margin increased in all product areas in the first half of 2016, confirming the benefits of the transformation process and sending out a positive signal for the future. The production volume was successfully redistributed among the Von Roll plants and efficiency was increased.

The results for the first half of the year show that we still have a long way to go in improving our operating business. Our transformation, our focus on new growth segments such as electromobility and our adjustment of capacity levels are not yet complete. The strong Swiss franc and low crude oil price continue to present a considerable challenge for us.

As announced in early July, the transformation is now entering the next phase as planned to increase efficiency even further:

- » Optimising the product portfolio,
- » Improving production processes,
- » Consolidating further production units,
- » Reducing administrative functional areas,
- » Simplifying the global management structure.

These measures will save CHF 18 million in costs from 2017 onwards. We already expect to save around CHF 4 million in the second half of 2016, while restructuring costs will amount to some CHF 8 million. The refinancing of the bond to be redeemed in October 2016 has been secured.

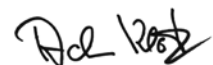
On behalf of the Board of Directors and the Executive Management, we would like to thank our customers, our suppliers and of course you, our valued shareholders, for your loyalty, patience and trust.

A special thank you goes to our employees for the hard work and commitment that they have shown during the difficult phases of the company's transformation. Working together, we will continue to overcome our challenges.

Au/Wädenswil, August 2016



Dr. Peter Kalantzis
Chairman of the Board of Directors



Achim Klotz
Chief Executive Officer

Financial report

Condensed consolidated statement of comprehensive income for the first half of 2016 (unaudited)

in CHF 1,000	Note	1H 2016	1H 2015
Net sales	3	174,098	189,097
Cost of goods sold		-139,825	-158,237
Gross profit		34,273	30,860
Research and development expense		-4,254	-3,945
Sales and distribution expense		-15,111	-14,757
Administrative expense		-20,565	-19,849
Other operating income and expense		273	1,134
EBIT	4	-5,384	-6,557
Financial income		2,767	2,859
Financial expense		-9,476	-12,130
Result before tax		-12,093	-15,828
Income tax		959	-111
Net income for the period	4	-11,134	-15,939
Exchange differences arising on translation of foreign operations		-1,143	-11,947
Other comprehensive income that will be reclassified to income statement		-1,143	-11,947
Remeasurement of defined benefit liabilities and assets		-9,328	1,562
Income tax on remeasurement of defined benefit liabilities and assets		2,130	-462
Other comprehensive income that will not be reclassified to income statement		-7,198	1,100
Other comprehensive income for the period		-8,341	-10,847
Total comprehensive income for the period		-19,475	-26,786
Net income attributable to:			
Owners of the parent		-11,100	-15,949
Non-controlling interests		-34	10
Net income for the period		-11,134	-15,939
Total comprehensive income attributable to:			
Owners of the parent		-19,441	-26,805
Non-controlling interests		-34	19
Total comprehensive income for the period		-19,475	-26,786
Earnings per share			
Weighted average number of shares outstanding		177,708,174	177,710,858
Basic earnings per share in CHF		-0.062	-0.090
Diluted earnings per share in CHF		-0.062	-0.090

Condensed consolidated statement of financial position as of 30 June 2016 (unaudited)

Assets

in CHF 1,000	Note	30.06.2016	in %	31.12.2015	in %
Current assets					
Cash and cash equivalents		173,939		70,348	
Trade accounts receivable		65,939		59,688	
Inventories		63,655		60,474	
Other accounts receivable and prepaid expense		26,452		27,030	
Total current assets		329,985	62.1 %	217,540	52.8 %
Non-current assets					
Property, plant and equipment		123,592		118,650	
Goodwill		12,527		12,774	
Intangible assets		18,175		18,142	
Investment property		7,950		8,301	
Non-current financial assets		2,518		2,468	
Pension plan assets		12,786		13,065	
Deferred tax assets		24,041		21,153	
Total non-current assets		201,589	37.9 %	194,553	47.2 %
Total assets		531,574	100.0 %	412,093	100.0 %

Equity and liabilities

in CHF 1,000	Note	30.06.2016	in %	31.12.2015	in %
Liabilities					
Current liabilities					
Trade accounts payable		24,751		26,273	
Current financial liabilities		137,434		152,868	
Current provisions		7,257		13,782	
Other liabilities and accruals		39,331		34,670	
Total current liabilities		208,773	39.3 %	227,593	55.2 %
Non-current liabilities					
Non-current financial liabilities		182,779		54,188	
Post-employment benefit obligations		44,908		35,056	
Deferred tax liabilities		4,929		4,904	
Non-current provisions		17,390		18,354	
Total non-current liabilities		250,006	47.0 %	112,502	27.3 %
Total liabilities		458,779	86.3 %	340,095	82.5 %
Equity					
Share capital	9	18,479		18,479	
Group reserves		54,945		54,114	
Equity attributable to owners of the parent company		73,424	13.8 %	72,593	17.6 %
Non-controlling interests		-629	-0.1 %	-595	-0.1 %
Total equity		72,795	13.7 %	71,998	17.5 %
Total equity and liabilities		531,574	100.0 %	412,093	100.0 %

Condensed consolidated cash flow statement for the first half of 2016 (unaudited)

in CHF 1,000	1H 2016	1H 2015
Operating activities		
Result before tax	-12,093	-15,828
Financial result	6,709	9,271
Depreciation, amortisation and impairment	8,343	8,087
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,959	1,530
Result from the disposal and remeasurement of non-current assets	-66	-371
Changes in non-current provisions	724	323
Cash flow before changes in net working capital	3,617	1,482
Changes in net working capital	-12,201	-21,236
Changes in other assets and liabilities	-2,013	5,856
Cash generated from operating activities	-10,597	-13,898
Income tax paid	-1,986	-2,924
CASH FLOW FROM OPERATING ACTIVITIES	-12,583	-16,822
Investing activities		
Capital expenditures for property, plant and equipment and intangible assets	-13,923	-14,880
Interest received	245	221
Other cash flow from investing activities	27	1,683
CASH FLOW FROM INVESTING ACTIVITIES	-13,651	-12,976
Financing activities		
Changes in financial liabilities	130,910	2,098
Purchase/sale of treasury shares	-	-7
Interest paid	-972	-867
CASH FLOW FROM FINANCING ACTIVITIES	129,938	1,224
CHANGE IN CASH AND CASH EQUIVALENTS	103,704	-28,574
Cash and cash equivalents at 1 January	70,348	82,423
Effects of changes in foreign exchange rates	-113	-2,297
Change in cash and cash equivalents	103,704	-28,574
Cash and cash equivalents at 30 June	173,939	51,552

Consolidated statement of changes in equity for the first half of 2016 (unaudited)

In the first half of 2016, consolidated equity changed as follows:

in CHF 1,000	Share capital	Capital reserves	Treasury shares	Currency translation adjustments	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2016	18,479	404,015	-48,619	-90,725	-210,557	72,593	-595	71,998
Net income for the period	-	-	-	-	-11,100	-11,100	-34	-11,134
Other comprehensive income for the period	-	-	-	-1,143	-7,198	-8,341	-	-8,341
Total comprehensive income for the period	-	-	-	-1,143	-18,298	-19,441	-34	-19,475
Convertible bond	-	22,207	-	-	-	22,207	-	22,207
Tax effect on convertible bond	-	-1,935	-	-	-	-1,935	-	-1,935
Purchase/sale of treasury shares	-	-	1,412	-	-1,412	-	-	-
Total transactions with owners	-	20,272	1,412	-	-1,412	20,272	-	20,272
Balance at 30 June 2016	18,479	424,287	-47,207	-91,868	-230,267	73,424	-629	72,795

Total Group reserves at the end of June 2016

54,945

In the first half of 2015, consolidated equity changed as follows:

in CHF 1,000	Share capital	Capital reserves	Treasury shares	Currency translation adjustments	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2015	18,479	404,015	-51,501	-82,415	-163,477	125,101	-424	124,677
Net income for the period	-	-	-	-	-15,949	-15,949	10	-15,939
Other comprehensive income for the period	-	-	-	-11,956	1,100	-10,856	9	-10,847
Total comprehensive income for the period	-	-	-	-11,956	-14,849	-26,805	19	-26,786
Purchase/sale of treasury shares	-	-	1,727	-	-1,734	-7	-	-7
Total transactions with owners	-	-	1,727	-	-1,734	-7	-	-7
Balance at 30 June 2015	18,479	404,015	-49,774	-94,371	-180,060	98,289	-405	97,884

Total Group reserves at the end of June 2015

79,810

Condensed notes to the consolidated semi-annual report as of 30 June 2016 (unaudited)

1. Significant accounting policies

General information

The present report concerns the unaudited, consolidated semi-annual financial statements as of 30 June 2016 of Von Roll Holding AG. The report was produced in compliance with the International Accounting Standard IAS 34 “Interim Financial Reporting” and should be read in conjunction with the consolidated annual financial statements for the financial year ending on 31 December 2015.

Von Roll Holding AG with its subsidiaries (together Von Roll) is an international manufacturing and service company. Its main activities are presented in the Notes on the business segments (Note 5). The company is a publicly traded company listed on the Swiss stock exchange (SIX Swiss Exchange). Its registered office is at Passwangstrasse 20, 4226 Breitenbach, Switzerland.

Summary of significant accounting policies

The semi-annual report 2016 is based on the accounting policies presented in the annual report 2015. The income tax expense for the interim reporting period was calculated with the anticipated tax rate for the whole financial year 2016 and accrued.

The consolidated semi-annual financial statements are presented in Swiss francs (CHF), as the main Von Roll companies operate or are financed out of Switzerland. The semi-annual financial statements are presented in thousands of CHF (TCHF). Due to the chosen presentation method, immaterial rounding differences can occur.

Adoption of new accounting policies

The following new standard and amendments to the IASB’s standards were adopted for the first time for the financial year starting on 1 January 2016. The changes had no impact on the consolidated semi-annual financial statements of the Von Roll Group.

New standard		Effective for annual periods beginning on or after	Adoption by Von Roll
IFRS 14	Regulatory Deferral Accounts	1 Jan. 2016	Financial year 2016

Amendments to standards		Effective for annual periods beginning on or after	Adoption by Von Roll
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 Jan. 2016	Financial year 2016
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan. 2016	Financial year 2016
IAS 16 and IAS 41	Bearer Plants	1 Jan. 2016	Financial year 2016
IAS 27	Equity Method in Separate Financial Statements	1 Jan. 2016	Financial year 2016
Misc.	Annual Improvements to IFRSs 2012–2014 Cycle	1 Jan. 2016	Financial year 2016
IAS 1	Disclosure Initiative	1 Jan. 2016	Financial year 2016
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 Jan. 2016	Financial year 2016

The following new and revised standards have been issued but have yet to take effect and have not been applied prematurely in this condensed (consolidated) interim financial report. So far, there has been no systematic analysis of their impact on the consolidated accounts of Von Roll Holding AG. As such, the anticipated effects reflect nothing more than an initial appraisal by company management.

New standards		Effective for annual periods beginning on or after	Planned adoption by Von Roll	
IFRS 15	Revenue from Contracts with Customers and related Clarifications to IFRS 15 Revenue from Contracts with Customers	1 Jan. 2018	Financial year 2018	**
IFRS 9	Financial Instruments	1 Jan. 2018	Financial year 2018	**
IFRS 16	Leases	1 Jan. 2019	Financial year 2019	**

Amendments to standards		Effective for annual periods beginning on or after	Planned adoption by Von Roll	
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan. 2017	Financial year 2017	*
IAS 7	Disclosure Initiative	1 Jan. 2017	Financial year 2017	***
IFRS 2	Classification and Measurement of Share-based Payment Transactions	1 Jan. 2018	Financial year 2018	*
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Undetermined	Undetermined	*

* No effects or no material effects are expected on the consolidated financial statements of Von Roll.

** The effects on the consolidated financial statements of Von Roll cannot yet be reliably determined.

*** In particular, additional disclosures or changes in the presentation of the financial statements of Von Roll are expected.

2. Foreign currencies

The following exchange rates were used for the translation into Swiss francs (CHF):

	Average rates		Period end rates	
	1H 2016	1H 2015	30.06.2016	31.12.2015
EUR	1.097	1.072	1.085	1.085
USD	0.990	0.952	0.979	0.990
GBP	1.428	1.456	1.311	1.466
INR	0.015	0.015	0.014	0.015
BRL	0.263	0.330	0.292	0.257
CNY	0.152	0.153	0.147	0.153

3. Net sales

Net sales for the first half of 2016 were TCHF 14,999 lower than for the first half of 2015. This equates to a decline of 7.9%.

Current sales would have been TCHF 1,233 lower at the previous year's exchange rates. Accordingly, if the effect of changes in exchange rates were excluded, there would have been a fall in sales of 8.6% compared with the previous year.

The copper price trend reduced net sales by TCHF 5,024 (first half of 2015: reduction by TCHF 5,698).

4. Net income for the period

Net income improved from TCHF -15,939 for the first half of 2015 to TCHF -11,134 during the reporting period. EBIT changed from TCHF -6,557 in the first half of 2015 to TCHF -5,384 in the reporting period.

Employee benefits in accordance with IAS 19 (revised 2011)

In the first half of 2016, expenses relating to defined benefit plans amounted to TCHF 3,736 (first half of 2015: TCHF 3,770), of which TCHF 3,347 (first half of 2015: TCHF 3,518) was recognised as personnel expense and TCHF 389 (first half of 2015: TCHF 252) as interest expense.

5. Segment information

A breakdown by business segment in the first half of 2016 is shown below:

in CHF 1,000	Von Roll Insulation	Von Roll Composites	Other activities	Von Roll
Net sales	118,979	51,309	3,810	174,098
Segment result (EBIT)	787	- 2,220	- 3,951	- 5,384
Financial result				- 6,709
Income tax				959
Net income for the period				- 11,134

A breakdown by business segment in the first half of 2015 is shown below:

in CHF 1,000	Von Roll Insulation	Von Roll Composites	Other activities	Von Roll
Net sales	124,344	58,173	6,580	189,097
Segment result (EBIT)	- 4,043	- 1,118	- 1,396	- 6,557
Financial result				- 9,271
Income tax				- 111
Net income for the period				- 15,939

Segments to be reported are determined on the basis of the management approach. External segment reporting is then carried out on the basis of the organisational and management structure within the Group as well as internal financial reporting to the chief operating decision maker. At Von Roll, this position is held by the Board of Directors of Von Roll Holding AG.

Segment information

The main operating activities of Von Roll are divided into the Von Roll Insulation and Von Roll Composites business segments. They form the basis for segment reporting. Von Roll's business segments encompass all activities in line with its production processes.

Principal activities break down as follows:

- » Von Roll Insulation – production and supply of electrical insulation materials, winding wires, resins and varnishes
- » Von Roll Composites – production and supply of composite materials

Other activities include income and expense of holding companies, and companies that cannot be categorised as part of the principal activities as well as net income from investment properties and the activities involving the design and construction of water and wastewater treatment plants.

6. Restructuring costs

As part of the implementation of Von Roll's current strategy and the "Delta Integrale" transformation programme, which comprises the elements "Focus & Growth", "Increasing Efficiency", "Reorganisation" and "Employee Motivation", provisions in the amount of TCHF 5,393 were utilised and no provisions were released. Restructuring provisions totalled TCHF 6,159 at the end of the first half of the year.

7. Fair value of financial instruments

Valuations at fair value reported in the statement of financial position as of 30 June 2016 relate to derivative financial instruments. The positive valuation of these derivative financial instruments amounts to TCHF 38 (2015: TCHF 31) and is included in other accounts receivable and prepaid expense. The negative valuation amounts to TCHF 81 (2015: TCHF 456) and is reported under current financial liabilities.

The derivative financial instruments are assigned to hierarchical level 1. They are valued based on quoted prices (unadjusted) in an active market. There were no changes to the allocation of financial instruments to hierarchical levels in the first half of 2016. The carrying amounts of other financial instruments reported in the statement of financial position as of 30 June 2016 represent an appropriate estimate of their fair values.

8. Financial liabilities

As of 11 April 2016, Von Roll Holding AG issued unsecured convertible bonds (stock symbol: ROL16; Swiss security number: 31954490, ISIN: CH0319544901) of CHF 150 million due in 2022. They are convertible into 150,000,000 bearer shares (subject to any adjustments due to the dilution protection clause) of Von Roll. The shares to be delivered upon conversion of the bonds will be shares made available from the conditional new share capital (see Note 9 “Share capital, treasury shares and dividends”).

The conversion price is set at CHF 1.00. The offering and redemption prices are set at 100% each. The convertible bonds will carry a coupon of 1.000% per annum, payable annually in arrears. Existing shareholders have been granted advance subscription rights to subscribe for the convertible bonds in proportion to their current shareholding. Through the conversion of the convertible bonds, one new share is created for one existing share. Accordingly, based on an issue total of CHF 150 million, each shareholder has the right to purchase a bond of CHF 1,000 nominal amount for every 1,185 shares held on 22 March 2016 after the end of trading.

Any exercise of conversion rights will dilute earnings per share. The convertible bond can be redeemed early at any time if more than 85% of the original bond total is converted and/or redeemed or, after 2 May 2018, if the closing price of the Von Roll Holding AG registered share on the SIX Swiss Exchange is 130% or more of the conversion price over a period of 20 out of 30 consecutive trading days.

A convertible bond is a compound financial instrument, into which a conversion right is embedded for the investor. Under IAS 32, convertible bonds must be split into a liability and an equity component. The early redemption options represent additional embedded derivatives.

On initial recognition of the convertible bond, the liability and equity components were split as follows: In a first step, the fair value of the liability component was determined. This corresponds to the present value of future payments from the convertible bond (interest and nominal amount). They were discounted at an interest rate that would apply to an identical bond with no conversion right. The difference between the fair value of the liability component calculated in this way and the nominal amount was recognised as the equity component. The issuance costs were split pro rata between the liability and equity components.

The proceeds from the issue of the convertible bond totalled TCHF 149,342. They can be derived as follows:

in CHF 1,000	
Carrying amount of liability component	127,695
Less proportional issue costs	-560
Net liability component	127,135
Carrying amount of equity component	22,305
Less proportional issue costs	-98
Less deferred taxes	-1,935
Net equity component	20,272
Deferred taxes	1,935
Total proceeds of issue	149,342

The equity component remains unchanged under equity until bonds are converted. The difference of TCHF 22,865 as of 11 April 2016 between the carrying amount of the liability component (TCHF 127,135) and the redemption amount (TCHF 150,000) will be amortised over the residual term of the convertible bond until 11 April 2022 using the effective interest method.

Deferred tax liabilities must be recognised on the difference between the taxable value of the convertible bond and the carrying amount of the liability component at the holding tax rate and released through profit and loss over the term of the convertible bond.

Due to the one-year lock-up period, no rights have been converted during the reporting period.

The profit and loss statement shows accrued interest of TCHF 333 and a further TCHF 768 due to compounding, equating to an effective interest rate of 3.898%.

During the reporting period, portions of the domestic bond denominated in Swiss francs due in October 2016 (stock symbol: ROL12; Swiss security number: 19623860, ISIN: CH0196238601) with a nominal value of TCHF 17,485 were repurchased for TCHF 18,042 (including accrued interest and stock exchange fees) and netted against the corresponding liability.

9. Share capital, treasury shares and dividends

The share capital as of 30 June 2016 consists of 184,778,889 bearer shares, unchanged compared with 31 December 2015. The par value per share is CHF 0.10.

The Annual General Meeting on 13 April 2016 increased the maximum conditional capital of CHF 3,000,000 approved at the Annual General Meeting on 9 April 2014 by a maximum of CHF 6,238,944.40 to CHF 9,238,944.40. The Board of Directors is thus entitled to increase the company's share capital by up to CHF 9,238,944.40 by issuing a maximum of 92,389,444 fully paid-up bearer shares each with a par value of CHF 0.10 to be subscribed for by exercising conversion rights granted in connection with debentures or similar bonds of Von Roll Holding AG or Group companies. The holders of conversion rights at that time are entitled to acquire the new shares. Shareholders' subscription rights are excluded. Shareholders' advance subscription rights can be restricted or excluded by a decision of the Board of Directors to finance or refinance the acquisition of companies, parts of companies or shareholdings or new investments planned by the company, or to issue convertible bonds on national or international capital markets. If advance subscription rights are excluded, the bonds are to be placed at market conditions, the period for exercising the conversion rights is to be set at a maximum of ten years from bond issuance and, when conversion rights are exercised, new shares are to be issued at conditions which take the market price of the shares into account.

The Annual General Meeting on 13 April 2016 then introduced an authorised capital increase. This entitles the Board of Directors to increase the company's share capital by up to CHF 9,238,944.40 by issuing a maximum of 92,389,444 fully paid-up bearer shares each with a par value of CHF 0.10 at any time until 13 April 2018. Increases by means of firm underwriting (by a bank, a banking syndicate or a third party) and increases by partial amounts are permitted. The Board of Directors determines the time of issue, the issue price, the type of contribution to be made and the timing of dividend entitlement. The Board of Directors is also entitled to enable, restrict or prohibit trading in subscription rights. The Board of Directors may place subscription rights which are not exercised or shares for which subscription rights are granted but not exercised at market conditions or make use of them in another way in the interest of the company. The Board of Directors is entitled to restrict or suspend shareholders' subscription rights in order to use the shares in connection with mergers and acquisitions (including takeovers) of companies, parts of companies or shareholdings or with new investments planned by the company and/or Group companies, financing or refinancing such mergers, acquisitions or planned new investments or converting loans or financial liabilities.

As of 30 June 2016, Von Roll holds 7,068,798 (31 December 2015: 7,068,947) treasury shares at an average value of CHF 8.43 (31 December 2015: CHF 8.59). This represents a shareholding of 3.83% (31 December 2015: 3.83%) of the share capital issued.

The Annual General Meeting on 13 April 2016 resolved not to pay a dividend for the financial year 2015.

10. Contingent liabilities and guarantees

As of 30 June 2016, contingent liabilities and guarantees totalled TCHF 7,545, down by TCHF 228 compared with 31 December 2015. This change is due to the final completion of the sale of Von Roll Transformers Ltd., which accounts for a decrease of TCHF 2,149, and to increases of TCHF 833 from water projects and TCHF 1,088 from the Insulation and Composites segments.

11. Significant events after the balance sheet date

In July 2016, Von Roll announced plans to focus its activities on its core business of electrical insulation and attractive markets of the future such as electromobility. It has modernised its factories worldwide over the past few years.

Von Roll is continuing to follow this path rigorously. In addition to further investments of around CHF 30 million during the 2016 financial year, the company also plans to implement extensive measures to reduce its underlying fixed costs and increase its overall efficiency.

Essentially, Von Roll intends to

- » Optimise its product portfolio,
- » Improve production processes,
- » Consolidate further production units,
- » Reduce administrative functional areas,
- » Simplify its global management structure.

These measures are to reduce annual fixed costs by around CHF 18 million.

At the same time, there are plans to reduce headcount by up to 160 jobs, including around 50 in Switzerland. The restructuring costs are estimated to amount to some CHF 8 million. This is expected to save around CHF 4 million in the second half of 2016.

No other events subject to a reporting obligation occurred between the balance sheet date and the approval of the report by the Board of Directors.

The consolidated semi-annual financial statements were authorised for publication by the Board of Directors on 16 August 2016.

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