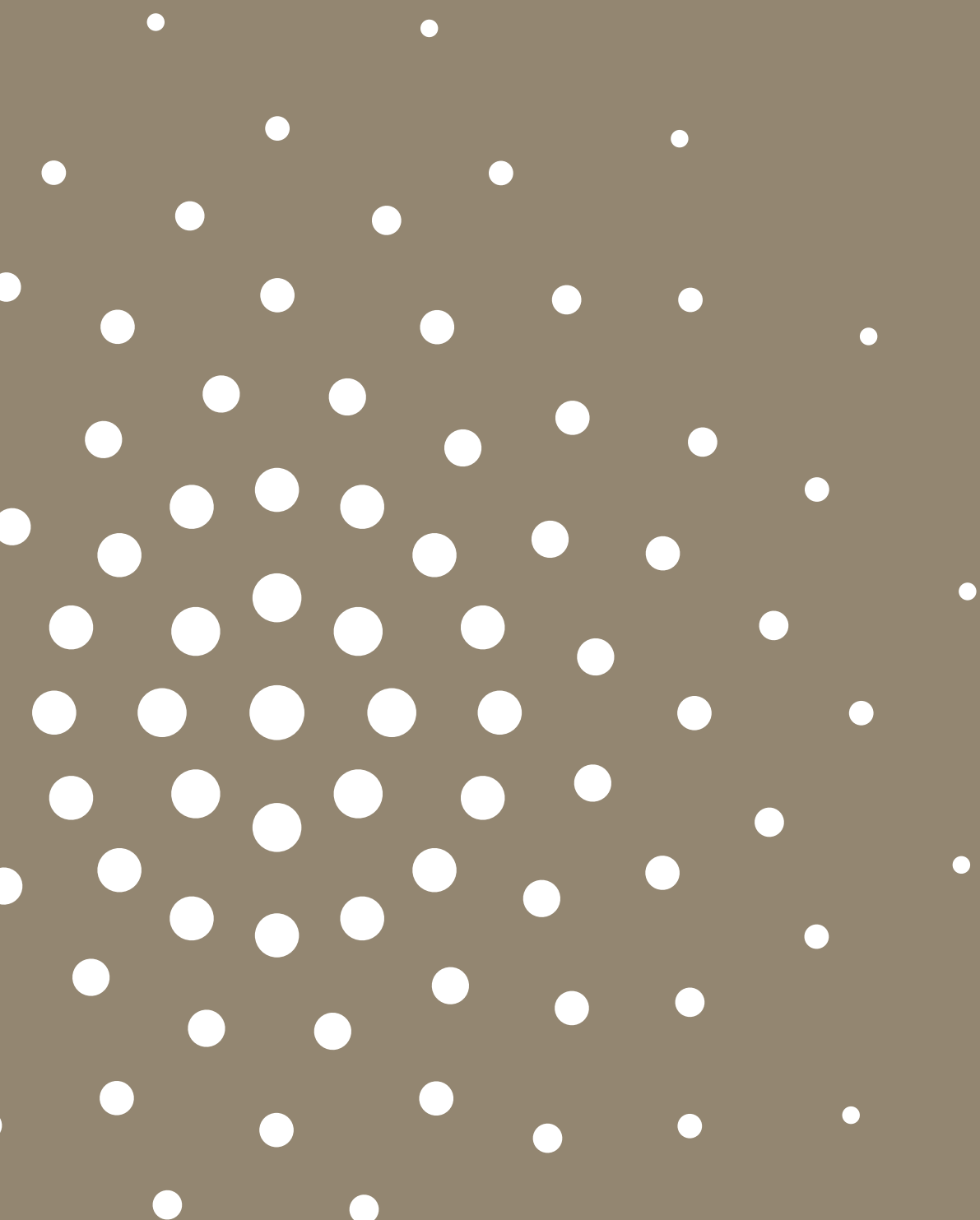


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We Enable Energy



Von Roll's order intake came to CHF 228.6 million in the first half of 2013. Sales amounted to CHF 245.9 million. Von Roll achieved EBIT of CHF 2.1 million.

Key figures

in CHF 1,000	H1 2013	H1 2012 (restated)	Variation
Order intake	228,632	276,735	-17.4 %
Net sales	245,943	268,129	-8.3 %
EBIT	2,060	5,541	-62.8 %
- In % of net sales	0.8 %	2.1 %	-1.3 ppt
Profit before taxes	-880	3,371	n.a.
- In % of net sales	-0.4 %	1.3 %	n.a.
Net income	-3,923	389	n.a.
- In % of net sales	-1.6 %	0.1 %	n.a.
Cash flow from operating activities	-2,817	-12,712	77.8 %
Capital expenditure	9,728	7,741	25.7 %
Net liquidity	-88,262	-33,352	-164.6 %
Equity	229,113	296,935	-22.8 %
Equity ratio	44 %	60 %	-16 ppt
Number of employees (as of reporting date)	2,751	2,855	-3.6 %

Key figures per share

in CHF	H1 2013	H1 2012 (restated)
EBIT per share ¹	0.01	0.03
Net income per share ²	-0.02	0.00
Operating cash flow per share ³	-0.02	-0.07
Equity per share ⁴	1.29	1.67
Number of issued shares	184,778,889	184,778,889
Share price (high)	2.20	3.37
Share price (low)	1.30	1.83
Share price (end of period)	1.45	1.94
Market capitalization (in CHF 1,000)	267,929	358,471

¹ EBIT/weighted average number of shares outstanding

² Net income (excl. non-controlling interests)/weighted average number of shares outstanding

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

⁴ Equity attributable to equity holders of the parent/weighted average number of shares outstanding

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Von Roll in the first half of 2013

Dear Shareholders

Net income in the first half of 2013 was subdued.

The group's order intake declined by 17.4% to CHF 228.6 million (previous year: CHF 276.7 million). Sales, totalling CHF 245.9 million (previous year: CHF 268.1 million), were 8.3% lower.

At CHF 2.1 million (previous year: CHF 5.5 million), EBIT was adversely affected, largely as a result of the persistent economic difficulties in the power generation sector in the first half year of 2013.

Net income came to CHF -3.9 million compared with CHF 0.4 million in the same period of the previous year. Cash flow from operating activities totalled CHF -2.8 million compared with CHF -12.7 million a year earlier.

The Insulation business line has been adversely affected by the continuing instability in the market for power generation and the subdued investment activity in the high voltage sector that this entails. Order intake in the first half of 2013 amounted to CHF 142.2 million (previous year: CHF 160.0 million), a drop of 11.1%. Sales stood at CHF 142.2 million compared with CHF 165.5 million a year earlier, down 14.1%.

While the market for the Von Roll Composites business line was stable for industrial applications, developments in the high voltage industry were subdued. At CHF 70.4 million, order intake was down slightly, by 5.2%, compared with the CHF 74.3 million recorded in the previous year. Sales, at CHF 67.9 million, were 5.8% lower compared with the same period last year (CHF 72.1 million).

The order intake of the Von Roll Technologies business line came to CHF 16.0 million, a drop of 62.3% (previous year: CHF 42.4 million). However, sales rose by 17.7%, from CHF 30.5 million to CHF 35.9 million.

Although core business sales for the second half-year of 2013 are difficult to predict, Von Roll is targeting robust organic growth of around 5% compared with the same period in 2012.

The strategic initiatives introduced are showing early signs of success. For example, Von Roll has been able to increase its market share in North America and achieve markedly positive results. This progress has been boosted significantly by an internal transformation process. Transformation in this sense refers to targeted growth in our core activities, Insulation and Composites, a customer-centred, market-driven approach in our organisation, lean, clear and transparent processes and responsibilities and a corporate culture informed by motivation and inspiration.

What does this mean specifically? Von Roll can offer a full range of products in its core Insulation business. Customers can obtain matching products as system solutions from a single source, a standout feature for this business apart on its markets. With respect to Von Roll Insulation, the company's most important business line, a strong global position is targeted for its insulation solutions, particularly with respect to the Mica, Wire and Liquids product lines.

The acquisition of the Italian company Albesiano Sisa Vernici S.r.l. which specialises in the production of liquids/resins and paints, has already helped to consolidate Von Roll's competitive position as the world No. 2 in the Liquids sector in early June 2013. The first sizeable orders for a new customer as well as a new application in South East Asia are already being produced.

A strategy for growth is currently being developed for the second core business line, Von Roll Composites, which, apart from the already very profitable niche products in the ballistics sector, will concentrate primarily on thermal solutions and specific industrial applications.

The Von Roll Technologies business line is currently examining all options with a view to bringing about positive developments in the Von Roll Transformers and Von Roll Water sectors.

The transformation plan serves as a blueprint for fine-tuning the corporate structure in order to get the best from the company's customer-centred, market-driven approach. It essentially consists of a thoroughgoing exchange of "best practices" and their implementation as standard worldwide. This customer-centred approach is supported by lean and clear reporting structures combined with well defined roles, skills and responsibility that are easy to identify.

The fine-tuning of the corporate structure goes hand in hand with the organisation- and process-related optimisation drive that is already under way. On the one hand, this involves the streamlining of the organisation in terms of staff numbers, primarily in the Corporate Center and in the administrative functions worldwide. On the other, production processes are examined with respect to efficiency, productivity, consolidation opportunities and utilisation of capacity.

As a result, the product lines are given greater powers and the R&D sector is being expanded, thereby stepping up the global development of new applications.

Finally the transformation plan also incorporates measures with respect to the corporate culture. It involves giving priority to employees' entrepreneurial ideas and actions relating to these measures and promoting individual responsibility. At the same time thinking as a team is to be strengthened as part of the ONE Von Roll strategy.

Overall the adjustments will lead to a marked reduction in costs of about CHF 10 million, which will have an impact on income in 2014. This will be partly offset by restructuring costs of some CHF 5 million.

The success of the transformation programme and hence the achievement of appreciable growth depends above all on its rapid implementation. Many of the planned measures are therefore already being implemented and are set to be largely completed in 2013.

On behalf of the Board of Directors and the Executive Management we should like to extend our sincere thanks to our customers and to you, our valued shareholders, for your loyalty.

A big thank you also to our employees: without your high level of commitment and hard work the successful development of the business would not be possible.

Au/Wädenswil, August 2013



Dr. Peter Kalantzis
Chairman of the Board of Directors



Achim Klotz
Chief Executive Officer

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Condensed consolidated statement of comprehensive income for the first half of 2013 (unaudited)

in CHF 1,000	Note	Jan–June 2013	Jan–June 2012 (restated)
Net sales	5	245,943	268,129
Cost of goods sold		- 207,111	- 222,122
Gross profit		38,832	46,007
Research and development expense		- 3,245	- 4,543
Sales and distribution expense		- 14,584	- 16,851
Administrative expense		- 21,427	- 21,592
Other operating income and expense		2,484	2,520
EBIT	6	2,060	5,541
Financial income		6,735	2,885
Financial expense		- 9,675	- 5,055
Profit before tax		- 880	3,371
Income tax		- 3,043	- 2,982
Net income for the period	6	- 3,923	389
Other comprehensive income			
Exchange differences arising on translation of foreign operations		5,192	- 1,199
Actuarial gain (+) and loss (-) on defined benefit plans, net		- 560	- 1,797
Income tax on other comprehensive income		94	422
Other comprehensive income for the period, net of tax		4,726	- 2,574
Total comprehensive income for the period		803	- 2,185
Net income attributable to:			
Owners of the parent		- 3,906	446
Non-controlling interests		- 17	- 57
Net income for the period		- 3,923	389
Total comprehensive income attributable to:			
Owners of the parent		823	- 2,127
Non-controlling interests		- 20	- 58
Total comprehensive income for the period		803	- 2,185
Earnings per share			
Weighted average number of shares outstanding (no. of shares)		177,233,690	177,716,314
Basic earnings per share in CHF		- 0.02	0.00
Diluted earnings per share in CHF		- 0.02	0.00

Condensed consolidated statement of financial position as of 30 June 2013 (unaudited)

Assets

in CHF 1,000	Note	30 June 2013	in %	31 Dec 2012 (restated)	in %
Current assets					
Cash and cash equivalents		68,908		94,526	
Trade accounts receivable		92,961		75,396	
Inventories		126,206		120,044	
Other accounts receivable and prepaid expense		20,383		18,333	
Total current assets		308,458	59.2 %	308,299	61.2 %
Non-current assets					
Property, plant and equipment		108,560		95,149	
Goodwill		18,035		14,474	
Intangible assets		32,083		33,115	
Investment property		3,683		3,765	
Non-current financial assets		19,823		20,145	
Pension plan assets		17,376		16,639	
Deferred tax assets		13,305		12,160	
Total non-current assets		212,865	40.8 %	195,447	38.8 %
Total assets		521,323	100.0 %	503,746	100.0 %

Equity and liabilities

in CHF 1,000	Note	30 June 2013	in %	31 Dec 2012 (restated)	in %
Liabilities					
Current liabilities					
Trade accounts payable		38,474		31,564	
Current tax payable		2,900		3,301	
Current financial liabilities		6,445		1,182	
Current provisions		5,018		6,364	
Other current liabilities and accruals		36,349		33,632	
Total current liabilities		89,186	17.2 %	76,043	15.1 %
Non-current liabilities					
Non-current financial liabilities		150,725		149,240	
Post-employment benefit obligations		29,207		27,759	
Deferred tax liabilities		9,842		8,449	
Non-current provisions		13,250		13,934	
Total non-current liabilities		203,024	38.9 %	199,382	39.6 %
Total liabilities		292,210	56.1 %	275,425	54.7 %
Equity					
Share capital	9	18,479		18,479	
Group reserves		210,975		210,163	
Equity attributable to owners of the parent company		229,454	44.0 %	228,642	45.4 %
Non-controlling interests		-341	-0.1 %	-321	-0.1 %
Total equity		229,113	43.9 %	228,321	45.3 %
Total equity and liabilities		521,323	100.0 %	503,746	100.0 %

Condensed consolidated statement of cash flows for the first half of 2013 (unaudited)

in CHF 1,000	Note	Jan–June 2013	Jan–June 2012 (restated)
Operating activities			
Profit before tax		– 880	3,371
Financial result		2,940	2,170
Depreciation, amortisation and (reversal of) impairment		7,092	7,983
Earnings before interest, tax, depreciation and amortisation (EBITDA)		9,152	13,524
Gain (+)/Loss (–) from the sale of non-current assets and investment property		56	– 789
Changes in non-current provisions and post-employment benefit obligations		– 621	– 1,033
Cash flow before changes in net working capital		8,587	11,702
Changes in net working capital		– 6,452	– 23,149
Change in other assets and liabilities		– 2,062	979
Cash generated from operating activities		73	– 10,468
Income tax paid		– 2,890	– 2,244
CASH FLOW FROM OPERATING ACTIVITIES		– 2,817	– 12,712
Investing activities			
Capital expenditure for property, plant and equipment and intangible assets		– 9,728	– 7,741
Cash outflow from acquisitions	3	– 12,640	–
Interest received		507	452
Other cash flow from investing activities		46	1,655
CASH FLOW FROM INVESTING ACTIVITIES		– 21,815	– 5,634
Financing activities			
Additions (+)/Repayment (–) of financial liabilities		– 304	17,611
Purchase/sale of treasury shares		– 11	– 14
Interest paid		– 790	– 1,089
CASH FLOW FROM FINANCING ACTIVITIES		– 1,105	16,508
CHANGE IN CASH AND CASH EQUIVALENTS		– 25,737	– 1,838
Cash and cash equivalents at 1 January		94,526	43,904
Effects of changes in foreign exchange rates		119	35
Change in cash and cash equivalents		– 25,737	– 1,838
Cash and cash equivalents at 30 June		68,908	42,101

Condensed consolidated statement of changes in equity for the first half of 2013 (unaudited)

In the first half of 2012 (restated), 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 2012	18,479	396,688	-63,275	-94,904	42,265	299,253	-119	299,134
Net income for the period	-	-	-	-	446	446	-57	389
Exchange differences arising on translation of foreign operations	-	-	-	-1,198	-	-1,198	-1	-1,199
Actuarial loss on defined benefit plans	-	-	-	-	-1,797	-1,797	-	-1,797
Income tax on other comprehensive income	-	-	-	-	422	422	-	422
Other comprehensive income for the period	-	-	-	-1,198	-1,375	-2,573	-1	-2,574
Total comprehensive income for the period	-	-	-	-1,198	-929	-2,127	-58	-2,185
Purchase/Sale of treasury shares	-	-	2,485	-	-2,499	-14	-	-14
Total transactions with owners	-	-	2,485	-	-2,499	-14	-	-14
Balance at 30 June 2012	18,479	396,688	-60,790	-96,102	38,837	297,112	-177	296,935
Total Group reserves at the end of June 2012	278,633							

In the first half of 2013, 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 2013 (restated)	18,479	396,688	-58,825	-101,168	-26,532	228,642	-321	228,321
Net income for the period	-	-	-	-	-3,906	-3,906	-17	-3,923
Exchange differences arising on translation of foreign operations	-	-	-	5,195	-	5,195	-3	5,192
Actuarial loss on defined benefit plans	-	-	-	-	-560	-560	-	-560
Income tax on other comprehensive income	-	-	-	-	94	94	-	94
Other comprehensive income for the period	-	-	-	5,195	-466	4,729	-3	4,726
Total comprehensive income for the period	-	-	-	5,195	-4,372	823	-20	803
Purchase/Sale of treasury shares	-	-	2,116	-	-2,127	-11	-	-11
Total transactions with owners	-	-	2,116	-	-2,127	-11	-	-11
Balance at 30 June 2013	18,479	396,688	-56,709	-95,973	-33,031	229,454	-341	229,113
Total Group reserves at the end of June 2013	210,975							

Condensed notes to the consolidated semi-annual report as of 30 June 2013 (unaudited)

1. | Significant accounting policies

General information

The present report concerns the unaudited, consolidated semi-annual financial statements as of 30 June 2013 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 2012.

Von Roll Holding AG with its subsidiaries (collectively referred to as Von Roll) is an international manufacturing and service company. Its major activities are presented in the segment reporting (note 7). 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 2013 is based on the accounting policies presented in the annual report 2012. The income tax expense for the interim reporting period was calculated with the anticipated tax rate for the whole financial year 2013 and accrued.

The consolidated semi-annual financial statements are issued in Swiss francs (CHF) because the main Von Roll companies are operative in and 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 amendments and enhancements to the standards and IASB's interpretations are to be adopted for the first time for the financial year starting on 1 January 2013. However, they have no (material) impact on the consolidated financial statements of the Von Roll Group (with the exception of IAS 19 [revised 2011]).

New Standards or Interpretations		Effective for annual periods beginning on or after	Adoption by Von Roll
IFRS 10	Consolidated Financial Statements	1 January 2013	Financial year 2013
IFRS 11	Joint Arrangements	1 January 2013	Financial year 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013	Financial year 2013
IFRS 13	Fair Value Measurement	1 January 2013	Financial year 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	Financial year 2013

Amendments to Standards		Effective for annual periods beginning on or after	Adoption by Von Roll
IAS 19 (rev. 2011)	Employee Benefits	1 January 2013	Financial year 2013
IAS 27 (rev. 2011)	Separate Financial Statements	1 January 2013	Financial year 2013
IAS 28 (rev. 2011)	Investments in Associates and Joint Ventures	1 January 2013	Financial year 2013
IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance	1 January 2013	Financial year 2013
IFRS 1	Government Loans	1 January 2013	Financial year 2013
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	Financial year 2013

The following new and revised standards and interpretations 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 or Interpretations		Effective for annual periods beginning on or after	Planned adoption by Von Roll
IFRIC 21	Levies	1 January 2014	Financial year 2014 *
IFRS 9	Financial Instruments and related amendments to IFRS 7 regarding transition	1 January 2015	Financial year 2015 **
Amendments to Standards			
IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014	Financial year 2014 *
IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014	Financial year 2014 *
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	Financial year 2014 **
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	Financial year 2014 **

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

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

2. | Changes in accounting policies (restatement)

Change in accounting policies due to the application of IAS 19 (revised 2011)

With the application of IAS 19 (revised 2011), the previous year's figures were restated in accordance with IAS 8. These restatements affected the Von Roll Group's interim results for 2012 as follows:

in CHF 1,000	2012 (published)	Restatement	2012 (restated)
Statement of financial position 1 January			
Pension plan assets	8,736	1,142	9,878
Post-employment benefit obligations	30,173	- 5,858	24,315
Deferred tax assets	14,890	45	14,935
Deferred tax liabilities	5,758	1,517	7,275
Group reserves	275,246	5,528	280,774
Statement of financial position 31 December			
Pension plan assets	12,457	4,182	16,639
Post-employment benefit obligations	31,880	- 4,121	27,759
Deferred tax assets	12,132	28	12,160
Deferred tax liabilities	6,666	1,783	8,449
Group reserves	203,615	6,548	210,163
Statement of comprehensive income for the first half of the year			
Cost of goods sold	- 221,186	- 936	- 222,122
Research and development expense	- 4,373	- 170	- 4,543
Sales and distribution expense	- 16,689	- 162	- 16,851
Administrative expense	- 21,388	- 204	- 21,592
EBIT	7,013	- 1,472	5,541
Finance result	- 1,848	- 322	- 2,170
Profit before tax	5,165	- 1,794	3,371
Income tax	- 3,384	402	- 2,982
Net income for the period	1,781	- 1,392	389
Actuarial gain (+) and loss (-) on defined benefit plans, net	- 4,285	2,488	- 1,797
Income tax on other comprehensive income	966	- 544	422
Total comprehensive income for the period	- 2,737	552	- 2,185
Earnings per share for the first half of the year			
Basic earnings per share in CHF	0.01	- 0.01	0.00
Diluted earnings per share in CHF	0.01	- 0.01	0.00
EBIT per segment for the first half of the year			
Von Roll Insulation	10,745	- 1,336	9,409
Von Roll Composites	3,495	- 139	3,356
Von Roll Technologies	- 4,991	3	- 4,988
Other activities	- 2,236	-	- 2,236
Von Roll Group	7,013	- 1,472	5,541

The restatements shown in the table are non-cash relevant. The restatements only led to reclassifications within the statement of cash flows and are shown in the consolidated statement of cash flows on page 9.

3. | Changes in the scope of consolidation

Albesiano Sisa Vernici S.r.l.

On 30 May 2013, Von Roll purchased 100% of the shares in the company Albesiano Sisa Vernici S.r.l., based in Trofarello, Italy. Albesiano Sisa Vernici S.r.l. specialises in the manufacture of liquids, resins and varnishes. For this reason, the company is reported under the Von Roll Insulation segment. The shares were acquired for TCHF 12,480 in cash, the purchase price having been paid in full.

The provisional table below details the net assets of the newly acquired company:

in CHF 1,000	Fair value
Cash and cash equivalents	76
Trade accounts receivable	7,486
Inventories	4,308
Property, plant and equipment	10,321
Other assets	534
Deferred tax assets	1,215
Total assets	23,940
Trade accounts payable	- 4,715
Financial liabilities	- 3,759
Other liabilities and deferred income	- 5,588
Deferred tax liabilities	- 1,076
Total liabilities	- 15,138
Net assets	8,802
Goodwill	3,678
Consideration paid in cash	12,480
Consideration paid in cash	12,480
Cash and cash equivalents acquired	- 76
Net cash outflow	12,404

The identifiable assets acquired and liabilities assumed were valued at their fair value at the time of acquisition. The valuation adjustments carried out as part of the purchase price allocation relate mainly to buildings and land included in property, plant and equipment as well as other liabilities and accruals. The buildings and land were restated at their fair value at the time of acquisition by TCHF 3,541. The adjustments to other liabilities and accruals relate mainly to an accrual for expected licensing payments to the John C. Dolph Company in the amount of TCHF 3,108. At Group level, the accrual for licensing payments is offset by the residual value of the expected licensing income capitalised by the John C. Dolph Company. Contractual receivables amount to TCHF 8,235 gross, of which TCHF 343 is regarded as doubtful. Deferred tax assets and liabilities include deferred taxes on the adjustments detailed above.

The provisional purchase price allocation gives rise to goodwill of TCHF 3,678, which is not tax-deductible. The potential goodwill arising from this transaction covers in particular gains from synergies and market entry, the workforce and other intangible assets which cannot be separately identified.

Since the initial consolidation, Albesiano Sisa Vernici S.r.l. has contributed sales of TCHF 1,835 and has had a positive impact on net income in the amount of TCHF 137. Had Von Roll acquired the company with effect from 1 January 2013, consolidated sales revenues and net income would have been higher by TCHF 10,857 and TCHF 83 respectively.

In purchasing the shares in Albesiano Sisa Vernici S.r.l., Von Roll incurred transaction costs of TCHF 214. These mainly relate to costs for due diligence and legal advice and are included under administrative expenses in the consolidated statement of comprehensive income.

Albesiano Sisa Vernici S.r.l. is being included in Von Roll's consolidated financial statements with provisional figures because the process to identify and calculate the fair values of the identifiable assets, liabilities and contingent liabilities is not yet fully complete. This means that the amount of goodwill, the scope of the identifiable assets, liabilities and contingent liabilities, and the valuations of these assets and liabilities may still change. The purchase price allocation will be finalised within twelve months of the date of acquisition.

Von Roll BHU Umwelttechnik GmbH

On 18 March 2010, Von Roll purchased 100 % of the shares of the company BHU Umwelttechnik GmbH (duly renamed Von Roll BHU Umwelttechnik GmbH on 17 January 2011), based in Bietigheim-Bissingen, Germany. In the reporting period, Von Roll paid the former owners of Von Roll BHU Umwelttechnik GmbH a further tranche of the purchase price in the amount of TCHF 236 as part of the earn-out.

4. | Foreign currencies

The following exchange rates were used for translation of foreign currencies into Swiss francs (CHF):

	Average rates		Period end rates	
	Jan–June 2013	Jan–June 2012	30 June 2013	31 Dec 2012
1 EUR	1.227	1.205	1.226	1.209
1 USD	0.936	0.929	0.942	0.911
1 GBP	1.448	1.464	1.446	1.475
1 ILS	0.254	0.245	0.260	0.245
1 INR	0.017	0.018	0.016	0.017
1 BRL	0.464	0.501	0.425	0.445
1 CNY	0.151	0.147	0.153	0.146

5. | Net sales

Net sales for the first half of 2013 were CHF 22.2 million down on the first half of 2012. This equates to a fall of 8.3%.

Sales have been positively affected by changes in exchange rates. Current sales would have been CHF 2.1 million 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 9.1% (CHF 24.3 million) compared with the previous year.

6. | Net income for the period

Net income decreased from CHF 0.4 million for the first half of 2012 to CHF –3.9 million during the reporting period. EBIT also fell from CHF 5.5 million in the same period in the previous year to CHF 2.1 million in the reporting period. This is a reduction in the EBIT margin from 2.1% to 0.8%.

Employee benefits in accordance with IAS 19 (revised 2011)

In the first half of 2013, expenses relating to defined benefit plans amounted to CHF 1.8 million (first half of 2012: CHF 3.8 million), of which CHF 1.4 million (first half of 2012: CHF 3.2 million) was recognised as personnel expense and CHF 0.4 million (first half of 2012: CHF 0.6 million) as interest expense. The marked fall in expenses for defined benefit plans in the first half of 2013 compared with the same period in the previous year is due to a change in the pension plan, which had a positive impact of CHF 2.2 million.

7. | Segment reporting

Reportable segments 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, Von Roll Composites and Von Roll Technologies business segments. They form the basis for segment reporting. The business segments of Von Roll encompass all activities in line with Von Roll's production processes.

Principal activities break down as follows:

Von Roll Insulation – production and supply of electrical insulation materials and winding wires.

Von Roll Composites – production and supply of composite materials and cable protection materials.

Von Roll Technologies – production and supply of energy transmission and distribution solutions, design and construction of water and wastewater treatment plants.

Other activities include income and expense of holding companies and companies that cannot be categorised as part of the operating business as well as net income from investment property.

The adjustments for the first half of 2012 in connection with the correction to employee benefits (see note 2) are reflected in the previous year's figures accordingly.

The segment information on the business units is as follows in the first half of 2013:

in CHF 1,000	Von Roll Insulation	Von Roll Composites	Von Roll Technologies	Other activities	Von Roll
Net sales	142,196	67,881	35,866	–	245,943
EBIT	5,037	–165	–879	–1,933	2,060
Finance result					–2,940
Income tax					–3,043
Net income					–3,923

The segment information on the business units was as follows in the first half of 2012 (restated):

in CHF 1,000	Von Roll Insulation	Von Roll Composites	Von Roll Technologies	Other activities	Von Roll
Net sales	165,527	72,072	30,530	–	268,129
EBIT	9,409	3,356	–4,988	–2,236	5,541
Finance result					–2,170
Income tax					–2,982
Net income					389

8. | Fair value of financial instruments

Valuations at fair value reported in the statement of financial position as of 30 June 2013 relate to derivative financial instruments. The positive valuation of these derivative financial instruments amounts to TCHF 277 (2012: TCHF 354) and is included in other accounts receivable and prepaid expense. The negative valuation amounts to TCHF 587 (2012: TCHF 64) 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 2013. The carrying amounts of other financial instruments reported in the statement of financial position as of 30 June 2013 represent an appropriate estimate of their fair values.

9. | Share capital, treasury shares and dividends

As of 30 June 2013, the share capital is unchanged compared to the figure as of 31 December 2012 and consists of 184,778,889 bearer shares. The par value per share is CHF 0.10. No authorised or conditional capital or convertible bonds are outstanding.

As of 30 June 2013, Von Roll Holding AG holds 7,064,645 treasury shares at an average price of CHF 8.03. This represents a shareholding carrying voting rights of 3.82%.

The Annual General Meeting on 10 April 2013 resolved not to pay a dividend for the financial year 2012.

10. | Contingent liabilities and guarantees

As of 30 June 2013, contingent liabilities and guarantees amounted to a total of CHF 14.6 million. This is a fall of CHF 2.1 million compared with 31 December 2012, primarily due to lower guarantees within the Von Roll Technologies business segment.

11. | Significant events after the reporting date

Between the reporting date and authorisation of the report by the Board of Directors there were no events that were subject to the reporting obligation.

The consolidated semi-annual financial statements were released for publication by the Board of Directors on 16 August 2013.

Business address

Von Roll Holding AG
Steinacherstrasse 101
8804 Au / Wädenswil
Switzerland
Tel. +41 44 204 35 00
Fax +41 44 204 30 10
www.vonroll.com

Registered office

Passwangstrasse 20
4226 Breitenbach SO

Stock exchange listing

SIX Swiss Exchange (symbol: ROL)
Security number: 324.535
ISIN: CH0003245351

**For publications and further information,
please contact**

Julia Dunkake
Tel. +41 44 204 30 32
Fax +41 44 204 30 39
investor@vonroll.com

Von Roll Holding AG
Steinacherstrasse 101
8804 Au / Wädenswil
Switzerland

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www.vonroll.com



