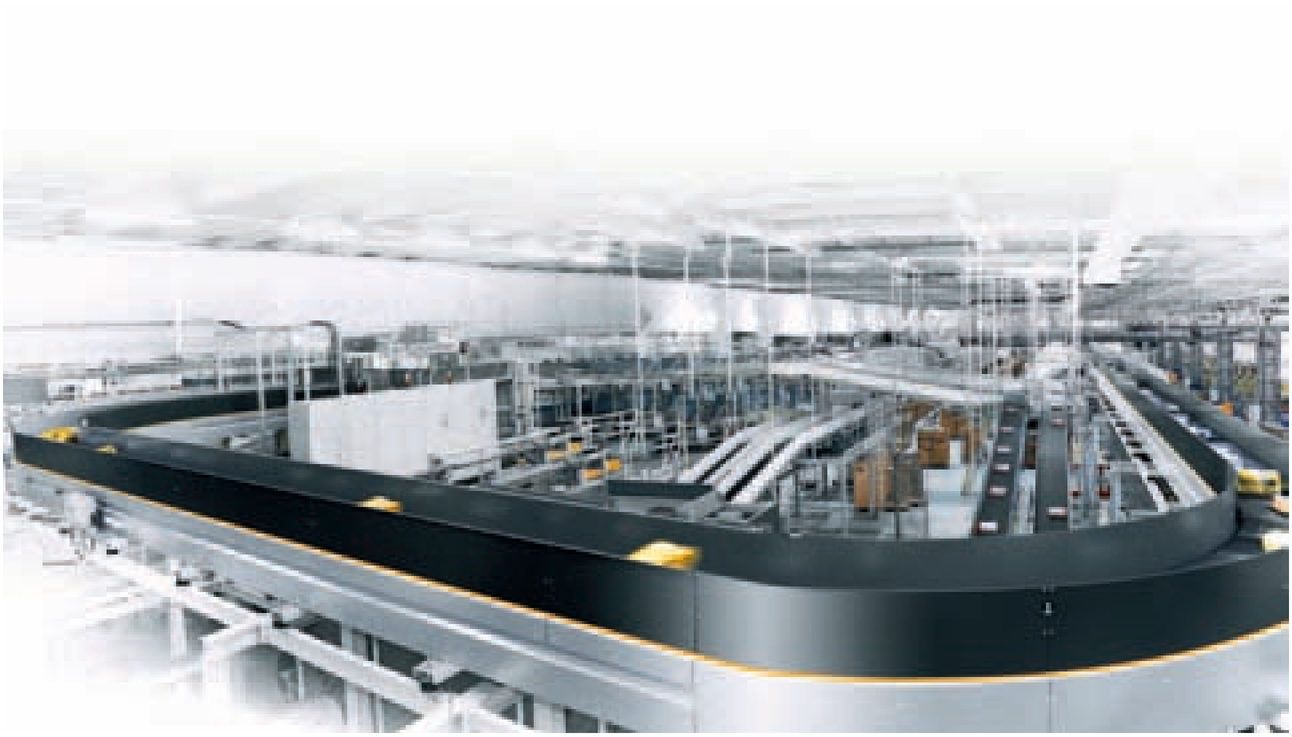
MID-YEAR REPORT 2013

INSPIRED BY
EFFICIENCY

INTERROLL



Interroll Sorters use open standards, they are fully compatible with any software and hardware environment.

LETTER TO THE SHAREHOLDERS

Mid-Year Report 2013
Sant'Antonino
9 August 2013

Dear Shareholders:

Overview – The Interroll Group

During the first half of 2013 Interroll substantially improved its operating result (EBIT) by 12.7% and its net profit by 11.2%. Earnings before interest, taxes, depreciation and amortisation (EBITDA) progressed by 9.6% to CHF 21.4 million (previous year: CHF 19.6 million). The group grew sales by 1.2% to 149.1 million and order intake topped last year by 2.6%. Despite the slight decline of our European business, the growth of our Asian activities was more than 30% above last year's performance, Order Income was even more than 50% higher. With the positive trend of our operations in Americas, this has lead to a quite comfortable balance.

This very good result is a consequence of a more favourable product mix including latest innovations and cost efficiency gains received from purchasing and supply chain improvements.

Interroll remains optimistic in a strategically strong position working with the top 10 global system integrators all over the world. It becomes obvious, that the efforts of understanding the industry concerns internationally well lead to additional sales which are handled by our partners but was initiated through the so-called "end-user pull effect". We undertake a lot of activities to provide solid business cases, thorough test schemes and application research to describe the benefits of our products. Interroll is broadly accepted as expert of internal logistics and helps to contribute to the most effective materials handling solution. That's why Interroll expertise is valued when new internal logistics concepts are discussed and end-users have to make their decisions. As a result, sales of the very profitable business of Sorters and Pallet Flow, is more than 4 times the value of last year.

Striving for perfection: Interroll organized an in-house event presenting the Centers of Excellence.

Interroll benefits a lot from the unique strategic position to be the "most global supplier of core products for material handling". Customers who wish to invest in future-proof equipment today, often desire fewer suppliers of core products, thus Interroll is capable in offering the entire program of conveying systems, drive technology and customized functions which no-other supplier can do. Our clients often refer to our extensive experience of internal logistics applications and the know-how of global companies which work with Interroll. Our global reach also helps customers because of our company-wide platform strategy. Shortest delivery times, fast innovation cycles and highest quality standards make Interroll the indispensable partner of choice.

In June, Interroll organized for the first time an in-house event for four days presenting all Centers of Excellence to an audience of customers and media using the theme "Behind the scenes of dynamism". This joint activity with the Sauber F1 Team and several universities has attracted vast media coverage and resulted in up to 80 customers from nine countries visiting our show every day.

Today, Interroll operates 31 own companies worldwide with 1,600 people. All in all, the share price of Interroll grew from CHF 333.00 on 1 January 2013 to CHF 386.50 on 1 July 2013.

Financial position

The latest figures confirm the continued financial stability of the Interroll Group. As per 30 June 2013 equity amounted to CHF 171.0 million (31.12.12: CHF 157.6 million) and total assets reached CHF 248.7 million (31.12.12: CHF 227.6 million). Due to the higher balance sheet total the Group's equity ratio decreased slightly in the period under review, standing at 68.7% at the end of June 2013 (31.12.12: 69.3 %). Net working capital increased by CHF 12.1 million in the reporting period, reaching CHF 66.2 million (31.12.12: CHF 54.0 million). When comparing the two half-year periods, net cash flow from operating activities reached CHF 17.6 million and free cash flow amounted to CHF 11.2 million. Mainly due to higher trade receivables and heavy investments in the new Regional Center of Excellence in Atlanta/USA the free cash flow is CHF 3.7 million lower than last year.

Ordered today, delivered tomorrow: Innovative roller conveyor system increases the performance of Pemic Books' new distribution centre.

"Drives" product group

The Drives product group (motors and drives for conveyor systems) remains an integral part of the Interroll success story.
Thus, this business continued its strong performance, generating revenue of CHF 54.6 million in the first half of 2013 (previous year: CHF 51.7 million), while order intake increased from CHF 49.9 million to CHF 55.4 million.

The market recognizes Interroll as an independent expert of drives technology with a vast experience in almost all relevant industries and of global reach. For example, Interroll has launched a drum motor campaign in Thailand inviting partners and end users to share with them technology and application know-how in the area of food processing. Overall, Interroll Drum Motors are still among the most efficient drive systems in the 400 V spectrum. Further improvements have been achieved to optimize the performance of the state-of-the-art Synchronous Drum Motor.

As e-commerce continues to grow book distributors need to expand customer services to profit from the trend. Pemic Books in the Czech Republic is restructuring its distribution processes to enhance customer service and speed up next-day deliveries. In a new distribution centre, the company also uses the latest control technology from Interroll for roller conveyors.

With the trend for more flexibility in conveying systems, the 24V technology has increased its importance in the market. Several new installations and many retrofitting projects have consciously selected the benefits of the 24 V drives technology where Interroll is the sole supplier to offer its vast RollerDrive program from driven rollers and control systems to entire kit solutions for simple installations.

Triumph

To support the dynamic growth of its branded retail business, Triumph International operates a large logistics platform in French Obernai, which serves part of the European network. To reduce costs, downtimes, the use of energy and the noise level of pneumatic conveyors, the company needed a new solution. The upgrade with RollerDrive technology from Interroll created substantial benefits for Triumph, including energy savings of 50% and a significant noise reduction of 18%. The distribution centre runs daily shifts of 21 hours to supply its outlets with lingerie adding up to a total of 40 million pieces per year.

In order to provide further insights to the business models of the two dominant drive systems (the 24 V and 400 V technologies), Interroll has supported a study of Karlsruhe Institute for Technology (KIT) which was already presented at the recent inhouse event and is soon available for download.

In summary, the study confirms that in intermittent duty of a roller conveyor with a 24 V drive used for transporting a 50 kg carrier up to 30% of energy can be saved compared to the standard 400 V technology with a geared motor. With regard to the accumulating function, the energy requirement can even be reduced by 50%.

"Rollers" product group

The Rollers business remains stable with about the same profit performance as last year, but with less major deals as we saw them in the beginning of the first semester of 2012. In the period under review, revenue generated by the sale of conveyor rollers (CHF 38.6 million) did not equal the high level achieved in the first half of the previous year (CHF 41.7 million).

"From Interroll, I receive very specific products according to my requirements, delivered in the shortest time based on my needs, in the right amount, at the right place. I must know that I can rely on the product. I can do that with Interroll."

Max Heber, Managing Director, Heber Fördertechnik, Longlasting Rollers and RollerDrive customer

DAIFUKU
Material Handling and Beyond

In June, Interroll has received an order from the Japanese logistics provider Daifuku for delivery of a state-of-the-art sorting system consisting of a crossbelt sorter and conveyors. Order value is approximately EUR 1.7 million. Appropriate arrangements were made with the German Daifuku subsidiary during the in-house exhibition at Interroll in Wermelskirchen.

The global B2C e-commerce market will grow by 17 percent to USD 1.2 trillion this year, according to an eMarketer forecast. The largest submarket is North America, with e-commerce sales of USD 420 billion.

"Conveyors & Sorters" product group

The market sees a strong trend in automation which leads to a remarkable increase of sorter inquiries and projects worldwide. The trend follows two main drivers: E-commerce and working ergonomics. The more items are purchased online, the more flexibility and speed are required from the trade companies around the globe. On the other hand, with the flexibility and efficiency, managers have to address the need for better ergonomics and work safety to reduce unproductive incidents and fluctuation of workers.

Interroll sorters have been ordered recently for Japan, Russia, Brazil, Korea and China next to the established markets of Europe and USA.

The Conveyors & Sorters product group managed to exceed the very high figures from 2012, from CHF 25.6 million to a strong result of CHF 26.1 million. Incoming orders declined from CHF 41.5 million to CHF 39.0 million year on year.

Not only is the sorter business taking up into new dimensions, Interroll also benefits nicely from the overall position of offering the entire conveying portfolio which can be customized for each client's requirements. The independent role of Interroll further helps our customers to select the best possible combination of hardware and software, since the interoperability of the Interroll sorters with any ERP or Warehouse Management System (WMS) is unique.

Interroll Magnetic Speed Controller: Unique wearless design for highest durability and maximum versatility in pallet handling.

"Pallet & Carton Flow" product group

The dynamic storage product group increased its revenue again in the period under review from CHF 28.5 million to CHF 29.8 million. Order intake also improved significantly by 13.0% from CHF 33.2 million to CHF 37.5 million.

In the beginning of this year, Interroll signed the biggest Pallet Flow deal ever. Red Bull in Thailand invests CHF 6.5 million for Pallet Flow into the expansion of their regional distribution hub. This repeated business is the fourth step of the long-lasting partnership between Interroll, the system integrator and Red Bull Thailand.

New Management, massive investments into competence development and sales trainings have been cultivated into new levels of customer commitment recently. Thanks to this culture, a difficult logistic installation with initial project complications could be successfully turned around to the full satisfaction of the customer. According to our partners, no other supplier would have been financially and mentally able to change the scope in that manner and focus on the solution first rather on re-negotiations and mitigating the problem. Today, Swiss Pearlwater (a Coop subsidiary) is among our top customer references with excellent performance and real expansion opportunities.

pearlwater

From the new Pearlwater bottling centre in Wallis, Coop supplies consumers throughout Switzerland with premium mineral water quickly, and with minimal environmental impact. A high level of goods throughput and an energy-friendly operation at the Pearlwater centre, combined with transport by rail, ensure that the concept is a sustainable one. A highly compact SSI Schäfer pallet flow storage system with Interroll roller modules supports the flow of materials.

As of 10 July 2013, Interroll has taken over Portec. With over 60,000 installations, – especially in airports, distribution centers and courier and postal services – the curves of Portec have for decades been the industry's leading products. In airports, Portec's solutions are in use especially for baggage handling i.e. in large airports such as Hartsfield-Jackson Atlanta Airport, Chicago O'Hare Airport, San Francisco International Airport and Philadelphia International Airport.

Overview by region

With the very positive development of our business in Asia and Americas we could also balance out the high dependence on the European business slightly, which now stands for about 68.6% of our business. In the respective period, Asia grew by 28.2% and Americas by 2.0%.

Sales in Europe reaching CHF 102.4 million are slightly behind expectations and 2.7% below last year. With the recovery after a weak 1st quarter, the aspiration of a growth scenario remains intact as we base our view on several outstanding opportunities for Rollers and Drives but also Sortation and Conveying solutions.

Furthermore, Interroll started its own activities in Portugal through Interroll Spain and Interroll officially opened an own subsidiary in Italy beginning of June – Europe's third biggest economy. In this ambitious market, Interroll was represented by Rulmeca before. According our global strategy for growth, this key market will now be supported by Interroll itself, offering the entire product portfolio. At a recent press conference in Milan, no less than 20 journalists from leading trade and business media but also daily news attended and all appreciated Interroll's undertakings to conquer this important market of high tech expertise and machinery innovations.

The economic environment in the USA during the period under review has been improved overall and sales of Interroll increased by 2.0% from CHF 28.5 million to CHF 29.0 million. In the same period, our Order Income has even grown by 12.6%. With the good progress of the building of the new Regional Center of Excellence in Atlanta and the integration of Portec, Interroll intends to invest into this region up to USD 40 million this and next year.
We have received repeated Sorter orders from several major customers, including Amazon, and see the positive impacts of investing in competence and resources for driving the Drum

Motor market in the USA. With the acquisition of Portec as of 10 July 2013, Interroll immediately increases its customer reach offering more products to the airport and parcel segments. The integration of the former Portec organization will further lead to a better customer service of Interroll clients at the West Coast and trigger cross-selling opportunities for customers which Portec could not satisfy in the past.

Sales in Asia increased by 28.2%, net of currency 24.4%, year on year from CHF 13.8 million to CHF 17.7 million and order intake increased by 54.5% in the period under review. The growth of the Asian market in relation to the world economy and the imminent trend for automation has helped Interroll to again grow in Asia. Interroll Korea, Thailand, China and Singapore have captured significant orders and increased their market position. The performance of the Regional Center of Excellence in Suzhou, China, has been further increased with the establishment of global processes and competence development programs. Since 1 April 2013, SAP has been successfully implemented in all Asian organizations – the last step was the Go-Live of Interroll China.

Dr. Ben Xia, Executive Vice President, Operations Asia.

Dr. Ben Xia is in charge of the Asian operations as of 1 July 2013. He will be instrumental to drive the business and manage the organization best for the Asian future requirements. With the appointment of Ben Xia as Interroll's new Executive Vice President for Asia, a materials handling expert with an impressive track record has joined the company.

Following the opening of the new regional Centre of Excellence in Suzhou near Shanghai in 2011, Interroll expanded its services for customers in Asia on a massive scale. Fast delivery, application engineering and local production and/or assembly of all products ensure that customers worldwide benefit from the key advantages and expertise of Interroll products. In financial year 2012, Interroll recorded double-digit growth in Asia and growth of 24% in China.

Innovation

Interroll innovations are always designed to simplify everyday logistics tasks. A typical example of this would be the Interroll Magnetic Speed controller for Pallet Flow applications. Invisibly integrated into the roller to regulate the speed of passing pallets of various weights up to 1,250 kg. The heavier the weight, the greater the breaking effect. No wearing of brakes, no heating of the units – thanks to the patented magnetic solution.

Another example is the good progress with the development of Interroll's "Conveyor Platform for Growth" which promises to be revolutionary in many detailed aspects. With a new set of flexibility and unreached delivery capacities, Interroll will further extend its market position in this important area of internal logistics. The new platform will be presented at CeMAT 2014, the world's leading fair for intralogistics.

Interroll has released an animation of a cross-belt sorter to describe the multifunctional applications and the unique features of the patented mechanical system. The animation is available on interroll.com.

Interroll Italia will serve all Italian customers to benefit from the experience of a global company. Interroll decided this investment offering its full range of standardized core products for materials handling to the benefit of core industries like food and beverage, e-commerce, parcel and delivery and airport security. As an innovative partner, Interroll is keen to foster partnerships with the leading System Integrators and OEMs in Italy for the sake of offering first-class internal logistics solutions to the Industry.

Outlook

In the period of review, Interroll has significantly invested in future growth and optimization of processes. A number of outstanding opportunities have been identified and markets like Italy, USA and many other countries, next to the so-called BRIC states show positive trends. Still, given the current economic climate, Interroll confirms a watching brief and a realistic view of the near future. Continuing currency fluctuations, volatile raw material prices and the prevailing reluctance of key user markets to invest are stifling growth.

But Interroll intends to leverage this situation to stand out even further from the competition and capture interesting business where no other competitor is able to satisfy customer needs as described above.

We will continue to invest in product innovation in order to generate above-average added value for our customers and to secure the future of the business. To be sure of achieving our long-term growth strategy, we will also be staying true to our established core principles: fastest delivery, simplicity in all we do and providing highest quality.

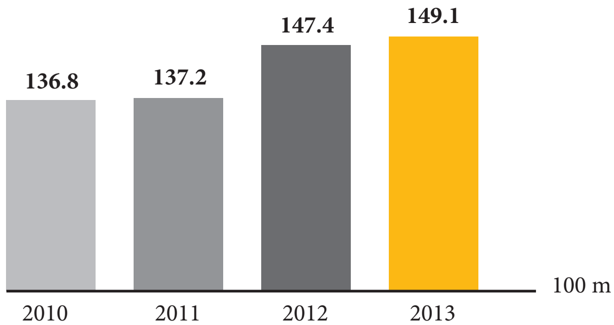
Paul Zumbühl
Chief Executive Officer

Kurt Rudolf
Chairman of the Board of Directors

All graphics depict January–June in million CHF

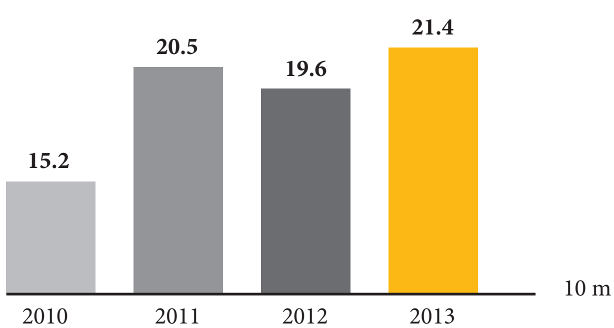
Consolidated net sales, Group

+1.2%



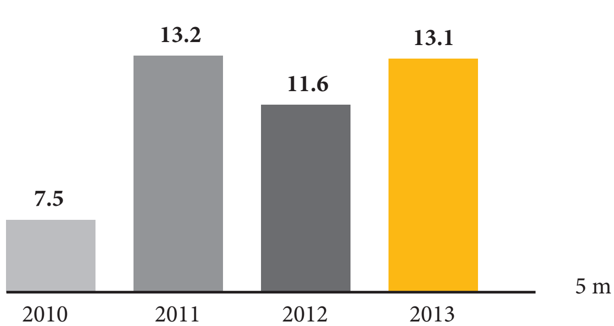
Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA)

+9.6%



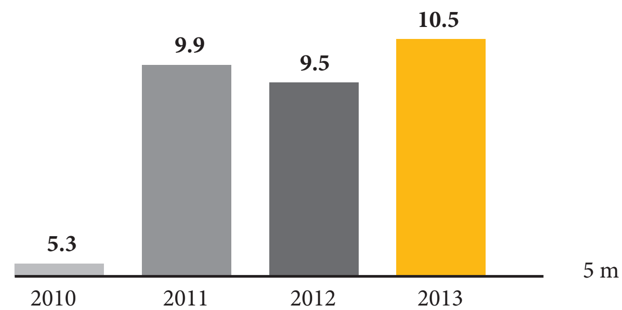
Consolidated earnings before interest and taxes (EBIT)

+12.7%



Consolidated net profit

+11.2%



1 FINANCIAL INTERIM STATEMENTS OF INTERROLL GROUP

1.1 Consolidated statement of financial position

in thousands CHF	30.06.2013	in %	31.12.2012 Restated[1]	in %	30.06.2012 Restated[1]	in %
ASSETS						
Property, plant and equipment	77 725		76 828		79 716	
Intangible assets	37 439		39 152		40 066	
Financial assets	1 506		890		934	
Deferred tax assets	2 836		2 838		1 496	
Total non-current assets	**119 506**	**48.0**	**119 708**	**52.6**	**122 212**	**50.8**
Inventories	43 541		35 595		47 073	
Current tax assets	1 307		741		801	
Trade and other accounts receivable	61 549		57 439		58 532	
Cash and cash equivalents	22 811		14 109		11 822	
Total current assets	**129 208**	**52.0**	**107 884**	**47.4**	**118 228**	**49.2**
Total assets	**248 714**	**100.0**	**227 592**	**100.0**	**240 440**	**100.0**
EQUITY AND LIABILITIES						
Share capital	8 540		8 540		8 540	
Share premium	13 765		20 427		20 461	
Reserve for own shares	–12 210		–17 670		–18 715	
Translation reserve	–41 203		–44 319		–44 202	
Retained earnings	202 082		190 659		181 728	
Total equity	**170 974**	**68.7**	**157 637**	**69.3**	**147 812**	**61.5**
Financial liabilities	5 075		5 025		5 043	
Deferred tax liabilities	1 274		2 300		1 611	
Pension liabilities	2 563		3 469		2 112	
Provisions	5 779		5 322		5 369	
Total non-current liabilities	**14 691**	**5.9**	**16 116**	**7.1**	**14 135**	**5.9**
Financial liabilities	233		396		14 018	
Current tax liabilities	8 855		9 068		8 734	
Trade and other accounts payable	53 961		44 375		55 741	
Total current liabilities	**63 049**	**25.4**	**53 839**	**23.7**	**78 493**	**32.6**
Total liabilities	**77 740**	**31.3**	**69 955**	**30.7**	**92 628**	**38.5**
Total liabilities and equity	**248 714**	**100.0**	**227 592**	**100.0**	**240 440**	**100.0**

[1] see remarks under 2.1; adoption of IAS 19R (Restatement)

1.2 Consolidated income statement

in thousands CHF	Jan. – Jun. 2013	in %	Jan. – Jun. 2012 Restated[1]	in %	Variance	in %
Net Sales	**149 138**	**100.0**	**147 442**	**100.0**	**1 696**	**1.2**
Material expenses	– 60 552	– 40.6	– 63 726	– 43.2		
Personnel expenses	– 45 526	– 30.5	– 44 950	– 30.5		
Increase/(Decrease) in work in progress, finished products and own goods capitalised	805	0.5	1 706	1.2		
Other operating expenses	– 26 627	– 17.9	– 25 476	– 17.3		
Other operating income	4 206	2.8	4 562	3.1		
Operating result before depreciation and amortisation (EBITDA)	**21 444**	**14.4**	**19 558**	**13.3**	**1 886**	**9.6**
Depreciation	– 5 445	– 3.7	– 5 242	– 3.6		
Operating result before amortisation (EBITA)	**15 999**	**10.7**	**14 316**	**9.7**	**1 683**	**11.8**
Amortisation	– 2 922	– 2.0	– 2 716	– 1.8		
Operating result (EBIT)	**13 077**	**8.8**	**11 600**	**7.9**	**1 477**	**12.7**
Financing expenses	– 476	– 0.3	– 175	– 0.1		
Financing income	47	0.0	158	0.1		
Financing result	**– 429**	**– 0.3**	**– 17**	**– 0.0**	**– 412**	**2 367.5**
Result before income taxes	**12 648**	**8.5**	**11 583**	**7.9**	**1 065**	**9.2**
Income tax expense	– 2 102	– 1.4	– 2 096	– 1.4		
Result	**10 546**	**7.1**	**9 487**	**6.4**	**1 059**	**11.2**
Earnings per share (in CHF)						
Non-diluted earnings per share	12.95		11.85		1.10	9.3
Diluted earnings per share	12.87		11.71		1.16	9.9

[1] see remarks under 2.1; adoption of IAS 19R (Restatement)

1.3 Consolidated statement of comprehensive income

in thousands CHF	Jan. – Jun. 2013	Jan. – Jun. 2012 Restated[1)]
Result	**10 546**	**9 487**
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to income statement		
Remeasurements of pension liabilities	1 102	–971
Income tax on items that will not be reclassified	–226	202
Total items that will not be reclassified to income statement	**876**	**–769**
Items that may be reclassified subsequently to income statement		
Currency translation differences	3 115	–346
Income tax on items that may be reclassified	–	–
Total items that may be reclassified subsequently to income statement	**3 115**	**–346**
Total other comprehensive income, net of taxes	**3 991**	**–1 115**
Total comprehensive income	**14 537**	**8 373**

1) see remarks under 2.1; adoption of IAS 19R (Restatement)

1.4 Consolidated statement of cash flows

in thousands CHF	Jan. – Jun. 2013	Jan. – Jun. 2012 Restated[1]
Result	**10 546**	**9 487**
Depreciation, amortisation and impairment	8 368	7 958
Loss/(gain) on disposal of tangible and intangible assets	–14	–15
Loss/(gain) on disposal of non-current assets held for sale	–	–1 233
Financing result	429	3
Income taxes	2 102	2 088
Changes in working capital	–1 738	3 036
Changes in provisions	567	122
Income taxes paid	–4 118	–3 987
Personnel expenses on share based payments	899	838
Other non-cash (income)/expenses	524	–90
Cash flow from operating activites	**17 565**	**18 207**
Acquisition of property, plant and equipment	–4 953	–3 515
Acquisition of intangible assets	–979	–2 212
Acquisition of financial assets	–645	–29
Proceeds from disposal of property, plant and equipment	129	2 379
Proceeds from disposal of intangible assets	2	–
Settlement of loans receivable	4	42
Acquisition of business activities, net of cash acquired	–	–
Interests received	47	48
Cash flow from investing activities	**–6 395**	**–3 287**
Free cash flow	**11 170**	**14 920**
Distribution from reserves from capital contributions	–6 520	–5 594
Acquisition of own shares	–	–
Disposal of own shares	4 418	866
Proceeds from financial liabilities	114	234
Repayment of financial liabilities	–347	–9 005
Interests paid	–70	–171
Cash flow from financing activities	**–2 405**	**–13 670**
Translation adjustment on cash and cash equivalents	–63	50
Change in cash and cash equivalent	**8 702**	**1 300**
Cash and cash equivalent at 1 January	14 109	10 522
Cash and cash equivalent at 30 June	**22 811**	**11 822**

[1] see remarks under 2.1; adoption of IAS 19R (Restatement)

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 31 December 2011	**8 540**	**26 630**	**–21 018**	**–43 856**	**172 989**	**143 285**
Restatement					20	20
Balance at 1 January 2012 restated [1)]	**8 540**	**26 630**	**–21 018**	**–43 856**	**173 009**	**143 305**
Result					**9 487**	**9 487**
Other comprehensive income, net of taxes				**–346**	**–769**	**–1 115**
Comprehensive income				**–346**	**8 719**	**8 373**
Distribution from reserves from capital contributions	–	–5 594	–			–5 594
Share based payment transaction		–286	1 124			838
Changes in own shares, incl. tax effects		–289	1 179			890
Balance at 30 June 2012 restated [1)]	**8 540**	**20 461**	**–18 715**	**–44 202**	**181 728**	**147 812**
Balance at 31 December 2012 restated [1)]	**8 540**	**20 427**	**–17 670**	**–44 319**	**190 659**	**157 637**
Result					**10 546**	**10 546**
Other comprehensive income, net of taxes				**3 115**	**876**	**3 991**
Comprehensive income				**3 115**	**11 422**	**14 537**
Distribution from reserves from capital contributions	–	–6 520	–			–6 520
Share based payment transaction		–106	1 005			899
Changes in own shares, incl. tax effects		–34	4 455			4 421
Balance at 30 June 2013	**8 540**	**13 767**	**–12 210**	**–41 204**	**202 081**	**170 974**

[1)] see remarks under 2.1; adoption of IAS 19R (Restatement)

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 as per 30 June 2013 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 2012. The interim statements were approved by the Board of Directors on 24 July 2013.

The Interroll Group has adopted the amendments of the IASB in the standards and interpretations (IAS 1, IFRS 7, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 19, IAS 27 and IAS 28) that came into effect as per 1 January 2013. There was no significant impact with the exception of IAS 19R in the disclosure and reporting of this interim statement from the adoption of the new and amended standards and interpretations.

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. 2013	**Jan. – Jun. 2012**	**Change in %**	**30.06.2013**	**31.12.2012**	**Change in %**
1 EUR	1.229	1.203	2.1	1.234	1.207	2.2
1 USD	0.938	0.924	1.4	0.943	0.915	3.1
1 CAD	0.917	0.922	–0.5	0.900	0.919	–2.1
1 GBP	1.440	1.464	–1.7	1.439	1.479	–2.7
1 SGD	0.753	0.735	2.4	0.746	0.749	–0.5
1 CNY	0.152	0.146	3.7	0.154	0.147	4.7
1 PLZ	0.292	0.285	2.1	0.284	0.296	–4.0
1 THB	0.031	0.030	5.4	0.030	0.030	1.7
1 ZAR	0.100	0.117	–14.4	0.094	0.108	–12.6

New or amended IAS/IFRS standards and interpretations

The IASB has published new and revised standards and interpretations. These come into force later than 2014 and are not early adopted in this financial statement. The impact of the introduction/amendment of IFRS 9 as well IFRS 32 cannot yet be assessed with sufficient certainty or the expectations of the impact is in line with the disclosures made in the annual report 2012. Based on a first assessment, the Group Management does not expect significant impacts on the consolidated financial statements from these standards and interpretations.

Critical accounting estimates and judgments

The preparation of the consolidated interim financial statements requires management to make estimates, assumptions and judgments for the determination of income, expenses, assets, liabilities and for the disclosure of contingent liabilities. Such estimates, which are based on the 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 endusers are taken care 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.

The 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 one hand by turnover of the product groups and geographical markets and on the other hand by the reporting of the consolidated financial statements. The 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 7. These financial instruments include only foreign currency forward contracts. 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 as of 30 June 2013 (31 December 2012 CHF 0.2 million). The valuation is based on the information received from the bank.

Adoption of IAS 19R (Restatement)

The material impacts of the adoption of IAS 19R on the Interroll Group's financial reporting are as follows:
- Elimination of the corridor approach: Actuarial gains and losses (renamed to "remeasurements") will be recognised immediately in other comprehensive income.
- Calculation of pension costs: Annual costs for defined benefit plans comprise the net interest costs, measured on the funded status applying the same discount rate for plan assets and obligations.
- Past service costs are recognized immediately through profit or loss when they occur.
- Risk sharing: The new provision on sharing risk between employees and the employer has various impacts on the defined benefit obligation and the allocation of service costs.

The adoption of IAS 19R led to the restatement of prior periods.
The impacts on the relevant positions in the income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity for prior periods are shown below:

Consolidated statement of financial position

in thousands CHF	31.12.2012 Reported	Revaluation	31.12.2012 Restated
ASSETS			
Property, plant and equipment	76 828	–	76 828
Intangible assets	39 152	–	39 152
Financial assets	890	–	890
Deferred tax assets	2 118	720	2 838
Total non-current assets	**118 988**	**720**	**119 708**
Inventories	35 595	–	35 595
Current tax assets	741	–	741
Trade and other accounts receivable	57 439	–	57 439
Cash and cash equivalents	14 109	–	14 109
Total current assets	**107 884**	**–**	**107 884**
Total assets	**226 872**	**720**	**227 592**
EQUITY AND LIABILITIES			
Share capital	8 540	–	8 540
Share premium	20 427	–	20 427
Reserve for own shares	–17 670	–	–17 670
Translation reserve	–44 319	–	–44 319
Retained earnings	192 385	–1 726	190 659
Total equity	**159 363**	**–1 726**	**157 637**
Financial liabilities	5 025	–	5 025
Deferred tax liabilities	2 300	–	2 300
Pension liabilities	–	3 469	3 469
Provisions	6 345	–1 023	5 322
Total non-current liabilities	**13 670**	**2 446**	**16 116**
Financial liabilities	396	–	396
Current tax liabilities	9 068	–	9 068
Trade and other accounts payable	44 375	–	44 375
Total current liabilities	**53 839**	**–**	**53 839**
Total liabilities	**67 509**	**2 446**	**69 955**
Total liabilities and equity	**226 872**	**720**	**227 592**

Consolidated statement of financial position

in thousands CHF	30.06.2012 Reported	Revaluation	30.06.2012 Restated
ASSETS			
Property, plant and equipment	79 716	–	79 716
Intangible assets	40 066	–	40 066
Financial assets	934	–	934
Deferred tax assets	1 057	439	1 496
Total non-current assets	**121 773**	**439**	**122 212**
Inventories	47 073	–	47 073
Current tax assets	801	–	801
Trade and other accounts receivable	58 532	–	58 532
Cash and cash equivalents	11 822	–	11 822
Total current assets	**118 228**	**–**	**118 228**
Total assets	**240 001**	**439**	**240 440**
EQUITY AND LIABILITIES			
Share capital	8 540	–	8 540
Share premium	20 461	–	20 461
Reserve for own shares	–18 715	–	–18 715
Translation reserve	–44 202	–	–44 202
Retained earnings	182 446	–718	181 728
Total equity	**148 530**	**–718**	**147 812**
Financial liabilities	5 043	–	5 043
Deferred tax liabilities	1 611	–	1 611
Pension liabilities	–	2 112	2 112
Provisions	6 324	–955	5 369
Total non-current liabilities	**12 978**	**1 157**	**14 135**
Financial liabilities	14 018	–	14 018
Current tax liabilities	8 734	–	8 734
Trade and other accounts payable	55 741	–	55 741
Total current liabilities	**78 493**	**–**	**78 493**
Total liabilities	**91 471**	**1 157**	**92 628**
Total liabilities and equity	**240 001**	**439**	**240 440**

Consolidated income statement

in thousands CHF	Jan. – Jun. 2012 Reported	Revaluation	Jan. – Jun. 2012 Restated
Net Sales	**147 442**	**–**	**147 442**
Material expenses	–63 726	–	–63 726
Personnel expenses	–45 002	52	–44 950
Increase/(Decrease) in work in progress, finished products and own goods capitalised	1 706	–	1 706
Other operating expenses	–25 476	–	–25 476
Other operating income	4 562	–	4 562
Operating result before depreciation and amortisation (EBITDA)	**19 506**	**52**	**19 558**
Depreciation	–5 242	–	–5 242
Operating result before amortisation (EBITA)	**14 264**	**52**	**14 316**
Amortisation	–2 716	–	–2 716
Operating result (EBIT)	**11 548**	**52**	**11 600**
Financing expenses	–161	–14	–175
Financing income	158	–	158
Financing result	**–3**	**–14**	**–17**
Result before income taxes	**11 545**	**38**	**11 583**
Income tax expense	–2 088	–8	–2 096
Result	**9 457**	**30**	**9 487**

Consolidated statement of comprehensive income

in thousands CHF	Jan. – Jun. 2012 Reported	Revaluation	Jan. – Jun. 2012 Restated
Result	**9 457**	**30**	**9 487**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to income statement			
Remeasurements of pension liabilities	–	–971	–971
Income tax on items that will not be reclassified	–	202	202
Total items that will not be reclassified to income statement	**–**	**–769**	**–769**
Items that may be reclassified subsequently to income statement			
Currency translation differences	–346	–	–346
Income tax on items that may be reclassified	–	–	–
Total items that may be reclassified subsequently to income statement	**–346**	**–**	**–346**
Total other comprehensive income, net of taxes	**–346**	**–769**	**–1 115**
Total comprehensive income	**9 111**	**–739**	**8 373**

Consolidated statement of cash flows

in thousands CHF	Jan. – Jun. 2012 Reported	Revaluation	Jan. – Jun. 2012 Restated
Result	**9 457**	**30**	**9 487**
Depreciation, amortisation and impairment	7 958	–	7 958
Loss/(gain) on disposal of tangible and intangible assets	–15	–	–15
Loss/(gain) on disposal of non-current assets held for sale	–1 233	–	–1 233
Financing result	3	–	3
Income taxes	2 088	–	2 088
Changes in working capital	3 036	–	3 036
Changes in provisions	122	–	122
Income taxes paid	–3 987	–	–3 987
Personnel expenses on share based payments	838	–	838
Other non-cash (income)/expenses	–60	–30	–90
Cash flow from operating activites	**18 207**	**–**	**18 207**

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 31 December 2011	**8 540**	**26 630**	**–21 018**	**–43 856**	**172 989**	**143 285**
Restatement					20	20
Balance at 1 January 2012	**8 540**	**26 630**	**–21 018**	**–43 856**	**173 009**	**143 305**
Result					**9 458**	**9 458**
Other comprehensive income, net of taxes				**–346**	**–**	**–346**
Comprehensive income				**–346**	**9 458**	**9 112**
Distribution from reserves from capital contributions	–	–5 594	–			–5 594
Reclassification						
Share based payment transaction		–286	1 124			838
Changes in own shares, incl. tax effects		–289	1 179			890
Balance at 30 June 2012	**8 540**	**20 461**	**–18 715**	**–44 202**	**182 467**	**148 551**
Restatement					–739	–739
Balance at 1 July 2012	**8 540**	**20 461**	**–18 715**	**–44 202**	**181 728**	**147 812**
Balance at 31 December 2012	**8 540**	**20 427**	**–17 670**	**–44 319**	**191 667**	**158 645**
Restatement					–1 008	–1 008
Balance at 1 January 2013	**8 540**	**20 427**	**–17 670**	**–44 319**	**190 659**	**157 637**
Result					**10 546**	**10 546**
Other comprehensive income, net of taxes				**3 115**	**876**	**3 991**
Comprehensive income				**3 115**	**11 422**	**14 537**
Distribution from reserves from capital contributions		–6 520				–6 520
Share based payment transaction		–106	1 005			899
Changes in own shares, incl. tax effects		–34	4 455			4 421
Balance at 30 June 2013	**8 540**	**13 767**	**–12 210**	**–41 203**	**202 081**	**170 974**

2.2 Segment information

Net sales by geographical markets

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

in thousands CHF	Jan. – Jun. 2013	in %	Jan. – Jun. 2012	in %
Other Europe, Middle East, Africa	68 306	45.8	66 899	45.4
Germany	32 124	21.5	35 278	23.9
Switzerland	1 951	1.3	2 992	2.0
Total Europe, Middle East, Africa	**102 381**	**68.6**	**105 169**	**71.3**
USA	23 377	15.7	20 822	14.2
Other Americas	5 671	3.8	7 634	5.2
Total Americas	**29 048**	**19.5**	**28 456**	**19.4**
Asia incl. Australia	17 709	11.9	13 817	9.4
Total Asia and Pacific	**17 709**	**11.9**	**13 817**	**9.4**
Total Group	**149 138**	**100.0**	**147 442**	**100.0**

Material turnover with specific customers

Turnover is realised with more than 10 000 customers. There is no customer achieving a turnover of more than five per cent of Group sales.

Turnover by product group

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

in thousands CHF	2013	in %	2012	in %	2011	in %
Drives	54 598	36.7	51 734	35.0	50 332	36.7
Rollers	38 623	25.9	41 665	28.3	42 021	30.6
Conveyors & Sorters	26 068	17.5	25 559	17.3	21 781	15.9
Pallet- & Carton Flow	29 849	20.0	28 484	19.3	23 074	16.8
Total Group	**149 138**	**100.0**	**147 442**	**100.0**	**137 208**	**100.0**

2.3 Notes to the consolidated statement of financial position

Consolidated statement of financial position

Total assets increased compared to the year end 2012 by CHF 21.1 million. Particularely due to an increase in liquid funds, the net working capital increased by CHF 12.1 million to CHF 66.2 million. During the period under review trade and other accounts payable increased by CHF 9.2 million to CHF 63.0 million.

Investments/capital expanditures

Non-current assets decreased by CHF 0.2 million to CHF 119.5 million due to depreciations and amortisations being higher than capital expenditures. Major single investments during the period under review include the new Atlanta facility. Capital expenditures into intangible assets in essence are for the further development of SAP.

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 as per end of the reporting period increased by CHF 8.8 million compared to year end 2012. That is to say short term receivables and liquid funds exceed liabilities by CHF 17.5 million. The increase in free available funds reflects the cash flow resulting from business operations.

The total credit lines available as per end of the reporting period amount to CHF 80.8 million, of which CHF 75.5 million remain unused (end of 2012 CHF 77.4 million). From these credit lines CHF 40.0 million are committed until first half 2015 under condition that debt covenants are complied with.

The debt covenants that have not been changed since year end 2012 have always been complied with during the interim period as well as during the previous year period.

Equity

Equity increased by CHF 13.3 million to CHF 171.0 million compared to the previous year end. The distribution of reserves from capital contributions of net CHF 6.5 million took place on 17 May 2013 and has been debited accordingly to the equity. The equity ratio as per end of the interim period corresponds to 68.7 % (year end 2012: 69.3 %).

2.4 Notes to the consolidated income statement

Net sales

Net sales in reporting currency have increased by 1.2 % to CHF 149.1 million compared to the previous year's period. Excluding positive foreign currency effects the increase would have been changed into a decrease of 0.2 %. The positive translation effects mainly result from Euro and Thai Baht.

Earnings before interest and taxes (EBIT)

The operating profit EBIT rised from CHF 11.5 million in the previous year period to CHF 13.1 million in the current interim period which results in a margin of 8.8 % (previous year period: 7.9 %). Projects initiated last year regarding the optimisation of group wide strategic purchasing bear already fruits in form of an enhanced gross margin. Increased amortisations compared to previous year reflect the increased number of entities working with the ERP platform SAP.

Financing result and Income tax expense

Net financial expenses of CHF 0.5 million include net financial interest expenses of CHF 0.3 million as well as foreign exchange losses. Due to its decentralised structure the Interroll Group is generally not much exposed to currency fluctuations.

Financial result and Income tax expense

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 realizable losses carried forward. In the period under review tax charges resulting from previous years of CHF 0.5 million were incurred. A deferred tax asset of CHF 0.8 million could be capitalised through deferred tax income due to the encouraging developement of the North American production company of the product groups Rollers and Drives.

Result

The profit presented for the reporting period amounts to CHF 10.5 million (previous year: CHF 9.5 million).

2.5 Notes to the consolidated statement of cash flows

Cash flow from operating activities

The cash flow from operating activities amounts to CHF 17.6 million (previous year: CHF 18.2 million).

Cash flow from investing activities

For investments into buildings, machinery and the SAP ERP system net CHF 5.9 million were spent, compared to net CHF 3.3 million last year (after the disposal gain on sales of property in Spain).

Cash flow from financing activities

The payment from reserves from capital contribution for the net amount of CHF 6.5 million was processed on 17 May 2013 and is therefore included in the cash flow statement. Sales of own shares increased cash by CHF 4.4 million.

2.6 Notes to the consolidated statement of changes in equity

Capital contributions

The decision of the ordinary general shareholder meeting from 10 May 2013 to distribute CHF 8 per share from reserves from capital contributions was executed on 17 May 2013.

Option plan

12 711 options from the option plan were exercised in the period under review. In the previous year period no options were exercised. No additional options were attributed.

Assignment of shares

Shares assigned to members of the management in the amount of CHF 0.9 million (previous year: CHF 0.8 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 2013. 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 which would result in a materially different result in the second half year compared to the reporting period. However, current difficult economical environment can have an impact on the short term profitability.

Changes to the scope of consolidation in July 2013

– New Companies

Interroll's business activities in Italy are conducted by the newly formed Interroll Italia S.r.l. in Rho near Milan since June 2013. Previously, Interroll was represented in the Italian market by Rulmeca. The new company will be consolidated from 1 July 2013. The effects of the establishment of this new company will have no material impact on the Interroll Group's consolidated financial statements in the 2013 reporting year.

– Acquisitions

As per 10 July 2013 the Sales & Purchase Agreement to acquire the Portec International Group became effective. In excess of 60 000 installations ensure that Portec's curve conveyors are among the leading sector products for several decades. They are mainly used in airports, distribution centres and by courier and postal services providers. Portec essentially delivers services to its customer base from its works in the USA, complemented by a joint venture in Hong Kong in which Portec has a 60 % stake. The Portec International Group achieved a double-digit operating profit margin in 2012 and sales totalling around USD 20 million. Portec is headquartered in Cañon City, Colorado, where around 100 employees are based. The seller and ownergroup was owned by Incline Equity Partners, a private equity firm with registered office in Pittsburgh, Pennsylvania. The price for acquiring the companies amounted to USD 26.9 million. The Interroll Group is currently in the process to prepare the opening balance and the purchase price allocation. Therefore the Group does not disclose the opening balance and purchase price allo-cation for the mid-year report.

Contingent liabilities

There were no contingent liabilities in the period under review.

Financial Calendar

24 January 2014	Sales and order income results for the business year 2013
21 March 2014	Press conference for the business year and publication of Annual Report 2013
9 May 2014	General assembly for the business year 2013

IMPRESSUM

Publisher

Interroll Holding AG
Via Gorelle 3
6592 Sant'Antonino, Switzerland
Phone +41 91 850 25 25
Fax +41 91 850 25 05
www.interroll.com
www.interroll.com/ir (Investor Relations)

Contact

Paul Zumbühl
CEO
Phone +41 91 850 25 25
investor.relations@interroll.com

Concept and coordination:
Interroll Holding AG, Investor Relations

Layout/DTP:
Victor Hotz, Lasting Impressions In Print, Steinhausen

This interim report is also available in German.
The German version is binding.

INTERROLL®