INTERROLL®

HALF-YEAR REPORT 2014

INSPIRED BY EFFICIENCY

KEY FIGURES

in CHF million, if not stated otherwise	01.01.– 30.06.2014	01.01.– 30.06.2013	Changes in %
Incoming orders / net sales			
Total incoming orders	**172.9**	**170.6**	**1.3**
Drives	56.0	54.6	2.6
Rollers	39.4	38.6	2.1
Conveyors & Sorters	33.5	26.1	28.4
Pallet- & Carton Flow	28.2	29.8	–5.4
Total net sales	**157.1**	**149.1**	**5.3**
Profitability			
EBITDA	18.2	21.4	–14.9
in % of net sales	11.6	14.4	
EBITA	12.8	16.0	–20.2
in % of net sales	8.1	10.7	
EBIT	8.8	13.1	32.8
in % of net sales	5.6	8.8	
Result	**7.1**	**10.5**	**–32.2**
in % of net sales	4.5	7.1	
Cash Flow			
Operating cash flow	**5.0**	**17.6**	**–71.6**
in % of net sales	3.2	11.8	
Free cash flow	**0**	**11.2**	**–100.0**
in % of net sales	0	7.5	

in CHF million, if not stated otherwise	30.06.2014	31.12.2013	Changes in %
Balance sheet			
Total assets	265.5	258.2	2.9
Net financial assets (-debts)	12.5	20.2	
Equity	**186.1**	**187.2**	**–0.6**
Equity ratio (equity in % of assets)	70.1	72.5	
Return on equity (in %)	7.6	11.9	

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ABOUT INTERROLL

Interroll Group is a worldwide leading provider of high-quality key products and services for internal logistics. The company offers a broad product range in the four product groups “Rollers”, “Drives”, “Conveyors & Sorters” and “Pallet & Carton Flow” to around 23,000 customers around the world.

Core industries are courier, parcel, express and postal services, airports, food processing as well as distribution centres. Customers are amongst others well-known global brands such as Amazon, Bosch, Coca-Cola, Coop, DHL, FedEx, Peugeot, PepsiCo, Procter & Gamble, Siemens, Walmart or Yamaha.

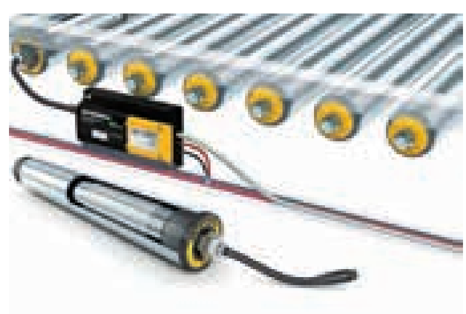
Interroll is engaged in global research projects on logistics efficiency and actively supports industry associations in developing standards. Headquartered in Sant’Antonino, Switzerland, Interroll operates a worldwide network of 31 companies with around 1,800 employees. The company was founded 1959. Since 1997, Interroll Group has been listed on the SIX Swiss Exchange and is included in the SPI index.

www.interroll.com

Interroll product groups

Rollers

Drives



Conveyors & Sorters

Pallet & Carton Flow

INTERROLL ON THE CAPITAL MARKET

International stock markets characterised by volatility

The development of the stock markets during the first half of 2014 was characterised by a volatile sideways movement. The crisis in Crimea and the resulting fear of a new East-West conflict, concerns over China's growth prospects and significant devaluations in currencies in various emerging nations exerted enormous pressure on the capital markets at times. On the other hand, the successful placement of government bonds by the countries in crisis Ireland and Portugal, signals from the European Central Bank (EZB) on further monetary policy easing and the raising of the American limit on debt had positive effects on the stock markets.

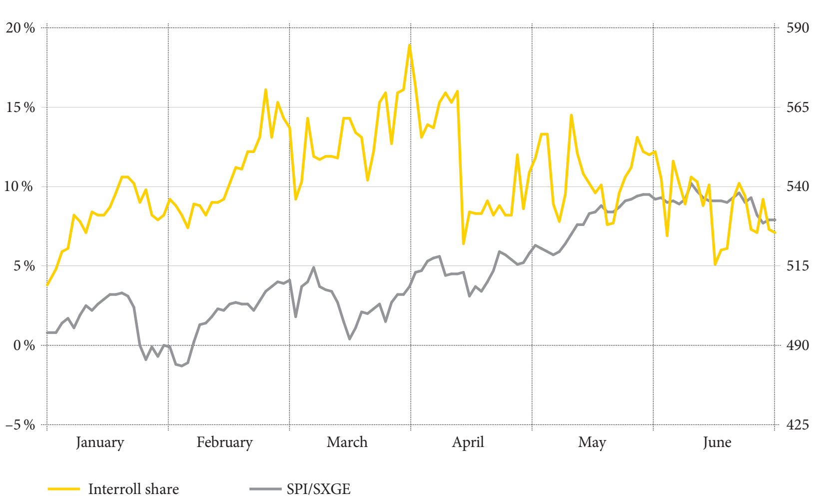
Whereas some of the European stock markets only managed to move sideways, the Swiss stock market experienced solid growth in the first six months of 2014. The SMI Index rose by 4.3 % compared to its closing price on 31 December 2013.

Interroll share developed positively

The Interroll share continued to show an upwards trend during the first half of 2014 following its extremely strong performance in 2013. On 30 June 2014, it closed at a price of CHF 525, which means it was 7.1 % higher than at the end of 2013.

The Interroll share's performance thus matched that of the SPI Index, which reached 8,456 points on 30 June 2014 and was thus 7.9 % higher than its year-end price of 7,838 points in 2013.

Share price performance Interroll vs. SPI /SXGE © Swissquote



REPORT BY THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

Kurt Rudolf
Chairman of the Board of Directors

Paul Zumbühl
CEO

Dear Shareholders, Customers and Business Partners,

For Interroll, the financial year 2014 can be positively characterised by important projects and investments aimed at achieving sustainable growth and profitability. The economic climate remains challenging and we continue to see diverse regional developments in the global market for internal logistics solutions. In Europe, however, the mood among our customers has improved considerably since the middle of the second quarter.

We succeeded in continuing our current growth course in the first six months of 2014. Our order intake increased from CHF 170.6 million in the first half of 2013 to CHF 172.9 million in 2014. Sales increased by a solid 9.1 % in local currency. In Swiss Francs, sales rose by 5.3 % in the first six months of 2014 to CHF 157.1 million (previous year: CHF 149.1 million). The first half of 2013 included a large one-time order placed by Red Bull in Thailand that was worth approximately CHF 6.5 million, however. If we were to leave this order from Red Bull out of the equation, we would have recorded a significantly higher order intake than last year.

Due to the good financial situation and solid balance sheet, we were able to drive two projects forward simultaneously from a position of strength in financial year 2014 in order to continue pursuing our growth strategy. On the one hand, we launched our new modular conveyor platform in Europe. On the other hand, we consolidated our plants in the USA. Both projects have a one-time impact on the result of our current financial year. The additional costs that can be considered an investment in our continued growth only represent a temporary short term burden on our earnings. Around two-thirds were already incurred in the first half of 2014.

Our EBITDA was therefore CHF 18.2 million (previous year: CHF 21.4 million) on 30 June 2014 and our EBITDA margin was at 11.6 % (previous year: 14.4 %). Earnings amounted to CHF 7.1 million (previous year: CHF 10.5 million).

With the launch of our new modular conveyor platform, we have laid yet another important cornerstone on ensuring a sustainably positive business development. This new concept offers our customers key advantages starting from faster planning and installation of the system to up to 50 % shorter delivery times, high flexibility and increased throughput, but also energy savings and rapid return on investment. The feedback on the introduction of the new platform at CeMAT in Hanover in May 2014 was overwhelmingly positive. We will begin introducing it to the market in the fall of 2014 and then launch the platform in the USA and China in 2015. We expect our new platform to have a very positive effect on our sales in the medium term.

We decided to consolidate our companies in North America mainly for the following reasons: we acquired Portec, yet another company in the USA, in 2013 and we built up our new regional Center of Excellence in Atlanta. We expect to continue to see strong growth in North America. We will continue to optimise our manufacturing. This called for us to close our two plants in Jeffersonville, USA, and Concord, Canada, and bundle production at our regional Centres of Excellence in Wilmington and Atlanta. We are also planning to expand our new Portec site in Cañon City, Colorado, into a regional Centre of Excellence. The new regional Center of Excellence in Atlanta, a state-of-the-art production facility for dynamic storage, modules and subsystems, was officially opened in March 2014. 160 enthusiastic customers attended the opening event. This means we laid important milestones in the first half of 2014 on strengthening our position in the North American market.

Interroll announced the acquisition of Pert Engineering in Shenzhen, China, on 1 July 2014. We gain direct sales access for our high-quality belt curves and other internal logistics solutions in China through this acquisition. The Pert production site employs 60 experienced people, holds a leading position and specialises in serving airports, distribution and logistics customers in the Asia-Pacific region. With this acquisition, we are continuing to execute on our strategy of pursuing further growth in the area of belt curves. We already took the first step by acquiring Portec in the USA in 2013.

Interroll also took the next strategic step in gaining access to the Chinese market by opening a new Asian headquarters in Shanghai in March 2014. Together with the regional Center of Excellence in Suzhou and the new plant in Shenzhen as production sites, we will extend the services we offer to customers across Asia. We expect the demand for products and solutions in the area of intra-company logistics in China to continue to grow sharply in the years to come.

We also strengthened our sales activities in Europe and now serve the Portuguese market too with our own sales force. In the past, Interroll Spain served our customers here. Now, they stand to benefit from direct, first-class service.

Our excellent performance, strong power of innovation and confidence in our business, but also our growth possibilities are also reflected in our share's development, which rose by 7.1 % in the first half of 2014. Interroll's share price was CHF 525 on 30 June 2014.

We will continue to do everything we can to continue writing Interroll's success story this year too. With our clear focus on innovations, we will seek to meet the high demands that our customers place on key products and solutions in the area of internal logistics and thus further extend our leading global market and technological position.

We would like to thank all of our employees for their commitment in contributing to Interroll's positive development. And we also thank our customers, suppliers, financiers and, of course, you, our dear shareholders, for your trust in our company.

Sant'Antonino, 8 August 2014

Kurt Rudolf
Chairman of the Board of Directors

Paul Zumbühl
CEO
Chief Executive Officer

OVERVIEW OF FINANCIAL POSITION, EARNINGS AND CASH FLOWS

Significant events for business development

On 1 July 2014, we announced the acquisition of Pert Engineering in Shenzhen, China. The company is a market leader and specialises in serving airport, distribution and logistics customers in the Asia-Pacific region. The acquisition of our previous joint venture partner, who was a licensed manufacturer of Portec belt curves, gives us direct sales access for our high-quality belt curves and other internal logistics solutions in China. The company reported sales of around USD 4 million in 2013. Through this acquisition, we are continuing to implement our strategy of further internationalisation and growth in the area of belt curves.

Continued positive development of order intake and sales

In the first six months of 2014, order intake increased to CHF 172.9 million (2013: CHF 170.6 million). Sales reached CHF 157.1 million and thus rose by 5.3 % compared to the 2013 reporting period, which was already quite strong (CHF 149.1 million). The previous year's figures included the large one-time order we received from Red Bull Thailand worth approximately CHF 6.5 million.

In local currency, we managed to increase our order intake by 4.5 % and our sales by a very good 9.1 %.

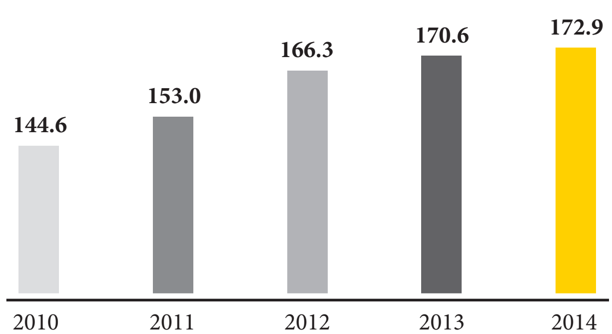
The growth in order intake and sales can be attributed to organic growth in sales as well as successful integration of Portec, the company we acquired in the USA.

Results burdened by investments in future growth

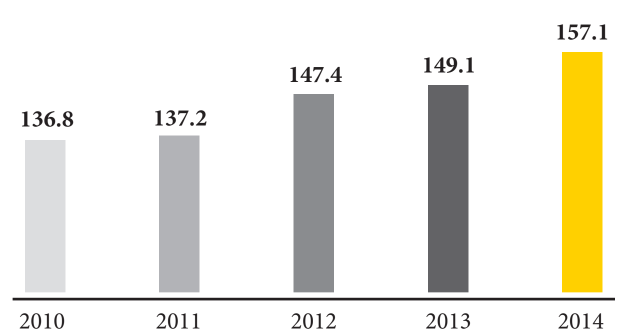
In the first half of 2014, we made significant future-oriented investments that incurred exceptionally one-time expenses. Due to our solid financial situation, we pushed consolidation of our companies in North America as part of our acquisition of Portec Inc. as well as the new Center of Excellence in Atlanta. This together with the development of our new modular conveyor platform had a negative one-time impact on our results for the first half of the year.

For this reason, our profit before interest, taxes, depreciation and amortisation (EBITDA) was CHF 18.2 million in the first half of 2014 (previous year: CHF 21.4 million). Our EBITDA margin was 11.6 % (previous year: 14.4 %).

Order intake



Net sales



Earnings before interest and taxes (EBIT) was CHF 8.8 million in 2014 compared to CHF 13.1 million in 2013. The EBIT margin in 2014 was 5.6 % following 8.8 % in 2013. The reporting period 2014 includes additional amortisation from the acquisition of the patents and customer assets of the 2013 acquired company Portec of nearly CHF 0.9 million.

Compared to last year's result of CHF 10.5 million, this year's result was CHF 7.1 million.

Balance sheet reflects growth and acquisition

The balance sheet increased as of 30 June 2014 to CHF 265.5 million and was thus 2.9 % higher than the value at the end of 2013 (CHF 258.2 million). This increase can be attributed to various inward stock movements and additional assets.

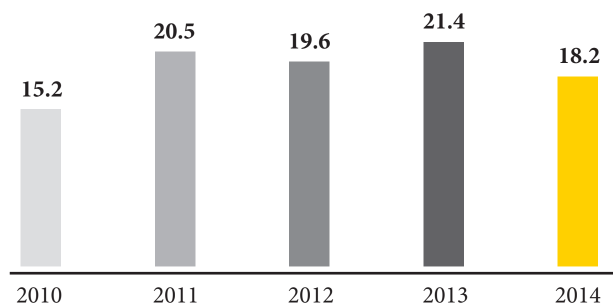
Equity amounted to CHF 186.1 million on 30 June 2014 and was thus slightly lower than it was on 31 December 2013 (CHF 187.2 million). This mainly resulted from the distribution out of reserves from capital contributions that was approved at the Annual General Meeting in May 2014. The equity ratio was thus 70.1 % compared to 72.5 % on 31 December 2013.

Continued positive free cash flow

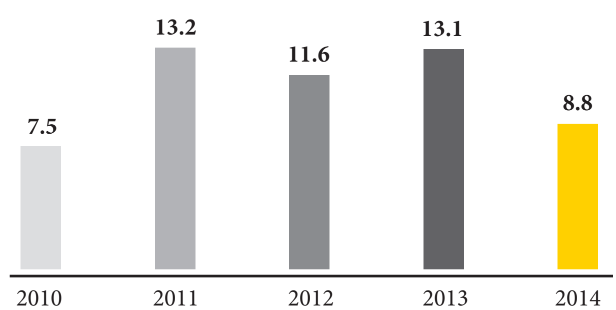
We generated an operating cash flow of CHF 5.0 million in the first six months of 2014. The decline compared to the previous year's period can mainly be attributed to lower earnings and increased current assets.

The investments in future growth of CHF 6.2 million were mainly related to our new plant in Atlanta, expansion and modernisation of our machinery, and the SAP project. We were able to generate free cash flow of CHF 0.03 million in the first half of 2014.

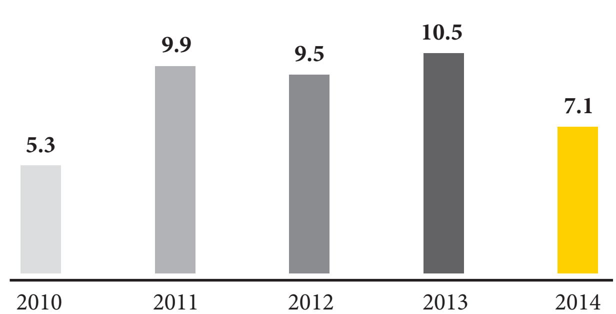
EBITDA



EBIT



Result



OVERVIEW BY PRODUCT GROUP

Product group "Drives"

The product group Drives continued its successful growth by 2.6 % to CHF 56.0 million in the first half of 2014 (2013: CHF 54.6 million). Order intake increased by 2.6 % from CHF 55.4 million to CHF 56.9 million. In local currency the order intake was substantially higher. A variety of different factors contributed to this positive development.

The trend towards greater flexibility and higher energy savings with conveyors remains intact and has a positive effect on our sales in the area of RollerDrives. Here we are the only vendor that offers a broad 24 volt RollerDrive product portfolio that ranges from RollerDrives and control systems to complete modular solutions for easy installation. Sustainability also plays an increasingly important role for our customers. Our energy-saving RollerDrives are not only ideal for installation at new facilities, but also for so-called retrofitting. We offer our customers the chance to either switch over to a new system at once or to gradually implement our new technology.

The renowned company Villeroy & Boch's high-bay warehouse in Merzig, Germany, is an excellent example. We started switching their commissioning system over to RollerDrives about seven years ago and in the meantime have converted several of the individual commissioning zones over from the old 400 volt system to our 24 volt drives. Approximately 30 % energy savings have been achieved and the speed has increased by roughly the factor of 10 with this new system.

We continued our development efforts in the area of drum motors and managed to reduce the noise level of our synchronous drum motors. The newly developed Interroll Multiprofile also offers our customers significant benefits such as increased flexibility, a reduction in the maintenance and retrofit times and lower storage. Interroll Multiprofile is manufactured using yet another new development, the "Interroll Premium Hygienic PU," a hygiene-friendly material that complements our product portfolio that meets European hygiene regulations (EHEDG).

Interroll Multiprofile contributes to higher flexibility, reduction of maintenance and retrofit times and lower storage.

In Europe, our drum motors are used among others by the Italian global market leader in the area of packaging and sealing machines, G. Mondini Spa. To date we have already shipped 20,000 drum motors to this customer and always meet its strict demands for quality and offer fast service from Interroll all over the world.

In the USA, our drum motors have received certification and approval by the US Department of Agriculture (USDA). Our drum motor is thus one of the few that meets the hygiene regulations on the construction and manufacturing of devices used to process milk products and thus the strict regulations on food safety and processing. With an average growth rate of around 9 % in the years to come, we feel the food market in the USA will offer attractive potential for acquiring more new customers in the future.

We have also worked on further optimising our processes and on our production layout at our Centre of Excellence for drum motors in Baal, Germany. This translates into even faster delivery times for our customers.

Product group "Rollers"

We are seeing a positive development in our product group Rollers. We posted sales of CHF 39.4 million which were thus 2.1 % higher than the previous year's figure of CHF 38.6 million. We managed to increase order intake rather significantly from CHF 38.8 million in the first half of 2013 to an encouraging CHF 41.1 million in 2014 (+ 6.0 %).

The 500 million conveyor rollers we manufactured until today make us the global market leader in this area. Our partners also appreciate us because of our quick delivery times and good quality and we have been realising outsourcing projects for years. In fact, we also realised this type of outsourcing project for an important customer in the first half of 2014.

We continue to offer our customers the chance to plan our rollers in their own layout by using our Interroll configurator software. Through our platform we are able to produce 60,000 different roller variants on the basis of considerably lower raw material. This software is being received very positively by the market. And understandably so, because it helps save a lot of time in planning a system.

Product group "Conveyors & Sorters"

The product group Conveyors & Sorters managed to top last year's high sales figure, due to the acquisition of Portec among other things, and reported sales of CHF 33.5 million, an impressive 28.4 % higher than in the first six months of 2013 (CHF 26.1 million). Order intake in 2014 was CHF 47.8 million compared to CHF 39.0 million in 2013 (+ 22.7 %).

The trend toward automation driven mainly by e-commerce and ergonomics in the working environment continues. Trading companies are demanding both flexibility and speed.

We received lucrative orders for our sorters from Asia-Pacific. The Chinese Post with whom we were already working together successfully placed another order for several sorters. Furthermore, we installed new conveyor technology at Alfamart, Indonesia's largest retailer, for the ninth time and equipped the new distribution centre in Karawang with conveyors. We also successfully installed a cross belt sorter that sorts around 50,000 shipments per day at City-Link Express, an international provider of courier services based in Malaysia.

Our new modular conveyor platform, which we introduced to a global audience for the first time in May 2014 at CeMAT in Hanover, will be launched in Europe starting in the fall of 2014. The launch in the USA and China will follow in 2015. In the medium term, we expect this innovative platform to have a very positive impact on sales. This area offers great outsourcing potential and meets with considerable interest among our customers. New applications can be supported due to our flexibility and much shorter delivery times.

Paul Zumbühl, CEO Interroll Worldwide Group, and Michael Kuhn, Managing Director Interroll Automation Sinsheim, introduce the new Modular Conveyor Platform to an international press audience.

Product group "Pallet & Carton Flow"

The development of sales and order intake this year in the Pallet & Carton Flow product group is significantly influenced by the order that Red Bull Thailand placed in the first half of 2013 worth around CHF 6.5 million. This large, one-time order therefore distorts the picture somewhat.

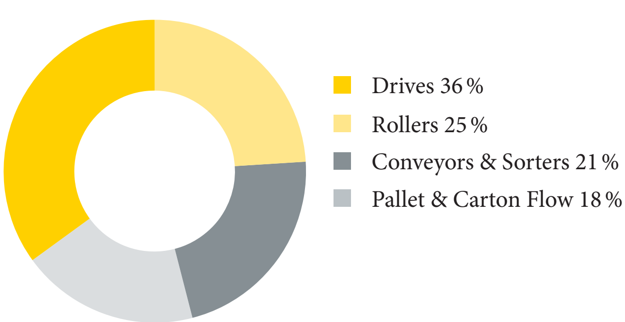
For this reason, sales of CHF 28.2 million were somewhat lower than in the same period last year (2013: CHF 29.8 million). Order intake dropped from CHF 37.5 million to CHF 27.2 million. Besides, several projects were rescheduled in Southeast Asia.

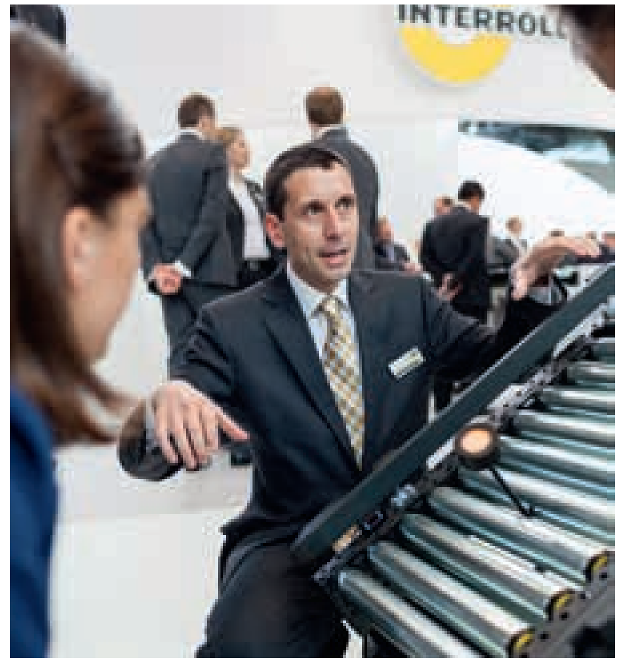
We are seeing high demand for our dynamic storage solutions in North America. For example, for the first time ever, we received an order valued at more than CHF 1 million from an important German manufacturer in the area of laundry & home care in Mexico through a local partner.

Sales in the area of Pallet & Carton Flow in North and South America rose by very good 21.8 % in the first half of 2014.

We installed our Versi-Flow System at Pick n Pay, the most important retailer in Africa, in close cooperation with the filler SABMiller back at the beginning of 2014. Interroll Versi-Flow, an economical, versatile product from the product family Carton Flow, is based on the First In-First Out system (FIFO) and guarantees faster access to the products stored and ergonomically better storage and goods issue. This optimises retailers' work processes.

Sales by product groups





The introduction of the new Modular Conveyor Platform at CeMAT generated large interest with the international visitors.

We are also very successful in Germany with our dynamic storage solutions and are now a service partner for a large American manufacturer of soft drinks. And in France, we received an order from a large Swedish furniture chain to equip 30 warehouses with our Versi-Flow system following an intensive and successful test phase.

Thanks to our new cooperation partner Trading House "Kifato MK" in Russia, we will be able to tap into this market much better in the future. Trading House "Kifato MK" already has a strong market position; therefore we will be able to selectively expand our sales capacities there.

OVERVIEW BY REGION

Different developments in the three operative regions

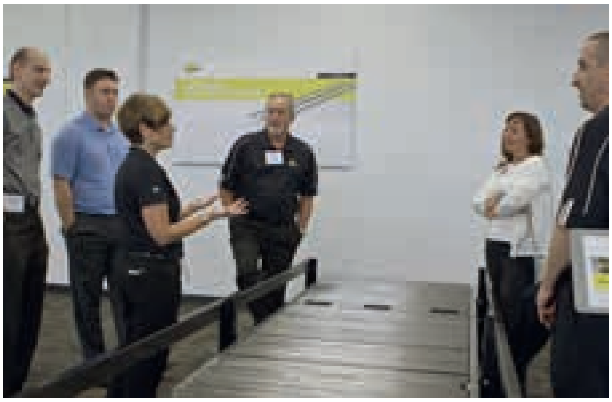
We have continued to pursue our internationalisation strategy by entering into new markets and acquiring new customers. And, in fact, business developed positively in all three regions, EMEA (Europe, the Middle East and Africa), the Americas and Asia-Pacific.

Positive trend characteristic of development in the EMEA region

Whereas sales in the EMEA region declined by 5.7 % in financial year 2013, our sales in the first half of 2014 were virtually stable at CHF 101.0 million compared to 2013 (CHF 102.4 million). Our customers were in a much better mood in the second quarter of 2014 and we expect this to have a positive effect on order intake in the second half of 2014 and in 2015.

Sales in the various European regions continued to develop at different paces. Due to investments in logistics projects that were overdue in France, Germany and Spain, we managed to increase sales in these countries by an average of 5 %. Growth in Scandinavia even exceeded 10 %. Our companies in Italy and Turkey also developed extremely positively. In fact, the Italian company we opened in 2013 was already able to obtain interesting orders in the area of «Conveyors & Sorters».

By establishing our own sales in Portugal, we will be able to serve this market directly in the future. The main focus here will be on the areas food processing, e-commerce, postal and package services, as well as security and logistics at airports.



Small customer groups visit the new Center of Excellence in Atlanta during the grand opening.

Sales develop very positively in the Americas

Sales growth of 27.6 % in the Americas during the first half of 2014 can for the most part be attributed to the acquisition of Portec in July 2013. Sales in the first six months of 2014 amounted to CHF 37.1 million compared to CHF 29.0 million in 2013.

The first half of 2014 was characterised by the consolidation of our companies in North America and the start-up phase at our new regional Center of Excellence in Atlanta. We closed our plants in Jeffersonville, USA, and Concord, Canada, and bundled manufacturing at our regional Centers of Excellence in Wilmington and Atlanta. In addition, we are planning to expand our Portec site in Cañon City into a regional Center of Excellence.

In Brazil, we are experiencing an above average development including extremely interesting customer projects that are now in planning. For this reason, we expect to see our business continue to develop positively.

Sales in the Asia-Pacific region continue to rise

The Asia-Pacific region continues to be of great importance to our growth potential. With the improvement in living standards in the emerging nations here, demand for our products will continue to increase and thus the demand for the appropriate internal logistics solutions. In 2014, sales rose by 7.3 % to CHF 19.0 million. Sales were CHF 17.7 million the year before and included a major one-time order from Red Bull in Thailand that was worth roughly CHF 6.5 million.

Compared to the same period of the previous year, our sales in China rose by approximately 61 %. And we are also seeing an extremely positive development in Japan and Australia.

Southeast Asia clearly failed to meet our expectations due to the fact that several projects were rescheduled. On the other hand, we received several highly promising inquiries from Indonesia and the Philippines.

We continued to pursue our growth strategy in Asia-Pacific in 2014. In March 2014, we celebrated the official opening of our new Asian headquarters in Shanghai. Together with the regional Center of Excellence in Suzhou, we will speed up Interroll's expansion in China from here and offer our Asian customers even better service. We expect the continued boom in market segments such as e-commerce and food processing in China to result in a steady increase in demand in the area of internal logistics solutions. E-commerce sales in China have at least doubled over the last five years to more than 1 trillion Yuan (circa CHF 145 billion) in 2013.

Inauguration of the new Asia headquarter in Shanghai by Dr. Ben Xia, Executive Vice President Asia (middle) and Mike Wang, General Manager Sales Interroll China (right)

In addition, on 1 July 2014 we signed a definitive agreement to acquire Pert Engineering in Shenzhen, China, which will most likely be concluded by the beginning of August 2014. The company is a market leader in Asia in the area of belt curves and this will give us direct access to its existing customers, particularly in the area of express package deliveries and baggage handling systems.

Shenzhen is our fourth site in China next to Suzhou, Hong Kong and Shanghai and represents yet another consequent execution of our strategy of offering our more than 23,000 customers around the world our global product portfolio more quickly by strengthening our local manufacturing.

1 FINANCIAL INTERIM STATEMENTS OF INTERROLL GROUP

1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands CHF	30.06.2014	in %	31.12.2013	in %
ASSETS				
Property, plant and equipment	82,012		83,266	
Intangible assets	49,579		53,054	
Financial assets	703		732	
Deferred tax assets	3,642		3,387	
Total non-current assets	**135,936**	**51.2**	**140,439**	**54.4**
Inventories	42,571		38,119	
Current tax assets	1,040		706	
Trade and other accounts receivable	68,042		58,164	
Cash and cash equivalents	17,934		20,797	
Total current assets	**129,587**	**48.8**	**117,786**	**45.6**
Total assets	**265,523**	**100.0**	**258,225**	**100.0**
EQUITY AND LIABILITIES				
Share capital	8,540		8,540	
Share premium	6,415		13,740	
Reserve for own shares	–1,260		–1,641	
Translation reserve	–46,092		–45,454	
Retained earnings	218,206		211,915	
Non-controlling interests	261		145	
Total equity	**186,070**	**70.1**	**187,245**	**72.5**
Financial liabilities	253		253	
Deferred tax liabilities	4,555		5,071	
Pension liabilities	3,995		2,824	
Provisions	6,106		5,902	
Total non-current liabilities	**14,909**	**5.6**	**14,050**	**5.4**
Financial liabilities	5,224		320	
Current tax liabilities	7,232		9,831	
Trade and other accounts payable	52,088		46,779	
Total current liabilities	**64,544**	**24.3**	**56,930**	**22.1**
Total liabilities	**79,453**	**29.9**	**70,980**	**27.5**
Total liabilities and equity	**265,523**	**100.0**	**258,225**	**100.0**

1.2 CONSOLIDATED INCOME STATEMENT

in thousands CHF	Jan.–Jun. 2014	in %	Jan.–Jun. 2013	in %	Variance	in %
Net Sales	**157,068**	**100.0**	**149,138**	**100.0**	**7,930**	**5.3**
Material expenses	–67,956	–43.3	–60,552	–40.6		
Personnel expenses	–50,551	–32.2	–45,526	–30.5		
Increase / (Decrease) in work in progress, Finished products and own goods capitalised	3,194	2.0	805	0.5		
Other operating expenses	–28,271	–18.0	–26,627	–17.9		
Other operating income	4,756	3.0	4,206	2.8		
Operating result before depreciation and amortisation (EBITDA)	**18,240**	**11.6**	**21,444**	**14.4**	**–3,204**	**–14.9**
Depreciation	–5,471	–3.5	–5,445	–3.7		
Operating result before amortisation (EBITA)	**12,769**	**8.1**	**15,999**	**10.7**	**–3,230**	**–20.2**
Amortisation	–3,981	–2.5	–2,922	–2.0		
Operating result (EBIT)	**8,788**	**5.6**	**13,077**	**8.8**	**–4,289**	**–32.8**
Financing expenses	–220	–0.1	–476	–0.3		
Financing income	371	0.2	47	0.0		
Financing result	**151**	**0.1**	**–429**	**–0.3**	**580**	**–135.2**
Result before income taxes	**8,939**	**5.7**	**12,648**	**8.5**	**–3,709**	**–29.3**
Income tax expense	–1,793	–1.1	–2,102	–1.4		
Result	**7,146**	**4.5**	**10,546**	**7.1**	**–3,400**	**–32.2**
Result attributable to:						
– Non-controlling interests	116	0.1				
– Owners of Interroll Holding Ltd.	**7,030**	**4.5**	**10,546**	**7.1**	**–3,516**	**–33.3**
Earnings per share (in CHF)						
Non-diluted earnings per share	8.27		12.95		–4.68	–36.1
Diluted earnings per share	8.27		12.87		–4.60	–35.7

1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands CHF	Jan.–Jun. 2014	Jan.–Jun. 2013
Result	**7,146**	**10,546**
Other comprehensive income		
Items that will not be reclassified to income statement		
Remeasurements of pension liabilities	–933	1,102
Income tax on items that will not be reclassified	185	–226
Total items that will not be reclassified to income statement	**–748**	**876**
Items that may be reclassified subsequently to income statement		
Currency translation differences	–629	3,115
Income tax on items that may be reclassified		
Total items that may be reclassified subsequently to income statement	**–629**	**3,115**
Other comprehensive income	**–1,377**	**3,991**
Comprehensive income	**5,769**	**14,537**
Result attributable to:		
– Non-controlling interests	116	
– Owners of Interroll Holding Ltd.	**5,653**	**14,537**

1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands CHF	Jan.–Jun. 2014	Jan.–Jun. 2013
Result	**7,146**	**10,546**
Depreciation, amortisation and impairment	9,452	8,368
Loss / (gain) on disposal of tangible and intangible assets	–633	–14
Financing result	–151	429
Income taxes	1,793	2,102
Changes in inventories	–3,962	–8,269
Changes in trade and other accounts receivable	–10,670	–2,657
Changes in trade and other accounts payable	5,483	9,188
Changes in provisions	329	567
Income taxes paid	–5,313	–4,118
Personnel expenses on share-based payments	926	899
Other non-cash (income)/expenses	626	524
Cash flow from operating activities	**5,026**	**17,565**
Acquisition of property, plant and equipment	–5,492	–4,953
Acquisition of intangible assets	–662	–979
Acquisition of financial assets	–18	–645
Proceeds from disposal of property, plant and equipment	1,074	129
Proceeds from disposal of intangible assets		2
Settlement of loans receivable	44	4
Interests received	60	47
Cash flow from investing activities	**–4,994**	**–6,395**
Free cash flow	**32**	**11,170**
Distribution from reserves from capital contributions	–7,494	–6,520
Acquisition of own shares	–375	
Disposal of own shares		4,418
Proceeds from financial liabilities	4,970	114
Repayment of financial liabilities	–52	–347
Interests paid	–47	–70
Cash flow from financing activities	**–2,998**	**–2,405**
Translation adjustment on cash and cash equivalents	103	–63
Changes in cash and cash equivalent	**–2,863**	**8,702**
Cash and cash equivalent at 1 January	20,797	14,109
Cash and cash equivalent at 30 June	**17,934**	**22,811**

1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands CHF	SHARE CAPITAL	SHARE PREMIUM	RESERVE FOR OWN SHARES	TRANSLATION RESERVE	RETAINED EARNINGS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
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 payments		–106	1,005				899
Sales of 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**
Balance at 31 December 2013	**8,540**	**13,740**	**–1,641**	**–45,463**	**211,924**	**145**	**187,245**
Result					**7,030**	**116**	**7,146**
Other comprehensive income, net of taxes				**–629**	**–748**		**–1,377**
Comprehensive income				**–629**	**6,282**	**116**	**5,769**
Distribution from reserves from capital contributions, net		–7,494					–7,494
Share-based payments		169	756				925
Purchase of own shares incl. tax effects			–375				–375
Balance at 30 June 2014	**8,540**	**6,415**	**–1,260**	**–46,092**	**218,206**	**261**	**186,070**

2 NOTES TO THE CONSOLIDATED FINANCIAL INTERIM STATEMENTS

2.1 BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Convention of preparation

The condensed, unaudited consolidated interim financial statements at 30 June 2014 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 2013. The interim statements were approved by the Board of Directors on 24 July 2014.

The Interroll Group has adopted the amendments of the IASB in the standards and interpretations (IAS 39, IAS 32, IFRIC 21 and the annual improvement project) that came into effect at 1 January 2014. IAS 36 was adopted early on at 1 January 2013. There was no significant impact on 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. 2014	Jan.–Jun. 2013	Change in %	30. Jun. 2014	31. Dec. 2013	Change in %
1 EUR	1.219	1.229	–0.8	1.216	1.228	–1.0
1 USD	0.889	0.938	–5.2	0.890	0.890	0.0
1 CAD	0.811	0.917	–11.6	0.833	0.837	–0.4
1 GBP	1.488	1.440	3.4	1.517	1.472	3.0
1 SGD	0.706	0.753	–6.2	0.713	0.705	1.1
1 CNY	0.144	0.152	–5.3	0.144	0.147	–2.4
1 PLZ	0.292	0.292	0.0	0.292	0.296	–1.0
1 THB	0.027	0.031	–13.1	0.027	0.027	0.7
1 ZAR	0.083	0.100	–17.0	0.084	0.084	–0.2

New or amended IAS/IFRS standards and interpretations

The IASB has published new and revised standards and interpretations. These come into force later than 1 July 2014 and are not early adopted in this financial statement. The impact of the introduction/amendment of IFRS 9 (Financial Instruments), IFRS 11 (Joint Arrangements), IFRS 15 (Revenue Recognition) and IAS 19 (employee benefits) cannot yet be assessed with sufficient certainty or the expectations of the impact is in line with the disclosures made in the annual report 2013. Based on a first assessment, with the exception of IFRS 15, the Group Management does not expect significant impacts on the consolidated financial statements from these standards and interpretations.

Critical accounting estimates and judgements

The preparation of the consolidated interim financial statements requires management to make estimates, assumptions and judgements for the determination of income, expenses, assets, liabilities and for the disclosure of contingent liabilities. Such estimates, which are based on 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 of by tailor-made product offerings and differentiated consulting levels. The Interroll manufacturing units focus on the production of specific product ranges. Assembly units receive semi-finished products from the manufacturing units and assemble a wide product range to serve their local markets. The Interroll Research Center, which is centrally located, develops new application technologies and new products for all product groups. Centers of Excellence which focus on specific product groups, concentrate on the development of their assigned product portfolio.

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 13. 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 0.0 million at 30 June 2014 (31 December 2013: CHF 0.2 million).

2.2 SEGMENT INFORMATION

Net sales by geographical markets

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

in thousands CHF	Jan.–Jun. 2014	in %	Jan.–Jun. 2013	in %
Other Europe, Middle East, Africa	73,412	46.7	68,306	45.8
Germany	25,770	16.4	32,124	21.5
Switzerland	1,854	1.2	1,951	1.3
Total Europe, Middle East, Africa	**101,036**	**64.3**	**102,381**	**68.6**
USA	30,126	19.2	23,377	15.7
Other Americas	6,949	4.4	5,671	3.8
Total Americas	**37,075**	**23.6**	**29,048**	**19.5**
Asia incl. Australia	18,957	12.1	17,709	11.9
Total Asia-Pacific	**18,957**	**12.1**	**17,709**	**11.9**
Total Group	**157,068**	**100.0**	**149,138**	**100.0**

Material turnover with specific customers

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

Turnover by product group

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

in thousands CHF	Jan.–Jun. 2014	in %	Jan.–Jun. 2013	in %
Drives	55,988	35.7	54,598	36.6
Rollers	39,390	25.1	38,623	25.9
Conveyors & Sorters	33,498	21.3	26,068	17.5
Pallet & Carton Flow	28,192	17.9	29,849	20.0
Total Group	**157,068**	**100.0**	**149,138**	**100.0**

2.3 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position

Total assets increased compared to year end 2013 by CHF 7.3 million. Particularly due to an increase in accounts receivable, the net working capital increased by CHF 4.2 million to CHF 65.0 million. During the period under review trade and other accounts payable increased by CHF 5.3 million to CHF 52.1 million.

Investments / capital expenditures

Total CHF 6.2 million in gross capital expenditures were invested. Non-current assets reached CHF 135.9 million. Capital expenditure 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 at end of the reporting period decreased by CHF 7.8 million compared to year end 2013 and reached CHF 12.5 million by 30 June 2014.

Total credit lines available at end of the reporting period amount to CHF 79.4 million, of which CHF 74.2 million remain unused (end of 2013: CHF 80.6 million). From these credit lines, CHF 40.0 million are committed until first half 2015.

The debt covenants that have not been changed since year end 2013 have always been complied with during the interim period as well as during the previous year period.

Equity

Equity decreased by CHF 1.2 million to CHF 186.1 million compared to the previous year end. The distribution of reserves from capital contributions of net CHF 7.5 million took place on 17 May 2014 and has been debited accordingly to the equity. The equity ratio at end of the interim period corresponds to 70.1 % (year end 2013: 72.5 %).

2.4 NOTES TO THE CONSOLIDATED INCOME STATEMENT

Net sales

Net sales in reporting currency have increased by 5.3 % to CHF 157.1 million compared to the previous year‘s period. Excluding negative foreign currency effects of 3.8 % the increase would have been 9.1 % in local currencies. About half of the increase is driven by the Portec acquisition. On the one hand side, the negative currency effects result from dollar areas (mainly USA, Canada and Australia) and on the other hand side from emerging market countries (mainly Turkey, South Africa, Thailand and Brasil). Organic growth expressed in local currency reached 4.2 %.

Earnings before interest and taxes (EBIT)

The development of the new modular conveyor platform in Germany and the reorganisation of Interroll companies in North America (USA and Canada) led to one time costs and a decrease of the operating profit. EBITDA decreased by 14.9% to CHF 18.2 million (previous year: CHF 21.4 million). EBIT decreased by 32.8% and reached CHF 8.8 million (previous year: CHF 13.1 million). Increased amortisation compared to previous year results from the increased number of entities working with the ERP platform SAP and the acquisition of patents and customer values related to the Portec acquisition.

Financing result and income tax expense

Net financial expenses of CHF 0.2 million include net financial interest expenses as well as foreign exchange losses. Net financial income of CHF 0.4 million include net financial interest income and foreign currency valuation effects. 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 realisable losses carried forward. In the period under review tax charges resulting from previous periods were incurred of CHF 1.1 million (previous year: CHF 0.5 million).

Result

The net profit presented for the reporting period amounts to CHF 7.1 million (previous year: CHF 10.5 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 5.0 million (previous year: CHF 17.6 million).

Cash flow from investing activities

For investments into buildings, machinery and the SAP ERP system CHF 6.2 million were spent before the sale of certain business activities in the USA, compared to net CHF 5.9 million last year. At 28 February 2014 the business activities of Interroll Dynamic Storage Inc. in Hiram/Atlanta (USA) were sold for USD 1.1 million to the local management. The net profit from this business was not material on the Interroll group results.

Cash flow from financing activities

The payment from reserves from capital contribution for the net amount of CHF 7.5 million was processed on 17 May 2014 and is therefore included in the cash flow statement.

2.6 NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Capital contributions

The decision of the ordinary general shareholder meeting from 9 May 2014 to distribute CHF 8.80 per share from reserves from capital contributions was executed on 17 May 2014.

Assignment of shares

Shares assigned to members of the management in the amount of CHF 0.9 million
(previous year: CHF 0.9 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 2014. There are no other facts which require disclosure according to IAS 34.

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

Changes to the scope of consolidation in July 2014

Acquisitions

On 2 July 2014, the purchase agreement to acquire a 40 % minority of Portec Asia in Hong Kong and at the beginning of August 2014 the purchase agreement to acquire a 100 % stake in Pert Engineering in Shenzhen (PRC) became effective. Interroll thus has new 100 % on the sales company for belt curves in Hong Kong. The manufacturing company in Shenzhen is one of the industry's leading belt curve manufacturers in Asia-Pacific, in particular for airports, distribution centers, as well as courier and postal services. Portec Asia was fully consolidated due to a 60 % majority stake of Interroll since July 2013. Pert Engineering achieved sales of approximately USD 4 million in 2013. Previous owner of the mentioned companies was the Pert Group, headquartered in Hong Kong. The purchase price for the 40 % minority of Portec Asia and the 100 % stake in Shenzhen Pert together is USD 2.6 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 allocation for the mid-year report.

Contingent liabilities

There were no contingent liabilities in the period under review.

FINANCIAL CALENDAR 2015

Preliminary Financial Figures 2014	23 January 2015
Publication Annual Report 2014 and Balance Sheet Press Conference	20 March 2015
Annual General Assembly	8 May 2015
Publication Half-Year Report 2015	7 August 2015

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Note on the half year report
This half year report is also available in German. If there are differences between the two, the German version takes priority.

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

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

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