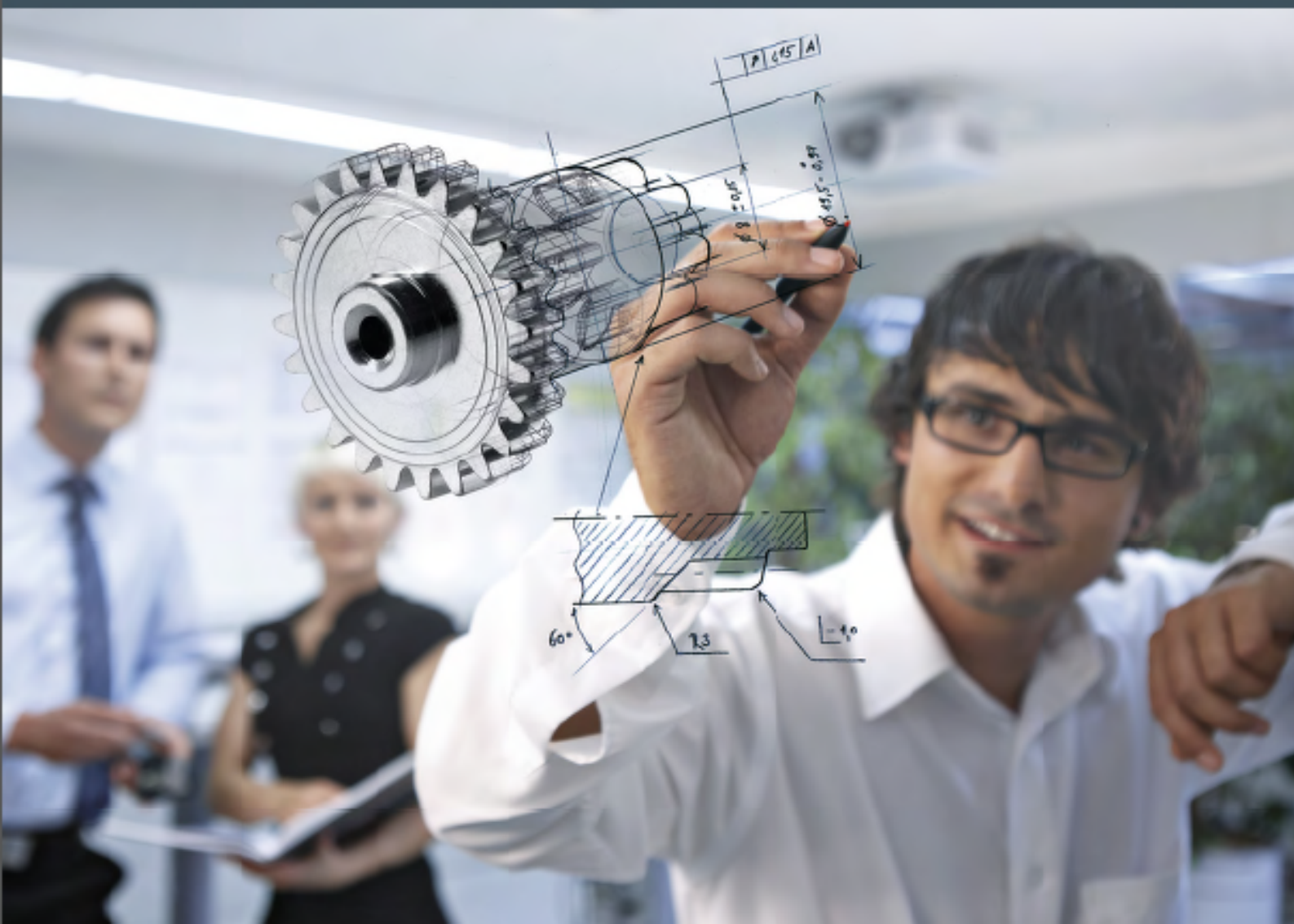


**Half Year Report 30 June 2014**



## Financial overview

<b>Income statement</b>	2014	2013	± PY
In CHF million	1 <sup>st</sup> half	1 <sup>st</sup> half	
Third party sales gross	645.2	662.1	-2.6%
EBITDA	125.2	117.3	6.8%
As a % of operating revenue	19.2	17.9	
EBITA	88.8	80.0	11.1%
As a % of operating revenue	13.6	12.2	
Operating profit (EBIT)	63.4	53.1	19.4%
As a % of operating revenue	9.7	8.1	
Net income	45.8	37.2	23.3%
As a % of operating revenue	7.0	5.7	
Cash net income <sup>1</sup>	65.4	58.3	12.2%
As a % of operating revenue	10.0	8.9	

<b>Balance sheet</b>	30.06.2014	31.12.2013
In CHF million		
Assets	2,337.1	2,133.0
Net operating assets (NOA)	1,682.2	1,664.2
Net cash / (debt)	59.0	-248.5
Equity	1,650.5	1,336.4
As a % of assets	70.6	62.7

<b>Cash flow statement</b>	2014	2013
In CHF million	1 <sup>st</sup> half	1 <sup>st</sup> half
Cash flow from operating activities	78.1	83.9
Purchase of property, plant, equipment and software	-38.7	-33.9
Proceeds from sale of assets	1.4	2.6

<b>Employees</b>	30.06.2014	31.12.2013
Headcount at the end of the period	7,269	7,110
Full-time equivalents (FTE)	7,202	7,000

<sup>1</sup> Cash net-income has been calculated before tax adjusted amortization of intangible assets

## Report to shareholders

Dear shareholders,

For the first time since its IPO, the SFS Group is presenting its results for the first six months of 2014.

### Sales development influenced by special effects

Excluding the change in scope of consolidation (due to the sale of the concrete reinforcement business), foreign currency effects as well as the non-core trading activity within the segment Engineered Components, revenue was up by 5.6% in the first half of the year.

The following table gives an overview of these effects:

Sales development In CHF million	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half	± PY
Third party sales reported	645.2	662.1	-2.6%
Effect of the sale of Locher concrete reinforcement	-	-13.3	
Effect of currency impact (Conversion at previous year exchange rates)	11.1	-	
Sales with non-core trading activity (segment Engineered Components)	-9.6	-36.5	
Core business third party sales	646.7	612.3	5.6%

### Sales growth in all three segments

Excluding the above-mentioned special effects, the Engineered Components and Fastening Systems segments both grew by 6.0% and the Distribution & Logistics segment by 4.6% compared with the previous year.

### Share of sales Asia at 19.3%

The special effects hit the Asian activities particularly hard. After the first six months, reported revenues were approximately 20% below the previous year's figure. We recorded pleasing growth in the Europe (+6.2%) and America (+4.1%) regions.

Sales break down by regions In %	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Switzerland	25.3	25.8
Europe	44.9	41.2
America	10.1	9.4
Asia	19.3	23.3
Rest of World	0.4	0.3
SFS Group	100.0	100.0

### Strong growth in the automotive industry

The positive production figures in the American automotive industry continued to support our growth in this end market. New products currently in the ramp-up phase for volume production are contributing further to dynamic growth.

Sales break down by end markets In %	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Construction sector	29.8	30.0
Automotive sector	23.9	21.4
Electro und electronics industries	19.7	24.1
Other industries	26.6	24.5
SFS Group	100.0	100.0

### Enhanced operating profitability

Thanks to above-average growth with profitable products, the operating result before amortization (EBITA) increased by 11.1% to CHF 88.8 million. The EBITA margin improved to 13.6% of operating revenue (previous year: 12.2%) in the first half of the year.

### Capital increase and free cash flow strengthen balance sheet ratios

The equity ratio at the end of June 2014 rose to a solid 70.6%. The proceeds from the capital increase and free cash flow of around CHF 41 million enabled the SFS Group to return to a net cash position of CHF 59 million.

Balance sheet In CHF million	2014	2013
Net cash / (debt)	59.0	-248.5
Equity	1,650.5	1,336.4
As a % of assets	70.6	62.7

### Development of segment results

The profitability of the segment Engineered Components remains high. Fastening Systems benefited from the growth in revenues and contribution margin and achieved a significant increase in EBITA from CHF 7.4 million to CHF 14 million (EBITA margin 7.9%) by exploiting economies of scale. Distribution and Logistics continues its profitable growth and increased EBITA by around 20% to 8.6% year-on-year.

EBITA margin by segments	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Engineered Components	18.4%	18.4%
Fastening Systems	7.9%	4.5%
Distribution & Logistics	8.6%	6.9%

### Successful IPO (Initial Public Offering)

The shares of the SFS Group have been traded on the SIX Swiss Exchange AG since 7 May 2014. The IPO supports the systematic implementation and solid financing of the current growth strategy. Credit Suisse and UBS Investment Bank acted as Joint Global Coordinators and Joint Bookrunners, along with Morgan Stanley as additional Joint Bookrunner. With the full exercise of the over-allotment option, a total of 11 million shares were sold, representing 29.3% of the current issued share capital. The total placement volume amounted to CHF 704 million. The current free float of 34.2% will increase further to about 45% upon expiry after the 12 month lock-up agreements.



Heinrich C. Spoerry at the start of trading on the SIX Swiss Exchange AG

### Asia and North America: expanded presence

A new manufacturing site in the Greater Guangzhou area with production space of 15,000 square metres commenced operations in March 2014. The new plant, which includes production and office buildings, serves in particular to supply local customers of the Automotive and Riveting divisions. This modern facility further strengthens the presence of SFS in Asia.

The production site in Medina, USA, has been expanded by 7,500 square metres and has therefore been doubled in size. This additional capacity is needed for the implementation of the projects gained in the automotive sector, such as the electrical parking brake.



New production site in Guangzhou, China

### Electrical parking brake: a new parking system

Leading automotive suppliers and SFS have cooperated closely in the development of various solutions in the field of electrical parking brakes. These new braking systems require low maintenance and save space. The elimination of the handbrake lever in the central console section also opens up new space in the passenger compartment.

The SFS modules (ball screw and nut screw drives) are essential elements for such applications, since they transmit enormous loads very efficiently.

The basis for successful development and cooperation are long-term, trust-based partnerships. Thanks to its global presence SFS provides customers with efficient and reliable local supply chains worldwide.



Ready-to-install assemblies for electrical parking brakes

**isoweld™: field fastening for flat roofs**

With isoweld™ SFS has developed a revolutionary system based on the concept of field fastening. The new system is specifically aimed at installing insulation panels and membranes on flat roofing. The insulation is attached to the substructure using metal plates and fasteners. The roof membrane is then rolled out on top and the overlaps are sealed by welding. The metal plates have a special coating activated by induction, enabling permanent attachment of the plates to the membrane without penetrating it. isoweld™ provides customers with a simple, safe and economical field fastening system.



*Fastening of insulation panels and membranes on flat roofs*

**Taurus® 1 Speed Rivet: riveting in seconds**

The Speed Rivet system is rapidly increasing its popularity in industrial applications. It is particularly prevalent in the manufacturing of metal casings and in many automotive applications. The system creates reliable connections extremely rapidly. Speed rivets can be set at a rate of under two seconds per cycle.



*Reliable connections are made extremely rapidly*

Taurus® 1 Speed Rivet tool has a magazine feed containing up to 45 punch-through rivets. The system thus enables very rapid production throughputs. The processing device sets new standards with its noticeable ergonomic design and a weight of only 1.8 kg, which is about 30% lighter than similar current models.

**Outlook**

The SFS Group foresees comparable economic conditions in the second half of the year. The economic recovery in North America is expected to continue, while the situation in Europe will remain fragile. The strategy remains focused on the growth drivers in the automotive, aircraft, mobile and construction end markets. The SFS Group is expecting stagnating sales for 2014 as a whole. The core business (adjusted for special effects) is likely to grow by 5 - 7%. The EBITA margin is expected to increase slightly due to the seasonal upturn in sales and a less than proportionate increase in operating expenses in the second half of the year. For the twelve months ending 2014 SFS expects an EBITA margin in the band width of 14 - 15%.

**Thanks to shareholders, business partners and employees**

The board of directors and the group executive board would like to express their thanks to shareholders, in particular to approximately 6,500 new investors, for their confidence in the SFS Group. We also want to express our gratitude to our business partners. The decisive factors are the achievements and commitment of our employees throughout our group. They also deserve special thanks.

Heerbrugg, 12 August 2014  
SFS Group AG

On behalf of the Board of Directors  
and the Group Executive Board



Heinrich Spoerry  
Executive Chairman

## Consolidated balance sheet

In CHF million

Assets	Notes	30.06.2014 (unaudited)	31.12.2013 (audited)
Cash and cash equivalents	11	422.3	217.4
Marketable securities		0.5	0.3
Trade receivables		227.8	218.7
Other receivables		31.9	29.5
Inventories		255.3	239.5
<b>Current assets</b>		<b>937.8</b>	<b>705.4</b>
Property, plant and equipment		534.5	534.2
Intangible assets	10	816.9	842.9
Financial assets	13	2.2	5.7
Investments in associates		33.6	32.6
Deferred income tax assets		12.1	12.2
<b>Non-current assets</b>		<b>1,399.3</b>	<b>1,427.6</b>
<b>Assets</b>		<b>2,337.1</b>	<b>2,133.0</b>
<b>Liabilities and equity</b>			
Trade payables		64.8	77.3
Current income tax liabilities		24.1	24.8
Other payables		104.8	100.6
Current borrowings	12	354.9	114.0
<b>Current liabilities</b>		<b>548.6</b>	<b>316.7</b>
Non-current borrowings	12	8.9	352.2
Deferred income tax liabilities		99.6	106.0
Provisions	13	29.5	21.7
<b>Non-current liabilities</b>		<b>138.0</b>	<b>479.9</b>
<b>Liabilities</b>		<b>686.6</b>	<b>796.6</b>
Share capital	11	3.7	3.2
Reserves		1,642.5	1,328.8
<b>Equity attributable to SFS</b>		<b>1,646.2</b>	<b>1,332.0</b>
Non-controlling interests		4.3	4.4
<b>Total Equity</b>		<b>1,650.5</b>	<b>1,336.4</b>
<b>Liabilities and equity</b>		<b>2,337.1</b>	<b>2,133.0</b>

The notes on pages 9 to 12 are an integral part of this semi-annual financial report as of 30 June 2014.



## Consolidated income statement

In CHF million

(unaudited)	Notes	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Net sales	7	645.2	662.0
Change in work in progress and finished goods		6.4	-7.7
<b>Operating revenue</b>		<b>651.6</b>	<b>654.3</b>
Material expenses		-239.8	-258.7
Other operating income		6.3	6.9
<b>Contribution margin</b>		<b>418.1</b>	<b>402.5</b>
Personnel expenses		-189.3	-186.9
Other operating expenses		-103.6	-98.3
Depreciation		-36.4	-37.3
Amortisation of intangible assets		-25.4	-26.9
<b>Total operating expenses</b>		<b>-354.7</b>	<b>-349.4</b>
<b>Operating profit (EBIT)</b>		<b>63.4</b>	<b>53.1</b>
Finance expense		-6.3	-10.0
Finance income		1.5	3.8
Share of profit / (loss) from related entities		0.7	0.2
<b>Earnings before tax</b>		<b>59.3</b>	<b>47.1</b>
Income taxes	8	-13.5	-9.9
<b>Net income</b>		<b>45.8</b>	<b>37.2</b>
Attributable to owners of SFS Group AG		45.8	37.2
Attributable to non-controlling interests		-	-
<b>Earnings per share (in Swiss francs) basic and diluted</b>	11	<b>1.34</b>	<b>1.15</b>

## Consolidated statement of comprehensive income

In CHF million

(unaudited)	Notes	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Net income		45.8	37.2
<i>Items that will not be reclassified to profit and loss</i>			
Actuarial gains / (losses) on defined benefit pension plans	13	-9.6	13.2
Tax effect pension plans		0.8	-2.3
<i>Items that may be subsequently reclassified to profit and loss</i>			
Currency translation adjustments (CTA)		-1.7	11.5
Reversal of CTA from deconsolidation		-	0.9
Cash flow hedges		-0.2	1.0
Tax effect on cash flow hedges		-	-0.2
<b>Comprehensive income</b>		<b>35.1</b>	<b>61.3</b>
Attributable to owners of SFS Group AG		35.1	61.3
Attributable to non-controlling interests		-	-

The notes on pages 9 to 12 are an integral part of this semi-annual financial report as of 30 June 2014.

## Consolidated statement of changes in equity

In CHF million

	Notes	Share capital	Reservs	Attributable to owners of SFS	Non controlling interests	Total equity
Balance at 1.01.2013		3.2	1,248.3	1,251.5	4.7	1,256.2
Dividends paid for 2012		-	-20.4	-20.4	-0.1	-20.5
Comprehensive income 1 <sup>st</sup> half 2013		-	61.3	61.3	-	61.3
Balance at 30.06.2013		3.2	1,289.2	1,292.4	4.6	1,297.0
Comprehensive income 2 <sup>nd</sup> half 2013		-	39.6	39.6	-0.2	39.4
Balance at 31.12.2013		3.2	1,328.8	1,332.0	4.4	1,336.4
Dividends paid for 2013	9	-	-32.4	-32.4	-	-32.4
Capital increase	11	0.5	310.9	311.4	-	311.4
Comprehensive income 1 <sup>st</sup> half 2014		-	35.1	35.1	-	35.1
Balance at 30.06.2014		3.7	1,642.4	1,646.1	4.4	1,650.5

## Condensed consolidated cash flow statement

In CHF million

(unaudited)	Notes	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Cash Flow before changes in NWC		100.3	84.7
Changes in net working capital (NWC)		-22.2	-0.8
Cash flow from operating activities		78.1	83.9
Purchases of property, plant, equipment and software		-38.7	-33.9
Proceeds from sale of assets		1.4	2.6
Net outflow from investments		-11.3	-18.7
Net outflow related entities		-	-0.1
Proceeds / (purchase) of marketable securities net		0.7	0.5
Cash flow from investing activities		-47.9	-49.6
Share capital increase	11	311.4	-
Repayment of borrowings net	12	-103.6	-26.2
Dividends paid to the shareholders	9	-32.4	-20.4
Cash flow from financing activities		175.4	-46.6
Translation adjustment on cash and cash equivalents		-0.7	2.4
Changes in cash and cash equivalents		204.9	-9.9
Cash and cash equivalents at beginning of period		217.4	172.0
Cash and cash equivalents at end of period		422.3	162.1

The notes on pages 9 to 12 are an integral part of this semi-annual financial report as of 30 June 2014.



## Notes

### 1 General information

The SFS Group is a global development, manufacturing and supply partner for customized precision cold formed parts, special fasteners and assemblies as well as tailor-made logistic solutions which are marketed under the brand names SFS intec, Unisteel, GESIPA and SFS unimarket.

The parent company SFS Group AG, is a stock corporation under Swiss law with headquarters in 9435 Heerbrugg, Switzerland. It is listed on the SIX Swiss Stock Exchange AG in Zurich with the security code number 23.922.930 / ISIN: CH 023 9922930 2 and the security code symbol SFSN.

### 2 Summary of significant accounting policies

This consolidated and condensed semi-annual financial report has been prepared according to the International Accounting Standard IAS 34 (Interim Financial Reporting). It is to be considered in conjunction with the consolidated financial report 2013 and has been prepared by using the same accounting and valuation methods.

### 3 New IFRSs / IASs adopted

With effect of 1 January 2014, no new International Financial Reporting Standards (IFRS) have been adopted. However, the following adjustments to IFRSs/IASs and interpretations have been introduced by the SFS Group:

IAS 32 Financial Instruments: Presentation was adjusted with a clarification on the allocation of financial assets and financial liabilities.

IAS 39 Financial Instruments: Recognition and measurement of financial instruments have been adopted with a clarification, that derivative instruments continue to exist as a hedging instrument after novation.

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests and IAS 27 Separate Financial Statements contain clarifications according to which investment companies must be consolidated.

IFRIC 21 Levies defines the recording date for regulatory charges, which are not income taxes.

None of the amendments and interpretations have a significant impact on the consolidated semi-annual financial report of the SFS Group.

### 4 Accounting estimates and financial risk management

Recognized critical accounting estimates and judgments as well as the financial risk management used in the financial report 2013 have been continued unchanged in the first half of the year. Similarly, there are no material changes in the financial risk and the levels of the fair value estimation.

### 5 Seasonality and other effects

Due to seasonal variations in the segments usually higher net sales and a slightly higher operating profit can be achieved in the second half of the year.

We expect the strongest characteristics in the end user markets electronic industry and construction sector. In the electronic industry, usually new products of important end customers will be launched as well as higher sales due to the holiday season can usually be realized. The construction sector benefits generally from seasonally strong fall months. In the other end markets sales are more balanced throughout the year.

In the second half of 2013 one time book gains of CHF 18.3 million are included in operating profit. They arose from the sale of non-operating assets and real estate.

### 6 Segment information

The SFS Group is divided into the three segments Engineered Components, Fastening Systems and Distribution & Logistics.

The monitoring and assessment of the financial results and the valuation of the assets are in line with the same principles as in the financial report 2013.

#### *Engineered Components*

In this segment, precision formed components, engineered fasteners and customer specific assemblies are developed, produced and marketed.

#### *Fastening Systems*

The segment Fastening Systems combines the principles of threaded fastening and riveting technologies.

#### *Distribution & Logistics*

This segment represents a leading national supply partner for fasteners, tools, architectural hardware, related products and tailor made supply chain management solutions in Switzerland and neighboring countries.

#### *Other*

The column "Other" contains figures relating to the cross-functions Technology and Services.

## Segment results

In CHF million

1 <sup>st</sup> half 2014 (unaudited)	Engineered Components	Fastening Systems	Distribution & Logistics	Total Segments	Other	Total SFS Group
<b>Third party sales gross</b>	<b>315.5</b>	<b>167.5</b>	<b>162.2</b>	<b>645.2</b>	-	<b>645.2</b>
Inter-segment	9.4	8.0	2.7	20.1	-20.1	-
Gross sales	324.9	175.5	164.9	665.3	-20.1	645.2
<b>Operating revenue</b>	<b>329.4</b>	<b>176.6</b>	<b>165.7</b>	<b>671.7</b>	<b>-20.1</b>	<b>651.6</b>
<b>EBITDA</b>	<b>83.1</b>	<b>22.2</b>	<b>18.0</b>	<b>123.3</b>	<b>1.9</b>	<b>125.2</b>
- Depreciation	-22.5	-8.2	-3.8	-34.5	-1.9	-36.4
<b>EBITA</b>	<b>60.6</b>	<b>14.0</b>	<b>14.2</b>	<b>88.8</b>	-	<b>88.8</b>
- Amortisation	-20.2	-3.7	-	-23.9	-1.5	-25.4
<b>Operating profit (EBIT)</b>	<b>40.4</b>	<b>10.3</b>	<b>14.2</b>	<b>64.9</b>	<b>-1.5</b>	<b>63.4</b>
<b>Net operating assets</b>						
<b>30.06.2014</b>						
Assets	1,254.7	359.3	183.8	1,797.8	48.8	1,846.6
Liabilities	88.7	31.9	24.0	144.6	19.8	164.4
Net operating assets (NOA)	1,166.0	327.4	159.8	1,653.2	29.0	1,682.2
Of which net working capital	201.4	124.5	97.1	423.0	-4.7	418.3
<b>1<sup>st</sup> half 2013</b>						
<b>(unaudited)</b>						
<b>Third party sales gross</b>	<b>331.8</b>	<b>161.3</b>	<b>169.0<sup>1</sup></b>	<b>662.1</b>	-	<b>662.1</b>
Inter-segment	8.1	7.2	1.9	17.2	-17.2	-
Gross sales	339.9	168.5	170.9	679.3	-17.2	662.1
<b>Operating revenue</b>	<b>333.9</b>	<b>165.5</b>	<b>172.1</b>	<b>671.5</b>	<b>-17.2</b>	<b>654.3</b>
<b>EBITDA</b>	<b>83.9</b>	<b>15.4</b>	<b>16.2</b>	<b>115.5</b>	<b>1.8</b>	<b>117.3</b>
- Depreciation	-22.5	-8.0	-4.4	-34.9	-2.4	-37.3
<b>EBITA</b>	<b>61.4</b>	<b>7.4</b>	<b>11.8</b>	<b>80.6</b>	<b>-0.6</b>	<b>80.0</b>
- Amortisation	-21.3	-3.9	-	-25.2	-1.7	-26.9
<b>Operating profit (EBIT)</b>	<b>40.1</b>	<b>3.5</b>	<b>11.8</b>	<b>55.4</b>	<b>-2.3</b>	<b>53.1</b>
<b>Net operating assets</b>						
<b>30.06.2013</b>						
Assets	1,355.5	370.7	206.2	1,932.4	48.0	1,980.4
Liabilities	102.9	33.7	23.4	160.0	21.5	181.5
Net operating assets (NOA)	1,252.6	337.0	182.8	1,772.4	26.5	1,798.9
Of which net working capital	212.5	121.4	102.6	436.5	-6.3	430.2
<b>Net operating assets</b>						
<b>31.12.2013 (audited)</b>						
Assets	1,281.3	348.0	171.4	1,800.7	46.8	1,847.5
Liabilities	99.3	37.0	25.7	162.0	21.3	183.3
Net operating assets (NOA)	1,182.0	311.0	145.7	1,638.7	25.5	1,664.2
Of which net working capital	201.7	105.1	80.8	387.6	-6.7	380.9

Sales to third parties (third party sales gross) constitutes a key performance metric for management.

<sup>1</sup> In the first half year 2013, the segment Distribution & Logistics for the last time included the business activity of Locher concrete reinforcement. On 1 July 2013 this activity was sold.

## Reconciliation of segment results to income statement and balance sheet

In CHF Million

Income statement	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
<b>Operating profit (EBIT)</b>	<b>63.4</b>	<b>53.1</b>
Financial result	-4.8	-6.2
Share of profit / (loss) of associates	0.7	0.2
Earnings before tax	59.3	47.1

Assets	30.06.2014	31.12.2013
<b>Operating assets</b>	<b>1,846.6</b>	<b>1,847.5</b>
+ Cash and cash equivalents	422.3	217.4
+ Marketable securities	0.5	0.3
+ Other receivables	31.9	29.5
+ Investments in associates	33.6	32.6
+ Financial assets	2.2	5.7
Assets	2,337.1	2,133.0

Liabilities and equity		
<b>Operating liabilities</b>	<b>164.4</b>	<b>183.3</b>
+ Current income tax liabilities	24.1	24.8
+ Other payables	104.8	100.6
+ Current borrowings	354.9	114.0
+ Non-current borrowings	8.9	352.2
+ Provisions	29.5	21.7
Liabilities	686.6	796.6
Equity (Net assets)	1,650.5	1,336.4

*Customers with sales amounting to more than 10% of total*

During the reporting period non of the customers reached a sales share of more than 10% of the total net sales. (first half year 2013: non).

### 7 Net sales

In CHF million	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Third party sales gross	645.2	662.1
Transportation charged	3.9	4.0
Hedged exchange differencies	-0.5	-1.0
Discounts	-3.4	-3.1
Total	645.2	662.0

### 8 Income taxes

In the semi-annual financial report the income taxes have been recorded on the basis of local tax rates. There have been no significant changes in the tax rates.

### 9 Dividend

The dividend distribution for fiscal year 2013 of CHF 10 per share (before share split) was approved at the annual general meeting and paid out in the total amount of CHF 32.4 million in April 2014.

## 10 Goodwill

SFS Group tests goodwill for impairment in the fourth quarter of the business year. There are no signs for an impairment in this reporting period.

## 11 Share capital increase and earnings per share

On 4 April 2014, a stock split, a share capital increase and the IPO were decided at the annual general meeting of the SFS Group AG. The share split was carried out in the ratio of 1 share with a nominal value of 1 Swiss franc to a new ten shares at ten cents nominal value. The first day of trading on the SIX Swiss Exchange AG took place on 7 May 2014.

Number of SFS shares

Balance at 1.01.2014 before share split	3,244,250
Balance after share split	32,442,500
Share capital increase	5,057,500
Balance at 30.06.2014	37,500,000

Earnings per share (after share split)	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Weighted average numbers of shares	34,128,333	32,442,500
Net income in CHF million	45.8	37.2
Earnings per share in Swiss francs	1.34	1.15

The share capital increase provided the SFS Group a net cash inflow of CHF 311.4 million. The number of share holders increased significantly by 6,500 new investors to 7,177.

Shareholder's structure as of 30.06.2014	%	Shareholders
Shareholder families Huber and Stadler / Tschan	55.0%	18
Board of Directors and Group Executive Board	2.4%	12
Natural persons	19.6%	6,668
Institutional investors	12.9%	479
Shares pending registration	10.1%	n/a
Total	100.0%	7,177

Shares, which are not yet registered amount to 10.1%. The SFS Group does not hold any treasury shares at the balance sheet day. There are no dilutive effects.

## 12 Borrowings

In CHF million	30.6.2014	31.12.2013
Current borrowings	354.9	114.0
Non-current borrowings	8.9	352.2
Total	363.8	466.2

In the first half of the year, the SFS Group has reduced the EUR credit facility by EUR 15 million and the syndicated loan in USD by USD 110 million.

The remaining syndicated loan in USD will be early repaid in August 2014. It was completely reclassified into current borrowings as of 30 June 2014. See also Note 15.

## 13 Swiss pension plan

In the first half year of 2014, the reference interest rate for determining the discount rate decreased 55 basic points from 2.30% to 1.75%. In the reporting period, the return on investment was 4.3%. The remaining parameters and demographic assumptions have been extrapolated. As a result, the capitalized net asset (CHF 2.9 million as of 31 December 2013) has changed to a net obligation of CHF 7.5 million.

## 14 Exchange rates

The major foreign exchange rates of the SFS Group developed as follows.

Income statement	2014 1 <sup>st</sup> half	2013 1 <sup>st</sup> half
Average rate		
1 EUR	1.221	1.230
1 USD	0.891	0.937
1 GBP	1.487	1.446
100 TRY	41.14	51.24
Balance sheet	30.06.2014	31.12.2013
Closing rate		
1 EUR	1.216	1.227
1 USD	0.890	0.891
1 GBP	1.515	1.472
100 TRY	41.91	49.24

## 15 Events after the reporting period

In July 2014, the SFS Group AG increased its stake in Indo Schöttle Auto Parts Private Limited (Indo Schöttle) from 45% to approximately 86%. Indo Schöttle is a well positioned supplier of high precision parts for the automotive industry. SFS aims to leverage Indo Schöttle as a platform for the development of other business activities in the growing Indian market. The purchase price for the additional shares represents about CHF 23 million. The initial consolidation will take place from 1 July 2014 onwards. More details will be disclosed after availability in the annual report 2014.

In August 2014, the SFS Group will repay the outstanding syndicated loan in USD in full.

The Board of Directors has approved this semi-annual financial report on 12 August 2014. There are no further events after the balance sheet date that would have a significant impact on the semi-annual financial report.

### **Financial Calendar**

27 January 2015	First information on business year 2014
5 March 2015	Press conference Publication results business year 2014
7 May 2015	Annual general meeting SFS Group AG

### **Corporate Communications and Investor Relations**

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