

Perrot Duval Holding S.A.

HALF-YEAR REPORT 2015/16
(FROM 1 MAY TO 31 OCTOBER 2015)



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KEY FIGURES

KEY FIGURES CHF 1,000

	I st half-year 15/16	I st half-year 14/15
Order intake	22,125	24,702
Change versus previous year	-10.4%	-6.2%
Net sales	19,818	21,580
Change versus previous year	-8.2%	-7.1%
Gross margin	57.1%	60.0%
EBIT	-62	-97
as % of net sales	-0.3%	-0.4%
Net profit/loss	-511	-404
as % of sales (with minority interest)	-2.6%	-1.9%
	31.10.15	30.4.15
Total assets	31,872	30,351
Shareholders' equity with minority interest	2,473	2,603
Equity ratio (%)	7.8%	8.6%
Employees	234	253

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PERROT DUVAL SECURITIES

		I st half-year 15/16	I st half-year 14/15
Bearer shares			
High	CHF	60.10	1,979.00
Low	CHF	43.50	941.00
As at 30.10.	CHF	47.55	1,800.00
Participation certificate			
High	CHF	0.00	114.40
Low	CHF	0.00	42.15
As at 30.10.	CHF	0.00	114.40
Market capitalization			
Market capitalization	CHF mio	31.10.15 6.4	31/10/14 10.6

REPORT OF THE BOARD OF DIRECTORS

ACTIVITIES

The Perrot Duval Group's activities focus on automation technologies. Perrot Duval Holding S.A., the Group's holding company, was founded in 1905. It participates in financial, industrial and commercial business enterprises – which it sets up or acquires – the core activities of which are based on state-of-the-art technologies:

- **process automation** used by the chemical and pharmaceutical industries. Within this sector, the **Füll Process Group** concentrates on dispensing processes for liquids and pastes in the industrial environment and, more particularly, printing inks, paints, varnishes, glues and various coatings used subsequently in highly diverse economic domains (packaging, automotive, construction, security paper, etc.). The products and services provided by the companies belonging to this Group range from dispensing components to fully automated customised systems.
- **robotisation** of industrial mechanical equipment, on the one hand, or of autonomous systems and apparatus on the other. This activity is the preserve of the **Infranor Group**, whose products (servomotors, amplifiers, programmable controls and professional software) enable the coordination of several axes and the control of entire machines in sectors as diverse as packaging, industrial handling and medical techniques, to name but a few. The investments of the Infranor Group target promising economic niches and offer their customers specialised and multidisciplinary know-how, coupled with their own automation systems.

THE FÜLL PROCESS GROUP (100 %) – « PROCESS AUTOMATION » SEGMENT

First half-year result

The Füll Group comprises three entities: Füll Process S.A. (the holding company located in Fribourg, Switzerland), Füll Engineering B.V. (Voorhout, the Netherlands) and Füll Systembau GmbH (Idstein, Germany).

The Dutch subsidiary focuses on developing new applications for dispensing fluids and pastes, whereby processing speed, dispensing precision and design flexibility make it economically viable either to automate certain processes (laboratories, low production, for example) or to significantly increase productivity for other industrial processes.

Within this framework, it concentrates on the development and industrialisation of a new and industrially protected volumetric dispensing principle, for which the speed of execution and dispensing precision constitute an extremely strong economic asset. This principle is integrated into standardised dispensing and is then supplied in particular to users of printing ink for labelling, and to enzyme users for application in industrial bakeries. This invention opens the door to a number of niches in the field of fine chemicals which are accessible in terms of the sales price of such machines.

Füll Systembau GmbH, which has been firmly established on the German market since 1965, focuses on the design and manufacture of fully automated customised storage and dispensing systems for liquids and pastes. Its cutting-edge technological knowledge and its expertise, which it has applied to the world of chemistry for many years, make the company an essential partner at global level, most notably in the field of printing

REPORT OF THE BOARD OF DIRECTORS

inks, paints, varnishes, glues, etc. Customers come to Füll Systembau GmbH because they know that the company has an excellent grasp of their own production processes. In addition, the German subsidiary has been responsible since 2013 for the construction and marketing of the stand-alone volumetric dispensing and storage installations of Füll Engineering B.V.

There were year on year increases in both orders received (4.0 million CHF as against 3.8 million CHF at 31 October 2014) and sales (2.5 million CHF as against 2.1 million CHF a year ago). Expressed in local currencies, these increases were even more impressive (+ 32 per cent).

Sales were highest in Europe, with some successes being achieved in Russia – whose borders had been closed as a result of restrictions imposed in the region – and in the Middle East. Total sales figures for industrial installations remained stable throughout the first six months of the year.

Spare parts and services made up a smaller share of total sales than they did in the same period last year. The gross margin was down in both relative (51.9 per cent as against 66.3 per cent a year ago) and absolute terms (1.3 million CHF as against 1.4 million CHF), with an unfavourable exchange rate playing a part.

CHF I 000	15/16	14/15
Order intake	3,962	3,788
change versus previous year	4.6%	-4.5%
Net sales	2,494	2,110
EBITDA	-507	-582
as % of net sales	-20.3%	-27.6%
EBIT	-513	-585
as % of net sales	-20.6%	-27.7%
Employees	34	35

Although operating costs for the period (1.8 million CHF) were lower year on year (2.0 million CHF), this nevertheless resulted temporarily in negative EBIT of - 0.5 million CHF (- 0.6 million CHF at 31 October 2014).

Outlook

Orders on hand at 31 October 2015 for completion before the end of the financial year (2.8 million CHF) were lower than this time last year (3.2 million CHF), albeit only by 4 per cent in local currencies. Füll thus remains on target to generate over 6.3 million CHF in sales.

Only possible delays in deliveries from suppliers or the postponement of acceptance by its customers could prevent the Füll Group from reaching its target. The profit margin per installation looks set to rise substantially, covering the higher operating costs due to the increase in the number of installations under construction and by the groundwork required for penetrating new markets. In addition, market penetration achieved by standard stand-alone volumetric dispensing and storage installations met expectations.

THE INFRANOR GROUP (100 %) – «ROBOTISATION» SEGMENT

First half-year result

The Infranor Group's two divisions experienced different developments in the first half of the financial year. Taking advantage of the favourable US economy, the robust performance of some major US and European customers and the suitability of its exclusive products (servomotors and variable speed drives) for certain applications, the Infranor Division improved its gross margin and cut operating costs despite lower sales figures, ultimately increasing its EBIT result.

REPORT OF THE BOARD OF DIRECTORS

The Cybelec Division, by contrast, suffered a significant slowdown in its Chinese business, with sales contracting in parallel to the country's economy, although this fall was partially offset by the division launching the latest generation of its entry-level products on the market. Whilst successes in Europe and Turkey in particular confirm that Cybelec's positioning strategy is the right one, the division will still need to make its efforts count with its Chinese customers in the second half of the year.

A look at the Infranor Group's figures shows how exchange rates may have a considerable impact, which for the first half of this financial year was unfortunately negative.

Orders received thus amounted 18.1 million CHF, down by 13 per cent year on year (20.9 million CHF). Sales experienced a similar trend, dropping by 11 per cent from 19.5 million CHF at 31 October 2014 to 17.3 million CHF. Expressed in local currencies, however, they fell by only 5 per cent.

Lower sales figures pushed the gross margin down to 10.0 million CHF (11.5 million CHF a year ago). In relative terms, it fell from 59.3 per cent (at 31 October 2014) to 57.9 per cent (at 31 October 2015) as a result of the restructuring of the Cybelec Division's business activities.

However operating costs at 9.0 million CHF were reduced significantly (10.5 million CHF at 31 October 2014), while depreciation and amortisation remained unchanged (0.6 million CHF). Finally, EBIT stabilized at 0.4 million CHF as against 0.5 million CHF a year ago.

Total assets at 31 October 2015 stood at 27.1 million CHF, virtually on a par with 30 April 2015 (27.0 million CHF). There was little change on the assets side apart from a 0.8 million CHF increase in inventories at 30 April 2015 due to the volume of work in progress. This increase was partially offset by a fall of 0.6 million CHF in cash and cash equivalents.

In terms of liabilities, net financial debt was reduced by 0.6 million CHF from 14.1 million CHF at 30 April 2015 to 13.5 million CHF six months later.

CHF 1,000	15/16	14/15
Order intake	18,163	20,914
change versus previous year	-13.2%	-6.5%
Net sales	17,324	19,470
EBITDA	994	1,085
as % of net sales	5.7%	5.6%
EBIT	417	498
as % of net sales	2.4%	2.6%
Employees	198	216

Outlook

Given the orders on hand at 31 October 2015, all to be delivered before the end of this financial year, and assuming the economic situation does not deteriorate, the Group is aiming to achieve sales on a par with those for 2014/15, i.e. between 37.0 and 38.0 million CHF, while at the same time improving its gross margin and cutting down on its operating costs.

The Infranor Group is currently working hard to open up new avenues of growth in South-East Asia, a potential source of a more rapid increase in sales.

CONSOLIDATED BALANCE SHEETS

CHF 1,000	Note	31.10.15	30.4.15
ASSETS			
Cash and cash equivalents	5	2,315	2,235
Trade accounts receivable		6,743	7,213
Other receivables		1,004	898
Inventories		11,525	10,091
Prepaid expenses and other assets		876	916
Total current assets		22,463	21,353
Financial assets		190	183
Property, plant and equipment		5,341	5,255
Intangible assets		2,127	2,056
Deferred tax assets		1,751	1,504
Total non-current assets		9,409	8,998
Total assets		31,872	30,351
LIABILITIES			
Current financial liabilities	5	10,222	9,576
Trade accounts payable		4,244	4,086
Other current liabilities		3,923	1,931
Accruals and deferred income		1,870	1,955
Short-term provisions		483	401
Provision for income taxes		92	61
Total current liabilities		20,834	18,010
Non-current financial liabilities	5	1,700	7,044
Subordinated convertible bond 2009-16	5	0	0
Long-term loan	5	5,982	1,858
Long-term provisions		252	225
Deferred tax liabilities		631	611
Total long-term liabilities		8,565	9,738
Total liabilities		29,399	27,748
Share capital and participation capital		6,725	6,725
Treasury Shares		-467	-467
Reserves		-10,012	-10,012
Retained earnings		8,882	9,412
Currency translation differences		-2,655	-3,055
Shareholders' equity before minority interest		2,473	2,603
Minority interest		0	0
Total shareholders' equity		2,473	2,603
Total liabilities and shareholders' equity		31,872	30,351

CONSOLIDATED INCOME STATEMENTS

CHF 1,000	1 st half-year 15/16	1 st half-year 14/15
Net sales	19,818	21,580
Material cost of goods sold	-9,812	-10,245
Change in inventories	1,315	1,608
Gross profit	11,321	12,943
Personnel costs	-7,873	-9,189
General and administrative costs	-619	-731
Selling costs	-666	-806
Other operating expenses	-1,707	-1,823
Other operating income	67	101
Total operating expenses	-10,798	-12,448
Earnings before interest, tax, depreciation and amortisation (EBITDA)	523	493
Depreciation and amortisation	-584	-590
Earnings before interest and tax (EBIT)	-62	-97
Financial result	-390	-365
Profit/(loss) before taxes	-451	-462
Income taxes	-60	58
Net profit/(loss)	-511	-404
thereof for:		
– Shareholders of Perrot Duval Holding S.A.	-511	-431
– Minority interest	0	27

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CHF 1,000	Share capital	Reserves	Retained earnings	Treasury shares	Currency translation differences	Total shareholders' equity without minority interest	Minority interest	Total shareholders' equity with minority interest
Balance at 30.4.14	5,500	-11,574	10,760	0	-1,084	3,602	1,091	4,693
Net currency translation differences		5	-9		-29	-33	-7	-40
Net profit/(loss)			-431			-431	27	-404
Dividend			4			4	-85	-81
Transfert			0			0		0
Balance at 31.10.14	5,500	-11,569	10,324	0	-1,113	3,142	1,026	4,168
Balance at 30.04.15	6,725	-10,012	9,412	-467	-3,055	2,603	0	2,603
Net currency translation differences			-19		400	381		381
Net profit/(loss)			-511			-511		-511
Dividend						0		0
Transfert						0		0
Balance at 31.10.15	6,725	-10,012	8,882	-467	-2,655	2,473	0	2,473

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Definitions of the components in equity:

- The **share capital** is the share capital of the parent company, Perrot Duval Holding S.A.
- **Reserves** comprise the goodwill from company acquisitions that was taken directly to equity in the past, as well as premiums from capital increases.
- **Retained earnings** comprise accumulated profits retained in Group companies and the reserves formed with those profits.
- **Currency translation differences** comprise all currency-translation differences arising from the currency conversions of foreign Group entities.
- The shares held by **Minority interest** represent all the share capital of the investments of Perrot Duval Holding S.A., owned by shareholders other than the latter, prior to the merger with Infranor Inter Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Segment report

The segment report corresponds to the internal reporting (management approach).

Common Group expenses that cannot be allocated are disclosed separately.
Transactions between the segments are conducted at arm's length.

Segment	Process automation		Industrial automation		Others		Total group	
	FUELL GROUP		INFRANOR GROUP					
CHF 1,000	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15
Ist half (1.5.-31.10.)								
Net sales	2,494	2,110	17,324	19,470			19,818	21,580
Change versus previous year	18.2%	11.6%	-11.0%	-8.8%			-8.2%	-7.1%
EBITDA	-507	-582	994	1,085	36	-10	523	493
as % of net sales	-20.3%	-27.6%	5.7%	5.6%			2.6%	2.3%
Depreciation and amortization	-6	-3	-578	-587	0	0	-584	-590
EBIT	-513	-585	417	498	34	-10	-62	-97
as % of net sales	-20.6%	-27.7%	2.4%	2.6%			-0.3%	-0.4%
Financial items (net)							-390	-365
Income taxes							-60	58
Net profit/(loss)							-511	-404
as % of sales (with minority interest)							-2.6%	-1.9%
Employees	34	35	198	216	2	2	234	253
Total assets	3,404	3,280	27,136	29,727	1,332	1,313	31,872	34,320
Total liabilities	3,827	3,759	33,025	25,078	-7,453	1,315	29,399	30,152
Assets net	-423	-479	-5,889	4,649	8,785	-2	2,473	4,168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Principles for preparing the Group financial statements

These consolidated financial statements of the Perrot Duval Group are prepared in compliance with Swiss GAAP FER, and in particular Swiss GAAP FER 12 „Interim Reporting“, based on the individual financial statements of the Group companies as at 31 October 2015, which were prepared on a uniform basis. These half-year statements comply with Swiss law.

The consolidated half-year financial statements are not audited.

The consolidated half-year financial statements are based on the accounting principles set out in the 2014/15 Annual Report.

The half-year statements are presented in Swiss francs. However, the majority of the Group's transactions are conducted in euros.

The half-year financial statements have been released by the Board of Directors of Perrot Duval Holding SA for publication on 10 December 2015.

3. Seasonal influences

Due to the long summer holidays in Italy, Spain and France, the first half-year (1 May to 31 October) is traditionally weaker in terms of orders received and net sales.

4. Exchange rates

	Closing rates		Average rates for the first half-year	
	31.10.15	30.4.15	15/16	14/15
EUR	1.0872	1.0481	1.0846	1.2121
USD	0.9878	0.9501	0.9589	0.9214
GBP	1.5240	1.4616	1.4731	1.5276
CYN	0.1564	0.1558	0.1548	0.1497

5. Net indebtedness

CHF 1,000	31.10.15	30.4.15
Cash and cash equivalents	2,315	2,235
Current interest-bearing financial liabilities	-10,222	-9,576
Subordinated convertible bond 2009 -16	0	0
Non-current interest-bearing financial liabilities	-7,682	-7,682
Total net indebtedness	-15,589	-16,243

6. Events after the balance sheet date

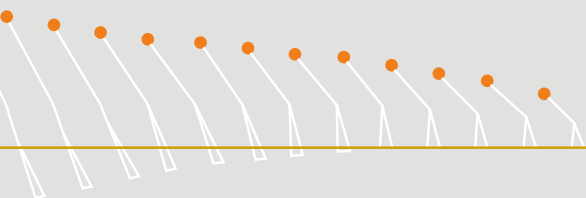
The financial statements have been prepared on a going concern basis which the Directors and the Group Management believe to be appropriate.

Between the balance sheet date and the date of publication of this half-year report, no events occurred which could have a material impact on the consolidated financial statements for the half-year 2015/16.

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AS AT 31 OCTOBER 2015

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