INTERIM REPORT
2016

DATWYLER

HIGHLIGHTS

Key figures

in CHF millions	Six months ended 30.06.2016 unaudited	30.06.2015 unaudited
Net revenue	621.1	579.1
Change compared to prior period (%)	7.3%	–11.5%
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	110.4	93.9
EBITDA in % of net revenue	17.8%	16.2%
Operating result before interest and taxes (EBIT)	81.7	67.4
EBIT in % of net revenue	13.2%	11.6%
Net result	56.6	42.1
Net result in % of net revenue	9.1%	7.3%
Net cash from operating activities	–122.8	88.5
Net cash provided by/(used in) investing activities	28.5	–17.1
Free cash flow	–94.3	71.4
Net cash used in financing activities	–35.9	–90.9
Net change in cash and cash equivalents	–130.2	–19.5
Cash, cash equivalents and money market investments	111.0	283.6
Net cash surplus	107.3	272.2
Capital expenditure on property, plant and equipment, gross	29.2	25.8
Total assets	1'146.7	1'091.8
Equity	725.2	703.3
Equity as % of total assets	63.2%	64.4%
Number of employees (half-year average)	7'050	6'804
Full time equivalents (half-year average)	6'849	6'648
Price (high/low) per bearer share (in CHF)	153/111	149/102

This interim report can be downloaded at www.datwyler.com.

LETTER TO THE SHAREHOLDERS

Substantial profit growth for Datwyler

Thanks to the strategic and operational optimisation measures of recent years, the Datwyler Group significantly increased its revenue and, in particular, its profits in the first half of 2016. Despite a challenging market environment, the Technical Components Division proved that it has turned the corner, with the new shared infrastructure platform offering potential for the acceleration of growth and implementation of further efficiency enhancements. The Sealing Solutions Division continued to benefit from its leading positions in dynamic global market segments.

Operating profit margin exceeds the target range for the first-ever time

The Datwyler Group increased its net revenue year-on-year in the first half of 2016 by 7.3% to CHF 621.1 million (previous year CHF 579.1 million). In contrast to preceding years, the company benefited from favourable currency rates. Adjusted for positive currency and acquisition effects, the Group achieved organic growth of 2.9%. The operating result (EBIT) was up by 21.2% to CHF 81.7 million (previous year CHF 67.4 million), with the EBIT margin consequently exceeding the target range at 13.2% (previous year 11.6%). The net result rose by 34.4% to CHF 56.6 million (previous year CHF 42.1 million).

Expansion and strengthening of the portfolio

Following successful changes to the portfolio in recent years, Datwyler has been focusing for some time on expanding and strengthening its two divisions. Following implementation of the shared infrastructure platform, emphasis within the Technical Components Division is on achieving optimum size in order to deliver the necessary economies of scale. With respect to the potential acquisition of Premier Farnell, in light of the higher offer submitted by Avnet on 28 July, Datwyler is currently considering its options and how to proceed and will make an announcement as appropriate in due course. Also as communicated previously, should the offer proceed, it would turn Datwyler into a leading high-service electronic components distributor with a combined annual revenue of some CHF 1.8 billion. Should the Board of Directors decide not to pursue the acquisition further, one-off transaction costs of around CHF 4 million to CHF 8 million would be incurred and included in EBIT. There would also be one-off costs of approximately CHF 35 million to CHF 40 million related to currency hedging and exchange rate losses, which would encumber the financial result. In the event of a successful transaction, these exceptional costs would be assigned to the purchase price and, as such, would not appear in the income statement.

The Datwyler Sealing Solutions Division is already a leading global supplier in its Automotive, Health Care, Civil Engineering and Consumer Goods market segments. To accelerate organic growth, Datwyler wishes to access new geographical markets, as well as new technologies and niche markets, through targeted acquisitions within this division. The respective acquisitions of Columbia Engineered Rubber in the US in 2014 and of Origom in Italy in 2015 provide an early illustration of this strategy, while the communicated acquisition of German firm Ott (annual revenue of CHF 33 million) is another good example. Ott, a specialist in producing injection moulding applications made from thermoplastic and liquid silicone using single- and multi-component technology, is the ideal match for Datwyler's existing technologies and offers the company the opportunity to increase the depth of its added value and tap into new niche markets with potential for growth. Datwyler also sees potential in combining acquired technologies with existing Datwyler technologies, with a view to devising innovative solutions. The acquisition of Ott is expected to be completed at the beginning of September 2016.

The Technical Components Division's shared infrastructure platform is now in operation

The Technical Components Division delivered significant operational enhancements in the first half of the year, with the successful completion of strategic integration projects to create a shared infrastructure platform. Continuous improvements in product availability as well as shorter delivery times were attributable to the increased stability of structures and processes. The further optimisation of search functions and product information in the online shop also helped to improve the customer shopping experience. Thanks to progress against operational performance indicators, the division managed to increase its revenue by 4.8% to CHF 238.0 million (previous year CHF 227.0 million) despite demanding operating conditions. Adjusted for currency effects, this equates to organic growth of 1.8%. The improved operating result (EBIT) and EBIT margin of CHF 9.2 million (previous year CHF 5.3 million) and 3.9% (previous year 2.3%), respectively, also prove that the division has turned the corner.

In the first half of 2016, Distrelec was able to buck its negative revenue trend, increase the average order value and the number of active customers, and improve its gross profit margin. Targeted marketing, sales price adjustments, the harmonisation of discounts, and an analysis of freight costs were among the factors contributing to this performance. In order to raise efficiency further, Distrelec expanded the shared service centre in Latvia, rationalised sales structures and intensified digital marketing activities. These ongoing improvements and optimisations entailed one-off costs of CHF 1.5 million during the first half of the year, but will have a positive impact on margins in the future.

Nedis improved its performance again year-on-year, albeit in what was still a demanding market environment. Margin pressure partly offset efficiency-enhancing measures. Nedis anticipates growth potential through new supply agreements with notable customers.

At Reichelt, the focus is on growth through enlargement of the product range and expansion at international level. Accordingly, the company has significantly extended its storage capacities. In its new markets Switzerland and the United Kingdom, revenue performance exceeded expectations, underpinning profitable growth in the first half of the year.

Datwyler believes that the market environment will continue to be challenging for the Technical Components Division in the second half of 2016. Irrespective of economic developments, margin improvements on the basis of revenue-increasing and cost-cutting measures are of primary importance. The launch of new products as well as a new own brand for all business units will provide additional impetus for growth, while the new shared infrastructure platform will facilitate the implementation of further efficiency enhancements. Processes and procedures at the central distribution centre in the Netherlands also offer extra scope for optimisation.

Improved margins for the Sealing Solutions Division

The Sealing Solutions Division remains on its profitable growth path. Thanks to its leading positions in attractive global market segments, Datwyler managed to increase net revenue in the first half of 2016 by 8.8% to CHF 383.1 million (previous year CHF 352.1 million). Adjusted for acquisition and currency effects, the division achieved organic growth of 3.6%.

Good capacity utilisation, ongoing efficiency enhancements, favourable raw material prices and the systematic optimisation of the product mix in delivering higher-quality products led to another distinct improvement in the operating result (EBIT), which rose by 16.7% to CHF 72.5 million (previous year CHF 62.1 million). The EBIT margin increased to 18.9% (previous year 17.6%).

The marketing and quality offensive ('zero-defect philosophy') that began last year has had a positive impact on demand in the Health Care market segment, with high-quality seal solutions for prefilled syringes and drug delivery systems seeing the biggest growth. The transfer of production facilities from the US to India has been delayed, meaning that the associated cost savings will not take full effect until the second half of 2017.

Revenue and margin performance in the fastest-growing Automotive market segment was encouraging in all geographical regions. In particular, the increased focus on exhaust after-treatment components (selective catalytic reduction) on diesel vehicles has resulted in an excellent volume of incoming orders. The change in name to Datwyler marked the successful completion of the integration of Columbia Engineered Rubber, the company acquired in 2014. Thanks to Columbia's existing network in the US automotive industry, Datwyler has managed to achieve much greater market penetration – which is already translating into increased revenue and new projects. The integration of Origom, which was acquired in 2015, is going according to plan. Datwyler believes that this will help to accelerate O-ring-related revenue growth from 2017 onwards.

Revenue in the Civil Engineering market segment fell short of expectations in the first half of the year. However, the level of new orders is promising and should lead to improved business in the second half of the year. The Nespresso order in the Consumer Goods market segment continues to perform well. Negotiations to extend existing agreements are ongoing. For the second half of the year, Datwyler is confident about all the market segments in the Sealing Solutions division.

Datwyler Group's operating activities on track for the full year

Conditions in the European markets are likely to remain demanding for the Technical Components division. Thanks to the strong positions that the Sealing Solutions division occupies in dynamic global market segments, we are nonetheless confident of achieving our revenue target in the region of CHF 1'250 million for the full year for the existing business. In light of our strong results in the first half of the year, the EBIT margin for the existing business should also end up clearly within the upper half of the 10% to 13% target range before the aforementioned possible effect of one-off transaction costs.

Altdorf, 12 August 2016

On behalf of the Board of Directors

Ulrich Graf, Chairman

On behalf of the Executive Management

Dr. Paul J. Hälg, CEO

Consolidated Income Statement

in CHF millions	Note	Six months ended 30.06.2016 unaudited	30.06.2015 unaudited
Net revenue	1	621.1	579.1
Cost of goods sold		–455.0	–430.4
Gross profit		166.1	148.7
Research and development expenses		–11.9	–12.9
Marketing and selling expenses		–46.9	–45.0
General and administrative expenses		–29.2	–26.0
Other operating income	5	3.7	2.8
Other operating expenses		–0.1	–0.2
Operating result before interest and taxes (EBIT)	1	81.7	67.4
Net finance result	5	–5.2	–6.6
Earnings before tax (EBT)		76.5	60.8
Income tax expenses		–19.9	–18.7
Net result		56.6	42.1
Net result per bearer share entitled to dividend (in CHF) [1]		**3.44**	**2.61**

[1] *There were no dilutive effects in the first half-year 2016 and 2015.*

The accompanying notes on pages 10 to 13 are an integral part of these interim consolidated financial statements.

Consolidated Balance Sheet

Assets

in CHF millions	Note	30.06.2016 unaudited	31.12.2015	30.06.2015 unaudited
Cash and cash equivalents	4	111.0	242.0	188.6
Money market investments	4	–	60.0	95.0
Trade accounts receivable		200.9	178.5	181.9
Inventories		174.5	169.4	161.4
Other receivables	4	187.3	18.5	36.7
Property, plant and equipment and intangible assets held for sale		0.7	0.7	–
Prepayments made and accrued income		19.9	6.6	7.2
Current assets		694.3	675.7	670.8
Property, plant and equipment		373.0	374.1	346.4
Intangible assets		16.6	16.3	16.2
Deferred income tax assets		60.2	60.3	57.3
Miscellaneous financial assets		2.6	2.7	1.1
Non-current assets		452.4	453.4	421.0
Total assets		**1'146.7**	**1'129.1**	**1'091.8**

Liabilities and equity

in CHF millions	Note	30.06.2016 unaudited	31.12.2015	30.06.2015 unaudited
Trade accounts payable		61.1	62.6	68.2
Short-term bank debt		3.7	3.3	11.4
Current provisions		32.4	31.3	33.3
Other current liabilities	4	86.8	64.3	58.9
Accrued expenses and deferred income		33.8	34.8	23.7
Current liabilities		217.8	196.3	195.5
Long-term bank debt		5.4	5.4	1.7
1.125% bond 2012–2018		149.8	149.8	149.8
Long-term provisions		15.0	15.1	12.9
Deferred income tax liabilities		28.8	29.5	25.7
Pension liabilities		3.7	3.5	2.9
Other long-term liabilities		1.0	3.4	0.0
Long-term liabilities		203.7	206.7	193.0
Total liabilities		421.5	403.0	388.5
Share capital		0.9	0.9	0.9
Treasury shares		–0.0	–0.0	–0.0
Additional paid-in capital		137.0	134.0	134.0
Goodwill offset against equity		–644.6	–644.6	–623.1
Retained earnings		1'353.4	1'333.0	1'292.9
Market valuation of cash flow hedges	4	–21.7	–0.3	–
Cumulative translation adjustments		–99.8	–96.9	–101.4
Equity	4	725.2	726.1	703.3
Total liabilities and equity		**1'146.7**	**1'129.1**	**1'091.8**

The accompanying notes on pages 10 to 13 are an integral part of these interim consolidated financial statements.

Condensed Consolidated Cash Flow Statement

in CHF millions	Note	Six months ended 30.06.2016 unaudited	30.06.2015 unaudited
Net result		56.6	42.1
Non-cash item of income and expenses		68.1	92.8
Operating cash flow before changes in working capital		124.7	134.9
Changes in net working capital		–247.5	–46.4
Net cash flow from operating activities		–122.8	88.5
Net purchases of property, plant and equipment		–26.2	–25.0
Earn-out payments		–2.0	–2.9
Net proceeds from sale of money market investments		60.0	13.0
Net purchases of other non-current assets		–3.3	–2.2
Net cash provided by/(used in) investing activities		28.5	–17.1
Net proceeds from/(repayment of) bank debt		0.5	–16.0
Net decrease in other long-term liabilities		–0.2	–1.8
Dividend paid to shareholders		–36.2	–73.1
Net cash used in financing activities		–35.9	–90.9
Net change in cash and cash equivalents		–130.2	–19.5
Cash and cash equivalents at 1 January		242.0	213.1
Effect of exchange rate changes on cash and cash equivalents		–0.8	–5.0
Cash and cash equivalents at 30 June		**111.0**	**188.6**

The accompanying notes on pages 10 to 13 are an integral part of these interim consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF millions	Share capital [1]	Treasury shares [2]	Additional paid-in capital	Goodwill offset against equity [3]	Retained earnings [3]	Market valuation of cash flow hedges	Cumulative translation adjustments	Total equity
At 1 January 2015	**0.9**	**–0.1**	**131.5**	**–622.6**	**1'329.4**	**–**	**–85.9**	**753.2**
Net result	–	–	–	–	42.1	–	–	42.1
Share award plan (see note 6)	–	0.0	2.5	–	–	–	–	2.5
Dividends	–	0.1	–	–	–78.6	–	–	–78.5
Offset of goodwill from acquisitions	–	–	–	–0.5	–	–	–	–0.5
Currency translation differences	–	–	–	–	–	–	–15.5	–15.5
At 30 June 2015	**0.9**	**–0.0**	**134.0**	**–623.1**	**1'292.9**	**–**	**–101.4**	**703.3**
Net result	–	–	–	–	40.1	–	–	40.1
Offset of goodwill from acquisitions	–	–	–	–21.5	–	–	–	–21.5
Changes in market valuation of cash flow hedges	–	–	–	–	–	–0.3	–	–0.3
Currency translation differences	–	–	–	–	–	–	4.5	4.5
At 1 January 2016	**0.9**	**–0.0**	**134.0**	**–644.6**	**1'333.0**	**–0.3**	**–96.9**	**726.1**
Net result	–	–	–	–	56.6	–	–	56.6
Share award plan (see note 6)	–	0.0	3.0	–	–	–	–	3.0
Dividends	–	–	–	–	–36.2	–	–	–36.2
Offset of goodwill from acquisitions	–	–	–	–0.0	–	–	–	–0.0
Changes in market valuation of cash flow hedges	–	–	–	–	–	–21.4	–	–21.4
Currency translation differences	–	–	–	–	–	–	–2.9	–2.9
At 30 June 2016	**0.9**	**–0.0**	**137.0**	**–644.6**	**1'353.4**	**–21.7**	**–99.8**	**725.2**

[1] At 30 June 2016, the holding company's share capital was CHF 850'000 (30 June 2015 CHF 850'000).
[2] At 30 June 2016, the par value of treasury shares amounted to CHF 26'417 (30 June 2015 CHF 27'502).
[3] Goodwill from acquisitions is no longer offset against retained earnings, but presented retroactively since 1 January 2014 as a separate item of equity.

In the first half of 2015, the Annual General Meeting of 16 April 2015 declared in addition to the ordinary cash dividend of CHF 2.20 gross per bearer share or CHF 0.44 gross per registered share or CHF 35.1 million in total, respectively, an anniversary stock dividend whereby treasury shares held by Dätwyler Holding Inc. were distributed. Shareholders received three additional bearer shares for every 100 bearer shares and every 500 registered shares held. A total of 477'264 treasury shares with a fair value of CHF 68.9 million were distributed at par value, and fractions amounting to CHF 0.2 million were compensated in cash. The reported dividend of CHF 78.6 million also includes withholding and income taxes and stamp duty of CHF 43.3 million in total.

The accompanying notes on pages 10 to 13 are an integral part of these interim consolidated financial statements.

Notes to the Consolidated Financial Statements

1 / SEGMENT INFORMATION

in CHF millions	Technical Components	Sealing Solutions	Elimi-nations	Total Group
Six months ended 30 June 2016:				
Revenue from external customers	238.0	383.1	–	621.1
Inter-segment revenue	0.0	0.0	–0.0	–
Total net revenue	238.0	383.1	–0.0	621.1
EBIT	9.2	72.5	–	81.7
EBIT in % of net revenue	3.9%	18.9%	–	13.2%

in CHF millions	Technical Components	Sealing Solutions	Elimi-nations	Total Group
Six months ended 30 June 2015:				
Revenue from external customers	227.0	352.1	–	579.1
Inter-segment revenue	0.0	0.0	–0.0	–
Total net revenue	227.0	352.1	–0.0	579.1
EBIT	5.3	62.1	–	67.4
EBIT in % of net revenue	2.3%	17.6%	–	11.6%

The Datwyler Group is a focused industrial supplier organised into two divisions with leading positions in global and regional market segments.

The result of the Group management functions is allocated to the divisions using a revenue-based key. The divisions are managed independently and their business performance is measured separately.

The Technical Components division is a high-service distributor of maintenance, electronic, automation and ICT components and accessories with about 30 distribution and service companies across Europe. Significant operations are located in Switzerland, Germany, the Netherlands as well as in Scandinavia.

The Sealing Solutions division offers customised sealing solutions in global market segments including automotive, civil engineering, consumer goods and health care. The significant manufacturing and distribution companies are located in Switzerland, Germany, Belgium, the Netherlands, Italy, the Czech Republic, Ukraine, China, South Korea, India, the USA, Brazil and Mexico.

2 / BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements (hereinafter referred to as the “interim consolidated financial statements”) comprise the unaudited interim financial statements for the six months ended 30 June 2016 (hereinafter referred to as “first half of 2016”). The consolidated financial statements are prepared in accordance with Swiss GAAP. The consolidated interim financial statements have been prepared in accordance with the rules of Swiss GAAP standard 31 relating to interim financial reporting. No adjustments have been made to the balance sheet, income statement or notes of the interim consolidated financial statements in connection with the adoption of the new requirements at 1 January 2016 relating to revenue recognition as defined in the Swiss GAAP framework and in Swiss GAAP standards 3 and 6. The interim consolidated financial statements do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

The interim consolidated financial statements were authorised for issue by the Board of Directors on 10 August 2016.

The interim consolidated financial statements include all companies which belonged to the Group during the reporting period and over which Dätwyler Holding Inc. had the power to govern the financial and operating policies so as to obtain benefits from their activities. In the Datwyler Group, this is achieved when more than 50% of a Group company’s share capital or voting rights is unconditionally owned directly or indirectly by Dätwyler Holding Inc. domiciled in Altdorf (Switzerland).

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management’s best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The operations of the Datwyler Group are not subject to any significant seasonal or cyclical variations.

3 / EXISTING ACQUISITION OFFER

On 14 June 2016, Datwyler announced that the Board of Directors of Dätwyler Holding Inc. and the Board of Directors of Premier Farnell plc had reached agreement on the terms of a recommended all-cash offer by Datwyler for the entire share capital of Premier Farnell which is listed on the London stock exchange. Under the terms of the transaction, Datwyler has agreed to pay each Premier Farnell shareholder 165 pence in cash per Premier Farnell share, which represents a transaction volume for the entire share capital of Premier Farnell of approximately GBP 615 million. According to its 2015/2016 annual report, Premier Farnell generated an annual net revenue of GBP 904 million, employing some 3'600 employees in 38 countries. As a high-service distributor for electronic components it would be integrated into the Technical Components division of Datwyler group. The financing requirement for the transaction amounting to GBP 615 million is secured through GBP 118 million of existing cash held in an escrow account, a five-year term loan of CHF 286 million and a CHF 400 million bridge facility, of which CHF 140 million is expected to be refinanced at a later stage in the public bond market and the remainder through a capital increase of approximately CHF 200 million and through a placement of treasury shares with proceeds of about CHF 60 million. On 28 Juli 2016 Avnet Inc. has announced a cash offer for Premier Farnell at 185 pence per share. Datwyler has noted this offer and is currently considering how to proceed and will communicate on this subject in due course as appropriate. Should the Board of Directors decide not to pursue the acquisition further, one-off transaction costs of around CHF 4 million to CHF 8 million would be incurred and included in EBIT. There would also be one-off costs of approximately CHF 35 million to CHF 40 million related to currency hedging and exchange rate losses, which would encumber the financial result. In the event of a successful transaction, these one-off costs would be assigned to the purchase price and, as such, would not appear in the income statement.

On 10 August 2016, an extraordinary general meeting of shareholders has approved the creation of an authorized capital with a maximum of 2'199'999 registered shares and a maximum of 1'259'999 bearer shares, both to be issued and paid-in in full. Datwyler's Board of Directors expects that Pema Holding AG, as majority shareholder of Dätwyler Holding Inc., will participate in a proportionate share in a possible capital increase, thus maintaining its current ownership as a percentage of capital and votes.

4 / BALANCE SHEET

Total assets increased by CHF 17.6 million or 1.6% compared to year-end 2015. Liquid assets (cash, cash equivalents and money market investments) of the Group amounted to CHF 111.0 million at the end of June 2016. The decrease of CHF 191.0 million compared to year-end 2015 resulted primarily from the transfer of CHF 154.4 million into an escrow account classified as other receivable, securing the financing of the existing acquisition offer (see also note 3), and from the dividend payment of CHF 36.2 million. Trade accounts receivable have temporarily increased due to seasonal factors as at the end of June 2015. Consolidated equity decreased by CHF 2.1 million to CHF 724.0 million, representing an equity ratio of 63.2%. The market valuation of derivative financial instruments to hedge future cash flows, which were incurred in view of the intended acquisition (see note 3), reduced consolidated equity by CHF 21.7 million and increased other current liabilities by CHF 22.5 million as well as other receivables by CHF 0.8 million. In the first half of 2016, no treasury shares were sold on the stock exchange (first half of 2015 none).

5 / INCOME STATEMENT

Compared with the first half of 2015, personnel expenses increased by CHF 13.2 million to CHF 161.2 million. Compared to 30 June 2015, the average number of employees including temporary staff rose by 246 to 7’050 at 30 June 2016, including an increase of 123 employees from subsidiaries acquired.

In the first half of 2016, no impairment charges were recognised (first half of 2015 none). Other operating income includes gains on sale of fixed assets of CHF 0.5 million (first half of 2015 CHF 0.4 million).

Net finance expenses of CHF 5.2 million (first half of 2015 CHF 6.6 million) include net foreign exchange losses of CHF 5.8 million (first half of 2015 losses of CHF 31.4 million), offset by net gains on derivative financial instruments of CHF 2.1 million (first half of 2015 gains of CHF 26.4 million). Net interest expense increased to CHF 1.0 million in the first half of 2016 (first half of 2015 CHF 0.9 million).

6 / SHARE AWARD PLAN

Since 2007, Directors and senior executives have received a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc. Share-based payments to Directors and senior executives are measured at market value and recognised as personnel expenses at issue date. The shares awarded may not be sold for a period of five years after issue date. Voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. In June 2016, Directors were awarded a total of 11'800 (June 2015 10'700) bearer shares and senior executives were awarded a total of 9'900 (June 2015 9'667) bearer shares of Dätwyler Holding Inc. Personnel expenses relating to the share award plan amount to CHF 3.2 million (first half of 2015 CHF 2.7 million), and the increase in additional paid-in capital, net of applicable income taxes, was CHF 3.0 million (first half of 2015 CHF 2.5 million).

7 / EVENTS AFTER BALANCE SHEET DATE

On 9 August 2016, the Sealing Solutions division signed a contract to fully acquire Ott GmbH & Co. KG and Ott Geschäftsführungs GmbH, two companies based in Germany that produce injection-moulded parts made from thermoplastic and liquid silicone, generating annual sales of some CHF 33 million and employing some 200 people. The closing of the transaction is expected at the beginning of September 2016.

The Board of Directors and the Executive Management are not aware of any significant events occurring up to the date of approval of the interim consolidated financial statements on 10 August 2016 that would cause an adjustment of the carrying amounts of the Group's assets and liabilities. See note 3 for disclosures relating to the existing acquisition offer for Premier Farnell plc.

8 / CURRENCY TRANSLATION RATES

	Six months ended 30 June 2016		Six months ended 30 June 2015	
	Closing rate at 30.06.	Average rate first-half year	Closing rate at 30.06.	Average rate first-half year
100 CNY	14.76	15.06	15.24	15.38
1 EUR	1.09	1.10	1.04	1.05
1 GBP	1.31	1.41	1.47	1.44
1 USD	0.98	0.98	0.93	0.94

Datwyler Group – a focused industrial supplier

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and customised solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Technical Components Division is one of Europe's foremost high-service distributors of maintenance, electronic, automation and ICT components and accessories. The Sealing Solutions Division is a leading supplier of customised sealing solutions to global market segments including automotive, civil engineering, consumer goods and health care. With a total of more than 50 operating companies, sales in over 100 countries and around 7'000 employees, the Datwyler Group generates annual revenue of some CHF 1'200 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

www.datwyler.com

Published and edited by
Dätwyler Holding Inc., Altdorf, Switzerland

Design and realization
Hotz Brand Consultants,
Steinhausen / Zug, Switzerland
gateB AG,
Steinhausen / Zug, Switzerland

Disclaimer

This Interim Report contains forward–looking statements that reflect the Datwyler Group's current expectations regarding market conditions and future events and are therefore subject to a number of risks, uncertainties and assumptions. Unanticipated events could cause actual results to differ from those predicted and from the information published in this report. All forward–looking statements contained in this report are qualified in their entirety by the foregoing.

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