

016

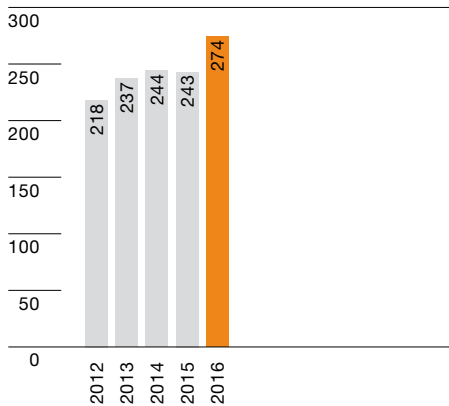


Financial summary

in CHF million	1st half 2016	1st half 2015	Change
Net sales	273.9	242.6	12.9%
Operating income before interest, taxes, depreciation, amortization (EBITDA)	58.6	46.3	26.5%
in percent of net sales	21.4%	19.1%	
Operating income before interest and taxes (EBIT)	46.9	35.8	31.1%
in percent of net sales	17.1%	14.7%	
Net income	37.8	23.0	64.0%
in percent of net sales	13.8%	9.5%	
Investments in property, plant and equipment and intangible assets	6.3	15.9	-60.5%
Cash from operating activities	50.8	35.6	42.8%
in percent of net sales	18.6%	14.7%	
Free cash flow	44.7	19.9	124.6%
in percent of net sales	16.3%	8.2%	
in CHF			
Earnings per share	61.47	37.49	64.0%
Number of employees (FTEs, six-month average)	1 401	1 375	1.9%

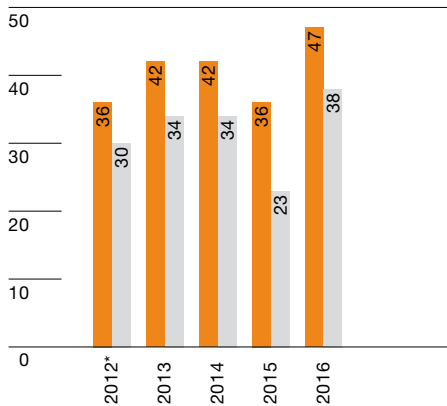
Sales 1st half 2012–2016

in CHF million



Income 1st half 2012–2016

in CHF million



* Restatement due to the revised accounting standard IAS 19 Employee Benefits.

■ Operating income (EBIT)
■ Net income

Strong sales and income

Dear Shareholders

In the first half-year 2016, the Belimo Group increased its sales by 12.9 percent to CHF 273.9 million, adjusted for currencies by 10.2 percent. In local currencies, Europe grew by 7.2 percent, the Americas by 12.0 percent and Asia/Pacific by 16.9 percent.

Operating income before interest and taxes (EBIT) for the first half-year amounted to CHF 46.9 million, which equates to an operating margin of 17.1 percent (comparison period 2015 14.7 percent). Net income amounted to CHF 37.8 million (comparison period 2015 CHF 23.0 million). Earnings per share were CHF 61.47 (comparison period 2015 CHF 37.49). In the previous year, net income was strained substantially by the appreciation of the Swiss franc.

Free cash flow equalled CHF 44.7 million (comparison period 2015 CHF 19.9 million). The significant increase is explained by the successful business activity. In the previous year, investments in the new building project in Hinwil diminished cash and cash equivalents. At the end of June 2016, Belimo reported net liquidity of some CHF 72 million and an equity ratio of 73 percent.

Europe

Sales in the Europe market region grew by 9.5 percent, or 7.2 percent on a currency-adjusted basis. Demand was stable in the heating, ventilation and air conditioning (HVAC) market segment.

Europe posted excellent growth compared to the previous year, with Poland, Norway, Italy and the United Kingdom making notable contributions to growth. Poland's

improvement was the result of good economic developments and the relocation of production facilities by Western European companies. The United Kingdom and Norway mainly owed their growth to the strong OEM business. Germany and the Netherlands also contributed essentially to growth. France was on par with the previous year, while sales in Switzerland contracted.

The low oil price resulted in restrained investment activity in the Middle East, which had a negative impact on business operations in Saudi Arabia. Sales in the Russian market stabilized at a low level.

Water applications saw remarkable growth, with solutions using pressure-independent products such as the Belimo Energy Valve™. Also the new zone valves ZoneTight™ posted above-average growth. Sales of the new fire damper actuators developed excellently in spite of weak demand in Russia.

In March, Belimo participated very successfully in the “Mostra Convegno Expocomfort” (MCE), a large international trade fair in Italy. In an office building of ZDF Television in Mainz, Germany, the first 120 6-way EPIV were installed. This new product combines the functions of the successful electronic pressure-independent valve (EPIV) and the 6-way characterized control valve for heating and cooling ceiling applications.

Americas

Sales in the Americas market region grew by 15.4 percent, or 12.0 percent on a currency-adjusted basis. The HVAC market in both the United States and Canada fared better than the general economy due to the continuation of the slow but steady rebound in

non-residential construction which has been taking place since 2010.

Sales in the United States and Canada developed well due to continued strength in the new construction sector. In addition, Belimo has benefitted from continued interest to invest in energy saving HVAC system upgrades in existing buildings. Brazil remains locked in the worst recession it has experienced in over 30 years, with negative impacts on sales as a result.

Sales of water applications outpaced those of air applications, primarily driven by pressure-independent product solutions, butterfly valves and characterized control valves. The market launch of the zone valves product range ZoneTight™ in the previous year also bolstered the solid growth.

Growth in the OEM customer segment was driven by sales of fire damper actuators. The contracting customer segment enjoyed robust growth thanks to higher sales of water applications.

Asia/Pacific

Sales in the Asia/Pacific market region grew by 19.1 percent, or 16.9 percent on a currency-adjusted basis. The HVAC market development was rather slow in most countries, but the market for energy-efficient buildings was growing.

Belimo achieved encouraging contributions to growth in India, China and South-East Asia. In India, sales to global OEM customers improved, in particular for variable volumetric flow controllers and fire damper actuators. Furthermore, investments in infrastructure such as metro projects were

moving at a faster pace this year. South Korea has bounced back from the slowdown experienced in the previous year as projects that have been on hold are now in progress.

Sales in Australia are behind last year's results because the number of medium to large sized projects that are available for quotation have come down significantly.

The main growth factor across the region were water applications, in particular pressure-independent solutions and butterfly valves. Sales of these products were convincing, and large projects were awarded such as the "Lisboa Palace", a casino, hotel and shopping complex in Macau, Hong Kong and the "SunnyWorld Centre", an office building in Shanghai, China.

Innovation

The product range of large valves known as butterfly valves is constantly growing in importance. The new generation of butterfly valves with actuators developed by Belimo is ready for market launch and will add value to the existing product range.

In addition, a new version of the Belimo smartphone app will be introduced. It enables to make all important settings to the installed actuator on site via wireless connection (NFC). The new app uses a wide range of indicators that simplifies the commissioning as well as the optimization during operation.

The product range of fire damper actuators for the American and Asian markets was expanded by the addition of more powerful and faster running actuators.

Products for railway applications are becoming ever more important thanks to new projects to build rapid transit lines and the global expansion of railway infrastructures. This specialized product range was developed further and adjusted to the new standards.

Large fire damper actuators for tunnel applications were launched in the Asian market. These products can withstand extremely high temperatures.

Outlook

Sales should develop stable in the second half-year compared to the first half-year. However, the decided exit of the United Kingdom from the European Union could affect the market development in Europe. A recovery in the second half-year in Russia and the Middle East is not expected. In the United States and Canada low interest rates and an underbuilt market might enable healthy growth. In Asia/Pacific, particularly in China, a slowdown in construction activity is assumed.

In the previous year, Belimo substantially increased its sales in the second half-year compared to the first half-year. Consequently, it will be challenging to maintain the high growth rate of the first half-year 2016 until year-end.

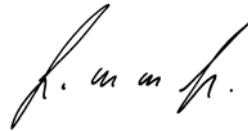
Belimo continues to pursue its strategy of sustainable market development by focusing on actuator solutions for controlling heating, ventilation and air conditioning systems.

We appreciate your trust in Belimo.

Sincerely
BELIMO Holding AG



Hans Peter Wehrli
Chairman of the Board of Directors



Lars van der Haegen
CEO

Consolidated financial statements

Balance sheet

in CHF 1 000	06.30.2016	12.31.2015
Cash and cash equivalents	72 306	67 687
Securities	384	159
Trade accounts receivable	85 420	67 521
Income tax receivable	720	674
Other accounts receivable and accruals	8 160	7 819
Inventories	82 702	80 682
Current assets	249 692	224 542
Property, plant and equipment	167 583	172 398
Intangible assets	10 633	12 309
Financial assets	1 244	983
Deferred tax assets	5 306	2 809
Non-current assets	184 766	188 499
Assets	434 458	413 041
Trade accounts payable	22 245	13 774
Income tax payable	5 314	2 080
Other liabilities and deferrals	41 906	31 616
Current liabilities	69 465	47 470
Deferred tax liabilities	9 929	10 000
Provisions	6 167	6 067
Post-employment benefits	30 634	12 548
Non-current liabilities	46 730	28 615
Liabilities	116 195	76 085
Share capital	615	615
Treasury shares	-539	-536
Capital reserves	22 293	22 222
Retained earnings	295 894	314 655
Shareholders' equity	318 263	336 956
Liabilities and shareholders' equity	434 458	413 041

Income statement

in CHF 1 000	1 st half 2016	%*	1 st half 2015	%*
Net sales	273 856	100.0	242 628	100.0
Other operating income	626	0.2	1 185	0.5
Material expenses	-113 265	-41.4	-101 592	-41.9
Personnel expenses	-73 417	-26.8	-69 266	-28.5
Other operating expenses	-29 245	-10.7	-26 650	-11.0
Depreciation and amortization	-11 641	-4.3	-10 531	-4.3
Operating income (EBIT)	46 914	17.1	35 774	14.7
Financial income	758	0.3	682	0.3
Financial expenses	-1 609	-0.6	-8 437	-3.5
Financial result	-851	-0.3	-7 755	-3.2
Income before taxes (EBT)	46 063	16.8	28 019	11.5
Income taxes	-8 291	-3.0	-4 987	-2.1
Net income	37 772	13.8	23 032	9.5
Attributable to shareholders of BELIMO Holding AG	37 772	13.8	23 032	9.5
Earnings per share in CHF	61.47		37.49	

There are no options or other instruments that could have a dilutive effect.

* in percent of net sales

Consolidated financial statements

Statement of comprehensive income

in CHF 1 000	1 st half 2016	1 st half 2015
Net income	37 772	23 032
Translation differences	-1 497	-7 730
Items to be reclassified subsequently to the income statement	-1 497	-7 730
Revaluation of post-employment benefits	-17 570	-3 299
Tax effect	2 472	486
Items not to be reclassified subsequently to the income statement	-15 098	-2 813
Other comprehensive income after taxes	-16 595	-10 543
Total comprehensive income	21 177	12 489
Attributable to shareholders of BELIMO Holding AG	21 177	12 489

Statement of changes in equity

in CHF 1 000	Share capital	Treasury shares	Capital reserves	Retained earnings	Shareholders' equity
As at January 1, 2015	615	-564	22 184	294 684	316 919
Total comprehensive income				12 489	12 489
Dividends				-39 936	-39 936
As at June 30, 2015	615	-564	22 184	267 238	289 473
As at January 1, 2016	615	-536	22 222	314 655	336 956
Total comprehensive income				21 177	21 177
Purchase of treasury shares		-42			-42
Sale of treasury shares		39	71		110
Dividends				-39 937	-39 937
As at June 30, 2016	615	-539	22 293	295 894	318 263

Cash flow statement

in CHF 1 000	1 st half 2016	1 st half 2015
Net income	37 772	23 032
Income taxes	8 291	4 987
Interest result	-132	319
Depreciation of property, plant and equipment	9 171	8 302
Amortization of intangible assets	2 470	2 229
Income from the sale of property, plant and equipment	-143	-108
Other non-cash items	-471	-351
Change in accounts receivable and other current assets	-18 458	-9 796
Change in inventories	-2 217	-823
Change in accounts payable and other current liabilities	19 356	14 038
Change in provisions	97	300
Income tax paid	-4 894	-6 532
Cash flow from operating activities	50 842	35 598
Investments in property, plant and equipment	-5 485	-14 245
Investments in intangible assets	-785	-1 639
Purchase of financial assets and securities	-386	-101
Sale of property, plant and equipment	332	135
Interest received	191	159
Cash flow from investing activities	-6 133	-15 692
Purchase of treasury shares	-42	
Sale of treasury shares	110	
Dividend distribution	-39 937	-39 936
Interest paid	-26	-407
Cash flow from financing activities	-39 895	-40 342
Translation differences arising from cash and cash equivalents	-195	-2 416
Change in net cash	4 619	-22 853
Cash and cash equivalents at beginning of period	67 687	92 345
Cash and cash equivalents at end of period	72 306	69 492

Notes

1 Group accounting principles

1.1 General

The Belimo Group (hereinafter referred to as Belimo or the Group) is a leading global manufacturer of innovative electrical actuator solutions, valve systems and sensors for heating, ventilation and air conditioning systems. The shares of BELIMO Holding AG have been traded on the SIX Swiss Exchange since 1995 (BEAN). BELIMO Holding AG has its registered office in Hinwil, Switzerland.

The business activities of Belimo are not subject to any significant seasonal fluctuations.

1.2 Statement of compliance

The unaudited consolidated interim financial statements 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting.

1.3 Basis of preparation

These consolidated financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

The same accounting principles, estimates and assumptions were applied as in the consolidated annual financial statements 2015 except for the actuarial assumptions used for revaluing the post-employment benefits of BELIMO Automation AG. The discount rate decrease from 0.90 to 0.15 percent and the newly applied generation tables BVG 2015 with higher life expectancy and lower possibility of invalidity significantly influenced the comprehensive income, the shareholders' equity, the post-employment benefits and the deferred tax assets as at June 30, 2016. Income taxes were calculated using the expected tax rate for the 2016 reporting year.

The revised standards (see consolidated financial statements 2015) applied for the first time in the consolidated interim financial statements have had no impact on the consolidated amounts. The revised standard IAS 1 resulted in some changes in presentation. Furthermore, immaterial disclosures were foregone. The presentation of the consolidated income statement was re-assessed in the annual financial statements 2015. In the present interim financial statements the previous year data was adapted accordingly.

2 Segment reporting

Belimo has four reportable operating segments, which performed as follows:

in CHF 1 000	Europe	Americas	Asia/ Pacific	Shared Services	Elimination	Total
1st half 2016						
Income statement						
Net sales to third parties	133 292	109 262	31 302			273 856
Other operating income				98		98
Personnel and other operating expenses	-19 035	-16 089	-6 384	-65 893	4 739	-102 662
Depreciation and amortization	-1 228	-1 951	-130	-8 333		-11 641
Segment profit	113 029	91 222	24 789	-74 128	4 739	159 651
Non-allocated other operating income						528
Non-allocated material expenses						-113 265
Non-allocated financial result						-851
Income before taxes (EBT)						46 063
1st half 2015						
Income statement						
Net sales to third parties	121 688	94 651	26 289			242 628
Other operating income				1 006		1 006
Personnel and other operating expenses	-17 621	-14 443	-5 776	-63 515	5 440	-95 916
Depreciation and amortization	-1 084	-1 766	-128	-7 554		-10 531
Segment profit	102 983	78 442	20 385	-70 063	5 440	137 188
Non-allocated other operating income						179
Non-allocated material expenses						-101 592
Non-allocated financial result						-7 755
Income before taxes (EBT)						28 019

Notes

Sales development compared to the previous year period in the geographical regions was as follows:

	CHF	Local currencies
Europe	9.5%	7.2%
Americas	15.4%	12.0%
Asia/Pacific	19.1%	16.9%
Group	12.9%	10.2%

Europe contributed 49 percent (comparison period 2015 50 percent), Americas 40 percent (39 percent) and Asia/Pacific 11 percent (11 percent) to the Group net sales.

Overall, movements in exchange rates had an effect of 2.7 percentage points on net sales (comparison period 2015 –3.7 percentage points).

in CHF 1 000	1st half 2016	Share	1st half 2015	Share
Sales by application				
Air	157 387	57%	141 794	58%
Water	116 469	43%	100 834	42%
Total	273 856	100%	242 628	100%

In local currencies, net sales of air applications grew by 8.6 percent and net sales of water applications increased by 12.4 percent.

3 Financial result

The financial result amounted to CHF –0.9 million (comparison period 2015 CHF –7.8 million). In the previous year, the financial result mainly consisted of foreign currency losses which particularly arose from the valuation of balance sheet items in euro and US dollars.

4 Dividend

As per the resolution of the Annual General Meeting of BELIMO Holding AG held on April 25, 2016, a dividend of CHF 65 per registered share was paid on April 29, 2016.

5 Foreign exchange rates

The consolidated financial statements are based on the following closing and average exchange rates (rounded) for the main currencies euro and US dollar:

in CHF	Closing rates			Average rates		
	06.30.2016	12.31.2015	Change	1 st half 2016	1 st half 2015	Change
EUR	1.09	1.08	0.3%	1.09	1.06	3.5%
USD	0.98	0.99	-1.4%	0.99	0.94	4.7%

6 Events after the reporting period

The consolidated interim financial statements were authorized for issue by the Board of Directors on July 22, 2016.

No events took place between June 30, 2016, and July 22, 2016, that would require adjustments to the carrying amounts of the assets or liabilities in these consolidated interim financial statements or would need to be disclosed here.

Publications and agenda

Publication of Semiannual Report 2016	August 3, 2016
Publication of 2016 preliminary results	February 9, 2017
Publication of Annual Report 2016/Media and financial analysts conference	March 13, 2017
Annual General Meeting 2017	April 3, 2017

Further information for shareholders

www.belimo.com/investorrelations

This report contains comments relating to future developments which are based on assumptions and estimates of BELIMO Holding AG. Although the Company assumes the expectations of these prospective comments to be realistic, they contain risks. These can lead to the actual results being significantly different from the prospective comments. Among the factors which can cause such differences are changes in the economic and business environment, exchange rate and interest rate changes, the introduction of competing products, inadequate acceptance of new products or services and changes in the business strategy.

BELIMO Holding AG neither plans nor commits itself to keep these prospective comments up to date.

BELIMO Holding AG
Brunnenbachstrasse 1
CH-8340 Hinwil
Phone +41 43 843 61 11

www.belimo.com

20

Credits

Concept/editing: BELIMO Holding AG, Hinwil

Design: Daniel Stähli, dast visual, Zurich

Printed by: Linkgroup, Zurich

The Semiannual Report 2016 is published in German and English.
In case of discrepancies the German version shall prevail.

Printed on paper from sustainable forest management.

