

Semiannual Report

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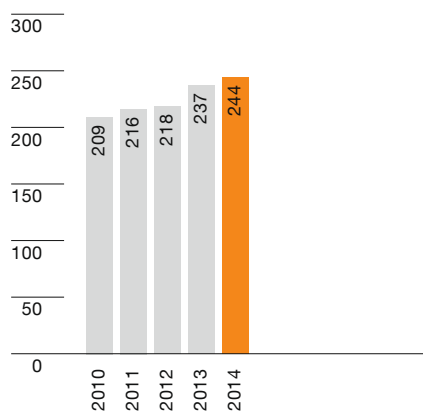


Financial summary

in CHF million	1st half 2014	1st half 2013	Change
Net sales	244.1	236.8	3.1%
Operating income before interest, taxes, depreciation, amortization (EBITDA) in percent of net sales	50.8 20.8%	50.5 21.3%	0.5%
Operating income before interest and taxes (EBIT) in percent of net sales	42.0 17.2%	42.2 17.8%	-0.5%
Net income in percent of net sales	33.6 13.8%	33.5 14.2%	0.2%
Investments	27.4	9.4	191.4%
Cash flow from operating activities in percent of net sales	33.6 13.8%	37.3 15.8%	-10.0%
Free cash flow in percent of net sales	6.4 2.6%	28.0 11.8%	-77.2%
in CHF			
Earnings per share	54.84	54.96	-0.2%
Number of employees (FTEs, six-month average)	1 339	1 252	6.9%

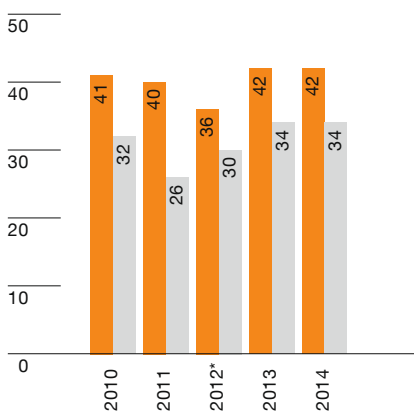
Sales 1st half 2010–2014

in CHF million



Income 1st half 2010–2014

in CHF million



■ Operating income (EBIT)
■ Net income

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

Pleasant growth

Dear Shareholder

The Belimo Group increased its sales in the first half-year 2014 by 6.3 percent on a currency-adjusted basis (3.1 percent in Swiss francs) to CHF 244.1 million.

Currency-adjusted growth was 7.4 percent in Europe, 5.6 percent in the Americas and 3.2 percent in Asia/Pacific.

Earnings before interest and taxes (EBIT) for the first half-year amounted to CHF 42.0 million, which equates to an operating margin of 17.2 percent (comparison period 2013 17.8 percent). Net income was CHF 33.6 million and thus on previous year level (comparison period 2013 CHF 33.5 million). Earnings per share were CHF 54.84 (comparison period 2013 CHF 54.96).

The construction of the new American headquarters building in Danbury (CT, USA) will be completed soon and the move will take place this fall. The work on the logistics building expansion at the headquarters in Hinwil started on schedule, and the aim for completion and operation start is in 2015.

Due to the construction investments free cash flow declined by 77.2 percent to the comparison period 2013. At the end of June 2014, Belimo had net liquidity of some CHF 58 million and an equity ratio of 74.5 percent.

Europe

Sales in the Europe market region grew by 6.9 percent in Swiss francs (7.4 percent on a currency-adjusted basis). The markets for heating, ventilation and air conditioning (HVAC) increasingly recovered, although economic growth overall remained restrained. Construction activity, especially in Southern Europe, saw a rise.

Belimo did well in France, Germany and Italy. A successful performance in terms of sales was also recorded in the Netherlands, Finland, Poland and Spain. Amongst others the order for the office building "Sea Containers House" in London, United Kingdom, could be won. The United Arab Emirates rose strongly from modest results in the previous year. Russia performed disappointingly, suffering from the current economic situation and the devaluation of the ruble.

In general, Belimo grew faster than the market and was able to gain market share.

Sales in water applications reached double-digit growth. This was largely thanks to products for zone applications and the new hydraulic balancing solutions for plants. Air applications also performed well.

Both OEM and the contracting business saw sales grow at similar rates.

Americas

Sales in the Americas market region were down 0.7 percent in Swiss francs. On a currency-adjusted basis, they were up 5.6 percent. Aging plants and strong demand for energy-efficient HVAC systems resulted in above-average growth in the sector, but governmental austerity measures and investor passivity continued to slow down this trend. The new construction and retrofit market in Canada continued to develop positively.

Belimo once again made gains in the United States and Canada. The Canadian subsidiary won a major order for the hospital “Centre hospitalier de l’Université de Montréal (CHUM)”. Latin America posted an impressive double-digit growth. The new Arena Corinthians football stadium in São Paulo, Brazil, is fitted with Belimo products.

Established product lines kept their high market share level.

Overall, air applications grew stronger than water applications. This is due to the fact that the OEM business performed much better than the contracting business, and OEM sales are largely made up of air damper actuators.

Asia/Pacific

Sales in the Asia/Pacific market region were down 3.8 percent in Swiss francs. On a currency-adjusted basis, they were up 3.2 percent. The economic situation seems to be reflecting a slowdown with property prices reaching all-time highs in many countries and investments being put on hold across many parts of the region as governments strive to prevent over investment. The HVAC market is seeing an increasing demand for retrofit projects driven by the need to improve energy efficiency.

Belimo reported solid growth in Australia due to the order for the “Governor Phillip Tower” in Sydney. India and the Philippines also developed positively. South Korea, Hong Kong, Malaysia and China were below expectations.

As with the regions, changes in market shares also varied. In India and Australia, Belimo retained or even increased its market share, whereas parts of South East Asia posted declines.

Water applications grew stronger than air applications. Increasing awareness of energy consumption helped water applications to grow.

The OEM business could grow while the contracting business performed below expectations.

Innovation

The first application of wireless near-field communication (NFC) technology will be used in variable volumetric flow controllers this year. This will allow all relevant actuator settings to be conveniently controlled via a cell phone app.

The Belimo Energy Valve™ product range and pressure-independent valves (ePIV) were given small nominal sizes and a fail-safe function. Software functionality was significantly expanded. The proprietary ultrasound sensor for water flow rates is being used for the first time in this product range, giving a noticeable improvement in accuracy at a much lower cost.

In the Americas market, the expansion of the product range of small, compact zone actuators with a valve is in development.

The new generation of fire protection actuators for the European market is in the final phase of development and has been installed by some clients for testing.

We appreciate your trust in Belimo.

Sincerely
BELIMO Holding AG



Hans Peter Wehrli
Chairman of the Board of Directors

Outlook

The construction industry in Europe is likely to see further improvement, resulting in steady demand for Belimo solutions. In Russia, the weak currency is slowing down the market development.

In the United States, the key market for the Americas region, investment in the private building sector is rising, while from the government sector no high construction or retrofit activity is expected.

Asia/Pacific is being affected by the restraint shown in China, but there are hopes of improvement in South East Asia. Australia and India are likely to continue their growth.

Belimo anticipates further growth, mainly in its developed markets, thanks to strong innovative capacity and effective client service. New building regulations and the rising awareness of energy efficiency are key drivers.



Jacques Sanche
CEO

Consolidated financial statements

Balance sheet

in CHF 1 000	06.30.2014	12.31.2013
Cash and cash equivalents	78 417	104 482
Securities	44	22
Trade accounts receivable	72 713	56 823
Income tax receivable	317	422
Other accounts receivable and accruals	8 139	7 340
Inventories	75 852	69 210
Current assets	235 482	238 299
Property, plant and equipment	134 208	113 743
Intangible assets	13 973	15 875
Financial assets	939	912
Deferred tax assets	1 401	1 162
Non-current assets	150 521	131 692
Assets	386 003	369 991
Current financial liabilities	1 269	1 264
Trade accounts payable	18 766	7 927
Income tax payable	4 626	5 045
Other liabilities and deferrals	33 928	29 525
Current liabilities	58 589	43 761
Non-current financial liabilities	20 000	20 000
Deferred tax liabilities	10 132	10 308
Provisions	6 482	6 285
Post-employment benefits	3 387	2 176
Non-current liabilities	40 001	38 769
Liabilities	98 590	82 530
Share capital	615	615
Treasury shares	-878	-3 856
Capital reserves	21 692	16 733
Retained earnings	265 984	273 969
Shareholders' equity	287 413	287 461
Liabilities and shareholders' equity	386 003	369 991

Income statement

in CHF 1 000	1st half 2014	1st half 2013
Net sales	244 061	236 777
Changes in inventory	2 793	2 042
Other operating income	25	186
Capitalized own services	363	289
Material expenses	-103 050	-99 027
Personnel expenses	-65 158	-62 420
Other operating expenses	-28 269	-27 320
Depreciation and amortization	-8 811	-8 343
Operating income (EBIT)	41 954	42 184
Financial income	341	334
Financial expenses	-1 319	-1 477
Financial result	-978	-1 143
Income before taxes (EBT)	40 976	41 041
Income taxes	-7 376	-7 511
Net income	33 600	33 530
Attributable to shareholders of BELIMO Holding AG	33 600	33 530
Earnings per share in CHF	54.84	54.96

There are no options or other instruments that could cause dilution.

Consolidated financial statements

Statement of comprehensive income

in CHF 1 000	1st half 2014	1st half 2013
Net income	33 600	33 530
Translation differences	-277	1 263
Items to be reclassified subsequently to the income statement	-277	1 263
Revaluation of post-employment benefits	-1 643	-47
Tax effect	243	4
Items not to be reclassified subsequently to the income statement	-1 400	-43
Other comprehensive income after taxes	-1 677	1 220
Total comprehensive income	31 923	34 750
Attributable to shareholders of BELIMO Holding AG	31 923	34 750

Statement of changes in equity, condensed

in CHF 1 000	Share capital	Treasury shares	Capital reserves	Retained earnings	Share- holders' equity
At January 1, 2013	615	-4 277	15 554	235 951	247 843
Total comprehensive income				34 750	34 750
Purchase of treasury shares		-57			-57
Sale of treasury shares		176	270		446
Dividends				-36 606	-36 606
At June 30, 2013	615	-4 158	15 824	234 096	246 377
At January 1, 2014	615	-3 856	16 733	273 969	287 461
Total comprehensive income				31 923	31 923
Purchase of treasury shares		-37			-37
Sale of treasury shares		3 015	4 959		7 974
Dividends				-39 908	-39 908
At June 30, 2014	615	-878	21 692	265 984	287 413

Consolidated financial statements

Cash flow statement

in CHF 1 000	1 st half 2014	1 st half 2013
Net income	33 600	33 530
Income taxes	7 376	7 511
Interest result	12	142
Depreciation of property, plant and equipment	6 420	6 055
Amortization of intangible assets	2 391	2 287
Income from the sale of property, plant and equipment	-44	-31
Other non-cash items	-286	1 068
Change in accounts receivable and other current assets	-16 636	-16 940
Change in inventories	-6 703	-2 254
Change in accounts payable and other current liabilities	15 260	11 351
Change in provisions	200	-291
Income tax paid	-7 977	-5 094
Cash flow from operating activities	33 613	37 333
Investments in property, plant and equipment	-26 896	-8 598
Investments in intangible assets	-553	-820
Purchase of financial assets and securities	-134	-249
Sale of property, plant and equipment	46	37
Interest received	331	342
Cash flow from investing activities	-27 206	-9 287
Purchase of treasury shares	-37	-57
Sale of treasury shares	7 974	446
Dividend distribution	-39 908	-36 606
Interest paid	-334	-324
Cash flow from financing activities	-32 305	-36 541
Translation differences arising from cash and cash equivalents	-167	329
Net cash decrease	-26 065	-8 166
Cash and cash equivalents at beginning of period	104 482	105 371
Cash and cash equivalents at end of period	78 417	97 205

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 and valve systems 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.

Belimo's business activities are not subject to any significant seasonal fluctuations.

1.2 Declaration of compliance

The unaudited consolidated interim financial statements 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

1.3 Basis of preparation

These consolidated financial statements have been prepared in Swiss francs (CHF), rounded to the nearest thousand. The same accounting principles, estimates and assumptions were applied as in the consolidated annual financial statements 2013. Income taxes were calculated using the expected tax rate for the 2014 reporting year. The new and revised standards (see consolidated financial statements 2013) applied for the first time in the consolidated interim financial statements have had no impact.

2 Changes to the scope of consolidation

There were no changes to the scope of consolidation in the first half-year 2014 or in the 2013 financial year.

3 Segment reporting

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

in CHF 1 000	Europe	Americas	Asia/ Pacific	Shared Services	Elimi- nation	Total
1st half 2013						
Income statement						
Net sales to third parties	128 362	83 698	24 717			236 777
Capitalized own services				289		289
Personnel and other operating expenses	-18 084	-12 907	-4 805	-56 511	2 566	-89 740
Depreciation and amortization	-1 363	-499	-212	-6 269		-8 343
Segment profit	108 916	70 292	19 700	-62 491	2 566	138 983
Non-allocated changes in inventory						2 042
Non-allocated other operating income						186
Non-allocated material expenses						-99 027
Non-allocated financial result						-1 143
Income before taxes (EBT)						41 041

1st half 2014						
Income statement						
Net sales to third parties	137 200	83 071	23 790			244 061
Capitalized own services				363		363
Personnel and other operating expenses	-19 490	-12 876	-5 209	-59 384	3 532	-93 427
Depreciation and amortization	-1 356	-537	-157	-6 762		-8 811
Segment profit	116 354	69 658	18 424	-65 783	3 532	142 186
Non-allocated changes in inventory						2 793
Non-allocated other operating income						25
Non-allocated material expenses						-103 050
Non-allocated financial result						-978
Income before taxes (EBT)						40 976

4 Sales

Year-on-year sales developed in the geographical markets as follows:

	CHF	Local currencies
Europe	6.9%	7.4%
Americas	-0.7%	5.6%
Asia/Pacific	-3.8%	3.2%
Group	3.1%	6.3%

Market shares in total sales did not change significantly year-on-year. In Europe it was 56 percent, in the Americas 34 percent, and in Asia/Pacific 10 percent.

Movements in exchange rates had an overall effect on sales of -3.2 percentage points (comparison period 2013 1.1 percentage points).

in CHF 1 000	1st half 2014	Share	1st half 2013	Share
Sales by application				
Air	150 662	62%	145 800	62%
Water	93 399	38%	90 977	38%
Total	244 061	100%	236 777	100%

In local currencies, sales of air applications grew by 6.4 percent and sales of water applications were up 6.2 percent.

5 Earnings per share/treasury shares

	1st half 2014	1st half 2013
Net income in CHF 1000	33 600	33 530
Average number of outstanding shares	612 681	610 142
Earnings per share in CHF	54.84	54.96

There are no options or other instruments that could cause dilution.

As per the resolution of the Annual General Meeting of Belimo held on April 14, 2014, a dividend of CHF 65 per registered share was paid out on April 23, 2014.

Notes

In the first half-year 2014, 15 treasury shares were repurchased (comparison period 2013 28 treasury shares) and 3273 treasury shares were sold (comparison period 2013 200 treasury shares).

6 Fair values of financial instruments

Forward foreign exchange contracts and currency options are the only financial instruments held by Belimo that are measured at fair value. In the fair value hierarchy according to IFRS 13, these valuations are assigned to level 2. They are not based on listed prices in active markets, but are derived from directly or indirectly observed input factors.

The positive replacement values are included in securities, the negative values in other liabilities. As at June 30, 2014, the replacement values were immaterial. Changes affecting net income are recognized in the financial result.

7 Property, plant and equipment and intangible assets

CHF 27.4 million were invested in property, plant and equipment and intangible assets, which comprised CHF 15.9 million for the construction of the new building in Danbury (CT, USA) and CHF 6.7 million for the building expansion in Hinwil. Contractual commitments for these construction projects amounted to CHF 34.2 million as at June 30, 2014.

8 Contingent liabilities

There were no contingent liabilities as at June 30, 2014, and December 31, 2013.

9 Events after the balance sheet date

The consolidated interim financial statements were approved for publication by the Board of Directors on July 24, 2014.

No events occurred between June 30, 2014, and July 24, 2014, that would have caused an adjustment to the carrying amounts of the Group's assets and liabilities or would require to be mentioned here.

Publications and agenda

Semiannual Report 2014

August 5, 2014

Publication of 2014 preliminary results

February 11, 2015

Presentation of the annual financial statements 2014

March 23, 2015

Annual General Meeting 2015

April 20, 2015

Further information for shareholderswww.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.

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20

Credits

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