

2013 | Semi-Annual Report Vetropack Group

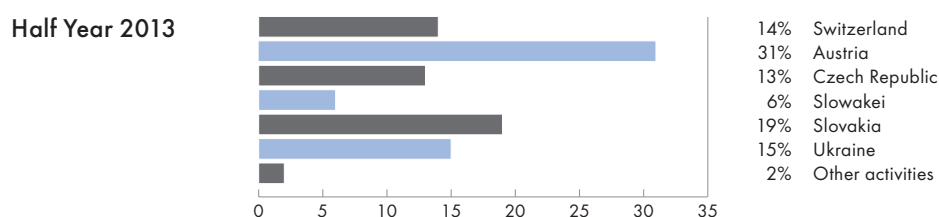
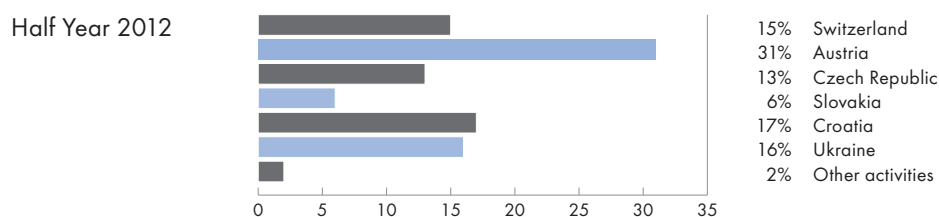


Key Figures

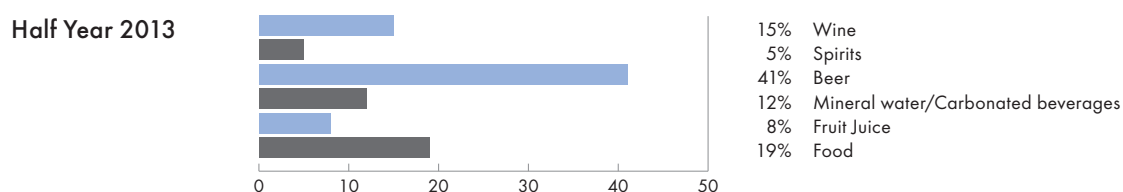
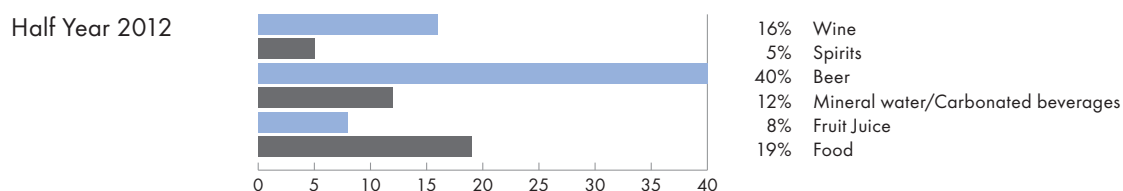
		31.12.2012	30.06.2012	+/-	30.06.2013
Gross Revenues	CHF millions	604.4	308.6	2.1%	315.1
EBIT	CHF millions	61.5	32.5	- 8.0%	29.9
Net Profit	CHF millions	83.6	58.1	- 50.9%	28.5
Cash Flow*	CHF millions	98.0	58.8	- 9.4%	53.3
Investments	CHF millions	112.3	54.4	- 58.1%	22.8
Production	1000 metric tons	1 242	609	5.3%	641
Unit Sales	billions	4.29	2.21	1.2%	2.23
Exports (base: units)	%	38.3	37.6	-	38.4
Employees	number	3 000	3 027	- 0.3%	3 017
Total Assets	CHF millions	771.9	796.0	- 2.1%	779.1
Gearing Ratio	in %	82.7	76.9	-	80.9
Share price Bearer share high	CHF	1 875	1 875	-	1 990
Share price Bearer share low	CHF	1 581	1 645	-	1 660

* Consolidated Profit Before Minority interests +/- non-cash expenses/income

Consolidated Revenue by National Companies



Sales by Market Segments (base: units)



Business development within the first half of 2013

Dear Shareholders

In the first half of the current fiscal year, the Vetropack Group increased sales by 1.2% to 2.23 billion units of glass packaging and consolidated gross revenue by 2.1% to CHF 315.1 million. However, higher operating costs prevented a corresponding growth in earnings.

Challenging market conditions. Two main factors shaped market development in the first six months of the fiscal year: bad weather and increased consumer caution due to the subdued economic situation. The combination of these two factors led to a fall in sales activity that affected the whole of the European beverage industry. The severe storms and floods across Europe did not just hit consumption, however; they also caused considerable damage to agriculture. The poor harvests that are expected as a result will place a further burden on the European food and packaging industry.

Higher sales volume. Although these developments affected all of the Vetropack Group's domestic markets, sales rose in its export markets. Overall, Vetropack successfully increased its sales volume by 1.2% to 2.23 billion units of glass packaging (2012: 2.21 billion).

Revenue increased. Consolidated gross revenue amounted to CHF 315.1 million (2012: CHF 308.6 million), up by 2.1% on the same period in the previous year. This result was due in equal measure to a higher sales volume and positive exchange rate effects. However, the price adjustments secured on the market could not be fully exploited as a result of shifts in the sales mix in favour of lower-margin products.

Profitability squeezed. Consolidated EBIT fell by 8.0% to CHF 29.9 million (2012: CHF 32.5 million). The marked rise in costs for raw materials, personnel and depreciation could not be counterbalanced by the price adjustments mentioned above. As a result, the EBIT margin shrank to 9.5% of gross revenue (2012: 10.5%).

Consolidated semi-annual profit of CHF 28.5 million (2012: 58.1 million) was boosted – to the tune of some CHF 2.8 million before taxes – by currency effects and the sale of a property in St-Prex that was no longer required for operations. The corresponding figure for the same period in the previous year had been augmented by CHF 36 million from the sale of land.

At CHF 53.3 million, cash flow was down by 9.4% on the same period in the previous year (2012: CHF 58.8 million). The cash flow margin amounted to 16.9% of gross revenue (2012: 19.0%).

The Vetropack Group employed 3,017 individuals during the period under review (2012: 3,027).

Robust and sustainable balance sheet. Total assets as at 30 June 2013 amounted to CHF 779.1 million (31 December 2012: CHF 771.9 million). The increase in short-term assets to CHF 307.1 million (31 December 2012: CHF 298.1 million) is due to higher receivables and inventories. Long-term assets remained virtually unchanged at CHF 472.0 million (31 December 2012: CHF 473.8 million).

Liabilities increased to CHF 149.1 million as at 30 June 2013 (31 December 2012: CHF 133.8 million) due to short-term provisions, credits and other liabilities. The repurchase of own shares reduced shareholders' equity to CHF 630.0 million as at 30 June 2013 (31 December 2012: CHF 638.1 million), resulting in a high equity ratio of 80.9% (31 December 2012: 82.7%).

Ongoing investments. The first half of the reporting year saw no major investments, with the focus firmly on



Claude R. Cornaz, CEO (left), Hans R. Rüegg, Chairman of the Board of Directors (right)

minor maintenance, conversion projects and the hard glass project. The machine designed by Emhart Glass was installed at Vetropack's Austrian plant in Pöchlarn, where the first industrial trial production runs for thermally tempered packaging glass can now begin during the second six months of the year. No sizeable investments are planned for the second half of the year either, with the exception of the preliminary investment required for the replacement of a flint glass basin in Vetropack's Czech plant next year.

Outlook. Although any major changes to the general economic conditions in the second half of the year are unlikely, there are clear signs that beverage consumption may increase further due to the weather. Several cost factors – including energy, raw material and personnel costs – also look set to develop more favourably over the coming months than during the period under review. Particular attention should be paid to the trends in capacity utilisation and stocks of finished goods. We are expecting sales and revenue to exceed the previous year's figures slightly, with earnings likely to be roughly on a par with those for the 2012 fiscal year.

Vetropack Holding Ltd. Vetropack Holding Ltd is expecting earnings for the 2013 fiscal year to be down slightly on the previous year.

Share repurchase programme successfully completed. The repurchase of shares was carried out from 15 to 29 May 2013 by means of tradable put options on the SIX Swiss Exchange. A total of 13,357 bearer shares were repurchased, representing 3.26% of share capital and 1.20% of voting rights. The Board of Directors of Vetropack Holding Ltd will propose to the Annual General Assembly on 14 May 2014 that the repurchased shares be destroyed.

Yours sincerely

Hans R. Rüegg
Chairman of the Board of Directors

Claude R. Cornaz
CEO

Bülach, 22 August 2013

Results as per 30.06.2013

The non-audited interim closing of Vetropack Group as per 30 June 2013 was prepared in accordance with Swiss Gaap FER 12 on the basis of acquisition values. The consolidation and valuation principles are unchanged compared to the year-end closing as per 31 December 2012.

Consolidated Income Statement

in CHF millions	Half Year 2012	+/-	Half Year 2013
Gross Revenues	308.6	2.1%	315.1
Net Revenues	288.6	1.4%	292.5
Income	289.7	2.9%	298.1
Raw material and supplies costs	- 48.4	5.6%	- 51.1
Energy costs	- 60.0	6.0%	- 63.6
Personnel expenses	- 62.8	6.7%	- 67.0
Other operating expenses	- 86.0	0.6%	- 86.5
EBIT (Earnings Before Interest and Tax)	32.5	- 8.0%	29.9
Earnings After Interest	33.0	0.9%	33.3
Consolidated Profit Before Tax	69.3	- 48.1%	36.0
Consolidated Semi-Annual Profit Before Minority Interests	59.3	- 50.8%	29.2
Minority Interest from Group companies	- 1.2	- 33.3%	- 0.7
Consolidated Semi-Annual Profit	58.1	- 50.9%	28.5

Consolidated Balance Sheet

in CHF millions	30.06.2012	31.12.2012	30.06.2013
Assets			
Short-term assets	350.6	298.1	307.1
Long-term assets	445.4	473.8	472.0
Total Assets	796.0	771.9	779.1
Liabilities			
Short-term liabilities	131.4	93.7	107.4
Long-term liabilities	52.5	40.1	41.7
Sub Total Liabilities	183.9	133.8	149.1
Sub Total Shareholders' Equity excl. Minorities	607.5	633.6	624.5
Minority Interests	4.6	4.5	5.5
Sub Total Shareholders' Equity	612.1	638.1	630.0
Total Liabilities	796.0	771.9	779.1

Events after the balance sheet date

With effect from 1 July 2013, the Group company Vetreal Ltd acquired all of the shares in the Industrie-Baugenossenschaft Bülach (IBG) cooperative that it did not previously own. IBG owns residential property (with a market value of CHF 30 million) and was set up to facilitate access to affordable housing.



Vetropack Holding Ltd
CH-8180 Bülach
Phone +41 44 863 31 31
Fax +41 44 863 31 21
www.vetropack.com

Group Companies

Vetropack Ltd
CH-8180 Bülach
Phone +41 44 863 34 34
Fax +41 44 863 31 23

CH-1162 St-Prex
Phone +41 21 823 13 13
Fax +41 21 823 13 10

Vetropack Austria Holding Ltd
AT-3380 Pöchlarn
Phone +43 2757 7541
Fax +43 2757 7674

Vetropack Austria GmbH
AT-3380 Pöchlarn
Phone +43 2757 7541
Fax +43 2757 7674

AT-4550 Kremsmünster
Phone +43 7583 5361
Fax +43 7583 5361 112

Vetropack Moravia Glass, a.s.
CZ-69729 Kyjov
Phone +420 518 603 111
Fax +420 518 612 024

Vetropack Nemšová s.r.o.
SK-914 41 Nemšová
Phone +421 32 6557 111
Fax +421 32 6589 901

Vetropack Straža d.d.
HR-49231 Hum na Sutli
Phone +385 49 326 326
Fax +385 49 341 041

JSC Vetropack Gostomel
UA-08290 Gostomel
Phone +380 4597 3 13 44
Fax +380 4597 3 20 77

Müller+Krempel Ltd
CH-8180 Bülach
Phone +41 44 863 35 35
Fax +41 44 863 31 24

Vetroconsult Ltd
CH-8180 Bülach
Phone +41 44 863 32 32
Fax +41 44 863 31 22

Vetroreal Ltd
CH-8180 Bülach
Phone +41 44 863 33 33
Fax +41 44 863 31 30