agta record ltd

interim report 2013

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Half-year management report

Trade activities

The global market of automatic doors remained stable overall. The European market was in slight decline due to the lack of growth in Spain, Italy and various Eastern European markets. The U.S. market showed signs of growth, especially in the second quarter. Growth in the Chinese market remained lacklustre.

We expected a difficult first half of the year and a decline in product sales of 7-8%. Product sales did decline, but by less than 3% at constant exchange rates. Revenues from service and maintenance increased nicely by 9%. Total order intake during the first six months was 0.4% higher than in the previous year. Blasi, Austria, PACA Ascenseurs Services and the U.S. business performed particularly well.

Globally the Group received orders for 2% more units than in the first six months of 2012, helped by strong swing door orders in the U.S.

Until the end of June, the order book grew by 18.7% compared to the beginning of 2013 and stands at almost the same level as 12 months ago.

Profit and loss

Total sales increased 1.7% (2.1% at constant exchange rates), resulting from a decline of 3.4% in product sales and 9.2% growth in service and maintenance.

The consolidated gross margin decreased by 0.9 percentage points from 72.7% in 2012 to 71.8%. The weaker Swiss Franc together with the strong growth of sales at PACA (+29%) and of swing doors, both at gross margins below the group average, explain most of the decline.

Personnel and structure costs (including also the bad debt allowance which declined from 1.0% of sales to 0.5%) are both below last year’s level supported by measures taken in the second half of 2012.

The consolidated EBIT was almost 20% higher than in the first six months of 2012 and reached 9.1% of turnover.

Similar to last year, the income and expenses in the financial result essentially cancelled each other out.

The average tax rate increased to 25.8% of profit before tax and softened the growth in net profit. The tax rate was impacted by a rate increase in the U.S. and a higher share of profit coming from countries with above-average tax rates such as the U.S. and France.

Balance sheet

The growth of free cash continued, resulting in a net cash balance of more than EUR 48 million after the payment of the dividend in June. EUR 5.9 million of financial debt was paid back in order to reduce interest charges.

The gearing improved from -18.1% one year ago to -29.1% as of 30 June 2013.

Expectations for the second half of 2013

We believe that the global market of automatic doors reached the low-point of the current cycle in the first quarter of 2013. A pick-up in growth has been felt during the second quarter in the U.S. and should continue into the second half of 2013. In Europe we expect a stable market for the remainder of the year. The Chinese market is not anticipated to improve significantly. The lift modernisation business could come under pressure due to a moratorium issued by the French ministry of the environment.

In summary, we do not see reasons to revise our expectations for the full year (sales growth of 0-1%, EBIT margin of 10%).

Main balance sheet items

in MEUR	**30.06.2013**	31.12.2012
Cash	**53.2**	50.8
Interest bearing liabilities	**5.0**	10.9
Net liquidity	**-48.2**	-39.9
Shareholders' funds	**165.6**	166.2
Gearing	**-29.1%**	-24.0%

Simplified profit and loss account

in MEUR	**30.06.2013**	30.06.2012
Turnover	**123.8**	121.7
Work in progress	**0.5**	0.2
Gross profit	**88.9**	88.5
Personnel expenses	**-56.2**	-57.0
Structure costs	**-20.3**	-20.7
EBITA	**12.3**	10.8
Amortisation of intangible assets	**-1.0**	-1.3
EBIT	**11.3**	9.5
Financial result	**0.0**	0.0
Profit for the period	**8.4**	7.3

Contents

Consolidated statement of financial position

in thousand EUR	**30/06/2013**	31/12/2012 Restated*
Assets		
Property and plants	**23,160**	24,161
Technical equipment/machinery	**1,691**	1,710
Other equipment	**14,708**	15,148
Intangible assets	**48,480**	48,310
Financial assets	**209**	204
Deferred tax assets	**4,928**	5,029
Total non-current assets	**93,176**	94,562
Inventories	**33,266**	35,683
Trade receivables	**57,737**	58,105
Income tax receivables	**1,524**	1,594
Other current receivables	**4,264**	2,388
Accrued income	**3,065**	3,007
Cash and cash equivalents	**53,218**	50,750
Total current assets	**153,074**	151,527
Total assets	**246,250**	246,089
Equity		
Share capital	**8,751**	8,751
Other reserves	**26,896**	28,525
Treasury shares	**-719**	-940
Retained earnings	**122,277**	110,703
Profit for the period	**8,386**	19,180
Total equity attributable to equity holders of the Company	**165,591**	166,219
Liabilities		
Non-current financial liabilities	**13**	14
Defined benefit plan obligations	**8,817**	8,765
Non-current provisions	**1,970**	1,679
Deferred tax liabilities	**3,629**	4,179
Total non-current liabilities	**14,429**	14,637
Current financial liabilities	**5,031**	10,887
Trade payables	**14,576**	13,394
Income tax liabilities	**2,860**	2,745
Other current liabilities	**16,419**	16,974
Current provisions	**821**	840
Accrued liabilities	**26,523**	20,393
Total current liabilities	**66,230**	65,233
Total liabilities	**80,659**	79,870
Total equity and liabilities	**246,250**	246,089

* See Note 3.

Consolidated statement of comprehensive income

For the six months ended 30 June

in thousand EUR		2013	2012 Restated*
Revenue from sales and services		**124,363**	121,911
Raw materials and consumables used		**-35,511**	-33,425
Gross profit		**88,852**	88,486
Other operating income		**395**	273
Capitalisation of development costs		**228**	210
Personnel expenses		**-56,191**	-56,914
Other operating expenses		**-17,523**	-17,492
Operating profit before depreciation and amortisation (EBITDA)		**15,761**	14,563
Depreciation of property, plant and equipment		**-3,425**	-3,658
Operating profit before amortisation (EBITA)		**12,336**	10,905
Amortisation of intangible assets		**-1,031**	-1,336
Operating profit (EBIT)		**11,305**	9,569
Financial income		**168**	192
Financial expense		**-174**	-221
Profit before tax		**11,299**	9,540
Income tax expense		**-2,913**	-2,175
Profit for the period		**8,386**	7,365
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit liability (asset)		**207**	-52
Income tax on items that will not be reclassified to profit and loss		**-67**	34
		140	-18
Items that may subsequently be reclassified to profit and loss:			
Foreign currency translation effects - foreign operations		**-2,691**	1,516
Foreign currency translation effects - net investment approach		**1,062**	78
		-1,629	1,594
Other comprehensive income for the period, net of tax		**-1,489**	1,576
Total comprehensive income for the period		**6,897**	8,941
Earnings per share (basic / diluted)	(in EUR)	**0.631**	0.555

* See Note 3.

Consolidated statement of changes in equity

in thousand EUR	Share capital	Other re-serves	Trans-lation reserve	Trea-sury shares	Retained earnings	Total
Balance at 1 January 2012, reported	**8,751**	**17,750**	**10,494**	**-1,157**	**118,706**	**154,544**
Impact of changes in accounting policies					424	424
Restated* balance at 1 January 2012	**8,751**	**17,750**	**10,494**	**-1,157**	**119,130**	**154,968**
Total comprehensive income for the period						
Profit for the period, as restated*					7,365	7,365
Total other comprehensive income, as restated*			1,594		-18	1,576
Total comprehensive income for the period	**0**	**0**	**1,594**	**0**	**7,347**	**8,941**
Transactions with owners of the company, recognised directly in equity						
Purchase of treasury shares				-115		-115
Sale of treasury shares				89		89
Gain/loss from sale of treasury shares net of transaction costs					8	8
Dividends paid to owners		-7,164				-7,164
Share-based payment transactions				280	-65	215
Total transactions with owners of the company	**0**	**-7,164**	**0**	**254**	**-57**	**-6,967**
Balance at 30 June 2012	**8,751**	**10,586**	**12,088**	**-903**	**126,420**	**156,942**
Balance at 1 January 2013, reported	**8,751**	**17,750**	**10,775**	**-940**	**129,433**	**165,769**
Impact of changes in accounting policies					450	450
Restated* balance at 1 January 2013	**8,751**	**17,750**	**10,775**	**-940**	**129,883**	**166,219**
Total comprehensive income for the period						
Profit for the period					8,386	8,386
Total other comprehensive income			-1,629		140	-1,489
Total comprehensive income for the period	**0**	**0**	**-1,629**	**0**	**8,526**	**6,897**
Transactions with owners of the company, recognised directly in equity						
Purchase of treasury shares				-175		-175
Sale of treasury shares				105		105
Gain/loss from sale of treasury shares net of transaction costs					10	10
Dividends paid to owners					-7,672	-7,672
Share-based payment transactions				291	-84	207
Total transactions with owners of the company	**0**	**0**	**0**	**221**	**-7,746**	**-7,525**
Balance at 30 June 2013	**8,751**	**17,750**	**9,146**	**-719**	**130,663**	**165,591**

* See Note 3.

Consolidated statement of cash flows

For the six months ended 30 June

in thousand EUR	**2013**	2012 Restated*
Cash flows from operating activities		
Profit for the period	**8,386**	7,365
Income taxes	**2,913**	2,175
Interest income	**-109**	-192
Interest expenses	**168**	221
Depreciation and amortisation	**4,456**	4,994
Gain(-)/loss(+) on disposal of property, plant and equipment	**13**	-40
Other non cash items	**1,810**	765
Change in inventories	**1,762**	679
Change in trade receivables	**-33**	1,821
Change in other receivables and accrued income	**-2,006**	62
Change in trade payables	**1,250**	-2,781
Change in other current liabilities and accrued liabilities	**5,346**	5,857
Income taxes paid	**-3,185**	-1,211
Interest received	**102**	98
Interest paid	**-172**	-137
Net cash from operating activities	**20,701**	19,676
Cash flows from investing activities		
Purchase of property, plant and equipment	**-2,816**	-3,676
Purchase of intangible assets	**-1,412**	-280
Capitalised development costs**	**-228**	-210
Purchase of financial assets	**-5**	-16
Proceeds from sale of property, plant and equipment	**428**	658
Proceeds from sale of financial assets	**0**	66
Net cash used in investing activities	**-4,033**	-3,458
Cash flows from financing activities		
Purchase of treasury shares, less transaction costs	**-175**	-115
Sale of treasury shares, less transaction costs	**115**	97
Increase of bank liabilities	**149**	478
Repayment of bank liabilities	**-5,637**	-2,403
Repayment of finance lease liabilities	**-155**	-183
Dividends paid to owners	**-7,672**	-7,164
Net cash used in financing activities	**-13,375**	-9,290
Net increase(+)/decrease(-) in cash and cash equivalents	**3,293**	6,928
Cash and cash equivalents at 1 January	**50,750**	30,255
Effect of exchange rate fluctuations on cash held	**-825**	370
Cash and cash equivalents at 30 June	**53,218**	37,553

* See note 3.

** The reclassification of capitalised development costs, previously part of operating cash flow, resulted in an increase in net cash from operating activities and a decrease in net cash from investing cash flow by TEUR 210, respectively, in 2012.

Notes to the condensed consolidated interim financial statements

1 General information

agta record ltd (the "Company") is a company domiciled in Fehraltorf, Switzerland. The condensed consolidated interim financial statements as at and for the six months ended 30 June 2013 include agta record ltd and its subsidiaries (hereinafter referred to as “Group”).

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2012.

These condensed consolidated interim financial statements have been reviewed, not audited.

The Company’s Board of Directors approved these condensed consolidated interim financial statements on 3 September 2013.

3 Significant accounting principles

Except as described below, the accounting principles applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012. The following changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2013.

Changes in accounting policies

- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IAS 19 Employee Benefits (2011)
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Improvements to IFRS (May 2012)

The above mentioned standards and new interpretations do not have a material impact on profit and equity of the Group, except for the changes of IAS19.

Two main amendments have affected IAS19. Firstly, income resulting from the application of an estimated asset return on the plan assets has been replaced by income resulting from the application of the discount rate used to discount the defined benefit obligation on plan assets. Secondly, the option to defer the recognition of actuarial gains and losses (corridor method) has been eliminated. Actuarial gains and losses arising from defined benefit plans have to be recognised immediately in other comprehensive income. The impact on the restated 2012 results was a reduction of personnel expenses by 95 TEUR for the six months ended 30 June 2012. The corresponding impact for 2013 is an increase of personnel expenses by 174 TEUR for the six months ended 30 June 2013. As the Group already recognises all actuarial gains and losses in other comprehensive income it is not impacted by the elimination of the corridor method. The changes were adopted retrospectively as of 1 January 2012.

Impact of the changes of IAS19 (revised) on the statement of comprehensive income

Six months ended 30 June in thousand EUR	2012 reported	Adjust-ment	**2012 restated**
Personnel expenses	-57,009	95	**-56,914**
Income taxes	-2,132	-43	**-2,175**
Profit for the period	**7,313**	**52**	**7,365**
Other comprehensive income			
Total other comprehensive income	**1,632**	**-56**	**1,576**

Impact of the changes of IAS19 (revised) on the statement of financial position

in thousand EUR	1/1/12 reported	Adjust-ment	**1/1/12 restated**	31/12/12 reported	Adjust-ment	**31/12/12 restated**
Defined benefit obligation	5,741	-537	**5,204**	9,334	-569	**8,765**
Deferred tax liabilities	4,554	113	**4,667**	4,022	119	**4,141**
Total shareholders' equity	154,544	424	**154,968**	165,769	450	**166,219**

Impact of the changes of IAS19 (revised) on earnings per share

Six months ended 30 June	2012 reported	Adjust-ment	**2012 restated**
Earnings per share (basic / diluted) in EUR	**0.551**	**0.004**	**0.555**

Year ended 31 December	2012 reported	Adjust-ment	**2012 restated**
Earnings per share (basic / diluted) in EUR	**1.455**	**-0.010**	**1.445**

Net cash from operating activities remains unchanged with respect to IAS19 (revised) amendments in 2012.

4 Estimates

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires estimates and assumptions by the Group Executive Management which affects the reported amount of assets and liabilities as well as contingent liabilities at the time of the closing and also expenses and income during the reporting period. The actual results may differ from these estimates.

The same estimation procedures and assumptions were used in these condensed consolidated interim financial statements as for the consolidated financial statements as at and for the year ended 31 December 2012.

5 Exchange rates applied to the main currencies

	Average exchange rates		Balance sheet rates	
Six months ended 30 June	**2013**	2012	**30/6/2013**	31/12/12
1 CHF	**0.81**	0.83	**0.81**	0.83
1 GBP	**1.18**	1.22	**1.17**	1.24
1 USD	**0.76**	0.77	**0.76**	0.79

During the first half of 2013 the exchange rate fluctuations affected the Group very modestly, producing a net foreign exchange result of TEUR 59 (prior year: TEUR 93) included in financial income.

6 Segment Information

Six months ended 30 June	Europe and rest of world		America		Reconciliation		Total	
in thousand EUR	**2013**	2012*	**2013**	2012*	**2013**	2012*	**2013**	2012*
Revenue from sales and services third parties	**109,970**	109,168	**13,841**	12,531	**552**	212	**124,363**	121,911
Sales to other segments	**2,706**	2,259	**21**	0	**-2,727**	-2,259	**0**	0
Revenue from sales and services	**112,676**	111,427	**13,862**	12,531	**-2,175**	-2,047	**124,363**	121,911
Segment result (EBIT)	**10,152**	8,542	**1,153**	1,027	**0**	0	**11,305**	9,569
Financial income							**168**	192
Financial expenses							**-174**	-221
Income tax							**-2,913**	-2,175
Profit for the period							**8,386**	7,365

* Restated

7 Fair Value

The Group did not have any financial instruments other than those measured at cost as of 30 June 2013. The fair values of the financial instruments equal the carrying amounts.

8 Seasonality of revenues

Revenues in the first half of the year have generally been lower than those in the second half. However, the magnitude of this general pattern is always obscured by the cyclical economic development in the various geographic markets. Therefore, and similar to previous years, no meaningful statement can be made with regard to the effects of seasonality in 2013.

9 Shareholders' equity

9.1 Share capital and other reserves

The share capital consists of 13,334,200 fully paid, unregistered shares with a nominal value of CHF 1.00 each and is translated into the Group's presentation currency at historical cost.

9.2 Dividends paid

On 7 June 2013, the ordinary General Meeting approved the payment of a dividend of CHF 0.71 per share (prior year: CHF 0.65) as proposed by the Board of Directors. The payment date was 17 June 2013.

9.3 Employee shares

On 31 May 2013, 11,535 shares with a market value of TEUR 346 were transferred under the employee stock plan to members of senior management in recognition of the performance achieved in 2012.

For the first six months of 2013, TEUR 238 was accrued in personnel expenses related to the employee share plan.

10 Earnings per share

Six months ended 30 June	**2013**	2012 Restated *
Profit for the period, in thousand EUR	**8,386**	7,365
Average number of shares outstanding	**13,284,456**	13,275,665
Earnings per share (basic/diluted) in EUR	**0.631**	0.555

* See Note 3.

11 Events after the balance sheet date

No events that could have an effect on the consolidated financial statements or that would require to be disclosed in this report have occurred between the balance sheet date and 3 September 2013, the date of approval of the condensed consolidated interim financial statements by the Board of Directors.

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Review Report to the Board of Directors of

agta record ltd, Fehraltorf

Introduction

We have been engaged to review the accompanying consolidated statement of financial position of agta record ltd as at 30 June 2013 and the related consolidated statements of comprehensive income, consolidated statement of changes in equity and cash flows for the 6-month period then ended, and selected explanatory notes (notes to the condensed consolidated interim financial statements) on pages 1 to 8. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

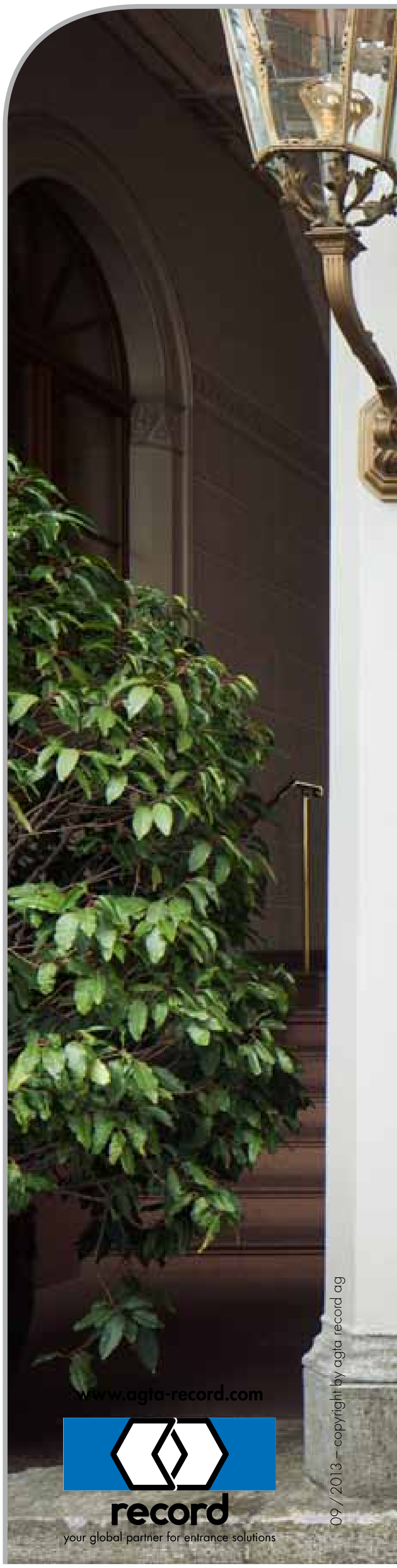
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

KPMG AG

Orlando Lanfranchi
Licensed Audit Expert

Nico Müller
Licensed Audit Expert

Zurich, 3 September 2013



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