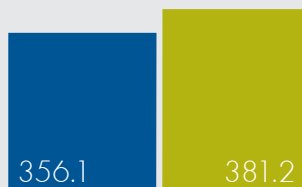


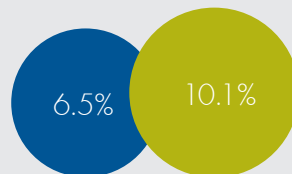
FACT SHEET

H1/2016

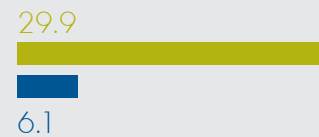
Significant increase
in net sales



EBIT margin exceeds
medium-term target
range



Marked increase
in net income



All three divisions
see organic growth
in net sales –
new record for
Fiber Optics

Acquisition of Polatis
strengthens data
center target market –
Cube Optics and
Astrolab also see very
positive development

CEO succession
defined and
separation of Fiber
Optics into two
divisions announced

■ H1/2015 ■ H1/2016 in CHF millions

Pleasing first half year: Marked growth – high profitability – acquisition of Polatis



HUBER+SUHNER recorded a dynamic first half year. In organic terms, all three divisions achieved higher net sales than in the previous year and increased earning power. Order intake reached CHF 388.4 million (+9.0%), while net sales grew to CHF 381.2 million (+7.1%).

The development in profitability was particularly encouraging. The decisive factors in this respect were the cost reduction measures introduced in 2015 along with the growth in net sales and a reduction in negative currency effects. The EBIT increased significantly to CHF 38.4 million (+65.2%). The EBIT margin of 10.1% (previous year 6.5%) exceeded the medium term target range of 6–9%. Net income rose markedly from CHF 6.1 million to CHF 29.9 million, resulting in a return on sales of 7.9%.

Important steps were taken regarding executive staffing and organisation. From 1 April 2017, Urs Ryffel will lead the HUBER+SUHNER Group as its new CEO. As of 1 October 2016, the Fiber Optics division will be separated into two divisions, FO Mobile Com & Industry and FO Wireline & Data Centers. The two future heads of these new divisions, Fritz Landolt and Martin Strasser, will join the Executive Group Management on 1 January 2017.

As a result of the acquisition of Polatis in June 2016, HUBER+SUHNER has secured cutting-edge expertise for the growth market Data Center.

In organic terms, i.e. excluding currency and copper effects (+0.6%) as well as portfolio effects (–0.2%), growth in net sales amounted to 6.6%. Order intake exceeded that of the previous year and was slightly above net sales (book-to-bill rate of 1.02). The number of employees rose to 3 942 (previous year 3 522) as of the end of June 2016. This is mainly due to the acquisition of Polatis and the expansion of production capacity in China and Tunisia.

Double-digit growth in net sales in Communication, Transportation and Industrial slightly above the previous year's level

The most important growth stimuli in Communication were generated by sustained success in India, positive development of business with large-scale communications equipment manufacturers and by the Cube Optics business unit. In overall terms, net sales in the Communication market saw double-digit growth (+12.5%).

Net sales in Transportation were 3.2% above those recorded in the previous year. Here the slight shortfall in net sales in the railway business was more than offset by attractive growth in the automotive business.

Net sales in the industrial high-tech niches remained virtually constant (+0.6%). Taking into consideration the portfolio effect generated by the sale of the Composites business unit in 2015, net sales in the Industrial market also grew by 2.2%.

Radio Frequency records double-digit EBIT margin

The Radio Frequency division returned to a path of growth. Here the most important stimuli were likewise generated by the mobile communication business. In the high-tech niches, Astrolab recorded significant growth and was included in the specifications for various new customer projects in the Aerospace+Defense market segment. Net sales amounted to CHF 110.3 million (+6.5%); order intake rose by as much as 15.5% to CHF 113.0 million. The EBIT climbed to CHF 14.0 million (+57.7%), corresponding to an encouraging EBIT margin of 12.7%.

Fiber Optics once again sees record figures

The boom in Fiber Optics continued in the first half year of 2016. The LTE roll-outs further developed very positively in various countries. The business volume also increased in Industrial Applications. Cube Optics continued to demonstrate very dynamic growth, especially in the business with transceiver manufacturers.

The acquisition of the Polatis company in June 2016 generates new prospects. The leading technology in the field of optical switches offers great potential in the medium term for more efficient data management in data centers and in telecommunication networks. The Fiber Optics division achieved a further net sales record in the first half year with CHF 157.7 million (+13.5%). Order intake increased even more markedly with a plus of 23.8% compared with the previous year and amounted to CHF 170.2 million. Earning power rose significantly with an EBIT of CHF 21.4 million (+48.3%) and an EBIT margin of 13.5%.

Low Frequency boosts earning power

After a difficult previous year, the focus in Low Frequency was clearly on improving profitability. Progress has been considerable: the EBIT increased by 81.7% to CHF 6.6 million; the EBIT margin reached 5.9%. Overall, net sales remained stable at CHF 113.2 million (-0.4%). By contrast, net sales organically rose by 3.9%. Compared with the previous year order intake fell by 13.1% to CHF 105.2 million. In particular, new orders in Transportation in the European region weakened.

Outlook

HUBER+SUHNER anticipates continued positive development in the second half year of 2016. Despite the seasonal factors, which generally slightly lower the business volume during the second half year, HUBER+SUHNER expects to see growth in net sales compared with 2015 of at least 5%, provided that the currency situation remains unchanged. The EBIT margin for 2016 as a whole will also probably slightly exceed the medium term target range of 6-9%.



Dr. Beat Kälin
Chairman of the
Board of Directors

Urs Kaufmann
Delegate of the Board of Directors
and CEO

Milestones in the first half year 2016

Communication:

Acquisition of Polatis



Strengthened position as the leading innovator in fiber optics thanks to optical switches for a more efficient data management

Transportation:

Railway market



Five-year contract with Bombardier Transportation as a preferred cable supplier of RADOX® EN and GKW cables for existing and new trains

Communication:

Mobile network



LTE upgrade: A1 Telekom Austria equips more than 1 500 mobile communications antennas with MASTER-LINE Ultimate cable systems

Industrial:

Test+Measurement



MMPX connectors, operating up to 67 GHz, selected for National Instruments' new generation Vector Signal Transceivers

Key Figures H1/2016

Group CHF millions	January–June 2016	January–June 2015	Change
Order intake	388.4	356.3	9.0%
Order backlog as of 30.6.	179.3	167.6	7.0%
Net sales	381.2	356.1	7.1%
Gross margin	37.4%	34.0%	
EBITDA	56.2	40.2	39.7%
as % of net sales	14.7%	11.3%	
EBIT ¹⁾	38.4	23.3	65.2%
as % of net sales	10.1%	6.5%	
Net financial result	2.3	(13.1)	n/a
Net income	29.9	6.1	392.2%
as % of net sales	7.9%	1.7%	
Purchases of PP&E and intangible assets	13.3	10.5	27.2%
Cash flow from operations	34.7	24.4	42.1%
Free operating cash flow	(3.2)	12.1	n/a
Net liquidity as of 30.06.	133.5	124.2	7.5%
Shareholders' equity as of 30.06.	615.4	602.1	2.2%
as % of balance sheet total	79.4%	81.0%	
Employees as of 30.6.	3 942	3 522	11.9%

¹⁾ including Corporate

Data per share in CHF	January–June 2016	January–June 2015	Change
Stock market price as of 30.6.	52.50	41.00	28.0%
Net income	1.54	0.31	392.4%

Segment information CHF millions		January–June 2016	January–June 2015	Change
Radio Frequency	Order intake	113.0	97.8	15.5%
	Net sales	110.3	103.5	6.5%
	EBIT	14.0	8.8	57.7%
	as % of net sales	12.7%	8.5%	
Fiber Optics	Order intake	170.2	137.5	23.8%
	Net sales	157.7	138.9	13.5%
	EBIT	21.4	14.4	48.3%
	as % of net sales	13.5%	10.4%	
Low Frequency	Order intake	105.2	121.0	(13.1%)
	Net sales	113.2	113.7	(0.4%)
	EBIT	6.6	3.6	81.7%
	as % of net sales	5.9%	3.2%	

Financial calendar

Net sales/Order intake (Q1–Q3)	25/10/2016	Annual report	14/03/2017
Net sales/Order intake (Q1–Q4)	24/01/2017	Media and analysts' conference	14/03/2017
		Annual General Meeting (Pfäffikon)	05/04/2017