

Semi-Annual Report 2007

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Stock Exchange Listing

SWX Swiss Exchange ROL
Security number: 324.535
ISIN: CH0003245351

Extraordinary Shareholders' Meeting

Monday, August 13, 2007, 3.00pm
Kongresshaus Zurich

To order an entrance ticket for the
extraordinary shareholders' meeting please
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Very strong half-year results

Outlook remains good

DEAR SHAREHOLDERS DEAR SIR OR MADAM,

During the first half of 2007, Von Roll further improved its position in all areas, benefiting from positive market conditions and continued progress in its business operations. Orders increased by 23% to CHF 345 million, while sales rose by 16% to CHF 315 million. Operating income grew yet again, rising at an above-average rate from CHF 16 million to CHF 29 million, while profit after tax (PAT) for the first half of 2007 more than doubled year-on-year from CHF 10 million to CHF 23 million.

STRONG GROWTH IN ASIA AND EUROPE

Strong growth continued to drive the markets in Europe and Asia. To keep pace with this trend, in June 2007 Von Roll inaugurated a new production plant for insulated copper wires in Shanghai, China.

In Europe Von Roll invested in additional capacity, primarily for the production of mica tapes at the Breitenbach, Switzerland and Valdoie, France, plants. This, together with the production plants opened in 2006 for flexible laminates in Shanghai, China and for copper wires in Bangalore, India, puts us in an ideal position to capitalize on the sustained economic upswing and to further expand our market shares.

The USA market was slightly more subdued. Compared to the other two regions, the start of 2007 saw a continuation of the weaker performance recorded in the fourth quarter of 2006. However, given the increase in orders received in May and June and the favorable outlooks posted by key account customers, we expect North America also to perform positively during the rest of the financial year.

VON ROLL – KEY FIGURES

		Jan – Jun 2007	Jan – Jun 2006	Jan – Dec 2006
Order intake (gross)	1,000 CHF	344,805	279,213	574,185
Gross sales	1,000 CHF	314,669	271,983	547,949
Net sales	1,000 CHF	306,693	263,199	531,982
Operating profit	1,000 CHF	28,668	15,921	35,338
Profit after tax	1,000 CHF	22,807	10,020	23,486
Basic/diluted earnings per share in CHF	CHF	0.157	0.065	0.155
Capital expenditures	1,000 CHF	11,600	6,460	16,859
Average number of employees	Number	2,003	1,889	1,909
		30-Jun-07	30-Jun-06	31-Dec-06
Net liquidity/Net debt(-)	1,000 CHF	-4,371	-13,347	5,185
Equity ratio	%	52.5%	46.6%	51.8%
Number of issued shares	Number	138,584,167	138,584,167	138,584,167
Share price	CHF	10.80	2.37	3.56
Market capitalization	1,000 CHF	1,496,709	328,444	493,360



The generally positive economic trend clearly benefited the Electrical Business Unit in particular, with orders increasing by 28% to CHF 267 million and sales by 18% to CHF 233 million.

The Industrial Business Unit also performed well, posting a 9% rise in orders to CHF 77 million and a 13% increase in sales to CHF 74 million.

COPPER PRICE REMAINS HIGH

The long-awaited consolidation in copper price movements has yet to happen. As a result, the sustained rise in the price of copper, which is largely secured by means of flexible pricing clauses, accounted for some 4 percentage points of the 16% increase in sales.

ACQUISITION OF JOHN C. DOLPH CO.

On 11 July 2007, Von Roll signed an agreement for the 100% takeover of John C. Dolph Co. (Dolph), based in Monmouth Junction, New Jersey, USA. Dolph is a leading company in the market for resin and varnishes for electrical insulation applications, with its own production plants in the USA as well as established licensing partnerships in Mexico and Italy. The acquisition will significantly amend and expand Von Roll's product portfolio of insulating resins and varnishes and will further increase its market position in the American, Asian and European sales regions. This expansion is in line with Von Roll's strategy to become a leading supplier also in the area of insulation liquids.

POSITIVE OUTLOOK

At this point in time we expect the market and demand situation to remain favorable in the second half of 2007. We therefore expect orders and sales to continue growing to slightly more than CHF 600 million. Operating income is expected to be in the region of CHF 50-55 million, and profit after tax to be around CHF 45 million. These figures point to yet another major improvement in the results and provide confirmation that the original targets defined for 2008 of 8% operating income and 5% profit after tax will already be achieved in 2007.

EXTRAORDINARY SHAREHOLDERS' MEETING ON 13 AUGUST 2007

On 15 May 2007, the von Finck shareholders' group submitted a request for an extraordinary shareholders' meeting, in order to vote on the appointment of four additional representatives of the von Finck group of shareholders to the Board of Directors of Von Roll Holding Ltd and an ordinary capital increase. The Board of Directors of Von Roll Holding Ltd recommends to the shareholders that both proposals be rejected. If the proposals of the group von Finck pass the extraordinary shareholders' meeting, the minority shareholder group could decide by its own of the future of Von Roll and also about the use of the ordinary capital increase.

The extraordinary shareholder meeting will be held on 13 August, 2007, in the Kongresshaus, Zurich. To exercise your voting rights, it is necessary that you contact your depository bank and issue your instructions. The latest information on this topic is posted on the Von Roll homepage at www.vonroll.com.

Sincerely,

Oskar K. Ronner
Chairman of the Board of Directors

Walter T. Vogel
Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF YEAR 2007

(unaudited)

in CHF 1,000	Note	Jan – Jun 2007	Jan – Jun 2006
Gross sales	6	314,669	271,983
Sales deductions		-7,976	-8,784
Net sales		306,693	263,199
Cost of goods sold		-238,251	-207,289
Gross profit		68,443	55,910
Business development expense		-6,843	-5,898
Sales and distribution expense		-16,012	-15,577
Administrative expense		-18,702	-17,747
Other operating expense(-)/income		1,737	-899
Operating income before sale of long-term assets		28,623	15,789
Gain on sale of long-term assets		45	132
Operating income		28,668	15,921
Financial income		519	140
Financial expense		-2,387	-2,552
Profit before tax		26,800	13,509
Income taxes	8	-3,993	-3,489
Profit after tax / net income	7	22,807	10,020
Attributable to:			
Equity holders of the parent		21,817	9,021
Minority interests		990	999
Earnings per share			
Weighted average number of shares outstanding in shares		138,584,167	138,584,167
Basic / diluted earnings per share in CHF		0.157	0.065

CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2007

(unaudited)

ASSETS				
in CHF 1,000	30-Jun-07	in %	31-Dec-06	in %
Non-current assets				
Property, plant and equipment	81,719		76,328	
Investment property	5,851		5,906	
Goodwill	4,846		4,665	
Intangible assets	5,298		3,767	
Other non-current assets	18,213		18,094	
Total non-current assets	115,927	30.8%	108,760	32.9%
Current assets				
Inventories	87,009		71,844	
Other current assets	26,722		17,429	
Trade accounts receivable	107,810		86,344	
Cash and cash equivalents	39,026		46,081	
Total current assets	260,567	69.2%	221,698	67.1%
Total assets	376,494	100.0%	330,458	100.0%
EQUITY AND LIABILITIES				
in CHF 1,000	30-Jun-07	in %	31-Dec-06	in %
Equity				
Share capital	13,859		13,859	
Group reserves	175,547		150,528	
Equity attributable to equity holders of the parent	189,406	50.3%	164,387	49.7%
Minority interests	8,209	2.2%	6,886	2.1%
Total equity	197,615	52.5%	171,273	51.8%
Liabilities				
Non-current liabilities				
Long-term financial liabilities	8,204		9,749	
Other non-current liabilities	36,580		36,402	
Total non-current liabilities	44,784	11.9%	46,151	14.0%
Current liabilities				
Trade accounts payable	40,159		35,309	
Short-term financial liabilities	35,193		31,147	
Other current liabilities	58,743		46,578	
Total current liabilities	134,095	35.6%	113,034	34.2%
Total liabilities	178,879	47.5%	159,185	48.2%
Total equity and liabilities	376,494	100.0%	330,458	100.0%

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST HALF YEAR 2007

(unaudited)

in CHF 1,000	Jan – Jun 2007	Jan – Jun 2006
Operating activities		
Profit before tax	26,800	13,509
Depreciation and amortization	6,281	6,883
Financial expense, net	1,868	2,412
Gain from the sale of long-term assets	-45	-132
Changes in net current assets and provisions	-29,925	-24,009
Income taxes paid	-1,505	-1,592
Net cash flow from/used in(-) operating activities	3,474	-2,929
Investing activities		
Capital expenditures for property, plant and equipment and intangible assets	-11,600	-6,460
Proceeds from disposal of property, plant and equipment	50	2,077
Other cash flow used in investing activities	807	99
Net cash flow used in investing activities	-10,743	-4,284
Financing activities		
Increase/repayment(-) of financial liabilities	1,695	5,805
Other cash flow used in financing activities	-2,304	-2,045
Net cash flow from/used in(-) financing activities	-609	3,760
Net decrease in cash and cash equivalents	-7,878	-3,453
Cash and cash equivalents at 1 January	46,081	46,266
Effects of changes in foreign exchange rates	823	-22
Net decrease in cash and cash equivalents	-7,878	-3,453
Cash and cash equivalents at 30 June	39,026	42,791

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF YEAR 2007 (unaudited)

EQUITY	Share capital	Capital reserves	Revaluation reserves	Currency translation adjustments	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total equity
in CHF 1'000								
Balance at December 31, 2005	13,859	90,327	5,514	-16,458	52,151	145,393	5,288	150,681
Currency translation adjustments ¹	0	0	0	-2,732	0	-2,732	-367	-3,099
Realized revaluation reserve ²	0	0	-1,402	0	1,402	0	0	0
Net income recognised directly in the equity	0	0	-1,402	-2,732	1,402	-2,732	-367	-3,099
Net income	0	0	0	0	9,021	9,021	999	10,020
Total recognized income and expense for the year	0	0	-1,402	-2,732	10,423	6,289	632	6,921
Balance at June 30, 2006	13,859	90,327	4,112	-19,190	62,574	151,682	5,920	157,602
Balance at December 31, 2006	13,859	90,327	0	-19,013	79,214	164,387	6,886	171,273
Currency translation adjustments ¹	0	0	0	3,202	0	3,202	609	3,811
Net income recognised directly in the equity	0	0	0	3,202	0	3,202	609	3,811
Net income	0	0	0	0	21,817	21,817	990	22,807
Total recognized income and expense for the year	0	0	0	3,202	21,817	25,019	1,599	26,618
Dividends to minority shareholders	0	0	0	0	0	0	-276	-276
Total other changes in equity	0	0	0	0	0	0	-276	-276
Balance at June 30, 2007	13,859	90,327	0	-15,811	101,031	189,406	8,209	197,615
Total Group reserves at the end of June 2006					137,823			
Total Group reserves at the end of June 2007					175,547			

¹ Including currency translation differences on intercompany loans qualified as equity.

² Relates to investment property sold

CONDENSED NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS AS OF JUNE 30, 2007 (unaudited)

1. BASIS OF PREPARATION

The present report are the unaudited consolidated semi-annual financial statements as of June 30, 2007 of Von Roll Holding Ltd, a company domiciled in Switzerland and its subsidiaries. The report has been prepared in accordance with the International Accounting Standard IAS 34 «Interim Financial Reporting».

2. SIGNIFICANT ACCOUNTING POLICIES

The semi-annual report 2007 is based on the information and accounting policies as published in the 2006 Annual Report, which have been consistently applied. The new or revised IAS/IFRS-Standards effective for accounting periods beginning on January 1, 2007 have not had any or significant impact on the consolidated semi-annual financial statements 2007.

Except IFRS 7 Financial Instruments extends the presentation of Financial Instruments and discloses qualitative and quantitative information about exposure to risks arising from financial risks, liquidity risks and market risks. This additional information has no impact on the classification and valuation of the financial instruments of Von Roll and are not included in the present semi-annual report.

The consolidated semi-annual financial statements are issued in Swiss Franc (CHF), as important Von Roll companies are operative and financed out of Switzerland. The semi-annual financial statements are presented in CHF thousands (TCHF).

3. FOREIGN CURRENCIES

The following exchange rates were used for the translation into Swiss francs (CHF):

	Average rates January – June		Period end rates	
	2007	2006	30-Jun-07	31-Dec-06
1 EUR	1.63	1.56	1.65	1.60
1 USD	1.23	1.27	1.23	1.22
1 GBP	2.43	2.27	2.45	2.39
100 INR	2.90	2.79	3.00	2.75
100 BRL	60.37	57.66	63.00	57.07
100 CNY	15.91	15.83	16.12	15.59

4. CHANGES IN THE SCOPE OF CONSOLIDATION

During the reporting period no changes in the scope of consolidation have occurred.

5. SEGMENT INFORMATION

The operating activities of Von Roll are managed by the Business Units Electrical and Industrial. These units are distinguished based on business applications for the customers. They are the basis of Von Roll's primary segment information.

Principal activities are as follows:

Electrical – Production and supply of electrical insulation materials and winding wires

Industrial – Production and supply of composite materials and cable protection materials

Other activities include income and expense of those companies that are not allocable to the operative business, net income from investment properties as well as of the holding companies.

	Net sales January – June		Operating income January – June	
	2007	2006	2007	2006
Electrical	232,986	197,922	24,857	13,843
Industrial	73,707	65,277	6,512	3,023
Other activities	0	0	-2,701	-945
Von Roll	306,693	263,199	28,668	15,921

6. GROSS SALES

Approximately 4% of the 16% sales growth is based on the increased copper prices.

7. RESULTS FOR THE PERIOD

In the past, half-year results have varied from semester to semester. It is expected that these variations will continue in the future.

8. INCOME TAX

Interim period income tax is accrued based on the estimated average annual effective income tax rate of each subsidiary, resulted in an effective income tax rate of 31%.

Based on better ongoing and expected future earnings, TCHF 3,767 tax loss carry forward were activated in the interim reporting, the first time during a year.

9. SHARE CAPITAL

As of June 30, 2007, the share capital remains unchanged with 138,584,167 bearer shares with a par value of CHF 0.10 per share. No conditioned or authorized capital and no convertible bonds or options are outstanding and therefore no diluting effects exist.

On February 22, 2007 the shareholder group informed Von Roll Holding Ltd that the composition of the group has changed and the group holds 30,810,290 bearer shares of Von Roll Holding Ltd, which represents voting rights of 22.23%. The group consists of the following members: August von Finck, Munich (Germany), Francine von Finck, Munich, August Francois von Finck, Pfäffikon (Switzerland), Maximilian von Finck, Bäch (Switzerland), Luitpold von Finck, Bäch and Maria-Theresia von Finck, Munich. The group acts in mutual agreement and is represented by Rainer Nocon, von Finck'sche Hauptverwaltung, 80333 Munich.

During the first half of 2007 Von Roll Holding Ltd has not received any further disclosure notification.

On May 15, 2007, the shareholder group von Finck submitted a request for an extraordinary shareholders' meeting, within the statutory time of 90 days in order to vote on the appointment of four additional board members of Von Roll Holding Ltd and an ordinary capital increase. This extraordinary shareholders' meeting will be held in Zurich on August 13, 2007.

10. EVENTS AFTER THE BALANCE SHEET DATE

Von Roll signed an agreement on July 11, 2007 to acquire 100% of the shares of John C. Dolph Co. (Dolph) based in Monmouth Junction, NJ, USA. Dolph realized in 2006 sales of around CHF 16 million with resins and varnishes for the electrical insulation industry.

As of the date of issuing this semi-annual financial statements the conclusion of the contract has not yet take place and the purchase price is depending on certain selling conditions. The closing of the contract and the takeover of control will be concluded within the next weeks and all necessary disclosures will be part of the consolidated financial statements of 2007.

Also on July 11, 2007 Von Roll signed a syndicated loan agreement of CHF 100 million with Credit Suisse as prime underwriter to optimize the financial expense.

Between the balance sheet date and the date of issue by the Board of Directors of this semi-annual report, no further events, which could have had a significant impact on the consolidated semi-annual financial statements 2007 have occurred.

These consolidated semi-annual financial statements have been authorized for issue by the Board of Directors on July 26, 2007.

Through its worldwide network, Von Roll offers total solutions in the areas of high-voltage insulation and composite materials based on a variety of innovation materials and an overall application know-how. The leading manufacturers of generators, motors, transformers and switchgear, as well as companies active in the electronics, medical, industrial equipment or security sector rely on Von Roll's high-quality products and technical expertise to manufacture their own products.