

PRESS RELEASE

Biel/Bienne, 18 July 2018

SWATCH GROUP: HALF-YEAR REPORT 2018

- Record half-year sales in the history of the Swatch Group.
- Group net sales increased by 14.7% to CHF 4 266 million at current exchange rates, respectively by 12.6% at constant rates.
- Operating result increases 69.5% to CHF 629 million. Operating margin improved from 10.0% in the previous year to 14.7%.
- Net income increases by 66.5% to CHF 468 million, with a net margin of 11.0%, compared to the previous year with 7.6%.
- Growth in all regions, led by Asia and America.
- Massive gains in market share in all price segments and regions.
- Strong product demand by its own brands has already created bottlenecks in certain production areas.
- The second half of 2018 promises further growth.

Group Key Figures

| (CHF million) | 1st half | 1st half | Change in % | | Total |
|---|---------------|----------|----------------------|--------------------|-------|
| | 2018 | 2017 | at constant rates | currency effect | |
| Net sales | 4 266 | 3 719 | 12.6% | 2.1% | 14.7% |
| Operating result | 629 | 371 | | | 69.5% |
| – in % of net sales | 14.7% | 10.0% | | | |
| Net income | 468 | 281 | | | 66.5% |
| – in % of net sales | 11.0% | 7.6% | | | |
| Investments in non-current assets | 242 | 204 | | | |
| Equity, 30 June | 11 254 | 10 768 | | | |
| Market capitalization, 30 June | 25 178 | 19 610 | | | |
| Annualized return on equity (ROE) | 8.3% | 5.1% | | | |
| Basic earnings per share – expressed in CHF per share: | | | | | |
| – Registered shares | 1.74 | 1.01 | | | |
| – Bearer shares | 8.71 | 5.07 | | | |

The prior period has been restated due to the comparability of the presentation (Note 2).

Unaudited figures.

Strategy

The very strong performance in the first half year of 2018 once again confirms the validity of the Swatch Group strategy:

- to keep its personnel employed and maintain its production capacities in order to be prepared for the upswing;
- to make long-term investments in product innovation and marketing;
- to regard inventories as an absolute prerequisite for growth and market share gains.

Group overview

The very sharp acceleration in the last quarter of 2017 continued in the first half of 2018. The Swatch Group, with its strong brands and its own retail network, including e-commerce, and its efficient customer service, generated record sales of CHF 4 266 million (+14.7% at current and +12.6% at constant exchange rates) in the first semester.

The Swatch Group continues to maintain its consumer-friendly and defensive pricing policy and does not automatically adjust local sales prices to volatile exchange rates versus the overvalued Swiss Franc.

Highlights of the first half 2018

Development in the segments and countries

Impressive acceleration in both sales and quantities sold was reported across the board by all brands and in all price segments, not only in the prestige and luxury segment, but also in the middle and basic price segment. This led to a strong increase in production in the Watches & Jewelry, including Production segment, where capacity limits have already been reached once again in several areas.

All regions contributed to the best first semester sales in the history of the Group, led by Asia with very high growth rates, both in wholesale and in its own retail, including e-commerce. In North America, a double-digit sales increase was also recorded. In its home market, Switzerland, the Group recorded a comparable strong increase in sales. Europe displayed growth as well, although very different depending on the region.

Net sales in the Electronic Systems segment increased slightly by 2.3% to CHF 136 million. This segment continues to be characterized by its outstanding innovation, which played a crucial role in this area achieving a positive operating result despite eroding prices in US Dollars

Marketing

In the first half of 2018, in addition to the normal marketing activities, massive investment was made in two extraordinary events, the XXIII Olympic Winter Games in PyeongChang, South Korea, by Omega, and the Commonwealth Games in Australia by Longines.

Personnel

Due to healthy growth and the introduction of many new products, the Group hired more than 800 new employees, the majority in the Swiss production companies. Therefore, the workforce increased to 36 200 employees in comparison to 35 400 employees at the end of December and 35 000 at the end of June 2017.

Training

The Swatch Group promotes vocational education at all levels. At the end of June 2018, approximately 200 persons successfully completed their vocational training, of which 150 in Switzerland. In all, more than 700 persons in Switzerland and abroad are in training during the course of the year, either as apprentices learning the watchmaker and related technical trades, or as students in the Group's six international customer service watchmaker schools in Miami, Kuala Lumpur, Shanghai, Hong Kong, Pforzheim and Manchester.

Operating result and net income

High demand for products by its own brands as well as good capacity utilization in many areas of production significantly increased the operating result by 69.5% to CHF 629 million in the first half of the year, which corresponds to an operating margin of 14.7% (previous year: 10.0%). Net income improved 66.5% to CHF 468 million or 11.0% of net sales (previous year: 7.6%).

Investments

Across all segments, the Swatch Group invested a total of CHF 242 million in non-current assets in the first half of 2018, 18.6% more than in the first half of the previous year, in order to increase production capacities where necessary and to accelerate further optimization of retail and customer service networks.

Cash Flow and net cash position

After-tax operating cash flow generated in the first half of 2018 was CHF 423 million, practically unchanged from the previous year. In the first half of 2018, treasury shares with a market value of CHF 92 million were repurchased within the scope of the share buyback program 2016-2019. The volume of shares repurchased since the beginning of the program amounts to CHF 628 million. The net financial position at the end of June was CHF 1.3 billion.

Inventories

Inventories increased since the beginning of the year by close to CHF 380 million or 6.0%, to CHF 6.7 billion at the end of June. Of this increase, approximately 80% (resp. CHF 300 million) applies to gold and diamonds. With high utilization of production capacities, material usage and inventories have naturally also risen. For an industrial company which manufactures durable consumer goods with extended customer guarantees and a supply capability for replacement parts of, in some cases, over 30 years, a rich inventory level is a prerequisite for healthy growth. Even more so when many innovations are developed every year. In view of the turbulence in global trade, with the introduction of punitive tariffs, it is strategically even more important to increase stocks of essential raw materials.

Outlook second half-year 2018

The month of July continues the very positive trend. The second half of the year offers excellent opportunities for continued strong growth and further expansion of market share.

Consumer demand, particularly from millennials, for authentic innovative brand products is greatly increasing on a worldwide scale, regardless of region or price segment.

Consumers want real values, not only materially but also emotionally. This can be seen worldwide as a clear countertrend to total “commodity consumerism” (where everything is interchangeable and quickly loses its value). Increasing interest in pre-owned and vintage products favors strong, innovative and authentic brands. This is an immense opportunity for the 18 Swatch Group brands.

The Swatch Group, with its legendary brands such as Breguet, Harry Winston, Blancpain, Omega, Longines and also Tissot – a number of which are over 250 years old – is in an excellent position, with digital archives and brand museums which reflect this unique cultural heritage and the substance of the individual brands.

Consumers worldwide want to know more about the production and provenance of products (Swiss Made), not only with regard to sustainability, but also with respect to the uniqueness of the product and therefore its credibility. Besides its history, this includes technology such as the movement, new materials, design and esthetic and naturally, precision, such as, for example, in the case of the Omega Master Chronometer or the Longines Quartz V.H.P.

This confirms the Swatch Group strategy:

- verticalization of production
- presence in all segments
- strong separate identity for each brand, not only in marketing but in movement concept and production
- production facilities of the individual brands are made accessible to the consumer in an attractive manner

In this way, each brand remains unique through its special characteristics and technical features, its distinct market strategies and its positioning in the market.

Numerous new collections

In the second semester, Blancpain will launch the Fifty Fathoms Bathyscaphe Day Date in 1970s style, as well as other classics such as the Villeret Tourbillon, updated to the newest technological standards. Omega will introduce the Seamaster Professional 300m diver’s watch. This brand launched its second “Speedy Tuesday” on 10 July 2018 with the sale of 2 012 Speedmaster Limited Edition “Ultraman” watches, which sold out in a record time of one hour and 53 minutes. Longines will expand its Conquest Collection with another VHP watch (Very High Precision, a highly accurate quartz movement with a virtually perpetual calendar) with GMT flash setting. Rado will introduce a new DiaMaster collection, called Ceramos, with the latest material combination - ceramic and rose gold. Swatch will launch additional models to the successfully introduced Skin Irony.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Income Statement

| | 1st half 2018 | | 1st half 2017 | |
|--|------------------|--------------|------------------|--------|
| | CHF million | % | CHF million | % |
| Net sales | 4 266 | 100.0 | 3 719 | 100.0 |
| Other operating income | 124 | 2.9 | 44 | 1.2 |
| Changes in inventories | 358 | 8.4 | 46 | 1.2 |
| Material purchases | - 1 165 | - 27.3 | - 794 | - 21.4 |
| Personnel expense | - 1 287 | - 30.2 | - 1 177 | - 31.6 |
| Depreciation and impairment on property, plant and equipment | - 217 | - 5.1 | - 210 | - 5.6 |
| Amortization and impairment on intangible assets | - 21 | - 0.5 | - 20 | - 0.5 |
| Other operating expenses | - 1 429 | - 33.5 | - 1 237 | - 33.3 |
| Operating result | 629 | 14.7 | 371 | 10.0 |
| Other financial income and expense | - 11 | - 0.2 | - 21 | - 0.6 |
| Interest expense | - 1 | - 0.0 | - 1 | - 0.0 |
| Share of result from associates and joint ventures | 0 | 0.0 | 22 | 0.6 |
| Ordinary result | 617 | 14.5 | 371 | 10.0 |
| Non-operating result | 0 | 0.0 | 2 | 0.0 |
| Profit before income taxes | 617 | 14.5 | 373 | 10.0 |
| Income taxes | - 149 | - 3.5 | - 92 | - 2.4 |
| Net income | 468 | 11.0 | 281 | 7.6 |
| Attributable to shareholders of The Swatch Group Ltd | 458 | | 269 | |
| Attributable to non-controlling interests | 10 | | 12 | |

Earnings per share (EPS) – expressed in CHF per share:

| Registered shares | |
|----------------------------|------|
| Basic earnings per share | 1.74 |
| Diluted earnings per share | 1.74 |
| Bearer shares | |
| Basic earnings per share | 8.71 |
| Diluted earnings per share | 8.70 |

The prior period has been restated due to the comparability of the presentation (Note 2).

Unaudited figures.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Balance Sheet

| Assets | 30.06.2018 | | 31.12.2017 | |
|--|---------------|--------------|---------------|--------------|
| | CHF million | % | CHF million | % |
| Current assets | | | | |
| Cash and cash equivalents | 1 207 | 8.9 | 1 291 | 9.6 |
| Marketable securities and derivative financial instruments | 338 | 2.5 | 340 | 2.5 |
| Trade receivables | 957 | 7.0 | 1 076 | 8.0 |
| Other current assets | 168 | 1.2 | 178 | 1.3 |
| Inventories | 6 695 | 49.1 | 6 318 | 46.9 |
| Prepayments and accrued income | 239 | 1.8 | 255 | 1.9 |
| Total current assets | 9 604 | 70.5 | 9 458 | 70.2 |
| Non-current assets | | | | |
| Property, plant and equipment | 3 259 | 23.9 | 3 281 | 24.3 |
| Intangible assets | 146 | 1.1 | 147 | 1.1 |
| Investments in associates and joint ventures | 59 | 0.4 | 57 | 0.4 |
| Other non-current assets | 149 | 1.1 | 144 | 1.1 |
| Deferred tax assets | 413 | 3.0 | 392 | 2.9 |
| Total non-current assets | 4 026 | 29.5 | 4 021 | 29.8 |
| Total assets | 13 630 | 100.0 | 13 479 | 100.0 |

Unaudited figures.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Balance Sheet

| Equity and liabilities | 30.06.2018 | | 31.12.2017 | |
|--|---------------|--------------|---------------|--------------|
| | CHF million | % | CHF million | % |
| Current liabilities | | | | |
| Financial debts and derivative financial instruments | 264 | 1.9 | 16 | 0.1 |
| Trade payables | 341 | 2.5 | 354 | 2.6 |
| Other liabilities | 163 | 1.2 | 209 | 1.5 |
| Provisions | 96 | 0.7 | 93 | 0.7 |
| Accrued expenses | 676 | 5.0 | 701 | 5.2 |
| Total current liabilities | 1 540 | 11.3 | 1 373 | 10.1 |
| Non-current liabilities | | | | |
| Financial debts | 25 | 0.2 | 26 | 0.2 |
| Deferred tax liabilities | 540 | 4.0 | 532 | 4.0 |
| Retirement benefit obligations | 44 | 0.3 | 43 | 0.3 |
| Provisions | 71 | 0.5 | 69 | 0.5 |
| Accrued expenses | 156 | 1.1 | 147 | 1.1 |
| Total non-current liabilities | 836 | 6.1 | 817 | 6.1 |
| Total liabilities | 2 376 | 17.4 | 2 190 | 16.2 |
| Equity | | | | |
| Share capital | 125 | | 125 | |
| Capital reserves | - 969 | | - 977 | |
| Treasury shares | - 955 | | - 863 | |
| Goodwill recognized | - 1 372 | | - 1 372 | |
| Translation differences | - 123 | | - 115 | |
| Retained earnings | 14 467 | | 14 403 | |
| Equity of The Swatch Group Ltd shareholders | 11 173 | 82.0 | 11 201 | 83.1 |
| Non-controlling interests | 81 | 0.6 | 88 | 0.7 |
| Total equity | 11 254 | 82.6 | 11 289 | 83.8 |
| Total equity and liabilities | 13 630 | 100.0 | 13 479 | 100.0 |

Unaudited figures.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

| | 1st half 2018 CHF million | 1st half 2017 CHF million |
|---|---------------------------------|---------------------------------|
| Operating activities | | |
| Net income | 468 | 281 |
| Reversal of non-cash items | 418 | 286 |
| Changes in working capital and other items included in operating cash flow | - 290 | 4 |
| Dividends received from associated companies | 0 | 1 |
| Interest received | 6 | 4 |
| Interest paid | - 1 | - 1 |
| Income tax paid | - 178 | - 138 |
| Cash flow from operating activities | 423 | 437 |
| Investing activities | | |
| Investments in property, plant and equipment | - 200 | - 176 |
| Proceeds from sale of property, plant and equipment | 2 | 4 |
| Investments in intangible assets | - 21 | - 20 |
| Proceeds from sale of intangible assets | 1 | 1 |
| Investments in other non-current assets | - 21 | - 8 |
| Proceeds from sale of other non-current assets | 9 | 6 |
| Divestments of businesses | - | 3 |
| Purchase of marketable securities | - 42 | - 53 |
| Sale of marketable securities | 30 | 59 |
| Cash flow from investing activities | - 242 | - 184 |
| Financing activities | | |
| Dividends paid to shareholders | - 394 | - 357 |
| Dividends paid to non-controlling interests | - 17 | - 15 |
| Repurchase of treasury shares | - 92 | - 135 |
| Sale of treasury shares | 1 | 1 |
| Change in non-current financial debts | 0 | - 2 |
| Change in current financial debts | 241 | 140 |
| Repurchase of non-controlling interests | - 2 | - |
| Cash flow from financing activities | - 263 | - 368 |
| Net impact of foreign exchange rate differences on cash | - 2 | - 27 |
| Change in cash and cash equivalents | - 84 | - 142 |
| Change in cash and cash equivalents | | |
| - Balance at beginning of year | 1 291 | 1 136 |
| - Balance at 30 June | 1 207 | 994 |
| | - 84 | - 142 |

Unaudited figures.

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

| | Attributable to The Swatch Group Ltd shareholders | | | | | | Total | Non-controlling interests | Total equity |
|---|---|------------------|-----------------|---------------------|-------------------------|-------------------|---------------|---------------------------|---------------|
| | Share capital | Capital reserves | Treasury shares | Goodwill recognized | Translation differences | Retained earnings | | | |
| (CHF million) | | | | | | | | | |
| Balance at 31.12.2016 | 125 | -991 | -660 | -1 372 | -142 | 14 027 | 10 987 | 86 | 11 073 |
| Net income 1st half-year 2017 | | | | | | 269 | 269 | 12 | 281 |
| Currency translation of foreign entities | | | | | -80 | | -80 | -4 | -84 |
| Dividends paid | | | | | | -357 | -357 | -15 | -372 |
| Share-based compensation: | | | | | | | | | |
| – Value of employee services (net of tax) | | 4 | | | | | 4 | | 4 |
| – Proceeds from sale of shares | | 1 | | | | | 1 | | 1 |
| Repurchase of treasury shares | | -1 | -135 | | | | -136 | | -136 |
| Transactions with non-controlling interests | | | 1 | | | | 1 | | 1 |
| Balance at 30.06.2017 | 125 | -987 | -794 | -1 372 | -222 | 13 939 | 10 689 | 79 | 10 768 |
| Net income 2nd half-year 2017 | | | | | | 464 | 464 | 10 | 474 |
| Currency translation of foreign entities | | | | | 107 | | 107 | 1 | 108 |
| Dividends paid | | | | | | | 0 | -2 | -2 |
| Share-based compensation: | | | | | | | | | |
| – Value of employee services (net of tax) | | 10 | | | | | 10 | | 10 |
| – Proceeds from sale of shares | | 0 | | | | | 0 | | 0 |
| Repurchase of treasury shares | | 0 | -69 | | | | -69 | | -69 |
| Transactions with non-controlling interests | | | | | | | 0 | | 0 |
| Balance at 31.12.2017 | 125 | -977 | -863 | -1 372 | -115 | 14 403 | 11 201 | 88 | 11 289 |
| Net income 1st half-year 2018 | | | | | | 458 | 458 | 10 | 468 |
| Currency translation of foreign entities | | | | | -8 | | -8 | 2 | -6 |
| Dividends paid | | | | | | -394 | -394 | -17 | -411 |
| Share-based compensation: | | | | | | | | | |
| – Value of employee services (net of tax) | | 7 | | | | | 7 | | 7 |
| – Proceeds from sale of shares | | 1 | | | | | 1 | | 1 |
| Repurchase of treasury shares | | 0 | -92 | | | | -92 | | -92 |
| Transactions with non-controlling interests | | | 0 | | | | 0 | -2 | -2 |
| Balance at 30.06.2018 | 125 | -969 | -955 | -1 372 | -123 | 14 467 | 11 173 | 81 | 11 254 |

Unaudited figures.

Notes to the half-year financial statements 2018

1. Basis of preparation and significant accounting policies

These consolidated financial statements cover the unaudited half-year results for the six months ending 30 June 2018. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations). The consolidated interim financial statements for 2018 have been prepared in accordance with FER 31 "Supplementary Recommendation for Listed Companies". These interim financial statements do not contain all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the consolidated financial statements at 31 December 2017. In this interim report, Management has not made any significant changes to the estimates and assumptions compared to the previous period.

2. Changes of accounting policies

As of 2018, sales-related transaction costs such as credit card fees, for example, are recognized as other operating expenses. Previously, these costs were deducted directly from net sales. This adjustment was made in order to increase the transparency of net sales and to enable comparison with normal international practice.

The previous period was restated for the purpose of comparison with the current reporting period. The following table shows the impact in figures:

| (CHF million) | 30.06.2017 Restated | 30.06.2017 Published | Change |
|--------------------------|------------------------|-------------------------|--------|
| Net sales | 3 719 | 3 705 | 14 |
| Other operating expenses | - 1 237 | - 1 223 | - 14 |
| Operating result | 371 | 371 | 0 |
| Net income | 281 | 281 | 0 |

3. Changes to Group structure

At 30 June 2018 the Group consolidation structure comprised 160 legal entities (year end 2017: 162). The decrease was due to an intra-group merger and a liquidation. Information on business combinations can be found in Note 6.

4. Key exchange rates

| Currency | Unit | Average rates | Prevailing rates | Average rates | Prevailing rates | Prevailing rates |
|----------|------|-------------------|------------------|-------------------|------------------|------------------|
| | | 01.01.-30.06.2018 | 30.06.2018 | 01.01.-30.06.2017 | 31.12.2017 | 30.06.2017 |
| | | CHF | CHF | CHF | CHF | CHF |
| CNY | 1 | 0.1520 | 0.1505 | 0.1444 | 0.1503 | 0.1415 |
| EUR | 1 | 1.1686 | 1.1600 | 1.0796 | 1.1720 | 1.0950 |
| HKD | 1 | 0.1237 | 0.1272 | 0.1273 | 0.1252 | 0.1229 |
| JPY | 100 | 0.8946 | 0.9030 | 0.8853 | 0.8685 | 0.8575 |
| USD | 1 | 0.9698 | 0.9980 | 0.9901 | 0.9790 | 0.9600 |

5. Segment information

| 1st half-year 2018 (CHF million) | Watches & Jewelry | Electronic Systems | Corporate | Elimination | Total |
|-------------------------------------|----------------------|-----------------------|--------------|----------------|---------------|
| – Third parties | 4 136 | 127 | 3 | 0 | 4 266 |
| – Group | 0 | 9 | 2 | – 11 | 0 |
| Net sales | 4 136 | 136 | 5 | – 11 | 4 266 |
| Operating result | 685 | 3 | – 59 | | 629 |
| – As a % of net sales | 16.6% | 2.2% | | | 14.7% |
| 1st half-year 2017 (CHF million) | Watches & Jewelry | Electronic Systems | Corporate | Elimination | Total |
| – Third parties | 3 590 | 127 | 2 | | 3 719 |
| – Group | 0 | 6 | 3 | – 9 | 0 |
| Net sales | 3 590 | 133 | 5 | – 9 | 3 719 |
| Operating result | 422 | 0 | – 51 | | 371 |
| – As a % of net sales | 11.8% | 0.0% | | | 10.0% |
| Total assets at 30.06.2018 | 12 452 | 286 | 5 505 | – 4 613 | 13 630 |
| Total assets at 31.12.2017 | 12 266 | 301 | 5 190 | – 4 278 | 13 479 |

The prior period has been restated due to the comparability of the presentation (Note 2).

6. Business combinations

In the first half of 2018, the remaining 50% of the shares in a Chinese retail company, which had already been controlled and fully consolidated, were purchased for CHF 2 million. There were no additional company acquisitions or disposals (previous year: none). In connection with the acquisition of the remaining minority interest in the company ASI Centrum spol. s.r.o. in 2015, transactions in treasury shares with the former minority holders of the company took place in the first half of 2016, 2017 and 2018. The total value of all transactions was CHF 2 million and the portion booked in 2018 was less than CHF 1 million.

7. Investments in associated companies and joint ventures

In the first half year 2018 as well as 2017, there were no significant changes in investments in associated companies and joint ventures.

8. Goodwill

Goodwill is recognized directly in equity at the time of purchase of a subsidiary or an investment in an associated company. The theoretical capitalization of goodwill, based on a useful life of 5 to 10 years, would have the following impact on equity and net income:

Theoretical impact on equity

| (CHF million) | 30.06.2018 | 31.12.2017 | 30.06.2017 |
|--|---------------|------------|------------|
| Equity, per balance sheet | 11 254 | 11 289 | 10 768 |
| Theoretical capitalization of net book value of goodwill | 468 | 523 | 579 |
| Theoretical equity including net book value of goodwill | 11 722 | 11 812 | 11 347 |

Theoretical impact on net income

| (CHF million) | 30.06.2018 | 31.12.2017 | 30.06.2017 |
|---|-------------|------------|------------|
| Net income, per income statement | 468 | 755 | 281 |
| Theoretical amortization of goodwill | – 55 | – 114 | – 58 |
| Theoretical net income after goodwill amortization | 413 | 641 | 223 |

9. Treasury shares / share buyback program

Within the scope of the share buyback program 2016-2019, the Swatch Group repurchased a total of 107 300 bearer shares (previous year: 184 700) and 577 000 registered shares (previous year: 1 001 250) with a market value of CHF 92 million (previous year: CHF 135 million) in the first half of 2018. The volume of shares repurchased since the beginning of the program amounts to CHF 628 million.

In the period under review, as in the previous year, the Swatch Group sold treasury shares related to the employee stock option plan in the amount of CHF 1 million, and transferred less than CHF 1 million to minority interests (see Note 6).

10. Dividend

The Company pays one dividend per fiscal year. For fiscal year 2017, the dividend agreed at the Annual General Meeting on 24 May 2018, with a value date of 30 May 2018, was distributed as follows:

| | Dividend per share CHF | Total dividend CHF million |
|-------------------------------------|---------------------------|-------------------------------|
| Registered shares | 1.50 | 186 |
| Bearer shares | 7.50 | 231 |
| Total dividend | | 417 |
| Dividend not paid out on own shares | | - 23 |
| Total dividend paid | | 394 |

Based on the decision of the Annual General Meeting, the dividend due on treasury shares held by the Group was not paid out.

11. Seasonality of operations

Due to the somewhat seasonal pattern of the Watches & Jewelry segment, slightly higher revenues and operating profits are usually expected in the second half of the year in local currency. This is mainly due to stronger-than-average monthly sales from September to December related to the holiday and Christmas season.

12. Significant events and business transactions

During the period under review, no material events or business transactions occurred that might have an impact on the critical estimates, appraisals and assumptions to be found in the consolidated financial statements as at 31 December 2017. Also, there were no further material events or business transactions that might impact upon other positions in the consolidated financial statements (such as, for example, changes to contingent liabilities and receivables or business transactions involving associated enterprises and persons).

13. Events after the closing date

At the publish date of this press release, the Company is not aware of any significant new event that would affect the half-year financial statements at 30 June 2018.

Original: German
Translations: English, French and Italian

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