

Transparency

is a frame of mind that is put into practice daily at Hilti. It is a permanent fixture in the corporate culture – in its dialogue with customers, in the way it works with partners and in the way its worldwide teams work with each other.

This way of thinking relates not only to obvious areas such as risk and reputation management and corporate governance, but also characterizes the company's socially responsible approach to management, its internal and external communications and its development of products.

ON!Track, a system solution for customer asset management (*see article on page 14 ff.*), is just one of the innovative ways in which Hilti takes up the theme of transparency. Further evidence of a practiced culture of openness can be found in the modern office spaces at various locations (*see Highlights on page 10 ff.*).

That is a good enough reason for this report to focus on transparency: not only will you find it in a number of articles, but it is also illustrated by the red cover.



The red transparent film provides a clear view of the facts on pages where this symbol appears.



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Dear readers

Although 2015 was a challenging year for us, it ended with highly satisfactory results. The year started with the decision by the Swiss National Bank to discontinue the Swiss franc's minimum exchange rate against the euro, which led to a very strong appreciation of the Swiss currency. Additionally, we were faced with a substantial economic slowdown in many emerging markets, continued weaknesses in Europe, the very low oil price and the international sanctions against Russia. Despite these numerous challenges, we managed to increase our sales in local currencies substantially. While we did quite well relative to the market, with sales growth of just under 6 percent in local currencies, we have not yet achieved our long-term objective of significantly



outperforming the main competitors. The operating result exceeded last year's good figure, which helped offset the enormous exchange rate burden to a large extent. Net income was nearly at the level of the previous year. Return on sales and return on capital employed even rose slightly and have now reached the upper range of our target corridor. Furthermore, we posted yet another very good free cash flow of CHF 335 million.

We wish to thank our global team, which has grown to more than 23,000, for having successfully coped with such a formidable workload in a challenging environment. For Hilti, 2015 was a year that saw substantial investments and preparations for accelerated growth rates. As an example, we increased our research and development spending to CHF 240 million (+8,1%) and beefed up our worldwide headcount by 1137 employees (+5,1%), mostly in sales. We focussed on investments in strategically important areas such as digitalization, new software packages and enhancing services for our customers. This will have a positive effect on our results in the next years.

We expect the global construction market to be volatile in 2016 as well. Moreover, we will continue to be exposed to major exchange rate fluctuations. Despite this backdrop, we will hold on to our Champion 2020 strategy geared for sustainable growth and market leadership, and are convinced that we will deliver strong financial results and gain market share in the next few years as well.

This confidence is also nourished by the gratifying results of our periodic customer and employee surveys. The strong energy pervading our company as well as the high level of employee identification have again brought us a top position among the "World's 25 Best Multinational Workplaces 2015" as ranked by the Great Place to Work Institute. Furthermore, we succeeded in increasing the loyalty of our customers.

Our innovative capacity, the strength of the direct sales approach and our unique corporate culture have been Hilti's success factors for more than seven decades. In 2016, we will celebrate the 75th anniversary of our company. In doing so, we will not only look back to our history rich in tradition but also to the road ahead in anticipation of many more successful years with our employees, partners and customers all around the world.



Christoph Loos
Chief Executive Officer



Pius Baschera
Chairman of the Board of Directors



Hilti develops and produces products, systems and services that feature leading-edge technology and provide the construction and energy sectors with outstanding added value.

The company.

Hilti stands for innovation, quality and direct customer relationships. Some two-thirds of Hilti's more than 23,000 worldwide employees work directly on behalf of customers in Hilti sales organizations and technical service units. They generate more than 200,000 daily interactions with customers, creating the basis for the ongoing development of new products and services.

The Group's strategy is aimed at sustainable value creation through market leadership and differentiation. The overarching goal is to create enthusiastic customers on a daily basis and to build a better long-term future.

As a result, Hilti connects its financial success with a comprehensive responsibility towards society and the environment. A mutual sense of openness, honesty and tolerance applies to team members, partners and suppliers alike.

Guided by the conviction that entrepreneurial growth also generates personal growth, Hilti pursues an employee- and performance-oriented corporate culture. The values of integrity, courage, teamwork and commitment form a solid foundation and are equally supported by all worldwide employees.

Hilti Group headquarters are located in Schaan, Principality of Liechtenstein, where the company was founded in 1941 by brothers Eugen and Martin Hilti. All company shares are held by the Martin Hilti Family Trust, a fact that ensures long-term continuity and the ongoing development of the company.

The year in figures.

Net sales in CHF million



Operating result in CHF million



Net income in CHF million



Return on sales (ROS) in %



Return on capital employed (ROCE) in %



Free cash flow in CHF million



Employees as at December 31



System solutions for the professional construction industry.

Hilti provides the construction industry with technologically leading products and systems, innovative software and comprehensive services. Hilti possesses, in addition to its business units, its own network of centers for research, production and logistics. The company employs a direct sales model complete with consulting and sales units.

Electric tools and accessories

Hilti's electric tools are renowned for optimal performance and user comfort. Robust and long-lasting, these tools are equipped with special safety functions, such as Active Torque Control (ATC), a safety cutout feature, or Active Vibration Reduction (AVR). The tools, together with the accessories designed for optimal and efficient utilization, make construction site work involving chiseling, grinding and drilling safer and more productive.



Measuring systems

Hilti's range of laser, radar and optical tools provide support for construction professionals during all phases of their work: starting with staking out positions for excavation and measuring and laying out foundations, through to detecting concealed objects, leveling and aligning in interior finishing, on to renovation and maintenance work. Firmly established in the so-called building information modeling process, Hilti brings digital planning directly to the construction site.





Anchor systems

Hilti sets new standards in anchor fastening technology. The product portfolio comprises chemical and mechanical anchoring systems and cast-in fasteners. The systems are designed for ultimate performance, even under the toughest service conditions, including seismic action. In addition to software products, such as the PROFIS Anchor design software, technical services by Hilti engineers and technical specialists are available to architects and planners.



Firestop systems

Hilti provides sustainable firestop systems to prevent the spread of fire, smoke and toxic fumes and also offers consulting to architects and planners. The firestop solutions undergo rigorous testing and correspond to current standards for environmentally compatible construction and energy efficiency. A new software solution helps to efficiently manage firestop documentation.



Diamond systems

Hilti's diamond systems allow precise drilling, cutting, grinding and sawing of concrete and other mineral building materials with less dust or vibration. Machines perfectly tailored to the application, with accessories and high-tech diamond cutting tools, ensure optimal performance, simple and safe operation while keeping tool wear low.



Direct fastening and screw fastening

Hilti gas-, battery- and environmentally friendly powder-actuated systems make direct fastening on steel and concrete simple, safe, fast and productive. Vibration, noise and dust emissions are reduced to a minimum compared to other installation methods. Optimized systems of tools, accessories and fasteners are the foundation for innovative screw fastening solutions for interior finishing and building envelope applications.



Installation systems

Hilti has the suitable solution to fasten building equipment and appliances such as pipes. Modular channel systems and pipe rings, for example, provide flexible and efficient solutions in all kind of private, commercial and industrial buildings.

A photograph of CEO Christoph Loos, a man with short brown hair and a light complexion, wearing a dark suit jacket over a white shirt. He is seated at a dark desk, gesturing with both hands as if speaking. The background is a bright, out-of-focus window showing a cityscape and blue sky with clouds.

“2015 has certainly been the decisive year for the success of Champion 2020.”

A year marked by massive investments.

CEO Christoph Loos talks about the 2015 business year, the challenges of the future and the implementation of Hilti’s Champion 2020 corporate strategy.

Which events had a particularly large influence on the 2015 business year?

First of all, they were very positive events. We are satisfied with our results even if we have not achieved all our sales targets. We have launched more than 40 great new products and inaugurated our new Innovation Center at our headquarters in Liechtenstein. This year, we broke the USD1 billion sales mark in North America for the first time while we also opened our new regional head office in Plano, Texas. Overall, the year was characterized by extraordinary dynamics. Never before in our history have we launched as many initiatives across all business units as in 2015, including investments, hiring drives and intensive project work. This will certainly have a positive effect on our figures over the next few years.

We have, of course, also been faced with challenges, in particular the discontinuation of the Swiss franc minimum exchange rate against the euro. Furthermore, we experienced a significant economic slowdown in emerging countries, lower oil prices – which stopped many investments – and the international sanctions against Russia. Nevertheless, we are satisfied and convinced that 2015 was a landmark year for the implementation of our Champion 2020 corporate strategy.

How does Hilti cope with the new exchange rate reality in the Swiss franc area?

The appreciation of the Swiss currency has substantially impacted our results, by a high double-digit million Swiss franc amount. After the Swiss National Bank's decision on January 15, we engaged in intensive discussions as to whether we could continue to pursue our forward strategy, involving significant investments, under these circumstances.

The answer was a unanimous “yes”. Everyone – from people in sales to the Board of Directors – is backing the strategy and firmly believes in its success. Thanks to this process, the initial stir turned into positive momentum. It is impressive to see how courageous, self-assured and confident our global team acts.

How does Hilti prepare for the challenges of the future?

The inherently volatile construction market forces us to be agile. But most of all, we have to master the balancing act between strategic focus and agility. Rather than operating our strategy in a stop-and-go mode, we have to go ahead with our investments as planned. In addition, we need a good natural hedge of our inflows and outflows to counteract exchange rate volatility. Furthermore, we have to achieve greater fixed-cost flexibility to be able to react more quickly. And this is where we have made considerable progress: Having spread our sales more evenly around the globe, we are less dependent on Europe. Also in terms of costs, we have obtained a wider distribution reflecting our regional sales breakdown. Last but not least, we have stepped up our cooperation with external partners in areas such as logistics, research and development, which gives us more breathing space. Flexible new working time models in our plants help us create new and effective scope of action.

Where does Hilti stand in the implementation of the Champion 2020 strategy?

2014 was the year in which we spread the strategy throughout the organization, which created a great spirit of optimism within the company. In retrospect, 2015 has certainly been the decisive year for the success of Champion 2020 because this year was clearly marked by massive investments in sales capacities, services and product development. With this, we have built a solid foundation and are now poised to reap what we have sown, to significantly accelerate our sales growth and gain new market share.

Highlights 2015.

New dimension for electrical fastenings.

The Hilti BX 3-ME is the world's first battery-powered fastening tool designed for driving fasteners into hard surfaces such as concrete and steel. It makes the fastening of cables, light connections and distributor boxes not only easier and faster, but also safer.



The BX 3-ME requires little pressure during setting and its recoil is minimal.

6

new Hilti products were awarded the international Red Dot Award for product design in 2015.

83

percent of customers are happy with Hilti, according to the 2015 Integrated Customer Opinion Survey.

25

awards won by Hilti worldwide as top employer in 2015. Among other achievements, Hilti placed 22nd in the Great Place to Work Institute's worldwide rankings.

Touchdown.

Over 30 stories high and costing USD1.1 billion, the newly completed U.S. Bank Stadium will be the new home of the Minnesota Vikings American football club starting in July 2016. Hilti played a major part in this large-scale construction project, contributing SAFEs^{et} drilling systems, anchors and fire prevention solutions.



A harmonious building.

The Philharmonie de Paris in France opened its doors in 2015. The project managers involved in its construction relied on Hilti products and expertise. The entire building incorporates installation system solutions. Hilti experts also advised on the internal layout to ensure a special acoustic experience in the hall.



30,000 m² surface area

122 m long

59 m wide

19 m high

Technological centerpiece.

The Innovation Center in Schaan, Liechtenstein, officially opened in May 2015. It has space for around 400 employees who develop and test tomorrow's technical solutions. Designed with an emphasis on transparency, the new building is an inspiring environment for the various teams.

Gigantic drilling units.

London's "Crossrail" project, scheduled for completion in 2018, is expanding and improving the network of tunnels and railways beneath the city. Hilti worked together with Rowa Tunnelling Logistics AG to develop two drilling units with combihammers and built-suction function. Automation makes the drilling process safer, more precise and more efficient.

125

holes drilled per hour by each drilling unit

Highlights 2015.



Significant works of art.

In May 2015 the Hilti Art Foundation opened its own exhibition space, an extension of the Kunstmuseum Liechtenstein in Vaduz. The new building is in the form of a cube, and 50 selected works of art – ranging from classical modernism to contemporary – are currently on display.



Reliably calculable.

The process of post-installing rebar with chemical anchors is subject to new safety regulations in North America. Since 2015, Hilti has been the first company to offer help with these new regulations by providing a full set of online software that produces a reliable basis for calculations in line with the current norms. PROFIS Rebar makes planning ahead safer and its precise layout saves time and material on site. The program is accessible in the Hilti Cloud, and the software does not need to be downloaded or installed.

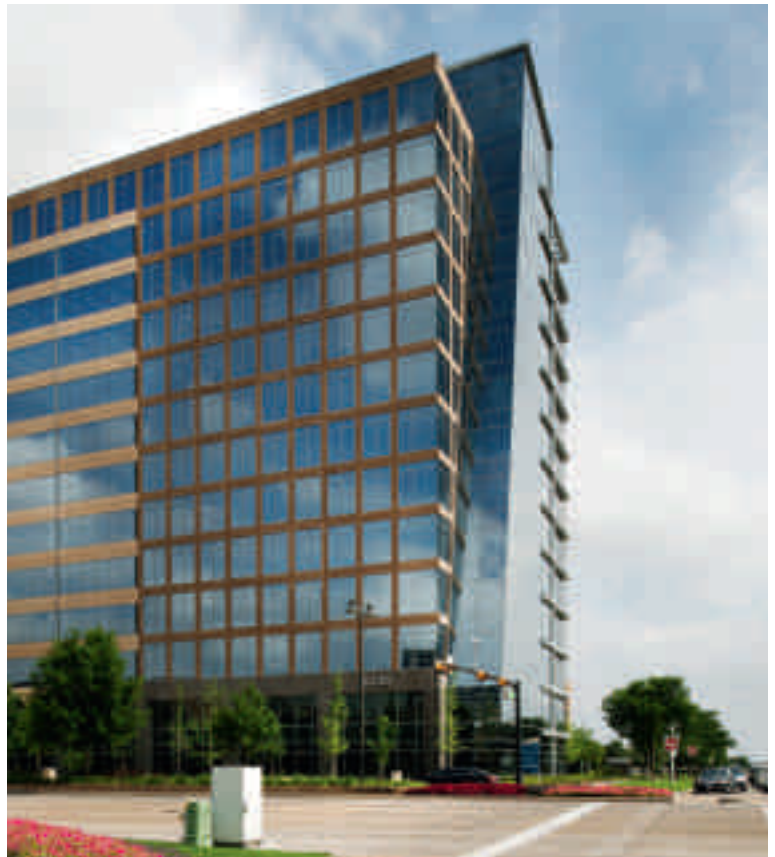


New Austrian head office.

Hilti Austria opened a new head office in Vienna in June of 2015. The new building features transparent office space for the 120 Hilti employees working there. The building also contains a new Hilti Center flagship store.

Hilti North America on the move.

In 2015, Hilti North America moved its head office facilities to the city of Plano, Texas. The different, transparently designed offices, in which more than 300 people work, promote a creative and efficient approach to working for both individuals and groups. The test lab and repair center were relocated, from Tulsa to Irving, Texas, which is near Plano.



1,000,000,000

USD in revenue:

Hilti North America managed to achieve
this spectacular feat in December of last year – a historic success.

Optimized Tool Service.



The Hilti Tool Service was launched in 2015 and is already offered by many of the European sales organizations.

3 business days are sufficient for a repair – or the repair is made free of charge.

A 2-year no-cost repair period (including wear-and-tear coverage) after the date of purchase.

1 click on the Hilti website, or one call to customer service, and customers receive the information they need.

2.5 million

uses of various Hilti software
solutions by customers in 2015.



“The system solution ON!Track makes for more transparency and creates an enhanced sense of responsibility among all stakeholders.”

Jürgen Jäger
Warehouse manager at Max Bögl Group



With transparency comes efficiency.

ON!Track connects software, hardware and personal advice and helps customers in the construction industry to manage their assets.

The larger the number of construction sites under management, the more complex it is to keep track of equipment and consumables. Now there is a way to overcome this challenge. ON!Track, a system-based solution made up of software, hardware and services, creates full asset transparency in terms of status, condition and location. Assets are equipped with robust RFID and bar code tags that are scanner- or smartphone-readable. This makes for flexible management by different departments and persons, no matter where the assets are located – in the warehouse, at the office or on the construction site. And ON!Track comes with training, advice and support.

“Combining technology and customized advice is an essential success factor for us,” says Hilti product manager Martin Inganäs. Moreover, customers benefit by a better capacity utilization of their assets and save time thanks to digitization. ON!Track promotes the correct care and usage of all your equipment and materials. The information being tracked can be easily understood and acted upon.

The German Max Bögl Group is among the many users of the ON!Track solution. For two years, the group has sourced Hilti angle grinders for manufacturing in steel and plant engineering. Before 2015, the entire stocktaking procedure was performed with manual lists or Excel files. “Documentation was extremely cumbersome,” says warehouse manager Jürgen Jäger. In its search for a more efficient asset management solution, the company came across ON!Track and has been using this system since the beginning of 2015 to keep track of all steel and plant engineering assets.

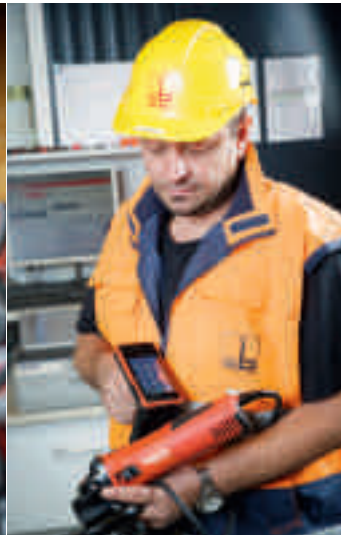
“ON!Track has accelerated our asset management processes to a significant degree. We no longer have to keep lists, our data is always up to date and we know if a tool is under repair, in stock or in use.” For Jürgen Jäger, ON!Track is a “quantum leap in efficiency improvement” in asset management.



Close cooperation between Max Bögl Group and Hilti, from left to right: Jürgen Jäger, Helmut Ochsenkühn, Anita Jokiel and Rüdiger Schidzig of Max Bögl Group, Peter Neumair, Erwin Schmid, Martin Singer and Dietmar Bock of Hilti Germany.



A total of
2,234,589
1,000,000
assets recorded by ON!Track in
four months of operation.
According to ON!Track, assets have changed location
579
45,000
times altogether (four months post-launch)
3,198,715



Strong interface, smart solution.

Downtime on the jobsite is a nuisance and a substantial cost item. Now, Hilti has developed a simple and effective problem solver: the new diamond core bit with the X-Change module.

Users of diamond coring technology lose precious time because of stuck core bits, transport of bulky equipment to the jobsite as well as the repair loop needed to replace the worn cutters. These unproductive work steps are now a thing of the past thanks to Hilti's new system solution that consists of a steel barrel and a removable X-Change module (cutting ring). All the customer has to do is choose the combinable individual parts suitable for the job. It's the best of both worlds: Carry fewer materials and be ready for all possible problem solutions. The X-Change module can be removed from the barrel in no time with just a simple screwdriver. No matter, if the core bit gets stuck, if

material or if the diamond segments are worn – work can continue with minimum delay.

If you are bold enough to turn a one-piece steel tube with welded-on cutting segments into a two-component click-and-lock design, you have to be pretty confident that the system actually works. The connecting interface has to be extremely robust to withstand enormous forces and yet be easy-to-use at the same time. "Initially, many customers were extremely skeptical. In situations such as these, it's our direct sales teams that make the difference when it comes to convincing customers that our solution meets their requirements," says Christoph Amman, Project Manager in the Diamond Business Unit.



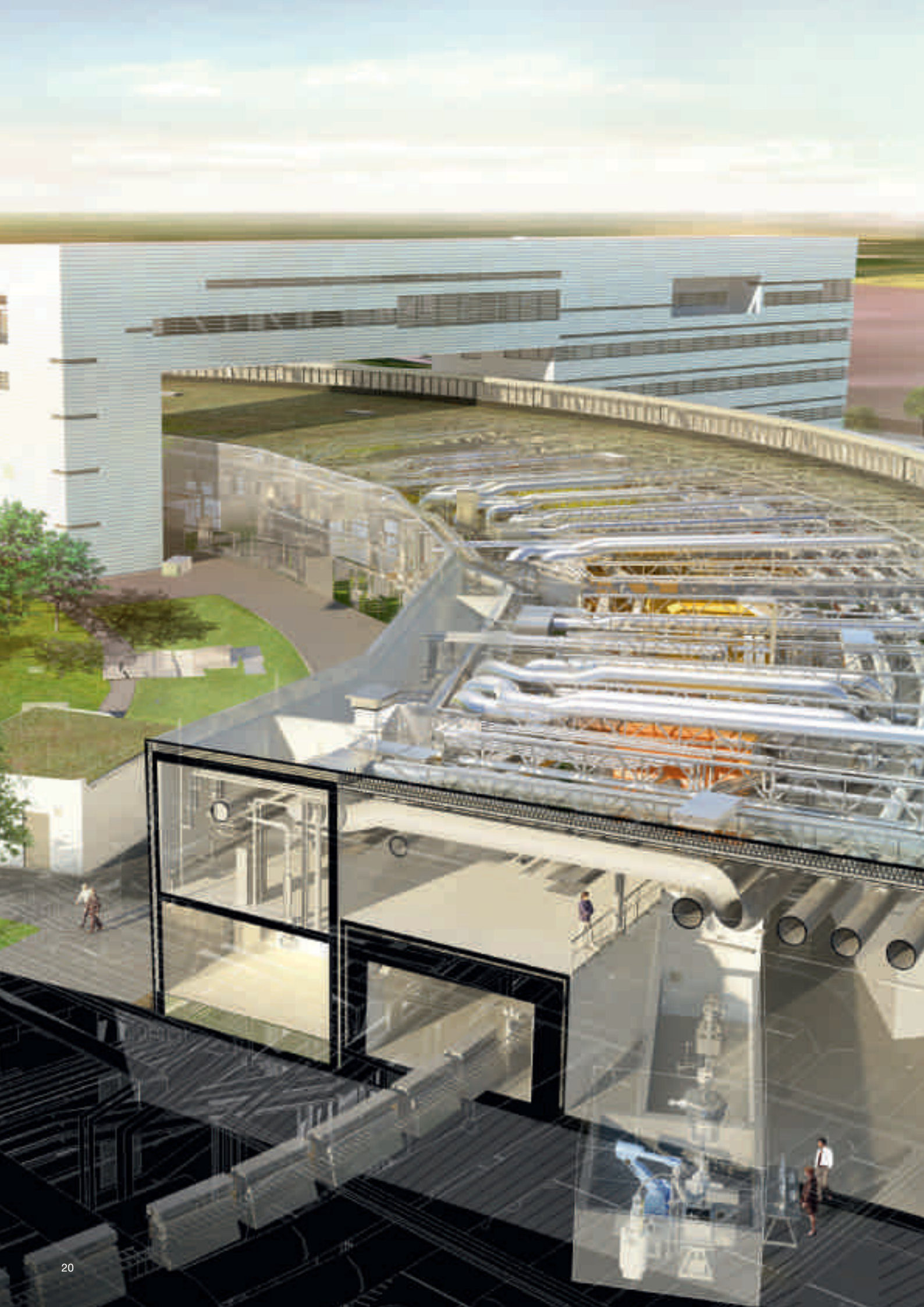
The solution – a rotary plug-in connection based on smart geometry – was tested with numerous customers throughout Europe. After thousands of successful drillings, there were no questions left. Kristof Decloedt from the HVAC specialist company TSVB BVBA, in Torhout, Belgium, says: “It’s remarkable how much time you can save with the X-Change module. I always have my portable bag with me on the jobsite, which puts me in the position

to solve problems right away and on-site. That’s a tremendous advancement.” The jury of the 30th Martin Hilti Innovation Prize, an internal global competition of the Hilti Group, was equally impressed when it awarded the prize to the X-Change module in May 2015. “The system solves a large number of customer problems in a straightforward and effective way,” the jury said when commenting on the winning project.



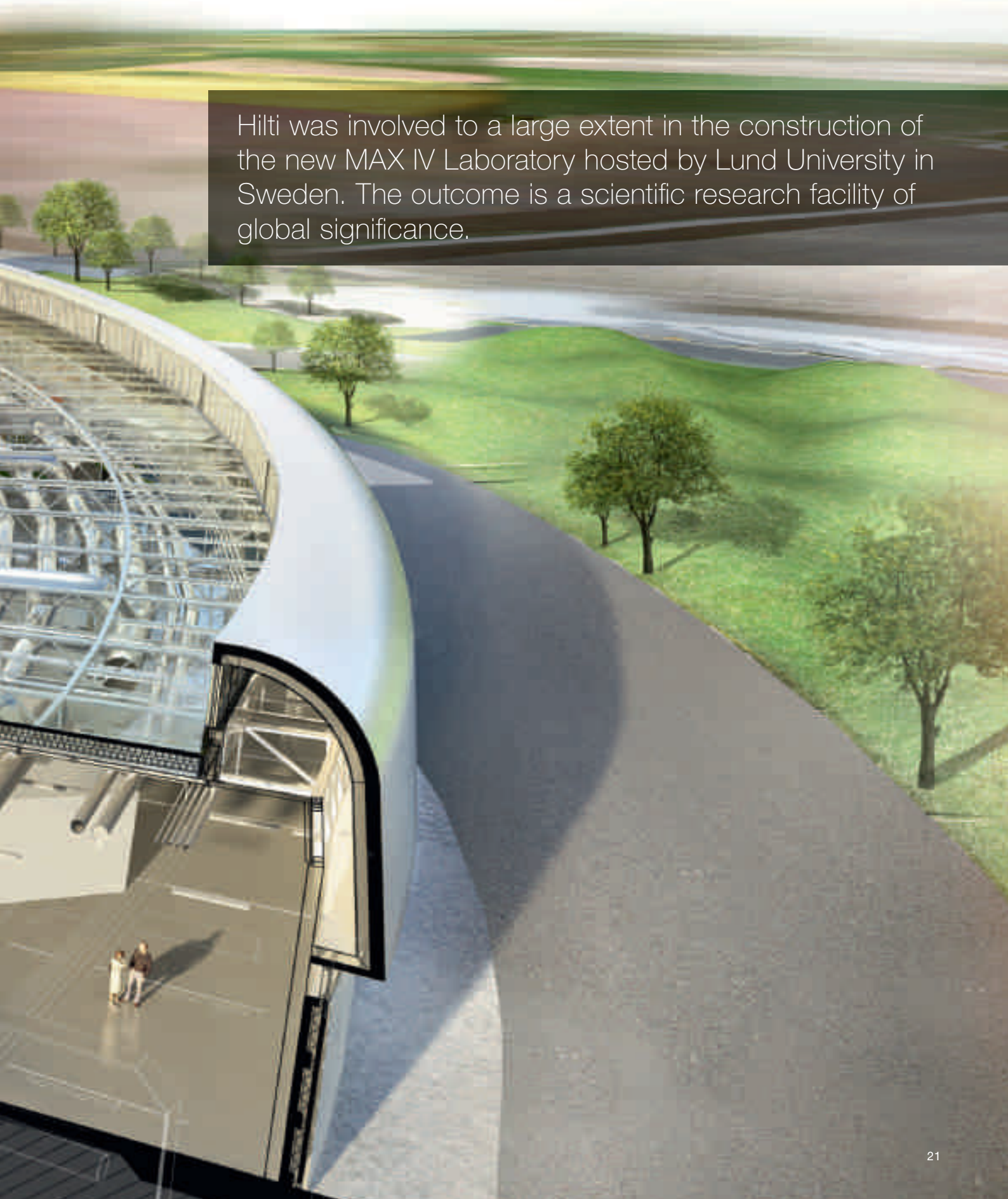
Less steel consumption

The X-Change module helps save resources and is environment-friendly. Compared to the amount of material used for the production of conventional diamond core bits, the X-Change module uses an average of 2.3kg less steel, which adds up to some 2400 tons of steel per year. On top of that, CO₂ emissions are reduced by 4800 tons as a result of the lower steel consumption.



Serving science.

Hilti was involved to a large extent in the construction of the new MAX IV Laboratory hosted by Lund University in Sweden. The outcome is a scientific research facility of global significance.





In the world of science, Lund University in Sweden is synonymous with excellence in various disciplines such as medicine, chemistry, physics or mechanical engineering. Here, experts from all over the world have been involved in research with electromagnetic synchrotron radiation for decades. Since 1987, Lund University has commissioned three storage rings with twelve beamlines for different experiments. Over the past five years, fourth and fifth storage rings – MAX IV Laboratory – were built, replacing the other three that closed on December 13, 2015. In the process, the capacity of the laboratory building was doubled to the extent that it can now house up to 28 beamlines, serving up to 2000 scientists annually. Building the MAX IV Laboratory was a dual challenge as it required the instalment of the most advanced electromagnetic radiation technology coupled with extremely stringent safety standards customary for a research facility of this kind.

Swedish companies Peab and Wihlborgs took the lead in the consortium and resorted to Hilti experts for measuring, direct fastening, anchor, screw fastening and installation systems. The construction project was carried out in two stages: First, a tunnel 420 meters long and ten meters wide with two-meter thick walls was built to accommodate the synchrotron linear accelerator. The second stage included the construction of a circular laboratory building, ten to twelve meters in height, with a circumference of 650 meters, housing the large storage ring for seven beamlines.

During the project, Hilti teamed up with Swedish partner firm Assemblin in charge of heating, sanitation and sprinklers. All installations had to be protected against vibration and noise because of the extremely high demands on stability in the building. Engineers from both Assemblin and Hilti were

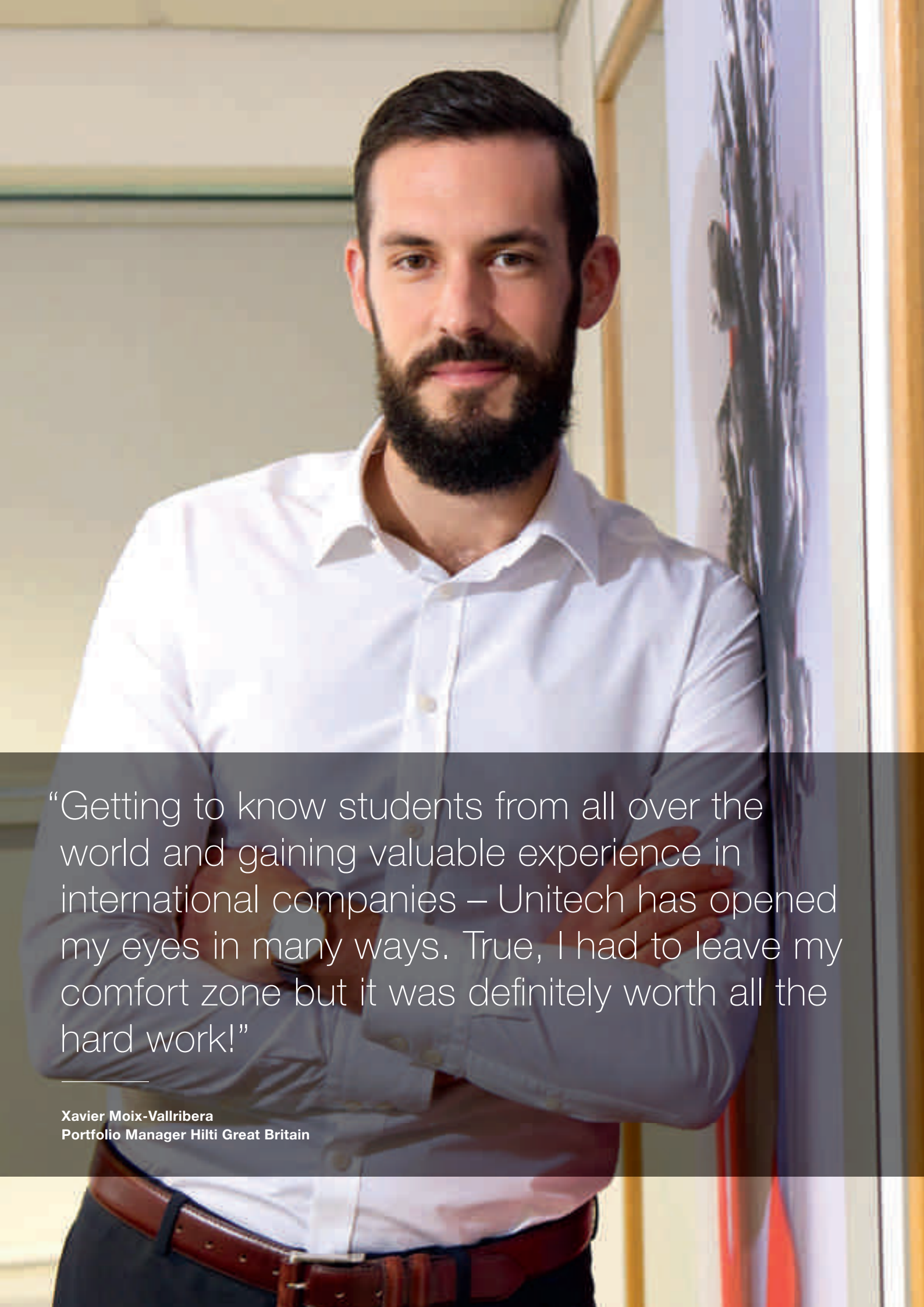


Hilti managed project
“Thanks to the use of beams
ready-cut, marked up and
delivered in sections, we
managed to obtain time
savings of 30 percent across
different project phases.”
Krister Andersson, Project Manager Assemblin
30 percent
different
project
beams ready-cut
use
time



present on site in a joint calculation and planning effort. Furthermore, both partners had to make sure that there was enough installation material available at all times. Hilti experts also provided efficient fastening know-how, trained craftsmen and offered a customized rail and fastening alternative to conventional techniques that was both time and cost efficient.





“Getting to know students from all over the world and gaining valuable experience in international companies – Unitech has opened my eyes in many ways. True, I had to leave my comfort zone but it was definitely worth all the hard work!”

Xavier Moix-Vallribera
Portfolio Manager Hilti Great Britain

Networking for the future.

When companies and universities cooperate, they create an ideal opportunity to support and challenge each other. Hilti is globally engaged in many different ways at universities.

New perspectives

16 international companies and eight technical universities in Europe have formed the “Unitech International” partnership. Hilti has supported this organization since its establishment in 2000 and Hilti Executive Board member Stefan Nöken serves as Unitech’s Vice President.

The one-year program for highly qualified engineering students includes an exchange program at a university abroad as well as an internship with one of the corporate partners. “Unitech creates the perfect link between theory and practice,” says Xavier Moix-Vallribera. Back in 2011, the Spanish student did his Unitech internship with Hilti and was hired once he had completed the program. “Hilti was instrumental for my personal and professional development and has opened the door to the world for me. What more can you ask for?”

Xavier Moix-Vallribera studied Industrial Engineering at the Polytechnic University of Barcelona (UCP). He divided his Unitech year between Dublin, Ireland, where he was an exchange student, and Hilti in Schaan, Liechtenstein, where he served as an intern. After completing his master’s thesis in cooperation with Hilti, he was hired as a Product Manager at Hilti Great Britain in the Fastening Technology Business Unit. Since 2015, he has worked as a portfolio manager for the Fastening Technology Business Unit in Northern Europe.



Encouraging innovations

Combining theory and practice is essential in research and development. That is why in 2007 Hilti endowed a chair in Business Process Management at the University of Liechtenstein.

The primary concern is with the development of innovative business models based on modern information and communications technologies. Cooperation opens up attractive research and education opportunities for the university. In turn, Hilti has the opportunity to recruit up-and-coming talent and gain early insights into the latest trends in this academic field and draw on them for its own initiatives.

Hilti supports the chair not only financially but also as a primary industry partner in a variety of projects; these include offering case studies or problem scenarios for seminars to discuss, and by organizing lectures. It also runs the Hilti Fellowship Program, which enables selected students working towards master's degrees to gain practical experience with the company in various countries.

encouraging innovations
 learning together and
 from each other
 finding young talents
 helping to shape careers
 new perspectives

Finding young talents

Hilti uses talent recruitment and career information events around the world to present itself as an attractive employer among students. One such event is an annual job fair for master's degree graduates at the London Business School. This is where Hilti Great Britain has established contacts with potential future employees since 2014 with the objective of expanding its activities in order to awaken the interest of students at an early stage. In 2016 Hilti representatives will attend a speaker's panel as one method to publicize the company and its employment conditions and to build brand awareness in the student community – a key driver for the choice of a first or new employer.



Helping to shape careers

Among other things, in 2015 Hilti team members gave guest lectures about a talent development program and career opportunities for engineers at the University of Tokyo. Among others, Pius Baschera, Chairman of the Board of Directors, spoke to the students. Furthermore, representatives regularly performed advisory functions at lectures during which Japanese and American students were communicating in two languages via Skype – an ideal opportunity to strengthen cooperation. Hilti Japan intends to further enhance this commitment by planning guest lectures at the University of Tokyo and creating internships for students.



“Mixed teams
have proven to
be more creative
and innovative.”

Marci Bonham
General Manager Hilti Ireland

It's the mix that matters.

Nowadays, leading industrial companies rely increasingly on diverse teams of different genders, cultural backgrounds, career paths and ages. In particular, companies with a global footprint put emphasis on Diversity and Inclusion (D&I), with demographics having added momentum to the trend over the past few years.

Companies who are serious about D&I have to address their culture and hence their leadership behavior. By embedding this topic in the Champion 2020 corporate strategy from the very start, Hilti has made it clear that D&I is a top management concern.

Marci Bonham, General Manager of Hilti Ireland, sums up her Hilti career: "Five years, four jobs, three countries." Obviously, such a career is only possible in a context that accepts and fosters individual and cultural diversity. In this respect, Hilti focuses in particular on strengthening D&I in the three G's: Generation, Gender and Global, with the latter reflecting both origin and cultural background. Furthermore, the policy aims at bringing together people with different experiences and qualifications.

Inclusion at Hilti is not only about integrating employees with different values, ideas and opinions. For Hilti inclusion, first and foremost, is a frame of mind. With this, the company aims to create an inspiring work climate, allowing employees to be themselves and to thrive by seeing the world through the eyes of others.

"With more than 200,000 customer contacts per day, the diversity of our teams often makes the difference when it comes to gaining access to customers and their individual needs," says Marci Bonham. "Our customers expect that their corporate diversity is also reflected in our structures. It is a fact that mixed teams have proven to be more creative and innovative. Hence, D&I has become a critical success factor for Hilti."

“My highlight of 2015 was the inauguration of our Innovation Center in Schaan. This modern, functional and transparent working environment will substantially enhance our innovative capacity.”

“My highlight of 2015 was meeting our teams in the emerging markets. The dedication of our Hilti teams around the world is a source of inspiration for me.”

“My highlight of 2015 was that, after the January 15 decision by the Swiss National Bank, we had the courage to carry through our significant investments unchanged.”



Executive Board.

Dr. Stefan Nöken
Mörschwil, Switzerland

Stefan Nöken (born 1965, Germany) has been a member of the Executive Board since the beginning of 2007. He is responsible for Fastening Technology and Logistics.

He joined Hilti in 2000 as the Head of Corporate Engineering. In 2004, he took over responsibility for Supply Chain Management with the global plants, procurement and global logistics.

Matthias Gillner
Grabs, Switzerland

Matthias Gillner (born 1967, Germany) has been a member of the Executive Board since April 2011. He was initially responsible for Electric Tools and Corporate Research & Technology. Since the beginning of 2014, he has led the areas of Emerging Markets and global Energy & Industry.

He began his Hilti career in 2000 as the Head of Corporate Development. In mid-2001, he was named Head of Corporate Human Resources and then moved to lead the Measuring Systems Business Unit. From 2006 until the end of 2013, Matthias Gillner was Head of the Electric Tools & Accessories Business Area.

Dr. Christoph Loos
Chief Executive Officer
Schaan, Liechtenstein

Christoph Loos (born 1968, Germany) assumed CEO responsibilities in January 2014. He has been a member of the Executive Board since 2007. During the first four years of this tenure, he was responsible for Finance, Human Resources, IT and Corporate Development. In 2011, he took over the areas of Emerging Markets and the global Energy & Industry.

Upon joining Hilti in 2001, he first led the Corporate Development Team and then established the Strategic Management unit. At the end of 2003, he moved to Germany, first as a Regional Sales Director and then, starting in 2005, as General Manager of Hilti Germany.

“My highlight of 2015 was the opening of our new site in North America. That has been a great and important investment in the future of this growth market.”

“My highlight of 2015 was that we succeeded in repeating the record financial performance of 2014 despite uncertain markets and persistent exchange rate volatility.”

“My highlight of 2015 was this year’s Martin Hilti Innovation Prize. Never before have the entries of our employees been so convincing and innovative.”



From left to right: Stefan Nöken, Matthias Gillner, Christoph Loos, Marco Meyrat, Jörg Kampmeyer and Jan Doongaji.

Marco Meyrat
Chur, Switzerland

Marco Meyrat (born 1963, Switzerland) has been a member of the Executive Board since the beginning of 2005. He is responsible for the markets in Europe and North America.

He began his Hilti career in 1989 as Product Manager at Hilti corporate headquarters in Schaan. After holding various positions in Hilti France and Germany, he was named General Manager of Hilti Switzerland in 1999 and was subsequently appointed General Manager of Hilti Germany in 2002.

Jörg Kampmeyer
Vaduz, Liechtenstein

Jörg Kampmeyer (born 1968, Germany) has been CFO and a member of the Executive Board since April 2011. He is responsible for the areas of Finance, Human Resources, IT and Corporate Development.

He began his Hilti career in 2002 as the Head of Corporate Development. From 2003 to 2005, he was responsible for the company’s Strategic Marketing unit. In 2006, he moved to Germany, initially serving as Regional Sales Director, and in the course of the year, he became General Manager at Hilti Germany. Since 2010, he has also headed the Central Europe Market Region.

Jahangir (Jan) Doongaji
Maienfeld, Switzerland

Jahangir (Jan) Doongaji (born 1967, India/Switzerland) has been a member of the Executive Board since 2014. He is responsible for the areas of Electric Tools and Corporate Research & Technology.

He began his Hilti career in 2000, initially leading customer service in the Swiss market organization. In 2002, he moved to corporate headquarters in Schaan where he held various positions in different business units. Most recently, he headed the Power Tools & Accessories Business Unit.



Board of Directors.

Kim Fausing
Sønderborg, Denmark

Kim Fausing (born 1964; re-elected until the 2016 Annual General Meeting) was elected to the Board of Directors in 2010. He earned a degree in mechanical engineering at Aarhus Teknikum, in Denmark, in 1987, and an MBA degree at Henley Business School, in London, in 1996. His professional career led him to the Hilti Group in 1990, where he served in various management functions in Europe and Asia until 2007. After moving to the Danish Danfoss Group, he was named Chief Operating Officer and member of the executive committee in January 2008. He also is Vice-President of the Velux Group in Copenhagen, Denmark.

Barbara Milian Thoralfsson
Oslo, Norway

Barbara Milian Thoralfsson (born 1959; re-elected until the 2017 Annual General Meeting) was elected to the Board of Directors in September 2014. She has an MBA in marketing and finance from Columbia University in New York and a BA in psychology from Duke University in North Carolina. Barbara Milian Thoralfsson has held CEO positions in the telecom and consumer goods sectors, and has extensive experience as a non-executive director, in both public and privately held global companies. Since 2006 she has been an entrepreneur in the industrial sector (Fleming Industrier AS, Oslo) and, since 2007, an Industrial Advisor of EQT Partners AS, Oslo. Barbara Milian Thoralfsson is also a member of the Board of Directors of SCA AB, Stockholm; Cable and Wireless Communications Plc, UK; ColArt International Holdings Ltd, London; and Norfolier GreenTec AS, Oslo.

Michael Hilti
Schaan, Liechtenstein

Michael Hilti (born 1946; re-elected to serve until the 2018 Annual General Meeting), son of company founder Professor Martin Hilti, has been a member of the Board of Directors since 1990. After studying business administration at the University of St. Gallen he worked in banking in London before joining Hilti in 1974 as the Deputy Head of Marketing. Two years later he was named to the company's Executive Board and he served as CEO from 1990 to 1993. He was Chairman of the Board of Directors from 1994 to 2006. Michael Hilti is a Trustee of the Martin Hilti Family Trust and a member of the Board of the Hilti Foundation.



From left to right: Kim Fausing, Barbara Milian Thoralfsson, Michael Hilti, Pius Baschera, Heinrich Fischer, Tis Prager and Michael Jacobi.

Prof. Dr. Pius Baschera

Chairman of the Board of Directors
Zurich, Switzerland

Pius Baschera (born 1950; re-elected until the 2016 Annual General Meeting) is Chairman of the Board of Directors. He studied mechanical engineering and business administration at the Swiss Federal Institute of Technology Zurich, where he earned his doctorate. In 1979, he came to Hilti as Head of Financial Controlling in the production area. Before being named Chairman he served as CEO for 13 years. He is currently a member of the Board of Directors of Roche Holding Ltd, Basel; and the Schindler Group, Hergiswil. He also is a member of the Advisory Boards of Vorwerk & Co., Wuppertal; and Ardex GmbH, Witten, Chairman of the Board of Directors of Venture Incubator AG, Zug; and a professor of entrepreneurship at the Swiss Federal Institute of Technology Zurich.

Heinrich Fischer

Rüschlikon, Switzerland

Heinrich Fischer (born 1950; re-elected until the 2016 Annual General Meeting) has been a member of the Board of Directors since 2007. He graduated in 1973 with an engineering diploma from the Swiss Federal Institute of Technology Zurich, having studied electrical engineering and technical physics. He then went on to study business administration at the University of Zurich while working in this field, earning a master's degree in 1976. Beginning in 1977, he held senior management positions at Oerlikon Bühler Holding, Balzers AG (1980 to 1989), and finally at Oerlikon Holding once again (1990 to 1995). From 1996 to 2007, he was Chief Executive Officer at Saurer AG, Arbon. Heinrich Fischer is a member of the Board of Directors of Tecan AG, Orell Füssli AG (Chairman), Sensirion AG and SWM Inc.

Dr. Tis Prager

Zumikon, Switzerland

Tis Prager (born 1948; re-elected until the 2016 Annual General Meeting) has been a member of the Board of Directors since June 2006. He earned a doctorate in law from the University of Zurich in 1975, was admitted to the bar of the Canton of Zurich in 1978 and is a founding member of the Prager Dreifuss law firm in Zurich and Bern. Among other mandates, Tis Prager is the Chairman of the Board of Scherer & Bühler AG, Meggen; the Hotel Zurich AG (Marriott), Zurich; and Emil Hitz AG, Bassersdorf. He is also a member of the Board of Directors of the Bourquin Group, Couvet; former Chairman of IE Engineering Group AG, Zurich; and Caprez Ingenieure AG, Chur. He is also active in STEP, the Society of Trust and Estate Practitioners.

Dr. Michael Jacobi

Binningen, Switzerland

Michael Jacobi (born 1953; re-elected until the 2016 Annual General Meeting) was elected to the Board of Directors in 2007. He studied business economics at the University of St. Gallen and at the University of Washington, Seattle, and earned his doctorate from St. Gallen in 1979. From 1978 until 2007 he held various management positions in the financial area of Ciba-Geigy AG and later in Ciba Specialty Chemicals Inc., Basel. He was the company's Global Chief Financial Officer from 1996 until 2007. Today Michael Jacobi is an independent corporate consultant. Since 2003, he has been a member of the Board of Directors of Sonova Holding AG, Stäfa, and since December 2008 a Trustee of the Martin Hilti Family Trust. He was named to the Board of Directors of Actelion Pharmaceuticals Ltd., Allschwil, in 2009.



Corporate responsibility.

Hilti combines long-term entrepreneurial success with comprehensive responsibility towards society and the environment.

Putting this commitment into practice and making it a reality has a history within the company that dates to the time of company founder, Martin Hilti. That's why corporate responsibility is an integral part of Hilti's business model. Hilti acts ethically and sustainably, exercising responsibility towards team members, customers, partners and suppliers as well as towards society and the environment. This is because Hilti sees responsible action and long-term business success as indivisible factors.

The sense of responsibility is founded on the corporate culture which is lived by the team members, more than 23,000 of them. The values – integrity, courage, teamwork and commitment –

define how the team works together. They guide the everyday actions in every area and at every location; they also help employees to do their best for Hilti with dedication and passion.

Acting ethically and in accordance with the law and competing fairly are essential in every activity. In the Code of Conduct the company endeavors to comply with the rules of law and of ethics, and to agree on the highest quality standards with its suppliers. Furthermore, Hilti's membership in the UN Global Compact underscores its commitment to transparency and corruption-free business processes as well as compliance with social and environmental standards.



High-performing global team.

Diversity & Inclusion

120

nationalities in the
global team
(2014: 117)

23,385

employees
(2014: 22,248)

22%

of staff are women
(2014: 20%)

55

nationalities at
headquarters
(2014: 52)



13

nationalities on the Executive
Board, Board of Directors and in
top management
(2014: 12)

16%

of managers are women
(2014: 14%)

Corporate culture



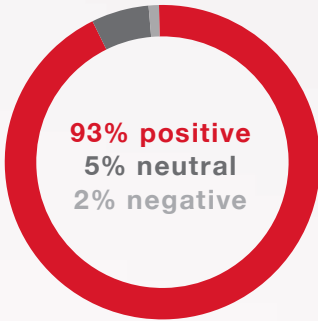
25,000

working days employees
spent on corporate
culture workshops

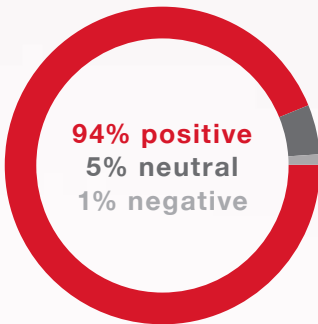
CHF 7 million

has been invested in
workshops on
corporate culture

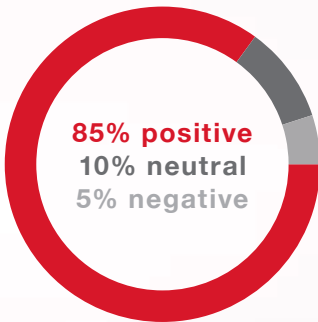
Engagement & alignment



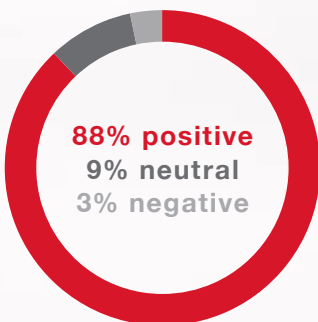
Employees who are proud to work for Hilti.*



Employees who are prepared to do their utmost for Hilti's success.*



Employees who recommend Hilti as a good employer.*



Employees who are convinced of the company's prospects of long-term success, by its vision and by its strategy.*

91%

of employees took part in the employee survey (2014: 90%)

88%

of new employees successfully integrated (2014: 84%)**

14%

employee fluctuation (2014: 14%)

77%

of management positions were filled with internal candidates (2014: 75%)

*Results of Hilti Employee Survey 2015

**The integration success rate measures the number of employees who joined Hilti in the last two years and are still employed at the company.



Compliance management.

Lawful, ethical behavior and fair competition are integral components of all activities Hilti engages in. The Group Compliance Organization, with its Management System, oversees the strict adherence to laws and regulations across the Group. It is headed by the Chief Compliance Officer who is accountable to the Head of the Corporate Legal Department. The Chief Compliance Officer reports periodically to the Audit Committee of the Board of Directors and submits a comprehensive annual status report to the Board of Directors. Implementation is ensured by regional Compliance Officers devoting some 25 percent of their working time to this function. They are supported by local Compliance Officers in all market organizations who spend about 10 percent of their working time for compliance management. The objective of Hilti's Compliance Management System is to take preventive action against infringements, to detect misconduct at an early stage and to react with efficiency. The main fields of action are anticorruption, antitrust, fraud prevention and conflicts of interest.

Key 2015 activity:

Antitrust compliance initiative

Hilti believes in the importance of functioning markets and competition as a driving force for innovation, technological progress and continuous quality improvement.

Violations of the applicable antitrust legislation can result in very significant damages for Hilti. This is why Hilti is pursuing a strict zero-tolerance policy concerning any type of antitrust infringement.

The Group rolled out a comprehensive antitrust compliance initiative in 2015. The specific rules of the antitrust compliance directive, issued by the Executive Board in March 2015, were discussed in depth during workshops with the leadership teams of the European regions, of all Business Units at headquarters and the Executive Board. Furthermore, selected employees at headquarters were trained by means of an antitrust e-learning module.

As far as content is concerned, the initiative focuses on the rules for correct behavior in competition, in particular the prohibition of any type of anticompetitive agreements and the prohibition of the exchange of market-relevant information between competitors.



Social responsibility – for a strong society.

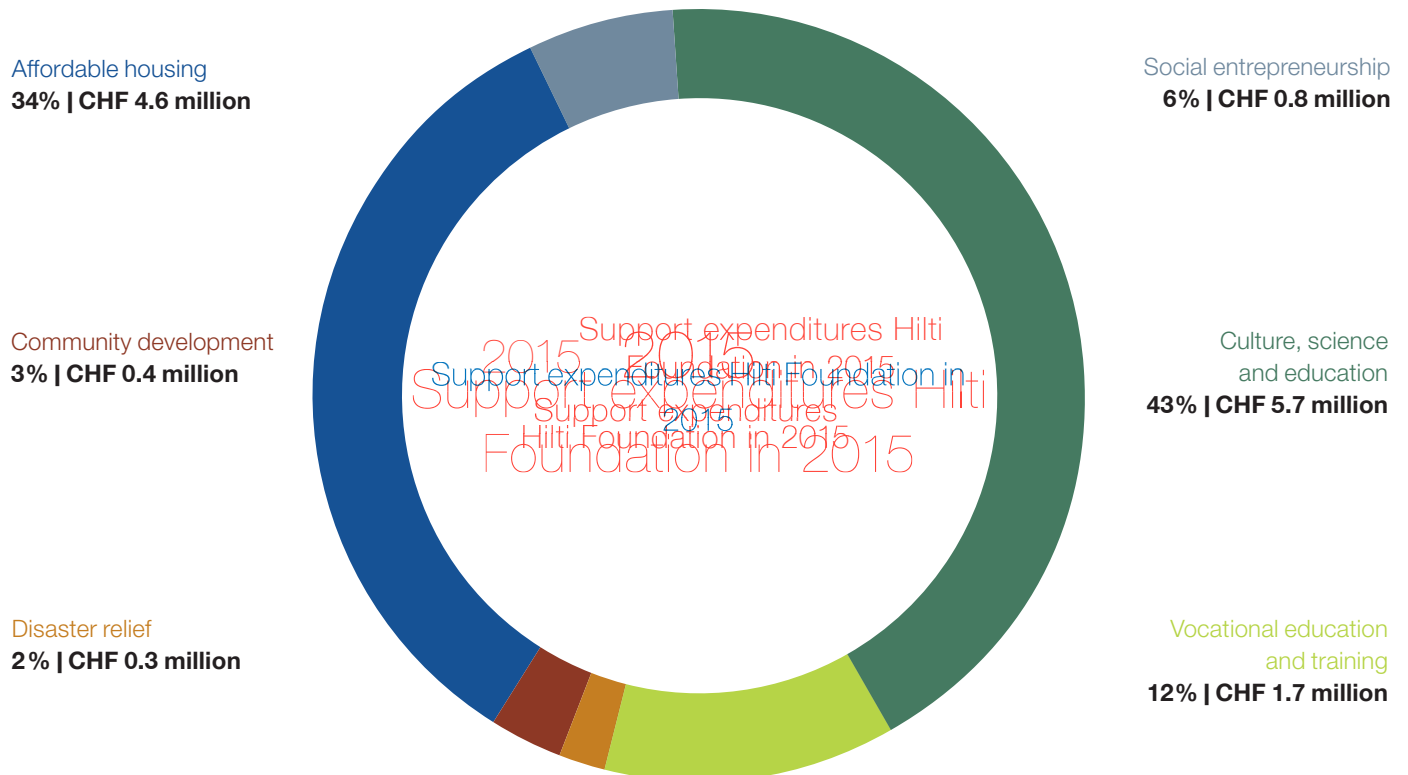
Hilti's corporate responsibility focuses on four main areas: donating, sponsoring, employee involvement in charity projects and the activities of the Hilti Foundation.

The Hilti Foundation was established in 1996 as a charitable organization and is jointly administered by the Martin Hilti Family Trust and the Hilti Group. It supports projects and institutions around the world with the aim of making a sustainable contribution to better quality of life for disadvantaged people, and to strengthening a modern and discrimination-free society.

The Hilti Foundation supports activities and projects in six focus areas:

- Culture, science and education
- Affordable housing
- Disaster relief
- Vocational education and training
- Social entrepreneurship
- Community development

In the year under review, the Foundation's overall award volume was CHF 13.5 million.





Affordable housing.

The “Base Bahay” project in the Philippines is one example of the Foundation’s activity.

According to the United Nations, more than two billion people around the world do not have adequate housing. In its quest to improve this situation, the Hilti Foundation pursues two lines of thought: With reduced construction costs, more housing space can be created and market-oriented projects will provide business for small local enterprises. “We are convinced that only market-based approaches will release resources sufficient enough to address the issues,” says Bruno Walt, Managing Director of the Hilti Foundation.

This is where bamboo comes into play. It is the world’s fastest growing plant and is more stable than wood or concrete. In Southeast Asia, bamboo has been used as a traditional building material for many generations. Together with the Homeless People’s Federation Philippines, the Hilti Foundation has studied the success potential of a market-based project and the approach that would help mitigate the housing shortage by building homes made of bamboo. This is where “Base Bahay” came to life in 2013: The project has created some 500 jobs and built new homes for 147 families.



UN Global Compact – Progress Report.



Human rights

Code of Conduct

The Code of Conduct for employees and suppliers comprises globally binding directives, including, among others, the maintenance of human rights and compliance with labor standards. The focus in 2015 was the global rollout of a new e-learning module, which was successfully completed by some 17,000 employees.

Helplines

Hilti encourages employees to report any suspicion of violation of the Code of Conduct, either directly to the managers and Compliance Officers or through the 24-hour compliance helplines. These are available to all employees in 70 countries and 40 languages.

Corporate culture

The Hilti Way describes the employee- and performance-focused corporate culture, which is characterized by common values, exemplary leadership and the belief that the personal development of the employees goes hand in hand with the growth of the company. In 2015 employees spent 25,000 workdays on corporate culture workshops.



Labor standards

Workplace safety

In 2015 workplace safety efforts focused on the reduction of occupational accidents. By managing near misses, the hazard potential was significantly reduced.

Employee health

Hilti carries out health-related initiatives, such as health education days or ergonomic workplace optimization. At headquarters in Schaan, Liechtenstein, Hilti has significantly invested in health infrastructure for the approximately 1700 employees: In the new Innovation Center there are separate areas for sport and exercise activities, medical examinations and spiritual reflection.



Environmental protection

Energy consumption

Hilti strives to reduce energy requirements on a global level. This leads to energy-saving measures.

For example, more than 100,000 kg of carbon dioxide emissions are voided every year by a cogeneration plant at the plant in Strass, Germany. This is achieved by substituting 270,000 kWh of electricity with self-generated electricity and the simultaneous use of the lost heat in the production process.

Products

Hilti's product development process must take environmental, safety and health aspects into consideration, ensuring that products continuously improve in these areas. For example, last year the diamond core bit with the X-Change module was nominated for the German Federal Ecodesign Award.



Combating corruption

Prevention

Hilti employees are regularly trained on the rules contained in the Group's internal anticorruption directive. In 2015 the internal process for the approval of gifts, hospitality and customer events was transferred to an IT-based system which refers approval requests to the managers as well as Compliance Officers and automatically archives the approval procedures. This system allows for the centralized monitoring and quality control of all global approval procedures.

Organization

The successful implementation of a regional compliance structure was extended to more regions during 2015. The Hilti Group Compliance Organization currently consists of the Chief Compliance Officer and a Compliance Manager, based at corporate headquarters in Liechtenstein, as well as eight regional and 66 local Compliance Officers.

Global Reporting Initiative (GRI): G4 indicators

LA8 Health and safety topics covered in formal agreements with trade unions

HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

EN3 Energy consumption within the organization

EN6 Reduction of energy consumption

EN8 Total water withdrawal by source

EN15 Direct greenhouse gas (GHG) emissions

EN16 Energy indirect greenhouse gas (GHG) emissions

EN19 Reduction of greenhouse gas (GHG) emissions

EN23 Total weight of waste by type and disposal method

EN27 Extent of impact mitigation of environmental impacts of products and services

DMA General information on the management approach

SO4 Communication and training on anticorruption policies and procedures

Environmental key indicators.

In the past years, Hilti's data collection for the CO₂ footprint, for energy, fuel, water consumption and waste production focused on production facilities and the largest market organizations. This year data collection has been expanded to additionally include twelve logistic centers, ten repair centers and a further 17 market organizations. Due to the greater volume of data, there are now differences in the results when compared with those listed in previous company reports. In the figures below, 2014 results have been adjusted to include the new data scope.

Hilti continuously works to reduce its environmental footprint and numerous measures have been implemented. However, due to an increase in overall production and a higher headcount, the relevant indicators have increased slightly.



The increase in overall CO₂ emissions can be attributed to an increase in revenue (in local currencies), a related production increase and an increase in the number of employees. For several countries higher CO₂ equivalents are effective for the energy used compared to the previous year. The numerous energy efficiency measures could not fully compensate the above mentioned increase.

CO₂ emissions in t



CO₂ emissions per employee in t



Energy consumption in MWh



-2%



The relative energy consumption (in relation to production) was reduced by 2% compared to the previous year. Overall energy consumption at Hilti plants and logistic and repair centers rose slightly in 2015 due to higher utilization.

Fuel consumption in 1,000l



-1.5%



The fuel consumption in l/100km was reduced by 1.5% compared to the previous year. Total consumption increased due to an increase in sales employees and company vehicles.

Water consumption in m³



-40%



Compared to the previous year, water consumption at the plant in Mexico was reduced by 40% due to a number of optimization measures. Overall, an increase in total water consumption, due to one-time effects, was recorded.

Waste volume in t



-30%



Alongside other measures, for example the usage of aerosol cans at the plant in Liechtenstein, was reduced by about 10,000 units. Additionally, the volume of separating agents contained therein was also reduced by roughly 30%. Overall waste volume was increasing, amongst other reasons because of an increase in concrete usage and reconstruction activities in the plant.

Key figures.





On profitable growth track.

The economic momentum of the markets in which Hilti is operating has shown a mixed picture in 2015: While the markets continued to develop favorably in the US and turned stable in Europe, many emerging countries were faced with a challenging environment. This was compounded by the Swiss National Bank's decision to remove the 1.20 floor on the Swiss franc against the euro resulting in a massive appreciation of the Swiss franc. Against this backdrop, Hilti is satisfied with last year's results: Sales in local currencies (+5.8%) were in line with expectations and the operating result slightly outgrew last year's record level.

With growth figures in local currencies of +10.2 and +5.9 percent respectively, business in North America and Northern Europe was gratifying. Also the regions Central Europe (+4.5%), Western Europe (+1.7%) and Southern Europe (+6.3%) developed positively. In contrast, the emerging markets were suffering from difficult conditions driven by the low oil price as well as other economic and geopolitical tensions. The growth rates of +3.0 percent in Asia / Pacific, +7.7 percent in Latin America and +7.5 percent in Eastern Europe / Middle East / Africa remained below the high expectations placed upon these regions.

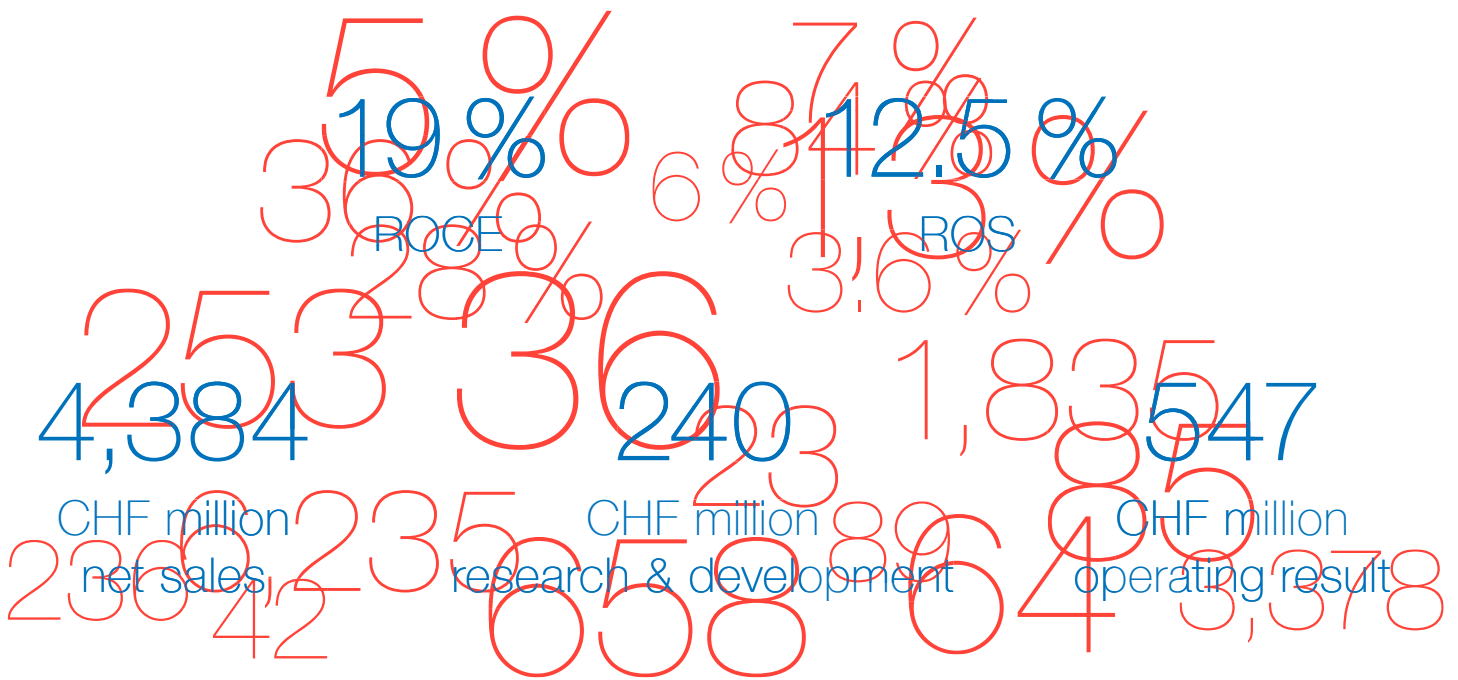
The decision by the Swiss National Bank on January 15, 2015 significantly accelerated the appreciation of the Swiss franc against the currencies of both emerging and industrialized countries. As a result, the +5.8 percent growth in local currencies was reduced to a slightly negative sales figure of -2.5 percent in Swiss francs.

Continued investments in growth areas

The company continued to implement its Champion 2020 corporate strategy with unchanged speed. This applied in particular to all strategic investments in new products and services. In this vein, software products and digital communication were expanded significantly and the sales force was strengthened. At the same time, major investments were made in new infrastructure at the Liechtenstein headquarters and in European and North American markets. This is exemplified by the Group's R&D spending, which was again stepped up by +8.1 percent to CHF 240 million as planned.

Record-level operating result

Despite currency pressure and high investments, the operating result was slightly improved over last year's record-level with CHF 547 million (2014: 537 million), net inco-



me amounted to CHF 410 million (2014: 426 million) and return on sales (ROS) was 12.5 percent (2014: 11.9%). Return on capital employed (ROCE) rose substantially to a very gratifying 19.0 percent (2014: 16.8%) and free cash flow stabilized at a high level of CHF 335 million (2014: 383 million).

The strong operating result is the outcome of the efforts made in the past few years, such as mitigating the currency exposure by value chain transfers and cost reductions in the Swiss franc area. Thanks to accompanying measures towards more flexible costs, the company was also able to respond more quickly to changes in the environment.

Solid balance sheet

Due to its good results and conservative financial management, Hilti continues to have a sound balance sheet structure. At 52 percent, the equity ratio remains high

(2014: 53%). Cash and cash equivalents amounted to CHF 1046 million at year-end (2014: 1223 million). This CHF 177 million decrease contains dividend payments of CHF 455 million for 2014. Financial debt was reduced to CHF 490 million as at the end of 2015 (2014: 553 million). For the year under review, the Board of Directors proposes an ordinary dividend payment of CHF 205 million (2014: 214 million).

Outlook

For 2016, economic forecasters expect a similar growth rate as in the previous year. At the same time, it appears that there are increasing signs of enhanced volatility, in particular in emerging markets. However, the Hilti Group is confident that the investments made will allow for more growth than in 2015 and expects a positive development of the most important financial key figures.

Key figures.

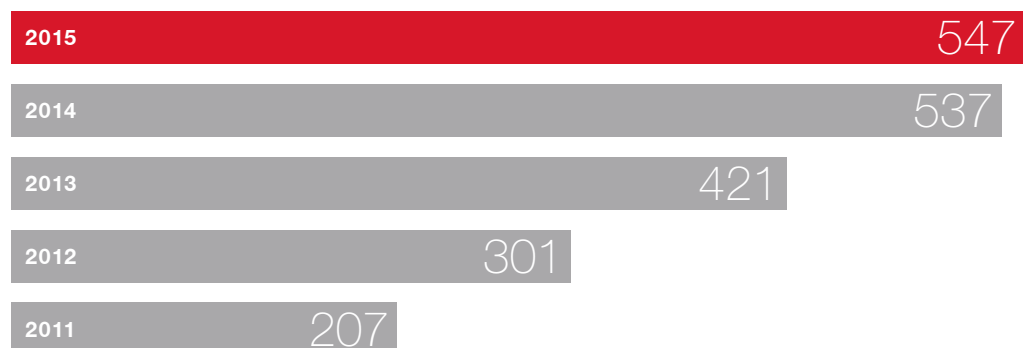
Net sales in CHF million



Free cash flow in CHF million



Operating result in CHF million



Net income in CHF million

2015	410
2014	426
2013	304
2012	187
2011	97

Research and development expenditure in CHF million

2015	240
2014	222
2013	189
2012	175
2011	184

Employees as at December 31

2015	23,385
2014	22,248
2013	21,456
2012	21,139
2011	21,848

Please note

The following pages contain extracts from the 2015 Financial Report of the Hilti Group. Because these pages do not contain the full consolidated financial statements, they do not present complete information about the financial position, financial performance and cash flows of the Hilti Group for 2015. Complete information, including the notes to the consolidated financial statements, is contained in the 2015 Financial Report, which will be available on the Group's website (www.hilti.com) from late March 2016. The full 2015 consolidated financial statements, which are included in the 2015 Financial Report, have been prepared in accordance with International Financial Reporting Standards (IFRS).

Consolidated balance sheet of Hilti Group as at 31 December.

Assets in CHF million	2015	2014
Intangible assets	410.5	360.5
Property, plant and equipment	779.0	791.9
Investment property	1.9	1.9
Deferred income tax assets	143.7	146.6
Other financial investments	16.0	14.3
Trade and other receivables	422.5	404.0
Derivative financial instruments	7.2	5.9
TOTAL NON-CURRENT ASSETS	1,780.8	1,725.1
Inventories	528.4	559.7
Trade and other receivables	959.0	1,004.5
Current income taxes receivable	8.9	9.9
Accrued income and prepayments	46.1	45.4
Derivative financial instruments	3.4	7.4
Financial assets at fair value through profit or loss	34.0	34.2
Cash and cash equivalents	1,046.2	1,222.8
TOTAL CURRENT ASSETS	2,626.0	2,883.9
TOTAL ASSETS	4,406.8	4,609.0

Please note

Equity comprises share capital (176,000 registered shares with par value of CHF 500 each) and participation capital (774,400 participation certificates with par value of CHF 50 each) as well as reserves. All of the registered shares and participation certificates are owned by the Martin Hilti Family Trust.

Equity and Liabilities in CHF million	2015	2014
Non-controlling interests	9.0	9.7
Equity attributable to equity holders of the parent	2,262.5	2,439.7
TOTAL EQUITY	2,271.5	2,449.4
Provisions	58.4	68.4
Employee benefits	506.0	526.6
Deferred income tax liabilities	29.8	23.3
Bonds	360.8	378.4
Long-term bank borrowings	28.1	28.5
Trade and other payables	26.2	28.2
Derivative financial instruments	0.7	-
TOTAL NON-CURRENT LIABILITIES	1,010.0	1,053.4
Provisions	65.1	62.8
Employee benefits	107.7	15.8
Trade and other payables	355.8	350.3
Current income taxes payable	101.0	91.2
Accrued liabilities and deferred income	386.6	425.3
Bonds	-	31.9
Short-term bank borrowings	100.9	114.6
Derivative financial instruments	8.2	14.3
TOTAL CURRENT LIABILITIES	1,125.3	1,106.2
TOTAL LIABILITIES	2,135.3	2,159.6
TOTAL EQUITY AND LIABILITIES	4,406.8	4,609.0

Consolidated income statement of Hilti Group.

in CHF million	2015	2014
Net sales	4,383.5	4,497.3
Other operating revenues	94.9	102.6
TOTAL OPERATING REVENUES	4,478.4	4,599.9
Change in inventory	-7.6	6.7
Material costs	-1,306.4	-1,363.0
Personnel expenses	-1,752.5	-1,783.9
Depreciation and amortization	-157.0	-194.4
Other operating expenses	-707.5	-728.8
TOTAL OPERATING EXPENSES	-3,931.0	-4,063.4
OPERATING RESULT	547.4	536.5
Other revenues and expenses (net)	-14.6	-6.1
Finance costs	-26.5	-31.6
NET INCOME BEFORE INCOME TAX EXPENSE	506.3	498.8
Income tax expense	-96.6	-72.5
NET INCOME	409.7	426.3
Attributable to:		
Equity holders of the parent	410.4	426.9
Non-controlling interests	-0.7	-0.6

Please note

The notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated cash flow statement.

Consolidated statement of comprehensive income of Hilti Group.

in CHF million	2015	2014
NET INCOME	409.7	426.3
Net movement on cash flow hedges	-1.0	4.8
Deferred tax on net movement on cash flow hedges	0.1	-0.6
Foreign currency translation differences	-95.7	22.8
Deferred tax on foreign currency translation differences	1.3	-
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO THE INCOME STATEMENT	-95.3	27.0
Remeasurements on employee benefits	-41.3	-159.3
Deferred tax on remeasurements on employee benefits	3.9	25.4
ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE INCOME STATEMENT	-37.4	-133.9
OTHER COMPREHENSIVE INCOME (OCI)	-132.7	-106.9
TOTAL COMPREHENSIVE INCOME	277.0	319.4
Attributable to:		
Equity holders of the parent	277.7	319.0
Non-controlling interests	-0.7	0.4

Consolidated cash flow statement of Hilti Group.

in CHF million	2015	2014
NET INCOME	409.7	426.3
Depreciation and amortization	157.0	194.4
(Increase) / decrease in inventories	7.6	-6.7
(Increase) / decrease in trade receivables	-12.4	-10.0
(Increase) / decrease in finance lease receivables	-76.0	-86.7
Increase / (decrease) in trade payables	4.7	2.2
Change in non-cash items and other net operating assets	67.6	110.1
CASH FLOW FROM OPERATING ACTIVITIES	558.2	629.6
Capital expenditure on intangible assets	-113.6	-104.8
Capital expenditure on property, plant and equipment	-132.5	-152.7
(Increase) / decrease in financial investments	-3.3	-1.0
Disposal of intangible assets	0.4	0.1
Disposal of property, plant and equipment	26.1	11.4
CASH FLOW FROM INVESTING ACTIVITIES	-222.9	-247.0

in CHF million	2015	2014
Proceeds from long-term borrowings	4.0	0.6
Repayment of long-term borrowings	-0.5	-1.3
Proceeds from / (repayment of) short-term borrowings	1.2	-15.2
Repayment of bonds	-28.6	-300.0
Increase / (decrease) in liability to shareholder	0.3	0.1
Dividend paid	-454.9	-392.8
CASH FLOW FROM FINANCING ACTIVITIES	-478.5	-708.6
Exchange differences	-33.4	10.5
TOTAL INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-176.6	-315.5
Cash and cash equivalents at January 1	1,222.8	1,538.3
CASH AND CASH EQUIVALENTS AT DECEMBER 31	1,046.2	1,222.8
Cash flow from operating activities includes		
Interest received	3.7	5.9
Interest paid	-27.2	-38.4
Income tax paid	-71.1	-61.9

Key figures information of Hilti Group.

Results in CHF million / %	2015	2014
Net sales	4,384	4,497
Depreciation and amortization	157	194
Operating result	547	537
Net income before tax	506	499
Net income	410	426
Return on capital employed (ROCE) in % (operating result)	19.0	16.8
Return on equity (ROE) in % (net income)	17.4	17.1
Return on sales (ROS) in %	12.5	11.9
Free cash flow	335	383
Balance sheet in CHF million / %	2015	2014
Total equity	2,272	2,449
Total equity in % Total equity and liabilities	52	53
Total non-current liabilities	1,010	1,053
Total current liabilities	1,125	1,106
Capital expenditures on intangible assets and on property, plant and equipment	246	258
Intangible assets and property, plant and equipment	1,190	1,152
Other non-current assets	591	573
Total current assets	2,626	2,884
Total assets	4,407	4,609
Dividend*	205	455
EMPLOYEES (AS AT DECEMBER 31)	23,385	22,248

*Proposal by the Board of Directors; 2014 included a special dividend.

2015 sales growth year on year.

Sales growth in CHF million	2015	2014	Change in CHF (%)	Change local currencies (%)
Europe	2,081	2,221	-6.3	4.2
North America	1,046	924	13.2	10.2
Latin America	132	177	-25.0	7.7
Asia / Pacific	627	633	-0.9	3.0
Eastern Europe / Middle East / Africa	498	543	-8.3	7.5
HILTI GROUP	4,384	4,497	-2.5	5.8

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The complete Financial Report, the principles of corporate governance, the Group organizational chart, a list of consolidated companies and information on the Martin Hilti Family Trust can be found on the internet at www.hilti.com.



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