

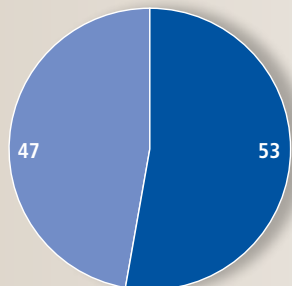


Semiannual Report **2015**

Order intake by segment in %

Total CHF 118.3 million

- Machining
- Automation

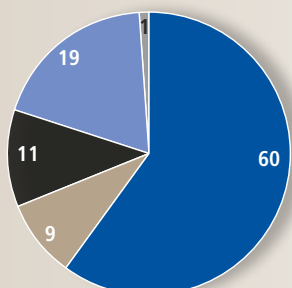


Mikron Gruppe

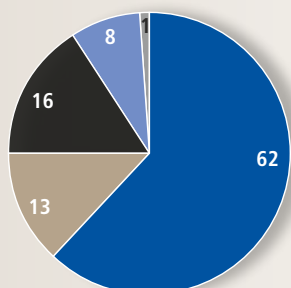
Order intake by region in %

Total CHF 118.3 million

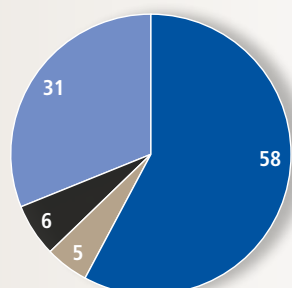
- Europe
- Switzerland
- Asia/Pacific, India
- North America
- Other markets



Mikron Groupe



Machining

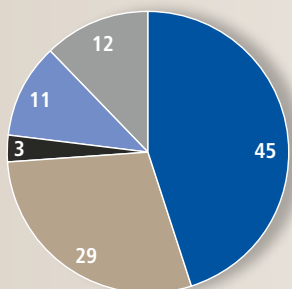


Automation

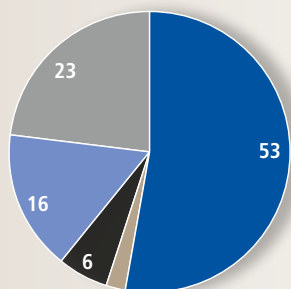
Order intake by industry in %

Total CHF 118.3 million

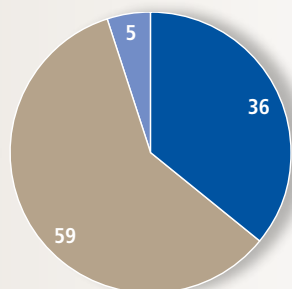
- Automotive
- Pharma/Medical Devices
- Writing
- Consumer Goods
- Other



Mikron Groupe



Machining

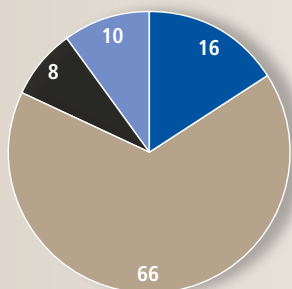


Automation

Employees by region in %

Total 1,172

- Europe
- Switzerland
- Asia/Pacific, India
- North America



Mikron Groupe

Key Figures for the First Half Year 2015

in CHF million, except productivity and number of employees

	1.1.–30.6.2015		1.1.–30.6.2014		+/-
Key performance data					
Order intake	118.3		139.2		-20.9 -15.0%
Machining	62.5		52.6		9.9 18.8%
Automation	56.1		86.9		-30.8 -35.4%
Net sales	107.8		119.4		-11.6 -9.7%
Machining	52.7		63.1		-10.4 -16.5%
Automation	55.1		56.9		-1.8 -3.2%
Order backlog	124.1		135.6		-11.5 -8.5%
Machining	54.1		46.3		7.8 16.8%
Automation	69.9		89.9		-20.0 -22.2%
Operating output	108.0		122.2		-14.2 -11.6%
Productivity (added value/personnel expenses)	1.29		1.33		-0.04 -3.0%
Number of employees (end of period)	1,172		1,108		64 5.8%
Machining	583		540		43 8.0%
Automation	585		564		21 3.7%
Earnings					
Earnings before interest, taxes, depreciation, amortizations and impairments (EBITDA), as % of net sales	0.7	0.6%	6.0	5.0%	-5.3 -88.3%
Earnings before interest and taxes (EBIT), as % of net sales	-2.7	-2.5%	2.4	2.0%	-5.1 n/a
Machining	-3.8	-7.2%	1.2	1.9%	-5.0 n/a
Automation	-0.4	-0.7%	-0.2	-0.4%	-0.2 -100.0%
Operating result, as % of net sales	-3.6	-3.3%	1.3	1.1%	-4.9 n/a
Loss / Profit for the year, as % of net sales	-3.9	-3.6%	1.4	1.2%	-5.3 n/a
Cash flow					
Cash flow from operating activities (incl. changes in net working capital), as % of net sales	-2.4	-2.2%	2.6	2.2%	-5.0 n/a
	30.6.2015		31.12.2014		+/-
Balance sheet					
Balance sheet total	229.3		237.3		-8.0 -3.4%
Current assets	143.1		154.4		-11.3 -7.3%
Cash and current financial assets	33.0		42.2		-9.2 -21.8%
Non-current assets	86.2		82.9		3.3 4.0%
Current liabilities	59.7		62.7		-3.0 -4.8%
Long-term liabilities	20.5		19.2		1.3 6.8%
Shareholders' equity, as % of balance sheet total	149.1	65.0%	155.3	65.5%	-6.2 -4.0%

Report by the Chairman of the Board of Directors and the CEO

Dear Shareholders,
Dear Sir or Madam,

The decision taken by the Swiss National Bank earlier this year in January to discontinue the minimum exchange rate against the euro had a significant impact on Mikron's business in the first half of 2015. Since then, the three Swiss companies have seen margins come under heavy pressure, and orders in progress posted in euros have diminished in value. Factoring out the impact of exchange rate movements, the Mikron Group's half-yearly result would have been slightly in positive territory. However, the strong Swiss franc, volatile order intake situation, and resulting uneven capacity utilization at the individual sites led to an EBIT loss of CHF -2.7 million, and net sales fell from CHF 119.4 million in the first half of 2014 to CHF 107.8 million (-10%). For the 2015 business year, we are now expecting net sales slightly below the prior-year figure and EBIT that will unfortunately only just make positive territory.

In response to the decision by the Swiss National Bank to discontinue the minimum exchange rate against the euro, the Mikron Group immediately introduced a variety of measures at the Swiss sites to lower costs and increase efficiency. Among the steps taken, we renegotiated our purchasing terms and looked into further purchasing options in the euro zone. We also increased working hours, quickly adapting them to the changed circumstances. Wages were also frozen until further notice. In addition, we scaled back our operating costs and reviewed investment decisions. The goal of all these measures was to secure capacity utilization at our Swiss sites and to avoid losing staff as far as possible. While we have largely achieved these goals, the price was to some extent a substantial temporary reduction in margins. The impact of some of the measures taken will not be felt until the second half of the year, and only then if demand is good. We are hoping that our plan of action will translate into a marked improvement in profitability.

Despite the huge short-term challenges, the Mikron Group kept its sights on its medium and long-term targets in the first half of 2015 and systematically drove ahead with its innovation projects. February witnessed the groundbreaking for the new Denver-based manufacturing facility, which will provide a strong foundation for further growth in the US. We have also strengthened the tool business in Ticino with a new technology center to help consolidate Mikron's high innovation rate for tools. This will create the optimum environment for customer trials and development projects as well as for the continuous training of employees and distribution partners. We have made further advances in the development of control software, electronics and mechanics for both automation systems and metal-removing machinery.

In response to the decision by the Swiss National Bank to discontinue the minimum exchange rate against the euro, the Mikron Group immediately introduced a variety of measures at the Swiss sites to lower costs and increase efficiency.

Despite the huge short-term challenges, the Mikron Group kept its sights on its medium and long-term targets in the first half of 2015 and systematically drove ahead with its innovation projects.

Order intake

In the first half of 2015, the Mikron Group recorded order intake of CHF 118.3 million, representing a decline of 15% compared to the figure reported in the first half of 2014 (CHF 139.2 million). Adjusted for currency effects, the decline would have amounted to 10%. As anticipated, the Automation business segment was unable to reach the very high year-back figure and reported a decrease of 35%. By contrast, the Machining business segment recorded an increase of 19% – compared, however, against the very low figure for the corresponding prior-year period. We are satisfied with the performance of the tool business within the Machining business segment as well as with service business in both business segments, especially when considering the negative impact of exchange rate developments. Both business segments acquired more major new customers in Germany and China. Overall, the situation in the niche markets served by Mikron proved highly challenging. In the US, Mikron Automation in particular continued to benefit from the positive market environment in the first half of 2015. The business segment further expanded its market position with an active sales strategy and strong project management.

Net sales, capacity utilization and order backlog

The Mikron Group reported a 10% decrease in net sales from CHF 119.4 million in the first half of 2014 to CHF 107.8 million in the first six months of 2015. Assuming no change in exchange rates, net sales would have been around CHF 9.2 million higher. Both business segments generated lower net sales than in the corresponding year-back period: Mikron Automation CHF 55.1 million (-3%) and Mikron Machining CHF 52.7 million (-16%).

The Mikron Group's capacity utilization rate in the first half of 2015 was generally unsatisfactory. Only a few sites reported consistently good utilization figures. While some sites were still benefiting from healthy order backlogs in the first few months of the year, others were already facing capacity underutilization early on. The discontinuation of the minimum exchange rate against the euro made the situation worse for the Swiss plants. Unfortunately, Mikron could only partly offset the uneven distribution of the workload by transferring production and projects or temporarily relocating staff.

As at the end of June 2015, the Mikron Group has an order backlog of CHF 124.1 million (8% lower than at the end of June 2014). It is still distributed very unevenly over the different sites. That being said, the situation did start to ease partly towards the end of the first half.

Profitability

The Mikron Group reported an EBIT loss of CHF -2.7 million for the first half of the year. Mikron Automation posted an EBIT loss of CHF -0.4 million, and Mikron Machining CHF -3.8 million. Factoring out the negative impact of exchange rate developments, the Group would have achieved the anticipated balanced result and – despite a decline in net sales – the Automation business segment would have increased profitability.

Cash flow

In the first half of 2015, the Mikron Group recorded negative operative free cash flow of CHF -8.6 million, due primarily to financing requirements for the newbuild facility in Denver. Since customers continue to demand challenging payment terms, net working capital increased by CHF 2.5 million.

Outlook

In the second half of 2015, we expect to continue facing a challenging, uncertain and – particularly regarding order intake in the machinery business – volatile situation. The Swiss companies in particular will remain exposed to huge pressure on margins. Continuing stable demand for tools and services give us grounds for optimism, as do the ongoing negotiations with existing and new customers on numerous projects. The situation of Mikron Automation in the US is also pleasing. On the whole, we anticipate an increase in sales that will return us to the profit zone. Nonetheless, we have to revise our expectations for full year 2015 downwards and are now projecting net sales slightly below the prior-year figure and EBIT that will unfortunately only just make positive territory.

Thanks

Day in, day out our employees devote the utmost commitment and considerable flexibility to serving Mikron Group customers across the globe. Following the discontinuation of the minimum exchange rate against the euro, employees at the Swiss sites demonstrated a strong sense of allegiance to Mikron by accepting various changes to their working hours. Our sincerest thanks are extended to our employees for their loyalty and their dedication. We would also like to thank you, our shareholders, for the trust you have placed in the Mikron Group.

Heinrich Spoerry, Chairman of the Board of Directors
Bruno Cathomen, Chief Executive Officer



Mikron Automation

In the first half of 2015, Mikron Automation's US sales market continued to perform positively. In Europe, on the other hand, pressure on margins increased – especially as a result of the decision by the Swiss National Bank to discontinue the minimum exchange rate against the euro. The business segment also came under intense pressure from competitors, mostly those from Germany.

Business trend | As expected, Mikron Automation was unable to repeat the previous year's exceptionally high order intake (CHF 86.9 million), reporting CHF 56.1 million for the first half of 2015. The order backlog level remained good at CHF 69.9 million (first half of 2014: CHF 89.9 million). As a number of projects were in an early or advanced development stage, sales fell to CHF 55.1 million in the first half of 2015 (first half of 2014: CHF 56.9 million). Factoring out the currency-related value adjustments on work in progress, the business segment would have achieved positive EBIT of CHF 0.8 million (previous year CHF -0.2 million), which clearly shows the operational progress it has made. The actual EBIT figure was negative at CHF -0.4 million – roughly in line with expectations.

Customers from the pharmaceutical and medical devices industries, Mikron Automation's key market segment, demonstrated great caution when making investment decisions – particularly in Europe. Despite this, the business segment was able to acquire new orders and major new customers in the US, Europe and China. However, the overall volume in Asia remained low.

Capacity utilization and site development |

The Denver site saw very good capacity utilization during the first half of 2015. The Automation business segment is currently constructing a new, larger building there, which will be ready for occupation in the fall. Mikron Automation was unable to continuously utilize the available capacity at the other sites. In Switzerland, following the discontinuation of the minimum exchange rate against the euro, the business segment implemented cost-cutting measures in various areas. For example, Mikron Automation quickly made initial savings in purchasing. The business segment relies on the flexible deployment of specialists in order to optimize capacity utilization at the various sites. It is thus dependent on highly qualified, flexible, experienced engineers and technicians, who are therefore highly sought-after on the labor market.

Strategic projects | Despite the difficult market and currency situation, Mikron Automation continued to drive forward key innovation and improvement projects. In particular, the business segment made progress in product development at its headquarters in Switzerland. The market launch of Mikron Automation's new machine controllers

is scheduled to begin with initial customer projects in the second half of the year. These new controllers will make it much easier for customers to operate their machine, as well as providing additional functions. The resulting efficiency gains will benefit both customers and Mikron.

Employees and sustainability | At the end of June 2015, Mikron Automation had 585 employees (end of June 2014: 564 employees). The business segment again considerably increased the headcount at its US site and continued to invest in the training and development of its employees in the first half of 2015. For example, Mikron Automation took the decision to double the number of apprentices at its Swiss site. In addition, selected managers from the business segment took part in a cross-group management and leadership program. Various measures were put in place to make employees at the Boudry site more aware of their energy consumption. The business segment aims to reduce the energy used by continuously maintaining the value of its infrastructure.

Technology and market development | In the two market segments "Consumer Goods" and "Pharmaceutical and Medical Devices", Mikron Automation developed and implemented automation solutions for innovative products for a variety of customers in Europe and the US in the first half of the year. If Mikron Automation is involved in a project at an early stage, it can help to design the product in a way that is easy to assemble, thus adding considerable value.

Outlook | The healthy order backlog at the Mikron Automation sites in the US and Germany promises a good level of capacity utilization in the second half of 2015. To ensure that this is also the case in Asia and Switzerland, the business segment needs to win additional short- and medium-term orders. Management is confident of achieving this, as various projects are in the pipeline and the related contract negotiations are in progress. Mikron Automation is anticipating a sharp increase in output in the second half of the year, and expects EBIT for the year as a whole to be on a par with the previous year.



Mikron Machining

Mikron Machining's business performance was again very mixed in the first half of 2015: While demand for tools and spare parts was still solid, the business segment faced a decline in the machinery business in the second quarter. Despite an encouraging, relatively steady flow of requests for quotes from customers, above all new orders for linear transfer machines manufactured in Germany remained well below expectations.

Business trend | Mikron Machining increased order intake from the low CHF 52.6 million seen in the first half of 2014 to CHF 62.5 million in the first six months of 2015. The business segment increased order backlog from CHF 46.3 million to CHF 54.1 million, although some orders will not generate sales revenue until 2016 or later. Net sales fell from CHF 63.1 million to CHF 52.7 million. Profitability also trended negative: Under the impact of the strong Swiss franc resulting from the decision by the Swiss National Bank to discontinue the minimum exchange rate against the euro, and due also to the substantial decrease in net sales, Mikron Machining reported first-half EBIT of CHF -3.8 million (first half of 2014: CHF 1.2 million).

In Germany, still Mikron Machining's most important European market, and in China, where demand was relatively modest, the business segment succeeded in acquiring a number of strategically important large-scale projects at the beginning of the year. In the US, demand for machines remained disappointingly low, while the tool business proved all the more reassuring. The automotive industry is, by and large, still Mikron Machining's key market segment.

Capacity utilization at the sites | Capacity utilization was continuously good in the production of tools and spare parts. Contrasting with this, it varied quite considerably from site to site as regards machinery production: While it was very low in Rottweil, where linear transfer machines are the principal product, at the Agno site, which produces rotary transfer machines, capacity utilization was encouraging overall in the first half of 2015 – despite sizeable month-on-month fluctuations in order intake. To some extent, though, this level of capacity utilization was achieved with margin concessions which could only be partly offset – and then after a time lag – by the special measures initiated.

Strategic projects | In the first half of 2015, the Machining business segment made further headway with the development of new tools and with efforts to expand the tool business. The IT link-up with the distribution site in the US has proved a success. In China, Mikron Machining integrated the formerly external distribution organization into the business segment effective mid-year. The Machining business segment has also undertaken major ef-

forts to drive product innovation and product care in order to make machines more technically robust and less dependent on procurements priced in Swiss francs.

Employees and sustainability | At the end of June 2015 Mikron Machining had a total of 583 employees, with the tool business reporting the largest increase in specialists. It remains a huge challenge for the business segment to find enough engineers. A considerable degree of flexibility was demanded of staff at the Swiss sites. Among various other measures, the large majority of employees voted in favor of longer working hours at the same wage. Mikron Tool is equipping the Agno site with modern LED lighting in order to make energy savings, and to optimize lighting conditions.

Technology and market development | During the period under review, the Machining business segment extensively refined selected base machines. This entailed modernizing electronics, reinforcing specific components, improving the ergonomics and ensuring conformity with standards. The business segment also increased collaboration with suppliers from the euro zone. In the first half of 2015, Mikron Machining invested substantial resources in innovations as well as in related infrastructure and equipment in both the tool and machining systems businesses.

Outlook | It is currently very difficult to predict short and medium-term macroeconomic developments. The uncertainty caused by the exchange rate situation makes this even harder for the Swiss sites. As regards tools and services, Mikron Machining is anticipating stable demand from the automotive industry as well as further momentum from the US market. With demand trends highly uncertain in the machinery business, Mikron Machining is generally expecting investment decisions to be at short notice. The business segment is looking ahead to a slight improvement in the US and Asian markets. It is essential that we remain flexible and adaptable in the future.

Consolidated Semiannual Financial Statements 2015 of the Mikron Group

Consolidated income statement

Short version, CHF 1,000	1.1.–30.6.2015		1.1.–30.6.2014	
Net sales	107,823		119,445	
Change in work in progress/finished goods	150		2,058	
Capitalized own production	63		733	
Operating output	108,036	100.0%	122,236	100.0%
Material costs and subcontractors	-39,353		-51,561	
Personnel expenses	-53,402		-53,318	
Other operating expenses (net)	-15,564		-12,438	
Depreciation and amortization	-3,333		-3,587	
Operating result	-3,616	-3.3%	1,332	1.1%
Financial result	-634		-380	
Ordinary result	-4,250	-3.9%	952	0.8%
Non-operating result	906		1,072	
Loss / Profit before taxes	-3,344	-3.1%	2,024	1.7%
Income taxes	-552		-652	
Loss / Profit	-3,896	-3.6%	1,372	1.1%
Earnings per share (based on average number of shares outstanding)	-0.23		0.08	

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated balance sheet

Short version, CHF 1,000	30.6.2015		31.12.2014	
Cash and cash equivalents	17,666		26,292	
Current financial assets	15,293		15,922	
Receivables and prepaid expenses	25,844		21,999	
Inventories	46,431		47,972	
Net assets from customer projects	37,878		42,168	
Total current assets	143,112	62.4%	154,353	65.1%
Tangible assets	47,589		44,135	
Intangible assets	5,546		5,818	
Investment property	29,707		29,510	
Other non-current assets	3,321		3,438	
Total non-current assets	86,163	37.6%	82,901	34.9%
Total assets	229,275	100.0%	237,254	100.0%
Short-term financial liabilities	565		380	
Current liabilities and accrued expenses	35,800		37,485	
Net liabilities from customer projects	20,226		21,716	
Short-term provisions	3,090		3,129	
Total current liabilities	59,681	26.0%	62,710	26.4%
Long-term financial liabilities	15,520		14,368	
Long-term provisions	157		181	
Other long-term liabilities	4,812		4,693	
Total long-term liabilities	20,489	9.0%	19,242	8.1%
Total shareholders' equity	149,105	65.0%	155,302	65.5%
Total liabilities and shareholders' equity	229,275	100.0%	237,254	100.0%

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated statement of cash flow

Short version, CHF 1,000	1.1.–30.6.2015	1.1.–30.6.2014
Profit	-3,896	1,372
Non-cash items	4,005	2,153
Cash flow from operating activities before changes in net working capital	109	3,525
Changes in net working capital	-2,534	-965
Cash flow from operating activities	-2,425	2,560
Investments (-) / divestments (+) tangible assets (net)	-5,245	-2,718
Investments (-) / divestments (+) intangible assets (net)	-584	-817
Investments (-) / divestments (+) investment property (net)	-322	-478
Investments (-) / divestments (+) financial assets (net)	1,000	-3,058
Cash flow from investing activities	-5,151	-7,071
Increase (+) / repayment (-) of finance lease liabilities	-127	-150
Distribution to shareholders	-834	-1,668
Other cash flow from financing activities	291	61
Cash flow from financing activities	-670	-1,757
Effect of exchange rate changes on cash	-380	14
Net cash flow	-8,626	-6,254
Increase (+) / decrease (-) of cash and cash equivalents	-8,626	-6,254

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated statement of shareholders' equity

Short version, CHF 1,000	30.6.2015	31.12.2014
Opening balance	155,302	153,453
Loss / Profit	-3,896	2,226
Distribution to shareholders	-834	-1,669
Change in treasury shares	151	0
Surplus from disposal of treasury shares	19	0
Translation adjustments	-1,637	1,292
Closing balance	149,105	155,302

Notes to the Consolidated Semiannual Financial Statements 2015

1. Management commentary on the consolidated Semiannual Financial Statements and outlook for the second half of the year

This commentary supplements the report by the Chairman of the Board of Directors and the CEO, as well as the individual business segment reports on pages 4 to 9.

In the first half of 2015, the Mikron Group recorded order intake of CHF 118.3 million, representing a decline of 15% compared to the figure reported in the first half of 2014 (CHF 139.2 million). The decline is due to the fact that, as expected, the Automation business segment was unable to repeat the exceptionally high prior-year figure in the first half of 2015.

The Mikron Group reported a 10% decrease in net sales from CHF 119.4 million in the first half of 2014 to CHF 107.8 million in the first six months of 2015. Assuming no change in exchange rates, net sales would have been around CHF 9.2 million higher. Both business segments generated lower net sales than in the corresponding year-back period: Mikron Automation CHF 55.1 million (-3%) and Mikron Machining CHF 52.7 million (-16%).

The Mikron Group's capacity utilization rate in the first half of 2015 was generally unsatisfactory. Only a few sites reported consistently good utilization figures. While some sites were still benefiting from healthy order backlogs in the first few months of the year, others were already facing capacity underutilization early on. The discontinuation of the minimum exchange rate against the euro made the situation worse for the Swiss plants. Unfortunately, Mikron could only partly offset the uneven distribution of the workload by transferring production and projects or temporarily relocating staff.

At 63.6% the gross profit margin was considerably higher than the previous year's figure, which is encouraging under the current circumstances. Personnel expenses remained at the previous year's level. The impact of some of the measures taken at the Swiss sites will not be felt until the second half of the year. Mikron increased the headcount at the US sites and in the tool business as a result of the good business performance.

Factoring out the changes in provisions for future project losses, other (net) operating expenses were around 4% higher than in 2014. As a proportion of sales, this resulted in adjusted other operating expenses of just 14%. Strict cost management – while still carrying out targeted marketing and developing IT tools and processes – remains vital.

Non-operating income includes income from industrial properties rented out to third parties.

The Mikron Group reported an EBIT loss of CHF -2.7 million for the first half of the year. Mikron Automation posted an EBIT loss of CHF -0.4 million, and Mikron Machining CHF -3.8 million. Factoring out the negative impact of exchange rate developments, the Group would have achieved the anticipated balanced result and – despite a decline in net sales – the Automation business segment would have increased profitability.

After taking into account the financial result of CHF -0.6 million and income taxes of CHF -0.6 million, the net earnings of the Mikron Group for the first half of 2015 amounted to CHF -3.9 million.

In the first half of 2015, the Mikron Group recorded negative operative free cash flow of CHF -8.6 million, due primarily to financing requirements for the newbuild facility in Denver. Totalling CHF 7.5 million, investments were considerably higher than in the previous year (CHF 4.0 million). Since customers continue to demand challenging payment terms, net working capital increased by CHF 2.5 million. CHF 0.8 million was distributed to shareholders from capital surplus reserves.

Mikron's continued strong financial footing takes account of the current market uncertainties and the Group's growth targets. The net cash position as at 30 June 2015 amounted to CHF 16.5 million. The shareholders' equity of CHF 149.1 million contrasts with a balance sheet total of CHF 229.3 million. This produces an equity ratio of 65.0%, which is comparatively high for the industry.

In the second half of 2015, we expect to continue facing a challenging, uncertain and – particularly regarding order intake in the machinery business – volatile situation. On the whole, we anticipate an increase in sales that will return us to the profit zone. Nonetheless, we have to revise our expectations for full year 2015 downwards and are now projecting net sales slightly below the prior-year figure and EBIT that will unfortunately only just make positive territory.

2. General information

Mikron Holding AG is a public limited company under Swiss law, domiciled in Biel. Its shares are listed on SIX Swiss Exchange (symbol: MIKN). The Board of Directors approved the 2015 consolidated Semiannual Financial Statements on 21 July 2015.

The consolidated Semiannual Financial Statements should be read in conjunction with the consolidated Annual Financial Statements for the 2014 financial year, since they represent an update of the last full set of statements.

3. Accounting principles

The unaudited and condensed consolidated Semiannual Financial Statements for the period from 1 January 2015 to 30 June 2015 have been prepared in accordance with the rules of Swiss GAAP FER 31 „Complementary recommendation for listed companies“.

The accounting principles set out in the 2014 consolidated Financial Statements have been applied unchanged.

In compliance with the requirements of Swiss GAAP FER 31, which came into force for reporting on 1 January 2015, information regarding the business segments has been published for the first time in the notes to the Semiannual Financial Statements. In addition, details of the Mikron Group's net earnings per share are shown below the consolidated income statement.

4. Business seasonality

The activities of the Mikron Group are not subject to significant seasonal fluctuations.

5. Scope of consolidation

The consolidated Semiannual Financial Statements include Mikron Holding AG, Biel, and all Swiss or foreign subsidiaries which the holding company controls directly or indirectly, either by holding more than 50% of the voting rights or through some other form of control.

In the first half of 2015, there was no change in the scope of consolidation compared to 31 December 2014.

6. Events after the balance sheet date

No significant events have occurred after the balance sheet date.

7. Foreign currency translation

The most significant exchange rates into Swiss francs for the Group in the period under review are shown in the table below.

Exchange rates

Currency	Average rate (income statement)		Closing rate (balance sheet)	
	1.1.–30.6.2015	1.1.–30.6.2014	30.6.2015	31.12.2014
1 EUR	1.044390	1.220630	1.044550	1.203170
1 USD	0.944320	0.890030	0.933770	0.983450
1 SGD	0.698790	0.705520	0.695230	0.743280
1 CNY	0.151820	0.144110	0.150380	0.157980

8. Information by business segment

CHF 1,000	Machining		Automation		Corporate/Eliminations		Total Group	
	2015	2014	2015	2014	2015	2014	2015	2014
Net sales - third party	52,496	62,855	55,081	56,881	246	-291	107,823	119,445
Net sales - Group	174	259	1	34	-175	-293	0	0
Total net sales	52,670	63,114	55,082	56,915	71	-584	107,823	119,445
Operating result	-3,792	1,159	-371	-226	547	399	-3,616	1,332
Earnings before interest and taxes (EBIT)	-3,792	1,159	-371	-226	1,453	1,471	-2,710	2,404

Mikron Holding AG
Mühlebrücke 2
CH-2502 Biel
Tel. +41 32 321 72 00
Fax +41 32 321 72 01

ir.mma@mikron.com

Published in English and German.
In case of discrepancies between the German and the English
version, the German version shall prevail.

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ments in this semiannual report are forward-looking statements
that involve risks and uncertainties.

Mikron Group

The Mikron Group markets machining and automation solutions, enabling customers around the world to master their precision manufacturing processes. Rooted in a culture of Swiss innovation, Mikron is a leading supplier to the automotive, medical devices, pharmaceutical, consumer goods, writing instruments and watch-making industries.

The two divisions, Mikron Automation and Mikron Machining, are based in Boudry and Agno, Switzerland, with additional production facilities in Germany, Singapore, China and the United States. The Mikron Group employs approximately 1,200 people who work to provide Mikron customers with an experience that reflects over 100 years of leadership in high-performance and high-precision production. Mikron Holding AG is listed on SIX Swiss Exchange (MIKN).