

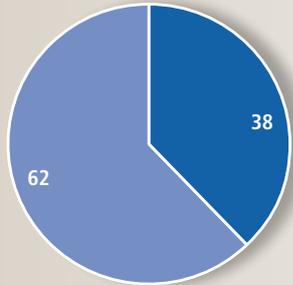


# Semiannual Report **2014**

## Order intake by segment in %

Total CHF 139.2 million

- Machining
- Automation

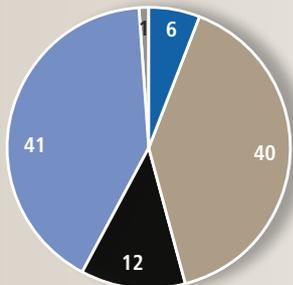


Mikron Group

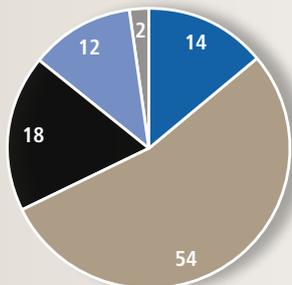
## Order intake by region in %

Total CHF 139.2 million

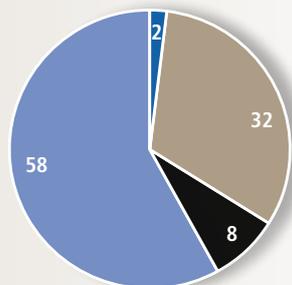
- Switzerland
- Europe
- Asia/Pacific, India
- North America
- Other markets



Mikron Group



Machining

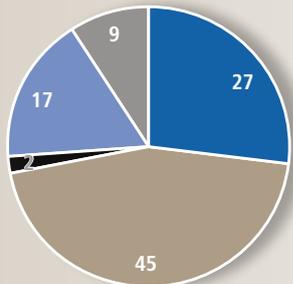


Automation

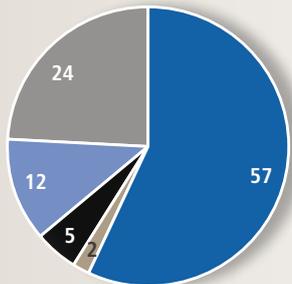
## Order intake by industry in %

Total CHF 139.2 million

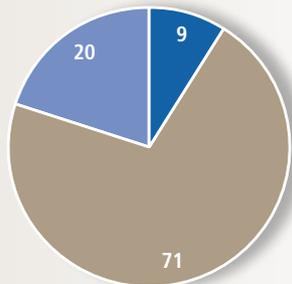
- Automotive
- Pharma/Medical Devices
- Writing
- Consumer Goods
- Other



Mikron Group



Machining

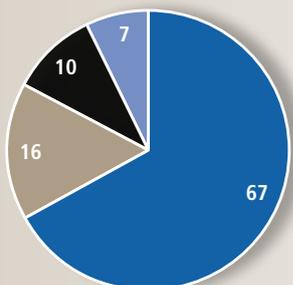


Automation

## Employees by region in %

Total 1,108

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



Mikron Group

## Key Figures for the First Half Year 2014

in CHF million, except productivity and number of employees

	1.1.–30.6.2014		1.1.–30.6.2013		+/-
<b>Key performance data</b>					
Order intake	139.2		117.1		22.1 18.9%
Machining	52.6		44.2		8.4 19.0%
Automation	86.9		73.0		13.9 19.0%
Net sales	119.4		119.6		-0.2 -0.2%
Machining	63.1		65.2		-2.1 -3.2%
Automation	56.9		54.5		2.4 4.4%
Order backlog	135.6		108.0		27.6 25.6%
Machining	46.3		30.5		15.8 51.8%
Automation	89.9		77.5		12.4 16.0%
Operating output	122.2		123.1		-0.9 -0.7%
Productivity (added value/personnel expenses)	1.33		1.39		-0.06 -4.3%
Number of employees (end of period)	1,108		1,111		-3 -0.3%
Machining	540		527		13 2.5%
Automation	564		581		-17 -2.9%
<b>Earnings</b>					
Earnings before interest, taxes, depreciation, amortizations and impairments (EBITDA), as % of net sales	6.0	5.0%	7.7	6.4%	-1.7 -22.1%
Earnings before interest and taxes (EBIT), as % of net sales	2.4	2.0%	2.4	2.0%	0.0 0.0%
Machining	1.2	1.9%	4.5	6.9%	-3.3 -73.3%
Automation	-0.2	-0.4%	-3.9	-7.2%	3.7 94.9%
Profit, as % of net sales	1.3	1.1%	1.4	1.2%	-0.1 -7.1%
Profit for the year, as % of net sales	1.4	1.2%	1.6	1.3%	-0.2 -12.5%
<b>Cash flow</b>					
Cash flow from operating activities (incl. movement in net working capital), as % of net sales	2.6	2.2%	4.5	3.8%	-1.9 -42.2%
<b>Balance sheet</b>					
Balance sheet total	239.1		232.1		7.0 3.0%
Current assets	158.3		152.8		5.5 3.6%
Cash and current financial assets	43.1		46.4		-3.3 -7.1%
Non-current assets	80.9		79.3		1.6 2.0%
Current liabilities	67.9		61.1		6.8 11.1%
Long-term liabilities	18.0		17.6		0.4 2.3%
Shareholders' equity, as % of balance sheet total	153.3	64.1%	153.5	66.1%	-0.2 -0.1%

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

Dear Shareholders,

Dear Sir or Madam,

Mikron encountered volatile markets and highly divergent trends in the individual regions and market segments in the first half of 2014. Having started the new financial year with an order backlog that was generally healthy but unevenly distributed over the various sites, we posted Group sales of CHF 119.4 million, virtually matching the corresponding prior-year figure (first half of 2013: CHF 119.6 million). At CHF 2.4 million (first half of 2013: CHF 2.4 million), EBIT was below our expectations. For 2014 as a whole, we continue to anticipate a slight increase in sales and also an improved EBIT margin.

As a supplier of machining and automation solutions for high-volume production, the Mikron Group is still strategically well positioned. With legislators around the globe increasingly tightening CO<sub>2</sub> emission standards, for instance, the automotive industry is being driven to innovate. Demand for novel, highly sophisticated components is creating new market opportunities for the machining solutions of Mikron Machining. Growing demand for medtech products in today's ageing society calls for continuing increases in volume and productivity in the pharma and medical devices industries that can be met using our automation solutions.

In the first half of 2014, the surge in investment in Asia predicted by the majority of market participants largely failed to materialize, and the German automotive industry proved extremely reticent when it came to new investment despite gratifying levels of operating capacity utilization. This was felt most acutely by the Machining business segment and the German subsidiary of the Automation business segment. On the other hand, the Machining segment made welcome headway with its cutting tools business in all markets currently served.

Mikron Automation saw very robust demand from the pharma and medical devices industries in the first half, particularly in the US, where the business segment gained market share. In Europe, Mikron Automation succeeded in defending its pole market position against strong competition.

During the first six months of 2014, we also forged ahead with various projects designed to enhance innovation, earning power and capacity with the aim of increasing sales and profitability while at the same time factoring in environmental considerations. This is borne out by the example of a production facility roof that we refurbished in Ticino, which has lowered energy costs and reduced temperature fluctuations, and will thereby further improve the robustness of our production processes.

As a supplier of machining and automation solutions for high-volume production, the Mikron Group is still strategically well positioned.

The German automotive industry proved extremely reticent when it came to new investment despite gratifying levels of operating capacity utilization.

Mikron Automation saw very robust demand from the pharma and medical devices industries in the first half, particularly in the US.

Motivated, skilled employees are essential in our business, which is why management places a great deal of emphasis on organizational development, staff training, and recruiting people with the right expertise.

#### **Order intake**

In the first half of 2014, the Mikron Group recorded an order intake of CHF 139.2 million, representing a rise of 19% compared to the low figure reported in the first half of 2013 (CHF 117.1 million). Conspicuously high demand for assembly systems, especially in the US, contrasted with a decrease in order intake for rotary transfer machines.

Although the Machining business segment achieved a 19% increase over the low prior-year figure and despite an encouraging volume of orders for cutting tools and linear transfer machines, the business segment's current order intake is less than satisfactory. A particular case in point is Mikron Machining's headquarter in Agno, which did not receive any larger orders for new machines until June, despite regular enquiries and numerous pending offers.

The Automation business segment posted a further 19% increase in orders year-on-year, reporting a strong order backlog of CHF 89.9 million as at the end of June. However, orders were not evenly distributed over the various locations. Owing to standardized product platforms, harmonized processes and the flexibility of our workforce Mikron Automation will be able to execute larger projects across multiple sites.

#### **Sales, capacity utilization and order backlog**

Overall, capacity utilization at the Mikron Group in the first half of 2014 was satisfactory. While some sites recorded excellent order backlogs, others were underutilized at times. These sites will again be forced to plan on a very short-term basis during the second half of the year. They have little work in hand, and prospects for new orders are uncertain. In addition to Mikron Machining's headquarter in Agno, capacity utilization at the Automation business segment's German subsidiary was also unsatisfactory in the first half of the year. Despite these difficult conditions, the Mikron Group recorded sales of CHF 119.4 million, virtually unchanged from the previous year. While Mikron Machining recorded a 3% decline to CHF 63.1 million, Mikron Automation increased sales by 4% to CHF 56.9 million.

#### **Profitability**

Reported EBIT of CHF 2.4 million (first half of 2013: CHF 2.4 million) fell short of our expectations for the first six months of 2014. The operating result was impacted not only by an uneven distribution of work, but also by unforeseen additional costs during the final phase of several customer projects. We expect the new orders secured in the first half of 2014 to improve the situation. However, we need to re-

ceive further large projects early in the second half to be able to fully utilize available capacity, especially at Mikron Machining.

#### **Cash flow**

In the first half of 2014, the Mikron Group recorded operative free cash flow of CHF -1.4 million. Despite strict management of net working capital, investment requirements could not be completely covered by cash flow from operating activities. The rise in inventory is of a short-term nature and it will decrease over the next few months again.

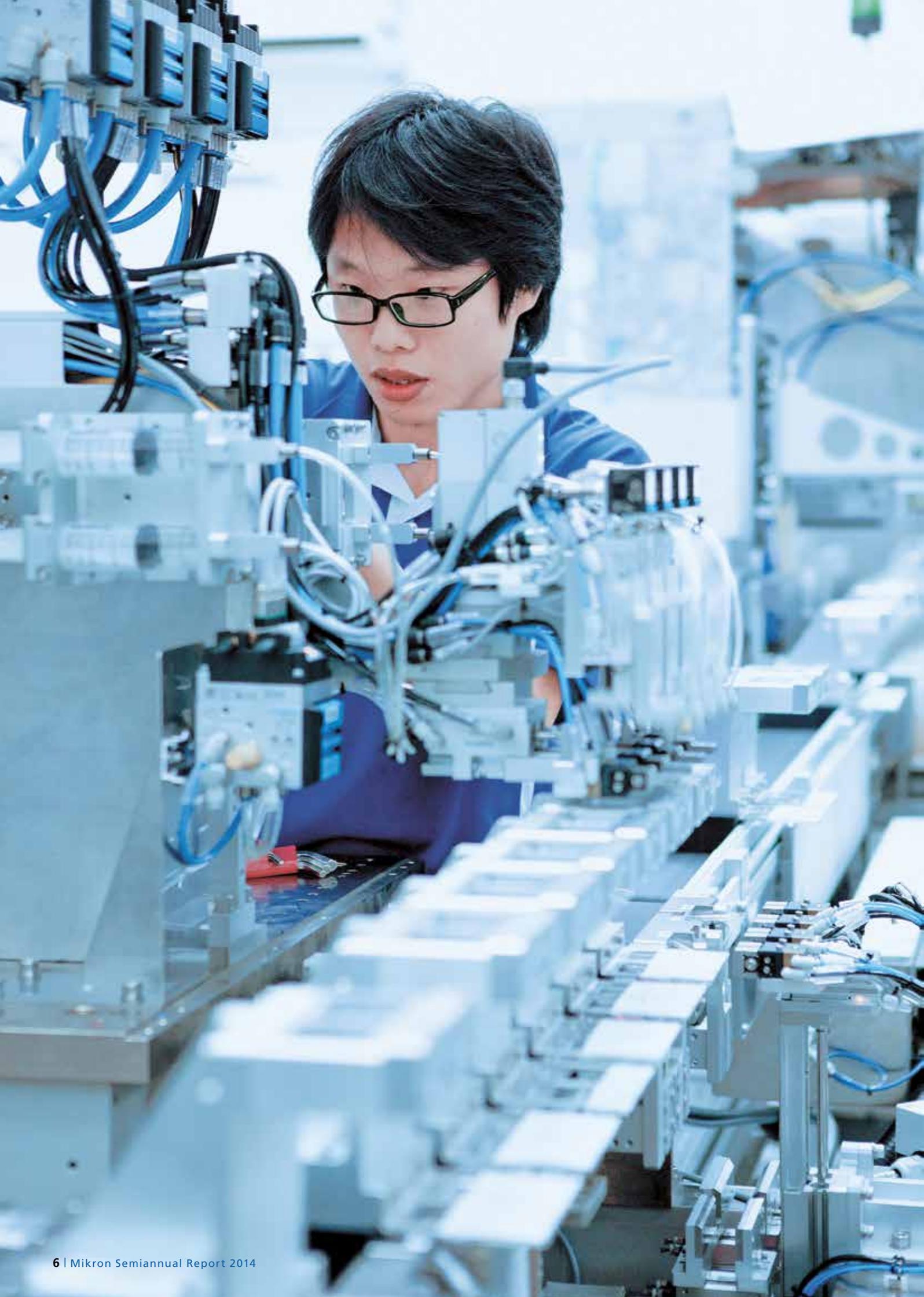
#### **Outlook**

In the second half of 2014, we will continue to face the challenge of volatile markets that are still expected to be characterized by investment reticence. Indistinct development of demand from Germany's automotive industry for highly productive capital goods, continued strong demand in the US, and the predicted growth in demand from China will have a significant impact on our capacity utilization and, in turn, our profitability. We expect stable and solid demand for our service and tools business. On the whole, we continue to anticipate a slight increase in sales and also an improved EBIT margin for the full year 2014. This is conditional, however, on a perceptible recovery in demand for rotary transfer machines in the second half of 2014.

#### **Thanks**

We would like to thank our employees warmly for the considerable commitment and flexibility they showed in the first half of 2014 in the face of the fluctuations in capacity utilization referred to above and the sometimes extremely exacting project sign-offs. 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  
Bruno Cathomen, Chief Executive Officer



# Mikron Automation

Mikron Automation is one of the world's leading manufacturers of customized, highly productive automation solutions for high-precision assembly and testing of products up to hand size.

The Automation business segment experienced strong demand from the pharma, medical devices and consumer goods industries in the first half of 2014. Other markets were characterized by considerable reluctance to make investment decisions.

**Business trend |** Mikron Automation generated an order intake of CHF 86.9 million (first half of 2013: CHF 73.0 million), which resulted in an order backlog of CHF 89.9 million (first half of 2013: CHF 77.5 million). Sales came in at CHF 56.9 million (first half of 2013: CHF 54.5 million). Growth in new orders was especially encouraging in the US, where orders from new and existing customers in the pharma, medical devices and consumer goods industries achieved record levels. The good economic situation in the US was partly responsible for this, while investments in earlier projects paid off in the form of repeat and reference orders.

The Automation business segment also registered a strong order intake from the European pharma and medical devices industries, especially in the English-speaking countries. Conversely, the number of new orders from the automotive industry and other market segments remained moderate. The capital goods markets in numerous European countries continued to be characterized by considerable reticence. Many market participants either postponed investments or opted for less highly automated solutions. In this market segment, Mikron faces competition from lower-price providers. Even though Mikron Automation succeeded in gaining new customers in the pharma and medical devices industries in Asia too, overall order growth in this region remained significantly below expectations.

## **Capacity utilization and site development |**

While capacity at Mikron Automation's plants in Switzerland and the US were well utilized in the first half of 2014, the Berlin site and the two sites in Asia were short of new projects. Here Mikron Automation carried out further intensive work on optimizing processes and organization.

Completing a project awarded by an automotive customer in previous years remained challenging for the Berlin site in the first half of 2014, resulting in further significant cost deviations, with corresponding effects on the business segment's profitability. Thanks to a great deal of dedication, the assembly line has in the meantime commenced operations at the customer's facility.

The implementation of various measures to boost efficiency at the sites in Switzerland and the US has significantly improved project execution. Mikron Automation responded to the varying levels of capacity utilization by dis-

tributing selected customer projects among various sites, which particularly benefited the sites in Asia and Berlin. This would not have been possible without the investments made in recent years in standardized technical IT systems.

**Strategic projects |** Mikron Automation continued the targeted development of standard platforms in the first half of 2014, further increasing their user-friendliness and performance. The transfer of basic module assembly from Singapore to Shanghai was successfully completed. Capacities at the Singapore site can now be devoted exclusively to complex customer-specific automation solutions.

**Employees |** All Mikron Automation sites succeeded in filling important vacancies with suitable new employees during the first half of the year. But finding qualified, motivated employees with experience in the automation field remains a major challenge. During the first half of 2014, the Automation business segment continued to make extensive targeted investments in internal training programs.

**Technology and market development |** Automatica, the sector's largest trade fair, is held in Munich every two years. At this year's event, Mikron Automation profiled itself with great success as a leading provider of highly productive automation solutions. The new generation of feeding systems – Polyfeed and Trayhandler, with their high-speed cartesian-coordinate robots – received an encouragingly positive response. Mikron Automation stepped up efforts to win new customers at all sites, one objective being to tap into new geographical markets.

**Outlook |** The Automation business segment expects order intake in the second half of the year to remain good, if slightly reduced. The strong demand from the pharma and medical devices industries is expected to diminish somewhat. In the light of its solid order backlog, however, Mikron Automation is targeting higher sales in the second half of the year than in the first. Assuming that the extra efforts at the Berlin facility can be reduced to a reasonable level and that capacity utilization in Asia improves, Mikron Automation expects a distinctively positive operating result in the second half of the year.



# Mikron Machining

Mikron Machining is the leading supplier of customized, highly productive machining solutions for the manufacturing of complex high-precision components made of metal. The high-performance cutting tools used on the systems are developed and produced in house at Mikron Machining. They are regarded as some of the best in the world.

Mikron Machining's business performance was again very mixed in the first half of 2014. While sales of cutting tools were encouraging, and the service business was stable in accordance with expectations, Mikron Machining experienced a substantial fall in demand for the rotary transfer machines manufactured in Agno. In contrast, demand for the linear transfer machines produced in Rottweil was brisk.

**Business trend |** Mikron Machining generated an order intake of CHF 52.6 million (first half of 2013: CHF 44.2 million), which resulted in an order backlog of CHF 46.3 million (first half of 2013: CHF 30.5 million). Sales came in at CHF 63.1 million (first half of 2013: CHF 65.2 million).

As regards consumables, such as tools and spare parts, the Machining business segment was able to take advantage of its customers' generally positive production environment to expand business, particularly in the US. In the first half of 2014, Mikron Machining's service business benefited primarily from strong demand from customers in the automotive industry whose production capacities were well utilized and thus under strain.

However, this has not yet led to significant new investments in machining solutions. European machine tool markets were generally characterized by uncertainty. Contrary to expectations, demand from Asia was also only moderate.

**Capacity utilization and site development |** Mikron Machining's headquarters in Agno began 2014 with a modest order backlog. Although several interesting projects reached an advanced offer stage during the first half of the year, it was not until June that Mikron Machining succeeded in securing substantial firm orders. Capacity utilization in Agno, which mainly produces rotary transfer machines, was correspondingly unsatisfactory. It was much better at the production site in Rottweil, where linear transfer machines are the principal product.

**Strategic projects |** Mikron Machining continued to invest in the expansion of its cutting tool business in the first half of 2014, increasing production capacities in both Switzerland and Germany. The Machining business segment also expanded its distribution and logistics system, especially for the tool business in the US. Mikron Machining continues to attach great importance to refining its cutting tools and machining systems. New applications are constantly being developed for new customers and new components.

**Employees and sustainability |** The Machining business segment employed 540 people at the end of June 2014, slightly higher than at the end of December 2013 (534 people). Mikron intends to continue to improve co-operation within the business segment, thus ensuring that processes run smoothly. Cross-site and cross-area workshops are held regularly for the purpose of embedding Mikron's values even more firmly in daily work.

In pursuit of sustainability, Mikron Machining replaced the roof of a property in Ticino in the first half of 2014. As well as cutting energy costs, this will also reduce temperature fluctuations, thereby further improving the stability of production processes.

**Technology and market development |** Mikron Machining has intensified market development efforts in all areas of its business. For example, it has appointed additional sales staff in the US, and participated in seven trade fairs in Europe and five in Asia. It is also devoting more effort to proactively supporting its very broad existing customer base. Mikron will again present innovative machining solutions at trade fairs in the second half of 2014. The fairs attended by Mikron Machining will include AMTS in Shanghai, IMTS in Chicago, AMB in Stuttgart, JIMTOF in Tokyo, and PRODEX in Basel.

**Outlook |** Mikron Machining expects demand for tools and services to remain stable in the second half of 2014. How the market for machining solutions will develop – especially for the high-end machines that have been selling well in recent years – remains uncertain. The business segment will do everything within its power to convert the many requests for quotes it receives into firm orders, particularly to improve the capacity utilization at its Agno site.

## Consolidated Semiannual Financial Statements 2014 of the Mikron Group

### Consolidated income statement

Short version, CHF 1,000	1.1.–30.6.2014		1.1.–30.6.2013	
Automation	56,915		54,544	
Machining	63,114		65,241	
Corporate/eliminations	-584		-156	
<b>Net sales</b>	<b>119,445</b>		<b>119,629</b>	
Change in work in process / finished goods	2,058		3,429	
Capitalized own production	733		8	
<b>Operating output</b>	<b>122,236</b>	<b>100.0%</b>	<b>123,066</b>	<b>100.0%</b>
Material costs and subcontractors	-51,561		-51,221	
Personnel expenses	-53,318		-51,647	
Other operating expenses (net)	-12,438		-13,700	
Depreciation	-3,587		-3,692	
Impairment	0		-1,454	
<b>Operating result</b>	<b>1,332</b>	<b>1.1%</b>	<b>1,352</b>	<b>1.1%</b>
Financial result	-380		-342	
<b>Ordinary result</b>	<b>952</b>	<b>0.8%</b>	<b>1,010</b>	<b>0.8%</b>
Non-operating result	1,072		1,017	
<b>Profit before taxes</b>	<b>2,024</b>	<b>1.7%</b>	<b>2,027</b>	<b>1.6%</b>
Income taxes	-652		-454	
<b>Profit</b>	<b>1,372</b>	<b>1.1%</b>	<b>1,573</b>	<b>1.3%</b>

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

## Consolidated balance sheet

Short version, CHF 1,000	30.6.2014		31.12.2013	
Cash and cash equivalents	27,030		33,284	
Current financial assets	16,087		13,075	
Receivables and prepaid expenses	21,645		20,880	
Inventories	47,723		42,826	
Net assets from customer projects	45,770		42,754	
<b>Total current assets</b>	<b>158,255</b>	<b>66.2%</b>	<b>152,819</b>	<b>65.8%</b>
Tangible assets	44,169		43,148	
Intangible assets	5,476		5,872	
Investment property	28,368		27,890	
Other non-current assets	2,860		2,413	
<b>Total non-current assets</b>	<b>80,873</b>	<b>33.8%</b>	<b>79,323</b>	<b>34.2%</b>
<b>Total assets</b>	<b>239,128</b>	<b>100.0%</b>	<b>232,142</b>	<b>100.0%</b>
Short-term financial liabilities	50		200	
Current liabilities and accrued expenses	45,079		38,304	
Net liabilities from customer projects	19,757		18,235	
Short-term provisions	2,964		4,328	
<b>Total current liabilities</b>	<b>67,850</b>	<b>28.4%</b>	<b>61,067</b>	<b>26.3%</b>
Long-term financial liabilities	13,845		13,870	
Long-term provisions	184		184	
Other long-term liabilities	3,951		3,568	
<b>Total long-term liabilities</b>	<b>17,980</b>	<b>7.5%</b>	<b>17,622</b>	<b>7.6%</b>
<b>Total shareholders' equity</b>	<b>153,298</b>	<b>64.1%</b>	<b>153,453</b>	<b>66.1%</b>
<b>Total liabilities and shareholders' equity</b>	<b>239,128</b>	<b>100.0%</b>	<b>232,142</b>	<b>100.0%</b>

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

## Consolidated statement of cash flow

Short version, CHF 1,000	1.1.–30.6.2014	1.1.–30.6.2013
Profit	1,372	1,573
Non-cash items	2,153	5,998
<b>Cash flow from operating activities before changes in net working capital</b>	<b>3,525</b>	<b>7,571</b>
Changes in net working capital	-965	-3,039
<b>Cash flow from operating activities</b>	<b>2,560</b>	<b>4,532</b>
Investments (-) / Divestments (+) in tangible assets (net)	-2,718	-2,616
Investments (-) / Divestments (+) in intangible assets (net)	-817	-439
Investments (-) / Divestments (+) in investment property (net)	-478	0
Investments (-) / Divestments (+) in financial assets (net)	-3,058	1,852
<b>Cash flow from investing activities</b>	<b>-7,071</b>	<b>-1,203</b>
Changes in financial lease liabilities	-150	-314
Distribution to shareholders	-1,668	-2,503
Other cash flow from financing activities	61	115
<b>Cash flow from financing activities</b>	<b>-1,757</b>	<b>-2,702</b>
<b>Effect of exchange rate changes on cash</b>	<b>14</b>	<b>71</b>
<b>Net cash flow</b>	<b>-6,254</b>	<b>698</b>
<b>Increase (+) / decrease (-) of cash and cash equivalents</b>	<b>-6,254</b>	<b>698</b>

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

## Notes to the Consolidated Semiannual Financial Statements 2014

### 1. Management commentary on the consolidated semiannual financial statements and outlook for the second half of the year

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

The Mikron Group recorded an order intake of CHF 139.2 million in the first half of 2014, equivalent to an increase of 19% on the low figure for the first half of 2013 (CHF 117.1 million). Conspicuously high demand for assembly systems, especially in the US, enabled the Automation business segment to increase order intake by 19%. The number of orders recorded by the Machining business segment was also up by 19% on the first half of 2013, when demand was extremely weak. Owing to the sharp decline in demand for rotary transfer machines, however, order intake was nonetheless below expectations.

Overall, capacity utilization at the Mikron Group in the first half of 2014 was satisfactory. While some sites recorded excellent order backlogs, others were underutilized at times. These sites will again be forced to plan on a very short-term basis during the second half of the year. They have little work in hand, and prospects for new orders are uncertain. In addition to Mikron Machining's headquarter in Agno, capacity utilization at the Automation business segment's German subsidiary was also unsatisfactory in the first half of the year. Despite these difficult conditions, the Mikron Group recorded sales of CHF 119.4 million, virtually unchanged from the previous year. While Mikron Machining recorded a 3% decline to CHF 63.1 million, Mikron Automation increased sales by 4% to CHF 56.9 million.

At 59%, the gross profit margin was slightly lower than the previous year. Personnel expenses rose by around 3%. This was partly due to uneven capacity utilization at the various sites, though personnel costs were also affected by the worsening shortage of skilled staff.

Other operating expenses (net) were around 9% below the previous year's figure, although a variable purchase-price obligation (earn-out) worth CHF 0.6 million had been reversed in the previous year. This improvement can be attributed to the change in provisions for future project losses formed in previous years. Excluding this effect, other operating expenses were at the same level as the previous year. Thanks to tight cost management, adjusted other operating expenses amounted to only 12% of net sales.

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

Reported EBIT of CHF 2.4 million (first half of 2013: CHF 2.4 million) fell short of our expectations for the first six months of 2014. The operating result was impacted not only by an uneven distribution of work, but also by unforeseen additional costs during the final phase of several customer projects.

After taking into account the financial result of CHF -0.4 million and income taxes of CHF -0.7 million, the net earnings of the Mikron Group for the first half of 2014 amounted to CHF 1.4 million.

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 2014 amounted to CHF 29.2 million. Mikron therefore remains essentially debt-free: Cash and cash equivalents of CHF 43.1 million exceeded interest-bearing liabilities by a significant amount. The shareholders' equity of CHF 153.3 million contrasts with a balance sheet total of CHF 239.1 million. This produces an equity ratio of 64.1%, which is comparatively high for manufacturing industry.

In the first half of 2014, the Mikron Group recorded cash flow from operating activities of CHF 2.6 million. Total investment – which was largely channelled into production equipment – amounted to CHF 4.0 million. This results in operative free cash flow for the first half of 2014 of CHF -1.4 million (first half of 2013: CHF 1.4 million). CHF 1.7 million was distributed to shareholders from capital surplus reserves.

In the second half of 2014, we will continue to face the challenge of volatile markets that will probably still be characterized by investment reticence. On the whole, we continue to anticipate a slight increase in sales and also an improved EBIT margin for the full year 2014. This is conditional, however, on a perceptible recovery in demand for rotary transfer machines in the second half of 2014.

### 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.

The Board of Directors approved the 2014 consolidated semi-annual financial statements on 18 July 2014.

The consolidated semiannual financial statements should be read in conjunction with the consolidated annual financial statements for the 2013 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 2014 to 30 June 2014 have been prepared in accordance with the rules of Swiss GAAP FER 12 "Interim Reporting".

The accounting principles set out in the 2013 consolidated financial statements have been applied unchanged.

### 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 2014, there was no change in the scope of consolidation compared to 31 December 2013.

### 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.–30.6.2014	1.1.–30.6.2013	30.6.2014	31.12.2013
1 EUR	1.220630	1.232370	1.216370	1.225530
1 USD	0.890030	0.939730	0.893300	0.891750
1 SGD	0.705520	0.751380	0.715400	0.702890
1 CNY	0.144110	0.151920	0.143340	0.147090

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

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Except for the historical information contained herein, the state-  
ments in this semiannual report are forward-looking statements  
that involve risks and uncertainties.

# The 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 1,100 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).