Media release on semiannual results 2014

Mikron keeps sales and EBIT at previous year’s level

Biel, 22 July 2014, 7.00 a.m. – In the first half of 2014, the Mikron Group 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, EBIT was also consistent with last year’s figure (first half of 2013: CHF 2.4 million), although it failed to meet expectations. For 2014 as a whole, Mikron continues to anticipate a slight increase in sales and also an improved EBIT margin.

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. 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.

Reported EBIT of CHF 2.4 million (first half of 2013: CHF 2.4 million) fell short of the Mikron Group’s 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. Mikron expects the new orders secured in the first half of 2014 to improve the situation. However, the Group needs to receive further large projects early in the second half to be able to fully utilize available capacity, especially at Mikron Machining.

Mikron Automation
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. 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. 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.

Mikron Machining
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. 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). 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.

**Outlook**

In the second half of 2014, the Mikron Group 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 the capacity utilization and, in turn, the profitability. Mikron expects stable and solid demand for its service and tools business. On the whole, the Group continues 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.

**Key figures for the Mikron Group in the first half year 2014**

<table>
<thead>
<tr>
<th></th>
<th>1.1.–30.6.14</th>
<th>1.1.–30.6.13</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order intake</strong></td>
<td>139.2</td>
<td>117.1</td>
<td>18.9%</td>
</tr>
<tr>
<td>- Machining</td>
<td>52.6</td>
<td>44.2</td>
<td>19.0%</td>
</tr>
<tr>
<td>- Automation</td>
<td>86.9</td>
<td>73.0</td>
<td>19.0%</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>119.4</td>
<td>119.6</td>
<td>-0.2%</td>
</tr>
<tr>
<td>- Machining</td>
<td>63.1</td>
<td>65.2</td>
<td>-3.2%</td>
</tr>
<tr>
<td>- Automation</td>
<td>56.9</td>
<td>54.5</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Order backlog</strong></td>
<td>135.6</td>
<td>108.0</td>
<td>25.6%</td>
</tr>
<tr>
<td>- Machining</td>
<td>46.3</td>
<td>30.5</td>
<td>51.8%</td>
</tr>
<tr>
<td>- Automation</td>
<td>89.9</td>
<td>77.5</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>2.4</td>
<td>2.4</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>1.4</td>
<td>1.6</td>
<td>-12.5%</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>2.6</td>
<td>4.5</td>
<td>-42.2%</td>
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</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>30.6.14</th>
<th>31.12.13</th>
<th>+/-</th>
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<tbody>
<tr>
<td><strong>Number of employees</strong></td>
<td>1108</td>
<td>1109</td>
<td>-0.1%</td>
</tr>
<tr>
<td>- Machining</td>
<td>540</td>
<td>534</td>
<td>1.1%</td>
</tr>
<tr>
<td>- Automation</td>
<td>564</td>
<td>572</td>
<td>-1.4%</td>
</tr>
<tr>
<td><strong>Balance sheet total</strong></td>
<td>239.1</td>
<td>232.1</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>64.1%</td>
<td>66.1%</td>
<td>-0.1%</td>
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Brief profile of 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).

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Publication of semiannual results for 2014
The semiannual results will be published at the same time as this media release in the form of the 2014 Semiannual Report: www.mikron.com/reports.

Investor Relations Calendar of Events
22 January 2015, 7.00 a.m. – Media release: Preliminary volume figures for 2014
9 March 2015, 7.00 a.m. – Media release: Publication of the 2014 Annual Report
9 March 2015, 10.00 a.m. – Media and analysts conference
16 April 2015, 4 p.m. – Annual General Meeting 2015

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.

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