

# HALF-YEAR REPORT 2015



MEYER BURGER

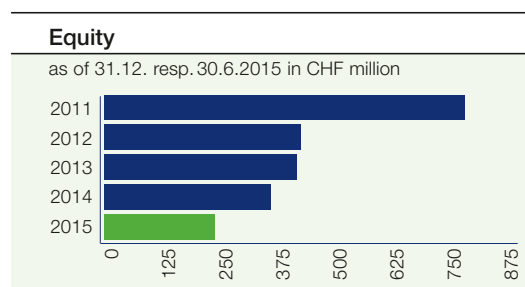
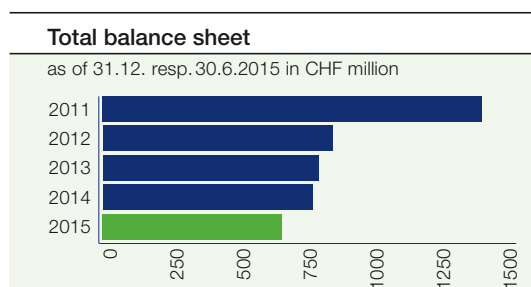
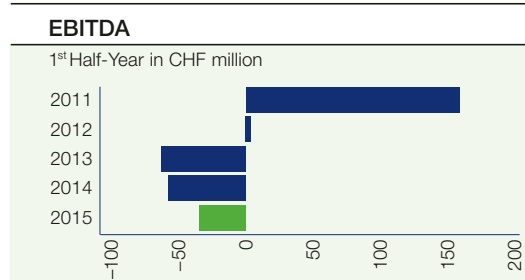
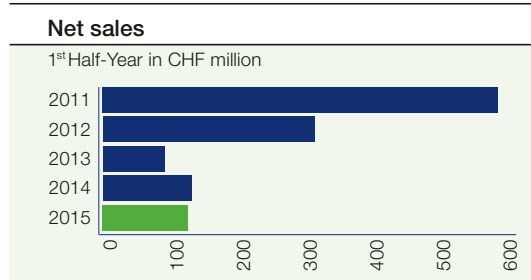
# KEY FIGURES

## Consolidated income statement

in TCHF	1.1.–30.6.2015	1.1.–30.6.2014
Net sales	124 425	129 042
Operating income after costs of products and services	70 907	66 242
in % of net sales	57.0%	51.3%
EBITDA	-32 749	-55 189
in % of net sales	-26.3%	-42.8%
EBIT	-68 500	-88 148
in % of net sales	-55.1%	-68.3%
Net result	-93 009	-88 041

## Consolidated balance sheet

in TCHF	30.6.2015	31.12.2014
Total assets	651 641	755 899
Current assets	329 801	370 548
Long-term assets	321 840	385 351
Current liabilities	157 316	144 693
Non-current liabilities	259 017	258 775
Equity	235 308	352 431
Equity ratio	36.1%	46.6%



# MEYER BURGER

## HIGH-END SOLUTIONS FOR HIGH-TECH INDUSTRIES

Meyer Burger Technology Ltd is a leading global technology company employing about 1,600 people across three continents.

Our innovative systems and production equipment create sustainable added value for our customers in photovoltaics (solar industry), in the semiconductor and optoelectronic industries as well as in other high-end markets for semiconductor materials.

## OUR PASSION – EFFICIENT, SUSTAINABLE CLEAN ENERGY

We are the leading technology company for innovative and cost-efficient solutions based on semiconductor technologies and with a focus on photovoltaics.

We decisively shape the future energy mix to the advantage of our customers and end-users by combining our technologies with the infinite power of the sun.

## OUR PERFORMANCE

Meyer Burger is characterised by uncompromising quality, value-added innovations, superior customer services and an entrepreneurial pioneering spirit.

Our photovoltaic customers rely on comprehensive solutions and complementary technologies along the entire value chain in the manufacturing processes for wafers, solar cells, solar modules and building integrated solar systems.

**WE CONTINUOUSLY INVEST IN RESEARCH AND TECHNOLOGY DEVELOPMENT AND IMPLEMENT AN EFFICIENT AND SUSTAINABLE CLEAN ENERGY SUPPLY IN PARTNERSHIP WITH OUR CUSTOMERS.**

As a full line system provider, we have commanded a top-ranking position in this industry for many years and enable a sustainable reduction of costs per kWh for solar electricity through our technologies.

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# MANAGEMENT REPORT

## 1<sup>ST</sup> HALF-YEAR 2015

### DEAR SHAREHOLDERS

As expected, Meyer Burger achieved a substantial increase in incoming orders during the first half of 2015, most importantly with photovoltaic technologies such as Heterojunction cell coating equipment, MB PERC technology on the MAiA 2.1 platform as well as with wafer and module measurement technologies.

### Incoming orders, order backlog

The volume in new orders increased by 42% to CHF 222.6 million (H1 2014: CHF 156.8 million). Various large orders with a total amount of about CHF 82 million were received in the Photovoltaic segment during the first six months of this year (H1 2014: CHF 27 million). The Specialised Technologies segment also achieved the expected amount of incoming orders during the reporting period. The average run-rate of “normal business” stood at CHF 23.5 million or 9% above the corresponding period 2014 (H1 2014: CHF 21.6 million) and was stable if the entire twelve months of 2014 are taken into consideration (FY 2014: CHF 23.8 million).

**INCREASE IN INCOMING ORDERS  
+42% TO CHF 222.6 MILLION**

The order backlog was at CHF 260.7 million as at 30 June 2015 (31.12.2014: CHF 190.1 million). The book-to-bill ratio (incoming orders to net sales) stood at 1.79 for the first half of 2015 (H1 2014: 1.21).

Meyer Burger reached a settlement agreement with GT Advanced Technologies Inc. (“GTAT”), which has been operating under chapter 11 protections for several months. The unsecured claim arising from this settlement agreement was assigned at a discount to Citigroup Financial Products Inc. Meyer Burger decided to execute this transaction in order to reduce further legal expenses and collection risks from the GTAT claim. The company received a cash settlement of USD 13.9 million for the unsecured claim. From the settlement and due to past valuation adjustments already taken in 2014, net sales in the amount of CHF 10.3 million and a book profit of CHF 5.7 million resulted for the first half of 2015.

### Net sales

Sales growth at constant exchange rates amounted to +0.4% for the first half of 2015. The strong valuation of the Swiss Franc, especially against the Euro, led to negative currency effects of 3.9%. As a result, net sales were about 3.6% below the previous year period and amounted to CHF 124.4 million (H1 2014: CHF 129.0 million). A large number of machines was awaiting acceptance by customers at the balance sheet date 30 June 2015 and will only become relevant in terms of sales during the coming months. With the increase in production capacities for MB PERC and MAiA technologies at the Hohenstein-Ernstthal site and the planned increase in deliveries scheduled for the upcoming months, we expect substantially higher net sales during the second half of 2015.

Net sales by region remained almost unchanged compared to the previous year period: Asia 49% of net sales (H1 2014: 51%), Europe 27% (H1 2014: 28%) and America 24% (H1 2014: 21%).

#### **Operating income after costs of products and services**

Operating income after costs of products and services increased by 7% to CHF 70.9 million (H1 2014: CHF 66.2 million). The margin stood at 57.0% in the reporting period (H1 2014: 51.3%). The change in margin is due to positive effects from recording net sales in conjunction with the GTAT claim, one-time positive cost effects on materials and a change in product mix. The normalised margin without these effects would be at about 48%.

#### **Operating expenses**

### **OPERATING EXPENSES 15% LOWER THAN IN PREVIOUS YEAR PERIOD**

The various measures executed in 2014 to reduce the operating cost base are showing the expected results. Personnel expenses during the first half of 2015 declined by CHF 15.3 million to CHF 80.6 million (H1 2014: CHF 95.9 million) and other operating expenses decreased by CHF 2.4 million to CHF 23.1 million (H1 2014: CHF 25.5 million). With CHF 17.7 million of lower costs by mid-year 2015, we are well on target to reach the CHF 30 million of cost reductions for the entire year 2015, as forecasted in the Annual Report 2014.

Meyer Burger employed 1,645 people on a full-time basis as at 30 June 2015, a decrease of about 6% compared to year-end 2014 (31.12.2014: 1,752 FTE; 30.06.2014: 1,951 FTE). The restructuring measures at Diamond Materials Tech Inc. in Colorado Springs (announced at the end of July 2015) to increasingly focus DMT on diamond wire solutions for highly specialised applications outside the PV industry will lead to another workforce reduction of 46 employees at this site. Through this and earlier steps taken in Colorado Springs, the operating cost base at this site will decrease by more than USD 6 million in the 2016 financial year compared to the level at the beginning of 2015. With the optimised cost structure which has been adjusted to reflect its business volume, DMT should be able to achieve sustainable profitability.

#### **EBITDA and EBIT**

EBITDA for the first half of 2015 amounted to CHF –32.7 million (H1 2014: CHF –55.2 million) and reflects the achieved cost savings. However, EBITDA at mid-year was somewhat below our expectations due to the slight delay in net sales recognition.

Depreciation and amortisation came to a total of CHF 35.8 million (H1 2014: CHF 33.0 million) and is divided as follows: CHF 8.4 million for scheduled depreciation of property, plant and equipment; one-time impairment of CHF 7.7 million on technology and production equipment at Diamond Materials Tech Inc.; CHF 19.7 million for scheduled amortisation of intangible assets, which resulted mainly from M&A activities in previous years. At EBIT level, Meyer Burger posted a result of CHF –68.5 million (H1 2014: CHF –88.1 million).

#### **Financial result, taxes**

The financial result, net, amounted to CHF –25.3 million in the first half of 2015 (H1 2014: CHF –6.5 million). Financial expenses include interest expenses for the 5% straight bond of CHF 3.3 million and for the 4% convertible bond of CHF 2.0 million, other interest expenses of CHF 0.5 million as well as other financial expenses in the amount of CHF 6.4 million. As a result of the substantial currency appreciation of the Swiss Franc, the valuation of intercompany loans to foreign subsidiaries led to financial expenses of CHF 13.2 million from unrealised negative foreign currency translation effects (H1 2014: unrealised negative foreign currency translation effects of CHF 0.9 million). The financial income includes interest income of CHF 0.1 million.

The taxes for the first half of 2015 amounted to a tax income of CHF 0.8 million (H1 2014: CHF 6.6 million). The tax income for the first half of 2015 is mainly due to the capitalisation of further loss carry-forwards in the amount of CHF 6.9 million on one side, and to the impairment of tax assets at DMT in the amount of CHF 7.9 million on the other side.

#### **Net result**

The net result for the first half of 2015 was CHF –93.0 million (H1 2014: CHF –88.0 million). Out of this amount, CHF –92.5 million are attributable to the shareholders of Meyer Burger Technology Ltd (the remaining CHF –0.5 million are attributable to the minority shareholders of Roth&Rau AG). The net result per share amounts to a loss of CHF 1.03 (H1 2014: loss of CHF 0.99 per share).

#### **Balance sheet**

Total assets were CHF 651.6 million as at 30 June 2015 (31.12.2014: CHF 755.9 million). Cash and cash equivalents amounted to CHF 133.9 million, inventories to CHF 135.0 million. Long-term assets mainly include property, plant and equipment of CHF 121.6 million, intangible assets of CHF 96.1 million and deferred tax assets of CHF 102.4 million.

Total liabilities amounted to CHF 416.3 million, of which trade receivables were CHF 35.9 million, customer prepayments CHF 65.1 million, provisions CHF 20.2 million and financial liabilities CHF 249.0 million. Equity declined to CHF 235.3 million due to foreign currency translation effects of CHF 16.0 million directly charged to equity in conjunction with long-term intercompany loans and due to the loss of the first half of 2015 (31.12.2014: equity of CHF 352.4 million). The equity ratio at balance sheet date was 36.1% (31.12.2014: 46.6%).

### Cash flow

Cash flow from operating activities was CHF –28.0 million and showed a substantial improvement compared to the first half of 2014 (H1 2014: CHF –98.7 million). The reduction of the cash drain in operating activities is mainly due to the facts that the cash-related losses were substantially reduced and that preparatory investments in inventories as a result of the higher order backlog were mainly financed through customer prepayments. Therefore, net working capital could be reduced by CHF 7.3 million (cash related investments in NWC) in the reporting period 2015, whereas in the previous year period, cash related investments of about CHF 40 million had to be made into the net working capital.

Cash flow from investing activities amounted to CHF –2.9 million (H1 2014: CHF –6.0 million) and included normal conservative investments in CAPEX.

Cash flow from financing activities was CHF –1.4 million (H1 2014: CHF +71.0 million) and includes mainly the purchase of further shares in Roth & Rau AG.

### Outlook

For incoming orders regarding the entire year 2015, we expect to clearly surpass the amount of CHF 326.0 million achieved in fiscal year 2014. The improving situation in the PV industry and our project activities with regards to larger orders are stimulating. In addition, we expect a stable situation to slightly increased order volumes for the small and mid-sized orders and for orders in the Specialised Technologies segment.

The high amount of incoming orders in the first half of 2015 has also created the base to reach our targets in terms of net sales for 2015. From today's point of view, we confirm our targets to reach net sales of about CHF 400 million and break-even at the EBITDA level for the entire year 2015.



Peter M. Wagner  
Chairman



Peter Pauli  
Chief Executive Officer

# CONSOLIDATED BALANCE SHEET

in TCHF	30.6.2015		31.12.2014	
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	133 929		169 768	
Trade receivables	29 748		39 545	
Other receivables	21 359		21 471	
Net receivables from construction contracts	518		409	
Inventories	134 987		134 418	
Prepaid expenses and accrued income	9 260		4 936	
<b>Total current assets</b>	<b>329 801</b>	<b>50.6%</b>	<b>370 548</b>	<b>49.0%</b>
<b>Long-term assets</b>				
Other long-term receivables	1 800		1 880	
Property, plant and equipment	121 567		141 187	
Intangible assets	96 059		132 133	
Deferred tax assets	102 414		110 151	
<b>Total long-term assets</b>	<b>321 840</b>	<b>49.4%</b>	<b>385 351</b>	<b>51.0%</b>
<b>Total assets</b>	<b>651 641</b>	<b>100.0%</b>	<b>755 899</b>	<b>100.0%</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Financial liabilities	308		305	
Trade payables	35 882		35 771	
Net liabilities from construction contracts	723		456	
Customer prepayments	65 087		50 926	
Other liabilities	9 151		6 785	
Provisions	15 996		16 777	
Accrued expenses and prepaid income	30 169		33 673	
<b>Total current liabilities</b>	<b>157 316</b>	<b>24.1%</b>	<b>144 693</b>	<b>19.2%</b>
<b>Non-current liabilities</b>				
Financial liabilities	248 717		247 755	
Other liabilities	2 039		2 090	
Provisions	4 229		3 667	
Deferred tax liabilities	4 033		5 264	
<b>Total non-current liabilities</b>	<b>259 017</b>	<b>39.7%</b>	<b>258 775</b>	<b>34.2%</b>
<b>Total liabilities</b>	<b>416 333</b>	<b>63.9%</b>	<b>403 468</b>	<b>53.4%</b>
<b>Equity</b>				
Share capital	4 526		4 495	
Capital reserves	767 326		760 642	
Treasury shares	-4 883		-4 517	
Reserve for share-based payments	2 407		4 127	
Accumulated losses	-535 468		-415 428	
<b>Total equity excl. minority interests</b>	<b>233 908</b>	<b>35.9%</b>	<b>349 318</b>	<b>46.2%</b>
Minority interests	1 400		3 113	
<b>Total equity incl. minority interests</b>	<b>235 308</b>	<b>36.1%</b>	<b>352 431</b>	<b>46.6%</b>
<b>Total liabilities and equity</b>	<b>651 641</b>	<b>100.0%</b>	<b>755 899</b>	<b>100.0%</b>

The Notes starting on page 13 are an integral part of the consolidated financial statements.



# CONSOLIDATED INCOME STATEMENT

in TCHF	1.1.–30.6.2015		1.1.–30.6.2014	
<b>Net sales</b>	<b>124 425</b>	<b>100.0%</b>	<b>129 042</b>	<b>100.0%</b>
Other income	6 063		4 986	
<b>Income</b>	<b>130 488</b>		<b>134 027</b>	
Changes in inventories of finished products and work in process	30 012		35 913	
Cost of products and services	-92 106		-108 752	
Capitalised services	2 513		5 054	
<b>Operating income after costs of products and services</b>	<b>70 907</b>	<b>57.0%</b>	<b>66 242</b>	<b>51.3%</b>
Personnel expenses	-80 591		-95 889	
Operating expenses	-23 064		-25 542	
<b>Earnings before interests, taxes, depreciation and amortisation (EBITDA)</b>	<b>-32 749</b>	<b>-26.3%</b>	<b>-55 189</b>	<b>-42.8%</b>
Depreciation and impairment property, plant and equipment	-13 879		-9 626	
Amortisation and impairment intangible assets	-21 872		-23 334	
<b>Earnings before interests and taxes (EBIT)</b>	<b>-68 500</b>	<b>-55.1%</b>	<b>-88 148</b>	<b>-68.3%</b>
Financial result	-25 309		-6 486	
<b>Operating result</b>	<b>-93 810</b>	<b>-75.4%</b>	<b>-94 634</b>	<b>-73.3%</b>
Non-operating result	-		-	
Extraordinary result	-		-	
<b>Earnings before taxes</b>	<b>-93 810</b>	<b>-75.4%</b>	<b>-94 634</b>	<b>-73.3%</b>
Income taxes	800		6 593	
<b>Result</b>	<b>-93 009</b>	<b>-74.8%</b>	<b>-88 041</b>	<b>-68.2%</b>
<b>Attributable to</b>				
Shareholders of Meyer Burger Technology Ltd	-92 549		-86 524	
Minority interests	-460		-1 517	
<b>Earnings per share in CHF</b>				
Basic	-1.03		-0.99	
Diluted	-1.03		-0.99	

The Notes starting on page 13 are an integral part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TCHF

Attributable to shareholders of Meyer Burger Technology Ltd

	Share capital	Capital reserves
<b>Equity as at 1.1.2014</b>	<b>4 236</b>	<b>667 079</b>
Net result	–	–
Currency translation differences recognised in reporting period	–	–
Capital increases	259	77 637
Purchase of Roth & Rau shares after change in control	–	589
Sale of treasury shares	–	75
Share-based payments	–	–
Issuance of shares for employees	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	2 414
<b>Equity as at 30.6.2014</b>	<b>4 495</b>	<b>747 793</b>
<b>Equity as at 1.1.2015</b>	<b>4 495</b>	<b>760 642</b>
Net result	–	–
Currency translation differences recognised in reporting period	–	–
Capital increases	31	2 551
Purchase of Roth & Rau shares after change in control	–	2 624
Sale of treasury shares	–	–
Share-based payments	–	–
Issuance of shares for employees	–	–
Transfer of shares for employees to the plan participants after vesting period	–	–
Reclassification	–	1 510
<b>Equity as at 30.6.2015</b>	<b>4 526</b>	<b>767 326</b>

The Notes starting on page 13 are an integral part of the consolidated financial statements.

Attributable to shareholders of Meyer Burger Technology Ltd

Treasury shares	Reserve for share-based payments	Currency translation differences	Offset goodwill	Other reserves	Accumulated losses	Total equity excl. minority interests	Minority interests	Total equity incl. minority interests
-3523	3652	-1075	-244858	-23376	-269309	402134	6487	408621
-	-	-	-	-86524	-86524	-86524	-1517	-88041
-	-	-453	-	-	-453	-453	-52	-504
-	-	-	-	-	-	77896	-	77896
-	-	-	-	-3272	-3272	-2683	-1108	-3792
420	-	-	-	-	-	495	-	495
-	999	-	-	-	-	999	-	999
-2447	-	-	-	-	-	-2447	-	-2447
934	-	-	-	-	-	934	-	934
-	-2414	-	-	-	-	-	-	-
-4616	2238	-1528	-244858	-113172	-359558	390351	3810	394160
-4517	4127	-10637	-244858	-159934	-415428	349318	3113	352431
-	-	-	-	-92549	-92549	-92549	-460	-93009
-	-	-8310	-	-16000	-24310	-24310	-404	-24714
-	-	-	-	-	-	2582	-	2582
-	-	-	-	-3180	-3180	-557	-849	-1406
32	-	-	-	-	-	32	-	32
-	1573	-	-	-	-	1573	-	1573
-2180	-	-	-	-	-	-2180	-	-2180
1978	-1978	-	-	-	-	-	-	-
-196	-1314	-	-	-	-	-	-	-
-4883	2407	-18947	-244858	-271663	-535468	233908	1400	235308

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in TCHF	1.1.–30.6.2015	1.1.–30.6.2014
<b>Result</b>	<b>-93 009</b>	<b>-88 041</b>
Non-cash items	57 684	29 753
Decrease/increase of net working capital	7 322	-40 442
<b>Cash flow from operating activities (operative cash flow)</b>	<b>-28 003</b>	<b>-98 730</b>
Investments in property, plant and equipment	-3 348	-7 421
Sale of property, plant and equipment	558	1 877
Investments in intangible assets	-82	-632
Sale of intangible assets	-	212
<b>Cash flow from investing activities</b>	<b>-2 872</b>	<b>-5 963</b>
Capital increase (incl. premium)	-	75 557
Purchase of shares of Roth & Rau after change of control	-1 406	-3 792
Sale of treasury shares	-	495
Repayment of (non-current) financial liabilities	-34	-1 259
<b>Cash flow from financing activities</b>	<b>-1 440</b>	<b>71 001</b>
<b>Change in cash and cash equivalents</b>	<b>-32 314</b>	<b>-33 692</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>169 768</b>	<b>173 179</b>
Currency translation differences on cash and cash equivalents	-3 525	-133
<b>Cash and cash equivalents at end of period</b>	<b>133 929</b>	<b>139 353</b>

The Notes starting on page 13 are an integral part of the consolidated financial statements.

# CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## GENERAL INFORMATION

Meyer Burger Technology Ltd is a public limited company constituted in accordance with Swiss law. The address of the company's registered office is: Schorenstrasse 39, 3645 Gwatt/Thun, Switzerland. Meyer Burger Technology Ltd registered shares (ticker: MBTN) are listed on the SIX Swiss Exchange in Zurich. The fiscal year of Meyer Burger Technology Ltd runs from 1 January to 31 December.

These consolidated half-year statements of Meyer Burger Group were approved for publication by the Board of Directors on 10 August 2015. The auditors have conducted a review of these statements (for a report on the review see page 19).

The Group currency (reporting currency) is the Swiss Franc (CHF). The consolidated statements are shown in thousands of Swiss Francs.

Meyer Burger is a leading global technology company specialising in innovative systems and processes based on semiconductor technologies. The company's focus is on photovoltaics (solar industry) while its competencies and technologies also cover important areas of the semiconductor and the optoelectronic industries as well as other selected high-end markets based on semiconductor materials. Over the past ten years, Meyer Burger has risen to the forefront of the photovoltaic market and established itself as an international premium brand by offering superior precision products and innovative technologies. The company's offering of systems, production equipment and services along the photovoltaic value chain covers the manufacturing processes for wafers, solar cells, solar modules and solar systems. Meyer Burger provides substantial added value to its customers and clearly differentiates itself from its competitors by focusing on the entire value chain. The comprehensive product portfolio is complemented by a worldwide service network with spare parts, consumables, process know-how, customer support, after-sales services, training and other services. Meyer Burger is represented in Europe, Asia and North America in the respective key markets and has subsidiaries and own service centres in China, Germany, India, Japan, Korea, Malaysia, the Netherlands, Switzerland, Singapore, Taiwan and the USA. At the same time, the company is also working intensively to develop new markets such as South America, Africa and the Arab region.

## SIGNIFICANT ACCOUNTING POLICIES

The significant accounting and valuation policies are described in detail in the Annual Report for the year ended 31 December 2014. The policies described have been applied consistently to the reporting periods presented.

### 1.1 Basis of accounting policies

The consolidated half-year financial statements have been prepared in accordance with the standards of Swiss GAAP FER 31 "Additional recommendations for listed companies" and give a true and fair view of the net assets, financial position and results of operations. The provisions of Swiss company law have also been complied with.

### 1.2 Changes in scope of consolidation

The scope of consolidation has changed as follows compared to the Annual Report as at 31 December 2014:

- The participation in Roth & Rau AG has changed compared to 31 December 2014 from 95.38% to 97.10%.
- Roth & Rau USA Inc. was liquidated in the reporting period.
- Roth & Rau Ortner Malaysia Sdn Bhd was renamed Meyer Burger Sdn Bhd in June 2015.

### 1.3 Foreign currency translation

The following translation rates into Swiss Francs were used:

	Unit	Balance sheet			Income statement		
		30.6.2015	31.12.2014	30.6.2014	1 <sup>st</sup> HY 2015	2014	1 <sup>st</sup> HY 2014
European Euro (EUR)	1	1.0367	1.2029	1.2163	1.0583	1.2146	1.2213
US Dollar (USD)	1	0.9344	0.9896	0.8916	0.9475	0.9152	0.8909
Chinese Yuan Renminbi (CNY)	100	15.3450	16.1210	14.4850	15.4680	14.8915	14.5060
Japanese Yen (JPY)	100	0.7613	0.8251	0.8803	0.7880	0.8655	0.8695
Indian Rupee (INR)	100	1.4670	1.5560	1.4870	1.5085	1.5010	1.4685
Korean Won (KRW)	100	0.0829	0.0902	0.0880	0.0860	0.0870	0.0850
Malayan Ringgit (MYR)	100	24.7460	28.2900	27.7650	26.0515	27.9700	27.2780
Singapore Dollar (SGD)	1	0.6920	0.7480	0.7138	0.7021	0.7222	0.7067
Taiwan Dollar (TWD)	100	3.0220	3.1170	2.9860	3.0370	3.0170	2.9485

Assets and liabilities in balance sheets of foreign Group companies are translated into Swiss Francs at the closing rate, income statements at the average rate. Equity is translated at historical exchange rates. Any resulting foreign currency translation differences are offset against equity. As a result of a reassessment of the equity position of the subsidiaries at the beginning of 2015, the share of intercompany loans with characteristics of equity was re-measured. Out of overall negative currency effects on intercompany loans of CHF 29.2 million, CHF 16.0 million are attributable to long-term intercompany loans with characteristics of equity. The CHF 16.0 million of such currency effects was recognised in equity.

### NOTES TO THE BALANCE SHEET

Total assets declined by about 13.8% to CHF 651.6 million as at 30 June 2015 compared to CHF 755.9 million as at 31 December 2014. The main changes are outlined below.

### 1.4 Foreign currency effects

The total effect of foreign currency translation on the half-year financial statements for 2015 comes to a loss of CHF 40.4 million.

CHF 24.3 million of the above amount was charged directly to equity. This includes the share of unrealised foreign currency translation differences on long-term intercompany loans with characteristics of equity of CHF 16.0 million (see comment under 1.3), and additional measurement effects due to the translation of financial statements in foreign currencies into Swiss Francs, the Group currency (translation effects on the conversion of net assets), which amounted to CHF 8.3 million.

In addition, foreign currency translation differences of CHF 16.1 million were charged to the income statement. Most of this amount was related to unrealised foreign currency translation differences from long-term intercompany loans (CHF 13.2 million).

### **1.5 Net working capital**

Net working capital (excluding cash and cash equivalents) decreased by a total of around CHF 17.5 million compared to 31 December 2014. This decrease is associated in particular with the increase in the order backlog and received customer prepayments for ordered equipment as well as the reduction in trade receivables.

Cash and cash equivalents declined by a total of CHF 35.8 million in the reporting period. The company recorded negative operating cash flow of CHF 28.0 million in the first half of 2015. In addition, it posted foreign currency effects of CHF –3.5 million on cash and cash equivalents in the reporting period.

### **1.6 Long-term assets**

Long-term assets declined by CHF 63.5 million compared to 31 December 2014.

This is essentially due to scheduled depreciation and amortisation of CHF 28.1 million, the impairment of assets of Diamond Materials Tech Inc., Colorado Springs, USA (see comment under 1.10) of CHF 15.6 million as well as negative foreign currency effects of CHF 28.1 million.

### **1.7 Equity**

Equity (including non-controlling interests) decreased by CHF 117.1 million compared to 31 December 2014, mainly due to the following two circumstances:

Firstly, the equity of Meyer Burger Technology Ltd was impacted by the loss of CHF 93.0 million suffered in the first half of the year. Secondly, the equity position of the subsidiaries was reassessed and the foreign currency effects arising from long-term intercompany loans with characteristics of equity were recognised in equity (see also comment under 1.3).

The share capital of Meyer Burger Technology Ltd as at 30 June 2015 is divided into 90,510,332 registered shares with a nominal value of CHF 0.05 each. This corresponds to an increase of 618,988 shares compared to 31 December 2014. The increase is due to shares newly issued in connection with share-based payments.

## **NOTES TO THE INCOME STATEMENT**

For details of the income statement please refer to the sections “Net sales”, “Operating income after costs of products and services”, “Operating expenses” and “Financial result, taxes” in the management report on the first half-year 2015 on pages 4 to 6.

## OTHER INFORMATION

### 1.8 Segment reporting

As a globally active technology company, Meyer Burger Group puts its main business focus on the product portfolio. Meyer Burger has executed extensive restructuring and optimisation measures due to the difficult market environment and is currently still in a transition period. In parallel, the reporting system is continuously adapted and optimised to reflect the changes in the organisation. Although the optimisation process and the adaptations to the reporting systems are not completed yet, Meyer Burger Group is currently combining its activities in compliance with the commercial similarity and interlocking of the business units as well as the leadership structure into the reporting business segments "Photovoltaics&Alternative Materials" and "Specialised Technologies".

#### Segment revenue in first half 2015

in TCHF	Photovoltaics & Alternative Materials	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	90 904	33 521	124 425	–	124 425
Net sales intercompany	183	4 698	4 881	–4 881	–
<b>Net sales</b>	<b>91 087</b>	<b>38 219</b>	<b>129 306</b>	<b>–4 881</b>	<b>124 425</b>

#### Segment revenue in first half 2014

in TCHF	Photovoltaics & Alternative Materials	Specialised Technologies	Total	Consolidation	Total after consolidation
Net sales thirds	99 005	30 037	129 042	–	129 042
Net sales intercompany	–	4 040	4 040	–4 040	–
<b>Net sales</b>	<b>99 005</b>	<b>34 077</b>	<b>133 082</b>	<b>–4 040</b>	<b>129 042</b>

**Photovoltaics & Alternative Materials:** The "Photovoltaics & Alternative Materials" segment essentially comprises the core photovoltaic business and covers the wafering, solar cells, solar modules and solar systems processes with its range of systems, production equipment and services.

Meyer Burger pursues the long-term strategic technology approach of considering the total photovoltaic value chain and optimally harmonising technologies along the different processes (wafer, cells, modules, solar systems). Significant efficiency improvements in wafers, cells and modules can be achieved by using state-of-the-art technologies, which will offer our customers continuous substantial reductions in the total cost of ownership. The technologies developed for this purpose will also continue to be used to slice crystals and other hard and brittle materials for applications outside the solar industry.

**Specialised Technologies:** With Specialised Technologies, Meyer Burger employs the technologies that are successfully used in photovoltaics, particularly in the field of applying or removing layers on different substrates and materials, in a wide range of other high-tech markets. Microwave and plasma technologies from Muegge are used in organic and environmental technology. PiXDRO inkjet printing technology is used in the semiconductor industry as a pioneering technology. MicroSystems offers excellent solutions for surface treatment and sensor production with innovative plasma and ion beam technologies. Roth & Rau Ortnern supplies award-winning service and handling systems to clean room environments in the semiconductor industry. As a software development specialist, AIS manufactures control systems for factory automation, the automotive industry and other complex industrial processes. With this wide-ranging portfolio, Meyer Burger is perfectly positioned and can efficiently take an active approach to new trends in other industries on the basis of its existing core technologies.



As mentioned above, Meyer Burger currently manages its operations in different operating business units, which are combined into the reporting business segments "Photovoltaics & Alternative Materials" and "Specialised Technologies". Presenting segment results would provide much too detailed transparency with regards to cost and margin structures compared to our relevant competitors, and we would be the only company to show detailed profitability per segment. Our relevant competitors are mostly companies without publicly accessible financial information or they are large institutions with large reporting segments and correspondingly diluted comparable information. Therefore, a disclosure of segment results would create a significant competitive disadvantage for Meyer Burger compared to its competitors. In addition, such information could also have negative impacts on our negotiating position with customers and suppliers. Meyer Burger Group therefore does not disclose results by segment.

### **1.9 GT Advanced Technologies Inc. settlement**

Meyer Burger was able to assign its unsecured claim against GT Advanced Technologies Inc. ("GTAT") to Citigroup Financial Products Inc. ("Citigroup") at a discount. In order to reduce further legal costs and collection risks from the GTAT claim, Meyer Burger decided to assign the unsecured claim with all its rights and obligations to Citigroup for a cash settlement of approximately USD 13.9 million. The assignment of the unsecured claim was agreed between Meyer Burger and Citigroup on 29 April 2015 and was filed with the US Bankruptcy Court. The settlement became effective upon the approval of the US Bankruptcy Court for the District of New Hampshire in mid-June 2015. A book profit of USD 6.0 million (CHF 5.7 million) resulted in the first half of the year from the settlement and past valuation adjustments.

### **1.10 Impairment of assets of Diamond Materials Tech Inc., Colorado Springs, USA (DMT)**

In preparing the half-year financial statements, Meyer Burger identified signs of impairment of the assets of DMT as a result of disappointing business performance. Meyer Burger therefore reassessed the future cash flows and made impairment calculations on this basis. This resulted mainly in impairments of property, plant and equipment (production equipment) in the amount of CHF 5.5 million, on intangible assets (technology) of CHF 2.2 million and on deferred tax assets of CHF 7.9 million.

In total, this action led to a one-time write-off of approximately USD 16.9 million (CHF 16.0 million) which was charged to the 2015 income statement but had no impact on the cash position.

### **1.11 Related party transactions**

The related parties consist primarily of shareholders, members of the Board of Directors and of the Executive Board, and non-consolidated subsidiaries.

The company procures consultancy services from Meyerlustenberger Lachenal Attorneys at Law. Dr Alexander Vogel, a member of the Board of Directors, is a partner in this law firm. The scope of the services procured amounted to TCHF 199 in the first half of 2015 and TCHF 127 in the first half of 2014.

Of the compensation to related parties as described above, TCHF 93 (30 June 2014: TCHF 107) had not yet been paid as at 30 June 2015 and was recognised as a liability in the balance sheet.

All business relations with related parties are conducted at arm's length. No unusual transactions were effected with either the main shareholders or other related parties.

### **1.12 Contingent liabilities**

No contingent liabilities existed as at 30 June 2015.

### **1.13 Events after the reporting date**

Meyer Burger announced on 30 July 2015 that the cost structure and production capacity at the technology and product centre of Diamond Materials Tech Inc. (DMT), in Colorado Springs, USA, were to be further optimised. With this additional restructuring and focussing measure, DMT is responding to the strong continuing global pressure on prices and margins for diamond wire volume production in the photovoltaic industry. In future, the development and production of diamond wire solutions will be increasingly focussed on highly specialised applications outside of the PV industry.

This strategic decision and the subsequently implemented measures will lead to a workforce reduction of 46 employees at DMT's site in Colorado Springs. Through this and earlier steps taken in Colorado Springs, the operating cost base will decrease by more than USD 6 million in the 2016 financial year compared to the level at the beginning of 2015. With an optimised cost structure which has been adjusted to reflect its business volume, DMT should be able to achieve sustainable profitability.

The impairment of DMT's assets recognised in the half-year financial statements (see also comment under 1.10) is based on the best possible estimate of future business results and the successful implementation of the restructuring measures. We assume that the streamlining project will not incur any costs leading to a material change in Meyer Burger Group's net assets and results of operations as shown and that no further need for impairment will arise at DMT.

No events have occurred between 30 June and 10 August 2015 which would have a material effect on the recognised carrying amounts of assets and liabilities of Meyer Burger Group or which would have to be disclosed at this point.



Report on the Review of the  
Interim consolidated financial statements  
to the Board of Directors of  
Meyer Burger Technology AG  
Thun

According to your request, we have reviewed the interim consolidated financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes / pages 8 to 18) of Meyer Burger Technology AG for the period ended 30 June 2015.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

Our review was conducted in accordance with the Swiss Auditing Standard 910, which require that a review be planned and performed to obtain limited assurance about whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements have not been prepared, in all material respects, in accordance with the interim reporting provisions of Swiss GAAP FER 31.

PricewaterhouseCoopers AG

Rolf Johner  
Audit expert  
Auditor in charge

René Jenni  
Audit expert

Bern, 10 August 2015

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# INFORMATION FOR INVESTORS AND THE MEDIA

## REGISTERED SHARES MEYER BURGER TECHNOLOGY LTD

Swiss valor number	10850379
ISIN	CH0108503795
Listing	SIX Swiss Exchange
Ticker symbol	MBTN
Reuters	MBTN.S
Bloomberg	MBTN SW
Nominal value per registered share	CHF 0.05
Number of outstanding shares	90,510,332 as of 30 June 2015
Share price high/low 1 <sup>st</sup> Half-Year 2015	CHF 9.33/CHF 5.03
Closing price as of 30 June 2015	CHF 8.04

## 5% STRAIGHT BOND 2012–2017

Swiss valor number	18498778
ISIN	CH0184987789
Listing	SIX Swiss Exchange
Ticker symbol	MBT12
Reuters	MBTN
Bloomberg	MBTN SW
Coupon	5.00% per annum
Issued amount	CHF 130,000,000
Maturity	24 May 2017
Bond price high/low 1 <sup>st</sup> Half-Year 2015	99.00%/60.00%
Closing price as of 30 June 2015	95.00%

## 4% CONVERTIBLE BOND 2014–2020

Swiss valor number	25344513
ISIN	CH0253445131
Listing	SIX Swiss Exchange
Ticker symbol	MBT14
Reuters	MBTN
Bloomberg	MBTN SW
Coupon	4.00% per annum
Issued amount	CHF 100,000,000
Conversion price	CHF 11.39
Maturity	24 September 2020
Bond price high/low 1 <sup>st</sup> Half-Year 2015	95.00%/58.60%
Closing price as of 30 June 2015	92.00%

## OTHER INFORMATION

Accounting standard	Swiss GAAP FER
Auditors	PricewaterhouseCoopers AG
Share register	SIX SAG AG

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## IMPORTANT DATES

<b>22 March 2016</b>	<b>PUBLICATION FISCAL YEAR RESULTS 2015 ANALYST AND MEDIA CONFERENCE SIX SWISS EXCHANGE, ZURICH</b>
<b>3 May 2016</b>	<b>ORDINARY ANNUAL GENERAL MEETING STADE DE SUISSE, BERNE</b>
<b>17 August 2016</b>	<b>PUBLICATION HALF-YEAR RESULTS 2016 CONFERENCE CALL FOR ANALYSTS, MEDIA AND INVESTORS</b>

### **Declaration on forward-looking statements**

This document contains statements that constitute “forward-looking” statements, relating to Meyer Burger. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Meyer Burger at the time of preparing the Half-Year Report 2015. Meyer Burger does not undertake any obligation to update any forward-looking statements contained in these documents as a result of new information, future events or otherwise.

The Half-Year Report 2015 is also available in electronic form and in German. The original German language version is binding.

The documents are available on the company website [www.meyerburger.com](http://www.meyerburger.com)

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