



INTERIM REPORT 2015

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EXCELLENT FIGURES FOR FIRST HALF OF 2015

The Burkhalter Group closed the first half of 2015 with a better result than the first half of 2014, in which already outstanding results had been achieved. The Management Board therefore still anticipates earnings per share to also increase in the overall 2015 financial year.

Dear Shareholders

The Burkhalter Group's management can present an encouraging interim balance sheet as at 30 June 2015 for the 2015 financial year. The earnings per share improved by 7.4% on the previous year (30 June 2014) and increased to CHF 2.48 (previous year CHF 2.31). The operating result (EBIT) increased by 8.2% to CHF 18.3 million (previous year CHF 16.9 million), and the Group profit improved by 9.4% to CHF 14.9 million (previous year CHF 13.6 million). Sales were down 1.1% to CHF 244.4 million (previous year CHF 247.0 million). Earnings per share increased despite the slight fall in sales. This is due to additional efficiency enhancements to work processes.

Gaining additional market share through selective acquisitions

On 3 February 2015, the Burkhalter Group signed the contract for the purchase of the Kolb Group's electrical division and consequently expanded its presence in the Rheintal economic region. The Kolb Group's electrical division consists of four independent companies: Kolb Elektro AG, Kolb Elektro SBW AG, Kolb Elektro SBW Aktiengesellschaft in Schaan (FL) and Kolb el-consult AG. These four companies together employ some 110 people and generate joint annual sales of around CHF 19 million. The signed purchase contract was executed after the balance sheet date on 3 July 2015.

On 5 March 2015, Elektro Zeller AG in Murg was merged with Elektro Pizol AG in Sargans retroactively to 1 January 2015. Elektro Zeller will continue to operate as a branch in Murg. On 6 March 2015 – also retroactively to 1 January 2015 – Robert Widmer AG in Lucerne and Otto Hermann AG in Lucerne were merged. Otto Hermann will continue to operate as a branch in Lucerne.

In the middle of the 2015 financial year, the Burkhalter Group therefore comprised 39 independent companies at 95 locations throughout Switzerland. It remains part of the Group's strategy to gain additional market share by selectively acquiring other electrical engineering companies.

Outlook still excellent

As things stand now, the outlook for the overall financial year 2015 is very good. The Management Board of the Burkhalter Group therefore still anticipates earnings per share in the 2015 financial year to increase again on the previous year.



Gaudenz F. Domenig
Chairman of the Board of Directors



Marco Syfrig
CEO and Delegate of the Board of Directors

Zurich, 11 September 2015

CONSOLIDATED BALANCE SHEET

Assets (unaudited)

CHF thousand	31.12.2014	30.06.2015
Non-current assets		
Property, plant and equipment	5,574	5,632
Investments in joint ventures	12,563	15,413
Financial assets	4,676	4,105
Total non-current assets	22,813	25,150
Current assets		
Inventories	8,733	8,776
Receivables from work in progress	66,369	80,358
Trade receivables due from third parties	54,996	47,707
Other receivables	3,190	6,886
Prepayments and accrued income	5,574	7,868
Income tax assets	349	1,759
Securities	883	885
Cash and cash equivalents	53,673	14,842
Total current assets	193,767	169,081
Total assets	216,580	194,231

CONSOLIDATED BALANCE SHEET

Liabilities (unaudited)

CHF thousand	Notes	31.12.2014	30.06.2015
Equity			
Share capital	2	240	240
Capital reserves	2	3,783	3,917
Treasury shares		-424	-237
Retained earnings		89,897	74,637
Total equity before minority interests		93,496	78,557
Minority interests		166	5
Total equity		93,662	78,562
Non-current liabilities			
Provisions		5,849	6,359
Deferred tax liabilities		5,333	5,330
Total non-current liabilities		11,182	11,689
Current liabilities			
Liabilities from work in progress		34,993	30,494
Trade payables to third parties		23,598	23,081
Income tax payable		8,523	5,323
Other liabilities		10,323	9,451
Prepayments and accrued income		34,299	35,631
Total current liabilities		111,736	103,980
Total liabilities		122,918	115,669
Total liabilities and equity		216,580	194,231

CONSOLIDATED INCOME STATEMENT (unaudited)

CHF thousand	Notes	01.01.2014– 30.06.2014	01.01.2015– 30.06.2015
Net revenue from goods and services	4	232,749	248,592
Changes to work in progress	4	14,293	-4,170
Other operating income		1,912	1,686
Income from joint ventures		1,994	2,850
Gains on disposal of non-current assets		76	64
Total operating income		251,024	249,022
Cost of materials		-68,620	-63,739
Third-party services		-17,855	-17,741
Personnel expenses		-121,637	-123,854
Other operating expenses		-24,777	-24,566
Earnings before interest, tax, depreciation and amortisation (EBITDA)		18,135	19,122
Amortisation of intangible assets		-288	-
Depreciation of property, plant and equipment		-969	-860
Operating result (EBIT)	4	16,878	18,262
Financial income		106	70
Financial expenses		-165	-145
Earnings before tax (EBT)		16,819	18,187
Income tax		-3,207	-3,293
Group profit		13,612	14,894
of which attributable to shareholders of Burkhalter Holding Ltd		13,590	14,892
of which attributable to minority interests		22	2
Earnings per share (in CHF)			
- basic		2.31	2.48
- diluted		2.31	2.48

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

CHF thousand	Share capital	Capital reserves	Treasury shares	Retained earnings	Total without minority interests	Minority interests	Total incl. minority interests
Equity as at 01.01.2014	240	26,974	-728	61,825	88,311	159	88,470
Group profit	-	-	-	13,590	13,590	22	13,612
Distribution from reserves from capital contributions	-	-23,363	-	-	-23,363	-	-23,363
Dividend	-	-	-	-2,995	-2,995	-46	-3,041
Goodwill	-	-	-	-362	-362	-	-362
Acquisition of treasury shares	-	-	-3,236	-	-3,236	-	-3,236
Disposal of treasury shares	-	122	3,381	-	3,503	-	3,503
Equity as at 30.06.2014	240	3,733	-583	72,058	75,448	135	75,583
Equity as at 01.01.2015	240	3,783	-424	89,897	93,496	166	93,662
Group profit	-	-	-	14,892	14,892	2	14,894
Dividend	-	-	-	-29,979	-29,979	-6	-29,985
Purchase of minority interests	-	-	-	-173	-173	-157	-330
Acquisition of treasury shares	-	-	-2,189	-	-2,189	-	-2,189
Disposal of treasury shares	-	134	2,376	-	2,510	-	2,510
Equity as at 30.06.2015	240	3,917	-237	74,637	78,557	5	78,562

The retained earnings include gains that cannot be distributed totalling CHF 11,897,000 (CHF 10,942,000 on 30.06.2014).

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

CHF thousand	Notes	01.01.2014– 30.06.2014	01.01.2015– 30.06.2015
Profit before income tax		16,819	18,187
Depreciation, amortisation and impairment		1,257	860
Gain on disposal of non-current assets		-76	-64
Creation of provisions		1,691	510
Change in impairments		-115	-455
Income from joint ventures		-1,994	-2,850
Financial income		-106	-70
Financial expenses		165	145
Change in inventories / work in progress		-12,297	-19,580
Change in trade receivables		11,681	7,744
Changes to other receivables and accruals		-8,079	-5,990
Change in securities / investments		15	4
Change in current trade payables		-645	-517
Changes to other current liabilities and deferrals		-1,634	460
Income tax paid		-5,697	-7,906
Cash flow from operating activities		985	-9,522
Acquisition of property, plant, equipment and intangible assets		-680	-966
Additions to financial assets		-651	-5
Income from disposal of non-current assets		93	112
Income from disposal of financial assets		1,050	1,625
Interest received and income from securities		102	64
Acquisition of subsidiaries, net of cash acquired	1	-283	-
Cash flow from investing activities		-369	830
Purchase of minority interests	1	-	-330
Acquisition of treasury shares		-3 236	-2 189
Disposal of treasury shares		3,503	2,510
Interest paid and financial expenses		-162	-145
Dividend payments to minority interests		-46	-6
Distribution from reserves from capital contributions to Burkhalter shareholders	2	-23,363	-
Dividend payments to Burkhalter shareholders	2	-2,995	-29,979
Cash flow from financing activities		-26,299	-30,139
Net decrease in cash and cash equivalents		-25,683	-38,831
Cash and cash equivalents as at 1 January		53,636	53,673
Cash and cash equivalents as at 30 June		27,953	14,842

EXPLANATORY INFORMATION TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Group accounting policies

Burkhalter Holding Ltd, which is domiciled in Zurich, is the holding company of the Burkhalter Group. The consolidated interim financial statements comprise Burkhalter Holding Ltd and its subsidiaries as well as investments in joint ventures.

The consolidated interim financial statements cover the six-month period ending on 30 June 2015 (reporting period) and were drawn up in compliance with the Swiss GAAP Accounting and Reporting Regulations (Swiss GAAP ARR 31). The consolidated interim financial statements do not include all the details presented in the consolidated annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2014.

Changes to accounting policies and valuation principles

The accounting policies used in preparing the consolidated interim financial statements correspond to the Group accounting policies applied to the 2014 consolidated financial statements.

The consolidated interim financial statements were approved for publication by the Board of Directors on 11 September 2015. The figures contained in the consolidated interim financial statements have not been audited.

Segment reporting

Segments must be determined by the company and presented on the basis of the internal information that is provided to the top level of company management, i.e. for the Burkhalter Group, the Board of Directors and the CEO (hereinafter the «Board of Directors»).

The Burkhalter Group is the leading one-stop provider of electrical engineering services to the construction sector (residential and non-residential buildings as well as infrastructure facilities) in Switzerland.

The electrical engineering segment in the broadest sense is involved with electricity and/or the management of electrical machines and installations. Electrical engineering begins at the power utility company and includes all the processes that culminate in the management of electrical machines and installations for the end user. The Burkhalter Group concentrates on electrical engineering services for buildings (all buildings including infrastructure facilities). The Burkhalter Group excludes the electricity grid which deals with the transportation of energy to the place of consumption (building) from its spectrum of services.

The electrical engineering services provided by the Burkhalter Group thus begin at the place of consumption, i.e. from the storage of energy at the building. The Burkhalter Group offers its customers comprehensive electrical engineering services in and on buildings (installations, switchboards, services, telematics, automation, security). The management of the entire Group is focused on the management of the individual companies. The overall figures are not broken down for the different segments. As of 30 June 2015, the Burkhalter Group comprised a total of 39 operating companies throughout Switzerland, all of which provide electrical engineering services. Generally speaking, all the companies provide the above services. Thus, the Burkhalter Group is able to respond to customer needs in an optimum fashion in its capacity as a competitive entrepreneurial company with devolved individual responsibility and is a competent partner for projects of all sizes.

The Board of Directors is regularly provided with financial information and reports on the individual operating companies. Resources are allocated on the basis of these reports.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Acquisitions

2015

The following changes were made to the scope of consolidation in the first half of 2015:

The contract for the purchase of the Kolb Group's electrical division was signed on 3 February 2015. The Kolb Group consists of four independent companies: Kolb Elektro AG in Oberriet, Kolb Elektro SBW AG in Haag, Kolb Elektro SBW Aktiengesellschaft in Schaan (FL) and Kolb el-Consult AG in Oberriet. These four companies together employ some 110 people and generate joint annual sales of around CHF 19 million. The purchase contract was executed after the balance sheet date on 3 July 2015.

On 5 March 2015, Elektro Zeller AG in Murg was merged with Elektro Pizol AG in Sargans retroactively to 1 January 2015. Elektro Zeller will continue to operate as a branch in Murg.

On 6 March 2015 – also retroactively to 1 January 2015 – Robert Widmer AG in Lucerne and Otto Hermann AG in Lucerne were merged. Otto Hermann will continue to operate as a branch in Lucerne.

On 1 June 2015, the minority interest of 5% in Triulzi AG in St. Moritz was acquired at a price of CHF 330,000. As a result, Burkhalter Holding Ltd owns 100% of Triulzi AG.

2014

The following changes were made to the scope of consolidation in the first half of 2014:

Elektro Zeller AG

Elektro Zeller AG in Murg was acquired on 6 January 2014. This company is fully consolidated. The purchase price of CHF 600,000 was paid in cash (CHF 550,000) and with a liability (CHF 50,000) which matures in 2016.

Wiedmann Elektro AG in Derendingen was merged with Sergio Lo Stanco Elektro AG in Biberist on 1 January 2014.

2. Equity

The share capital is divided into 5,998,149 shares (previous year 5,998,149) with a par value of CHF 0.04 (previous year CHF 0.04) each and is fully paid up.

A dividend of CHF 5.00 per share was approved at the Shareholders' Meeting on 22 May 2015. This distribution was only paid on the outstanding shares and amounted to CHF 29,979,000.

3. Consolidated balance sheet

Other receivables and accruals

"Other receivables and accruals" include annual insurance premiums and licence fees paid in advance. This item is higher than in the 2014 annual financial statements.

4. Consolidated income statement

Seasonal fluctuation and business fluctuation in the course of the year

Experience has shown that the Burkhalter Group's sales in the course of the year are subject to seasonal fluctuation. Generally speaking, earnings are much stronger in the second half of the year, with the fourth quarter seeing the highest earnings for the year. Apart from seasonal fluctuation, special events such as large projects can have a significant impact on the results for one half of the year.

Revenue from trade accounts

Compared to the prior-year period, sales decreased slightly by 1.1% in the first six months.

EBIT

EBIT improved in the first half of 2015 by 8.2% from CHF 16,878,000 to CHF 18,262,000.

5. Contingent liabilities

The contingent liabilities (joint and several guarantees related to associations and building consortia) have not changed significantly compared to the previous year.

6. Events after the balance sheet date

No events occurred between 30 June 2015 and 11 September 2015 that would require an adjustment to the carrying amounts of the Group's assets and liabilities.



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