



INTERIM REPORT 2016

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FIRST HALF OF 2016 BRINGS VERY GOOD RESULTS

The Burkhalter Group ended the first half of 2016 with an excellent result and once again improved on all relevant key figures. As the construction sector in Switzerland remains lively, the Burkhalter Group's management still expects to be able once again to increase the earnings per share in the 2016 financial year.

Dear Shareholders

The Burkhalter Group's management can present a very encouraging interim balance sheet as at 30 June 2016 for the 2016 financial year. The earnings per share improved by 8.9% from CHF 2.48 to CHF 2.70 on the previous year (30 June 2015). The operating result (EBIT) increased by 8.0% to CHF 19.7 million (previous year CHF 18.3 million), and the Group profit firmed by 8.5% to CHF 16.2 million (previous year CHF 14.9 million). At CHF 244.4 million, sales were more or less on a par with the previous year.

The Burkhalter Group celebrates its employees

The ever-greater success enjoyed by the Burkhalter Group is down to the hard work done by its employees. On 24 June 2016, the Group put on a big event entitled «Let US celebrate!» in Zurich's Dielsdorf district to thank staff for their dedication, flexibility and loyalty.

Gaining additional market share through selective acquisitions

The Burkhalter Group strengthened its presence on the western shore of Lake Zurich by acquiring M + H Elektro AG and Jurt Elektro AG in Lachen in the canton of Schwyz with effect from 4 July 2016. Both companies have been operating in the electrical market since 1993 and offer traditional electrical engineering services.

As of the reporting date, the Burkhalter Group comprised 43 independent electrical engineering companies in 99 locations in Switzerland. It remains part of the group's strategy to gain additional market shares by selectively acquiring other electrical engineering companies.

Outlook optimistic

As in previous years, the objective of the Burkhalter Group's management is to increase earnings per share in the current financial year as well, a realistic prospect as things stand.



Gaudenz F. Domenig
Chairman of the Board of Directors



Marco Syfrig
CEO and Delegate of the Board of Directors

Zurich, 07 September 2016

CONSOLIDATED BALANCE SHEET

Assets (unaudited)

CHF thousand	Notes	31.12.2015	30.06.2016
Non-current assets			
Property, plant and equipment		6,040	6,553
Investments in joint ventures		19,305	22,301
Financial assets		6,104	5,626
Total non-current assets		31,449	34,480
Current assets			
Inventories		9,233	9,239
Receivables from work in progress		69,103	85,775
Trade receivables		56,290	42,435
Other current receivables	3	2,529	7,157
Prepayments	3	5,221	9,150
Income tax assets		988	2,841
Securities		858	858
Cash and cash equivalents		55,169	15,653
Total current assets		199,391	173,108
Total assets		230,840	207,588

CONSOLIDATED BALANCE SHEET

Liabilities (unaudited)

CHF thousand	Notes	31.12.2015	30.06.2016
Equity			
Share capital		240	240
Capital reserves		3,931	3,969
Treasury shares		-275	-172
Retained earnings		92,784	77,465
Total equity before minority interests	2	96,680	81,502
Minority interests		8	4
Total equity		96,688	81,506
Non-current liabilities			
Provisions		6,075	6,976
Deferred tax liabilities		5,046	5,022
Total non-current liabilities		11,121	11,998
Current liabilities			
Liabilities from work in progress		46,510	43,545
Trade payables		22,968	18,786
Income tax payable		5,742	4,232
Other current liabilities		13,281	10,452
Accrued income		34,530	37,069
Total current liabilities		123,031	114,084
Total liabilities		134,152	126,082
Total liabilities and equity		230,840	207,588

CONSOLIDATED INCOME STATEMENT (unaudited)

CHF thousand	Notes	01.01.2015– 30.06.2015	01.01.2016– 30.06.2016
Net revenue from goods and services	4	248,592	225,340
Change to work in progress	4	-4,170	19,025
Other operating income		1,686	2,628
Income from joint ventures		2,850	2,996
Gains on disposal of non-current assets		64	85
Total operating income		249,022	250,074
Cost of materials		-63,739	-64,362
Third-party services		-17,741	-11,938
Personnel expenses		-123,854	-129,232
Other operating expenses		-24,566	-23,865
Earnings before interest, tax, depreciation and amortisation (EBITDA)		19,122	20,677
Depreciation of property, plant and equipment		-860	-955
Operating result (EBIT)	4	18,262	19,722
Financial income		70	42
Financial expenses		-145	-172
Earnings before tax (EBT)		18,187	19,592
Income tax		-3,293	-3,424
Group profit		14,894	16,168
of which attributable to shareholders of Burkhalter Holding Ltd		14,892	16,167
of which attributable to minority interests		2	1
Earnings per share (in CHF)			
- basic		2.48	2.70
- diluted		2.48	2.70

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 01.01.2015	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
Acquisition 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
Equity as at 01.01.2016	240	3,931	-275	92,784	96,680	8	96,688
Group profit	-	-	-	16,167	16,167	1	16,168
Dividend	-	-	-	-31,486	-31,486	-5	-31,491
Acquisition of treasury shares	-	-	-1,845	-	-1,845	-	-1,845
Disposal of treasury shares	-	38	1,948	-	1,986	-	1,986
Equity as at 30.06.2016	240	3,969	-172	77,465	81,502	4	81,506

The retained earnings include gains that cannot be distributed totalling CHF 12,147,000 (CHF 11,897,000 on 30.06.2015).

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

CHF thousand	Notes	01.01.2015– 30.06.2015	01.01.2016– 30.06.2016
Profit before income tax		18,187	19,592
Depreciation, amortisation and impairment		860	955
Gain on disposal of non-current assets		-64	-85
Creation of provisions		510	901
Change in impairments		-455	-476
Income from joint ventures		-2,850	-2,996
Financial income		-70	-42
Financial expenses		145	172
Change in inventories / work in progress		-19,580	-19,643
Change in trade receivables		7,744	14,331
Changes to other receivables and accruals		-5,990	-8,557
Change in securities / investments		4	6
Change in current trade payables		-517	-4,182
Changes to other current liabilities and deferrals		460	-140
Income tax paid		-7,906	-6,811
Cash flow from operating activities		-9,522	-6,975
Acquisition of property, plant and equipment		-966	-1,521
Additions to financial assets		-5	-124
Income from disposal of non-current assets		112	138
Income from disposal of financial assets		1,625	602
Interest received and income from securities		64	36
Conditional or deferred purchase price payment		-	-150
Cash flow from investing activities		-830	-1,019
Acquisition of minority interests		-330	-
Acquisition of treasury shares		-2,189	-1,845
Disposal of treasury shares		2,510	1,986
Interest paid and financial expenses		-145	-172
Dividend payments to minority interests		-6	-5
Dividend payments to Burkhalter shareholders	2	-29,979	-31,486
Cash flow from financing activities		-30,139	-31,522
Net decrease in cash and cash equivalents		-38,831	-39,516
Cash and cash equivalents as at 1 January		53,673	55,169
Cash and cash equivalents as at 30 June		14,842	15,653

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 2016 (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 2015.

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 2015 consolidated financial statements.

The consolidated interim financial statements were approved for publication by the Board of Directors on 07 September 2016. 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 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 2016, the Burkhalter Group comprised a total of 43 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

2016

There were no changes in the scope of consolidation in the first half of 2016.

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 (Principality of Liechtenstein) 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.

Elektro Zeller AG in Murg was merged with Elektro Pizol AG in Sargans on 5 March 2015. Elektro Zeller will continue to operate as a branch in Murg.

On 6 March 2015, Robert Widmer AG in Lucerne merged with Otto Hermann AG in Lucerne. 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, the Burkhalter Group owns 100% of Triulzi AG.

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 5.25 per share was approved at the Shareholders' Meeting on 20 May 2016. This distribution was only paid on the outstanding shares and amounted to CHF 31,486,000.

The Shareholders' Meeting also approved the creation of authorised capital in the form of up to 350,000 shares.

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 2015 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

There was only a negligible fall in sales year on year in the first six months.

EBIT

EBIT improved in the first half of 2016 by 8.0% from CHF 18,262,000 to CHF 19,722,000.

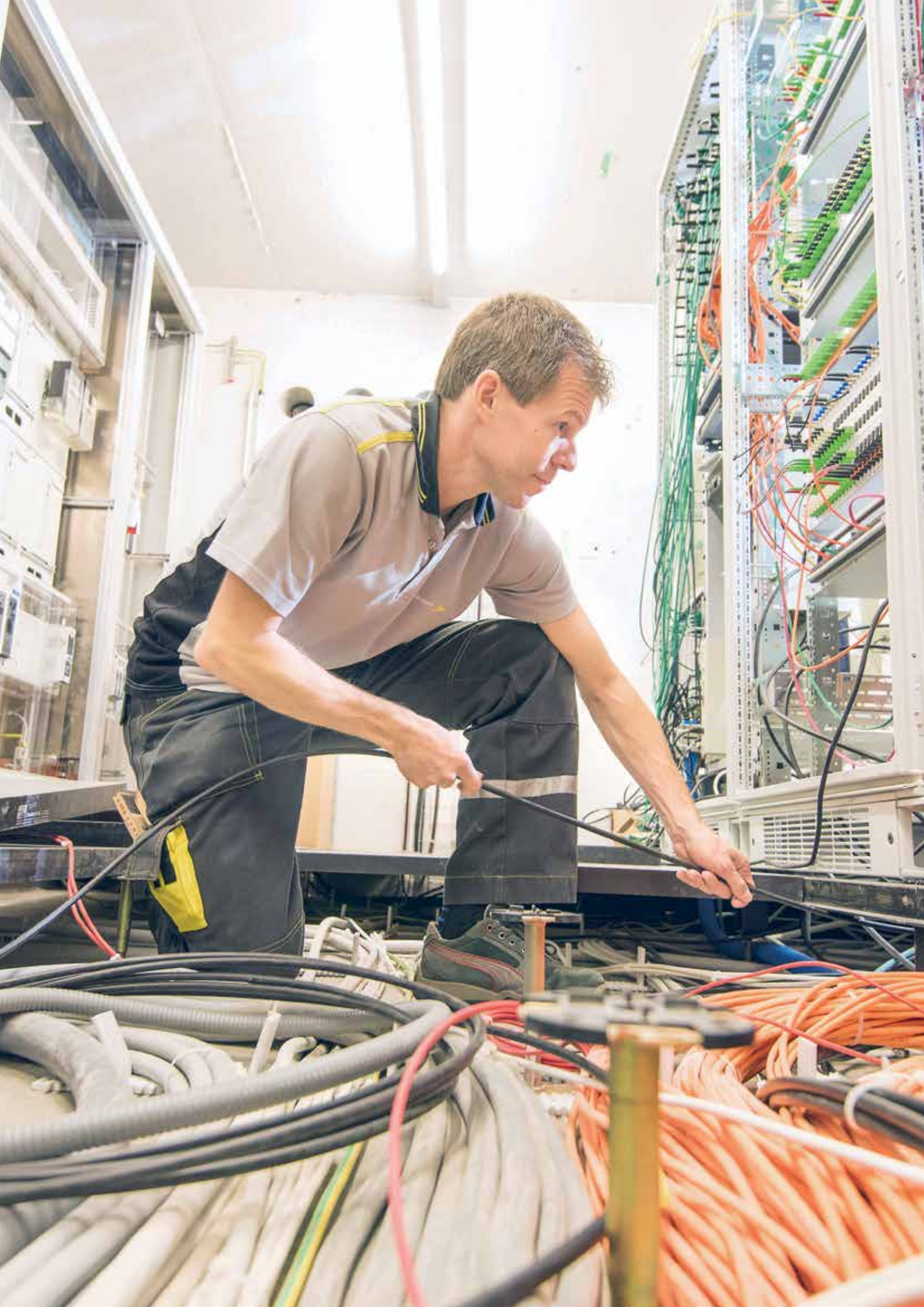
5. Contingent liabilities

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

The company M+H Elektro AG and its subsidiary Jurt Elektro AG, both based in Lachen in the canton of Schwyz, were acquired on 4 July 2016. The purchase price in the amount of CHF 1,500,000 was paid in cash (CHF 1,300,000) and with a liability (CHF 200,000) which matures in 2018. Together they employ 33 people and generate joint annual sales of around CHF 5.5 million.

No other events occurred between 30 June 2016 and 7 September 2016 which would require any adjustments to the book values of the Group's assets and liabilities.



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