

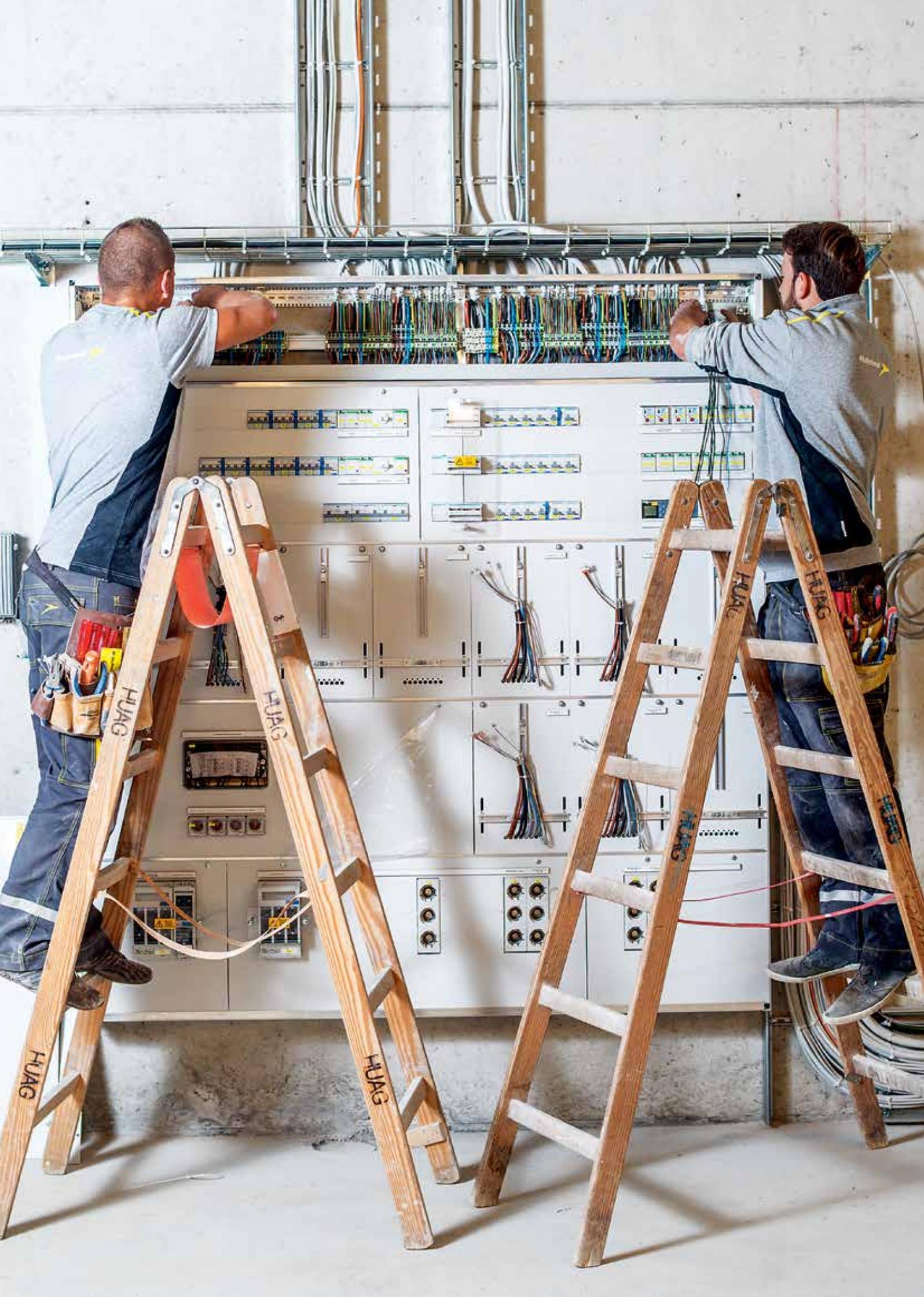


INTERIM REPORT 2017



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2017 HALF-YEAR RESULTS AS EXPECTED

As expected and as previously announced, the Burkhalter Group closed the first half of 2017 with a slight increase in operating profit and a reduction of -8.3% in Group profit. This is due to a fall in income from Alpiq Burkhalter Technik AG, a 50% joint venture between Burkhalter Holding Ltd and Alpiq Intec AG. A similar trend is expected for the second half of 2017.

Dear Shareholders

The outlook with which the Burkhalter Group started the 2017 financial year has proved right after the first six months. Despite a slight increase in the operating profit (without joint venture $+2.7\%$), the Group profit has decreased by -8.3% , which is due to income from Alpiq Burkhalter Technik AG falling from CHF 2.996 million in the first half of 2016 to CHF 1.294 million in the first half of 2017. This fall is attributable to work on the Gotthard Base Tunnel, which is almost complete.

The earnings per share decreased by -8.5% on the previous year ($+8.9\%$) to CHF 2.47 (previous year CHF 2.70). The operating result (EBIT) fell by -6.3% to CHF 18.5 million (previous year CHF 19.7 million), and the Group profit decreased by -8.3% to CHF 14.8 million (previous year CHF 16.2 million). At CHF 247.6 million, sales were more or less on a par with the previous year (244.4 million).

Growth through selective acquisitions

The Burkhalter Group purchased Bieri Elektrotechnik AG in Uetendorf on 9 January 2017. The company builds switchgear assemblies and has been operating in the electrical market since 1989. Its products range from installation distributors for private households and large-scale system assemblies with measuring fields for commercial and industrial use through to control cabinets for building automation and measuring and control technology applications.

As of 30 June 2017, the Burkhalter Group comprised 45 independent electrical engineering companies in 99 locations in Switzerland. Bieri Elektrotechnik AG is the 19th acquisition by the Burkhalter Group since its IPO in June 2008. It remains a part of the Group's strategy to achieve inorganic growth via the targeted purchase of other Swiss electrical engineering companies. The Burkhalter Group is always on the lookout for good companies and is regularly engaged in negotiations. However, as the Group is profit-oriented and acquisitions are only made selectively and at fair prices, it is difficult to say in advance when the next acquisition will take place.

Outlook

As a result of the fall in income from Alpiq Burkhalter Technik AG, the Burkhalter Group's management currently anticipates that earnings per share will decline in the 2017 financial year compared with the 2016 financial year.



Gaudenz F. Domenig
Chairman of the Board of Directors



Marco Syfrig
CEO and Delegate of the Board of Directors

Zurich, 15 September 2017

CONSOLIDATED BALANCE SHEET

Assets (unaudited)

CHF thousand	Notes	31.12.2016	30.06.2017
Non-current assets			
Property, plant and equipment		6,532	6,052
Investments in joint ventures		13,812	2,606
Financial assets		5,536	5,311
Total non-current assets		25,880	13,969
Current assets			
Inventories		8,893	9,053
Receivables from work in progress		71,395	78,396
Trade receivables		54,489	45,096
Other current receivables	3	1,935	6,528
Prepayments	3	5,523	8,508
Income tax assets		454	2,247
Securities		943	943
Cash and cash equivalents		57,244	25,385
Total current assets		200,876	176,156
Total assets		226,756	190,125

CONSOLIDATED BALANCE SHEET

Liabilities (unaudited)

CHF thousand	Notes	31.12.2016	30.06.2017
Equity			
Share capital		240	240
Capital reserves		3,996	4,004
Treasury shares		-27	-54
Retained earnings		96,378	77,011
Total equity before minority interests	2	100,587	81,201
Minority interests		7	4
Total equity		100,594	81,205
Non-current liabilities			
Provisions		6,157	7,037
Deferred tax liabilities		5,225	5,436
Total non-current liabilities		11,382	12,473
Current liabilities			
Liabilities from work in progress		39,340	27,351
Trade payables		22,564	17,944
Income tax payable		3,468	2,085
Other current liabilities		12,931	12,231
Accrued income		36,477	36,836
Total current liabilities		114,780	96,447
Total liabilities		126,162	108,920
Total liabilities and equity		226,756	190,125

CONSOLIDATED INCOME STATEMENT (unaudited)

CHF thousand	Notes	01.01.2016– 30.06.2016	01.01.2017– 30.06.2017
Net revenue from goods and services	4	244,365	247,561
Other operating income		2,628	1,463
Income from joint ventures		2,996	1,294
Gains on disposal of non-current assets		85	106
Total operating income		250,074	250,424
Cost of materials		-64,362	-63,491
Third-party services		-11,938	-12,887
Personnel expenses		-129,232	-129,910
Other operating expenses		-23,865	-24,743
Earnings before interest, tax, depreciation and amortisation (EBITDA)		20,677	19,393
Depreciation of property, plant and equipment		-955	-918
Operating result (EBIT)	4	19,722	18,475
Financial income		42	90
Financial expenses		-172	-145
Earnings before tax (EBT)		19,592	18,420
Income tax		-3,424	-3,597
Group profit		16,168	14,823
of which attributable to shareholders of Burkhalter Holding Ltd		16,167	14,821
of which attributable to minority interests		1	2
Earnings per share (in CHF)			
– basic		2.70	2.47
– diluted		2.70	2.47

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 01.01.2016	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
Equity as at 01.01.2017	240	3,996	-27	96,378	100,587	7	100,594
Group profit	-	-	-	14,821	14,821	2	14,823
Dividend	-	-	-	-32,985	-32,985	-5	-32,990
Goodwill	-	-	-	-1,203	-1,203	-	-1,203
Acquisition of treasury shares	-	-	-1,796	-	-1,796	-	-1,796
Disposal of treasury shares	-	8	1,769	-	1,777	-	1,777
Equity as at 30.06.2017	240	4,004	-54	77,011	81,201	4	81,205

The retained earnings include gains that cannot be distributed totalling CHF 12,196,000 (CHF 12,147,000 on 30.06.2016).

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

CHF thousand	Notes	01.01.2016– 30.06.2016	01.01.2017– 30.06.2017
Profit before income tax		19,592	18,420
Depreciation		955	918
Gain on disposal of non-current assets		-85	-106
Creation of provisions		901	839
Change in impairments		-476	-381
Income from joint ventures		-2,996	-1,294
Dividend payment joint ventures		-	12,500
Financial income		-42	-91
Financial expenses		172	145
Change in inventories / work in progress		-19,643	-19,057
Change in trade receivables		14,331	10,496
Changes to other receivables and accruals		-8,557	-7,498
Change in securities / investments		6	6
Change in current trade payables		-4,182	-4,858
Changes to other current liabilities and deferrals		-140	-143
Income tax paid		-6,811	-6,696
Cash flow from operating activities		-6,975	3,200
Acquisition of property, plant and equipment		-1,521	-430
Additions to financial assets		-124	-118
Income from disposal of non-current assets		138	119
Income from disposal of financial assets		602	618
Interest received and income from securities		36	85
Investments in subsidiaries, net of cash acquired		-	-1,587
Conditional or deferred purchase price payment		-150	-593
Cash flow from investing activities		-1,019	-1,906
Acquisition of treasury shares		-1,845	-1,796
Disposal of treasury shares		1,986	1,777
Interest paid and financial expenses		-172	-144
Dividend payments to minority interests		-5	-5
Dividend payments to Burkhalter shareholders	2	-31,486	-32,985
Cash flow from financing activities		-31,522	-33,153
Net decrease in cash and cash equivalents		-39,516	-31,859
Cash and cash equivalents as at 1 January		55,169	57,244
Cash and cash equivalents as at 30 June		15,653	25,385

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 2017 (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 2016.

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 2016 consolidated financial statements.

The consolidated interim financial statements were approved for publication by the Board of Directors on 15 September 2017. 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 to the construction sector (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 to the construction sector (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 2017, the Burkhalter Group comprised a total of 45 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. Changes in the scope of consolidation

2017

The following changes were made to the scope of consolidation in the first half of 2017:

CM Bieri Holding AG in Zäziwil, together with its subsidiary, Bieri Elektrotechnik AG in Thun, was acquired on 9 January 2017. The two companies have 20 employees and generate around CHF 5.5 million in annual sales. The purchase price in the amount of CHF 2,500,000 was paid in cash (CHF 2,250,000) and with a liability (CHF 250,000). The liability matures in 2019.

Jurt Elektro AG was merged with M + H Elektro AG on 16 May 2017; both companies are based in Lachen.

BGV Holding SA in Sion was merged with Burkhalter Holding Ltd in Zurich on 29 June 2017.

2016

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

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 5.50 per share was approved at the Shareholders' Meeting on 19 May 2017. This distribution was only paid on the outstanding shares and amounted to CHF 32,895,000.

The 2016 Shareholders' Meeting had 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 2016 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 increase in sales year on year in the first six months.

EBIT

EBIT fell in the first half of 2017 by 6.3% from CHF 19,722,000 to CHF 18,475,000. This is primarily attributable to the fall in income from joint ventures.

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 other events occurred between 30 June 2017 and 15 September 2017 which would require any adjustments to the book values of the Group's assets and liabilities.



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