

Press Release

Thun, 1 March 2017

Meyer Burger focusses product portfolio – Wire production for diamond wire in Colorado Springs to be discontinued

Meyer Burger Technology Ltd (SIX Swiss Exchange: MBTN) decided to discontinue the proprietary wire production for diamond wire at Diamond Materials Tech Inc. (DMT) in Colorado Springs, USA. Important technology know-how will be transferred to the Technology and Product Center in Thun.

DMT has been facing a continuing global pressure on prices and margins for diamond wire volume production for quite some time. The company has executed several cost optimisations, capacity adjustments and restructuring measures since 2012. Despite this and due to the fact that diamond wire production in the solar industry has become a commodity business over the cycle, DMT has not been able to develop the diamond wire production into a profitable business unit. The Executive Board and the Board of Directors have thus decided to discontinue DMT's diamond wire production.

This decision does not influence the strategically important product line of diamond wire based cutting equipment, such as the industrially proven DW 288, which is used for the production of high quality silicon and sapphire wafers. Customers will be able to obtain suitable diamond wire for the DW 288 Series 3 and future developments of the diamond wire cutting technologies from third parties.

As a result of the strategic decision concerning DMT, Meyer Burger can reduce its annualised operating cost base by about CHF 10 million as of the second half of 2017. The decision will lead to a workforce reduction of 72 employees in Colorado Springs.

Impact on the fiscal year 2016 results

The decision to discontinue wire production at DMT will lead to one-time non-cash related depreciation and impairment of inventory, technology and manufacturing equipment in an amount of about CHF 12 million, which will be reflected in the income statement as extraordinary result in a separate line directly above the earnings before taxes.

Based on preliminary results Meyer Burger achieved a volume in new orders of CHF 456 million (2015: CHF 418.9 million). Net sales increased by 40% compared to the previous year and reached CHF 453 million (2015: CHF 323.6 million). EBITDA was positive at about CHF 10.5 million (2015: negative EBITDA of CHF -55.9 million). This result includes, as previously communicated, one-time extraordinary expenses in conjunction with the structural programme of approximately CHF 3.5 million.

"The decision to discontinue this business activity of DMT has not been an easy one. But it is an important and necessary step on our path to quickly and sustainably improve profitability of the entire Meyer Burger Group, and thereby secure the successful and long-term future of the company", says Hans Brändle, CEO of Meyer Burger Technology Ltd.

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Further information to the fiscal year 2016 results as well as the Annual Report 2016 will be published on 22 March 2017.

About Meyer Burger Technology Ltd
www.meyerburger.com

Meyer Burger is a leading global technology company specialising on 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.

Meyer Burger's offering in systems, production equipment and services along the photovoltaic value chain includes 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 company's 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. The company is also working intensively to develop new markets such as South America, Africa and the Arab region. The registered shares of Meyer Burger Technology Ltd are listed on the SIX Swiss Exchange (Ticker: MBTN).

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