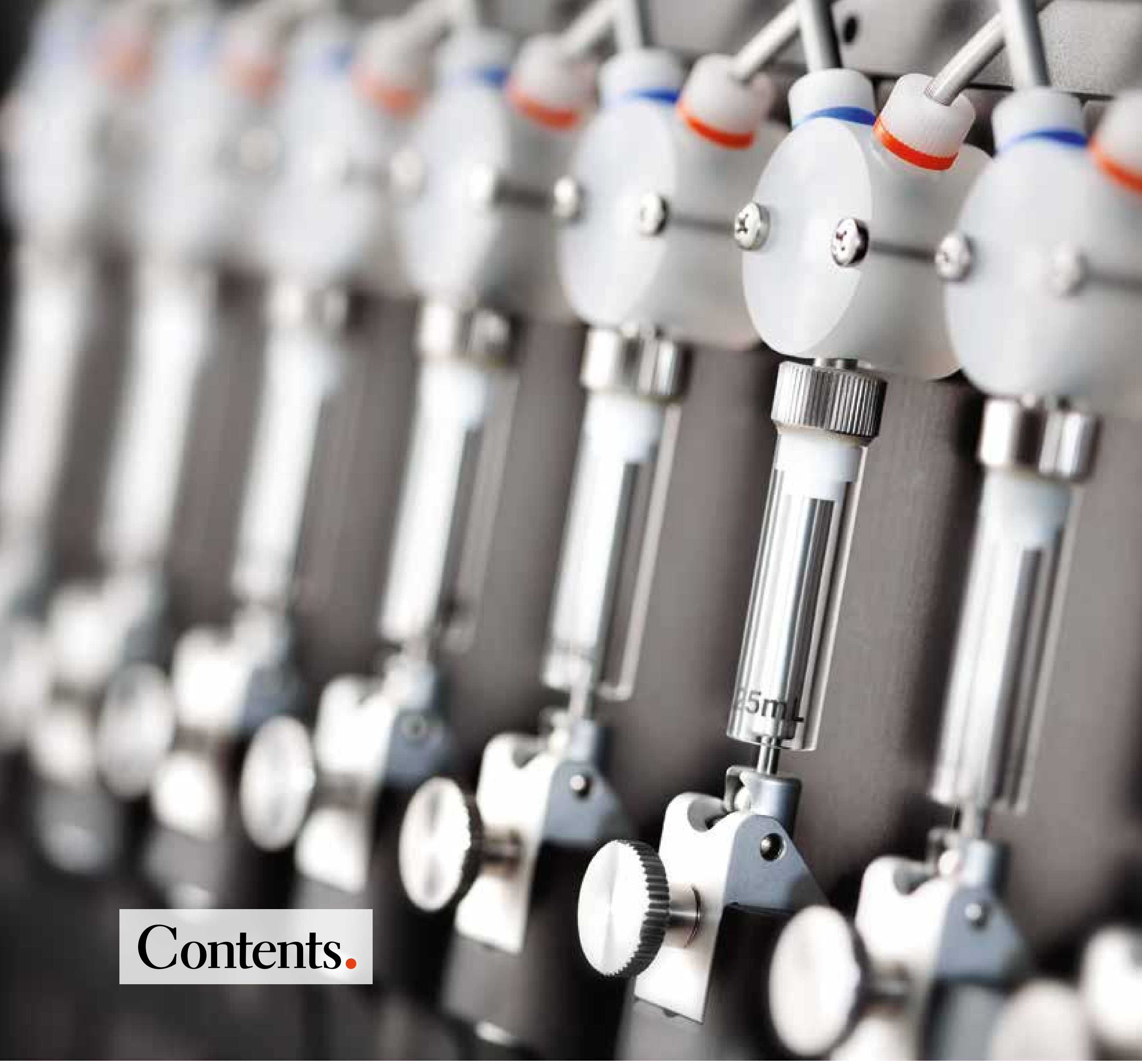
Every lab.
Every day.
Empowered.



Contents.

Dear Shareholders

The Tecan Group again posted double-digit sales growth and a further improvement in underlying profitability in the first half of 2016.

The renewed high operating cash flow as well as our substantial sales growth in Partnering Business and in both divisions in China are particularly pleasing.

We have made considerable progress with the integration of Sias AG, which we acquired in November 2015. Sias was legally merged with a Tecan subsidiary in the first half of this year. In the meantime, we have also concluded the relocation of our new colleagues and the production lines into the Tecan headquarters in Männedorf.

FINANCIAL RESULTS FOR THE FIRST HALF OF 2016

Order entry increased by 11.3% in local currencies to CHF 250.6 million (H1 2015: CHF 220.1 million) in the first six months of the year, corresponding to growth of 13.9% in Swiss francs. On an organic basis, excluding the Sias acquisition, orders in the first half grew by 7.0% in local currencies and by 9.4% in Swiss francs. Due to strong order entry, which once again exceeded sales, the order backlog grew considerably.

Sales climbed by 15.0% in local currencies or 17.7% in Swiss francs to CHF 235.3 million in the first half of the year (H1 2015: CHF 200.0 million). This corresponds to organic sales growth of 9.2% in local currencies or 11.7% in Swiss francs. Operating profit before depreciation and amortization (earnings before interest, taxes, depreciation and amortization; EBITDA) rose by 16.4% to CHF 37.9 million in the first six months of the year (H1 2015: CHF 32.6 million). Including integration costs and reduced margins associated with the acquisition of Sias AG, the EBITDA margin was 16.1% of sales (H1 2015: 16.3%). By contrast, the underlying EBITDA margin, excluding Sias, improved by 120 basis points to 17.5% of sales.

Net profit for the first half of 2016 was CHF 23.5 million and therefore below the prior-year period (H1 2015: CHF 26.0 million). In addition to the integration costs for the acquisition of Sias, this difference is largely due to a substantially lower tax rate and a CHF 4.0 million higher financial result from a temporary currency hedging profit in the first half of 2015. The net profit margin in the first half of 2016 reached 10.0% of sales (H1 2015: 13.0%), while earnings per share were CHF 2.04 (H1 2015: CHF 2.31)

Cash flow from operating activities grew strongly to CHF 64.9 million (H1 2015: CHF 35.1 million) and includes a further reimbursement of development costs by an OEM partner. Thus, cash flow from operating activities corresponded to 27.6% of sales.

INFORMATION BY BUSINESS SEGMENT

LIFE SCIENCES BUSINESS (END-CUSTOMER BUSINESS)

Sales in the Life Sciences Business increased by 5.8% in local currencies to CHF 117.7 million (H1 2015: CHF 107.5 million) in the first half of the year and were 9.5% above the prior-year period in Swiss francs. The newly launched Fluent and Spark platforms as well as recurring sales of services, consumables and reagents made a considerable contribution to this growth. Order entry in the Life Sciences Business also showed positive development and again clearly exceeded sales in the first half of the year.

Operating profit in the segment was CHF 12.2 million (H1 2015: CHF 11.3 million), corresponding to an unchanged operating profit margin on the prior-year period of 9.9% of sales (H1 2015: 9.8%).

PARTNERING BUSINESS (OEM BUSINESS)

The Partnering Business generated sales of CHF 117.6 million during the period under review (H1 2015: CHF 92.4 million), which corresponds to an increase of 26.0% in local currencies or 27.2% in Swiss francs. On an organic basis, excluding sales by Sias, revenue in the first half of 2016 rose by 13.3% in local currencies. Instruments launched in recent years made a significant contribution to the strong sales growth. Order entry in the Partnering Business also grew at a double-digit percentage rate in the first half of 2016.

The segment's operating profit in the first six months of 2016 rose to CHF 20.9 million (H1 2015: CHF 17.4 million). Operating profit margin was down on the prior-year period at 17.7% of sales (H1 2015: 18.6%) mainly due to the accounting of acquisition-related costs.

ADDITIONAL INFORMATION

REGIONAL DEVELOPMENT

In Europe, sales in the first six months in local currencies increased by 24.2% and by 26.0% in Swiss francs. This growth was driven primarily by the Partnering Business, both from the first-time contribution to sales from Sias products and strong organic growth by major platforms.

In North America, half-year sales in local currencies were at the prior-year level, and in Swiss francs were 2.9% above the baseline from 2015. The Life Sciences Business recorded good growth in this region. Sales in the components business, part of the Partnering Business, declined as expected due to the high base in the prior-year period. In addition, revenue of the Partnering Business in North America did not benefit from a newly launched platform for the US market, as sales were allocated to the location of the corporate customer and therefore recorded in Europe.

In Asia, Tecan once again achieved a considerable increase in sales of 30.6% in local currencies and 34.7% in Swiss francs. Both segments posted a double-digit increase in organic sales, which was further supported by a first-time contribution to sales by Sias products. Growth in China, where sales almost doubled in the first six months, was particularly pleasing.

RECURRING SALES OF SERVICES AND CONSUMABLES

Recurring sales of services and consumables increased in the first half of 2016 by 7.7% in local currencies and 10.4% in Swiss francs, and therefore amounted to 38.3% of total sales (H1 2015: 40.9%). Services (including spare parts) accounted for 22.4% of total sales, while consumables (plastic and reagents) accounted for 15.9%.

RESEARCH AND DEVELOPMENT

In the first half of 2016, research and development expenses amounted to 9.7% of sales (H1 2015: 10.0%) or CHF 22.9 million (H1 2015: CHF 20.1 million). All told, research and development activities continued to fall as planned to CHF 23.7 million gross (H1 2015: CHF 30.4 million). The total figure also includes development programs for OEM instrument customers in the Partnering Business (CHF 4.3 million) and capitalized development costs (CHF 2.2 million). However, these costs were clearly exceeded by amortization amounting to CHF 5.3 million.

STRONG BALANCE SHEET – HIGH EQUITY RATIO

Tecan's equity ratio was 66.4% as of June 30, 2016 (December 31, 2015: 68.7%). As a result of the strong cash flow from operating activities, net liquidity (cash and cash equivalents minus bank liabilities and loans) increased to CHF 239.0 million (December 31, 2015: CHF 198.8 million). The company's share capital was CHF 1,152,855 as at the reporting date of June 30, 2016 (December 31, 2015: CHF 1,146,758), consisting of 11,528,547 registered shares with a nominal value of CHF 0.10.

At the Tecan Group Annual General Meeting on April 13, 2016, shareholders approved an increase in the dividend from CHF 1.50 to CHF 1.75 per share. The payout of dividends of CHF 20.1 million in total took place on April 19, 2016.

OUTLOOK FOR FULL-YEAR 2016 CONFIRMED

For fiscal 2016, Tecan continues to anticipate Group sales growth in the double-digit percentage range in local currencies. This growth will be driven by the continued ramp up of major instrument platforms and launches of new products in both business segments as well as a full-year contribution of Sias.

The underlying EBITDA margin, excluding the Sias business and adjusted for tailwinds in 2015, mainly from the one-time positive net impact of revised pension liabilities, is expected to further expand by at least 50 basis points. Integration costs related to the Sias acquisition are expected to reach a mid-single-digit million Swiss franc amount in 2016 and the acquisition to become accretive in 2017. Despite these one-time integration costs and the lack of positive one-time effects from 2015, EBITDA for fiscal 2016 is expected to reach at least a similar level as 2015.

These expectations regarding profitability are based on an average exchange rate forecast for full-year 2016 of one euro equaling CHF 1.05 and one US dollar equaling CHF 0.98 and exclude further acquisitions.

Männedorf, August 10, 2016

ROLF A. CLASSON
Chairman of the Board

DR. DAVID MARTYR
Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to June, CHF 1,000	Notes	2015	2016
Sales	4	**199,950**	**235,258**
Cost of sales		(102,962)	(122,959)
Gross profit		**96,988**	**112,299**
Sales and marketing		(33,132)	(38,223)
Research and development		(20,071)	(22,876)
General and administration		(18,638)	(23,806)
Other operating income		116	343
Operating profit	4	**25,263**	**27,737**
Financial income		4	277
Finance cost		(220)	(312)
Net foreign exchange gains		5,005	831
Financial result		**4,789**	**796**
Profit before taxes		**30,052**	**28,533**
Income taxes	6	(4,087)	(5,082)
Profit for the period, attributable to owners of the parent		**25,965**	**23,451**
Earnings per share			
Basic earnings per share (CHF/share)		2.31	2.04
Diluted earnings per share (CHF/share)		2.23	2.00

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

January to June, CHF 1,000	Notes	2015	2016
Profit for the period		**25,965**	**23,451**
Other comprehensive income			
Remeasurement of net defined benefit liability		203	(13,894)
Related income taxes		(33)	2,396
Items that will not be reclassified to profit or loss, net of income taxes		**170**	**(11,498)**
Translation differences	9	(11,238)	(1,282)
Related income taxes		327	10
Items that may be reclassified subsequently to profit or loss, net of income taxes		**(10,911)**	**(1,272)**
Other comprehensive loss, net of income taxes		*(10,741)*	*(12,770)*
Total comprehensive income for the period, attributable to owners of the parent		**15,224**	**10,681**

There were no reclassification adjustments relating to translation differences for the periods presented.

INTERIM CONSOLIDATED BALANCE SHEET

ASSETS

CHF 1,000	Notes	31.12.2015	30.06.2016
Cash and cash equivalents		208,434	246,881
Current derivatives		1,269	326
Trade accounts receivable		89,290	72,596
Other accounts receivable		9,887	11,182
Inventories	7	175,302	176,424
Income tax receivables		4,886	5,274
Prepaid expenses		3,285	4,973
Current assets		**492,353**	**517,656**
Non-current financial assets	10	755	851
Property, plant and equipment		22,736	21,843
Intangible assets and goodwill		110,985	106,746
Deferred tax assets		14,653	15,609
Non-current assets		**149,129**	**145,049**
Assets		**641,482**	**662,705**

LIABILITIES AND EQUITY

CHF 1,000	Notes	31.12.2015	30.06.2016
Current bank liabilities and derivatives	10	9,999	8,198
Trade accounts payable		11,535	10,722
Other accounts payable		13,462	13,849
Current deferred revenue		31,238	37,141
Income tax payables		15,482	11,778
Accrued expenses		39,741	28,802
Current provisions		16,386	15,317
Current liabilities		**137,843**	**125,807**
Non-current loans and derivatives	10	5,521	2,384
Non-current deferred revenue		20,759	43,963
Liability for post-employment benefits		26,462	40,079
Non-current provisions		4,048	4,003
Deferred tax liabilities		6,176	6,647
Non-current liabilities		**62,966**	**97,076**
Total liabilities		**200,809**	**222,883**
Share capital		1,147	1,153
Capital reserve		31,114	31,923
Retained earnings		440,745	440,351
Translation differences		(32,333)	(33,605)
Shareholders' equity	8	**440,673**	**439,822**
Liabilities and equity		**641,482**	**662,705**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

January to June, CHF 1,000	Notes	2015	2016
Profit for the period		**25,965**	**23,451**
Adjustments for			
Depreciation and amortization		7,329	10,201
Change in provisions and liability for post-employment benefits		294	(1,383)
Interest income		(4)	(277)
Interest expenses		52	176
Income taxes		4,087	5,082
Equity-settled share-based payment transactions		3,613	7,996
Other non-cash items		(1,181)	(569)
Change in working capital			
Trade accounts receivable		18,551	15,844
Inventories	7	(5,835)	(1,446)
Trade accounts payable		(4,236)	(723)
Other changes in working capital (net)		(7,283)	14,125
Income taxes paid		(6,242)	(7,548)
Cash inflows from operating activities		**35,110**	**64,929**
Interest received		4	254
Purchase of property, plant and equipment		(1,710)	(2,693)
Proceeds from sales of property, plant and equipment		13	32
Investment in intangible assets		(5,230)	(2,676)
Cash outflows from investing activities		**(6,923)**	**(5,083)**
Proceeds from employee participation plans		991	815
Dividends paid		(16,857)	(20,122)
Proceeds from sales of treasury shares		31,556	–
Change in current bank liabilities		58	(451)
Increase in bank loans		–	720
Repayment of other loans		–	(1,959)
Interest paid		(52)	(154)
Cash in/(out)flows from financing activities		**15,696**	**(21,151)**
Effect of exchange rate fluctuations on cash held		(1,332)	(248)
increase in cash and cash equivalents		**42,551**	**38,447**
Cash and cash equivalents at January 1	10	128,715	208,434
Cash and cash equivalents at June 30	10	**171,266**	**246,881**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January to June, CHF 1,000	Notes	Share capital	Capital reserve	Treasury shares	Retained earnings	Translation differences	Total share-holders' equity
Balance at January 1, 2015		**1,144**	**9,519**	**(10,372)**	**388,150**	**(27,243)**	**361,198**
Profit for the period		–	–	–	25,965	–	25,965
Other comprehensive loss, net of income taxes		–	–	–	170	(10,911)	(10,741)
Total comprehensive income for the period		**–**	**–**	**–**	**26,135**	**(10,911)**	**15,224**
Dividends paid		–	–	–	(16,857)	–	(16,857)
New shares issued based on employee participation plans		–	110	–	–	–	110
Treasury shares transferred based on employee participation plans		–	(653)	1,321	–	–	668
Share-based payments		–	–	–	3,888	–	3,888
Sale of treasury shares		–	20,743	9,051	–	–	29,794
Total contributions by and distributions to owners	8	**–**	**20,200**	**10,372**	**(12,969)**	**–**	**17,603**
Balance at June 30, 2015		**1,144**	**29,719**	**–**	**401,316**	**(38,154)**	**394,025**
Balance at January 1, 2016		**1,147**	**31,114**	**–**	**440,745**	**(32,333)**	**440,673**
Profit for the period		–	–	–	23,451	–	23,451
Other comprehensive loss, net of income taxes		–	–	–	(11,498)	(1,272)	(12,770)
Total comprehensive income for the period		**–**	**–**	**–**	**11,953**	**(1,272)**	**10,681**
Dividends paid		–	–	–	(20,122)	–	(20,122)
New shares issued based on employee participation plans		6	809	–	–	–	815
Share-based payments		–	–	–	7,775	–	7,775
Total contributions by and distributions to owners	8	**6**	**809**	**–**	**(12,347)**	**–**	**(11,532)**
Balance at June 30, 2016		**1,153**	**31,923**	**–**	**440,351**	**(33,605)**	**439,822**

Notes to the interim condensed consolidated financial statements

1 REPORTING ENTITY

The Tecan Group is a global provider of laboratory instruments and solutions in biopharmaceuticals, forensics and clinical diagnostics. The Group specializes in the development, production and distribution of automation solutions for laboratories in the life sciences sector. Its clients include pharmaceutical and biotechnology companies, university research departments, forensic and diagnostic laboratories. As an original equipment manufacturer, the Group also develops and manufactures OEM instruments and components that are then distributed by partner companies. Founded in Switzerland in 1980, the Group has manufacturing, research and development sites in both Europe and North America and maintains a sales and service network in 52 countries.

The ultimate parent company is Tecan Group Ltd., a limited company incorporated in Switzerland, whose shares are publicly traded. Tecan Group Ltd.'s registered office is located at Seestrasse 103, 8708 Männedorf, Switzerland.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These unaudited financial statements are the interim condensed consolidated financial statements of Tecan Group Ltd. and its subsidiaries (together referred to as the 'Group') for the six-month period ending June 30, 2016. The financial statements are prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and should be read in conjunction with the consolidated financial statements 2015 as they provide an update of previously reported information. The interim condensed consolidated financial statements were authorized for issue on August 10, 2016.

The preparation of these interim condensed consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of these interim financial statements. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change.

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

Income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

2.2 INTRODUCTION OF NEW AND REVISED/AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements 2015, except for the adoption of the following new or revised/amended standards and interpretations, effective as from January 1, 2016:

Standard/interpretation[1]
IFRS 11 amended 'Joint Arrangements' – Accounting for Acquisitions of Interests in Joint Operations
IAS 1 amended 'Presentation of Financial Statements' – Disclosure Initiative
IAS 16 amended 'Property, Plant and Equipment' and IAS 38 amended 'Intangible Assets' – Clarification of Acceptable Methods of Depreciation and Amortization
IAS 27 amended 'Separate Financial Statements' – Equity Method
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
Annual improvements to IFRSs 2012 – 2014 Cycle

[1] IAS = International Accounting Standards, IFRS = International Financial Reporting Standards, IFRIC = Interpretations as by the IFRS Interpretations Committee (formerly International Financial Reporting Interpretations Committee)

The adoption of these new or revised/amended standards and interpretations did not result in substantial changes to the Group's accounting policies.

2.3 NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following new and revised/amended standards and interpretations have been issued, but are not yet effective and are not applied early in these interim condensed consolidated financial statements:

Standard/interpretation[1]	Effective date for the Group
IAS 7 amended 'Statement of Cash Flows' – Disclosure Initiative	Reporting year 2017
IAS 12 amended 'Income taxes' – Recognition of Deferred Tax Assets on Unrealised Losses	Reporting year 2017
IFRS 9 'Financial Instruments'	Reporting year 2018
IFRS 15 'Revenue from Contracts with Customers'	Reporting year 2018
IFRS 16 'Leases'	Reporting year 2019
IFRS 10 amended 'Consolidated Financial Statements' and IAS 28 amended 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be defined

[1] IAS = International Accounting Standards, IFRS = International Financial Reporting Standards, IFRIC = Interpretations as by the IFRS Interpretations Committee (formerly International Financial Reporting Interpretations Committee)

These changes are not expected to have a significant impact on the consolidated financial statements except for IFRS 15 'Revenue from Contracts with Customers' and IFRS 16 'Leases'. However, a comprehensive and profound analysis is yet to be performed.

3 CHANGE IN SCOPE OF CONSOLIDATION

There has been no change in the scope of the consolidation since December 31, 2015.

4 INTERIM SEGMENT INFORMATION

4.1 SEGMENT INFORMATION BY BUSINESS SEGMENTS

	Life Sciences Business		Partnering Business		Corporate/ consolidation		Group	
January to June, CHF 1,000	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**
Sales third	107,535	117,699	92,415	117,559			199,950	235,258
Intersegment sales	7,960	5,465	775	753	(8,735)	(6,218)	–	–
Total sales	**115,495**	**123,164**	**93,190**	**118,312**	**(8,735)**	**(6,218)**	**199,950**	**235,258**
Operating profit	**11,342**	**12,174**	**17,359**	**20,894**	**(3,438)**	**(5,331)**	**25,263**	**27,737**
Depreciation and amortization	(4,581)	(5,934)	(2,748)	(4,267)	–	–	(7,329)	(10,201)
Impairment losses	–	–			–	–	–	–

January to June, CHF 1,000	2015	**2016**
Reconciliation of reportable segment sales		
Total sales for reportable segments	208,685	241,476
Elimination of intersegment sales	(8,735)	(6,218)
Total consolidated sales	**199,950**	**235,258**
Reconciliation of reportable segment profit		
Total operating profit for reportable segments	28,701	33,068
Unallocated costs (business development, investor relations and other corporate costs) and consolidation entries	(3,438)	(5,331)
Financial result	4,789	796
Total consolidated profit before taxes	**30,052**	**28,533**

4.2 ENTITY-WIDE DISCLOSURES

Products and services

January to June, CHF 1,000	2015	2016
Products	128,162	156,079
Services	71,788	79,179
Total sales third	**199,950**	**235,258**

Sales by regions (by location of customers)

January to June, CHF 1,000	2015	2016
Switzerland	3,646	3,677
Other Europe	84,992	107,974
North America	80,999	83,340
Asia	25,447	34,266
Others	4,866	6,001
Total sales third	**199,950**	**235,258**

Non-current assets by regions (by location of assets)

	Property, plant and equipment		Intangible assets	
CHF 1,000	31.12.2015	30.06.2016	31.12.2015	30.06.2016
Switzerland	13,059	12,911	98,575	94,759
Other Europe	5,234	4,924	11,462	11,119
North America	3,961	3,562	710	670
Asia	482	446	238	198
Balance	**22,736**	**21,843**	**110,985**	**106,746**

Information about major customers

There are sales to one individual customer (CHF 46.9 million) relating to the business segment 'Partnering Business' that in aggregate exceeded 10% of total sales in the first half of 2016 (first half of 2015: one individual customer (CHF 22.8 million) relating to the business segment 'Partnering Business').

5 OPERATING EXPENSES BY NATURE

January to June, CHF 1,000	2015	2016
Material costs	62,096	82,790
Personnel costs	73,988	85,827
Depreciation of property, plant and equipment	3,081	3,406
Amortization of intangible assets	4,248	6,795
Other operating costs (net)	38,167	32,228
Total operating costs incurred (gross)	**181,580**	**211,046**
Capitalization of development costs in position inventories (see note 7)	(2,153)	(1,326)
Capitalization of development costs in position intangible assets	(4,740)	(2,199)
Total operating expenses, according to statement of profit or loss	**174,687**	**207,521**

As a result of internal restructuring, the Group recognized a plan amendment and curtailment in connection with the legal integration of a subsidiary. The positive past service costs in the amount of CHF 1.4 million are included in the personnel costs of 2016.

6 INCOME TAXES

Due to the sale of all treasury shares in the first half of 2015, the outstanding employee share options and the employee shares are covered only by the conditional share capital (see note 8) and no longer by treasury shares. This change in funding of the employee participation plans was resulting in a one-time tax benefit of CHF 0.8 million, of which CHF 0.6 million was recognized in the statement of profit or loss and CHF 0.2 million in equity.

7 INVENTORIES

In 2010, the Group entered into an OEM agreement with a global diagnostics company. The agreement comprises the development and supply of a dedicated diagnostic instrument. The related customer-specific development costs are capitalized in the position inventories as part of the production costs and amounted to CHF 117.9 million at the end of June 2016 (December 31, 2015: CHF 123.7 million). All versions of the instrument have been launched and the customer calls the units with individual purchase orders. The corresponding development costs are recognized in cost of sales.

Further information regarding this critical accounting estimate and judgment can be found in note 2.2.4 of the consolidated financial statements 2015.

8 SHAREHOLDERS' EQUITY AND EMPLOYEE PARTICIPATION PLANS

8.1 DIVIDENDS PAID

	2015	2016
Number of shares eligible for dividend	11,238,250	11,498,012
Dividends paid (CHF/share)	1.50	1.75

8.2 MOVEMENTS IN SHARES OUTSTANDING

Shares (each share has a nominal value of CHF 0.10)	Shares issued	Treasury shares	Shares outstanding
Balance at January 1, 2015	11,444,576	(286,020)	11,158,556
New shares issued based on employee participation plans	1,457	–	1,457
Treasury shares transferred based on employee participation plans	–	36,689	36,689
Sale of treasury shares	–	249,331	249,331
Balance at June 30, 2015	**11,446,033**	**–**	**11,446,033**
Balance at January 1, 2016	11,467,577	–	11,467,577
New shares issued based on employee participation plans	60,970	–	60,970
Balance at June 30, 2016	**11,528,547**	**–**	**11,528,547**

8.3 CONDITIONAL SHARE CAPITAL RESERVED FOR THE EMPLOYEE PARTICIPATION PLANS

Shares (each share has a nominal value of CHF 0.10)	2015	2016
Balance at January 1	858,636	835,635
Employee share options exercised	(1,457)	(60,970)
Balance at June 30	**857,179**	**774,665**
Employee share options and employee shares, not yet delivered	303,029	293,284

8.4 CONDITIONAL AND AUTHORIZED SHARE CAPITAL FOR THE PURPOSE OF FUTURE BUSINESS DEVELOPMENT

	2015	2016
Conditional share capital		
Shares (with a nominal value of CHF 0.10 each)	1,800,000	1,800,000
CHF	180,000	180,000
Authorized share capital		
Expiry date	14.04.2016	13.04.2018
Shares (with a nominal value of CHF 0.10 each)	2,200,000	2,200,000
CHF	220,000	220,000

The Articles of Incorporation of Tecan Group Ltd. (the ultimate holding company) require that the existing conditional share capital for future business development shall be reduced if and to the extent authorized capital is used and the authorized capital shall be reduced if and to the extent new shares are created under the respective conditional capital. However, the conditional share capital for employee participation plans is not affected by this rule.

8.5 EMPLOYEE SHARE OPTION PLANS

(See note 10.4.1 of the consolidated financial statements 2015 for the terms and principal conditions)

Movements in employee share options:

Employee share options	2015	2016
Balance at January 1	124,379	117,167
Exercised	(7,199)	(10,181)
Forfeited or expired	(873)	(2,362)
Balance at June 30	**116,307**	**104,624**
Thereof exercisable at period-end	50,915	49,873

8.6 EMPLOYEE SHARE PLANS (PERFORMANCE SHARE MATCHING PLANS [PSMP] AND OTHER SHARE PLANS)

(See note 10.4.2 of the consolidated financial statements 2015 for the terms and principal conditions)

Movements in employee shares:

Employee shares (excluding voluntary investments)	2015	2016
Balance at January 1	234,805	235,134
PSMP 2012 and 2013 – matching shares vested and transferred	–	(24,571)
PSMP 2012 and 2013 – matching shares forfeited	(62,855)	(31,131)
PSMP current period – initial shares transferred (blocked)	20,727	23,316
PSMP current period – mandatory shares transferred (blocked)	4,847	–
PSMP current period – maximum of matching shares granted	63,935	58,291
PSMP – shares deblocked and available to the participants	(5,181)	–
Share plan 2014 and 2015 – Board of Directors – shares vested and transferred	(3,151)	(2,902)
Share plan 2015 and 2016 – Board of Directors – shares granted	2,902	2,251
Balance at June 30	**256,029**	**260,388**
Thereof vested, but blocked until the end of the performance period	41,149	57,774

9 PRINCIPAL EXCHANGE RATES

		Closing exchange rates		Average exchange rates January to June	
CHF		31.12.2015	**30.06.2016**	2015	**2016**
EUR	1	1.09	1.08	1.06	1.10
USD	1	1.00	0.98	0.95	0.98

10 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

Cash and cash equivalents as per cash flow statement comprise cash and cash equivalents as per balance sheet and bank overdrafts under bank pooling arrangements (December 31, 2015: CHF 0.0 million; June 30, 2016: CHF 0.0 million) that are included in the position 'Current bank liabilities and derivatives'.

10.1 CARRYING AMOUNTS AND FAIR VALUES

	Carrying amount									Fair value
CHF 1,000	Cash and cash equiva-lents	Current derivatives	Trade and other receiva-bles	Non-current financial assets	**Total assets**	Current bank liabilities and derivatives	Trade and other payables/ accrued expenses	Non-current loans and derivatives	**Total liabilities**	
Financial instruments measured at fair value										
Currency forwards	–	1,269	–	100	**1,369**	(4,824)	–	(1,057)	**(5,881)**	
Financial instruments measured at amortized costs[1]										
Cash and cash equivalents	208,434	–	–	–	**208,434**	–	–	–	**–**	
Receivables	–	–	87,997	–	**87,997**	–	–	–	**–**	
Rent and other deposits	–	–	322	655	**977**	–	–	–	**–**	
Current bank liabilities	–	–	–	–	**–**	(2,578)	–	–	**(2,578)**	
Bank loans	–	–	–	–	**–**	(2,597)	–	(2,545)	**(5,142)**	(5,108)
Other loans	–	–	–	–	**–**	–	–	(1,919)	**(1,919)**	(1,996)
Payables and accrued expenses	–	–	–	–	**–**	–	(51,062)	–	**(51,062)**	
Total financial instruments	**208,434**	**1,269**	**88,319**	**755**	**298,777**	**(9,999)**	**(51,062)**	**(5,521)**	**(66,582)**	
Reconciling items[2]	–	–	10,858	–	**10,858**	–	(13,676)	–	**(13,676)**	
Balance at December 31, 2015	**208,434**	**1,269**	**99,177**	**755**	**309,635**	**(9,999)**	**(64,738)**	**(5,521)**	**(80,258)**	

[1] The carrying amount of financial instruments measured at amortized costs is a reasonable approximation of their fair value due to their short-term nature. Bank and other loans are the only exception due to their long-term nature.

[2] Receivables/payables arising from POC, VAT/other non-income taxes and social security

	Carrying amount									Fair value
CHF 1,000	Cash and cash equiva-lents	Current derivatives	Trade and other receiva-bles	Non-current financial assets	**Total assets**	Current bank liabilities and derivatives	Trade and other payables/ accrued expenses	Non-current loans and derivatives	**Total liabilities**	
Financial instruments measured at fair value										
Currency forwards	–	326	–	182	**508**	(2,517)	–	(137)	**(2,654)**	
Financial instruments measured at amortized costs[1]										
Cash and cash equivalents	246,881	–	–	–	**246,881**	–	–	–	**–**	
Receivables	–	–	71,717	–	**71,717**	–	–	–	**–**	
Rent and other deposits	–	–	340	669	**1,009**	–	–	–	**–**	
Current bank liabilities	–	–	–	–	**–**	(2,126)	–	–	**(2,126)**	
Bank loans	–	–	–	–	**–**	(3,555)	–	(2,247)	**(5,802)**	(5,816)
Payables and accrued expenses	–	–	–	–	**–**	–	(39,525)	–	**(39,525)**	
Total financial instruments	**246,881**	**326**	**72,057**	**851**	**320,115**	**(8,198)**	**(39,525)**	**(2,384)**	**(50,107)**	
Reconciling items[2]	–	–	11,721	–	**11,721**	–	(13,848)	–	**(13,848)**	
Balance at June 30, 2016	**246,881**	**326**	**83,778**	**851**	**331,836**	**(8,198)**	**(53,373)**	**(2,384)**	**(63,955)**	

[1] The carrying amount of financial instruments measured at amortized costs is a reasonable approximation of their fair value due to their short-term nature. Bank and other loans are the only exception due to their long-term nature.

[2] Receivables/payables arising from POC, VAT/other non-income taxes and social security

10.2 VALUATION TECHNIQUES USED

Position	Level	Data source	Model
Currency forwards	Level 2	Bloomberg	(forward rate - [spot rate +/- forward points]) * amount in foreign currency
Bank and other loans	Level 2	Bloomberg	The fair value is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There have been no transfers between the levels in 2015 and 2016.

11 CONTINGENCIES AND COMMITMENTS

There have been no significant changes for contingencies and commitments.

12 SUBSEQUENT EVENTS

There were no events subsequent to the balance sheet date which would require adjustments to or disclosures in these interim consolidated financial statements.

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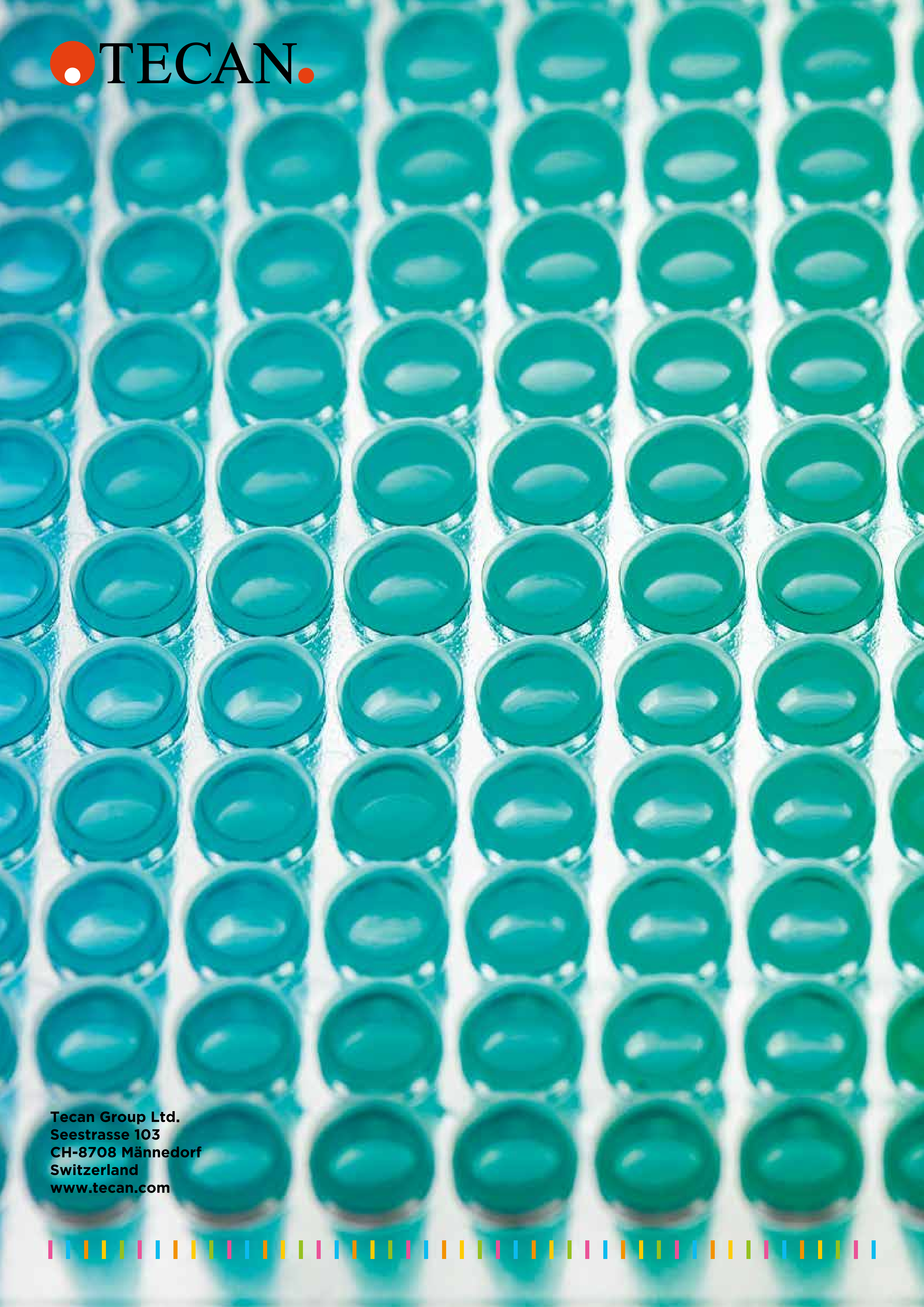

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