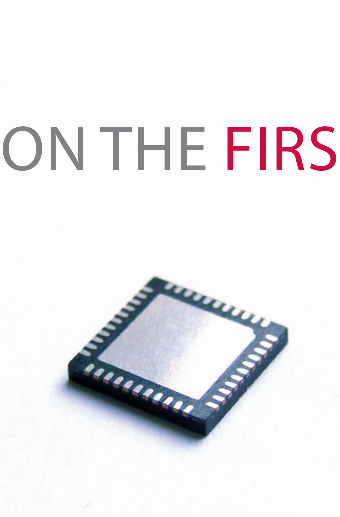
driven by ELMOS

Q2

JANUARY 1 – JUNE 30, 2009

INTERIM REPORT ON THE FIRST HALF-YEAR 2009



Overview

In focus

- Sales of the second quarter 2009 11.6% higher than in the previous quarter
- Cost cutting measures right on schedule
- Strong balance sheet structure and liquidity position
- Considerable stimulation expected for the second half-year 2009

Key figures

	2nd quarter 2009 vs. prior-year period and previous quarter					1st half-year 2009 vs. prior-year period		
in million Euro or percent, unless otherwise indicated	4/1 – 6/30/2009	4/1 – 6/30/2008	Change	1/1 – 3/31/2009	Change	1/1 – 6/30/2009	1/1 – 6/30/2008	Change
Sales	25.2	46.6	– 45.9%	22.6	11.6%	47.8	90.8	– 47.4%
Semiconductor	22.9	44.1	– 48.1%	20.3	12.6%	43.2	85.3	– 49.3%
Micromechanics	2.3	2.5	– 7.9%	2.3	2.8%	4.6	5.6	– 17.7%
Gross profit	2.8	20.4	– 86.4%	4.7	– 40.4%	7.5	39.3	– 81.0%
in percent of sales	11.0%	43.8%		20.7%		15.6%	43.3%	
R&D expenses	6.2	7.9	– 21.2%	6.8	– 8.2%	13.0	15.8	– 17.6%
in percent of sales	24.7%	16.9%		30.0%		27.2%	17.4%	
Operating income	– 9.6	5.7	n/a	– 8.5	13.3%	– 18.1	9.8	n/a
in percent of sales	– 38.1%	12.2%		– 37.6%		– 37.9%	10.8%	
EBIT	– 9.9	4.9	n/a	– 8.9	10.9%	– 18.8	9.0	n/a
in percent of sales	– 39.2%	10.6%		– 39.4%		– 39.3%	9.9%	
Net result for the period	– 7.5	3.6	n/a	– 6.1	22.7%	– 13.7	6.4	n/a
in percent of sales	– 29.9%	7.7%		– 27.2%		– 28.6%	7.0%	
Earnings per share in Euro	– 0.39	0.19	n/a	– 0.32	22.7%	– 0.70	0.33	n/a
Operating cash flow	– 2.5	6.0	n/a	0.7	n/a	– 1.7	6.4	n/a
Capital expenditures	1.1	6.0	– 82.4%	2.4	– 55.8%	3.5	13.1	– 73.6%
in percent of sales	4.2%	12.9%		10.6%		7.2%	14.4%	

in million Euro or percent, unless otherwise indicated	6/30/2009	12/31/2008	Change
Equity	157.8	171.2	– 7.8%
in percent of total assets	69.9%	68.5%	
Employees (balance sheet date)	1,046	1,093	– 4.3%

Interim group management report

Course of business

Sales development and order situation

Sales generated by ELMOS were in significant decline in the first half-year 2009 as well as in the second quarter 2009, compared to respective prior-year periods. By half-year comparison, ELMOS recorded a sales minus of 47.4% to reach 47.8 million Euro (HY1 2008: 90.8 million Euro). Sales dropped 45.9% to 25.2 million Euro in the second quarter 2009 (Q2 2008: 46.6 million Euro). The considerable decrease in sales by quarterly and half-year comparison can be traced back to the continued slack demand for automobiles. Stock in the supply chain was further reduced in the second quarter 2009 as well. Yet repeat orders were also placed in individual cases, suggesting a gradual clearance of the customers' warehouses or an effect of the car-scrap bonus schemes introduced in various markets. This is also reflected by the sales development from the first to the second quarter 2009, showing a sequential growth of 11.6%.

At 43.2 million Euro, sales generated by the semiconductor segment in the first six months this year were down 49.3% from the prior-year period of comparison. This decline is due to the strong dependence on the auto industry. However, the comparison of first and second quarter 2009 shows first indications of a modest recovery (Q1 2009 vs. Q2 2009: +12.6%).

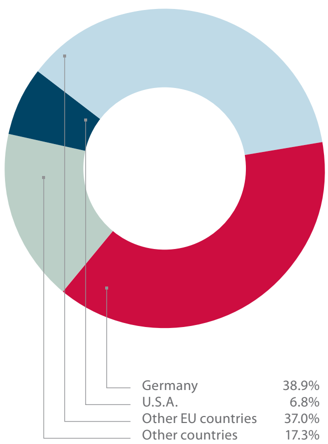
The micromechanics segment achieved sales of 4.6 million Euro in the first half-year 2009, corresponding to a sales drop of 17.7% in comparison with the first half-year 2008. That the sales decrease is less severe than the one experienced in the semiconductor segment is due to the sales markets beyond the automotive industry. The key customers for micromechanics are manufacturers of products for medical technology, industrial application, air conditioning technology, or consumer applications.

The recent order receipt allows better planning reliability and suggests regularity once again. The growth shown from the first to the second quarter as well as the orders received by the end of the second quarter 2009 and after the end of the reporting period give proof of the bottoming-out of the overall market in the first half-year 2009 on the one hand and the considerable stimulation in the second half-year 2009 on the other hand.

All regions show heavy sales losses because of the global economic crisis. Apart from the crisis, no extraordinary developments are identifiable that have caused shifts in the regional distribution of sales.

Region	1/1 – 6/30/2009 thousand Euro	in percent of sales	1/1 – 6/30/2008 thousand Euro	in percent of sales	Change
Germany	18,585	38.9%	35,226	38.8%	– 47.2%
Other EU countries	17,665	37.0%	34,026	37.5%	– 48.1%
U.S.A.	3,290	6.8%	7,254	8.0%	– 54.6%
Other countries	8,255	17.3%	14,335	15.8%	– 42.4%
Group sales	47,795	100.0%	90,841	100.0%	– 47.4%

Sales by region 6 months 2009



Profit situation, finances and asset situation

The cost cutting measures initiated in fall 2008 show the expected effect in the first half-year 2009. These measures include among others the reduction and postponement of capital expenditures, savings affecting all cost items, the introduction of short-time work at the Dortmund location (starting in January 2009) and other locations, the termination of a majority of temporary employment contracts, the postponement of the manufacture conversion from 6-inch to 8-inch wafers (Dortmund location), and considerable cost reductions at the subsidiaries. By these extensive measures, much more than 10 million Euro will be saved.

In the first half-year 2009 the gross profit lost 81.0% compared to the prior-year period to reach 7.5 million Euro (HY1 2008: 39.3 million Euro). Accordingly the gross margin dropped from 43.3% to 15.6% in the reporting period. Despite the large share of fixed costs in semiconductor manufacture, production costs were reduced considerably in the first half-year 2009 so that the decline of the gross profit by 31.9 million Euro was disproportionately low, considering the sales drop of 43.0 million Euro. A pronounced stock reduction also placed a burden on the gross profit of the second quarter 2009. The stock reduction is the consequence of the significantly lower manufacturing volume at both semiconductor production locations, Dortmund and Duisburg.

Functional costs fell in absolute figures, showing the success of the cost cutting scheme, among other factors. Research and development expenses went down 17.6% in the first half-year 2009 to 13.0 million Euro (HY1 2008: 15.8 million Euro). Distribution costs dropped to 5.4 million Euro (HY1 2008: 5.7 million Euro). General administrative expenses were reduced by 11.1% to now 7.2 million Euro (HY1 2008: 8.0 million Euro). Expressed in percent of sales, due to lower sales the share of functional costs moved to 53.5% of sales in the half-year under report as compared to 32.5% in the first half-year 2008.

Both operating result (– 18.1 million Euro) and earnings before interest and taxes (EBIT; – 18.8 million Euro) were negative in the first half-year 2009; however, in absolute figures their respective losses were lower than the gross profit decrease due to the savings in functional costs. The net loss for the half-year was 13.7 million Euro (HY1 2008: net income of 6.4 million Euro), essentially benefiting from deferred tax income as opposed to the EBIT. The loss per share comes to 0.70 Euro (0.33 Euro earnings per share in HY1 2008).

Despite the considerable losses incurred in the first half-year 2009, an almost balanced cash flow from operating activities was achieved (– 1.7 million Euro). The operating cash flow is essentially driven by a significant reduction of accounts receivables (14.0 million Euro in HY1 2009). In addition, rigorous discipline with regard to capital expenditures resulted in their obvious reduction in the first half-year 2009 in comparison to the previous year (3.5 million Euro in HY1 2009 vs. 13.1 million Euro in HY1 2008). Even measured in percent of sales, capital expenditures were cut from 14.4% in the first half-year 2008 to 7.2% in the reporting period. Thus the free cash flow of – 4.5 million Euro turned out ahead of the comparable prior-year amount (– 6.8 million Euro in HY1 2008). The free cash flow adjusted by lease and similar transactions shows the same trend (HY1 2009: – 5.2 million Euro; HY1 2008: – 6.7 million Euro).

Cash and cash equivalents were only marginally reduced in the first half-year 2009 compared to the level at the end of the year (June 30, 2009: 38.4 million Euro vs. December 31, 2008: 42.5 million Euro). The equity ratio of 69.9% maintains its high level, too (December 31, 2008: 68.5%). This result gives proof of the successful liquidity management and the company’s balance sheet strength.

Economic environment

The general economic environment continues to be shaped by great uncertainty and consumer restraint. Even the car-scrap bonus for old vehicles introduced in numerous countries to subsidize the purchase of new cars did not result in a material sales increase for ELMOS in the reporting period. The automotive suppliers – the direct customers of ELMOS – suffered in part more significant sales losses than the car manufacturers did, due to stock reductions in the supply chain.

The first half-year 2009 showed a very successful development in Germany with an increase in new car registrations of 26%, strongly influenced by the car-scrap bonus. However, according to the German Association of the Automotive Industry (VDA), the demand promoted by the car-scrap bonus focuses predominantly on small and compact-sized cars. The statistics of the German manufacturers relating to export (– 35%) and production (– 24%) dim the positive domestic situation considerably as the German car manufacturers generate about 75% of their revenues through export. The further development on the foreign markets is uncertain, according to the VDA; bottoming-out is becoming increasingly visible, though.

Car registration numbers in Europe show an 11% decline in the first half-year 2009 despite the various car-scrap schemes launched by other European countries. However, at +2.4% in June the first gain was achieved in 14 consecutive months.

The level of new U.S. car registrations continued to be weak in the first half-year. Sales generated by GM in the first six months dropped 41% in comparison to the prior-year period. The number of automobiles sold by Ford, the second largest American car manufacturer, was down to about two thirds over the same period. Experts predict roughly ten million cars to be sold in the U.S. this year. It was still more than 13 million vehicles in 2008.

Car sale in Asia draws a nuanced picture. While the sale collapsed in Japan in the first half-year (– 21%), car registration numbers were solid in India (+3%). In China, the market gained 19% to 3.6 million vehicles. The German manufacturers benefited from this trend as well.

Significant events

In March ELMOS presented the financial statements 2008. The annual press conference in Dortmund and the analysts' conference in Frankfurt/Main were attended by a large number of representatives of the press and analysts and investors, respectively. At this event Dr. Anton Mindl, CEO, and Nicolaus Graf von Luckner, CFO, presented the essential cornerstones of the past fiscal year to the visitors and provided an appraisal of the current situation.

The company released the report on the first quarter 2009 at the end of April. Sales and results showed a negative development as expected in view of the general economic situation. This is the result of the continuing slack auto demand worldwide as well as the stock disposal in the supply chain. Despite the negative result and the strongly declining sales, ELMOS generated a positive operating cash flow of 0.7 million Euro. The free cash flow was improved significantly on grounds of lower capital expenditures.

The 10th Annual General Meeting of ELMOS Semiconductor AG was held in early May. The some 250 shareholders in attendance made use of their voting rights. Each proposal to the separate items on the agenda was approved by a vast majority of the votes. Among the agenda items, the company's proposal to carry forward the retained earnings to new accounts was met with great approval. Dr. Peter Thoma, member of the Supervisory Board of ELMOS and former member of the Management Board for Sales and Development over many years, resigned from the board for personal reasons as of the conclusion of the General Meeting. His designated successor, Dr. Klaus Egger, was introduced to the shareholders and appointed member of the Supervisory Board by the District Court (Amtsgericht) Dortmund at the end of June 2009.

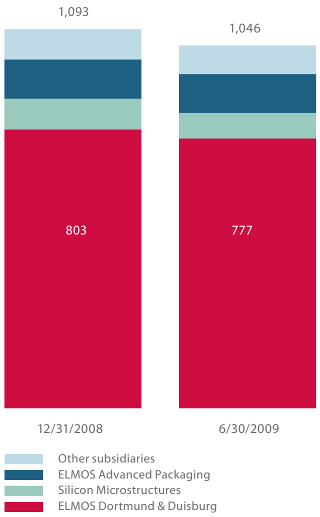
In June ELMOS presented its eco report. In the past year the company was able to reduce its power and gas consumption. In absolute figures, the power consumption went down 6.6%, gas consumption dropped 2.2%. In other areas, e.g. in the protection of resources or the transport of goods, significant savings of 20% and more in part could be achieved as well.

Based on the authorization given by shareholders' resolution at the Annual General Meeting of May 6, 2009 for the introduction of a stock option plan for the company's employees, executives, and Management Board members as well as members of the management and employees of affiliated companies, Supervisory Board and Management Board resolved on June 9, 2009 to issue altogether 495,000 options. The exercise price is 150% of the average amount of the closing prices of the stock of ELMOS Semiconductor Aktiengesellschaft through the Xetra trade at the Frankfurt Stock Exchange of the last ten trading days prior to the resolutions and thus comes to 3.68 Euro. The blocking period is three years as of the issue date. All other particulars relating to the granting and exercise of options comply with the shareholders' resolution of May 6, 2009.

After the end of the reporting period, ELMOS published a new standard product catalog in early July. 53 standard products (ASSPs) are presented on 16 pages, listing features, description, and package for each product in a clearly arranged layout. Samples are available for all products presented; the majority of products are available as series products. The ASSPs complete the product portfolio of ELMOS with its more than 300 realized ASIC projects and two billion chips manufactured.

Other information

Staff development
ELMOS Group (balance sheet date)



Staff development

The number of employees of the ELMOS Group was on the decline both compared to December 31, 2008 (1,093) and March 31, 2009 (1,073): As of June 30, 2009 the headcount was 1,046. This corresponds to a 4.3% decrease from the end of the year 2008. Most departures are recorded at the parent (2^{nd} quarter 2009) and the Californian subsidiary Silicon Microstructures Inc. (1^{st} quarter 2009).

ELMOS share

While the first quarter 2009 was still characterized by great uncertainty and volatility on the stock markets, the relevant indices registered sizable gains in part in the second quarter 2009 so that the performance of the first half-year 2009 was mostly balanced at least, and a number of markets even yielded positive results. While the DAX for instance merely compensated for its losses of the first quarter 2009 over the second quarter 2009, the TecDAX gained 23.3% altogether in the first half-year 2009 on the strength of the good performance shown in the second quarter 2009.

The ELMOS stock showed a positive performance with respect to the whole first half-year 2009 due to the positive trend of the second quarter 2009. On June 30, 2009 the share price closed at 2.53 Euro. This corresponds to a plus of 41.3% in the second quarter 2009 and 10.0% in the first half-year 2009. The average daily trading volume (Xetra and Frankfurt floor) was also considerably on the increase again in the second quarter 2009 compared to the first quarter 2009 (16.4 thousand shares vs. 12.7 thousand shares). The resulting average daily trading volume of 14.5 thousand shares in the first half-year 2009 exceeded the corresponding value of 12.5 thousand shares for the whole last year as well. The ELMOS share price reached its low of the first half-year on March 12, 2009 at 1.41 Euro and its high on June 12, 2009 at 2.82 Euro. Market capitalization amounted to 49.1 million Euro as of June 30, 2009 (all prices Xetra).

After the end of the first half-year, both share price and average daily trading volume increased significantly in July 2009. Following this development, FMR LLC, U.S.A. announced within the framework of a voting rights announcement on July 23, 2009 that it had exceeded the 3% threshold.

Company boards

SUPERVISORY BOARD

Prof. Dr. Günter Zimmer, chairman
Graduate physicist | Duisburg

Dr. Burkhard Dreher, deputy chairman
Graduate economist | Dortmund

Dr. Klaus Egger (appointed on 6/25/2009)
Graduate engineer | Wenzenbach

Jörns Haberstroh
Business management graduate | Kerken

Dr. Peter Thoma (until 5/6/2009)
Graduate physicist | Unterschleißheim

Jutta Weber
Graduate educationist | Tarrytown, New York, U.S.A.

Dr. rer. nat. Klaus G. Weyer
Graduate physicist | Schwerte

MANAGEMENT BOARD

Dr. rer. nat. Anton Mindl, chairman
Graduate physicist | Lüdenscheid

Nicolaus Graf von Luckner
Graduate economist | Oberursel

Reinhard Senf
Graduate engineer | Iserlohn

Jürgen Höllisch
Engineer | Purbach/Austria

Outlook

Opportunities and risks

The risk management as well as the separate business risks and opportunities are described in our annual report 2008. No significant changes of the risks and opportunities for the company detailed therein arose in the first half-year 2009. Currently no risks are recognizable that pose a threat to the company's continued existence, either separately or collectively.

Economic framework

The general economic conditions continue to be shaped by great uncertainty and restraint. An improvement of the sale situation on the international auto markets is generally anticipated for the second half-year 2009.

Outlook for the ELMOS Group

ELMOS recognizes a pleasing trend relating to the order receipt. The ratio of orders received to sales, the so-called book-to-bill, is clearly above one. This should also lead to an improvement of results. Against this backdrop, ELMOS is aiming for a "black zero" for the EBIT of the fourth quarter. Whether this positive trend in the order receipt will keep up until the end of the year cannot be foreseen at the moment.

ELMOS will press ahead with the cost cutting measures initiated and launch additional measures if necessary. The amount of capital expenditures will be reduced to an indispensable quantity as it has been so far this year and thus fall short considerably of the 2008 level. Cash management continues to have top priority. The objective is to provide sufficient funds for the operating business and further growth as well as distribution activities and research and development projects.

Our canvassing efforts in Asia as well as on the markets for industrial and consumer goods are right on schedule and will be continued consistently in the second half-year. The new projects won in these difficult times in Asia in particular affirm our strategy. Especially the success of a Korean key automotive customer makes us feel confident. This company was able to generate a double digit growth in car sales in the first half-year 2009 contrary to the general market trend all over the world. Gesture detection based on our HALIOS® technology is integrated into an increasing number of consumer as well as industrial applications. Not least, our ASSP projects are successful on the market, particularly the ones we share with our partner NEC Electronics; new ASSP products are in the pipeline. Despite the severe sales decrease, ELMOS has a strong starting position to take up its disproportionately fast pre-crisis growth once the economy recovers.

Interim consolidated financial statements

Condensed consolidated balance sheet

Assets	6/30/2009 Euro	12/31/2008 Euro
Non-current assets		
Intangible assets *	39,671,827	40,200,036
Property, plant and equipment *	76,577,184	80,698,137
Investments accounted for at equity	1	1
Securities and investments *	517,693	517,693
Deferred tax assets	8,616,514	6,619,684
Total non-current assets	125,383,219	128,035,551
Current assets		
Inventories *	35,771,682	37,379,627
Trade receivables	15,741,044	29,735,847
Cash and cash equivalents	38,410,852	42,463,401
Other assets and income tax assets	8,982,430	10,347,411
	98,906,008	119,926,286
Non-current assets classified as held for sale	1,346,332	2,104,679
Total current assets	100,252,340	122,030,965
Total assets	225,635,559	250,066,516

* compare note 3

Equity and liabilities	6/30/2009 Euro	12/31/2008 Euro
Equity		
Equity attributable to equity holders of the parent		
Share capital *	19,414,205	19,414,205
Additional paid-in capital	88,745,859	88,736,563
Surplus reserve	102,224	102,224
Accumulated other comprehensive income	– 5,177,602	– 5,445,033
Retained earnings	54,748,689	68,410,785
	157,833,375	171,218,744
Minority interest	– 67,999	– 13,825
Total equity	157,765,376	171,204,919
Liabilities		
Non-current liabilities		
Provisions	848,954	911,450
Financial liabilities	40,336,742	40,433,714
Other liabilities	2,129,226	2,244,242
Deferred tax assets	0	3,935,323
Total non-current liabilities	43,314,922	47,524,729
Current liabilities		
Provisions	6,936,808	6,744,564
Income tax liabilities	3,259,961	3,862,368
Financial liabilities	275,544	186,032
Trade payables	11,706,395	18,403,799
Other liabilities	2,376,553	2,140,105
Total current liabilities	24,555,261	31,336,868
Total liabilities	67,870,183	78,861,597
Total equity and liabilities	225,635,559	250,066,516

* compare note 3

Condensed consolidated statement of comprehensive income

2nd quarter	4/1 – 6/30/2009 Euro	in percent of sales	4/1 – 6/30/2008 Euro	in percent of sales	Change
Sales	25,210,737	100.0%	46,641,741	100.0%	– 45.9%
Cost of sales	22,427,222	89.0%	26,224,408	56.2%	– 14.5%
Gross profit	2,783,515	11.0%	20,417,333	43.8%	– 86.4%
Research and development expenses	6,222,237	24.7%	7,898,704	16.9%	– 21.2%
Distribution expenses	2,511,357	10.0%	2,835,130	6.1%	– 11.4%
Administrative expenses	3,664,603	14.5%	4,012,687	8.6%	– 8.7%
Operating income before other operating expenses/(income)	– 9,614,682	– 38.1%	5,670,812	12.2%	n/a
Finance income	– 185,165	– 0.7%	– 540,551	– 1.2%	– 65.7%
Finance expenses	518,271	2.1%	960,219	2.1%	– 46.0%
Foreign exchange losses	83,968	0.3%	209,362	0.4%	– 59.9%
Other operating income	– 425,111	– 1.7%	– 329,204	– 0.7%	29.1%
Other operating expenses	605,689	2.4%	865,798	1.9%	– 30.0%
Earnings before taxes	– 10,212,333	– 40.5%	4,505,188	9.7%	n/a
Income taxes					
Current taxes	113,027	0.4%	1,298,305	2.8%	– 91.3%
Deferred taxes/(income)	– 2,792,458	– 11.1%	– 516,354	– 1.1%	n/a
	– 2,679,431	– 10.6%	781,951	1.7%	n/a
Net income/loss	– 7,532,902	– 29.9%	3,723,237	8.0%	n/a
Thereof:					
Minority interest	– 6,847	0.0%	109,344	0.2%	n/a
Attributable to equity holders of the parent	– 7,526,055	– 29.9%	3,613,893	7.7%	n/a
Currency adjustments excluding deferred tax effect	– 201,544		81,324		
Currency adjustments including deferred tax effect	– 848,022		60,129		
Deferred taxes (on currency adjustments including deferred tax effect)	215,567		– 18,989		
Accumulated other comprehensive income	– 833,999		122,464		
Net income including accumulated other comprehensive income	– 8,360,054		3,736,357		
Basic earnings per share	– 0.39		0.19		n/a
Fully diluted earnings per share	– 0.39		0.19		n/a

Earnings before interest and taxes (EBIT)

	4/1 – 6/30/2009 Euro	in percent of sales	4/1 – 6/30/2008 Euro	in percent of sales	Change
Operating income before other operating expenses/(income)	– 9,614,682	– 38.1%	5,670,812	12.2%	n/a
Foreign exchange losses	83,968	0.3%	209,362	0.4%	– 59.9%
Other operating expenses/(income)	180,578	0.7%	536,594	1.2%	– 66.3%
EBIT	– 9,879,227	– 39.2%	4,924,856	10.6%	n/a

Condensed consolidated statement of comprehensive income

1st half-year	1/1 – 6/30/2009 Euro	in percent of sales	1/1 – 6/30/2008 Euro	in percent of sales	Change
Sales	47,795,416	100.0%	90,841,053	100.0%	– 47.4%
Cost of sales	40,339,870	84.4%	51,512,399	56.7%	– 21.7%
Gross profit	7,455,546	15.6%	39,328,654	43.3%	– 81.0%
Research and development expenses	13,001,899	27.2%	15,777,969	17.4%	– 17.6%
Distribution expenses	5,398,762	11.3%	5,722,206	6.3%	– 5.7%
Administrative expenses	7,152,903	15.0%	8,044,557	8.9%	– 11.1%
Operating income before other operating expenses/(income)	– 18,098,018	– 37.9%	9,783,922	10.8%	n/a
Finance income	– 523,991	– 1.1%	– 968,649	– 1.1%	– 45.9%
Finance expenses	1,115,929	2.3%	1,691,172	1.9%	– 34.0%
Foreign exchange losses	683,113	1.4%	322,309	0.4%	n/a
Other operating income	– 1,331,124	– 2.8%	– 705,840	– 0.8%	88.6%
Other operating expenses	1,336,501	2.8%	1,147,894	1.3%	16.4%
Earnings before taxes	– 19,378,446	– 40.5%	8,297,036	9.1%	n/a
Income taxes					
Current taxes	432,535	0.9%	1,736,466	1.9%	– 75.1%
Deferred taxes/(income)	– 6,094,710	– 12.8%	304,005	0.3%	n/a
	– 5,662,175	– 11.8%	2,040,471	2.2%	n/a
Net income/loss	– 13,716,271	– 28.7%	6,256,565	6.9%	n/a
Thereof:					
Minority interest	– 54,174	– 0.1%	– 134,322	– 0.1%	– 59.7%
Attributable to equity holders of the parent	– 13,662,097	– 28.6%	6,390,887	7.0%	n/a
Currency adjustments excluding deferred tax effect	1,130,994		– 4,693,786		
Currency adjustments including deferred tax effect	– 1,129,857		3,956,787		
Deferred taxes (on currency adjustments including deferred tax effect)	266,294		– 27,020		
Accumulated other comprehensive income	267,431		– 764,019		
Net income including accumulated other comprehensive income	– 13,394,666		5,626,868		
Basic earnings per share	– 0.70		0.33		n/a
Fully diluted earnings per share	– 0.70		0.33		n/a

Earnings before interest and taxes (EBIT)

	1/1 – 6/30/2009 Euro	in percent of shares	1/1 – 6/30/2008 Euro	in percent of shares	Change
Operating income before other operating expenses/(income)	– 18,098,018	– 37.9%	9,783,922	10.8%	n/a
Foreign exchange losses	683,113	1.4%	322,309	0.4%	n/a
Other operating expenses/(income)	5,377	0.0%	442,054	0.5%	– 98.8%
EBIT	– 18,786,508	– 39.3%	9,019,559	9.9%	n/a

Condensed consolidated statement of changes in equity

	Shares Number	Share capital Euro	Additional paid-in capital Euro
January 1, 2008	19,414,205	19,414,205	88,736,563
Transaction with owners/purchase of own shares	– 50,000	– 50,000	– 251,601
Foreign currency adjustments			
Net income for the first half-year 2008			
June 30, 2008	19,364,205	19,364,205	88,484,962
January 1, 2009	19,414,205	19,414,205	88,736,563
Foreign currency adjustments			
Stock option plan expense			9,297
Net income/loss for the first half-year 2009			
June 30, 2009	19,414,205	19,414,205	88,745,859

	Surplus reserve Euro	Accumulated other comprehensive income Euro	Retained earnings Euro	Total Euro	Minority interest Total Euro	Group Total Euro
	102,224	– 6,407,297	57,809,788	159,655,483	309,704	159,965,187
				– 301,601		– 301,601
		– 764,019		– 764,019		– 764,019
			6,390,887	6,390,887	– 134,322	6,256,565
	102,224	– 7,171,316	64,200,675	164,980,750	175,382	165,156,132
	102,224	– 5,445,033	68,410,785	171,218,744	– 13,825	171,204,919
		267,431		267,431		267,431
				9,297		9,297
			– 13,662,097	– 13,662,097	– 54,174	– 13,716,271
	102,224	– 5,177,602	54,748,689	157,833,375	– 67,999	157,765,376

Condensed consolidated cash flow statement

	1/1 – 6/30/2009 Euro	1/1 – 6/30/2008 Euro	4/1 – 6/30/2009 Euro	4/1 – 6/30/2008 Euro
Cash flow from operating activities				
Net loss/Net income after minority interest	– 13,662,097	6,390,887	– 7,526,055	3,613,893
Depreciation	8,040,600	9,073,046	4,059,976	4,645,864
Finance income	591,938	722,523	333,105	419,668
Non-cash effective expense/income	– 6,094,710	304,005	– 2,792,458	– 516,354
Current tax expense	432,535	1,736,466	113,027	1,298,305
Minority interest	– 54,174	– 134,322	– 6,847	109,344
Changes in pension liabilities	– 62,496	– 56,264	– 31,249	– 28,132
Stock option plan expense	9,297	0	9,297	0
Changes in net working capital:				
Trade receivables	13,994,803	– 2,423,930	2,771,150	– 1,060,138
Inventories	1,607,945	– 743,039	4,462,257	305,097
Prepaid expenses and other assets	1,442,360	– 3,434,282	1,355,391	397,177
Trade payables	– 6,697,404	– 1,947,900	– 3,497,726	– 1,881,077
Other provisions and other liabilities	429,261	– 1,471,075	– 393,530	– 841,824
Income tax payments	– 1,112,321	– 934,436	– 992,355	– 48,079
Interest paid	– 1,115,929	– 1,691,172	– 518,271	– 960,219
Interest received	523,991	968,649	185,165	540,551
Cash flow from operating activities	– 1,726,401	6,359,156	– 2,469,121	5,994,074
Cash flow from investing activities				
Capital expenditures for intangible assets	– 2,151,195	– 2,344,884	– 750,857	– 868,625
Capital expenditures for property, plant and equipment	– 1,298,864	– 10,742,269	– 305,896	– 5,133,733
Disposal of/addition to non-current assets classified as held for sale	583,139	– 198,261	73,689	– 224,137
Disposal of fixed assets	113,709	84,669	14,928	11,729
Cash flow from investing activities	– 2,753,211	– 13,200,745	– 968,136	– 6,214,766
Cash flow from financing activities				
Purchase of own shares	0	– 301,601	0	0
Repayment of non-current liabilities	– 207,307	– 839,866	– 110,051	– 516,777
Proceeds from/Repayment of current liabilities to banks	84,262	– 171,212	– 57,444	469,709
Cash flow from financing activities	– 123,045	– 1,312,679	– 167,496	– 47,069
Decrease/Increase in cash and cash equivalents	– 4,602,657	– 8,154,268	– 3.604,752	– 267,761
Effect of exchange rate changes in cash and cash equivalents	550,108	244,067	– 24,283	115,418
Cash and cash equivalents at beginning of reporting period	42,463,401	42,855,617	42,039,888	35,097,758
Cash and cash equivalents at end of reporting period	38,410,852	34,945,416	38,410,852	34,945,416

Condensed notes to interim consolidated financial statements

The condensed interim consolidated financial statements for the 1st half-year 2009 were released for publication in August 2009 pursuant to Management Board resolution.

1 General notes

ELMOS Semiconductor Aktiengesellschaft ("the company" or "ELMOS") has its registered office in Dortmund (Germany) and is entered in the register of companies kept at the District Court (Amtsgericht) Dortmund, in section B, no. 13698. The articles of incorporation are in effect in the version of March 26, 1999, last amended on May 6, 2009, and thus entered in the register of companies on July 24, 2009.

The company's business is the development, manufacture and distribution of microelectronic components and system parts (application specific integrated circuits, or in short: ASICs) and technological devices with similar functions. The company may conduct all transactions suitable for serving the object of business directly or indirectly. The company may establish branches, acquire or lease businesses of the same or a similar kind or invest in them, and conduct all business transactions that are beneficial to the articles of association. The company is authorized to conduct business in Germany as well as abroad.

In addition to its domestic branches, the company maintains sales companies in France and the U.S. and cooperates with other German and international companies in the development and production of ASIC chips.

Basic principles of preparation

The condensed interim consolidated financial statements for the period from January 1 to June 30, 2009 have been prepared in accordance with IAS 34: Interim Financial Reporting. These financial statements do therefore not contain all the information and statements required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2008.

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

Essential accounting policies and valuation methods

For the preparation of the condensed interim consolidated financial statements, the same accounting policies and valuation methods have been adopted as were applied to the preparation of the consolidated financial statements for the fiscal year ended December 31, 2008 with the exception of the new IFRS Standards and Interpretations listed below. The application of these new Standards and Interpretations led to modifications in the presentation of the result for the period and in segment reporting but did not have an effect on the group's financial position and results from operations.

- IAS 1 — Presentation of Financial Statements
- IAS 23 — Borrowing Costs
- IFRS 8 — Operating Segments
- IFRS 1 and IAS 27 — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- IFRS 2 — Vesting Conditions and Cancelations
- IAS 32 and IAS 1 — Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRIC 13 — Customer Loyalty Programs
- IFRIC 14 and IAS 18 — The Limit on a Defined Benefit Asset, Minimum Funding and their Interaction
- Improvements to IFRS 2008

Estimates and assumptions

The company makes pension provisions for pension and partial retirement obligations pursuant to IAS 19. As in the year 2008, an actuarial interest rate of 5.85% has been applied for 2009.

Exceptional business transactions

There were no exceptional business transactions in the first half-year 2009.

Basis of consolidation

There were no changes in the basis of consolidation in the first half-year 2009.

Seasonal and economic impact on business operations

The general economic conditions continue to be shaped by great uncertainty and consumer restraint. Even the car-scrap bonus for old vehicles introduced in numerous countries to subsidize the purchase of new cars did not result in a material sales increase for ELMOS in the reporting period. The automotive suppliers – the direct customers of ELMOS – suffered in part more significant sales losses than the car manufacturers did, due to stock reductions in the supply chain. In consequence ELMOS recorded significant sales loss in the first half-year 2009 as well.

The business of ELMOS Semiconductor AG is not subject to material seasonal fluctuation.

2 Segment reporting

The company divides its business activities in two segments. The semiconductor business is operated through the various national subsidiaries and branches in Germany, the Netherlands, France, South Africa, and the U.S.A. Sales in the micromechanics segment are generated by the subsidiary SMI in the U.S.A. The following tables provide information on sales and earnings (for the period from January 1 to June 30, 2009 and 2008, respectively) and on assets of the group's business segments (as of June 30, 2009 and December 31, 2008).

The decisions on the allocation of resources to the individual segments are based primarily on net interest yields. For this reason, interest expenses and interest income are not reported separately for each segment.

1st half-year ended 6/30/2009	Semiconductor thousand Euro	Micromechanics thousand Euro	Consolidation thousand Euro	Total thousand Euro
Sales				
Sales with third-party customers	43,224	4,572	0	47,795
Sales with other segments	242	115	– 357	0
Segment sales total	43,466	4,687	– 357	47,795
Earnings				
Segment earnings	– 17,581	– 1,206	0	– 18,787
Financial result				– 592
Result before taxes				– 19,378
Income taxes				5,662
Net income including minority interest				– 13,716
Assets				
Segment assets	162,540	15,362	0	177,902
Investments				518
Non-attributable assets				47,216
Total assets				225,636
Other segment information				
Capital expenditures for intangible assets and property, plant and equipment	3,334	116		3,450
Depreciation	7,311	729		8,041
Other material non-cash expense/(income)	– 5,674	– 528		– 6,202

1st half-year ended 6/30/2008	Semiconductor thousand Euro	Micromechanics thousand Euro	Consolidation thousand Euro	Total thousand Euro
Sales				
Sales with third-party customers	85,286	5,555	0	90,841
Sales with other segments	153	2,104	– 2,257	0
Segment sales total	85,439	7,659	– 2,257	90,841
Earnings				
Segment earnings	10,365	– 1,346	0	9,020
Financial result				– 723
Result before taxes				8,297
Income taxes				– 2,040
Net income including minority interest				6,257
Assets as of 12/31/2008				
Segment assets	183,546	16,809	0	200,355
Investments	518	0	0	518
Non-attributable assets				49,194
Total assets				250,067

Non-attributable assets as of June 30, 2009 include cash and cash equivalents (June 30, 2009: 38,411 thousand Euro; December 31, 2009: 42,463 thousand Euro), income tax assets (June 30, 2009: 188 thousand Euro; December 31, 2009: 111 thousand Euro), and deferred taxes (June 30, 2009: 8,617 thousand Euro; December 31, 2009: 6,620 thousand Euro).

Geographical information

Sales generated with third-party customers	Half-year ended 6/30/2009 thousand Euro	Half-year ended 6/30/2008 thousand Euro
Germany	18,585	35,226
EU	17,665	34,026
U.S.A.	3,290	7,254
Others	8,255	14,335
	47,795	90,841

Geographical distribution of non-current assets	6/30/2009 thousand Euro	12/31/2008 thousand Euro
Germany	97,835	101,468
EU	8,828	9,050
U.S.A.	10,101	10,896
Others	3	2
	116,767	121,416

Sales generated with three individual customers amount to 8.628 million Euro, 6.476 million Euro and 6.270 million Euro, respectively, and result from sales of the semiconductor segment.

3 Notes to essential financial positions

Selected non-current assets

Development of selected non-current assets	Net book value 1/1/2009 thousand Euro	Additions thousand Euro	Disposals/Other movements thousand Euro	Depreciation thousand Euro	Net book value 6/30/2009 thousand Euro
Intangible assets	40,200	2,151	68	2,611	39,672
Property, plant and equipment	80,698	1,474	165	5,430	76,577
Securities and investments	518	0	0	0	518
	121,416	3,625	233	8,041	116,767

The position "disposals/other movements" includes negative currency adjustments to the amount of 120 thousand Euro.

Goodwill

The goodwill has shown the following development:

	6/30/2009 Euro	12/31/2008 Euro
SMI		
Acquisition costs	7,567,365	7,567,365
Foreign currency adjustment	– 2,857,024	– 2,805,224
Book value	4,710,341	4,762,141
ELMOS NA		
Acquisition cost	554,617	554,617
Foreign currency adjustment	– 6,556	– 4,579
Carrying value	548,061	550,038
ELMOS France	1,614,578	1,614,578
ELMOS Services B.V.	206,170	206,170
	7,079,150	7,132,927

Inventories

	6/30/2009 Euro	12/31/2008 Euro
Raw materials	7,104,807	7,606,275
Work in process	19,625,719	20,432,687
Finished goods	9,041,156	9,340,665
	35,771,682	37,379,627

Equity

As of June 30, 2009 the share capital of ELMOS Semiconductor AG consists of 19,414,205 shares. The interest held by ELMOS Finanzholding GmbH (EFH) and its subsidiaries is unchanged at 52.9%. The free float is 47.1%.

Based on the authorization given by shareholders' resolution at the Annual General Meeting of May 6, 2009 for the introduction of a stock option plan for the company's employees, executives, and Management Board members as well as employees and members of the management of affiliated companies, Supervisory Board and Management Board resolved on June 9, 2009 to issue altogether 495,000 options. The exercise price is 150% of the average amount of the closing prices of the stock of ELMOS Semiconductor Aktiengesellschaft through the Xetra trade at the Frankfurt Stock Exchange of the last ten trading days prior to the resolutions and thus comes to 3.68 Euro. The blocking period is three years as of the issue date. All other particulars relating to the granting and exercise of options comply with the shareholders' resolution of May 6, 2009.

Altogether 637,507 options from stock option plans are outstanding as of June 30, 2009, while the options from the last tranche have not been issued yet. The options are attributable to the various tranches as follows:

Year of resolution	Year of issue	Exercise price in Euro	Blocking period ex issue (years)	Exercise period after blocking period (years)	Options outstanding as of 12/31/2008 (number)	Exercised 1st half-year 2009 (number)	Expired 1st half-year 2009 (number)	Options outstanding as of 6/30/2009 (number)
2003	2004	11.59	2	3	264,672	0	264,672	0
2004	2005	13.98	2	3	145,244	0	2,737	142,507
2009	2009	3.68	3	3	0	0	0	495,000
					409,916	0	267,409	637,507

For the tranche issued in 2009 the company is authorized to offer the beneficiaries a cash compensation instead of delivery of shares.

The valuation of stock options was conducted in compliance with the regulations of IFRS 2 for "equity-settled share-based payment transactions", applying the Black-Scholes method. The stock options' average attributable value was 6.06 Euro for the tranche resolved in 2004 and 0.70 Euro for the tranche resolved in 2009. The value attributable at grant date was determined on the basis of the following assumptions:

Year of tranche resolution	2004	2009
Dividend yield	1.5%	0.0%
Expected volatility	85.0	75.0
Risk-free interest rate at grant date	2.76%	1.79%
Expected life in years	5 Jahre	6 Jahre

In the first half-year 2009 the company has incurred expenses of 9 thousand Euro for the stock option program.

4 Related party disclosures

As has been reported in the consolidated financial statements for the fiscal year ended December 31, 2008, the ELMOS Group maintains business relationships with related companies and individuals within the context of usual business activity. These supply and performance relationships continue to be transacted at market prices.

Shares and share options held by Management Board and Supervisory Board
As of June 30, 2009 the following members of Management Board and Supervisory Board held ELMOS shares and share options:

Management Board	Shares	Options
Dr. Anton Mindl	103,725	0
Reinhard Senf	16,923	10,000
Nicolaus Graf von Luckner	10,614	0
Jürgen Höllisch	0	0

Supervisory Board	Shares	Options
Prof. Dr. Günter Zimmer	0	0
Dr. Burkhard Dreher	5,000	0
Dr. Klaus Egger	0	0
Jörns Haberstroh	3,956	0
Jutta Weber	200	0
Dr. Klaus Weyer	72,500	10,000

Directors' dealings according to Section 15a WpHG (German Securities Trading Act)

The following reportable securities transactions (directors' dealings) were made in the reporting period from January 1 to June 30, 2009:

Date/Place	Name	Function	Transaction	Number	Price/Exercise price (Euro)	Total volume (Euro)
2/26/2009 Xetra	ZOE Beteiligungs GmbH	Legal entity closely related to the chairman of the Supervisory Board	Purchase of ELMOS shares	27,416	1.52	41,625.71
6/30/2009 off-market	Dr. Klaus Weyer	Supervisory Board member	Loan of ELMOS shares (securities loan)	10,000	gratuitous	n/a
6/30/2009 off-market	Dr. Klaus Weyer	Supervisory Board member	Loan of ELMOS shares (securities loan)	5,000	gratuitous	n/a

5 Subsequent events

There have been no reportable events of particular significance since the end of the first half-year.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Dortmund, August 2009

Dr. Anton Mindl   Nicolaus Graf von Luckner   Reinhard Senf   Jürgen Höllisch

Review report

To ELMOS Semiconductor AG

We have reviewed the condensed interim consolidated financial statements – comprising condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity, and selected explanatory notes – and the interim group management report of ELMOS Semiconductor AG for the period from January 1 to June 30, 2009 that are required componance of the half-year financial report according to Section 37w WpHG (German Securities Trading Act). The preparation of the condensed interim consolidated financial statements, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union, and of the interim group management report, in accordance with the regulations of the WpHG applicable to interim group management reports, is the responsibility of the company's management. It is our responsibility to issue a review report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements as defined by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and conduct the review in such a way that we can rule out the possibility with a certain level of assurance that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. As we have not performed a financial statement audit, in accordance with our engagement, we cannot issue an auditor's certificate.

No matters have come to our attention on the basis of our review that lead us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union, and that the interim group management report has not been prepared, in all material respects, in accordance with the regulations of the WpHG applicable to interim group management reports.

Dortmund, August 11, 2009

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Englisch	Krebs
Wirtschaftsprüfer	Wirtschaftsprüfer

Financial calendar

August 12, 2009	Report on the first half-year 2009
November 4, 2009	Report on the third quarter 2009
November 10, 2009	Analysts' conference at the German Equity Forum, Frankfurt

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