Half-year report HY1 2015

Overview

IN FOCUS

- Sales grow by +8.3% to 109.7 million Euro
- EBIT climbs by 25.9%, EBIT margin reaches 9.5%
- Exchange rates affect sales and earnings
- Asia sales contribution beyond 30%
- Forecast confirmed – One-off effect from repurchase of land and building from leasing

Key figures

	3-month comparison			6-month comparison		
in million Euro or percent unless otherwise indicated	04/01 – 06/30/2015	04/01 – 06/30/2014	Change	01/01 – 06/30/2015	01/01 – 06/30/2014	Change
Sales	**54.3**	**51.9**	**4.6%**	**109.7**	**101.3**	**8.3%**
Semiconductor	48.9	47.1	3.7%	98.2	92.7	6.0%
Micromechanics	5.5	4.8	13.9%	11.5	8.6	33.1%
Gross profit	**23.4**	**21.5**	**8.6%**	**45.8**	**42.1**	**8.8%**
in percent of sales	43.1%	41.5%		41.8%	41.6%	
R&D expenses	9.6	8.1	18.4%	19.4	16.8	15.5%
in percent of sales	17.6%	15.6%		17.6%	16.5%	
Operating income before other operating expenses (–)/income	4.6	4.4	5.2%	7.8	7.2	8.1%
in percent of sales	8.5%	8.4%		7.1%	7.1%	
Exchange rate gains/losses (–)	–1.2	0.1	n/a	1.7	–0.1	n/a
Other operating expenses (–)/income	0.7	0.7	5.9%	1.0	1.3	–20.3%
EBIT	**4.1**	**5.1**	**–18.9%**	**10.5**	**8.3**	**25.9%**
in percent of sales	7.6%	9.8%		9.5%	8.2%	
Net income for the period after non-controlling interests	2.8	4.0	–31.5%	7.1	8.1	–12.3%
in percent of sales	5.1%	7.8%		6.5%	8.0%	
Basic earnings per share in Euro	**0.14**	**0.21**	**–32.3%**	**0.36**	**0.42**	**–13.4%**
Cash flow from operating activities	3.7	7.7	–51.6%	16.4	19.3	–15.2%
Capital expenditures for intangible assets and property, plant and equipment	8.1	9.7	–16.1%	14.2	17.7	–19.6%
in percent of sales	14.9%	18.6%		13.0%	17.4%	
Free cash flow[1]	–2.4	–3.4	–30.0%	6.4	0.0	>100.0%
Adjusted free cash flow[2]	**–4.4**	**–1.9**	**>100.0%**	**2.1**	**1.6**	**31.7%**

in million Euro or percent unless otherwise indicated	06/30/2015	12/31/2014	Change
Equity	209.5	206.9	1.3%
in percent of total assets	70.8%	70.0%	
Employees (reporting date)	1,122	1,116	0.5%

[1] Cash flow from operating activities less cash flow from investing activities
[2] Cash flow from operating activities less capital expenditures for intangible assets and property, plant and equipment, less payments for investments, plus disposal of investments

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

Interim group management report

BUSINESS PERFORMANCE

Sales performance and order situation

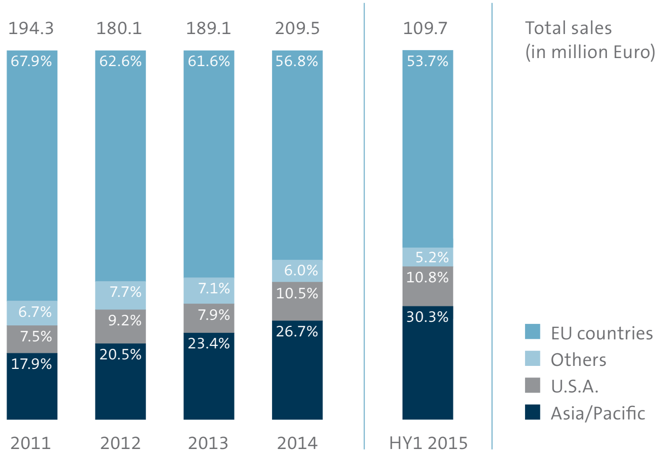
In the first half-year 2015 sales were up 8.3% over the prior-year period to 109.7 million Euro (HY1 2014: 101.3 million Euro). Elmos benefits from its successful product portfolio, the positive trend in new car registrations in Western Europe, the U.S. and Asia, and the rising share of semiconductors per vehicle.

The growth in sales of the first six months of 2015 was driven strongly by the disproportionate performance in Asia and the U.S. By six-month comparison, sales in Asia have gained 34.2% or 8.5 million Euro. The Asian market now contributes more than 30% to total sales (HY1 2014: 24.5%). In addition to the growth trend in Asia, the U.S. market also made its contribution to growth with an increase of 22.1%; however, this result is supported in part by relocation of production out of Europe.

The Semiconductor segment grew by 6.0% in the first half-year 2015 compared to the prior-year period, reaching 98.2 million Euro (HY1 2014: 92.7 million Euro). The performance of the Micromechanics segment benefited essentially from the strength of the U.S. dollar and recorded a sales gain of 33.1% on Euro basis in the first half-year 2015 (11.5 million Euro in HY1 2015 vs. 8.6 million Euro in HY1 2014). Based on the U.S. dollar, this equals 8.2% growth in the first six months of 2015 for the Micromechanics segment.

The ratio of orders received to sales, the so-called book-to-bill, was slightly above one at the end of the first half-year 2015.

SALES BY REGION



Third-party sales	01/01 – 06/30/2015 thousand Euro	in percent of sales	01/01 – 06/30/2014 thousand Euro	in percent of sales	Change
EU countries	58,932	53.7%	60,298	59.6%	–2.3%
U.S.A.	11,800	10.8%	9,661	9.5%	22.1%
Asia/Pacific	33,269	30.3%	24,798	24.5%	34.2%
Others	5,679	5.2%	6,539	6.4%	–13.2%
Consolidated sales	**109,680**	**100.0%**	**101,296**	**100.0%**	**8.3%**

Profit and financial positions as well as assets and liabilities

The gross profit reached an 8.8% gain to 45.8 million Euro despite being negatively affected by a stronger U.S. dollar compared to the prior-year period (HY1 2014: 42.1 million Euro). The gross margin thus increased slightly to 41.8% of sales (HY1 2014: 41.6%).

Research and development expenses rose from 16.8 million Euro to 19.4 million Euro or from 16.5% to 17.6% of sales in the half-year under review. This increase was driven by the acquisition of new technology licenses, among other factors. Distribution expenses were slightly up in the first half-year 2015 by 0.5 million Euro to 9.8 million Euro, yet in relative terms they dropped to 8.9% of sales (HY1 2014: 9.2%). Administration expenses remained constant in absolute terms at 8.9 million Euro for the reporting period and went down in relation to sales to 8.1% (HY1 2014: 8.7%). Based on increased efficiency, the operating income before other operating expenses and income climbed by 8.1% to 7.8 million Euro in the first half-year 2015 despite being affected by a stronger U.S. dollar (HY1 2014: 7.2 million Euro).

Earnings before interest and taxes (EBIT) rose to 10.5 million Euro in the first half-year 2015, resulting in an EBIT margin of 9.5% (HY1 2014: 8.3 million Euro or 8.2%). The EBIT is affected positively by exchange rate gains to the amount of 1.7 million Euro (HY1 2014: exchange rate loss of 0.1 million Euro). This gain is based on the one hand on exchange rate hedges realized in the first half-year 2015 and on the other hand on the fair value measurement of hedges concluded in the past and going beyond the quarter closing date.

After taxes, Elmos generated consolidated net income attributable to owners of the parent in the amount of 7.1 million Euro in the first six months of 2015 (HY1 2014: 8.1 million Euro). It has to be taken into account here that the consolidated net income for the prior-year period was positively affected by one-off tax effects. The consolidated net income equals basic earnings per share (EPS) of 0.36 Euro for the first half-year 2015 (HY1 2014: 0.42 Euro).

The cash flow from operating activities showed a good performance over the first six months of 2015 and reached 16.4 million Euro (HY1 2014: 19.3 million Euro). The essential reason for the lower operating cash flow compared to the prior-year period is the cash affecting increase in trade receivables by 3.8 million Euro compared to a decrease of that item in the prior-year period (2.6 million Euro).

Capital expenditures for intangibles and property, plant and equipment turned out lower than in the corresponding prior-year period at 14.2 million Euro or 13.0% of sales (HY1 2014: 17.7 million Euro or 17.4% of sales). The adjusted free cash flow (cash flow from operating activities less capital expenditures for intangible assets and property, plant and equipment, less payments for investments, plus disposal of investments) thus improved slightly over the reporting period. In the first six months of 2015 Elmos achieved a positive adjusted free cash flow of 2.1 million Euro, up by 0.5 million Euro or 31.7% over the prior-year amount.

As of June 30, 2015 cash and cash equivalents as well as marketable securities came to 79.2 million Euro, slightly down from the end of last year (December 31, 2014: 84.4 million Euro), especially due to the dividend payment of 6.5 million Euro. The net cash position thus decreased from 47.0 million Euro to 41.2 million Euro as of June 30, 2015. The equity ratio of 70.8% as of June 30, 2015 was slightly improved (December 31, 2014: 70.0%).

Economic environment

The growth of the automotive industry of the first half-year 2015 was driven globally by Western Europe, the U.S.A. and China, according to the German Association of the Automotive Industry (VDA).

Compared to the previous year, registration numbers in **Western Europe** gained slightly more than 8% to 6.9 million new vehicles. Particularly the growth rates of Spain (+22%) and Italy (+15%) are disproportionately positive. On the contrary, growth in the markets of Great Britain (+7%), France (+6%) and Germany (+5%) was disproportionately low.

The volume of the entire light vehicles market in the **U.S.** climbed by a little more than 4% to some 8.5 million new cars in the first half-year, with the light truck segment growing by close to 10% and the passenger car segment falling slightly below the prior-year level (–1%).

In **China** close to 9.5 million passenger cars were registered in the first half-year. Compared to the previous year this equals roughly 7% growth.

New passenger car registrations in **Japan** were on a decline over the first six months of 2015. The market volume only amounted to roughly 2.3 million units, about 12% below the level achieved in the prior-year period.

In the shadow of these major markets, Russia (–36%) and Brazil (–20%) are the "problem children" at present, according to the VDA.

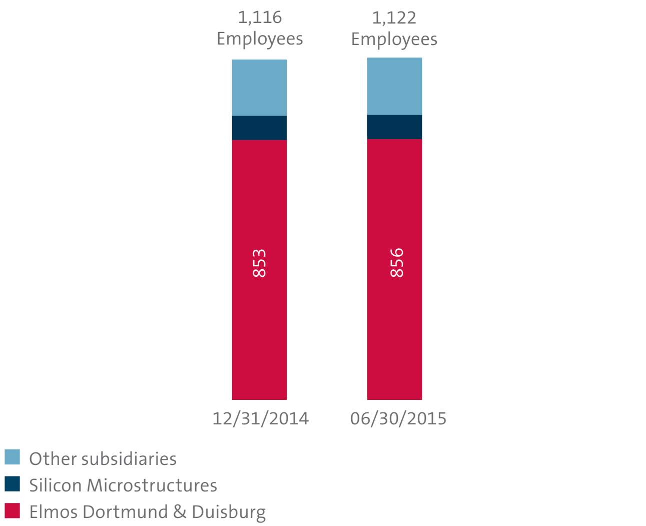
Significant events

Dr. Anton Mindl, CEO, and Dr. Arne Schneider, CFO, explained the past fiscal year and the 2015 forecast within the framework of **annual press conference** and **analysts' conference** in March 2015.

Mindl elaborated on these explanations at the **Annual General Meeting** in May with new insights. Among other topics, the reasons for the exchange rate driven adjustment of the forecast for the current fiscal year were explained. The shareholders also passed the proposal for a dividend increase to 0.33 Euro per share – as well as the other resolutions on the agenda – with a large majority of the votes. For the past few years the dividend had been 0.25 Euro per share respectively. The analysts' conference as well as the Annual General Meeting are available as recordings at www.elmos.com.

Prestigious carmakers displayed promising gesture control advancements in concept cars at the **Consumer Electronics Show (CES)** in Las Vegas in January 2015. For the sensors used in these gesture control solutions, Elmos is currently no. 1 in the global market with its Halios® solutions based on an optical principle. Elmos also introduced its products at the **world's leading trade shows** (e.g. embedded world 2015 and electronica China) and received highly positive customer feedback. Among the showcased products was a **motor driver for brushless DC (BLDC) motors** that can be operated at up to 72V supply voltage. Possible applications are BLDC motors, 48V onboard power systems in vehicles, industrial applications from 24V to 72V, commercial vehicles, or 48V telecommunication applications. Elmos subsidiary Silicon Microstructures, Inc. (SMI) introduced a **pressure sensor** suited for use in sophisticated medical catheter applications owing to its extremely miniaturized sensor. Furthermore, Elmos presented a semiconductor developed especially for use in cost efficient, dynamic **light elements** for vehicle interiors or exteriors such as status displays for e.g. the charge level of batteries in electric vehicles.

STAFF DEVELOPMENT ELMOS GROUP



OTHER DISCLOSURES

Staff development

The Elmos Group's workforce came to 1,122 employees as of June 30, 2015. Compared with December 31, 2014 (1,116 employees), the number of employees has thus changed only insignificantly.

Elmos share

Considering the half-year period, the stock markets recorded positive performances despite the continuing difficult political and economic general conditions. This is also reflected in the Elmos share and the market indices of relevance to Elmos, determined particularly by the highly positive developments of the first quarter. TecDAX, DAXsector Technology, and Technology All Share recorded respective gains of 19.8%, 29.0%, and 18.8% in the first half-year 2015. The DAX climbed by 11.6% over the first six months of 2015 while suffering losses in the second quarter (–8.5%).

The Elmos share showed a positive performance in the first half-year 2015, scoring a 10-year high on June 4, 2015 at 20.19 Euro (during trading hours) and a Xetra closing price of 19.90 Euro (also the 6-month high). In line with the general market performances, the Elmos share had weakened somewhat by the end of the half-year and closed on June 30, 2015 at 18.60 Euro. This equals a 14.8% gain for the first half-year 2015. Market capitalization amounted to 370.0 million Euro as of June 30, 2015, based on 19.9 million shares outstanding. The stock price hit its low on February 11, 2015 at 16.34 Euro (Xetra closing price).

The daily trading volume of the first half-year 2015 was 25.8 thousand shares on average (Xetra and Frankfurt floor) and was thus below the 2014 average (32.6 thousand shares). The treasury stock was reduced by servicing stock options with treasury shares, among other factors, to 215,487 treasury shares as of June 30, 2015 (December 31, 2014: 280,825).

COMPANY BOARDS

Supervisory Board

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

Dr. Burkhard Dreher, *deputy chairman*
Graduate economist | Dortmund

Dr. Klaus Egger
Graduate engineer | Steyr-Gleink, Austria

Thomas Lehner
Graduate engineer | Dortmund

Sven-Olaf Schellenberg
Graduate physicist | Dortmund

Dr. Klaus Weyer
Graduate physicist | Penzberg

Management Board

Dr. Anton Mindl, *chairman*
Graduate physicist | Lüdenscheid

Dr. Arne Schneider
Graduate economist | Munich

Reinhard Senf
Graduate engineer | Iserlohn

Dr. Peter Geiselhart
Graduate physicist | Ettlingen

OUTLOOK

Opportunities and risks

Risk management and the individual corporate risks and opportunities are described in our Annual Report 2014. No material changes of the Company's risks and opportunities as detailed therein have occurred in the first six months of 2015. No risks are visible at present that could either separately or collectively jeopardize the Company's continued existence.

Economic framework

The economy in **Germany** was stimulated in the spring based on consumer behavior, according to a Bundesbank assessment (German Federal Reserve). Households are supposed to have benefited from the sound job market situation and increased wages and salaries. The German economy's export business has grown strongly as well. For 2015 the Bundesbank assumes growth in Germany's gross domestic product by 1.7%.

The Ifo Institute also announced an improved mood in the German economy in July 2015. Germany's companies judge their business situation to be significantly better now and they feel more optimistic about the next half-year, too, according to the institute. The temporary relief in the Greece issue contributes to a brighter mood in the economy.

According to the National Bureau of Statistics in Beijing **(China),** the Chinese economy grew by 7% in the second quarter of 2015. Growth of the first three months of 2015 had also been 7%. In 2014 the output of the second largest economy of the world had still recorded growth of 7.4%. This does not consider the most recent developments in China which cannot be foreseen in its potential impacts on the real economy.

In a recent assessment, the International Monetary Fund (IMF) sees higher risks for the **global economy** than at the beginning of 2015. Accordingly the global economy will grow by 3.3% this year – less than the 3.5% the IMF had predicted in April and less than the 3.4% growth in 2014. The IMF identifies China and the euro area as the largest potential sources of risk worldwide.

For the **auto industry,** the President of Germany's Association of the Automotive Industry (VDA), Matthias Wissmann, sees the dynamics in the global market slow down. The global passenger car market will probably grow only by close to 1% to 76.6 million vehicles in 2015. Apart from the declining registration numbers in minor markets (such as Russia), the major markets will also record lower growth rates in 2015 than they did in 2014. According to the VDA, Western Europe will gain 4% to 12.6 million vehicles, the U.S. market (light vehicles) will gain merely about 2% to 16.7 million cars, and China will gain 6% to 19.5 million vehicles in the full year 2015. However, the VDA is optimistic that the long-term trend remains intact. The association expects the auto market to grow to close to 89 million cars by the year 2020.

Outlook for the Elmos Group

Based on the currently available information and the performance of the first six months of 2015, the Management Board presents the following outlook for the full year 2015:

We continue to expect to benefit from our position in the automotive semiconductor market and to grow on the basis of our existing business and new ramp-ups. The business performance of the first half-year 2015 affirms our expectations.

Management keeps expecting a sales increase of between 5% and 9% for the current fiscal year 2015. Elmos expects a slightly better EBIT margin for 2015 compared to 2014. In the third quarter of 2015, the repurchase of land and building from a sale & leaseback structure ahead of schedule will raise capital expenditures by roughly 14 million Euro and have a corresponding effect on the adjusted free cash flow. Disregarding this one-off effect, Elmos will spend less than 15% of sales on capital expenditures and achieve a positive adjusted free cash flow once again. This forecast is based on an exchange rate of 1.10 USD/EUR. Elmos had adjusted the forecast due to exchange rate changes within the framework of its reporting on the first quarter of 2015.

The underlying premise of this forecast is the assumption of a stable macroeconomic situation. In that case Elmos will participate in the positive development of the automotive semiconductor market in 2015. Electrification will continue further. At the same time it holds true that these expectations can be affected by market turbulence. The consequences of the political and economic developments and crises in the international markets, particularly the current situation in China, cannot be foreseen with respect to their effects on the global economy and our market.

Interim consolidated financial statements

Condensed consolidated statement of financial position

Assets	06/30/2015 thousand Euro	12/31/2014 thousand Euro
Non-current assets		
Intangible assets[1]	20,386	21,439
Property, plant and equipment[1]	82,470	82,429
Securities[1, 2]	34,056	41,632
Investments[1, 2]	20	20
Other financial assets[1]	4,467	4,147
Deferred tax assets	2,234	2,468
Total non-current assets	**143,634**	**152,136**
Current assets		
Inventories[1]	56,174	53,217
Trade receivables[2]	38,775	35,022
Securities[2]	13,785	10,226
Other financial assets	4,026	3,640
Other receivables	8,237	8,078
Income tax assets	106	562
Cash and cash equivalents[2]	31,375	32,520
Total current assets	**152,479**	**143,265**
Total assets	**296,113**	**295,400**

[1] Cf. note 3
[2] Cf. note 4

Equity and liabilities	06/30/2015 thousand Euro	12/31/2014 thousand Euro
Equity		
Equity attributable to owners of the parent		
Share capital[1]	19,890	19,860
Treasury stock[1]	–215	–281
Additional paid-in capital	90,508	89,657
Surplus reserve	102	102
Other equity components	–1,133	–2,366
Retained earnings	99,674	99,083
	208,826	**206,055**
Non-controlling interests	707	844
Total equity	**209,533**	**206,898**
Liabilities		
Non-current liabilities		
Provisions for pensions	542	599
Financial liabilities[2]	36,857	37,076
Other liabilities	3,508	3,878
Deferred tax liabilities	2,328	2,874
Total non-current liabilities	**43,235**	**44,427**
Current liabilities		
Provisions	13,215	12,811
Income tax liabilities	3,838	2,565
Financial liabilities[2]	1,135	333
Trade payables[2]	21,561	21,856
Other liabilities	3,596	6,509
Total current liabilities	**43,345**	**44,075**
Total liabilities	**86,580**	**88,502**
Total equity and liabilities	**296,113**	**295,400**

[1] Cf. note 3
[2] Cf. note 4

Condensed consolidated income statement

for the period April 1 to June 30	04/01 – 06/30/2015 thousand Euro	in percent of sales	04/01 – 06/30/2014 thousand Euro	in percent of sales	Change
Sales	**54,332**	**100.0%**	**51,928**	**100.0%**	**4.6%**
Cost of sales	–30,934	–56.9%	–30,385	–58.5%	1.8%
Gross profit	**23,399**	**43.1%**	**21,543**	**41.5%**	**8.6%**
Research and development expenses	–9,585	–17.6%	–8,094	–15.6%	18.4%
Distribution expenses	–4,956	–9.1%	–4,525	–8.7%	9.5%
Administrative expenses	–4,256	–7.8%	–4,548	–8.8%	–6.4%
Operating income before other operating expenses (–)/income	**4,601**	**8.5%**	**4,376**	**8.4%**	**5.2%**
Exchange rate losses (–)/gains	–1,178	–2.2%	52	0.1%	n/a
Other operating income	1,184	2.2%	1,358	2.6%	–12.8%
Other operating expenses	–476	–0.9%	–689	–1.3%	–31.0%
Earnings before interest and taxes (EBIT)	**4,132**	**7.6%**	**5,097**	**9.8%**	**–18.9%**
Finance income	674	1.2%	583	1.1%	15.6%
Finance cost	–598	–1.1%	–441	–0.8%	35.7%
Earnings before taxes	**4,208**	**7.7%**	**5,239**	**10.1%**	**–19.7%**
Taxes on income					
Current income tax	–2,223	–4.1%	–404	–0.8%	>100.0%
Deferred tax	894	1.6%	–670	–1.3%	n/a
	–1,329	**–2.4%**	**–1,073**	**–2.1%**	**23.8%**
Consolidated net income	**2,879**	**5.3%**	**4,166**	**8.0%**	**–30.9%**
Consolidated net income attributable to					
Owners of the parent	**2,765**	**5.1%**	**4,034**	**7.8%**	**–31.5%**
Non-controlling interests	113	0.2%	131	0.2%	–13.6%
Earnings per share	**Euro**		**Euro**		
Basic earnings per share	0.14		0.21		
Fully diluted earnings per share	0.14		0.20		

Condensed consolidated statement of comprehensive income

for the period April 1 to June 30	04/01 – 06/30/2015 thousand Euro	04/01 – 06/30/2014 thousand Euro
Consolidated net income	**2,879**	**4,166**
Other comprehensive income		
Items that may be reclassified to the income statement in future periods including respective tax effects		
Foreign currency adjustments not affecting deferred taxes	–217	39
Foreign currency adjustments affecting deferred taxes	–489	139
Deferred tax (on foreign currency adjustments affecting deferred taxes)	118	–35
Value differences relating to hedges	158	–43
Deferred tax (on value differences relating to hedges)	–52	14
Changes in market value of available-for-sale financial assets	–321	132
Deferred tax (on changes in market value of available-for-sale financial assets)	105	–43
Items that will not be reclassified to the income statement in future periods including respective tax effects		
Actuarial gains from pension plans	8	9
Deferred tax on actuarial gains from pension plans	–2	–3
Other comprehensive income after taxes	**–692**	**209**
Total comprehensive income after taxes	**2,187**	**4,375**
Total comprehensive income attributable to		
Owners of the parent	2,079	4,243
Non-controlling interests	108	132

Condensed consolidated income statement

for the period January 1 to June 30	01/01 – 06/30/2015 thousand Euro	in percent of sales	01/01 – 06/30/2014 thousand Euro	in percent of sales	Change
Sales	**109,680**	**100.0%**	**101,296**	**100.0%**	**8.3%**
Cost of sales	–63,871	–58.2%	–59,205	–58.4%	7.9%
Gross profit	**45,809**	**41.8%**	**42,091**	**41.6%**	**8.8%**
Research and development expenses	–19,352	–17.6%	–16,756	–16.5%	15.5%
Distribution expenses	–9,776	–8.9%	–9,287	–9.2%	5.3%
Administrative expenses	–8,910	–8.1%	–8,856	–8.7%	0.6%
Operating income before other operating expenses (–)/income	**7,771**	**7.1%**	**7,192**	**7.1%**	**8.1%**
Exchange rate gains/losses (–)	1,684	1.5%	–148	–0.1%	n/a
Other operating income	1,865	1.7%	2,231	2.2%	–16.4%
Other operating expenses	–846	–0.8%	–952	–0.9%	–11.2%
Earnings before interest and taxes (EBIT)	**10,474**	**9.5%**	**8,323**	**8.2%**	**25.9%**
Finance income	1,204	1.1%	1,225	1.2%	–1.7%
Finance cost	–1,034	–0.9%	–892	–0.9%	15.9%
Earnings before taxes	**10,644**	**9.7%**	**8,656**	**8.5%**	**23.0%**
Taxes on income					
Current income tax	–3,739	–3.4%	–948	–0.9%	>100.0%
Deferred tax	416	0.4%	459	0.5%	–9.3%
	–3,323	**–3.0%**	**–489**	**–0.5%**	**>100.0%**
Consolidated net income	**7,322**	**6.7%**	**8,167**	**8.1%**	**–10.3%**
Consolidated net income attributable to					
Owners of the parent	**7,076**	**6.5%**	**8,068**	**8.0%**	**–12.3%**
Non-controlling interests	246	0.2%	99	0.1%	>100.0%
Earnings per share	**Euro**		**Euro**		
Basic earnings per share	0.36		0.42		
Fully diluted earnings per share	0.35		0.41		

Condensed consolidated statement of comprehensive income

for the period January 1 to June 30	01/01 – 06/30/2015 thousand Euro	01/01 – 06/30/2014 thousand Euro
Consolidated net income	**7,322**	**8,167**
Other comprehensive income		
Items that may be reclassified to the income statement in future periods including respective tax effects		
Foreign currency adjustments not affecting deferred taxes	387	7
Foreign currency adjustments affecting deferred taxes	1,237	135
Deferred tax (on foreign currency adjustments affecting deferred taxes)	–314	–34
Value differences relating to hedges	255	–72
Deferred tax (on value differences relating to hedges)	–84	24
Changes in market value of available-for-sale financial assets	–348	566
Deferred tax (on changes in market value of available-for-sale financial assets)	114	–186
Items that will not be reclassified to the income statement in future periods including respective tax effects		
Actuarial gains from pension plans	15	18
Deferred tax on actuarial gains from pension plans	–5	–6
Other comprehensive income after taxes	**1,258**	**452**
Total comprehensive income after taxes	**8,580**	**8,619**
Total comprehensive income attributable to		
Owners of the parent	8,309	8,530
Non-controlling interests	271	89

Condensed consolidated statement of cash flows

	01/01 – 06/30/2015 thousand Euro	01/01 – 06/30/2014 thousand Euro	04/01 – 06/30/2015 thousand Euro	04/01 – 06/30/2014 thousand Euro
Cash flow from operating activities				
Consolidated net income	7,322	8,167	2,879	4,166
Depreciation and amortization	14,066	11,816	6,986	5,981
Financial result	–170	–333	–76	–142
Other non-cash income (–)/expenses	–518	–953	–945	229
Current income tax expense	3,739	948	2,223	404
Expenses for stock options/stock awards/share matching	152	195	74	88
Changes in pension provisions	–43	–74	–22	–59
Changes in net working capital:				
Trade receivables	–3,753	2,622	–2,409	981
Inventories	–2,957	–3,968	–921	–3,229
Other assets	–551	–214	1,517	389
Trade payables	347	468	–2,008	–1,794
Other provisions and other liabilities	554	2,264	–2,619	936
Income tax payments	–2,010	–1,932	–1,025	–456
Interest paid	–1,034	–892	–598	–441
Interest received	1,211	1,182	674	657
Cash flow from operating activities	**16,354**	**19,296**	**3,730**	**7,710**

Condensed consolidated statement of cash flows

	01/01 – 06/30/2015 thousand Euro	01/01 – 06/30/2014 thousand Euro	04/01 – 06/30/2015 thousand Euro	04/01 – 06/30/2014 thousand Euro
Cash flow from investing activities				
Capital expenditures for intangible assets	–1,464	–982	–875	–497
Capital expenditures for property, plant and equipment	–12,753	–16,691	–7,220	–9,156
Disposal of non-current assets held for sale	0	2	0	0
Disposal of non-current assets	879	964	14	37
Payments from the purchase of shares in subsidiaries	0	546	0	546
Payments for (–)/Disposal of securities	3,669	–2,850	2,134	–1,770
Payments for other non-current financial assets	–303	–255	–152	–255
Cash flow from investing activities	**–9,972**	**–19,266**	**–6,099**	**–11,095**
Cash flow from financing activities				
Repayment of non-current liabilities	–219	–40	–110	–40
Borrowing of/Repayment (–) of current liabilities to banks	802	–150	907	–427
Share-based remuneration/Issue of treasury shares	587	336	440	285
Capital increase from conditional capital	216	535	216	535
Dividend payment	–6,475	–4,844	–6,475	–4,844
Distribution/Other payments to non-controlling shareholders	–3,408	–367	–408	–100
Other changes	–10	43	–10	43
Cash flow from financing activities	**–8,507**	**–4,487**	**–5,440**	**–4,548**
Decrease in cash and cash equivalents	**–2,125**	**–4,457**	**–7,809**	**–7,933**
Effect of exchange rate changes on cash and cash equivalents	980	79	–394	112
Cash and cash equivalents at beginning of reporting period	32,520	27,949	39,578	31,392
Cash and cash equivalents at end of reporting period	**31,375**	**23,571**	**31,375**	**23,571**

Condensed consolidated statement of changes in equity

	Equity attributable to owners of the parent											Non-controlling interests	Group
						Other equity components							
	Shares	Share capital	Treasury stock	Additional paid-in capital	Surplus reserve	*Reserve for available-for-sale financial assets*	*Hedges*	*Foreign currency translation*	*Unrealized actuarial gains*	Retained earnings	Total	Total	Total
	thousand	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro	thousand Euro
January 1, 2014	**19,675**	**19,675**	**–328**	**88,161**	**102**	**78**	**–1,119**	**–2,191**	**–688**	**86,868**	**190,559**	**2,127**	**192,686**
Consolidated net income										8,068	8,068	99	8,167
Other comprehensive income for the period						380	–48	118	12		462	–10	452
Total comprehensive income						380	–48	118	12	8,068	8,530	89	8,619
Share-based remuneration/Issue of treasury shares			47	289							336		336
Capital increase from conditional capital	88	88		447							535		535
Transaction costs				–10							–10		–10
Changes in basis of consolidation											0	483	483
Dividend distribution										–4,844	–4,844		–4,844
Distribution to non-controlling shareholders											0	–367	–367
Expenses for stock options/stock awards/share matching				195							195		195
Other changes										41	41	13	54
June 30, 2014	**19,762**	**19,762**	**–281**	**89,082**	**102**	**458**	**–1,167**	**–2,073**	**–676**	**90,133**	**195,342**	**2,345**	**197,687**
January 1, 2015	**19,860**	**19,860**	**–281**	**89,657**	**102**	**89**	**–1,063**	**–547**	**–845**	**99,083**	**206,055**	**844**	**206,898**
Consolidated net income										7,076	7,076	246	7,322
Other comprehensive income for the period						–234	171	1,285	11		1,233	25	1,258
Total comprehensive income						–234	171	1,285	11	7,076	8,309	271	8,580
Share-based remuneration/Issue of treasury shares			65	522							587		587
Capital increase from conditional capital	31	31		185							215		215
Transaction costs				–8							–8		–8
Dividend distribution										–6,475	–6,475		–6,475
Distribution to non-controlling shareholders											0	–408	–408
Expenses for stock options/stock awards/share matching				152							152		152
Other changes										–9	–9		–9
June 30, 2015	**19,890**	**19,890**	**–215**	**90,508**	**102**	**–145**	**–892**	**738**	**–834**	**99,674**	**208,826**	**707**	**209,533**

Condensed notes to the consolidated financial statements

The condensed interim consolidated financial statements for the 1st half-year 2015 were released for publication pursuant to Management Board resolution in August 2015.

1 – GENERAL INFORMATION

Elmos Semiconductor Aktiengesellschaft ("the Company" or "Elmos") has its registered office in Dortmund (Germany) and is entered in the register of companies maintained at Dortmund District Court (Amtsgericht), section B, no. 13698. The Articles of Incorporation are in effect in the version of March 26, 1999, last amended by resolution of the Annual General Meeting of May 8, 2015.

The Company's business is the development, manufacture and distribution of microelectronic components and system parts (**a**pplication **s**pecific **i**ntegrated **c**ircuits, or in short: ASICs) as well as 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 has sales companies and business locations in Europe, Asia, South Africa and the United States and cooperates with other German and international companies in the development and production of ASIC chips.

The Company is a listed stock corporation and its shares are traded in the Prime Standard segment in Frankfurt/Main.

The address of the Company's registered office is:
44227 Dortmund, Germany, Heinrich-Hertz-Straße 1

Basic principles of the preparation of financial statements

The condensed interim consolidated financial statements for the period January 1 through June 30, 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". These financial statements do therefore not contain all the information and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2014.

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 for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2014, with the exception of the following new or amended IFRS standards and interpretations listed below.

- IFRIC 21: Levies
- Improvements to IFRS 2011-2013

First-time application of these standards or interpretations had no effects on the Group's profit and financial position and assets and liabilities.

Estimates and assumptions

The Company recognizes provisions for pension and partial retirement obligations pursuant to IAS 19. For 2015 an actuarial interest rate of 1.9% has been applied, unchanged from December 31, 2014.

Exceptional business transactions

There were no exceptional business transactions in the first half-year 2015.

Recycling of equity components outside of profit or loss

The Company sold bonds in the second quarter. For these bonds adjustments were made in equity up to the date of sale outside profit or loss. In accordance with IAS 1.92, these amounts recognized outside profit or loss must be stated as reclassification adjustments (“recycling”). The following table shows the effects of the sale transactions on the consolidated income statement and the consolidated statement of comprehensive income:

	Before “recycling” (thousand Euro)	“Recycling” (thousand Euro)	After “recycling” (thousand Euro)
Consolidated net income based on the bonds sold in the consolidated income statement for the half-year period 1/1 – 6/30/2015 (or rather the period 4/1 – 6/30/2015)	33 (33)	–57 (–57)	–24 (–24)
Other comprehensive income based on the bonds sold in the consolidated statement of comprehensive income for the half-year period 1/1 – 6/30/2015 (or rather the period 4/1 – 6/30/2015)	19 (0)	57 (57)	76 (57)
Total comprehensive income based on the bonds sold in the half-year period 1/1 – 6/30/2015 (or rather the period 4/1 – 6/30/2015)	52 (33)		52 (33)

In the first half-year 2015 or rather the second quarter of 2015, 57 thousand Euro were ultimately reclassified from “Other comprehensive income” to the consolidated income statement recognized as an expense.

Basis of consolidation

The companies Elmos Central IT Services GmbH and Elmos Facility Management GmbH were merged into Elmos Semiconductor AG in the first half-year 2015. The goal is to simplify structures and processes and to realize synergy effects.

There were no other changes to the basis of consolidation in the first half-year 2015.

Seasonal and economic effects on business operations

In a recent analysis of the global economy, the International Monetary Fund (IMF) identifies higher risks than it did at the beginning of 2015. Accordingly the global economy will grow by 3.3% this year – less than the 3.5% the IMF predicted back in April and less than the growth of 3.4% in 2014. China and the euro area represent the largest potential sources of risk worldwide, according to the IMF. The business of Elmos Semiconductor AG shows rather insignificant seasonal fluctuations.

2 – SEGMENT REPORTING

The business segments correspond to the Elmos Group’s internal organizational and reporting structure. The definition of segments considers the different products and services supplied by the Group. The accounting principles of the individual segments correspond to those applied by the Group.

The Company divides its business activities into two segments:

The Semiconductor business is operated through the various national subsidiaries and branches in Germany, the Netherlands, South Africa, Asia, and the U.S.A. Sales in this segment are generated predominantly with electronics for the automotive industry. In addition to that, Elmos operates in the markets for industrial and consumer goods and provides semiconductors e.g. for applications in household appliances, installation and building technology, and machine control.

Sales in the Micromechanics segment are generated by the subsidiary SMI in the U.S.A. Its product portfolio includes micro-electro-mechanical systems (MEMS) which are primarily silicon-based high-precision pressure sensors.

Business operations are organized and managed separately from each other with respect to the type of products, with each segment representing one strategic business unit that provides different products and supplies different markets. Inter-segment sales are based on cost-plus pricing or on settlement prices that correspond to prices paid in transactions with third parties.

The following tables provide information on sales and earnings (for the period January 1 through June 30, 2015 and 2014, respectively) as well as on assets of the Group’s business segments (as of June 30, 2015 and December 31, 2014).

1st half-year as of June 30, 2015	Semiconductor thousand Euro	Micromechanics thousand Euro	Consolidation thousand Euro	Group thousand Euro
Sales				
Third-party sales	98,224	11,456	0	109,680
Inter-segment sales	299	879	–1,178[1]	0
Total sales	**98,523**	**12,335**	**–1,178**	**109,680**
Earnings				
Segment earnings	8,713	1,761	0	10,474
Finance income				1,204
Finance cost				–1,034
Earnings before taxes				**10,644**
Taxes on income				–3,323
Consolidated net income including non-controlling interests				**7,322**
Assets				
Segment assets	241,993	20,385	33,715[2]	296,093
Investments	20	0	0	20
Total assets				296,113
Other segment information				
Capital expenditures for intangible assets and property, plant and equipment	13,297	200	0	13,497
Depreciation and amortization	13,457	609	0	14,066

[1] Sales from inter-segment transactions have been eliminated for consolidation purposes.
[2] Non-attributable assets as of June 30, 2015 include cash and cash equivalents (31,375 thousand Euro), income tax assets (106 thousand Euro), and deferred tax (2,234 thousand Euro), as these assets are controlled at group level.

1st half-year as of June 30, 2014	Semiconductor thousand Euro	Micromechanics thousand Euro	Consolidation thousand Euro	Group thousand Euro
Sales				
Third-party sales	92,686	8,610	0	101,296
Inter-segment sales	195	673	–868[1]	0
Total sales	**92,881**	**9,283**	**–868**	**101,296**
Earnings				
Segment earnings	7,086	1,237	0	8,323
Finance income				1,225
Finance cost				–892
Earnings before taxes				**8,656**
Taxes on income				–489
Consolidated net income including non-controlling interests				**8,167**
Assets (as of 12/31/2014)				
Segment assets	241,553	18,277	35,550[2]	295,380
Investments	20	0	0	20
Total assets				295,400
Other segment information				
Capital expenditures for intangible assets and property, plant and equipment	21,318	160	0	21,478
Depreciation and amortization	13,652	387	0	14,039

[1] Sales from inter-segment transactions have been eliminated for consolidation purposes.
[2] Non-attributable assets as of December 31, 2014 include cash and cash equivalents (32,520 thousand Euro), income tax assets (562 thousand Euro), and deferred tax (2,468 thousand Euro), as these assets are controlled at group level.

Geographical information

Third-party sales	Half-year as of 06/30/2015 thousand Euro	Half-year as of 06/30/2014 thousand Euro
EU countries	58,932	60,298
U.S.A.	11,800	9,661
Asia/Pacific	33,269	24,798
Others	5,679	6,539
	109,680	**101,296**

Geographical distribution of non-current assets	06/30/2015 thousand Euro	12/31/2014 thousand Euro
Germany	128,092	136,444
Other EU countries	3,609	3,846
U.S.A.	5,122	5,113
Others	110	118
	136,933	**145,521**

3 – NOTES ON ESSENTIAL FINANCIAL STATEMENT ITEMS

Selected non-current assets

Development of selected non-current assets from January 1 through June 30	Net book value 01/01/2015 thousand Euro	Reclassification thousand Euro	Additions thousand Euro	Disposals/ Other movements thousand Euro	Depreciation/ Amortization thousand Euro	Net book value 06/30/2015 thousand Euro
Intangible assets	21,439	0	1,605	60	2,718	20,386
Property, plant and equipment	82,429	0	11,892	–504	11,347	82,470
Securities	41,632	0	210	–7,786	0	34,056
Investments	20	0	0	0	0	20
Other financial assets	4,147	0	363	–43	0	4,467
	149,668	**0**	**14,070**	**–8,273**	**14,066**	**141,399**

The item “Disposals/Other movements” includes positive currency adjustments in the amount of 458 thousand Euro.

Inventories

	06/30/2015 thousand Euro	12/31/2014 thousand Euro
Raw materials	5,316	4,069
Work in process	38,294	38,463
Finished goods and merchandise	12,538	10,685
Advance payments	25	0
	56,174	**53,217**

Equity

The share capital of 19,890 thousand Euro entered in the statement of financial position as of June 30, 2015 (December 31, 2014: 19,860 thousand Euro) and consisting of 19,890,426 (December 31, 2014: 19,859,749) no-par value bearer shares is fully paid up. As of June 30, 2015 the Company holds 215,487 (December 31, 2014: 280,825) of the Company’s no-par shares, adding up to a theoretical share in the share capital of 215 thousand Euro (December 31, 2014: 281 thousand Euro).

As of June 30, 2015 altogether 683,571 options from stock option plans are outstanding. The options are attributable to the separate tranches as follows:

Tranche	2009	2010	2011	2012	Total
Year of resolution and issue	2009	2010	2011	2012	
Exercise price in Euro	3.68	7.49	8.027	7.42	
Blocking period ex issue (years)	3	4	4	4	
Exercise period after blocking period (years)	3	3	3	3	
Options outstanding as of 12/31/2014 (number)	**38,940**	**123,744**	**233,505**	**384,844**	**781,033**
Exercised 01/01 – 06/30/2015 (number)	26,790	47,442	0	0	74,232
Forfeited 01/01 – 06/30/2015 (number)	12,150	2,130	2,775	6,175	23,230
Options outstanding as of 6/30/2015 (number)	**0**	**74,172**	**230,730**	**378,669**	**683,571**
Options exercisable as of 6/30/2015 (number)	0	74,172	0	0	74,172

4 – INFORMATION ON FINANCIAL INSTRUMENTS

The following table lists the book values and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in a regular business transaction as of the measurement date. In view of varying factors of influence, the presented fair values can only be regarded as indicators of the amounts actually recoverable in the market. Detailed information on the methods and assumptions underlying the determination of the value of financial instruments can be found under note 29 to the 2014 consolidated financial statements. Its relevance to these half-year financial statements is undiminished.

Book and fair values of financial instruments

	06/30/2015		12/31/2014	
thousand Euro	Book value	Fair value	Book value	Fair value
Financial assets				
Investments	20	20	20	20
Long-term securities	34,056	34,056	41,632	41,632
Short-term securities	13,785	13,785	10,226	10,226
Trade receivables	38,775	38,775	35,022	35,022
Cash and cash equivalents	31,375	31,375	32,520	32,520
Other financial assets				
Other receivables and assets	2,163	2,163	1,709	1,709
Other loans	4,168	4,168	3,865	3,865
Forward exchange contracts/Currency option transactions	2,152	2,152	2,190	2,190
Call options	1	1	0	0
Embedded derivatives	10	10	23	23
Financial liabilities				
Trade payables	21,561	21,561	21,856	21,856
Liabilities to banks	37,992	39,710	37,409	38,737
Other financial liabilities				
Miscellaneous financial liabilities	147	147	3,705	3,705
Put option	2,000	2,000	2,000	2,000
Hedged derivatives (short-term)	629	629	616	616
Hedged derivatives (long-term)	699	699	967	967

At the end of the reporting period a review is conducted to find out whether reclassifications between valuation hierarchies must be made. The following shows which valuation hierarchy levels (according to IFRS 13) financial assets and liabilities measured at fair value are classified to.

Hierarchy of fair values

The Group applies the following hierarchy for the determination and reporting of the fair values of financial instruments according to the respective valuation methods:

Level 1: quoted (unadjusted) prices in active markets for similar assets or liabilities

Level 2: methods where all input parameters with a material effect on the determined fair value are observable either directly or indirectly

Level 3: methods using input parameters that have a material effect on the determined fair values and are not based on observable market data

As of June 30, 2015 the Group held the following financial instruments measured at fair value:

	Level 1 thousand Euro	Level 2 thousand Euro	Level 3 thousand Euro
Securities			
January 1, 2015	**47,858**	**0**	**0**
Addition of securities (long-term)	210	0	0
Disposal of securities (long-term)	–2,134	0	0
Reclassification of securities (long-term)	–5,439	0	0
Market valuation of securities (long-term)	–212	0	0
Addition of securities (short-term)	255	0	0
Reclassification of securities (short-term)	5,439	0	0
Market valuation of securities (short-term)	–136	0	0
June 30, 2015	**45,841**	**0**	**0**
Investments			
January 1, 2015	**0**	**0**	**20**
June 30, 2015	**0**	**0**	**20**
Hedged derivatives			
January 1, 2015	**0**	**–1,583**	**0**
Correction of measurement of hedged derivatives outside profit or loss (short-term and long-term)	0	255	0
June 30, 2015	**0**	**–1,328**	**0**
Call option			
January 1, 2015	**0**	**0**	**0**
Addition of call option	0	0	1
June 30, 2015	**0**	**0**	**1**
Put option			
January 1, 2015	**0**	**0**	**–2,000**
June 30, 2015	**0**	**0**	**–2,000**
Forward exchange contracts/Currency option transactions			
January 1, 2015	**0**	**2,190**	**0**
Market valuation of forward exchange contracts/currency option transactions	0	–38	0
June 30, 2015	**0**	**2,152**	**0**
Embedded derivatives			
January 1, 2015	**0**	**23**	**0**
Market valuation of embedded derivatives	0	–13	0
June 30, 2015	**0**	**10**	**0**

The securities reported under *hierarchy level 1* are bonds classified by Elmos as available for sale.

The hedged derivatives allocated to *hierarchy level 2* comprise the Company's interest rate swaps. In addition to that, foreign currency transactions (USD) and credit linked notes (embedded derivatives) of various issuers are also reported under this hierarchy level.

The available-for-sale financial assets reported under *hierarchy level 3* are investments in various companies, among other assets. With this respect, the book value essentially corresponds to the market value. The call and put options agreed on with a non-controlling shareholder are measured annually at fair value, most recently as of December 31, 2014, in application of the DCF method and in consideration of the terms and conditions of the contract. In the course of the measurement process, the required publicly available market data are collected and the input parameters that cannot be observed are reviewed on the basis of internally available current information and updated if necessary. Material changes of the input parameters and their respective effects on book values are subject to routine reporting to management. In the second quarter 2015 Elmos Semiconductor AG signed a cooperation agreement with a foreign development company. Part of this agreement is an option on the purchase of shares in that company which has been recognized at a fair value of 1 thousand Euro as of June 30, 2015.

5 – RELATED PARTY DISCLOSURES

As reported in the consolidated financial statements for the fiscal year ended December 31, 2014, the Elmos Group maintains business relationships with related companies and individuals in the context of the ordinary course of business.

These supply and performance relationships continue to be transacted at market prices.

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

The following reportable securities transactions (directors' dealings) were made in the reporting period January 1 through June 30, 2015:

Date Place	Name	Function	Transaction	Number	Price/ Basic price (Euro)	Total volume (Euro)
03/26/2015 off-market	Sven-Olaf Schellenberg	Supervisory Board member	Sale of Elmos shares from exercise of stock options	400	17.22	6,887
05/22/2015 off-market	Dr. Anton Mindl	CEO	Sale of Elmos shares from exercise of stock options	5,000	19.43	97,146
06/01/2015 off-market	Dr. Anton Mindl	CEO	Sale of Elmos shares from exercise of stock options	6,667	19.83	132,184
06/01/2015 off-market	Reinhard Senf	Management Board member	Sale of Elmos shares from exercise of stock options	2,500	19.83	49,567
06/02/2015 off-market	Reinhard Senf	Management Board member	Sale of Elmos shares from exercise of stock options	2,500	19.66	49,153

6 – SIGNIFICANT EVENTS AFTER THE END OF THE FIRST HALF-YEAR 2015

In July 2015 Elmos entered into agreements regarding the termination of lease agreements and the connected repurchase of real estate used by Elmos at the Dortmund location. These transactions result in a significant increase in property, plant and equipment entered in the statement of financial position linked to a corresponding decrease of cash and cash equivalents. Positive effects for the Group's profitability are expected due to reduced lease payments.

There have been no other reportable significant events or transactions after the end of the first half-year 2015.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated interim management report 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 in the remaining fiscal year.

Dortmund, August 5, 2015

Dr. Anton Mindl Dr. Arne Schneider Reinhard Senf Dr. Peter Geiselhart

REVIEW REPORT

To Elmos Semiconductor AG, Dortmund

We have reviewed the condensed interim consolidated financial statements – comprising condensed statement of financial position, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity, and selected explanatory notes – and the interim group management report of Elmos Semiconductor AG that are required components of a half-year financial report pursuant to Section 37w WpHG (Securities Trading Act) for the period from January 1 to June 30, 2015.

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 report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We have 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 the review to be planned and conducted in such a way that allows us to rule out the possibility with reasonable assurance that the condensed interim consolidated financial statements have not been prepared in 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 material respects 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 degree of 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 audit opinion.

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 or 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.

Düsseldorf, August 5, 2015

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Senger	Ulrich Diersch
Wirtschaftsprüfer	Wirtschaftsprüfer

Financial calendar 2015

6-month results Q2 / 2015[1]	August 5, 2015
9-month results Q3 / 2015[1]	November 4, 2015
Equity Forum in Frankfurt	November 24–25, 2015

[1] The German Securities Trading Act (Wertpapierhandelsgesetz) obliges issuers to announce immediately any information that may have a substantial price impact, irrespective of the financial calendar. It is therefore possible that we will announce key figures of quarterly and annual results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking dates and news ahead of schedule on the Company's website (www.elmos.com).

Contact

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