Q3/2015

INTERIM REPORT

JANUARY – SEPTEMBER 2015

siltronic
perfect silicon solutions

Company profile: Siltronic is a global leader in the market for hyperpure silicon wafers and supplies the world's leading semiconductor companies. The extensive range of products in the portfolio are thus key components of the increasingly powerful and energy-efficient computer chips that are used in popular products such as smartphones, laptops, and cars. The Company has close to 4,000 employees spread across a network of state-of-the-art production sites in Europe, Asia, and the USA. Technology leadership and a consistent focus on improving efficiency form the bedrock for increasing the Company's value going forward.

Contents

Siltronic at a glance

- Q3 2015 sales up by 7 percent year-on-year, down by 6 percent vs. Q2 2015 as expected
- EBITDA margin of around 13 percent in Q3 2015; 19 percent after adjusting for negative exchange rate effects, which are included in other operating income and expense
- ROCE slightly positive in Q3 2015
- Free cash flow of only €1 million due to expected increase in capital expenditure in Q3 2015
- Equity ratio at 48 percent
- Strong net financial assets at €166 million

	Q3			Q1–Q3		
€ million	**2015**	**2014**	**Change** (%)	**2015**	**2014**	**Change** (%)
Sales	230.6	216.0	7	716.0	622.7 (7)	15
EBITDA (1)	29.3	33.2	–12	100.8	93.0 (8)	8
EBITDA margin (3)	12.7 %	15.4 %	–18	14.1 %	14.9 %	–5
EBIT (2)	0.3	–7.7	>100	8.8	–18.1	>100
EBIT margin (3)	0.1 %	–3.6 %	>100	1.2 %	–2.9 %	>100
Net result for the period	–6.2	–12.2	49	–11.2	–29.3	62
Earnings per share (€) (4)	–0.15	–0.31	53	–0.21	–0.69	69
Cash flow from operating activities	25.5	26.6	–4	88.1	116.3	–24
Cash receipts/payments for property, plant and equipment and for non-current intangible assets	–24.3	–6.0	>100	–40.2	–20.9	92
Free cash flow (5)	1.2	20.5	–94	47.9	95.4	–50
ROCE (6)	0.2 %	–3.8 %	>100	1.5 %	–2.9 %	>100

(1) EBITDA is EBIT before depreciation/amortization of non-current assets including impairment losses and reversals thereof.
(2) EBIT is the earnings for the reporting period before net finance costs/net financial income and before income taxes.
(3) The margins relate to sales.
(4) The calculation of earnings per share for 2014 and 2015 is based on a total of 30,000,000 shares.
(5) Free cash flow is cash flow from operating activities less cash flow from investing activities (capital expenditure on property, plant and equipment and on non-current intangible assets), but excluding acquisitions of companies.
(6) ROCE is EBIT divided by capital employed. Capital employed is calculated from non-current assets and working capital.
(7) There was a slight year-on-year increase in sales for the first three quarters of 2015 as a result of Siltronic Silicon Wafer pte, Ltd. Singapore (SSW) being consolidated for the full nine-month period in 2015, whereas it had only been consolidated for just over eight months in the corresponding period of 2014 (initial consolidation of SSW on January 24, 2014). If SSW had been consolidated for the full nine months in 2014, sales would have been €7.4 million higher and the year-on-year increase in sales would have been 14 percent rather than 15 percent.
(8) If SSW had been consolidated from January 1, 2014, adjusted EBITDA for the first nine months of 2014 would have been €78.6 million and the EBITDA margin would have been 12.5 percent.

€ million	**Sept. 30, 2015**	**Dec. 31, 2014**
Equity	501.7	311.8
Equity ratio	48 %	29 %
Net financial assets	166.2	–24.5
Employees (number)	3,978	4,163

Rainer Irle, Executive Vice President & Chief Financial Officer
45 years old. After graduating with a degree in engineering and management (Siegen University) and a master of science degree in engineering (Gothenburg, Sweden), he worked as a management consultant at A. T. Kearney before joining Siltronic AG in 2003. He has been Siltronic AG's CFO since January 2013.

Dr. Christoph von Plotho, President & Chief Executive Officer
60 years old. After studying chemistry and earning a doctorate at RWTH Aachen University, he joined the Wacker Chemie Group in 1984, where he has held various management roles in Germany and abroad. Since October 2010, he has been President and CEO of Siltronic AG.

To our shareholders

Dear shareholders,

Some of our customers have now substantially lowered their forecasts for 2015. As they had evidently been building up their wafer inventories in anticipation of higher growth rates, in Q3 2015 we began to see cancellations as clients aimed to reduce their own wafer inventories. As predicted in our previous outlook after Q2 2015, sales fell slightly in Q3 2015. In addition, this inventory correction has carried over into the final quarter of the year. Furthermore, unit sales of wafers tend to be weaker in the fourth quarter, and this usual seasonal effect is likely to be even more pronounced this year. The main reason is weak sales of computers, tablets, and smartphones in China.

Our share price reacted to the declining stock market. Our share price had initially risen to €35.00 in Q2 2015 following the IPO, but it closed at just €24.55 on September 30, 2015. This equates to a decrease of around 30 percent in Q3 2015.

In the meantime, we have been pressing ahead with our core operational and strategic topics. We improved our cost performance further in Q3 2015. For example, the variable manufacturing costs for a 300mm wafer fell to an all-time low in August. Moreover, a number of production lines achieved record productivity levels. We received the '2014 Award for Best Supplier of the Year' from STMicroelectronics in recognition of our outstanding quality performance and development expertise.

Despite the reduction in sales, and with prices remaining stable, our EBITDA margin held firm at 12.7 percent – the same as in Q2 2015 – thanks to increased cost efficiency. Exchange rate losses, which are recognized in other operating income and expense, amounted to €15.5 million in Q3 2015 (Q2 2015: €17.6 million) and had a significant negative impact on earnings, as in Q2 2015. Without these effects, EBITDA for Q3 2015 would have been €44.8 million, which would have generated a 19 percent margin.

Free cash flow was again positive in Q3 2015. It amounted to €1 million due to the substantial increase in capital expenditure. ROCE was also positive at 0.2 percent.

Despite the temporary market weakness, these results show that Siltronic has positioned itself correctly and is on a sustainable path. Continuous cost position improvements, combined with our leading technology position, make Siltronic an attractive company well positioned for the future.

Our capital expenditure will amount to approximately €70 million this year. We have invested in enhancing our processes and measurement technology. Our investment in state-of-the-art crystal-pulling plants is making good progress. In Q3 2015, we also approved the first phase in the automation of our 300mm production line in Freiberg.

Siltronic's finances are extremely healthy following its IPO. With an equity ratio of 48 percent and net financial assets of €166 million we have a strong basis.

Innovation, continuous improvement of our cost structure, as well as an ongoing optimization of our processes are the key factors for efficiency gains and thus for a successful future of our Company. We will continue on this path with a keen focus on further efficiency gains and a long-term perspective. As the industry regains its momentum in the medium term, and Siltronic, as one of the top-three wafer manufacturers, will surely benfit from this trend.

Munich, October 29, 2015

Dr. Christoph von Plotho
(CEO)

Rainer Irle
(CFO)

Siltronic on the stock exchange

- **Lower growth rates in China**
- **Fall in market expectations for the semiconductor market**

The Siltronic share

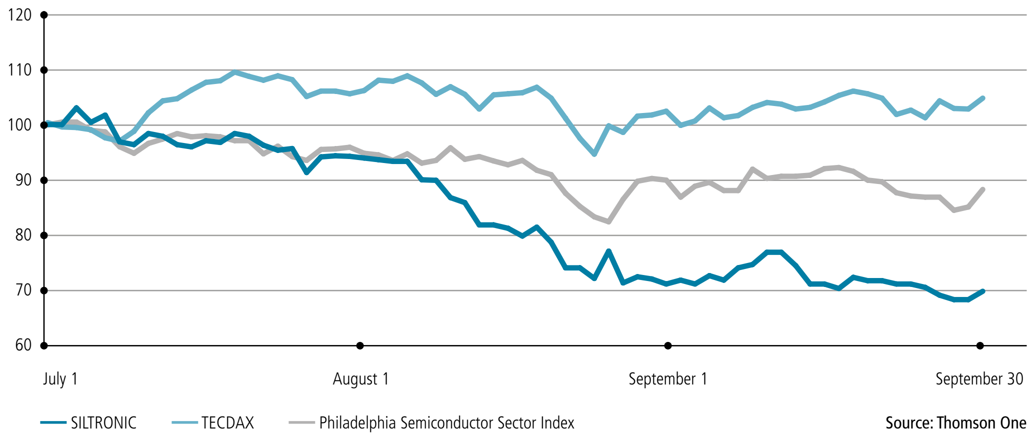
The stock market experienced major price falls worldwide in Q3 2015. Although indices such as the DAX and Dow Jones recovered from the Greek crisis in July, weak growth figures from China caused a drop in share prices and growing volatility from August onward. Share prices fell particularly sharply in the Asian stock markets, with the Hang Seng index losing 21 percent in Q3 2015. The DAX dropped by 14 percent in the same period.

In the semiconductor industry, two topics dominated the capital markets. Firstly, customers had lowered their market expectations in Q2 2015, which led to some customers scaling back inventories and a decrease in demand for wafers in Q3 2015. Secondly, the capital markets lowered their expectations with regard to price increases this year.

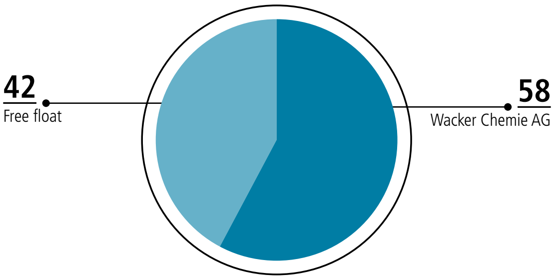
Siltronic shares started Q3 2015 at €35.00 and rose to €36.04 before turbulence hit the capital markets. Little more than a week after publication of the half-year results, developments in the capital markets began to impact on Siltronic's shares. Their low for Q3 2015 was €24.00 and they closed at €24.55 at the end of the quarter.

Whereas the TecDAX was the only German share index to rise – by 5 percent – during the reporting period, the Philadelphia Semiconductor Sector Index[SM] (SOX[SM]) fell by 11 percent. Against this backdrop, Siltronic's share price went down by approximately 30 percent.

Performance of Siltronic shares (indexed)
Q3 2015



Shareholder structure of Siltronic AG
(%)



The free float is held predominantly by US and UK investors

The free float remained unchanged at 42 percent. Siltronic's largest shareholder continues to be Wacker Chemie AG. It has held 57.83 percent since the IPO. According to the notifications that we have received, the largest institutional investors are The Baupost Group Securities, L.L.C. from Boston, USA, with 8.66 percent, MainFirst SICAV from Luxembourg with 5.06 percent, and Wellington Management Company LLP from Boston, USA, with 3.01 percent.

This reflects the regional distribution of the free float in August. More than half (54 percent) of the free float is held by institutional investors in the USA, followed by the United Kingdom with 19 percent and Germany with 18 percent.

Basic data on Siltronic shares

International securities identification number (ISIN)	DE000WAF3001
Stock exchange	Frankfurt
Ticker symbol	WAF300
Market segment	Regulated Market
Transparency standard	Prime Standard
Number of shares	30,000,000
Free float as of September 30, 2015	42.2%
Market capitalization*	€737 million

* 30,000,000 shares x €24.55 (closing price on September 30, 2015).

We have set ourselves the goal of raising awareness of Siltronic as an independent company and establishing trust-based dialog with the capital markets. To this end, we communicate transparently and openly through professional investor relations activities. We arranged a conference call for analysts and investors on July 31 following publication of the half-year results. During Q3 2015, we held numerous meetings with analysts and investors and organized a management roadshow. The presentation from the roadshow can be found on our website www.siltronic.com under Investor Relations.

The average target price for banks that regularly report on Siltronic was €38.21; there were five 'buy' and two 'hold' recommendations. You can find out more on our website www.siltronic.com under Investor Relations.

Interim Group Management Report

Group basics

- **Global network of leading-edge manufacturing sites**
- **Focus on customers, quality, efficiency, and innovation**
- **Research into hyperpure silicon since 1953**

Company profile

Decades of expertise in silicon wafers

The origin of our business, which we started in 1953, is research and development in the area of hyperpure silicon. Siltronic AG has existed in its present form since 2004. Today, the Siltronic Group ('Siltronic') is one of the world's leading manufacturers of hyperpure silicon wafers. Silicon wafers are the basis for modern microelectronics and nanoelectronics and are therefore a key component of countless everyday objects, such as computers, tablets, smartphones, and flat-screens. Siltronic develops and manufactures silicon wafers in diameters of up to 300mm.

The parent company of the Group is Siltronic AG, which is located in Munich, Germany. Siltronic AG is a stock corporation (Aktiengesellschaft) subject to German law and has a two-tier governance structure consisting of the Executive Board and the Supervisory Board. The Executive Board has two members. The Supervisory Board consists of twelve members, of whom six are employee representatives. The chairman of the Supervisory Board is Dr. Joachim Rauhut, who is a member of the Executive Board and the CFO of Wacker Chemie AG until October 31, 2015.

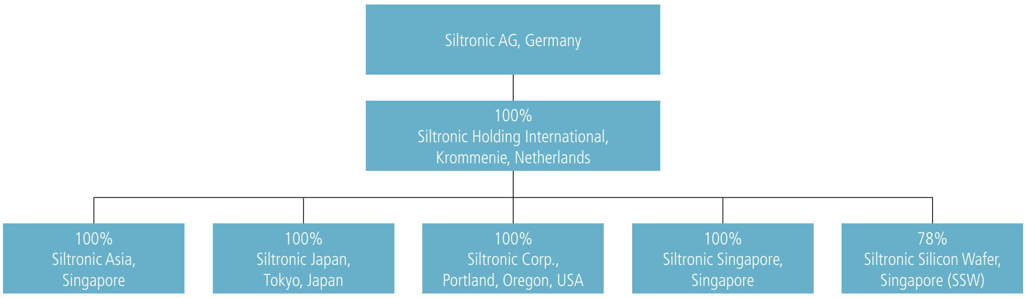
Global business with production sites in Europe, Asia, and the USA

As is usual in the semiconductor industry, the markets are split into North America, Japan, rest of Asia, and Europe. The Siltronic Group generates almost all of its sales revenue from companies operating in the semiconductor industry. Supply agreements are generally negotiated from one quarter to the next or from one half-year to the next.

Siltronic AG's production facilities in Germany are located in Burghausen, Bavaria and Freiberg, Saxony. In addition, the Group operates two production facilities in Singapore and one in Portland, Oregon, USA.

Since January 24, 2014, Siltronic has held a 78 percent interest in Siltronic Silicon Wafer Pte. Ltd. ('SSW') in Singapore (previously 50 percent). The minority shareholder and long-term partner is the Korea-based Samsung Group. Siltronic therefore has a global network of state-of-the-art manufacturing facilities. It maintains strong supply relationships with all foreign production facilities and has sales offices in all key markets, including China, Germany, Japan, Korea, Singapore, Taiwan and the USA.

Siltronic Group structure



Siltronic supports the principles of good corporate governance in order to ensure responsible and transparent management and control focused on sustained growth of the Company's enterprise value. This is essential if Siltronic AG is to continue to enjoy the confidence of national and international investors and financial markets, business partners, employees, and the general public. The Company follows the recommendations and suggestions of the German Corporate Governance Code. More information is available at:
http://www.Siltronic.com/int/en/investor_relations/investor_relations.jsp.

Our strengths

Our established strengths are the basis for our strategy for the future

Our business is characterized by the competitive strengths listed below. They have made possible the success that we have achieved so far and will enable us to continue to stand out from our competitors in the future.

- Strong market position in semiconductor silicon wafer manufacturing
- Technology and quality leadership
- Long-standing, well-established supplier relationships with all of the top-20 semiconductor manufacturers
- Strong track record on improving efficiency and reducing costs
- Reliable supply of high-quality polysilicon at competitive prices
- Experienced management team and highly skilled workforce

Our strategy

Our strategy is to use and consolidate our position as one of the leading manufacturers in the large and growing semiconductor wafer industry. The core elements of our strategy are:

- Take advantage of growing demand in the semiconductor silicon wafer market
- Maintain and increase our technology leadership
- Continue with our roadmap for operational excellence and cost reductions
- Retain our leading quality position
- Focus on improving the operating results and cash flow from operating activities

Management control

The most important financial key performance indicators are actively used to manage the Company. For example, if free cash flow is not as good as expected, the level of capital expenditure can be adjusted during the year. The three main key performance indicators for the value-based management of the Company are:

Value-based management with three interrelated KPIs

EBITDA margin

Our goal is to achieve a high level of profitability. The measurement basis we use is EBITDA (earnings before interest, taxes and depreciation/amortization including impairment losses and reversals thereof), enabling us to compare ourselves with our competitors. We then use this comparison, along with historical trends and planning information, to calculate a specific EBITDA margin target for each financial year. Our medium-term goal is an EBITDA margin of 20 percent.

Free cash flow

Free cash flow is defined as cash flow from operating activities less cash flow from investing activities (capital expenditure on property, plant and equipment and on non-current intangible assets), but excluding acquisitions of companies. It shows whether the day-to-day business and required capital expenditure can be financed from the Company's own operating activities. The Siltronic Group's goal is to achieve a positive free cash flow. Besides profitability, the main influences on free cash flow are effective management of working capital and the level of capital expenditure.

ROCE

Return on capital employed (ROCE) represents the return on the net capital invested in the Group. This key indicator is defined as EBIT (earnings before interest and taxes) divided by capital employed. The capital employed is derived from property, plant and equipment ("PPE") plus non-current intangible assets and the net working capital, as an average of the beginning and the end of the reporting period. ROCE illustrates the level of profitability for the capital required to run the business. Apart from profitability, ROCE is influenced by (i) PPE and non-current intangible assets and (ii) the net working capital. The return on capital employed is reviewed annually in the course of the planning process and is an important criterion for controlling the investment budget.

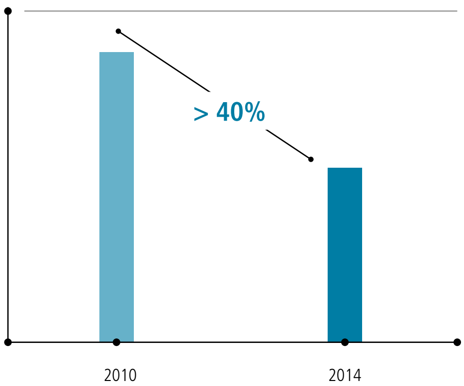
Siltronic also monitors non-financial performance indicators, although they are not used to manage the Company as a whole. The main non-financial key performance indicators are the number of employees, the frequency of accidents, and production capacity utilization.

Efficiency, costs, and productivity

We have considerably increased our efficiency in the past. For example, we greatly improved our fixed-cost structures by reducing the number of sites from seven to four. At these four remaining sites, we are investing in efficiency programs and continuously increasing productivity by means of cost roadmaps.

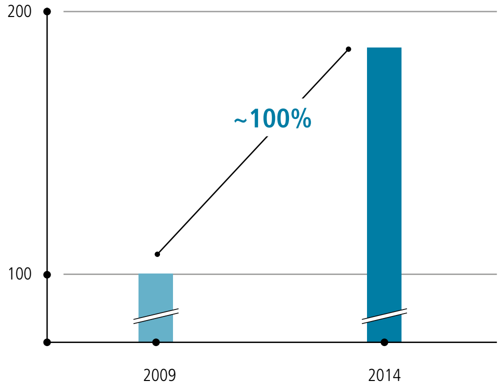
We have slashed unit costs over the past few years. The wafer area produced per employee tripled between 2002 and 2014. In 2015, we expect a further significant increase in productivity and a significant decrease in costs.

Sharp fall in variable costs



Change in variable costs for 300mm wafers (€ per wafer)

Strong increase in productivity



Change in productivity in the manufacturing of 300mm wafers in Germany

Research and development

The semiconductor wafer industry is characterized by continuous technological development and product innovation. We are considered a technological and quality leader in the industry. Our technology satisfies the most demanding of customer requirements in terms of design rules. We employ more than 400 engineers around the world (around 30 of them hold a doctorate, and more than 125 work exclusively in the area of research).

Technology leadership with innovative R&D

Research and development (R&D) is of significant strategic importance to Siltronic. The sites in Germany, Singapore, and the USA are constantly striving to improve products and processes with innovations tailored to customers' changing needs and to keep pace with customers' growing quality requirements. In Q3 2015, expenditure on R&D came to €16.0 million (Q3 2014: €16.2 million). The ratio of R&D expenditure to sales revenue was thus 7 percent (Q3 2014: 8 percent).

Business report

- **Sales lower in Q3 2015, as expected**
- **EBITDA virtually unchanged, ROCE slightly positive, strong cash flow from operating activities**

Macroeconomic situation and sector developments

The global economy saw only moderate growth in the first nine months of 2015. Following a weak start to the year, the US economy increasingly gathered momentum, while Europe continued on its course of modest expansion, and the pace of growth in the emerging markets declined. Economic restructuring in China and weak signals from the emerging markets are acting as a brake on the global economy. Gross domestic product (GDP) increased slightly in the USA, Germany, and the EU in the first half of 2015. The Japanese economy, conversely, faltered a little. GDP increased in the first quarter, but then declined in Q2.[1] China's GDP continues to grow, although the rate of growth was less buoyant in the first half of 2015. It was the same case in the reporting period (Q3 2015 and the first nine months of 2015). China's GDP rose by 6.9 percent in Q3 2015 (compared with growth of 7.0 percent in the first half of the year).[2]

In its forecast published in October, the International Monetary Fund (IMF) adjusted the economic forecast for the current year downward. The IMF now anticipates global economic growth of 3.1 percent for 2015, compared with its previous forecast of 3.3 percent in July. This figure had stood at 3.4 percent in 2014.

In China, the world's second biggest economy, the IMF still expects growth of 6.8 percent for the current year. In the USA, on the other hand, economic growth in 2015 is now anticipated to be higher than previously assumed, with a 2.6 percent increase in GDP. Cautious consumer spending and dwindling exports are hampering the Japanese economy and GDP went down in the second quarter of 2015. The IMF's forecast for Japan for 2015 is 0.6 percent, while the emerging markets are expected to achieve growth of just 4.0 percent (forecast July 2015: 4.2 percent), compared with 4.6 percent in 2014.

The German economy continues to pursue a moderate upward trajectory. Whereas the manufacturing sector stagnated, consumer-related services provided significant stimulus. For Germany, the IMF is forecasting growth of 1.5 percent this year, just slightly less than previously forecast. The eurozone economy has been flagging for some time, but there are now initial signs of renewed growth, albeit only moderate. The low price of oil, the expansionary monetary policy of the European Central Bank, and the depreciation of the euro against other currencies such as the US dollar are helping to stimulate growth. For the current year, the IMF is forecasting growth of 1.5 percent for the eurozone.[3]

[1] Source: Organisation for Economic Co-operation and Development (OECD), 2015.
[2] Source: National Bureau of Statistics (NBS) China, (October 19, 2015)
[3] Source: International Monetary Fund (IMF), (October 6, 2015).

In the semiconductor industry, demand for silicon wafers in 2015 is expected to be only slightly higher than in 2014. According to the market research company IHS Technology, the quantity of wafers sold worldwide, measured in terms of surface area, is expected to rise by 0.4 percent this year. Growth is far slower than was expected just a few months ago. Although demand for silicon for use in smartphones, solid-state drives (SSDs), and the industrial sector continues to rise, the outlook has deteriorated in recent months owing to faltering demand in the consumer goods sector. The growth forecasts for the silicon-based semiconductor market have also weakened in the past few months. According to IHS Technology, revenue in 2015 as a whole is expected to fall by 1.1 percent to just under 332 billion US dollars.[4]

In the quarter under review, Siltronic reported an increase in sales compared to the prior-year period. This was partly the result of the favorable effects of a strong US dollar as well as slightly higher sales volumes than in the previous year.

Key events in the first three quarters of 2015

Siltronic raised capital of €150 million (gross) from its successful IPO on June 11, 2015. Nearly all of the proceeds were used to repay financial liabilities to the parent company. This significantly improved Siltronic's financing structure, giving the Company greater flexibility going forward. The costs of the IPO did not reduce earnings because they were recognized directly in equity. Due to the generally low level of interest rates, the capital raised to refinance financial liabilities will only have a slightly beneficial impact on interest expense from Q3 2015 onward.

Following the termination of the profit-and-loss transfer agreement with effect from January 1, 2015, Siltronic AG no longer forms a fiscal unity with Wacker Chemie AG for tax purposes.

In recognition of our excellent performance, we have received various awards from our customers so far in the current fiscal year 2015, including:

- '2014 Award for Best Supplier of the Year' from STMicroelectronics (September 2015),
- 'Silicon Supplier of the Year 2014' from Fairchild (April 2015)
- 'Supplier Excellence Award 2014' from Texas Instruments (March 2015)
- 'Corporation's Preferred Quality Supplier (PQS) 2014' from Intel (March 2015).

(4) Source: IHS Technology, Semiconductor Silicon Demand Forecast Tool, Q4 2015 (October 8, 2015).

Financial performance

€ million (excluding earnings per common share)	Q3 2015	Q3 2014	Q1–Q3 2015	Q1–Q3 2014	Change %
Sales	**230.6**	**216.0**	**716.0**	**622.7**	**15**
Cost of sales	−185.6	−196.4	−584.8	−579.2	1
Gross profit	**45.0**	**19.6**	**131.2**	**43.5**	**>100**
Marketing and sales expenses	−8.4	−7.8	−25.9	−22.9	13
Research and development expenses (R&D)	−16.0	−16.2	−48.4	−47.5	2
General administrative expenses	−4.7	−4.2	−14.2	−12.5	14
Other operating income and expense, net	−15.6	0.9	−33.9	24.8	>100
Profit or loss from operations	**0.3**	**−7.7**	**8.8**	**−14.6**	**>100**
Loss from investment in joint venture SSW	–	–	–	−3.5	–
EBIT	**0.3**	**−7.7**	**8.8**	**−18.1**	**>100**
Net finance costs	−3.1	−2.1	−8.3	−5.2	60
Profit or loss before tax	−2.8	−9.8	0.5	−23.3	>100
Income taxes	−3.4	−2.4	−11.7	−6.0	95
Net result for the period	**−6.2**	**−12.2**	**−11.2**	**−29.3**	**−62**
EBITDA	**29.3**	**33.2**	**100.8**	**93.0**	**8**
EBITDA margin	**12.7 %**	**15.4 %**	**14.1 %**	**14.9 %**	**−5**
Earnings per common share in € (basic/diluted)	−0.15	−0.31	−0.21	−0.69	69

Weak euro boosts sales

€ million	Q3 2015	Q3 2014	Change Absolute	Change %	Q1–Q3 2015	Q1–Q3 2014	Change Absolute	Change %
Sales	230.6	216.0	14.6	7	716.0	622.7	93.3	15

Revenue strengthened by currency trends and higher unit sales

Sales increased significantly in the first nine months of the year compared to the corresponding period of the previous year, rising by 15 percent or €93.3 million to €716.0 million. Sales for the third quarter alone also rose substantially by 7 percent or €14.6 million compared with Q3 2014.

The main reason for the increase in sales in the first nine months of the year was the weakness of the euro relative to the US dollar, which is by far the most important foreign currency for Siltronic. The average US dollar exchange rate in the first three quarters of 2015 was 1.11, compared with an average exchange rate of 1.36 in the period January 1 to September 30, 2014. This represented a year-on-year depreciation of the euro of 18 percent. Looking at Q3 2015 in isolation, the euro was 17 percent weaker year-on-year.

Measured in US dollars, the average selling price (ASP) decreased, although the resulting decline in sales in euro terms was almost fully offset by an increase in unit sales. On the positive side, the rate of decline in the ASP slowed over the period from Q1 2014 to Q3 2015.

Furthermore, there was a slight year-on-year increase in sales for the first three quarters of 2015 as a result of SSW being consolidated for the full nine-month period in 2015, whereas it had only been consolidated for just over eight months in the corresponding period of 2014 (consolidation of SSW on January 24, 2014). If SSW had been consolidated for the full nine months in 2014, sales would have been €7.4 million higher and the year-on-year increase in sales would have been 14 percent rather than 15 percent.

Significant improvement in gross profit and gross margin

	Q3		Change		Q1–Q3		Change	
€ million	**2015**	**2014**	**Absolute**	**%**	**2015**	**2014**	**Absolute**	**%**
Cost of sales	185.6	196.4	−10.8	−5	584.8	579.2	5.6	1
Gross profit	45.0	19.6	25.4	>100	131.2	43.5	87.7	>100
Gross margin	19.5 %	9.1 %	–	–	18.3 %	7.0 %	–	–

Gross profit boosted by strength of the US dollar and cost savings

The significant currency-related increase in sales in the first nine months of the year is reflected in the figures for gross profit and gross margin. Compared with the corresponding prior-year period, gross profit increased by €87.7 million or 202 percent to €131.2 million. Of this improvement, €25.4 million was attributable to the third quarter, with the gross margin for Q3 2015 slightly higher than in the immediately preceding quarter at 19.5 percent (Q2 2015: 18.9 percent).

As with sales, the main factor behind the strong gross profit and gross margin was the weakness of the euro. This is such a significant factor because manufacturing costs are primarily incurred in euros and therefore only rise slightly as a result of the weak euro, whereas the strength of the US dollar substantially increases sales in euro terms.

Improved capacity utilization at our facilities, combined with rigorous cost-saving measures, also contributed to the year-on-year increase in the gross profit and gross margin.

The fact that SSW was consolidated for nearly one month less in the prior-year period had no significant effect on the gross profit or gross margin.

Marketing and sales expenses, R&D costs, and general administrative expenses rising slower than sales

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
Marketing and sales expenses	8.4	7.8	0.6	8	25.9	22.9	3.0	13
Research and development costs (R&D)	16.0	16.2	−0.2	−1	48.4	47.5	0.9	2
General administrative expenses	4.7	4.2	0.5	12	14.2	12.5	1.7	14
Total marketing and sales expenses, R&D costs, and general administrative expenses	**29.1**	**28.2**	**0.9**	**3**	**88.5**	**82.9**	**5.6**	**7**
As a percentage of sales	12.6	13.1	–	–	12.4	13.3	–	–

Marketing and sales expenses, research & development (R&D) costs, and general administrative expenses increased year-on-year due to the appreciation of the Singapore dollar and the US dollar against the euro. Another factor was that our subsidiary Siltronic Samsung Wafer (SSW) in Singapore was consolidated for almost a month longer in 2015 than in 2014.

Marketing and sales expenses, R&D costs, and administrative expenses decreased as a percentage of sales due to the strong growth in sales.

Other operating income and expense dominated by exchange rate effects

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
Other operating income	13.8	29.2	−15.4	53	78.6	68.1	10.5	15
Other operating expense	−29.4	−28.3	−1.1	4	−112.5	−43.3	−69.2	>100
Other operating income and expense, net	−15.6	0.9	−16.5	>100	−33.9	24.8	−58.7	>100
of which first-time consolidation of SSW step acquisition	–	–	–	–	–	21.1	−21.1	–
of which exchange rate effects	−15.5	5.3	−20.8	–	−35.2	7.6	−42.8	–

Other operating income and expense was strongly impacted by the effects of exchange rate gains and loss (exchange rate effects), particularly in connection with foreign currency hedging. In the 2014 comparative period, the step acquisition of SSW, completed on January 24, 2014, also had a significant influence.

In the first three quarters of 2015, exchange rate effects resulted in a net loss of €35.2 million (Q3 2015: €15.5 million). In 2014, by comparison, there had been a net exchange rate gain of €7.6 million (Q3 2014: €5.3 million).

Other operating income and expense in 2014 also included income of €21.1 million from the step acquisition of SSW, which was completed on January 24, 2014.

SSW no longer accounted for using the equity method

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
Loss from investment in joint venture SSW	–	–	–	–	–	−3.5	−3.5	100

Until January 24, 2014, SSW had been accounted for using the equity method. Based on a new agreement dated January 24, 2014, Siltronic increased its share in SSW from 50 percent to 78 percent and consolidated the company from that date. SSW was thus accounted for using the equity method for the last time in Q1 2014, with a negative contribution.

Net finance costs driven by interest for pensions

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
Interest income	0.0	0.0	0.0	0	0.1	0.6	−0.5	−83
Interest expense	−0.4	−0.4	0.0	0	−1.7	−1.6	−0.1	6
Other finance costs, net	−2.7	−1.7	−1.0	59	−6.7	−4.2	−2.5	60
Net finance costs	**−3.1**	**−2.1**	**−1.0**	**47**	**−8.3**	**−5.2**	**−3.1**	**60**

Net finance costs are dominated by the other net finance costs item, which includes, in particular, the expense for compounding provisions for pensions.

The significant year-on-year decrease in interest income is primarily attributable to the consolidation of SSW. Prior to the first-time consolidation of SSW on January 24, 2014, Siltronic had received interest income from a loan granted to SSW. After consolidation, this intercompany transaction was eliminated.

In Q3 2015, other net finance costs were higher than in the same period of the previous year owing to the compounding effects concerning pensions and currency derivatives.

High tax rate as deferred tax assets continue to be heavily written down

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
Profit or loss before tax	−2.8	−9.8	7.0	−71	0.5	−23.3	23.8	>100
Income taxes	3.4	2.4	1.0	42	11.7	6.0	5.7	95

Income tax expenses were primarily a result of current taxes in the United States and in Singapore for Siltronic Singapore Pte. No income from deferred tax assets was recognized in the period under review.

Following the termination of the profit-and-loss transfer agreement with effect from January 1, 2015, Siltronic AG is no longer part of the fiscal unity with Wacker Chemie AG for tax purposes.

EBITDA increased despite negative exchange rate effects

	Q3		Change		Q1–Q3		Change	
€ million	2015	2014	Absolute	%	2015	2014	Absolute	%
EBIT	0.3	−7.7	8.0	>100	8.8	−18.1	26.9	>100
EBIT margin	0.1%	−3.6%	–	–	1.2%	−2.9%	–	–
Depreciation/amortization of non-current assets, including impairment losses and reversals thereof	29.0	40.9	−11.9	−29	92.0	111.1	−19.1	−17
EBITDA	**29.3**	**33.2**	**−3.9**	**−12**	**100.8**	**93.0**	**7.8**	**8**
EBITDA margin	**12.7%**	**15.4%**	**–**	**–**	**14.1%**	**14.9%**	**–**	**–**

EBIT in the first nine months of 2015 was €26.9 million higher than in the comparable period of 2014, although gross profit improved by €87.7 million. Of the total difference of €60.8 million, €21.1 million can be explained by a positive non-recurring item relating to the step acquisition of SSW in 2014. The remaining difference of €39.7 million is attributable to the negative impact of exchange rate effects of €42.8 million in the period under review, which are reported under other operating income and expense.

Third-quarter EBIT was just into positive territory at €0.3 million despite exchange rate losses of €15.5 million, which are shown net under other operating income and expense.

EBITDA for the first three quarters of 2015 was €100.8 million, which was up by €7.8 million year-on-year even though EBITDA for the corresponding prior-year period had included a positive non-recurring item in connection with the step acquisition of SSW of €21.1 million. However, EBITDA for the third quarter of this year was €3.9 million lower than in Q3 2014. Exchange rate losses, which are included in other operating income and expenses, were up by €20.8 million compared with Q3 of 2014.

The EBITDA margin, one of the Company's KPIs, was 14.1 percent for the first nine months of the year. Excluding the negative exchange rate effects of €35.2 million, the EBITDA margin would have been 19.0 percent.

EBITDA margin for the first nine months, excluding negative exchange effects reported under other operating income and expense, is 19 percent

If SSW had been consolidated from January 1, 2014, adjusted EBITDA for the first nine months of 2014 would have been €78.6 million and the EBITDA margin would have been 12.5 percent. This is lower than the reported figure due to the positive non-recurring item resulting from the step acquisition of SSW and due to SSW being consolidated for almost a month longer.

Financial position

€ million	Sept. 30, 2015		Dec. 31, 2014		Change
Property, plant and equipment	523.4		571.7		−48.3
Other assets, non-current	37.1		37.3		−0.2
Non-current assets	**560.5**	**54%**	**609.0**	**57%**	**−48.5**
Inventories	141.2		138.4		2.8
Trade receivables	112.5		111.1		1.4
Other assets, current	79.9		24.6		55.3
Cash and cash equivalents	143.7		187.4		−43.7
Current assets	**477.3**	**46%**	**461.5**	**43%**	**15.8**
Total assets	**1,037.8**	**100%**	**1,070.5**	**100%**	**−32.7**
Equity	**501.7**	**48%**	**311.8**	**29%**	**189.9**
Provisions for pensions and other post-employment benefits	293.9		328.1		−34.2
Financial liabilities, non-current	36.9		35.8		1.1
Other liabilities, non-current	63.3		77.3		−14.0
Non-current liabilities	**394.1**	**38%**	**441.2**	**41%**	**−47.1**
Trade payables	55.4		55.8		−0.4
Financial liabilities, current	0.6		176.1		−175.5
Other liabilites, current	86.0		85.6		0.4
Current liabilities	**142.0**	**14%**	**317.5**	**30%**	**−175.5**
Total equity and liabilities	**1,037.8**	**100%**	**1,070.5**	**100%**	**−32.7**

Decrease in non-current assets as a result of (PPE) depreciation

Decrease in PPE due to depreciation

The decrease in property, plant and equipment compared with December 31, 2014 was due to depreciation of €92.0 million (Q1–Q3 2014: €111.1 million), which exceeded additions to property, plant and equipment in the period under review. Capital expenditure (additions to PPE and to non-current intangible assets) in the first nine months of 2015 totaled €40.6 million (first nine months of 2014: €21.5 million). These additions related to machinery and equipment.

Current assets strongly up by cash flow and proceeds from the IPO

As of September 30, 2015, other assets included fixed-term deposits amounting to €60.0 million, whereas Siltronic had not held any fixed-term deposits as of December 31, 2014. Thanks to the proceeds from the IPO and the positive free cash flow, a portion of the cash and cash equivalents remaining after repayment of financial liabilities to Wacker Chemie AG was invested in fixed-term deposits.

IPO the main factor in the significant strengthening of equity

Equity ratio rises to 48 percent

The subscribed capital and the capital reserves increased by €143.2 million as a result of the IPO. This amount comprised the capital increase of €150.0 million, which was executed in the course of the IPO, less the issuance costs. The capital increase resulted from the issuance of 5,000,000 new shares at €30.00 each. The issuance costs directly attributable to the IPO of €6.8 million were recognized directly in equity, where they were offset against capital reserves. In addition, higher discount rates used in the calculation of provisions for pensions and other post-employment benefits also had a positive impact on equity, raising it by €49.9 million.

Non-current liabilities: lower provisions for pensions due to discount rate

Decline in current and non-current liabilities

The main reason for the reduction in the provisions for pensions and other post-employment benefits was the increase in the discount rate in Germany. These provisions were discounted at 2.8 percent at the end of September 2015, compared with 2.3 percent at the end of December 2014, 1.65 percent at the end of March 2015, and 2.7 percent at the end of June 2015. Provisions for pensions fell by €34 million compared with December 31, 2014, mainly due to the reduction in the discount rate. The changes in other non-current liabilities were primarily due to the planned repayment of prepayments received.

Current liabilities: repayment of current financial liabilities

Almost all of the proceeds from the IPO were used to repay the current financial liabilities in full.

Free cash flow positive, prior year includes proceeds of €53 million from prepayments

€ million	Q1–Q3 2015	Q1–Q3 2014	Change
Cash flow from operating activities	88.1	116.3	−28.2
Cash receipts/payments for property, plant and equipment and for non-current intangible assets	−40.2	−20.9	−19.3
Free cash flow	**47.9**	**95.4**	**−47.5**
Cash receipts/payments for property, plant and equipment and for non-current intangible assets	−40.2	−20.9	−19.3
Acquisition of SSW	–	26.2	−26.2
Cash payments for the purchase of fixed-term deposits	−60.0	–	−60.0
Cash flow from investing activities	**−100.2**	**5.3**	**−105.5**

There was a year-on-year decrease in cash flow from operating activities in the first three quarters of 2015 because the corresponding period of 2014 had included prepayments received of €53.2 million and there were no cash inflows from prepayments in the first nine months of this year. Cash outflow for capital expenditure on PPE and on non-current intangible assets were significantly higher in the first nine months of 2015 due to the high level of scheduled payments in Q3 2015.

Cash flow from investing activities in the corresponding period of 2014 had included the acquisition of SSW, which had in its balance sheet cash and cash equivalents of €26.2 million.

The cash outflow for the purchase of fixed-term deposits related to investments that are due to mature up to March 2016.

Net financial assets of €166 million

Strong net financial position

Because of the IPO and the positive free cash flow generated in the first three quarters of 2015, Siltronic had net financial assets of €166.2 million as of September 30, 2015 (December 31, 2014: net financial debt of €24.5 million).

€ million	Sept. 30, 2015	Dec. 31, 2014	Change
Financial liabilities	−37.5	−211.9	174.4
Cash and cash equivalents	143.7	187.4	−43.7
Fixed-term deposits	60.0	–	60.0
Net financial assets (+)/debt (–)	**166.2**	**−24.5**	**190.7**

ROCE in positive territory despite exchange rate losses

Positive return on capital employed

ROCE for the first three quarters of 2015 was in positive territory at 1.5 percent, having been minus 2.9 percent in the corresponding period of 2014. This improvement was almost entirely attributable to the far better level of EBIT, even though significantly higher exchange rate losses were recognized in other operating income and expense than in the prior-year period. The impact on ROCE of the change in capital employed was insignificant.

Overall assessment of the Company's situation by the Executive Board

Our key performance indicators are positive

Siltronic's performance in the first nine months of 2015 proves that the Company is correctly and sustainably positioned. Despite the anticipated reduction in sales in Q3 2015 compared with Q2 2015, the EBITDA margin held steady compared with the previous quarter at 12.7 percent. EBITDA was up significantly on the first nine months of last year and the EBITDA margin was down slightly even though EBITDA in the prior-year period had included a positive non-recurring item of €21.1 million. ROCE improved substantially compared with the first three quarters of 2014. In the first nine months of this year, free cash flow was at a high level but was nonetheless down by €47.5 million year-on-year because the figure for the comparative prior-year period had included advance payments of €53.2 million.

At the start of the year, demand was at a very strong level without the usual seasonal dip but then fell slightly in Q3 2015. However, capacity utilization remained high at all our sites.

Wafer prices, largely denominated in US dollars, were noticeably lower in the first nine months of 2015. But the prevailing exchange rates boosted prices in euro terms after translation. As the US dollar was around 22 percent stronger than in the prior-year period, we achieved noticeably higher average sales price in euros than we did a year ago.

Significant optimization of cost structures achieved

Over the past few months, we have made further progress in improving our cost situation: A number of production lines achieved record productivity and we reduced our variable manufacturing costs for 300mm wafers to a historic low.

Since exchange rate losses, which are recognized in other operating income and expense, amounted to €15.5 million (Q2 2015: losses of €17.6 million), they had a significant negative impact on earnings in Q3 2015. Without these effects, EBITDA for Q3 2015 would have been €44.8 million, which would have equated to a margin of 19 percent, i.e. just short of the target margin of 20 percent.

Opportunity and risk report

Opportunity and risk management is an integral part of corporate governance at Siltronic. Siltronic mainly uses continuous market observation and analysis instruments, for example tools for the structured evaluation of market data and competitor data, in order to identify opportunities. In addition, Siltronic interviews customers as a way of assessing future opportunities.

As a global business operating in an industry with strong volatility, Siltronic faces a variety of risks. We define risks as internal and external events that have a negative impact on the achievement of our goals and forecasts. The monthly risk management reporting system helps Siltronic to detect risks related to day-to-day operations at an early stage so that the Executive Board can counteract them by implementing suitable measures.

We classify our risks as low, moderate, or high on the basis of their impact and probability.

Economic environment and sectoral risk (in connection with capital expenditure risk, market performance risk, and sales market risk)

As an international company, Siltronic is particularly exposed to trends in the global economy that pose a risk. It also faces fierce competition within the semiconductor and wafer industries. These sectors are characterized by very high volatility. Periods of strong growth and significant price increases alternate with periods of sharp falls in demand and prices. Closely linked to this is the risk of not being able to provide sufficient production capacity at the right time in the cycle or not making the necessary capital investments at the right time. This is also related to the risk of losses if we cannot cover our fixed costs when capacity in our production facilities is underutilized.

Depending on the assessment of long-term market conditions and cost structures, individual production lines or sites may have to be closed. The closure of production lines or sites may result in the writing down of asset values and personnel-related cash payments.

We counter capital expenditure risk by assessing capital expenditure projects on an ongoing basis in light of changed economic conditions and by only approving capital expenditure on a step by step basis. Capital expenditure risk is also closely linked to changes in customers' technological requirements. Siltronic counters this risk by closely watching the market and by holding discussions with customers in a systematic manner.

If economic conditions are particularly poor, there is an increased risk that Siltronic's customers will buy significantly smaller volumes and might default. Siltronic takes account of these risks in a risk management system that regularly assesses customers' solvency and analyzes how the end markets of Siltronic's customers are performing. At present, we regard sectoral risk as moderate.

We do not currently see any specific indications that the economy is performing significantly differently than forecast by experts and we therefore regard the risk for the macroeconomic environment as low.

Dependency on related parties and procurement market risk

Siltronic and Wacker Chemie AG maintain close contractual relationships in several areas, primarily the procurement of various services, including IT services, and the supply of polysilicon.

Polysilicon, other materials, and machinery are only available from a limited number of suppliers. Siltronic is exposed to availability risk, particularly in relation to polysilicon and energy with which to manufacture its products. As there are few suppliers of polysilicon, market prices for this key commodity could increase. Siltronic has entered into long-term contracts for the supply of polysilicon in order to secure its supplies of this material. Overall, we regard the risk as low.

Product liability risk

Siltronic could face claims from customers if it were to supply defective products, and confidence in Siltronic would deteriorate in the event of defects in quality. There is appropriate insurance cover in place for those risks resulting from product liability that can be insured. Siltronic places particularly high importance on ensuring high quality standards in order to prevent defects in quality. We currently regard the risk as low.

Financial sector risk

Siltronic is exposed to currency risk and price risk in the course of its ordinary business activities. It uses derivative financial instruments, particularly currency futures, in cases where it wishes to hedge these risks.

For all underlying business relationships (e.g. trade receivables), Siltronic minimizes default risk by – depending on the type and value of the business transaction – requesting collateral (reservation of title), obtaining credit reports or references, or using data from the business relationship to date, especially the payment history, in order to avoid payment defaults. The creditworthiness of customers is regularly monitored as part of the risk management process.

Derivative financial instruments are only used in relation to positions arising from operating activities or to hedge planned future sales, investments, or financing. As we are expecting a negative impact on earnings of €15 million in Q4 2015, we regard the risk of further measurement losses as low. Derivative financial instruments expose Siltronic to credit risk that may occur if contractual partners (generally banks) do not fulfill their contractual obligations. This risk is minimized by only concluding transactions with contractual partners that have good credit ratings. The Company thus regards the general credit risk arising on the derivatives as low. Generally accepted measurement methods are used to measure open positions.

The possible concentration of default risk from business relationships (counterparty risk) with individual borrowers or groups of borrowers is avoided by allocating business appropriately.

We regard risks relating to currency fluctuations as moderate, and in terms of the anticipated impact on our earnings for Q4 2015 as low. We regard the credit risk posed by our customers as low.

Pensions

The bulk of pension entitlements are covered by Wacker Chemie's pension fund (Pensionskasse) and by insurance policies. The pension fund is the main contributor. An increase in pension entitlements, a decrease in plan assets, and possible additions to the pension fund or to cover assets affect the Group's financial position and earnings. In addition to the basic benefits provided by the pension fund, there are defined benefit pension plans in the form of direct pension entitlements. Employees can also convert part of their remuneration into direct pension entitlements. The longer life expectancy of beneficiaries, salary and pension increases, and the discount rate (calculation of the present value of a final capital amount) also significantly affect Siltronic's equity and earnings. We regard the effects of risks arising from pensions as low.

Legal risk

In order to counter potential risks that may arise from the many different tax, competition, patent, anti-trust, and environmental regulations and laws, Siltronic bases its decisions on extensive research and legal advice. As a technology company, Siltronic is particularly reliant on the protection of its intellectual property and thus pursues a patent strategy that supports this. Legal risk is regarded as low.

Risk of loss/damage and risks arising from environmental protection

Risk of loss/damage encompasses the risk of fire or explosion, environmental risk, natural disasters, and other unforeseeable events such as earthquakes and terrorist attacks. Siltronic has stated its responsibility regarding health, safety, and the environment in its mission statement and has communicated principles and strategies that are binding worldwide. With regard to loss/damage events, it has developed contingency plans that are regularly reviewed and tested and has taken out appropriate insurance cover.

Siltronic is subject to a range of local environmental protection laws and regulations. It counters the associated risk by carrying out extensive maintenance routines and regular inspections of its facilities. Despite these measures, Siltronic Corp., USA is currently a party to administrative proceedings with an environmental authority in Oregon (Oregon Department of Environmental Quality) in connection with an investigation at a site in Portland and its potential shared responsibility for the contamination of sediment in the Willamette river in Portland. Based on Siltronic's many years of experience with this matter and its communications with the parties involved, particularly the environmental authority, the insurance companies, and other property owners in the industrial park, the resulting risk is regarded as low.

Regulatory risk

The transition to renewable energies in Germany's electricity sector is creating a regulatory environment that is likely to undergo constant amendments by lawmakers in Berlin and Brussels (particularly the reform of the German Renewable Energy Sources Act (EEG), special compensation schemes for energy-intensive companies, and grid utilization charges).

There are likely to be changes to the EEG and the special compensation schemes for energy-intensive companies over the years to come. Currently, it cannot be reliably predicted whether these will have an additional negative impact on Siltronic and, if so, how significant this will be. We believe that the most likely scenario is limited changes that would have a negative effect on earnings in the low single-digit millions. If the relief schemes for energy-intensive companies in relation to EEG feed-in tariffs and grid utilization charges are abolished completely, however, this would have a significant impact on Siltronic's earnings. The risk is regarded as low for 2015.

IT risk

A sustained failure of IT systems or a significant loss of data could have a significant adverse effect on Siltronic's business operations. We regard the likelihood of such occurrences and the resulting risk as low in view of the preventive measures that we have taken. However, if our IT systems suffered a disruption, failure, or attack on a significant scale or for a long period of time, there would be a moderate impact on the Siltronic Group's earnings. Nonetheless, we regard the overall risk as low.

In Q3 2015, the Executive Board did not identify any material additions or changes to the risks presented.

The Executive Board's assessment of aggregate risk

At the time this report was published, the Executive Board of Siltronic had not, overall, identified any individual risks or aggregate risks that could seriously jeopardize the Company's ability to continue as a going concern. Siltronic remains well placed in strategic, financial, and operational terms to be able to take advantage of any opportunities that may arise. The opportunities and risks have not changed significantly over the year so far.

Events after the reporting period

No material events occurred between the end of the reporting period (September 30, 2015) and the publication of this interim report.

Outlook

Expected macroeconomic and sectoral trends

Global economy still growing at only a modest rate with increasing levels of risk

The risks and uncertainties relating to the performance of the global economy going forward are increasing. A number of economic experts have lowered their forecasts for 2015 and 2016 over the past few months. In its latest study for 2015, the IMF now anticipates global economic growth of 3.1 percent for 2015, compared with its previous forecast of 3.3 percent in July. For 2016, it expects global growth of 3.6 percent, remarking that "the trend is still pointing generally downward."

In China, the IMF continues to anticipate growth of 6.8 percent for the current year and 6.3 percent for 2016. In the USA, on the other hand, economic growth in 2015 is now expected to be higher than previously assumed, with a 2.6 percent increase in GDP in 2015 and 2.8 percent in 2016. The forecast for Japan is 0.6 percent for 2015, followed by 1.0 percent next year. The emerging markets are predicted to achieve growth of just 4.0 percent in 2015, with this figure rising again to 4.5 percent in 2016.

For Germany, the IMF is forecasting growth of 1.5 percent this year and 1.6 percent for next year, just slightly less than previously forecast. The eurozone economy has been weak for some time, but there are now initial signs of renewed growth, although only moderate. The IMF is forecasting growth in the eurozone of 1.5 percent for the current year and 1.6 percent for 2016.(5)

Hardly any growth in demand for silicon wafers in 2015; modest growth in 2016

In the semiconductor industry, demand for silicon wafers in 2015 is expected to be only slightly higher than in 2014. According to the market research company IHS Technology, the quantity of wafers sold worldwide, measured in terms of surface area, is expected to rise by just 0.4 percent this year. Growth is far slower than was expected just a few months ago. Although demand for silicon for smartphones, solid-state drives (SSDs), and the industrial sector continues to rise, the outlook has deteriorated further in recent months because of the declining demand in the consumer goods sector. However, IHS Technology anticipates that demand for silicon wafers will be 4.4 percent higher again in 2016.

The growth forecasted for the silicon-based semiconductor market has also weakened in the past few months. According to IHS Technology, sales in 2015 as a whole are expected to fall by 1.1 percent to just under 332 billion US dollars. IHS Technology's prediction for 2016 is an increase in sales of 1.4 percent in the semiconductor market.(6)

Expected performance of the Siltronic Group

Volume in 2015 will slightly exceed the previous year

Decline in volume over further course of the year, but still slightly up for the year as a whole

Following a strong start to the year, unit sales in the first half of the year were up by more than 10 percent. However, unit sales in the second half of the year have been falling sharply. Some customers purchased fewer wafers in Q3 2015 to reduce surplus inventories. This inventory correction appears to have carried over into the final quarter. Furthermore, unit sales of wafers tend to be weaker in the fourth quarter of each year, and this seasonal effect has been even more pronounced this year. The persistently weak sales of PCs, tablets, and smartphones in China are having a particularly negative impact on demand for wafers for logic devices.

Overall, unit sales in Q4 2015 are therefore likely to see a further drop of around 10 percent compared to the slightly reduced level in Q3 2015.

For 2015 as a whole, we still expect to see a slight year-on-year increase in unit sales.

Average sales price (ASP) per wafer will remain higher in 2015 than in the previous year in terms of euro

Prices in the invoicing currency (US dollars) were significantly lower in the first nine months of the year than in the corresponding prior-year period, but in euro terms, average sales price per wafer was significantly up on the prior-year level. Wafers for logic devices yielded higher prices, but with this being an area which has been hardest hit by the current weakness of the market, ASP per wafer is expected to fall slightly in the year 2015 compared with the first nine months, but stays significantly above the previous year.

(5) Source: International Monetary Fund (IMF) (October 6, 2015).
(6) Source: IHS Technology, Semiconductor Silicon Demand Forecast Tool, Q4 2015 (October 8, 2015).

Significant sales growth will be generated throughout the year in 2015
There was a significant year-on-year increase in sales of 15 percent in the first nine months of 2015.

For 2015 as a whole, Siltronic expects currency-related sales growth in the high single-digit percentage range.

Exchange rate effects, which are recognized under other operating income and expense, will depress the EBITDA margin in 2015

Foreseeable negative impact on earnings from exchange rate effects and reduced economies of scale

The EBITDA margin for the first nine months of the year was 14 percent. This includes net exchange rate losses of €35 million, reported under other operating income and expense, which mainly relate to foreign foreign exchange derivative instruments entered into in 2014. For the year 2015 as a whole, we expect to see net exchange rate losses of €50 million, which are shown under other operating income and expense.

The EBITDA margin for the year as a whole will be slightly lower than that for the first nine months of the year.

Our medium-term goal is an EBITDA margin of 20 percent.

ROCE for 2015 just into negative figures
We generated a positive ROCE in the first nine months of 2015.

Contrary to our forecast in Q2 2015, we now expect ROCE to be slightly negative for the year as a whole.

Our medium-term goal is ROCE of 11 percent.

Capital investment is rising as planned – the 2015 annual budget is being excecuted

We are investing in our future in accordance with our plans

In the first nine months of 2015, we invested €41 million in additions to property, plant and equipment and to non-current intangible assets. We expect capital expenditure to be roughly €70 million for the year as a whole.

Free cash flow remains positive for 2015 as a whole
In the first nine months of 2015, we generated free cash flow of €48 million. For the year as a whole, we anticipate that free cash flow will be close to the level of the first nine months of the year.

Contents

Interim Consolidated Financial Statements (Condensed)

Consolidated Statement of Profit or Loss

€ million	Q3 2015	Q3 2014	Q1 – Q3 2015	Q1 – Q3 2014
Sales	230.6	216.0	716.0	622.7
Cost of sales	–185.6	–196.4	–584.8	–579.2
Gross profit	**45.0**	**19.6**	**131.2**	**43.5**
Marketing and sales expenses	–8.4	–7.8	–25.9	–22.9
Research and development expenses	–16.0	–16.2	–48.4	–47.5
General administrative expenses	–4.7	–4.2	–14.2	–12.5
Other operating income	13.8	29.2	78.6	68.1
Other operating expenses	–29.4	–28.3	–112.5	–43.3
Profit or loss from operations	**0.3**	**–7.7**	**8.8**	**–14.6**
Loss from investment in joint venture	–	–	–	–3.5
	0.3	**–7.7**	**8.8**	**–18.1**
Interest income	0.0	0.0	0.1	0.6
Interest expenses	–0.4	–0.4	–1.7	–1.6
Other finance cost, net	–2.7	–1.7	–6.7	–4.2
Net finance costs	**–3.1**	**–2.1**	**–8.3**	**–5.2**
Loss before income tax	–2.8	–9.8	0.5	–23.3
Income taxes	–3.4	–2.4	–11.7	–6.0
Net result for the period	**–6.2**	**–12.2**	**–11.2**	**–29.3**
Of which				
attributable to Siltronic AG shareholders	–4.4	–9.3	–6.3	–20.6
attributable to non-controlling interests	–1.8	–2.9	–4.9	–8.7
Loss per common share in € (basic/diluted)	–0.15	–0.31	–0.21	–0.69

Consolidated Statement of Financial Position

€ million	September 30 2015	September 30 2014	December 31 2014
Intangible assets	30.2	30.3	29.7
Property, plant and equipment	523.4	588.1	571.7
Other assets, non-current	0.8	0.1	0.3
Income tax receivables, non-current	0.1	0.2	0.2
Deferred tax assets	6.0	3.6	7.1
Non-current assets	**560.5**	**622.3**	**609.0**
Inventories	141.2	142.7	138.4
Trade receivables	112.5	105.1	111.1
Financial receivables	–	38.3	–
Fixed-term deposits	60.0	–	–
Other assets, current	19.5	23.5	23.2
Income tax receivables, current	0.4	0.8	1.4
Cash and cash equivalents	143.7	36.7	187.4
Current assets	**477.3**	**347.1**	**461.5**
Total assets	**1,037.8**	**969.4**	**1,070.5**
Subscribed capital	120.0	100.0	100.0
Capital reserves	1,070.0	1,002.7	946.8
Accumulated deficit	−554.7	−552.9	−548.4
Other equity items	−131.7	−145.4	−189.3
	503.6	**404.4**	**309.1**
Non-controlling interests	−1.9	4.9	2.7
Equity	**501.7**	**409.3**	**311.8**
Provision for pensions	293.9	290.3	328.1
Other provisions	30.2	25.1	26.2
Provision for income tax, non-current	0.1	0.1	0.1
Deferred tax liabilities	2.6	1.6	1.7
Financial liabilities, non-current	36.9	35.3	35.8
Other liabilities, non-current	30.4	54.3	49.3
Non-current liabilities	**394.1**	**406.7**	**441.2**
Other provisions	7.3	8.8	8.0
Provisions for income tax, current	6.2	4.4	4.0
Trade liabilities	55.4	61.0	55.8
Financial liabilities, current	0.6	15.5	176.1
Other liabilities, current	72.5	63.7	73.6
Current liabilities	**142.0**	**153.4**	**317.5**
Liabilities	536.1	560.1	758.7
Total equity and liabilities	**1,037.8**	**969.4**	**1,070.5**

Consolidated Statement of Cash Flows

	Q3	Q1–Q3	
€ million	2015	2015	2014
Net result for the period	−6.2	−11.2	−29.3
Depreciation/amortization of non-current assets, including impairment losses and reversals thereof	29.0	92.0	111.1
Other non-cash income and expenses	9.5	1.2	−10.4
Result from disposal of non-current assets	0.0	0.6	0.0
Result from investment in joint venture	–	–	3.5
Changes in inventories	−2.5	−1.6	−19.2
Changes in trade receivables	−3.1	2.9	11.4
Changes in other assets	5.1	3.8	−5.6
Changes in deferred taxes	1.1	2.6	0.4
Changes in provisions	8.7	22.0	7.0
Changes in trade liabilities	−11.5	−3.4	0.0
Changes in other liabilities	−2.6	−14.4	59.6
Taxes paid	−2.1	−5.8	−9.5
Interest paid	0.0	−0.7	−2.8
Interest received	0.1	0.1	0.1
Cash flow from operating activities	**25.5**	**88.1**	**116.3**
Investment in PPE* and intangible assets	−24.3	−40.4	−21.1
Proceeds from the disposal of PPE* and intangible assets	0.0	0.2	0.2
Acquisition of subsidiary, net of cash acquired	–	–	26.2
Payments for the acquisition of securities	−40.0	−60.0	–
Cash flow from investing activities	**−64.3**	**−100.2**	**5.3**
Dividends paid	–	–	−269.5
Bank loans repaid	–	–	−196.7
Proceeds from payments due to profit and loss transfer agreement	–	–	100.5
Proceeds from the IPO	0.0	143.3	–
Utilization of payments in funds in cash pooling and loans from Wacker Chemie	–	−175.5	265.6
Proceeds from other financial liabilities	−0.7	0.0	0.0
Cash flow from financing activities	**−0.7**	**−32.2**	**−100.1**
Changes due to exchange-rate fluctuations	−2.5	0.6	2.7
Changes in cash and cash equivalents	**−42.0**	**−43.7**	**24.2**
Balance at the beginning of the period	185.7	187.4	12.5
Balance at the end of the period	**143.7**	**143.7**	**36.7**

* PPE: property, plant and equipment

Consolidated Statement of Comprehensive Income

	Q1–Q3 2015		Q1–Q3 2014	
€ million	**Before tax**	**After tax**	**Before tax**	**After tax**
Net result for the period	–	–11.2	–	–29.3
Item not reclassified to profit or loss: remeasurement of defined benefit plans	49.9	49.9	–96.6	–96.6
Items reclassified to profit or loss:				
Difference from foreign currency translation adjustments	3.0	3.0	–6.8	–6.8
thereof recognized in profit or loss	–	–	*–17.6*	*–17.6*
Changes in market values of securities available for sale	–0.6	–0.6	0.0	0.0
Changes in market values of derivative financial instruments (cash flow hedge)	5.6	5.6	–26.9	–26.9
thereof recognized in profit or loss	*36.1*	*36.1*	*8.1*	*8.1*
Effects of net investment in foreign operations	–	–	2.6	2.6
thereof recognized in profit or loss	–	–	*2.1*	*2.1*
Share of cash flow hedge in equity-accounted investments	–	–	0.1	0.1
thereof recognized in profit or loss	–	–	*0.1*	*0.1*
Sum of items reclassified to profit or loss	**8.0**	**8.0**	**–31.0**	**–31.0**
Other comprehensive income/loss	57.9	57.9	–127.6	–127.6
Total comprehensive income/loss	**–**	**46.7**	**–**	**–156.9**
Of which				
attributable to Siltronic AG shareholders	–	51.3	–	–148.7
attributable to non-controlling interests	–	–4.6	–	–8.2

Consolidated Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	Difference from foreign currency translation adjustments	Effects of net investments in foreign operations
Balance as of January 1, 2014	100.0	970.3	−1.7	−2.6
Net loss for the period	–	–	–	–
Other comprehensive income	–	–	−7.4	2.6
Total comprehensive income	**–**	**–**	**−7.4**	**2.6**
Capital increase due to profit and loss transfer agreement	–	32.4	–	–
Dividends to shareholders	–	–	–	–
Transactions with shareholders	**–**	**32.4**		**–**
Acquisition of subsidiary with NCI (SSW)	–	–	–	–
Balance as of September 30, 2014	**100.0**	**1,002.7**	**−9.1**	**–**
Balance as of January 1, 2015	100.0	946.8	−7.4	–
Net loss for the period	–	–	–	–
Other comprehensive income	–	–	2.7	–
Total comprehensive income	**–**	**–**	**2.7**	**–**
Capital increase due to IPO	20.0	123.2	–	–
Balance as of September 30, 2015	**120.0**	**1,070.0**	**−4.7**	**–**

Changes in market values of securities available for sale	Changes in market values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Accumulated deficit	**Total**	Non-controlling interests	**Total equity**
0.1	12.3	−25.3	−262.9	**790.2**	–	**790.2**
–	–	–	−20.5	**−20.5**	−8.8	**−29.3**
0.0	−26.8	−96.6	–	**−128.2**	0.6	**−127.6**
0.0	**−26.8**	**−96.6**	**−20.5**	**−148.7**	**−8.2**	**−156.9**
–	–	–	–	**32.4**	–	**32.4**
–	–	–	−269.5	**−269.5**	–	**−269.5**
–	**–**	**–**	**−269.5**	**−237.1**	**–**	**−237.1**
–	–	–	–	**–**	13.1	**13.1**
0.1	**−14.5**	**−121.9**	**−552.9**	**404.4**	**4.9**	**409.3**
0.0	−21.1	−160.8	−548.4	**309.1**	2.7	**311.8**
–	–	–	−6.3	**−6.3**	−4.9	**−11.2**
−0.6	5.6	49.9	–	**57.6**	0.3	**57.9**
−0.6	**5.6**	**49.9**	**−6.3**	**51.3**	**−4.6**	**46.7**
–	–	–	–	**143.2**	–	**143.2**
−0.6	**−15.5**	**−110.9**	**−554.7**	**503.6**	**−1.9**	**501.7**

Selected Notes to the Condensed Interim Consolidated Financial Statements

Basis of presentation and accounting policies

These condensed consolidated financial statements ("interim financial statements") for the nine-month period ended September 30, 2015 comprise Siltronic AG and its subsidiaries, together referred to as the "Group". Siltronic AG is a listed company subject to German law.

The interim financial statements of Siltronic as of September 30, 2015 have been prepared in accordance with Section 37x of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and the rules of the International Financial Reporting Standards (IFRS) for interim financial reporting (IAS 34) as endorsed by the European Union, and are presented in condensed form. The accounting policies used for the financial year 2014 have been amended by new accounting standards which are applicable in the financial year 2015 for the first time. Apart from that no changes occurred. The interim management report has been prepared in compliance with the applicable requirements of the German Securities Trading Act. The new accounting standards of the year 2015 had no substantial impact on Siltronic's accounting and valuation methods.

Siltronic AG is a company domiciled in Munich, Germany, Hanns-Seidel-Platz 4 and is registered at the Munich District Court (Amtsgericht) under HRB 150884.

Use of assumptions and estimates

When the interim financial statements are being prepared, it is necessary to make estimates and assumptions affecting the amounts and the reporting of the recognized assets and debts, income and expenses, and contingent liabilities. All assumptions and estimates are based on projections that were valid on the reporting date. The actual values may differ from assumptions and estimates if the economic conditions referred to do not develop in line with the expectations as of the reporting date. The determination of taxes followed the procedures applied at year-end by assessing the income tax expense at the balance sheet date of this interim period. The option under IAS 34 of making an estimate was not applied.

As of the reporting date, the net defined benefit liability must be reassessed and the discount factor newly determined. The net defined benefit liability as of September 30, 2015 was calculated using discount factors of 2.8 percent in Germany and 4.18 percent in the USA (as of September 30, 2014: 2.8 percent in Germany and 4.12 percent in the USA). As of December 31, 2014, the actuarial interest rate was 2.3 percent in Germany and 3.8 percent in the USA.

As an information tool, interim financial reporting is based on the consolidated financial statements as of the end of the fiscal year. The accounting, valuation and consolidation methods used and the exercising of options envisaged in IFRS are explained in detail in the Notes.

New accounting standards

The following standards and interpretations of the IASB were applied for the first time in the first nine months of 2015:

- **IFRIC 21 Levies, mandatory application from January 1, 2015**
  IFRIC 21 "Levies" includes regulations for the accounting of payment obligations imposed by governments which are not taxes as defined by IFRS 12 Income Taxes. The changes related to IFRIC 21 have no impact on Siltronic's earnings, net assets or financial position, or on the presentation of the financial statements.

- **Improvements to IFRS 2010 – 2012 and 2011– 2013, mandatory application from January 1, 2015**
  The improvements refer to the standards IFRS 1, IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40. The changes have no material impact on Siltronic's earnings, net assets or financial position, or on the presentation of the financial statements.

Segment reporting

The Group is engaged in one reportable segment. That includes development, production and marketing of semiconductor wafers with a wide variety of features satisfying numerous product specifications to meet customers' very precise technical specifications, which are utilized in the manufacture of semiconductor devices. Based on the fact that in the wafer industry the allocation of resources is derived from a wide variety of specifications from customers, the Group is operating in one segment.

Information on fair value

The fair value of a financial instrument is the price that would be achieved in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following tables show financial assets and liabilities by measurement categories and classes. Also presented are liabilities from derivatives for which hedge accounting is used, even though they do not belong to any of the IAS 39 measurement categories.

The fair value of financial instruments measured at amortized cost is determined based on discounting, taking into account customary market interest rates that are adequate to the specific risk and correspond to the relevant maturity. The carrying amount of current balance-sheet items approximate fair value.

The categories in accordance with IAS 39 differ between assets and liabilities measured at amortized costs and those measured at fair value as shown in the tables below. These categories are sufficient to reflect the classes in accordance with IFRS 7 which distinguish at minimum financial instruments measured at amortized cost from financial instruments measured at fair value. The derivative financial instruments with special risk shown in the table below concern financial instruments involving foreign currencies.

	As of September 30, 2015		As of December 31, 2014	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	112.5	112.5	111.1	111.1
Other financial assets [1]	74.0	74.0	20.5	20.5
Held-to-maturity fixed-term deposits	60.0	60.0	–	–
Loans and receivables	7.1	7.1	16.3	16.3
Derivative financial instruments	6.9	6.9	4.2	4.2
Cash and cash equivalents	143.7	143.7	187.4	187.4
Loans	37.5	37.5	211.9	211.9
Trade liabilities	55.4	55.4	55.8	55.8
Other financial liabilities [2]	51.1	51.1	52.8	52.8
Recognized at amortized cost	25.6	25.6	19.4	19.4
Derivative financial instruments	25.5	25.5	33.4	33.4

(1) Item includes other assets pursuant to the statement of financial position excl. tax receivables, advance payments and prepaid expenses
(2) Item includes other liabilities pursuant to the statement of financial position excl. tax liabilities, advance payments received and deferred income

The financial assets and liabilities measured at fair value in the statement of financial position were allocated to one of three categories in accordance with the fair value hierarchy described in IFRS 13. Allocation to these categories reveals which of the fair values reported were settled through market transactions and the extent to which the measurement was based on models in the absence of observable market transactions. With respect to the definition of the fair value levels and the corresponding financial assets and financial liabilities and the valuation of these items reference is made to the consolidated financial statements 2014.

The following table shows the fair-value-hierarchy classification of financial assets and liabilities measured at fair value:

	Fair value hierarchy as of September 30, 2015			
€ million	**Level I**	**Level II**	**Level III**	**Total**
Financial assets, measured at fair value				
Fair value through profit and loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	5.1	–	5.1
Fair value recognized directly in equity				
Derivatives with recognized hedging relationship (hedge accounting)	–	1.8	–	1.8
Total	**–**	**6.9**	**–**	**6.9**
Financial liabilities, measured at fair value				
Fair value through profit and loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	8.3	–	8.3
Fair value recognized directly in equity				
Derivatives with recognized hedging relationship (hedge accounting)	–	17.2	–	17.2
Total	**–**	**25.5**	**–**	**25.5**

€ million	Fair value hierarchy as of December 31, 2014 Level I	Level II	Level III	Total
Financial assets, measured at fair value				
Fair value through profit and loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	1.4	–	1.4
Fair value recognized directly in equity				
Derivatives with recognized hedging relationship (hedge accounting)	–	2.8	–	2.8
Total	**–**	**4.2**	**–**	**4.2**
Financial liabilities, measured at fair value				
Fair value through profit and loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	9.4	–	9.4
Fair value recognized directly in equity				
Derivatives with recognized hedging relationship (hedge accounting)	–	24.0	–	24.0
Total	**–**	**33.4**	**–**	**33.4**

Measurement of fair value at Level I is based on quoted, unadjusted prices in active markets for these or identical assets and liabilities. Financial instruments allocated to Level II are measured using valuation methods based on parameters which are either directly or indirectly derived from observable market data. In principle, these could include hedging and non-hedging derivative financial instruments, loans and financial debt. In Level III, the market value is determined on the basis of parameters for which no observable market data are available.

The Group regularly reviews whether its financial instruments are appropriately allocated to the hierarchy levels. No changes to the valuation method occurred compared with the most recent consolidated financial statements and no non-recurring fair value measurements were carried out. No reclassifications between the levels of the fair value hierarchy were carried out in the period under review.

Provision for pensions

Due to the significant impact of the discount rates used to determine the provision for pensions, the Group reassessed these as of balance sheet date. The actuarial calculation as of September 30, 2015 has been based on discount factors of 2.8 percent in Germany and 4.18 percent in the USA (as of September 30, 2014: 2.8 percent in Germany and 4.12 percent in the USA). As of December 31, 2014, the discount rates were 2.3 percent in Germany and 3.8 percent in the USA respectively.

Related party disclosures

The disclosure requirements according to IAS 24 refer to transactions (a) with its controlling parent Wacker Chemie AG and the ultimate controlling shareholder of Wacker Chemie AG which is Dr. Alexander Wacker Familiengesellschaft mbH (holding more than 50% of the voting shares in Wacker Chemie AG), (b) with SSW before consolidation, (c) between SSW and Samsung, the non-controlling shareholder of SSW (after consolidation), (d) with Wacker Pensionskasse and (e) with members of the Executive Board and Supervisory Board of the Company.

The amounts recorded in the statement of profit or loss resulting from transactions with related parties were the following:

€ million	Q1–Q3 2015	Q1–Q3 2014
Sales	114.8	84.5
Goods and services received, primarily costs of sales	126.2	139.7
Other operating income	0.2	0.0
Interest income	0.0	0.6
Interest expense	1.6	1.0

Key management personnel received a remuneration of € 0.2 million for the IPO. Half of the amount applies to shares which are linked to a lock-up period.

The following table shows inventories, receivables from and liabilities to related parties recorded in the statement of financial position:

€ million	As of September 30, 2015	As of December 31, 2014
Inventories	11.4	12.3
of which Wacker Chemie	*11.4*	*12.3*
Trade receivables	7.7	10.6
of which Samsung	*7.7*	*10.6*
Other assets	4.1	9.8
of which advance payment to Wacker Pensionskasse	*2.8*	*9.5*
Financial liability to Wacker Chemie AG	–	176.0
Financial liability to Samsung	36.9	35.8
Trade liabilities	13.6	9.6
of which Wacker Chemie	*13.6*	*9.6*
Other liabilities	41.4	54.1
of which prepayment from Samsung	*41.4*	*54.1*

Income taxes

Taxes are calculated using the same methods as at year-end, by determining the tax expenses as of the interim reporting date. The option pursuant to IAS 34 of making an estimate is not exercised.

Foreign exchange rates

The financial statements of consolidated companies outside Germany are converted into euros following the concept of the functional currency. For all foreign group companies the functional currency equals the local currency because these entities operate their business on a stand-alone basis with regard to financial, commercial and organizational aspects. Assets and liabilities are translated using the spot rates prevailing on the period end, equity using historical rates and amounts in the statement of profit or loss are translated using the average exchange rates of the quarter. Amounts resulting from the variance between spot rates at different balance sheet dates are shown separately in Other equity items within equity.

The following table shows the main exchange rates in relation to the euro:

	Exchange rate as of			Average exchange rate		
	September 30, 2015	September 30, 2014	December 31, 2014	Q2 2015	H1 2015	H1 2014
USD	1.12	1.27	1.22	1.11	1.11	1.36
JPY	135	139	145	136	135	140
SGD	1.60	1.61	1.60	1.55	1.52	1.71

Major events in the period under review and events after September 30, 2015

Events during the reporting period that are considered significant in terms of impact, nature and frequency are described in the interim management report. No material events occurred between September 30, 2015 and the publication of this Interim Report.

Munich, October 29, 2015
The Executive Board of Siltronic AG

Dr. Christoph von Plotho
(CEO)

Rainer Irle
(CFO)

Further Information

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.

Munich, October 29, 2015
The Executive Board of Siltronic AG

Dr. Christoph von Plotho
(CEO)

Rainer Irle
(CFO)

Financial calendar

March 16, 2016	Annual report 2015. Conference Call
April 28, 2016	Interim report Q1 2016. Conference Call
May 12, 2016	Annual General Meeting
July 28, 2016	Interim report Q2 2016. Conference Call
October 27, 2016	Interim report Q3 2016. Conference Call

Contact

Investor Relations
Judith Distelrath
Phone +49 89 8564 3133
Fax +49 89 8564 3902
investor.relations@siltronic.com

Published by

Siltronic AG
Hanns-Seidel-Platz 4
81737 Munich, Germany
Phone +49 89 8564 3000
Fax +49 89 8564 3219
info@siltronic.com

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Disclaimer

This report contains future-oriented statements that are based on assumptions and estimates of the Siltronic management team. Although we are assuming that the expectations of these future-oriented statements are realistic, we cannot guarantee that the expectations will turn out to be correct. The assumptions may include risks and uncertainties that could mean that the actual results are significantly different from the expected statements. The factors, which can cause such deviations, include, amongst other things: changes in general economic and business conditions, changes in exchange and interest rates, the introduction of competing products, a lack of acceptance of new products and services, and changes in business strategy. There is no plan to update forecasts made by Siltronic, nor is Siltronic under any obligation in this regard. Due to rounding, it is possible that individual figures in this report and other reports will not exactly add up to the total stated and that percentages shown may not exactly reflect the absolute values, to which they refer. The contents of this report relate to both men and women equally. Only the male form is used for reasons of improved readability.

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