INTERIM REPORT
Q2/2016

January – June 2016

siltronic
perfect silicon solutions

Quartely overview

		Q2 2016	Q1 2016	Q2 2015	H1 2016	H1 2015
Statement of profit or loss						
Sales	EUR mn	229.6	220.6	246.7	450.1	485.4
Gross profit	EUR mn	39.3	33.7	46.7	73.0	86.3
Gross margin	%	17.1	15.3	18.9	16.2	17.8
EBITDA	EUR mn	35.1	23.6	31.4	58.7	71.5
EBITDA margin	%	15.3	10.7	12.7	13.0	14.7
EBIT	EUR mn	6.0	−5.6	0.2	0.3	8.5
EBIT margin	%	2.6	−2.5	0.1	0.1	1.8
Financial result	EUR mn	−2.4	−3.8	−3.2	−6.2	−5.3
Income taxes	EUR mn	2.7	2.1	4.0	4.8	8.3
Net result for the period	EUR mn	0.9	−11.5	−7.0	−10.7	−5.1
Earnings per share	EUR	0.07	−0.34	−0.17	−0.27	−0.07
Capital expenditure and free cash flow						
Capital expenditure in property, plant and equiment, and intangible assets	EUR mn	−22.4	−20.4	−9.1	−42.8	−13.4
Free cash flow	EUR mn	0.1	−6.7	7.1	−6.6	46.8

		As of June 30, 2016	As of December 31, 2015
Statement of financial position			
Total assets	EUR mn	1,037.0	1,040.8
Equity	EUR mn	323.6	497.3
Equity ratio	%	31	48
ROCE	%	0.1	0.4
Net financial assets (+) / net financial debt (–)	EUR mn	150.9	155.9
Employees		**3,817**	**3,894**

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.

Content

Commentary on the first half of 2016

Business in the first half of 2016 better than anticipated and overall satisfactory. Demand expected to hold steady in the third quarter, with relatively stable prices.

Overall, the first half of 2016 was satisfactory and turned out better than expected. Following a decrease during the second half of 2015, demand for silicon wafers rose again in both the first and second quarters of 2016.

Our product mix developed favorably and price pressure in the second quarter eased off to some extent. We were pleased to see that this meant average selling prices were almost unchanged between the first and second quarters of 2016, although they were down significantly year on year.

"Overall, revenue was slightly better than expected in the first six months of 2016. We do not expect demand for silicon wafers to rise further in the second half of the year. The price pressure that we have felt since the end of 2015 and at the beginning of 2016 eased off in the second quarter of 2016. We currently anticipate that prices will remain relatively stable in the third quarter."

(Dr. Christoph von Plotho, CEO of Siltronic AG)

From a current perspective, we expect that demand for silicon wafers will hold steady in the second half of the year rather than continue to rise. However, we anticipate that average selling prices will remain stable, at least in the third quarter.

"The appreciation of the Japanese yen after the Brexit Vote is good news for our sales and gross profit. If the yen continues to appreciate, the expenses due to hedging are likely to be higher than anticipated. However, it will be more than offset by the positive impact on sales and gross profit."

(Rainer Irle, CFO of Siltronic AG)

About one quarter of our revenue is based on Japanese yen, which means that this currency's appreciation is good news for our sales and gross profit. A portion of this positive effect is compensated by reverse effects out of hedging which are accounted for in other operating income and expense. Overall though, the positive effects on sales and gross profit far outweigh the negative effect. If the exchange rate remains at 115 yen to one euro, the losses expected to arise on hedging in 2016 are likely to be around EUR 20 million to EUR 25 million and not, as previously predicted, around EUR 10 million to EUR 15 million. Nevertheless, this figure is still a lot lower than in 2015, when we posted a hedging expense of approximately EUR 46 million. This expense had primarily been attributable to the appreciation of the US dollar, which is Siltronic's most important foreign currency.

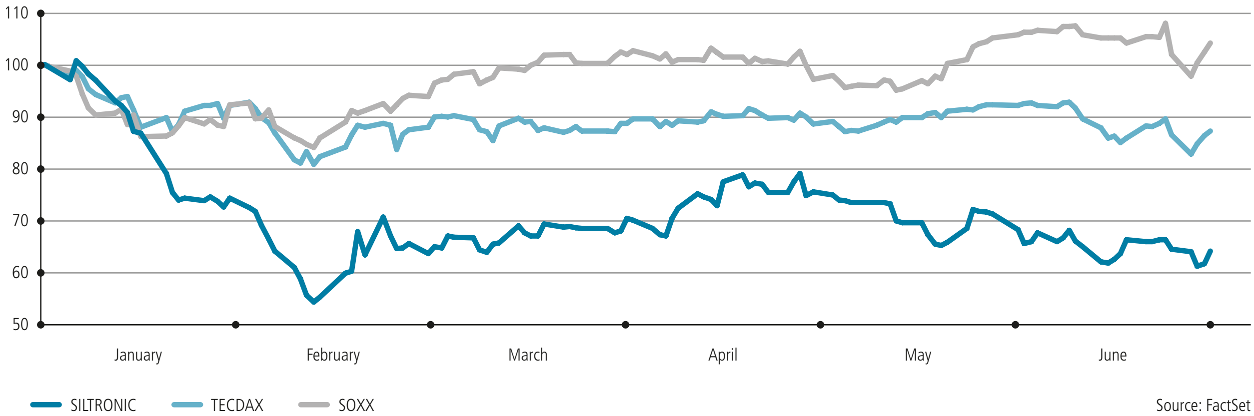
Our pension provisions and other post-employment benefits have risen significantly due to falling interest rates in Germany and the United States. As interest rates will probably remain at a low level, we will have to make higher payments going forward in order to fund the company pension plan. We expect to make payments in the range of EUR 10 million to EUR 15 million in 2016 or 2017. The precise timing of these payments is not yet known. However, they will only impact on cash flow and not on Siltronic's financial result.

Our capital expenditure on property, plant and equipment was on budget in the first half of 2016. The further automation of production is making good progress. We are also keeping to the project schedule for the construction of the new crystal-pulling building in Freiberg, Germany. The first crystal-puller is currently installed, and the new building is being equipped with the necessary cleanroom technology. Further cutting-edge crystal-pullers will then progressively replace the older ones.

Siltronic shares ended their downward trend in mid-February, having reached EUR 12.30 at their lowest point. Since then, the shares have recovered again slightly and stood at EUR 14.50 on June 30, 2016. This equates to a fall of around 35 percent compared with the end of 2015.

As of June 30, 2016, Siltronic AG's market capitalization was EUR 435 million. The trading volume in the Xetra trading system persists at a low level. In the period January to June 2016, an average of 21,289 Siltronic shares changed hands each day. The volume of trading on alternative trading platforms is far higher.

Performance of Siltronic shares (indexed)
in %



Source: FactSet

Management Report on Interim Consolidated Financial Statements

Group basics

A detailed overview of the business, goals and strategy of Siltronic AG is provided in our Annual Report 2015. The statements made there are still valid. No significant changes took place in H1 2016.

The development of the Group's financial key performance indicators in H1 2016 is presented in the following table.

Financial key performance indicators

	H1 2016	H1 2015	FY 2015
EBITDA margin in %	13.0	14.7	13.3
Free cash flow in EUR mn	−6.6	46.8	37.4
ROCE in %	0.1	2.2	0.4
Sales in EUR mn	450.1	485.4	931.3
Capital expenditure in EUR mn	42.8	13.4	75.0
Net financial assets in EUR mn	150.9	166.1	155.9

Macroeconomic situation and sector development

The German economy started the year on a good note, with the gross domestic product (GDP) rising by 0.7 percent in Q1 2016 (with price, seasonal and calendar adjustments) compared to Q4 2015, and the moderate growth rate of the previous year (0.3 percent during the final quarter of 2015) gaining in momentum.[1)]

In the 19-member eurozone the seasonally adjusted gross domestic product increased by 0.6 percent compared to the prior quarter, and by 0.5 percent in the 28-member EU.[2)] The US recorded growth of 1.1 percent.[3)] In Japan, the gross domestic product increased by 0.4 percent in Q1 2016.[4)] Growth in China amounted to 1.8 percent.[5)]

During Q1 2016 the semiconductor industry registered a 1.3 percent rise in demand for silicon wafers compared to Q4 2015. According to the SEMI industry association[6)], however, demand for silicon wafers was 3.8 percent below the prior-year figure. According to SEMI the silicon wafer market grew a further 6.6 percent in Q2 2016 compared to Q1 and was thus slightly higher than in Q2 2015.

1) Source: German Federal Statistical Office: https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/05/PD16_162_811pdf.pdf;jsessionid=220E19E360E9A49685EF7D3E0BCCF812.cae3?__blob=publicationFile
2) Source: Eurostat: http://ec.europa.eu/eurostat/documents/2995521/6870827/2-09062015-AP-DE.pdf
3) Source: Bureau of Economic Analysis, USA (BEA): http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm
4) Source: Cabinet Office, Japan: http://www5.cao.go.jp/keizai3/getsurei-e/2016may.html
5) Source: National Bureau of Statistics, China: http://www.stats.gov.cn/english/PressRelease/201607/t20160715_1377636.html
6) Source: SEMI press releases, http://www.semi.org/en/more-press-releases

Overall statement by the Executive Board on business performance and the economic position

By and large, H1 2016 developed in line with the expectations of the Executive Board.

After sales had already developed slightly better than expected in Q1 2016, sales recorded in Q2 were also somewhat better than forecasted. Our product mix had improved somewhat in Q1 2016 compared to Q4 2015, and continued to improve slightly during Q2 2016 compared to Q1.

At EUR 450.1 million, however, sales during H1 2016 were below the prior-year period. This can be attributed to particularly strong business generated during H1 2015 and the resulting high basis of comparison.

Our other operating income and expenses continued to be dominated by currency hedges. Expenses caused by exchange rate effects decreased considerably compared to H1 2015, however. Adjusted for currency effects mainly resulting from hedging, our EBITDA margin was 15.8 percent.

At about EUR 43 million, our capital expenditure, primarily for the replacement of crystal pullers and the progressive automation of our production lines, was within expectations during the first six months of the year.

The number of employees continued to be reduced as planned.

We continue to pursue our cost savings program in order to sustainably strengthen our competitive position.

Compared to 2015, equity as of June 30, 2016 was negatively influenced by lower discount rates used in the calculation of pension provisions. The equity ratio decreased to 31 percent primarily as a result of this effect.

Overall, the Executive Board is satisfied with Siltronic's business performance during H1 2016.

Economic development January to June 2016

Financial performance

Sales influenced by price effects and reduced wafer area sales

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
Sales	229.6	246.7	−17.1	−7	450.1	485.4	−35.3	−7

Sales in H1 2016 developed better than expected at the beginning of the financial year, with both Q1 and Q2 developing favorably.

Sales in H1 2016 were lower than in the prior-year period, however. This can primarily be attributed to declining prices and decreased wafer area sales.

Siltronic recorded particularly strong business performance during both of the first two quarters of 2015, which then slowed down during the second half of the year. Our customers carried out inventory adjustments during that period, leading to a decrease in the demand for silicon wafers and noticeable price pressure. Decreased demand and price pressure on products with lower production capacity utilization were also noticeable during H1 2016.

In contrast, changes in exchange rates did not have a substantial impact. The US dollar, which is by far the most important foreign currency for Siltronic, remained on average at the same level of 1.12 against the euro during H1 2016 compared to H1 2015.

Compared to sales of EUR 445.9 million during H2 2015, sales developed positively during H1 2016.

Gross profit and gross margin affected by decrease in average selling prices

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
Cost of sales	190.3	200.0	−9.7	−5	377.1	399.1	−22.0	−6
Gross profit	39.3	46.7	−7.4	−16	73.0	86.3	−13.3	−15
Gross margin in %	17.1	18.9	–	–	16.2	17.8	–	–

Costs of sales per wafer area decreased year-on-year, despite the reduction in wafer area sales. This encouraging development did not entirely offset the effect of lower average selling prices compared to 2015, however, and led to lower gross profit and a decline in the gross margin.

In comparison to Q1 2016, the gross margin increased significantly from 15.3 percent to 17.1 percent in Q2, but remained below the margin seen in Q2 2015.

Selling expenses, R&D and general administrative expenses increase slightly

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
Selling expenses	8.6	9.1	−0.5	−5	16.6	17.6	−1.0	−6
Research and development expenses (R&D)	16.4	16.3	0.1	1	32.7	32.5	0.2	1
General administration expenses	5.5	5.3	0.2	4	11.0	9.5	1.5	16
Total of selling, R&D and administration expenses	**30.5**	**30.7**	**−0.2**	**−1**	**60.3**	**59.6**	**0.7**	**1**
As a percentage of sales	13.3	12.4	–	–	13.4	12.3	–	–

The increase in selling expenses, research and development (R&D) expenses and general administration expenses can mainly be attributed to Q1 2016, as general administrative expenses were higher than in Q1 2015 due to higher staff costs and non-recurring items.

Compared to Q2 2015, selling, R&D and general administration expenses were at almost the same level.

Selling, R&D and administration expenses were higher as a percentage of sales almost exclusively as a result of the decrease in sales.

Other operating income and expenses continue to be dominated by currency hedges

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
Other operating income	11.9	8.8	3.1	35	28.4	64.9	−36.5	−56
Other operating expense	−14.7	−24.6	9.9	−40	−40.8	−83.1	42.3	−51
Other operating income and expense, net	−2.8	−15.8	13.0	−82	−12.4	−18.2	5.8	−32
of which exchange rate effects	*−2.7*	*−17.6*	*14.9*	–	*−12.4*	*−19.7*	*7.3*	–

Other operating income and expenses are severely affected by exchange rate gains and losses, particularly in connection with foreign currency hedging. Currency hedging involves the US dollar and Japanese yen. Exchange rate effects resulted in an expense of EUR 12.4 million in H1 2016, down from an expense of EUR 19.7 million during H1 2016. Compared to Q2 2015, the expense resulting from exchange rate effects decreased noticeably by EUR 14.9 million during Q2 2016.

EBIT and EBITDA margins develop positively

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
EBIT	6.0	0.2	5.8	>100	0.3	8.5	−8.2	−96
EBIT margin in %	2.6	0.1			0.1	1.8		
Depreciation, amortization and impairment less reversals thereof	29.1	31.2	−2.1	−7	58.4	63.0	−4.6	−7
EBITDA	35.1	31.4	3.7	12	58.7	71.5	−12.8	−18
EBITDA margin in %	15.3	12.7	–	–	13.0	14.7	–	–

EBIT in Q2 2016 was significantly higher than the figure for Q2 2015.

Although gross profit declined by EUR 13.3 million year-on-year, EBIT during H1 2016 was only EUR 8.2 million lower than the figure for the prior-year period. The improvement to EBIT is largely due to the decrease in expenses resulting from exchange rate effects of EUR 7.3 million, which are shown under other operating income and expenses.

The EBIT margin showed significant progress. During Q2 2016, the margin was 2.6 percent, up from −2.5 percent in Q1 2016 and 0.1 percent in Q2 2015.

EBITDA in Q2 2016 was about 12 percent higher year-on-year. The EBITDA margin improved to 15.3 percent. During Q1, the margin was still 10.7 percent.

Over the six-month period as a whole, EBITDA decreased by about 18 percent year-on-year. The EBITDA margin in H1 2016 amounted to 13.0 percent.

Excluding negative exchange rate effects, an EBITDA margin of 15.8 percent would have been realized for H1 2016. The equivalent prior-year figure would have been 18.8 percent.

Financial result below previous year due to interest costs for foreign currency hedging

EUR mn	Q2 2016	Q2 2015	Change Amount	Change %	H1 2016	H1 2015	Change Amount	Change %
Interest income	0.4	0.0	0.4	–	0.7	0.0	0.7	–
Interest expenses	−0.4	−0.7	0.3	−43	−2.3	−1.3	−1.0	77
Other finance cost, net	−2.4	−2.5	0.1	−4	−4.6	−4.0	−0.6	15
Financial result	**−2.4**	**−3.2**	**0.8**	**−25**	**−6.2**	**−5.3**	**−0.9**	**17**

Interest income increased as a result of the proceeds of the IPO that took place in June 2015.

The increase in interest expenses year-on-year can be attributed to interest costs for foreign currency hedging. Although expenses are significantly higher year-on-year, they were much lower in Q2 2016 (EUR 0.4 million) than in Q1 2016 (EUR 1.9 million).

The other financial result of EUR −4.6 million in H1 2016 relates to the discounting of pension provisions.

Income tax expenses drop

			Change				Change	
EUR mn	Q2 2016	Q2 2015	Amount	%	H1 2016	H1 2015	Amount	%
Result before income tax	3.6	−3.0	6.6	n/a	−5.9	3.2	−9.1	n/a
Income taxes	**2.7**	**4.0**	**−1.3**	**−33**	**4.8**	**8.3**	**−3.5**	**−42**

Income tax expenses dropped and resulted from current taxes in the US and in Singapore for Siltronic Singapore Pte. Ltd.

Net loss for H1 2016, but net profit for Q2 2016
The net result improved considerably in Q2 2016 to net profit of EUR 0.9 million, up from a net loss of EUR 11.5 million in Q1 2016.

Net profit affects earnings per share
At EUR 0.07, earnings per share were positive in Q2 2016, up from EUR −0.34 in Q1 2016.

Financial position

At EUR 1,037.0 million, total assets as of June 30, 2016 remained practically unchanged compared to the figure as of December 31, 2015.

EUR mn	As of June 30, 2016	As of December 31, 2015	Change
Intangible assets	28.3	29.7	−1.4
Property, plant and equipment	536.6	542.9	−6.3
Other assets	6.9	6.5	0.4
Non-current assets	**571.8**	**579.1**	**−7.3**

Non-current assets lower due to depreciation and amortization
The decrease in property, plant and equipment compared to December 31, 2015 is the result of depreciation, which was EUR 13.9 million higher than the additions. Due to the appreciation of the Singapore dollar against the euro during H1 2016, the carrying amount of property, plant and equipment only decreased by EUR 6.3 million.

Capital expenditure on property, plant and equipment and non-current intangible assets amounted to EUR 42.8 million during H1 2016.

EUR mn	As of June 30, 2016	As of December 31, 2015	Change
Inventories	145.1	142.7	2.4
Trade receivables	105.1	100.4	4.7
Fixed-term deposits	53.3	40.0	13.3
Other assets	23.7	24.1	−0.4
Cash and cash equivalents	138.0	154.5	−16.5
Current assets	**465.2**	**461.7**	**3.5**

Current assets decrease due to negative cash flow
The decrease in cash and cash equivalents of EUR 16.5 million can be attributed to the EUR 13.3 million increase in fixed-term deposits compared to December 31, 2015. The remaining difference can be attributed to the negative free cash flow.

EUR mn	As of June 30, 2016	As of December 31, 2015	Change
Equity	323.6	497.3	−173.7
Pension provision	472.7	299.4	173.3
Financial liabilities	40.4	38.6	1.8
Other liabilities	54.8	58.0	−3.2
Non-current liabilities	**567.9**	**396.0**	**171.9**
Trade liabilities	69.8	72.1	−2.3
Other liabilities	75.7	75.4	0.3
Current liabilities	**145.5**	**147.5**	**−2.0**

Lower discount rates for pension provisions cause equity to decrease
Lower discount rates used in the calculation of pension provisions had a significantly negative effect on equity, leading to a decrease in the equity ratio from 48 percent to 31 percent.

Discount-related increase in pension provisions raises non-current liabilities
Non-current liabilities accounted for 55 percent of total assets as of June 30, 2016.

The main reason for this was the increase in pension provisions, which can be attributed to the decrease in the discount rate used for Germany and the US. The provision was discounted at 1.60 percent in Germany as of June 30, 2016, compared to 2.75 percent as of December 31, 2015. In the US, the discount rate for pensions of 4.20 percent as of December 31, 2015 decreased to 3.47 percent as of June 30, 2016.

Free cash flow affected by net loss for the period and increased capital expenditure

EUR mn	H1 2016	H1 2015	Change
Cash flow from operating activities	45.9	62.6	–16.7
Payments for items of property, plant, and equipment and intangible assets	–52.5	–15.8	–36.7
Free cash flow	**–6.6**	**46.8**	**–53.4**
Payments for items of property, plant, and equipment and intangible assets	–52.5	–15.8	–36.7
Proceeds from the disposal of securities	–12.6	–20.0	7.4
Cash flow from operating activities	**–65.1**	**–35.8**	**–29.3**

The cash flow from operating activities in H1 2016 was EUR 16.7 million lower than during the prior-year period. The decline can be attributed to the decrease in EBITDA.

At EUR 52.5 million, cash payments for capital expenditure on property, plant and equipment and intangible assets were significantly higher than in H1 2015, and primarily relate to capital expenditure on new crystal pullers and the automation of production. The difference of EUR 9.7 million between the cash payments and the capital expenditure on property, plant and equipment and non-current intangible assets is due to high capital expenditure undertaken in December 2015, for which cash payments were not made until 2016.

The free cash flow in H1 2016 was negative, at EUR –6.6 million, which was due to the negative figure for Q1 2016. In Q2 2016, free cash flow was positive, at EUR 0.1 million.

Net financial assets of EUR 151 million

EUR mn	As of June 30, 2016	As of December 31, 2015	Change
Financial liabilities	–40.4	–38.6	–1.8
Cash and cash equivalents	138.0	154.5	–16.5
Fixed-term deposits	53.3	40.0	13.3
Net financial assets (+) / net financial debt (–)	**150.9**	**155.9**	**–5.0**

Net financial assets decreased as of June 30, 2016 compared to December 31, 2015, as a result of the negative free cash flow.

ROCE at 0.1 percent

The ROCE for H1 2016 amounted to 0.1 percent, compared to 2.2 percent for H1 2015. The decline resulted almost exclusively from the decrease in EBIT. The movement in capital employed did not have a significant effect on the ROCE.

Compared to Q1 2016 (–3.0 percent), the ROCE improved significantly in Q2 2016 and came to +3.2 percent.

Risk report

Material risks are presented in the risk report on pages 60 to 70 of our Annual Report 2015. The statements made there have changed during the quarter under review with respect to our assessment of pension risk.

Due to the fact that the low-interest phase on the capital markets is expected to continue, there is an increased probability that we will have to make higher payments in the future into the outsourced funds to cover corporate pension insurance. As a result, we estimate the probability of such payments to be likely (their probability was previously assessed as unlikely). Although the payments affect cash flow from operating activities, our earnings' position will not be affected. The impact of such payments is expected to be moderate (previously assessed as low).

No further material changes in risks were identified during the period under review. We are not currently aware of any risks that could affect the Company's ability to continue as a going concern.

Risk assessment 2016 (as of July 28, 2016)

	Probability of occurrence				Financial and economic impact			
Risk	Unlikely	Possible	Likely	Change	Low	Moderate	High	Change
Overall environment								
Economic downturn		•		→			•	→
External risk	•			→		•		→
Industry and market risk								
Competition, customer-controlled demand, threat of substitute products, cyclicality of the wafer market		•		→			•	→
Adaption of production facilities	•			→	•			→
Additional costs from closures	•			→		•		→
Product development risk		•		→		•		→
Procurement market risk								
Dependency on individual suppliers		•		→		•		→
Dependency on related parties	•			→	•			→
Production risk and product liability risk								
Product liability risk and production risk	•			→		•		→
Efficiency targets and manufacturing cost targets		•		→	•			→
Legal and regulatory risk								
General legal risk		•		→		•		→
Risk relating to environmental laws	•			→		•		→
Regulatory risk	•			→		•		→
Security of IT systems and data	•			→		•		→
HR risk	•			→	•			→
Pension risk			•	↗		•		↗
Financial risk								
Credit risk	•			→	•			→
Market risk/currency risk		•		→			•	→
Liquidity risk	•			→	•			→

Outlook

Expected macroeconomic and sector development

According to current figures provided by the OECD, somewhat higher expansion rates are expected for the second half of the year, although a robust economic upswing is not anticipated. The growth forecast for the global economy is a moderate 3.1 percent for 2016.

In the eurozone, Brexit is expected to put a slight damper on growth in the coming quarter. As a result, growth of 1.4 percent is currently anticipated. Growth may only recover slowly in the eurozone following Brexit.

The German economy is predicted to show a considerable loss of momentum during the second half of the year. The temporary lull seen in the US should be replaced by somewhat stronger expansion during the coming months. For Japan, the outlook for 2017 is currently less optimistic than that for the current year. The Japanese government hopes to counteract that prospect with a multi-billion euro program intended to stimulate the Japanese economy. China's economy will continue to lose momentum and stabilize.

For the German economy, the OECD forecasts growth of 1.5 percent for 2016, while growth is expected to be 2.5 percent in the US and 0.6 percent in Japan. For China, growth of 6.5 percent is expected.

The growth outlook for the semiconductor market has generally declined somewhat in recent months. With respect to global sales of silicon-based semiconductor components, the marketing research firm IHS Technology currently predicts negative growth of 4.8 percent. The decrease can mainly be attributed to the drop in the price of memory devices and the stronger US dollar. IHS Technology anticipates, however, that the demand for silicon wafers will increase slightly by a total of 1.3 percent in 2016.

Siltronic's future performance

Our strategy will continue to focus on increasing our technology leadership, retaining our leading quality position, continuing our program for operational excellence and cost reductions, and ensuring a high level of profitability and a stable cash flow. A detailed description of our strategic objectives can be found on pages 42 and 43 of our Annual Report 2015.

Our outlook regarding relevant KPIs is described in detail in our Annual Report 2015, as well as in the Q1 2016 Interim Report. The expected development of relevant KPIs is shown in the table on page 14.

Siltronic AG remains committed to the outlook for 2016 published in its Annual Report 2015, as well as to the more precise sales forecast contained in its Interim Report for Q1 2016. As of July, we have adjusted our forecast for ROCE and currency losses.

Outlook for H2 2016

Overall, H1 2016 slightly exceeded our expectations. We do not currently anticipate a further upturn in demand in Q3 or Q4, and thus do not expect any volume growth overall for 2016 in comparison to 2015.

We continue to anticipate that our product mix over 2016 as a whole will correspond to that of the previous year. After already improving our product mix during H1 2016 compared to Q4 2015, we expect our product mix for H2 2016 to remain more or less unchanged.

The noticeable price pressure seen at the end of financial year 2015 on product lines with lower production capacity utilization did not continue to increase during Q1 2016. Although the price pressure decreased slightly in Q2 2016 in comparison to the previous quarter, it was still noticeable. We do not expect average selling prices to increase in 2016.

Sources:
OECD World Economic Outlook, July 19, 2016
IHS Technology (Application Market Forecast Tool AMFT – World + Regions, Q3'16 Update, released June 28, 2016)
IHS Markit (Semiconductor Silicon Demand Forecast Tool, Q3'16 Update, released July 22, 2016)

We continue to anticipate our sales to be below the previous year, equating to a decrease in the low to mid single-digit percentage range. A stronger Japanese yen will bolster sales.

Our forecast that currency losses would be between EUR 10 million and EUR 15 million, was made under the assumption of a stable EUR/USD rate of 1.10 and a EUR/JPY rate of 135. If the Japanese yen continues to appreciate and the rate remains at 115 for a prolonged period, we anticipate a currency loss of EUR 20 million to EUR 25 million.

We currently expect ROCE in the low to mid single-digit percentage range.

Forecast for 2016 (as of July 28, 2016)

	Change: July vs. April	Forecast as of July 28, 2016	Forecast as of April 28, 2016	Forecast as of March 16, 2016
EBITDA margin	→	Slight improvement	Slight improvement	Slight improvement
ROCE	↘	In the low to mid single-digit percentage range	In the mid single-digit percentage range	In the mid single-digit percentage range
Free cash flow	→	Clearly positive, but below the 2015 figure	Clearly positive, but below the 2015 figure	Clearly positive, but below the 2015 figure
Sales	→	Decrease in low to mid single-digit percentage range compared to previous year; bolstered by strong JPY	Decrease in low to mid single-digit percentage range compared to previous year	Slightly below previous year
R&D	→	Unchanged at approximately 7% of sales	Unchanged at approximately 7% of sales	Unchanged at approximately 7% of sales
Cost structures	→	Potential savings of around EUR 30 mn to 35 mn	Potential savings of around EUR 30 mn to 35 mn	Potential savings of around EUR 30 mn to 35 mn
Currency losses	↗	Substantially lower at around EUR 10 mn to EUR 15 mn; if EUR/JPY rate remains at about 115, around EUR 20 mn to EUR 25 mn	Substantially lower at around EUR 10 mn to EUR 15 mn	Substantially lower at around EUR 10 mn to EUR 15 mn
Amortization	→	Small reduction	Small reduction	Small reduction
Tax expense	→	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn
Financial result	→	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn
Earnings per share	→	Presumably slightly positive	Presumably slightly positive	Presumably slightly positive
Capital expenditure	→	Around EUR 80 mn	Around EUR 80 mn	Around EUR 80 mn

Events after the balance sheet date

No material events occurred between June 30, 2016 and the issuance date of this Interim Report.

Munich, July 28, 2016
The Executive Board of Siltronic AG

Dr. Christoph von Plotho
(CEO)

Rainer Irle
(CFO)

Content

Interim Financial Statements
(Condensed)

Consolidated Statement of Profit or Loss

EUR mn	Q2 2016	Q2 2015	H1 2016	H1 2015
Sales	229.6	246.7	450.1	485.4
Cost of goods sold	–190.3	–200.0	–377.1	–399.1
Gross profit	**39.3**	**46.7**	**73.0**	**86.3**
Selling expenses	–8.6	–9.1	–16.6	–17.6
Research and development expenses	–16.4	–16.3	–32.7	–32.5
General administration expenses	–5.5	–5.3	–11.0	–9.5
Other operating income	11.9	8.8	28.4	64.9
Other operating expenses	–14.7	–24.6	–40.8	–83.1
Operating result	**6.0**	**0.2**	**0.3**	**8.5**
Interest income	0.4	0.0	0.7	0.0
Interest expense	–0.4	–0.7	–2.3	–1.3
Other finance cost, net	–2.4	–2.5	–4.6	–4.0
Financial result	**–2.4**	**–3.2**	**–6.2**	**–5.3**
Result before income tax	3.6	–3.0	–5.9	3.2
Income taxes	–2.7	–4.0	–4.8	–8.3
Result for the period	**0.9**	**–7.0**	**–10.7**	**–5.1**
Of which				
attributable to Siltronic AG shareholders	2.1	–5.2	–8.2	–2.0
attributable to non-controlling interests	–1.2	–1.8	–2.5	–3.1
Earnings (+)/Loss (–) per common share in € (basic/diluted)	0.07	–0.17	–0.27	–0.07

Consolidated Statement of Financial Position

EUR mn	June 30, 2016	June 30, 2015	December 31, 2015
Intangible assets	28.3	31.5	29.7
Property, plant and equipment	536.6	544.2	542.9
Other financial assets	1.0	0.4	0.2
Income tax receivables	0.1	0.2	0.1
Deferred tax assets	5.8	7.1	6.2
Non-current assets	**571.8**	**583.4**	**579.1**
Inventories	145.1	142.6	142.7
Trade receivables	105.1	113.8	100.4
Fixed-term deposits	53.3	20.0	40.0
Other financial assets	8.1	10.8	15.6
Other non-financial assets	15.0	15.3	7.3
Income tax receivables	0.6	0.3	1.2
Cash and cash equivalents	138.0	185.7	154.5
Current assets	**465.2**	**488.5**	**461.7**
Total assets	**1,037.0**	**1,071.9**	**1,040.8**

EUR mn	June 30, 2016	June 30, 2015	December 31, 2015
Subscribed capital	120.0	120.0	120.0
Capital reserves	997.3	1,070.1	997.3
Accumulated deficit	−497.9	−550.4	−489.7
Other equity items	−289.9	−138.6	−127.1
	329.5	**501.1**	**500.5**
Non-controlling interests	−5.9	−0.2	−3.2
Equity	**323.6**	**500.9**	**497.3**
Pension provision	472.7	292.1	299.4
Other provisions	33.5	28.2	30.4
Provisions for income tax	–	0.1	–
Deferred tax liabilities	2.6	2.7	2.6
Financial liabilities	40.4	39.0	38.6
Other financial liabilities	2.4	2.1	0.6
Other non-financial liabilities	16.3	36.9	24.3
Non-current liabilities	**567.9**	**401.1**	**396.0**
Other provisions	4.5	7.3	6.0
Provisions and liabilities for income tax	5.8	6.2	5.4
Trade liabilities	69.8	70.9	72.1
Other financial liabilites	16.5	36.9	18.4
Other non-financial liabilities	48.9	48.6	45.6
Current liabilites	**145.5**	**169.9**	**147.5**
Liabilities	713.4	571.0	543.5
Total equity and liabilities	**1,037.0**	**1,071.9**	**1,040.8**

Consolidated Statement of Cash Flows

EUR mn	Q2 2016	H1 2016	H1 2015
Result for the period	0.9	−10.7	−5.1
Depreciation / amortization of nun-current assets, including impairment losses and reversals thereof	29.1	58.4	63.0
Other non-cash expenses and income	0.8	−2.5	−17.8
Result from disposal of nun-current assets	0.2	0.4	0.5
Interest income	0.0	1.6	1.3
Interest paid	−0.1	−1.7	−0.7
Interest received	0.4	0.7	0.0
Tax expense	2.7	4.8	8.3
Taxes paid	−2.1	−3.7	−3.8
Changes in inventories	2.9	−0.9	0.9
Changes in trade receivables	−3.6	−1.2	6.0
Changes in other financial and non-financial assets	−2.1	−7.2	−1.3
Changes in deferred taxes	−0.2	0.3	1.4
Changes in provisions	5.7	11.2	13.4
Changes in trade liabilities	−5.4	2.6	8.2
Changes in other financial and non-financial liabilities	−10.1	−6.2	−11.7
Cash flow from operating activities	**19.1**	**45.9**	**62.6**
Payments for capital expenditures (including intangible assets)	−19.0	−52.5	−16.0
Proceeds from the disposal of fixed assets	0.0	0.0	0.2
Proceeds / payments from fixed-term deposits	−32.6	−12.6	−20.0
Cash flow from investing acitivities	**−51.6**	**−65.1**	**−35.8**
Stock issue proceeds from the IPO	–	–	143.3
Utilization of (+) or allocation to (–) cash pooling of and loans of Wacker Chemie	–	–	−175.5
Proceeds from other financial liabilities	–	–	0.7
Cash flow from financing activities	**0.0**	**0.0**	**−31.5**
Changes due to exchange-rate fluctuations	2.1	2.7	3.0
Changes in cash and cash equivalents	**−30.4**	**−16.5**	**−1.7**
at the beginning of the period	168.4	154.5	187.4
at the end of the period	**138.0**	**138.0**	**185.7**

Consolidated Statement of Comprehensive Income

	H1 2016		H1 2015	
EUR mn	Before tax	After tax	Before tax	After tax
Net result for the period	−10.7	−10.7	−5.1	−5.1
Item not reclassified to profit or loss: Remeasurement of defined benefit plans	−167.2	−167.2	47.8	47.8
Items reclassified to profit or loss:				
Difference from foreign currency translation adjustments	0.7	0.7	10.0	10.0
Of which recognized in profit or loss	–	–	–	–
Changes in fair values of the securities available for sale	–	–	−0.6	−0.6
Changes in fair values of derivative financial instruments (cash flow hedge)	−0.4	−0.4	−6.3	−6.3
Of which recognized in profit or loss	*12.2*	*12.2*	*−24.6*	*−24.6*
Effects of net investments in foreign operations	3.9	3.9	–	–
Of which recognized in profit or loss	–	–	–	–
Sum of items reclassified to profit or loss	**4.2**	**4.2**	**3.1**	**3.1**
Income and expenses recognized in equity	−163.0	−163.0	50.9	50.9
Total comprehensive income / loss		**−173.7**		**45.8**
of which				
attributable to Siltronic AG shareholders		−171.0		48.7
attributable to non-controlling interests		−2.7		−2.9

Consolidated Statement of Changes in Equity

EUR mn	Subscribed capital	Capital reserves	Difference from foreign currency translation adjustments	Effects of net investments in foreign operations
Balance as of January 1, 2015	100.0	946.8	−7.4	–
Net result for the period	–	–	–	–
Income and expenses recognized in equity	–	–	9.8	–
Total comprehensive changes	**–**	**–**	**9.8**	**–**
Capital increase due to IPO	20.0	123.3	–	–
Balance as of June 30, 2015	**120.0**	**1,070.1**	**2.4**	**–**
Balance as of January 1, 2016	120.0	997.3	−0.5	–
Net result for the period	–	–	–	–
Income and expenses recognized in equity	–	–	0.9	3.9
Total comprehensive changes	**–**	**–**	**0.9**	**3.9**
Balance as of June 30, 2016	**120.0**	**997.3**	**0.4**	**3.9**

Changes in fair values of securities available for sale	Changes in fair values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Accumulated deficit	**Total**	Non-controlling interests	**Total equity**
0.0	−21.1	−160.8	−548.4	309.1	2.7	311.8
–	–	–	−2.0	−2.0	−3.1	−5.1
−0.6	−6.3	47.8	–	50.7	0.2	50.9
−0.6	**−6.3**	**47.8**	**−2.0**	**48.7**	**−2.9**	**45.8**
–	–	–	–	143.3	–	143.3
−0.6	**−27.4**	**−113.0**	**−550.4**	**501.1**	**−0.2**	**500.9**
–	−13.2	−113.4	−489.7	500.5	−3.2	497.3
–	–	–	−8.2	−8.2	−2.5	−10.7
–	−0.4	−167.2	–	−162.8	−0.2	−163.0
–	**−0.4**	**−167.2**	**−8.2**	**−171.0**	**−2.7**	**−173.7**
–	**−13.6**	**−280.6**	**−497.9**	**329.5**	**−5.9**	**323.6**

Consolidated Notes

Basis of presentation and accounting policies

These condensed financial statements ("interim financial statements") for the six-month period ended June 30, 2016 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 Group as of June 30, 2016 have been prepared in accordance with Section 37 w of the German Securities Trading Act (WpHG: Wertpapierhandelsgesetz) 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 2015 have been amended by new accounting standards which are applicable in the financial year 2016 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 2016 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 procedure 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 each reporting date, the net defined benefit liability must be reassessed and the discount factor newly determined. The net defined benefit liability as of June 30, 2016 was calculated using discount factors of 1.60 percent in Germany and 3.47 percent in the US (June 30, 2015: 2.70 percent in Germany and 4.30 percent in the US). As of December 31, 2015, the actuarial interest rate was 2.75 percent in Germany and 4.20 percent in the US.

In accordance with IAS 21 stipulations an intra-Group loan was recognized as a net investment in a foreign operation in the second quarter of 2016. Corresponding translation differences are thus now recognized in equity.

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.

Segment reporting

The Group is engaged in one reportable segment. That includes the development, production and marketing of semiconductor silicon 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 technical specifications from customers, the Group is only 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 that 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 June 30, 2016		As of December 31, 2015	
EUR mn	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	105.1	105.1	100.4	100.4
Other financial assets	9.1	9.1	15.7	15.7
Loans and receivables	6.0	6.0	5.8	5.8
Derivative financial instruments	3.1	3.1	9.9	9.9
Held-to-maturity fixed-term deposits	53.3	53.3	40.0	40.0
Cash and cash equivalents	138.0	138.0	154.5	154.5
Loans	40.4	40.4	38.6	38.6
Trade liabilities	69.8	69.8	72.1	72.1
Other financial liabilities	18.9	18.9	19.0	19.0
Recognized at amortized cost	0.3	0.3	0.0	0.0
Derivative financial instruments	18.6	18.6	19.0	19.0

The financial assets and liabilities measured at fair value in the statement of financial position were allocated to one of the 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 2015 consolidated financial statements.

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

Fair value hierarchy

EUR mn	As of June 30, 2016			
	Level I	Level II	Level III	**Total**
Financial assets, measured at fair value				
Fair value through profit or loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	2.4	–	2.4
Fair value recognized directly in equity				
Derivatives with recognized hedging (hedge accounting)	–	0.7	–	0.7
Total	**–**	**3.1**	**–**	**3.1**
Financial liabilities, measured at fair value				
Fair value through profit or loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	4.9	–	4.9
Fair value recognized directly in equity				
Derivatives with recognized hedging (hedge accounting)	–	13.7	–	13.7
Total	**–**	**18.6**	**–**	**18.6**

EUR mn	As of December 31, 2015			
	Level I	Level II	Level III	**Total**
Financial assets, measured at fair value				
Fair value through profit or loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	9.6	–	9.6
Fair value recognized directly in equity				
Derivatives with recognized hedging (hedge accounting)	–	0.3	–	0.3
Total	**–**	**9.9**	**–**	**9.9**
Financial liabilities, measured at fair value				
Fair value through profit or loss				
Derivatives excl. recognized hedging relationship (held for trading purposes)	–	9.1	–	9.1
Fair value recognized directly in equity				
Derivatives with recognized hedging (hedge accounting)	–	9.9	–	9.9
Total	**–**	**19.0**	**–**	**19.0**

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 that 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 prices 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 annual 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 the balance sheet date. The actuarial calculation as of June 30, 2016 has been based on discount factors of 1.60 percent in Germany and 3.47 percent in the US (as of June 30, 2015: 2.70 percent in Germany and 4.30 percent in the US). As of December 31, 2015, the discount rates were 2.75 percent in Germany and 4.20 percent in the US.

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 percent of the voting shares in Wacker Chemie AG), (b) with Wacker Pensionskasse and (c) 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 Wacker Chemie AG were the following:

EUR mn	**H1 2016**	H1 2015
Sales	3.5	3.2
Supply of material and services, primarily recorded in cost of sales	83.6	86.9

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

EUR mn	**As of June 30, 2016**	As of December 31, 2015
Inventories	11.5	10.4
Other assets	1.2	1.4
Trade liabilites	21.5	13.8
Other liabilites	0.6	0.0

Assets and liabilities almost entirely relate to Wacker Chemie AG.

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 translated into euro following the concept of 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 from a financial, commercial and organizational perspective. Assets and liabilities are translated using the spot rates prevailing at the balance sheet date, equity is translated using historical rates, and amounts in the statement of profit and 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 under “Other equity items” within equity.

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

Exchange rates

		Spot rate			Average for the year		
	ISO code	**June 30, 2016**	June 30, 2015	December 31, 2015	**Q2 2016**	**H1 2016**	H1 2015
US dollar	USD	1.11	1.12	1.09	1.13	1.12	1.12
Japanese yen	JPY	114	136	131	122	124	134
Singapore dollar	SGD	1.50	1.50	1.54	1.53	1.54	1.51

Major events in period under review and events after June 30, 2016

Events during the reporting period that are considered significant in terms of their impact, nature and frequency are described in the interim management report. No material events occurred between June 30, 2016 and the date of issuance of this Interim Report.

Munich, July 28, 2016
The Executive Board of Siltronic AG

Dr. Christoph von Plotho
(CEO)

Rainer Irle
(CFO)

Further Information

Responsibility statement

To the best of our knowledge, we assure that in accordance with the applicable accounting principles for interim reporting for the Group's interim financial statements in compliance with generally accepted accounting principles, we have provided a truthful picture of the assets, financial and earnings situation of the Group and that the Group's interim management report outlines the business performance, including the company profit and the Group's situation, such that it provides a picture in line with the actual circumstances and describes the key opportunities and risks of the expected performance of the Group in the remainder of the financial year.

Munich, July 28, 2016
The Executive Board of Siltronic AG

Dr. Christoph von Plotho (CEO)	Rainer Irle (CFO)

Certificate of audit review

For Siltronic AG, Munich

We have performed an audit review of the abbreviated interim consolidated financial statements – consisting of the Group balance sheet, profit and loss account, statement of comprehensive income, cash flow statement, development of the Group's equity and selected explanatory notes – and the Group's interim management report for Siltronic AG, for the period from January 1 to June 30, 2016, which are components of the semi-annual financial report in accordance with Section 37 w of the Securities Trading Act (WpHG). The preparation of the abbreviated interim consolidated financial statements under IFRS for interim reporting, as applicable in the EU, and the Group's interim management report according to the applicable provisions from the WpHG is the responsibility of the legal representatives of the company. Our task is to certify the abbreviated interim consolidated financial statements and the Group's interim management report on the basis of our audit review.

We have performed the audit review of the abbreviated interim consolidated financial statements and the Group's interim management report, observing the German principles specified by the Institute of Public Auditors in Germany (IDW) for the audit review of financial statements. These state that the audit review is to be planned and performed such that in our critical appraisal, we can rule out with a certain degree of certainty that the abbreviated interim consolidated financial statements have not been prepared in accordance with IFRS for interim reporting as applicable in the EU in key aspects and that the Group's interim management report was not prepared in accordance with the provisions of the WpHG applicable to the Group's interim management reports in key aspects. An audit review is primarily limited to interviews with employees of the company and analytical assessments and therefore does not offer the certainty of an audit of financial statements. As we have not performed a proper audit of the financial statements according to our order, we cannot issue an audit certificate.

On the basis of our audit review, we have not become aware of any factors, which prompt us to assume that the abbreviated interim consolidated financial statements have not been prepared in accordance with IFRS for interim reporting as applicable in the EU in key aspects and the Group's interim management report was not prepared in accordance with the provisions of the WpHG applicable to the Group's interim management reports in key aspects.

Munich, July 28, 2016
KPMG AG Auditing Company

Hanshen	Ratkovic
Auditor	Auditor

Financial calendar

October 27, 2016	Quarterly Statement Q3 2016

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Concept, design and realization
HGB Hamburger Geschäftsberichte GmbH & Co, KG, Hamburg

Note on the Interim Statement
This Interim Statement is also available in German. If there are differences between the two, the German version takes priority. The Interim Report is available as PDF document.

Disclaimer
This interim statement contains forward-looking statements based on assumptions and estimates made by Siltronic's Executive Board. Although we assume that the expectations in these forwardlooking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. Siltronic does not plan to update the forwardlooking statements, nor does it assume the obligation to do so. Due to rounding, it is possible that individual figures in this report and other reports do not exactly add up to the total stated and that percentages shown may not exactly reflect the absolute values to which they refer.

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