

In the Future

Annual Report 2015



Key Figures

in € million	2015	2014	Change 2015 / 2014
Business development			
Order entry	188.6	134.3	40.4%
Order backlog as of December 31	117.6	75.6	55.6%
Total sales	148.5	145.3	2.2%
Sales margin	0.1%	3.2%	-3.1% points
Gross profit	49.4	48.8	1.2%
Gross margin	33.3%	33.6%	-0.3% points
Costs of conversion	99.2	96.5	2.8%
R & D costs	12.8	10.5	21.9%
EBITDA	9.2	12.6	-27.0%
EBITDA margin	6.2%	8.7%	-2.5% points
EBIT	5.0	8.4	-40.5%
EBIT margin	3.4%	5.8%	-2.4% points
Earnings after tax	0.2	4.6	-95.7%
Earnings per share, basic (in €)	0.01	0.24	-95.8%
Balance sheet and cash flow			
Equity	118.7	116.1	2.2%
Equity ratio	67.0%	69.1%	-2.1% points
Return on equity	0.2%	4.0%	-3.8% points
Balance sheet total	177.2	168.0	5.5%
Net cash	40.0	38.0	5.3%
Free cash flow ¹	1.3	2.1	-38.1%
Further key figures			
Investments	3.4	3.0	13.3%
Investment ratio	2.3%	2.1%	0.2% points
Depreciation	4.2	4.2	0.0%
Employees as of December 31	698	659	5.9%

¹ Before consideration of purchase or sale of available-for-sale securities

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Dear Readers,

we were able to achieve a very strong order intake in the 2015 fiscal year, despite a challenging market environment.

This favorable development culminated in the fourth quarter of 2015 with an order intake of EUR 79.7 million, an all-time high.

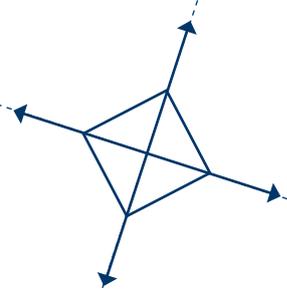
This is a record for the Company, even exceeding highs in the peak years of 1999 and 2000. In the following report, you will learn more about our successful 2015 fiscal year.

SUSS MicroTec has a strong history and great future potential. Going forward, we aim to further grow our presence in core and new market segments.

Our strategic focus on attractive, high-growth markets such as advanced packaging, MEMS, or 3D integration continues to be promising and will be continued in the future.

We are fully committed to the stringent execution of our strategy, which was initiated in 2014 and further focused in 2015, in order to lead the company down a sustainable growth path. This means continued strengthening of the core product lines and expansion into new segments of our served markets.

The Management Board of SUSS MicroTec



Successful Worldwide

Lithography

- Mask Aligner
- UV Projection Lithography Systems
- Laser processing Systems
- Coater/Developer

Order entry: € 149.6 million

Sales: € 106.3 million

EBIT: € 9.7 million

Substrate Bonder

- Substrate (Wafer) Bonder

Order entry: € 10.5 million

Sales: € 11.4 million

EBIT: € -4.0 million

Photomask Equipment

- Photomask Processing Systems

Order entry: € 21.5 million

Sales: € 23.5 million

EBIT: € 2.3 million

Others

- Micro-optics and Lenses
- Centralized Group functions

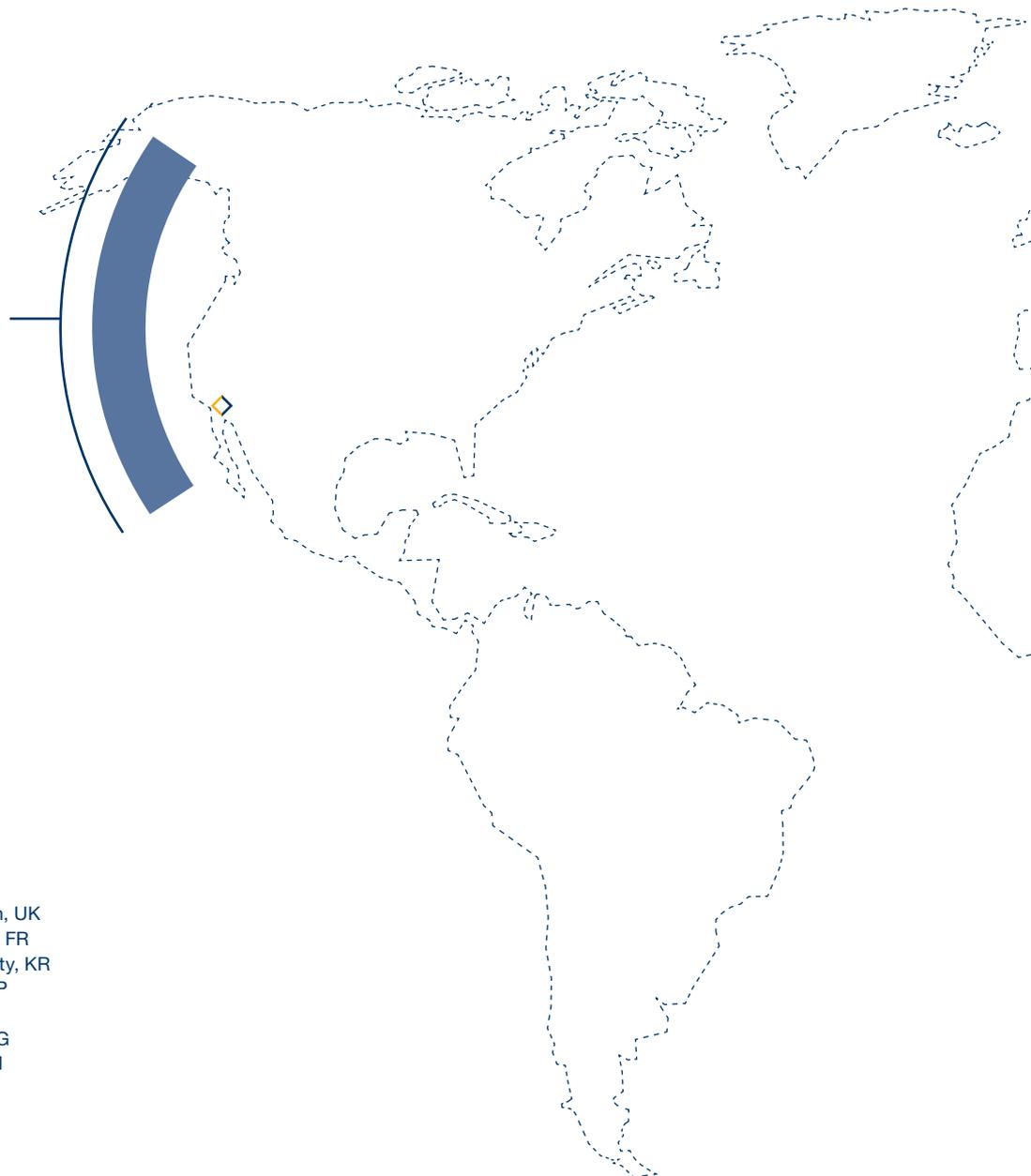
Order entry: € 7.0 million

Sales: € 7.3 million

EBIT: € -3.1 million

North America
18.8%

Sales by region



Production

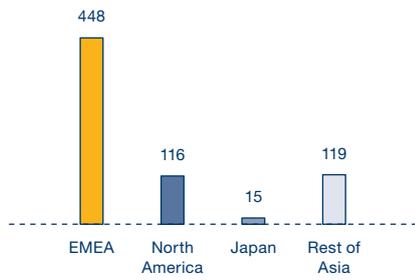
Corona, US
Hauterive, CH
Garching, DE
(Holding)
Sternenfels, DE



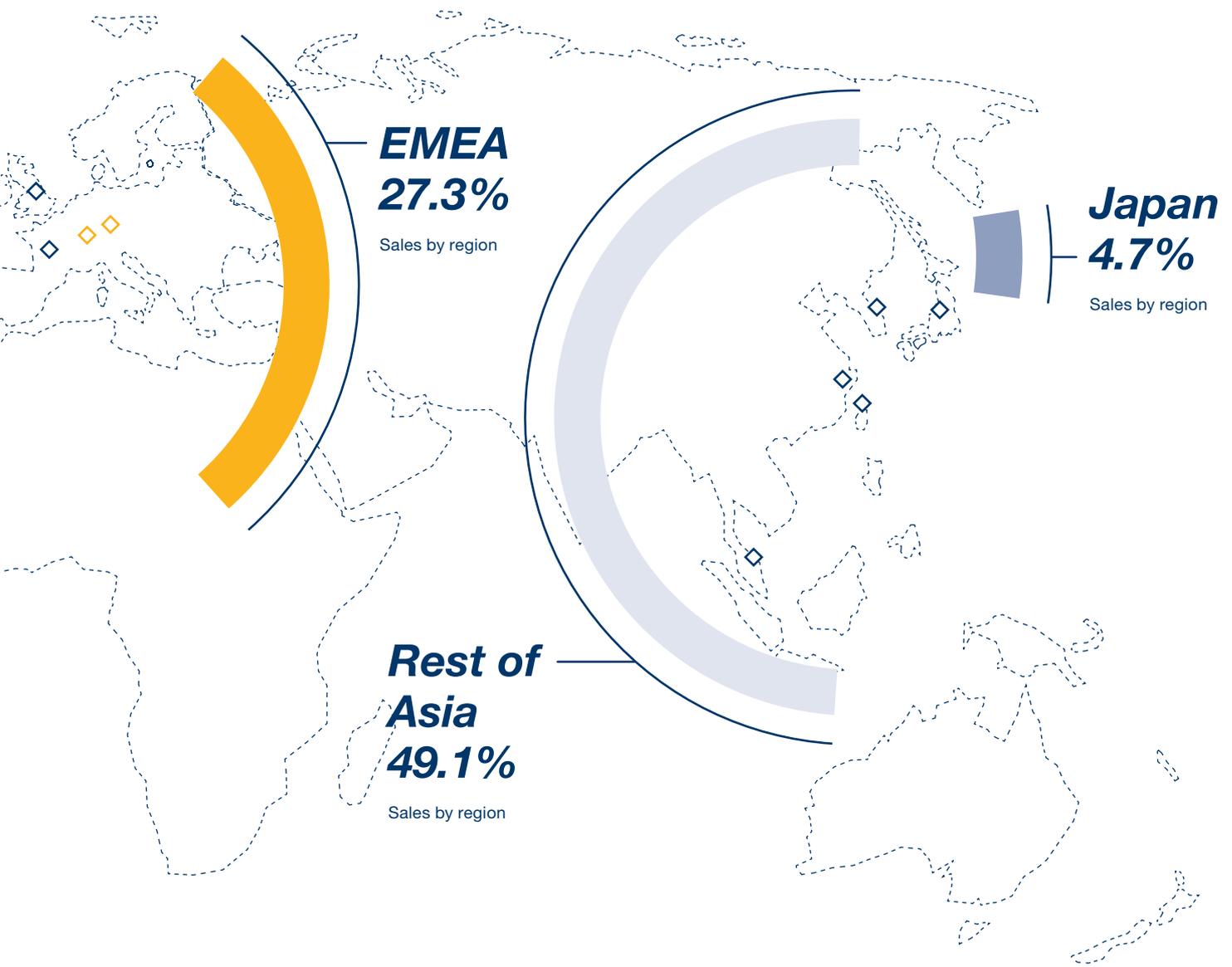
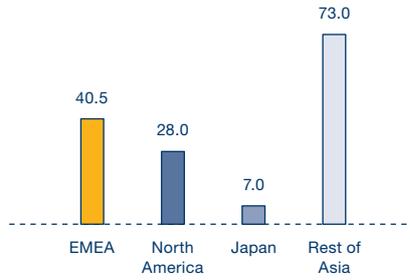
Sales

Corona, US
Market Rasen, UK
Pierre Bénite, FR
Hwaseong City, KR
Yokohama, JP
Hsinchu, TW
Singapore, SG
Shanghai, CN

Employees by Region



Sales by Region in € million



Introduction by the Management Board

Dear Readers,

We look back today on a 2015 fiscal year that was eventful in every respect. On the European level, the past year was characterized primarily by the continuous flow of migrants from Syria and surrounding countries as well as the terror attacks in Paris. From an economic perspective, the year was shaped by the exchange rate development of the Swiss franc as well as the uncertainty over Greece's remaining in the eurozone. In addition, economic growth in the emerging countries, particularly in China, continued to slow over the course of the year, leading to global consequences. The sustained low oil price and generally much lower raw material prices pose ongoing challenges to the emerging countries. According to the February 2016 estimates of the OECD, global economic growth in the 2015 fiscal year was approximately 3.0 percent after 3.3 percent in the previous year.

In an environment of uncertainty, SUSS MicroTec was able to conclude the 2015 fiscal year successfully. We were able to stabilize the Company's sales and earnings while at the same time generating a very high order backlog at the end of the 2015 fiscal year. This is particularly noteworthy since the performance of the semiconductor and the semiconductor equipment market was rather limited in the past fiscal year. While the semiconductor market was expected to grow by 4.0 percent as of April, or by 2.2 percent as of July 2015, the latest estimates for 2015 project a slight decline for the sector of 1.9 percent compared to 2014 (Gartner, January 7, 2016). The reasons for this are lower sales forecasts for smartphones, tablets, and PCs as well as the strong US dollar exchange rate, which has led to higher prices for end devices in the local currency in many regions. The semiconductor equipment market for wafer-level manufacturing also performed modestly. For 2016, a decline of 2.4 percent is expected in this area after a slight increase of 0.1 percent in the 2015 fiscal year (Gartner, January 11, 2016). Despite this weak market environment, we were able to achieve record order entry of EUR 79.7 million in the fourth quarter of 2015 alone. This is the highest quarterly order entry in our Company's history following EUR 70.4 million in the fourth quarter of 2000. For the current fiscal year, we expect a significant increase in sales and

further stabilization of the business situation in line with the high level of order backlog. We are working intensely on the strategic development of the Company in order to strengthen our performance and innovation. However, we observe growing uncertainty regarding the economic environment in 2016. Therefore, we are looking toward the 2016 fiscal year with cautious optimism. We on the Management Board will do everything possible to keep your Company on course and to pursue the path of profitable growth consistently. As announced in the 2014 Annual Report, we have focused on strengthening our core business and expanding new markets and promising technologies. We have been able to achieve initial progress to recover lost market share in the area of coaters and developers, and to expand our leading position in mask aligners. In addition, we managed to secure the first orders from a major international semiconductor manufacturer for our promising new DSC300 Gen2 projection scanner.

Corporate Strategy

Ladies and gentlemen, SUSS MicroTec is a company with great potential that offers its customers technologically leading innovative products and solutions. In order to be even more successful in an industry characterized by increasing competition, we must improve the responsiveness to our customers and our reaction times even further. It is our goal to become the recognized leader in lithography solutions for the semiconductor mid- and back-end. We want to achieve this via targeted improvements to our core product lines of mask aligners, coaters, and developers as well as the substrate bonders in order to regain and expand our market share. In addition, we will analyze adjacent markets with regard to their potential. In the coaters and developers product line, we already see first effects, which serves as good incentive to consistently continue on this path. We want to bring your business back to a long-term profitable growth path, so that you, dear shareholders, can participate in the company's success.



From left to right: Michael Knopp, Chief Financial Officer; Dr. Per-Ove Hansson, Chief Executive Officer; Walter Braun, Chief Operating Officer

Stock Price Development

The SUSS MicroTec share started the 2015 stock market year at a closing price of EUR 4.88 on January 2. During the course of the year, the stock price was able to rise significantly, particularly in the second half of the year. It ended the year at a Xetra closing price of EUR 8.35. In part, this positive performance reflects the generally positive development of the stock market in the fourth quarter of 2015. However, to an even larger extent our stock price responded to repeated increases in order entry guidance in the third and fourth quarters of 2015 in a generally weak environment for the industry.

Garching, Germany, March 2016

Michael Knopp
Chief Financial Officer

Dr. Per-Ove Hansson
Chief Executive Officer

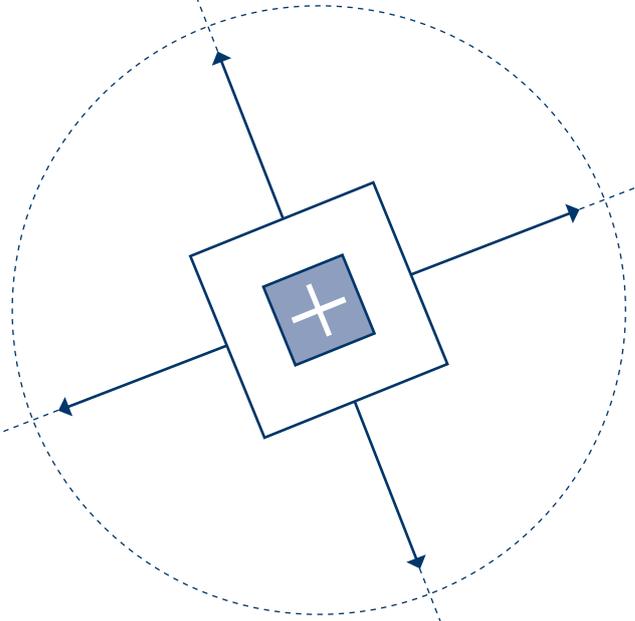
Walter Braun
Chief Operating Officer

Outlook

Based on the order backlog as of the end of 2015 and the expected order entry development for the first half of 2016, the Company forecasts sales for the current fiscal year in the range between EUR 170 and 180 million and earnings before interest and taxes (EBIT) in the EUR 9 to 13 million range. After an extremely strong fourth quarter of 2015, order entry of EUR 25 to 35 million is expected for the first quarter of the 2016 fiscal year.

Overview of our Strategy

Comprehensive review of the Company's strategy confirms that our strategic direction is in alignment with our long-term objectives. Therefore no fundamental change of direction is required. However, adjustments and enhanced focus is required in certain areas. Our main strategic objectives and recent success stories can be found on the following pages.

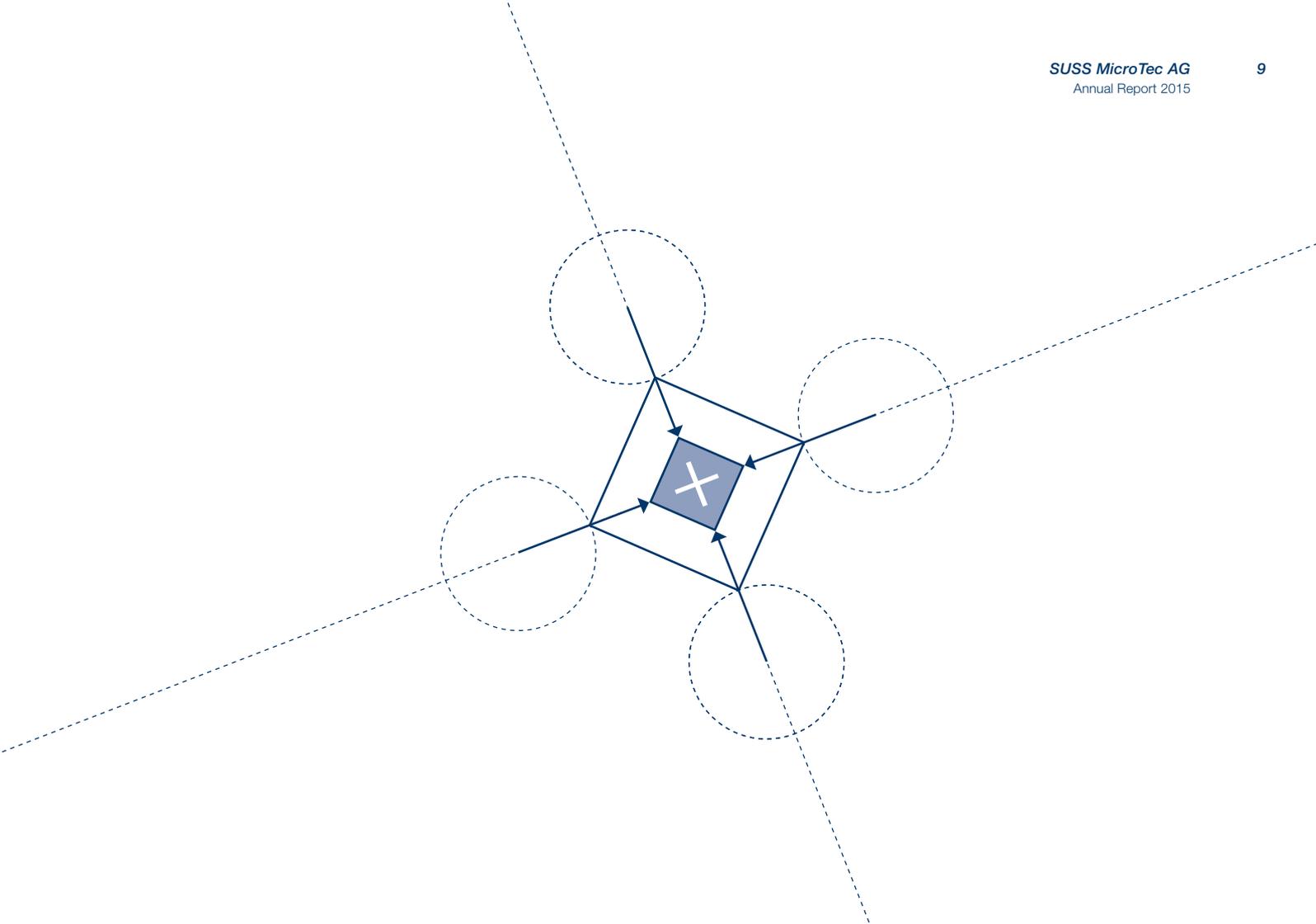


Become the Recognized Leader in Advanced Packaging of Semiconductor Devices

Our core applications are in the attractive advanced packaging market, especially the growing segments of fan-out wafer-level packaging, copper-pillar bumping and 2.5D integration. One of our main strategic objectives is to gain market share with our innovative lithography solutions and to become the recognized market leader in these advanced packaging fields. Our novel and differentiated projection scanners, our proven mask aligners, and our state-of-the-art coaters/developers play an important role in achieving this key strategic objective. We were already able

to grow market share in the areas of mask aligners and coaters/developers by implementing several new differentiated features, leading to improved performance and cost of ownership. Further, we have gained traction for our new scanner technology and have been able to win orders for leading-edge lithography applications requiring high precision and resolution, such as in the fan-out wafer-level packaging segment.





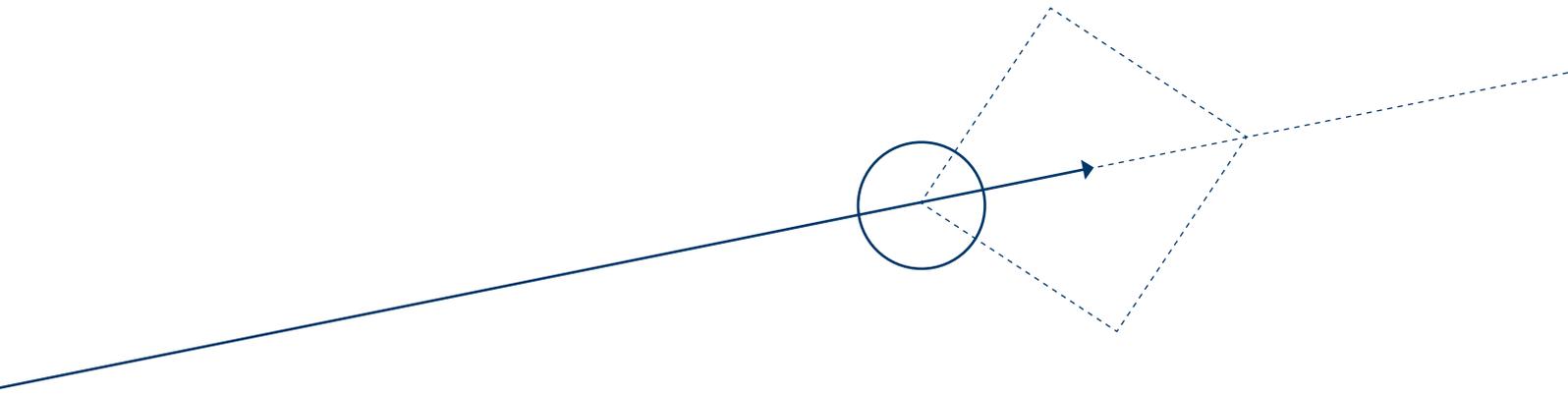
Achieve Profitable Growth in MEMS, 3D Integration, and adjacent applications

Apart from expanding our Lithography business in the advanced packaging segment, we will continue to expand our product portfolio in the highly dynamic MEMS and sensor market. This sector is in a growth mode, mainly driven by new Internet of Things and automotive applications. In the last fiscal year, we launched a new product focused on permanent bonding, which is a core technology for the manufacturing of semiconductor components and will continue to build our presence in this market space.

Another promising application for our substrate bonder segment is 3D integration. We were able to generate further orders from leading international customers and remain well-positioned for future growth in this segment.

SUSS MicroTec owns a diverse and comprehensive technology portfolio. We expect to further leverage and combine these technologies to enter adjacent markets. We are currently in an early phase, but we see potential for tangible opportunities in the future.



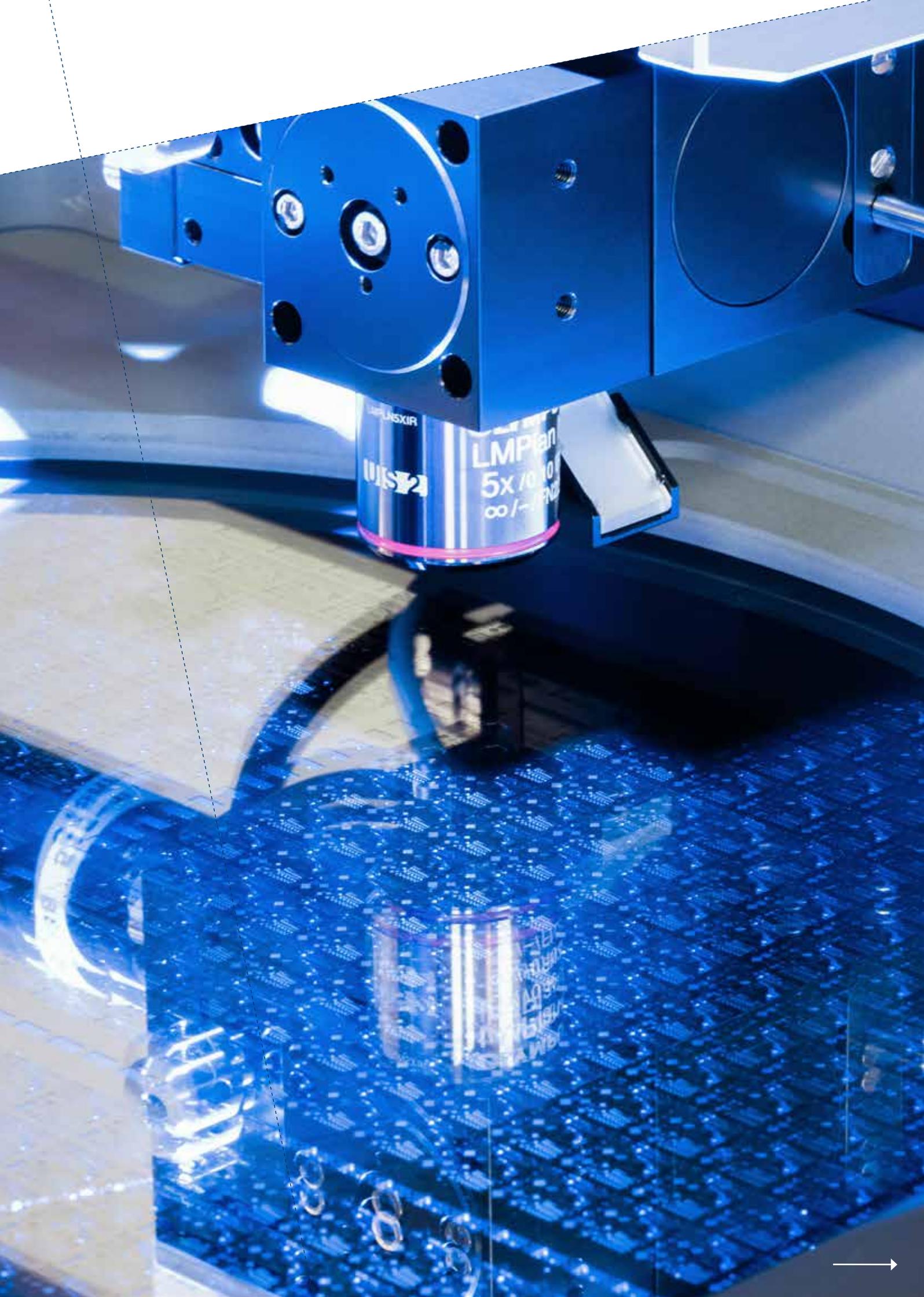


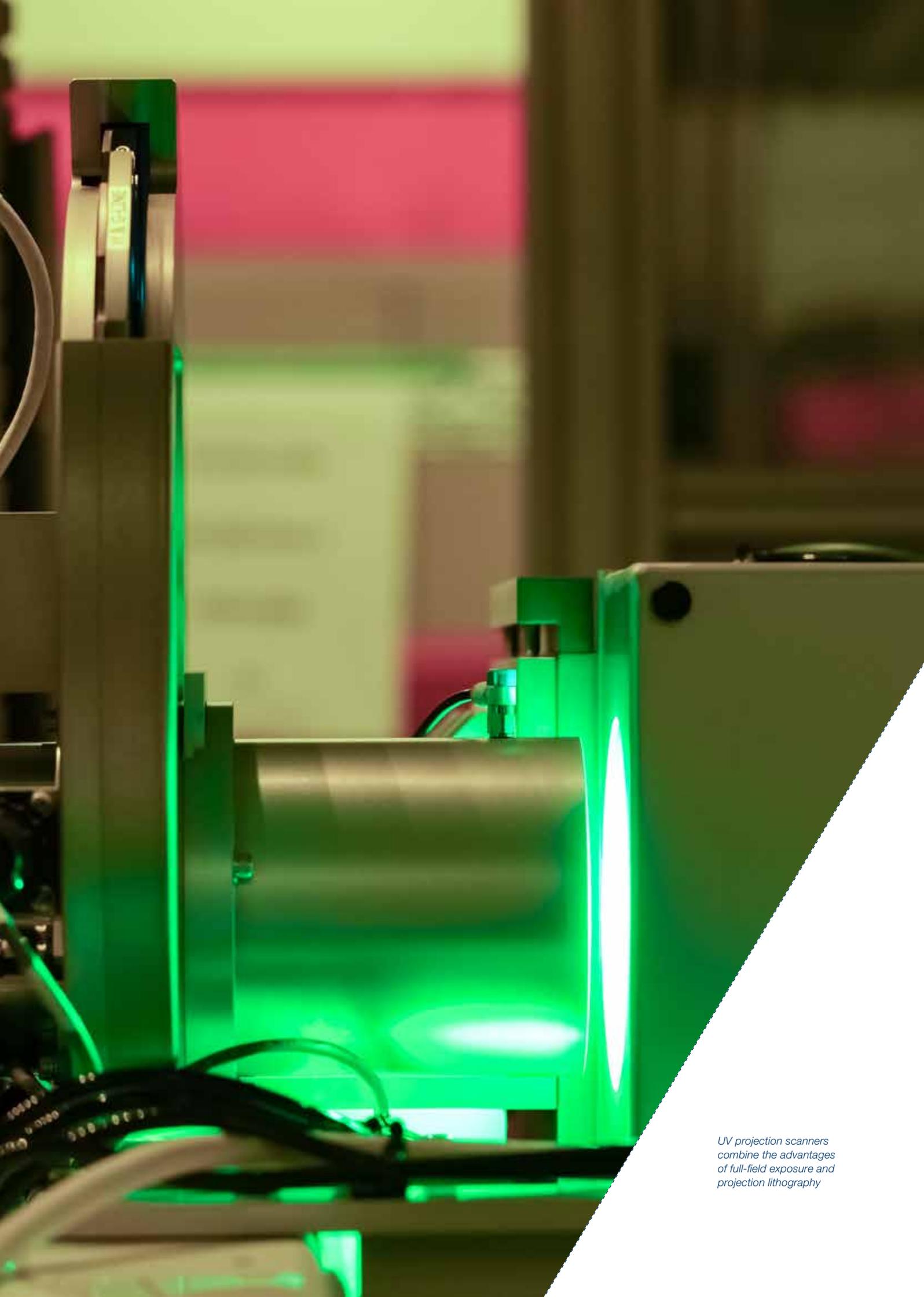
Exposure and Laser Processing

The area of exposure encompasses for us three product lines: mask aligners, projection scanners, and systems for laser processing. With exposure, a pattern is placed on a substrate by means of lithographic processes. The mask aligners, which have been very successfully established in the market for years, transfer the desired pattern by means of a shadow casting process (full-field exposure) to the substrate using a mask. For innovative exposure with projection scanners, projection optics are also used to transfer the patterns. The advantage of this process is the transfer of much smaller patterns, but the process is slower and more expensive. Currently, laser processing is a very promising future topic for us since it can reduce the number of various lithographic steps and improved new materials can be structured more efficiently.

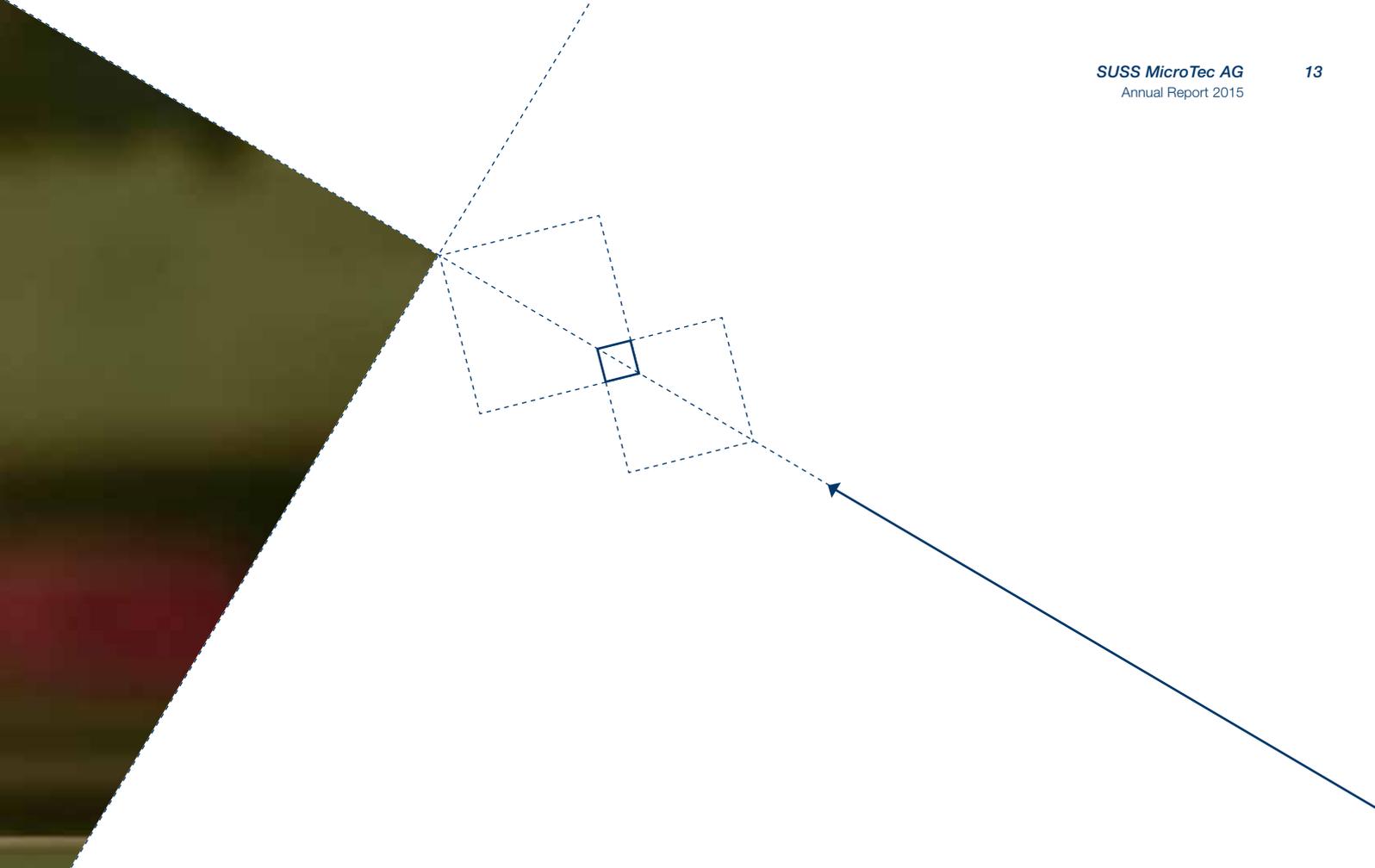
With the DSC300 Gen2 projection scanner, we have introduced the only system on the market that combines the advantages of full-field exposure with those of projection lithography in one tool. In the fall of 2015, we succeeded for the first time in winning a large order for projection scanners, which are used for high-volume production for fan-out wafer-level packaging.

The highly precise alignment of mask and wafer is a core competency of the mask aligner





*UV projection scanners
combine the advantages
of full-field exposure and
projection lithography*



INITIAL HIGH VOLUME ORDER FOR SERIAL PRODUCTION

Demand for Innovative Advanced Packaging Solutions is Increasing – Projection Scanners are gaining in significance

Advanced packaging has always been an important market segment for our lithographic solutions. The trend toward ever smaller, thinner, and more complex mobile communication devices continuously demands new technologies in order to install miniature electronic components, such as memory chips, in end devices using the least possible space. Given lagging progress with Moore's Law and a shift in the series production readiness of extreme ultraviolet lithography at the semiconductor front-end, the semiconductor mid and back end are gaining in significance. In order to maintain current product life cycles, it will become increasingly important to develop innovative packaging technologies and to convert them into high-volume applications. Recently, innovative packaging technologies such as fan-out wafer-level packaging, copper-pillar bumping, or 2.5D integration have gained in significance and initial customer orders of noteworthy size have been placed.

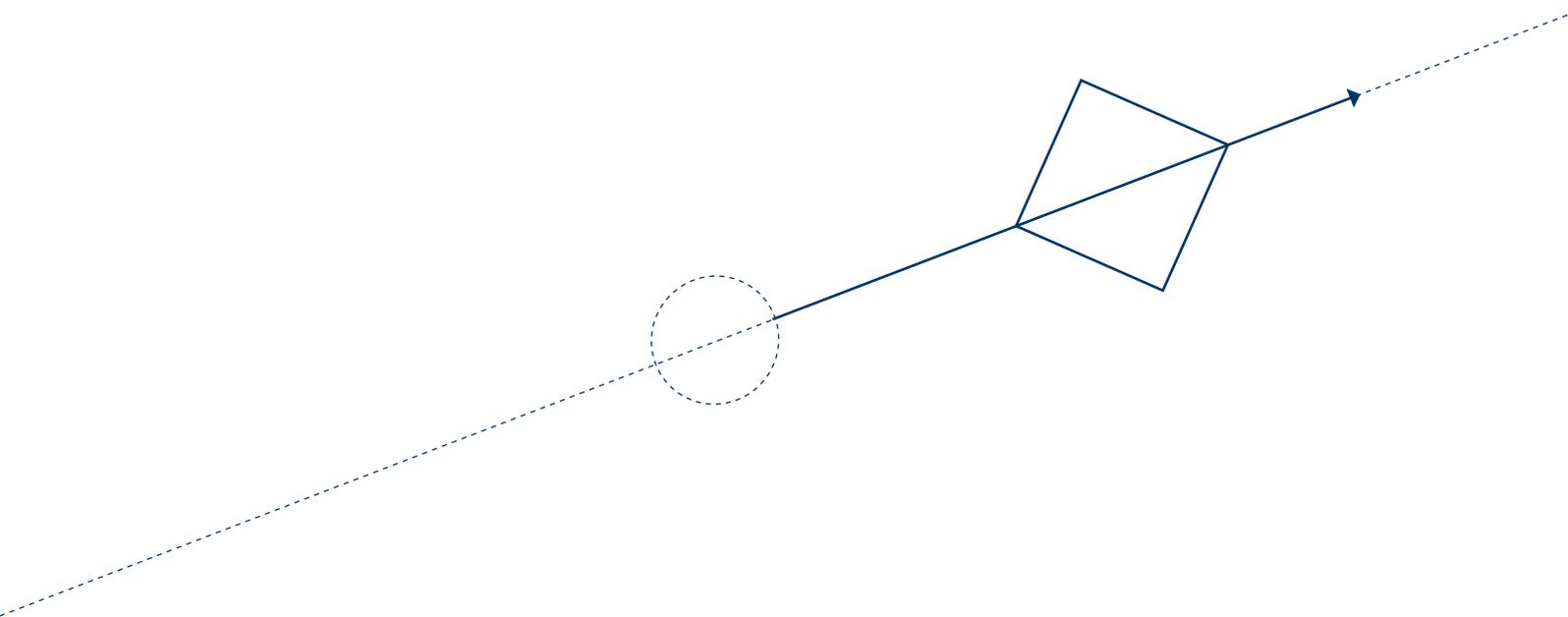
Our DSC300 Gen2 projection scanner fills a technology gap that previously existed between the mask aligner and the projection stepper. The DSC300 Gen2 offers comparable capabilities with respect to resolution and overlay, combined with higher throughput and thus lower costs than conventional projection steppers. Particularly with fan-out wafer-level packaging, copper-pillar bumping, or 2.5D integration, our new systems can significantly reduce ongoing costs by using scanner technology. Our goal is to replace the projection stepper in as many processing steps as possible. In 2015, we were able to take the first important step through the successful placing of an order at a leading semiconductor company. Our goal is to expand our position in the advanced packaging sector and to increase our market share here as well.



Substrate Bonder

A substrate bonder permanently or temporarily connects two or more very precisely aligned substrates, mostly wafers, through physical or chemical processes. Our semiautomatic XB8 substrate bonder, which was launched in the market in the fall of 2015, is designed for a variety of permanent bonding processes and enables the processing of substrates with a diameter up to 200 mm. The XB8 substrate bonder offers a much larger parameter window than other models, making it possible to carry out all bonding processes. Bonding force options up to 100 kN as well as a temperature range up to 550°C are available for this.





REGAIN MARKET SHARE

New initiatives for MEMS manufacturing

With the XB8 market launch, we are systematically implementing our corporate strategy to win back market share in the substrate bonder industry sector. The innovative system can process various substrate forms and wafer sizes. Through the simultaneous bonding of up to eight wafers, a multi-bond fixture enables a maximum increase in throughput. This is particularly relevant for applications in the MEMS and LED markets as well as 3D integration.

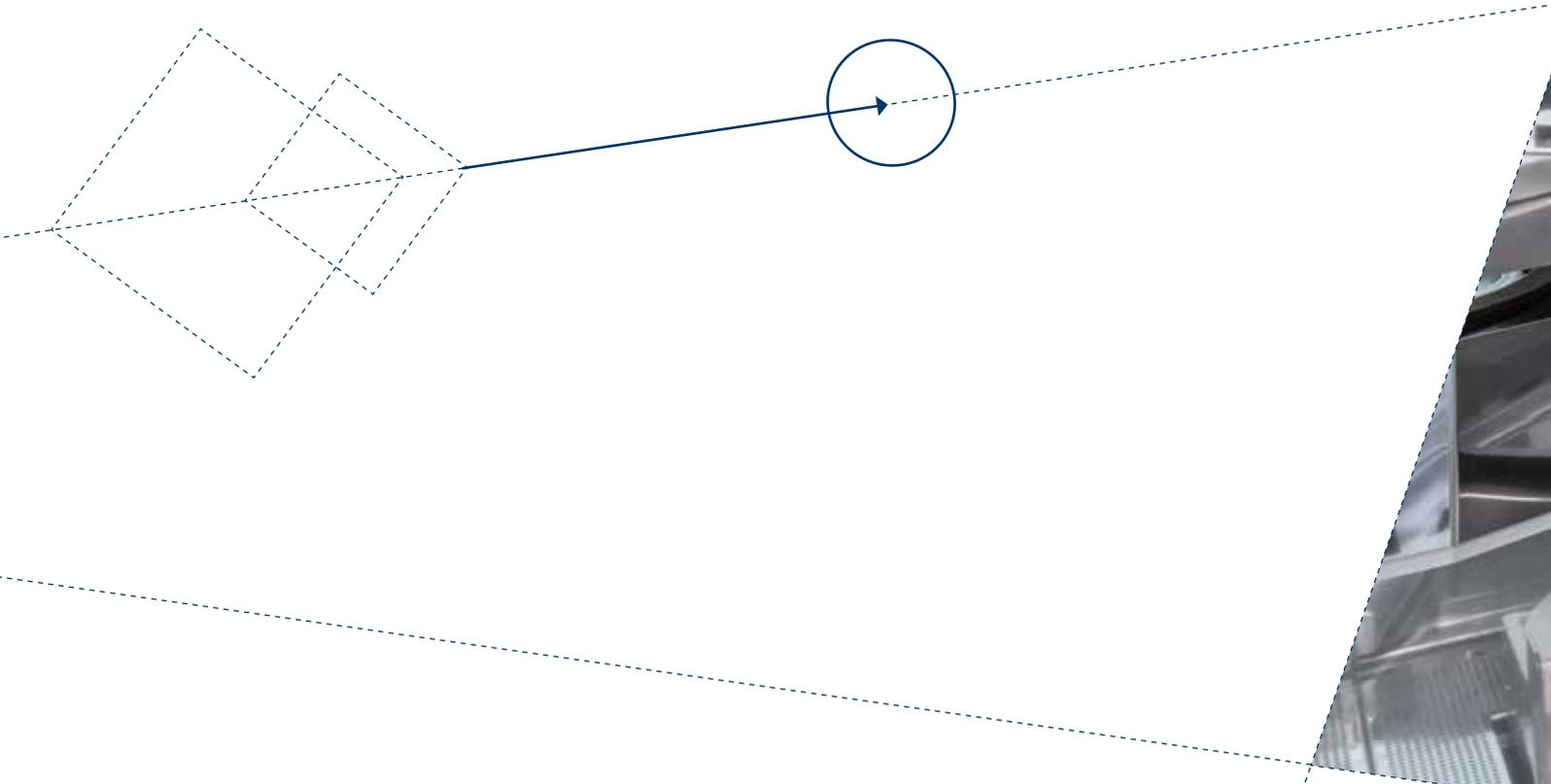
While the LED market is currently less meaningful for us, the MEMS market (the market for microelectromechanical systems or sensors) has developed very dynamically in recent years. Key terms like the Internet of Things, digitalization, networking, and mobile communication are changing our lives in terms of how we shop, listen to music, travel, and organize our

home. At the same time, these topics are no longer restricted to the PC or mobile communications. Instead, everyday objects are beginning to communicate with us, capture, store, and evaluate data, and make data-driven decisions. Miniature electronic components, such as MEMS sensors, are responsible for this development. Unit volumes have been climbing at an annual rate of more than ten percent (Yole Développement) and an end to this trend is still not in sight. With our lithographic solutions – coat-ers, developers, and mask aligners – we are already benefiting from this trend. In the future, our substrate bonders, particularly the XB8, should be even more solidly anchored in this market segment and contribute to profitable sales growth.



*The XB8 is a universal
high-force wafer bonder*





Coaters and Developers

With our lithographic solutions in the area of wet chemistry, we have been a leading provider at the semiconductor mid and back end for years. We offer our customers a comprehensive product range of spin and spray coaters, which extend from inexpensive laboratory equipment for small-volume applications to high-performance production equipment. Our coaters and developers make it possible to attach and pattern photoresist layers from less than 1 μm to over 500 μm . These tools find various uses, for example in MEMS manufacturing, in advanced packaging, and LED manufacturing.





ACS300 Gen2: The use of a new robot increases the throughput considerably

POSITIVE RESULTS AT ASIAN CUSTOMERS

Successful Market Share Expansion

In 2012, 2013, and at the beginning of 2014, we lost market share both with coaters and developers. The reasons for this were a significant increase in the intensity of competition through the entry of new providers combined with an unfavorable exchange rate development for existing competitors. In addition, we have not always focused on, and made quick enough progress with the new and further development of individual tools. We recognized this and adjusted our strategic focus. Since then we have been working intensively on the further development of tools. In the 2015 fiscal year, we were already able to achieve initial

successes with strategic focusing. We succeeded, particularly with 300 mm tool sets, to recover lost market share with important Asian customers. Our next strategic goal is to proceed with the innovation offensive, make additional improvements to existing products and solutions, and develop new tool generations. In addition, we want to expand our market share, particularly with MEMS and advanced packaging applications, so that coaters and developers also contribute to profitable corporate growth. ◇

Report of the Supervisory Board

In the following report, the Supervisory Board would like to inform you, dear shareholders, about its activities in the 2015 fiscal year.

Dear shareholders,

The Supervisory Board fulfilled its responsibilities as set forth by law, the articles of incorporation, and Company bylaws in the past fiscal year by advising the Management Board on directing the Company and monitoring its activities. The Supervisory Board was involved in all decisions that were of vital importance to the Company. The Management Board coordinated the Company's strategic orientation with the Supervisory Board and provided it with regular, prompt, and comprehensive information – both in written and verbal form – about corporate planning, business progress, and the Group's current position. When business development deviated from plans, deviations were explained in detail and reviewed by the Supervisory Board based on available documents and information. The Supervisory Board discussed significant business events extensively with the Management Board and gave its consent to the transactions requiring its approval. During the 2015 fiscal year, the Supervisory Board held a total of six ordinary meetings.

As in previous years, in addition to participating in Supervisory Board meetings, the Chairman of the Supervisory Board maintained close contact with the Management Board and remained apprised of the business situation and significant events. Communications also focused very specifically on support for the development of a growth strategy for the Company. In addition, the Deputy Chairman of the Supervisory Board interacted regularly with the Management Board and the auditors, the BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, regarding accounting topics and the auditing of the annual financial statements.

Meetings and Main Topics of Discussion

The Supervisory Board conducted regular discussions of the development of business, financial position, and strategic orientation at SUSS MicroTec, its subsidiaries, and the Group. The Management Board provided comprehensive information about corporate planning, strategic direction, and the development of



Dr. Stefan Reineck, Chairman of the Supervisory Board

order entry, sales, liquidity, and earnings. In addition, the Supervisory Board reviewed the monitoring of the financial reporting process as well as the effectiveness of the internal control system, the risk management system, and the independence of the auditor. The main topics of the Supervisory Board meetings are discussed below.

On February 11, 2015, the first ordinary Supervisory Board meeting of the 2015 fiscal year was held. At that meeting, the Supervisory Board held discussions about the Management Board's report on the fourth quarter of 2014 and about the preliminary figures for the 2014 fiscal year. Plans for the 2015 fiscal year were discussed intensively and adopted by resolution. In addition, targets and the bonus plan for the Management Board for the 2015 fiscal year were discussed and adopted by resolution. Also discussed at this meeting were the topics of corporate governance and the law for the equal participation of women and men in management positions in the private and public sectors.

In addition, the Supervisory Board conducted and documented an examination of the efficiency of its activities in accordance with Section 5.6 of the German Corporate Governance Code.

Representatives of the auditor, BDO AG Wirtschaftsprüfungsgesellschaft, participated in the second meeting on March 26, 2015. They reported to the Supervisory Board the key results of their audit of the separate and consolidated financial statements for the 2014 fiscal year. The auditor explained to the Supervisory Board the main findings of the audit of the separate and the consolidated financial statements. The Supervisory Board acknowledged the Management Board's report for the 2014 fiscal year and on the current business situation in the first quarter of 2015. Following an in-depth examination, the Supervisory Board approved the separate and the consolidated financial statements of SUSS MicroTec AG prepared for the 2014 fiscal year by the Management Board. The Supervisory Board also adopted by resolution its report to the Shareholders' Meeting regarding its activities in the past 2014 fiscal year. In addition, the Supervisory Board approved the agenda with the proposals for the Shareholders' Meeting on June 2, 2015. Finally, the Supervisory Board addressed the Management Board bonus for 2014 as well as the three-year plan for 2015 to 2017. In the meeting on March 26, 2015, Management Board salaries were also discussed in view of the requirements of the German Corporate Governance Code.

The third ordinary Supervisory Board meeting was held on May 6, 2015. The Supervisory Board addressed the current business situation, the schedule of responsibilities for the Management Board, and the topic of compliance. In addition, the Supervisory Board discussed the current situation of the subsidiary SUSS MicroTec Photonic Systems, particularly in view of its financial situation.

In the meeting on June 2, 2015, immediately before the ordinary Shareholders' Meeting, the Management Board informed the Supervisory Board about the current business situation. The meeting also focused on a schedule for developing a strategic growth plan for the Company. Finally, the Supervisory Board issued a recommended amendment to the travel guidelines regarding the Management Board as well as Company executives.

On September 7, 2015, the Supervisory Board approved by circular resolution targets for the female share of the Supervisory Board and the Management Board.

On October 29, 2015, the fifth ordinary Supervisory Board meeting was held. In this meeting, the Management Board reported on the current business situation in the third quarter as well as the outlook for the full year of 2015. Another key topic of the meeting was revising the corporate strategy. The Management Board presented the Supervisory Board with the preliminary version of a growth plan for 2016 to 2018. In addition, the Supervisory Board occupied itself with updating the declaration of compliance and key auditing issues for the separate and consolidated financial statements for 2015.

The last meeting of the 2015 fiscal year, which was held on December 16, 2015, focused on the current business situation, planning for the 2016 fiscal year, and long-term planning for the 2016 to 2018 fiscal years. Furthermore, the Supervisory Board dealt extensively with corporate governance, particularly with finalizing the updated declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG), the targets and criteria for the composition of the Supervisory Board, and the fraud catalog of the BDO AG Wirtschaftsprüfungsgesellschaft. In addition, the Supervisory Board addressed the Company's risk management and other Management Board issues. The Supervisory Board also discussed with the Management Board targets for the 2016 fiscal year as well as long-term targets for the period of 2016 to 2018.

All members of the Supervisory Board participated in all the meetings. When necessary, the Supervisory Board adopted its decisions by means of document circulation.

Supervisory Board member	Meeting participation	Personally present	Participation by telephone	Attendance in percent
Dr. Stefan Reineck	6/6	yes	–	100%
Jan Teichert	6/6	yes	–	100%
Gerhard Pegam	6/6	yes	–	100%

Committees

The Supervisory Board did not form any committees in the 2015 fiscal year due to its size of three members.

Corporate Governance

The Supervisory Board again concerned itself during the 2015 fiscal year with the content and implementation of the German Corporate Governance Code. Information on the Company's corporate governance as well as an extensive report on the amount and structure of remuneration for the Management and Supervisory Boards are provided in the Remuneration Report section of the condensed Management Report on pages 61 et seq. In January 2015, the Management and Supervisory Boards approved the annual declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Law (AktG) and made this declaration permanently available to shareholders on the Company's website.

In its meeting on February 11, 2015, the Supervisory Board conducted and documented an examination of the efficiency of its activities in accordance with Section 5.6 of the German Corporate Governance Code. No deficiencies were identified during this review. The examination of the efficiency of the Supervisory Board's activities is conducted at regular intervals by all members of the Supervisory Board exclusively in full council on the basis of Company-specific questions and checklists.

Conflicts of interest of members of the Management and Supervisory Boards, which would have to be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting, did not occur in the 2015 fiscal year.

Audit of the Separate and Consolidated Annual Financial Statements

BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, audited the separate annual financial statements and management report of SUSS MicroTec AG as of December 31, 2015, prepared in accordance with the German Commercial Code (HGB), as well as the consolidated annual financial statements and Group management report as of December 31, 2015, and issued an unqualified audit opinion for both. The consolidated financial statements and consolidated management report were prepared in accordance with Section 315a HGB based on International Financial Reporting Standards, as they are to be applied in the EU. The auditor conducted the audit in accordance with the generally accepted German accounting principles promulgated by the Institute of Public Auditors in Germany (IDW).

The audit reports of BDO AG Wirtschaftsprüfungsgesellschaft, headquartered in Hamburg, branch office in Munich, were presented to all members of the Supervisory Board and were extensively addressed at the financial statements meeting of the Supervisory Board on March 29, 2016, in the presence of the auditor. The auditor reported on the primary results of the audit and stated that there were no substantive weaknesses in the internal control and risk management systems. In particular, the auditor provided explanations on the net assets, financial position, and results of operations of the Company and the Group and was available to the Supervisory Board in order to provide additional information. The auditor also elaborated on the scope, key findings, and costs of the audit. The main focal points of this year's audit of the separate and consolidated financial statements were the internal control and IT system as well as an evaluation of the possible impairment of assets in the lithography business, particularly in connection with the activities of SUSS MicroTec Photonic Systems (USA), the measurement of deferred tax assets, the evaluation of possible risks from plan deviations and margin compression in individual product segments, sales recognition, accounting treatment at SUSS MicroTec AG for the SAP roll-out in Corona as well as the completeness and correctness of the notes and the appropriateness of the management reporting.

The Supervisory Board audited the annual financial statements of the Company and the Group as well as the condensed management report of SUSS MicroTec AG for the 2015 fiscal year. The Supervisory Board had no objections. The Supervisory Board noted with approval the reports of the auditor after a detailed examination of the reports.

The separate annual financial statements prepared by the Management Board were approved by the Supervisory Board and, thus, adopted. The Supervisory Board also approved the consolidated annual financial statements. The Supervisory Board approved the combined management report of the Corporation and the Group and, in particular, the assessment regarding the further development of the Company.

Composition of the Management and Supervisory Boards

There was a change in the composition of the Management Board in the 2015 fiscal year. The Supervisory Board appointed Dr. Per-Ove Hansson effective May 1, 2015, as Member of the Management Board and Chief Executive Officer of SUSS MicroTec for a three-year term. In addition, Chief Financial Officer Michael Knopp and Chief Operating Officer Walter Braun continued to belong to the Management Board in the 2015 fiscal year.

The Supervisory Board remained unchanged in the 2015 fiscal year.

Thanks

The Supervisory Board would like to express its tremendous gratitude and appreciation to the Members of the Management Board and all employees for their committed work in the past fiscal year.

Garching, Germany, March 29, 2016



Dr. Stefan Reineck

Chairman of the Supervisory Board

Investor Relations

After several years of a very low level of new equity issuances, the stock emissions market in Germany revived for the first time in 2014. In the 2015 stock market year, there was a total of 15 so-called initial public offerings (IPOs) with an issuance volume of EUR 7.1 billion. As a result, the issuance volume was twice as high in the past year as in 2014, according to the Ernst & Young consulting firm.

According to the December monthly report of the German Bundesbank, the German economy was driven primarily by lively domestic demand in the 2015 fiscal year. In particular, good labor market conditions as well as robust increases in real income were the driving forces. By contrast, exports suffered throughout the fiscal year from rather subdued demand, particularly from the emerging countries. Aside from the continued weakening of China's economy, the political situation in numerous crisis areas, for example, in Syria, Turkey, and Ukraine, weighed on the economic mood. In the fourth quarter of 2015, the indicator for the ifo world economic climate index weakened accordingly and even fell below its long-term average. Economic and political turbulence left its mark on already volatile stock markets.

A Volatile Year for Stocks in 2015

The 2015 stock market year began with a rapid increase in the German leading index, DAX, which reached a new record closing price (Xetra) of 12,375 points in April. At the beginning of the year, the index had still stood at under 10,000 points. Other select indexes of the Deutsche Börse – the MDAX, SDAX, and TecDAX – performed similarly, all of them achieving new records in the 2015 stock market year. After another aid package initially eased the acute debt crisis in Greece in the summer of 2015, much slower economic growth in China and a sustained low oil price represented important reasons for turbulence on world stock markets in the second half of 2015. While the Chinese economy still grew by 7.4 percent in the 2014 fiscal year, growth in the first half of 2015 was only 3.1 percent, according to estimates of the Kiel Institute for the World Economy (ifw). In December 2015, the Chinese government still stood by its economic growth target of 7 percent, whereas various economists were

already assuming slower growth of 6.7 to 6.9 percent. Accordingly, the indexes were unable to defend their record levels, and the DAX and TecDAX closed the fiscal year at 10,743.01 and 1,830.74 points, respectively.

The SUSS MicroTec Share

Consistent with the performance of the stock market indexes, the SUSS MicroTec share recorded a good first half of 2015. From a Xetra closing price at the beginning of the year of EUR 4.88, the share was able to rise by approximately 4.1 percent to EUR 5.08 by mid-year. Stock market activity was marred in the first half of the year only by the situation in Ukraine and the tense relationship with Russia. At the end of the second quarter, discussions about the intensifying debt situation in Greece and a possible exit from the eurozone dominated economic current events. The stock exchanges responded to the situation in Greece with severe price volatility at times. The SUSS MicroTec share ended the third quarter in a difficult stock market environment at a closing price of EUR 5.65, corresponding to an increase of approximately 16 percent from the beginning of the year. The main reasons for the positive development were higher expected sales for the full year of 2015 as well as prospects for slightly positive earnings before interest and taxes (EBIT). Order entry also performed better than expected, and the Company was able to boost order entry guidance for the third quarter. In addition, SUSS MicroTec succeeded in the third quarter in winning an important order for innovative scanner systems. In the last quarter of the 2015 fiscal year, the positive trend continued. SUSS MicroTec was able to raise forecasts for order entry in the current quarter several times from an initial figure of EUR 30 to 40 million. The first increase was to EUR 35 to 45 million, the second and third increases

were to EUR 50 to 60 million, and the final increase was to at least EUR 65 million. Increasing the outlook for the fourth quarter provided enormous impetus to the SUSS MicroTec share. In the fourth quarter of 2015 alone, the share rose by almost 50 percent from EUR 5.59 at the beginning. Accordingly, by the end of the year the share stood at EUR 8.35, corresponding to an increase of approximately 77.7 percent from the beginning of the year. The benchmark TecDAX index rose by 33.5 percent in the same period to 1830.74 points.

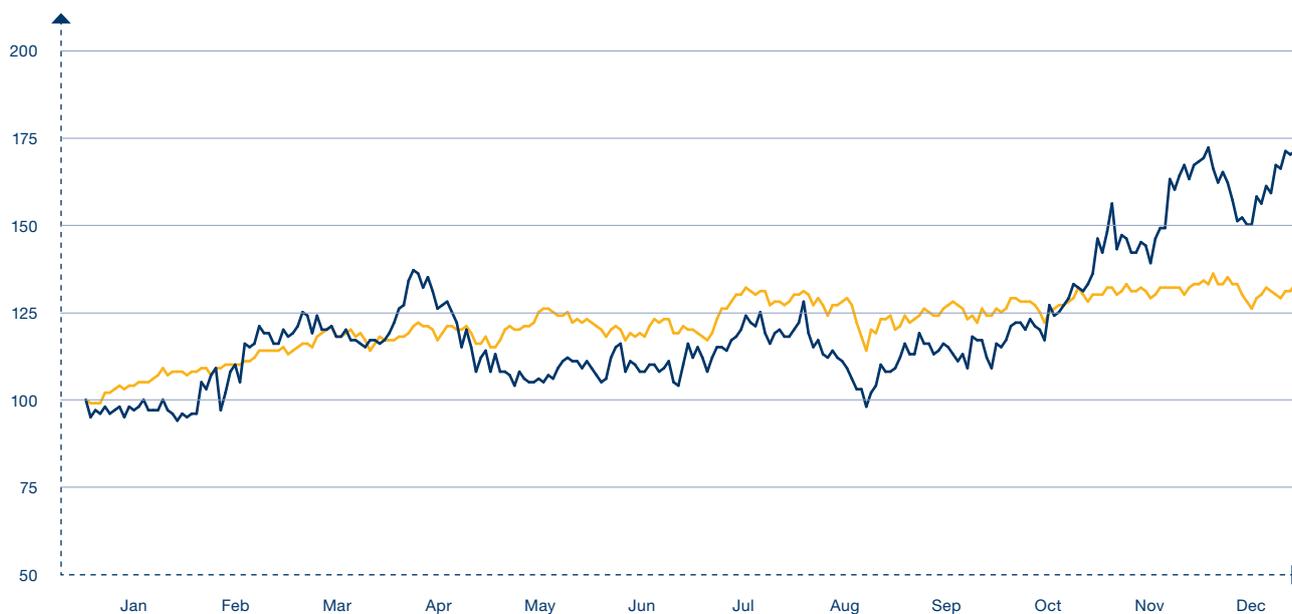
The average number of SUSS MicroTec shares traded daily on the Frankfurt exchange and on Xetra was 129,144 in 2015 (previous year: 114,596 shares on average per day).

The following graphs and tables offer an overview of the share price performance in 2015.

SUSS MicroTec Share Performance in 2015

SUSS MicroTec share price on January 2, 2015: € 4.88

— SUSS MicroTec AG, indexed — TecDAX, indexed



Comparison of the Share Performance of SUSS MicroTec and TecDAX, in the 2015 Fiscal Year

	12/30/2015	12/30/2014	Change
TecDAX (in points)	1,830.74	1,371	+33.5%
SUSS MicroTec (in €)	8.35	4.70	+77.7%

An Overview of the SUSS MicroTec Share

Securities identification number	A1K023
ISIN	DE000A1K0235
Reuters code	SMHN
Bloomberg code	SMHN:GR
Stock exchange segment	Prime Standard
Number of issued shares (as of December 31, 2015)	19,115,538
Description of securities	Registered shares
Designated sponsor as of December 31, 2015	equinet Bank AG
Initial public offering	5/18/1999
Opening / closing price for the year in €	€ 4.88 / € 8.35
Yearly high / low in € ¹	€ 8.39 / € 4.56

¹ Xetra closing price

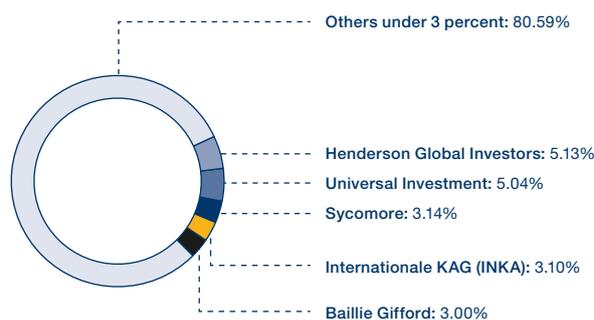
Investor Relations Activities

Investor relations encompasses all measures that serve to maintain the relationships of an exchange-traded company with investors. Investor relations activities involve providing the capital markets with timely information about the company and thus ensuring an appropriate valuation for the share on the stock exchange. Capital market participants and thus direct contacts include, for example, private shareholders, fund managers, financial analysts in investment banks, and naturally also the financial press.

During the 2015 stock market year, the Management Board and Investor Relations attended five capital market conferences and completed several road shows. The capital market conferences were held in Munich, Frankfurt, and Zurich. In addition, numerous individual conversations offered the opportunity for a personal exchange of views with institutional investors and analysts. Conference calls for investors and analysts were also held on the occasion of events such as the publication of quarterly results.

In 2015, there were notable changes in the ownership structure. Schroders, the Vanguard Whitehall Fund, and ING Investment Management reported ownership shares under 3 percent. By contrast, Universal Investment and Internationale KAG (INKA) reported ownership shares of 5.04 percent and 3.1 percent, respectively, over the course of the year. Baillie Gifford and Henderson Global Investors have not changed their positions during the 2015 stock market year. Free float as of the end of 2015 continues to amount to 100 percent.

Ownership structure as of December 31, 2015



Analyst Recommendations Remain Positive

At the end of 2015, the Company was covered by a total of ten banks and research firms. As of December 2015, six out of ten analysts recommended the SUSS MicroTec share as a buy, two rated it as a hold, and one as an accumulate. In addition, DZ Bank had a sell recommendation at the end of the year. An overview of research reports about the SUSS MicroTec share is available on the internet at ► www.suss.com ► **Investor Relations**.

Shareholders' Meeting

On June 2, 2015, the ordinary Shareholders' Meeting was held at the Haus der Bayerischen Wirtschaft (House of the Bavarian Economy) in Munich. In total, more than 80 shareholders, shareholder and bank representatives, and guests accepted the Company's invitation to the event in Munich. Thus 25.38 percent of the Company's equity capital was present. In addition to the decision about the discharge of liability for the Management Board and the Supervisory Board, votes were held on appointing an auditor and increasing remuneration for the Supervisory Board. The shareholders of the Company approved all of the resolution proposals presented by the Management Board and the Supervisory Board at this year's ordinary Shareholders' Meeting.

In his report, Chief Financial Officer and the Management Board spokesperson Michael Knopp discussed the key developments and results of the 2014 fiscal year as well as the first quarter of 2015 and confirmed the outlook for the entire 2015 fiscal year.

Corporate Governance

Corporate governance represents a responsible type of management and control of companies that creates value in the long term. For SUSS MicroTec, the essential aspects of good corporate governance include transparency, open communications with shareholders and investors, and constructive cooperation between the Supervisory Board and the Management Board. SUSS MicroTec is guided by the German Corporate Governance Code (GCGC), which is a proven standard of good corporate governance in Germany. Further details can be found in the report which follows.

An Overview of Corporate Governance

Given the clearly defined goal of not only maintaining the continued existence of the Company, but also achieving a sustainable increase in the Company's enterprise value through responsible and long-term corporate management, corporate governance continues to be of great importance to the Company. The Management Board and Supervisory Board of SUSS MicroTec have renewed their intensive interest in the topic of corporate governance in the 2015 fiscal year. In its entrepreneurial activity, SUSS MicroTec strives to reinforce the confidence that investors, financial markets, business partners, employees, and the public have put in us and to continuously enhance corporate governance within the Group. Additional information on this topic can be found on our website at ► www.suss.com ► [Investor Relations](#) ► [Corporate Governance](#).

Declaration of Compliance with the German Corporate Governance Code

On January 7, 2016, the Management Board and Supervisory Board of SUSS MicroTec made the following declaration of compliance in accordance with Section 161 (1) of the German Stock Corporation Law (AktG):

SUSS MicroTec AG will comply with the recommendations of the German Corporate Governance Code in the version from May 5, 2015, with the following enumerated exceptions and has complied with the recommendations of the Code in the version from June 24, 2014, since the issuance of the most recent annual declaration of compliance in January 2015 with the exceptions specified therein.

DEDUCTIBLE FOR D&O INSURANCE

The German Corporate Governance Code recommends in Section 3.8 (3) that upon concluding a directors' and officers' liability insurance policy, a deductible for the company Supervisory Board that complies with the legal requirements for board members be agreed. SUSS MicroTec AG has had D&O insurance without any body-specific deductible for the Supervisory Board for several years. In SUSS MicroTec's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of a corresponding deductible.

VERTICAL REMUNERATION COMPARISON

In Section 4.2.2 (2) (3) the German Corporate Governance Code recommends taking into account in setting Management Board remuneration the ratio of Management Board remuneration to upper management remuneration as well as to that of the overall staff, including the trend over time. In the process, the Supervisory Board decides how upper management and the relevant staff are defined.

The Supervisory Board of SUSS MicroTec AG is of the opinion that determining senior management and the relevant staff, taking the trend over time into account, can lead in practice to substantial legal uncertainties. Therefore, SUSS MicroTec AG is declaring a deviation from the Code as a precaution to this extent.

PENSION COMMITMENTS

Under Section 4.2.3 (3) the German Corporate Governance Code recommends that the Supervisory Board take into account in pension commitments the respective targeted remuneration level – also according to the length of service in the Management Board – and the resultant annual and long-term expense for the Company.

The Supervisory Board of SUSS MicroTec deviates from this recommendation because no set “remuneration level” is targeted for Management Board members in retirement. Instead, the goal is remuneration in line with the market and the Company for active service. As a rule, no defined benefit commitments in which the Company provides the promised benefit are granted to members of the Management Board. To the extent that the Company makes a contribution to a pension plan and pays into a direct insurance policy (whole life insurance or retirement insurance), this is not linked to a commitment to a certain remuneration level.

FORMATION OF COMMITTEES

The German Corporate Governance Code in Section 5.3 recommends the formation of professionally qualified committees, depending on the specific circumstances of the company and the number of its Supervisory Board members. As the Supervisory Board of SUSS MicroTec only consists of three members, the formation of committees, which usually must be comprised of at least three members, is not possible and on the whole not necessary as there is plenty of scope for intense and qualified discussions to take place within the full council of the Board.

SETTING A TERM LIMIT FOR MEMBERSHIP IN THE SUPERVISORY BOARD

According to Point 5.4.1 Paragraph 2 of the German Corporate Governance Code, the Supervisory Board should set a term limit for membership in the Supervisory Board. The Supervisory Board of SUSS MicroTec AG deviates from this recommendation since setting a membership term limit could jeopardize the Supervisory Board’s latitude and expertise. In SUSS MicroTec’s opinion, restricting how long an individual may remain in the Supervisory Board does not promote independent and responsible action by the Supervisory Board. On the contrary, given the complex product and corporate structure, a certain length of service in the Supervisory Board should be viewed positively since over time one can gain valuable, Company-specific experience and knowledge that can benefit the Company.

Communication and Transparency

Corporate communications at SUSS MicroTec strives to inform all target groups in an equal and timely manner, while guaranteeing the greatest possible transparency and equal opportunities for all capital market participants. In addition to quarterly, semi-annual, and annual reports, the Company uses telephone conversations, conferences, road shows, and the website to inform shareholders, institutional investors, analysts, and other interested parties about developments at the Group. SUSS MicroTec mainly informs its shareholders four times per year about business development and the current net assets, financial position,

and results of operations. Along with obligatory publications, which are available for download in both German and English, you may view or download presentations at key events and Management Board interviews in video or audio format free of charge at ► www.suss.com ► [Investor Relations](#).

We inform the public regularly and in a timely manner of any recurring events, for example the date of the Shareholders’ Meeting or the publication dates of interim reports. This information can be found in the financial calendar published in our Annual Report and interim reports as well as on our Company’s website.

Shareholders’ Meeting

At the Shareholders’ Meeting of SUSS MicroTec AG, our shareholders can pose their questions about the Company and its business development directly to the Management Board and the Supervisory Board. We always prepare the Shareholders’ Meeting with the goal of providing shareholders with all information relevant to them. In addition, the Shareholders’ Meeting approves a resolution on the appropriation of earnings, the discharge of liability for the Management Board and the Supervisory Board, and the selection of the auditor.

The convening of the Shareholders’ Meeting, along with the pending agenda items and the conditions for participation, is usually announced five to six weeks before the date of the meeting. All documents and information on the Shareholders’ Meeting can be downloaded from the Company’s website. A paper copy can also be requested from the Investor Relations department. We also try to make it easier for our shareholders to exercise their rights. Shareholders can either exercise their voting right themselves at the Shareholders’ Meeting, or have this exercised via a proxy of their choice or a voting rights representative with instructions appointed by the Company. The instructions for exercising voting rights can be issued prior to the Shareholders’ Meeting or at the meeting directly on site. We publish attendance figures and the voting results from the Shareholders’ Meeting on the internet immediately after the event.

Management and Supervisory Board Cooperation

As a German corporation (“AG”), SUSS MicroTec is subject to German stock corporation law and, therefore, has a dual management and control structure, which is exercised by the members of the Management and Supervisory Boards. The Management Board and Supervisory Board cooperate in a goal-oriented and efficient manner, taking into account the interests of our employees and shareholders, in order to promote the sustainable enhancement of the Company’s value. The members of the Management Board bear joint responsibility for all management activities. They are responsible for the development of the Company’s strategy, coordinating this with the Supervisory Board, and ensuring that it is carried out in a responsible manner.

The Supervisory Board monitors and consults the Management Board with regard to the management of the Company and appoints the members of the Management Board. Significant Management Board decisions – e.g., acquisitions, divestments, and financial transactions – require the approval of the Supervisory Board. The Supervisory Board of SUSS MicroTec AG is not co-determined and no committees were formed. There is thus nothing to report regarding the composition and working procedures of the committees.

The Management Board and the Supervisory Board always cooperate very closely in the interest of the Company and with the common goal of achieving a sustainable increase in the enterprise value. The Management Board informs the Supervisory Board about business policy and all relevant issues related to planning, business development, risk position, and risk management on a regular, prompt, and comprehensive basis. Deviations in business developments from the established plans and targets are explained and reasons for these are provided.

As is stipulated in the German Corporate Governance Code, only one former member of the Management Board belongs to the Supervisory Board of SUSS MicroTec AG (this being Dr. Stefan Reineck). In the 2015 reporting year, there were again no consultancy agreements or other service or labor contracts between the members of the Supervisory Board and the Company. No conflicts of interest among Management and Supervisory Board members to be immediately disclosed to the Supervisory Board occurred in the 2015 fiscal year.

Supervisory Board Targets Regarding its Composition

The composition of SUSS MicroTec AG’s Supervisory Board is designed to ensure that the Company develops positively with regard to sustainable profitability and to ensure the continuous adaptation to rapidly changing requirements through constructive consultation and monitoring of the Management Board on the basis of relevant expertise. Sufficient diversity of expertise among the members will generate a broad spectrum of experience and varying perspectives that can be used to the benefit of the Company.

SUSS MicroTec AG is a technology-oriented company that is aligned with the global market and that must compete and develop in a very dynamic and technologically demanding environment. This necessitates that members of the Supervisory Board possess the ability to make assessments regarding technology and have relevant knowledge of markets on an international scale. Consequently, it is the objective of the Supervisory Board to not only attract individuals who are experienced financial experts but also to cover these areas as well. Of particular importance in terms of technological expertise is relevant knowledge of the semiconductor and semiconductor-related industry and its equipment suppliers. In order to be able to assess trends and developments in our very dynamic markets with foresight and reliability, international experience and extremely active networks must be represented in the Supervisory Board.

In addition to this key expertise, the Company expects Supervisory Board members and candidates to have broad experience in other areas which complement the optimal composition of the Supervisory Board. Among these areas are in particular knowledge and experience of strategic corporate development, including mergers and acquisitions, the capital markets, capital market communication, the recruitment of executives, modern remuneration models for all levels, and a heightened sensitivity for economic and ecological principles.

Depending on the Company’s current situation, it can make sense to adjust the weighting of individual criteria and to propose corresponding changes to the Supervisory Board at the Shareholders’ Meeting. For this purpose, the Supervisory Board monitors the Company’s situation and evaluates the composition of the board at regular intervals.

In view of the size of the Supervisory Board, the Management Board and Supervisory Board do not regard as expedient setting a minimum number of independent Supervisory Board members beyond the legal requirements in order not to excessively restrict future discretion in the selection of Supervisory Board members.

The Supervisory Board of SUSS MicroTec will not set any membership term limit for Supervisory Board members since doing so could harm the Supervisory Board's latitude and expertise. In SUSS MicroTec's opinion, restricting how long an individual may remain in the Supervisory Board does not promote independent and responsible action by the Supervisory Board. On the contrary, given the complex product and corporate structure, a certain length of service in the Supervisory Board should be viewed positively since over time one can gain valuable, Company-specific experience and knowledge that can benefit the Company.

SUSS MicroTec examines each potential candidate for the Supervisory Board with respect to his or her expertise and availability before a proposal is made to the Shareholders' Meeting. In addition, potential candidates must exercise, or have previously exercised, a function as member of the Management Board, Managing Director, or a similar responsible position in a comparable or larger company, preferably close to our sectors. Alternatively, experts can apply who would bring special knowledge and experience to our Company, provided that such expertise is considered meaningful for the Company's success. However, there is no fixed amount of experience that Supervisory Board members must have. The Company generally distances itself from potential candidates who already hold five or more positions on Supervisory Boards, taking into account recommendations of voting rights representatives.

In the future, women should be accorded greater attention in the selection of Supervisory Board members in order to achieve suitable female participation. In addition, listed companies and/or companies that are subject to co-determination have been legally obligated since 2015 to set and publish targets for increasing the share of women, including in the Supervisory Board, and to report about the implementation status. In September 2015, the Supervisory Board and Management Board of SUSS MicroTec AG decided to set a target female share in the Supervisory Board of 0 percent. At the time these targets were set, there were no female members of the Supervisory Board of SUSS MicroTec AG. In the view of SUSS MicroTec AG, the qualifications of Supervisory Board candidates are the primary criteria for assuming a Supervisory Board position and therefore for the composition of the Supervisory Board. In proposals for the composition of the Supervisory Board, SUSS MicroTec supports and considers the criteria specified in the GCGC, but it regards meeting a certain quota for female participation as particularly problematic in the semiconductor sector.

The age limit for Supervisory Board members is 71.

Conflicts of interest are avoided in staffing the Supervisory Board by having the candidates make declarations prior to an election stating that they have no conflicts of interest. If potential or actual conflicts arise during an elected term, corresponding rules for the Supervisory Board and Management Board require that they be disclosed and handled appropriately by the full council of the Supervisory Board.

Specifications to Promote the Participation of Women in Leadership Positions

As a result of the law for the equal participation of women and men in management positions in the private and public sectors (Section 76 (4) and Section 111 (5) of the German Stock Corporation Law (AktG)), which went into effect in May 2015, certain companies, such as SUSS MicroTec AG, are obligated, inter alia, for the first time to set targets for the share of women in both the Supervisory Board and the Management Board and at the next two management levels. In addition, a deadline must be set for achieving the respective targets.

On September 7, 2015, the Supervisory Board of SUSS MicroTec AG decided to set a target of 0 percent for the female share in the Supervisory Board of SUSS MicroTec AG in accordance with the aforementioned obligation. That represents a continuation of the status quo and hence no deadline needed to be specified.

On September 7, 2015, the Supervisory Board of SUSS MicroTec AG decided to set a target of 0 percent for the female share in the Management Board of SUSS MicroTec AG in accordance with the aforementioned obligation. That represents a continuation of the status quo and hence no deadline needed to be specified.

For the first and second management levels below the Management Board, the Management Board of SUSS MicroTec AG has set a target of 20 percent for each and an implementation deadline of June 30, 2017, on September 2, 2015. The target for the first management level means an increase in the female share, which is currently 18 percent. Similarly, the target for the second management level means an increase from the current 14 percent. The implementation deadline satisfies the guidelines for the initial setting of an implementation deadline. As of December 31, 2015, the share of women in the first and second management levels was unchanged at 18 and 14 percent respectively.

Company Bodies

Members of the Management and Supervisory Boards and their mandates:

Dr. Per-Ove Hansson

- Dr. rer. nat. (Physics), resident of Feldkirchen, Chief Executive Officer (since May 1, 2015)

FURTHER APPOINTMENTS:

- none

Michael Knopp

- Diplom-Kaufmann (Business Administration), resident of Ratingen, Chief Financial Officer (Spokesperson for the Management Board until April 30, 2015)

FURTHER APPOINTMENTS:

- none

Walter Braun

- Diplom-Ingenieur (Engineering), resident of Altensteig, Chief Operating Officer

FURTHER APPOINTMENTS:

- none

Dr. Stefan Reineck

- Resident of Kirchartd; Managing Shareholder of RMC Dr. Reineck Management & Consulting GmbH, Kirchartd; Chairman of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- AttoCube Systems AG, Munich (Vice Chairman of the Supervisory Board)
- AWS-Group AG, Heilbronn (Member of the Supervisory Board)
- Phoseon Technology Inc., Hillsboro, Oregon, USA (Member of the Board of Directors)
- Wittenstein AG, Igersheim (Member of the Supervisory Board)
- Accel 4.0 Beteiligungs GmbH, Heilbronn (Chairman of the Advisory Board since October 26, 2015)

Jan Teichert

- Resident of Metten, Member of the Management Board of Einhell Germany AG, Landau (Isar); Deputy Chairman of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- until May 31, 2015: Kolb Technology GmbH, Hengersberg (Member of the Advisory Board)

Gerhard Pegam

- Resident of Au bei Bad Aibling, Managing Shareholder of GPA Consulting; Member of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- OC Oerlikon Corporation AG, Pfäffikon, Switzerland (Member of the Administrative Board)
- Schaffner Holding AG, Solothurn, Switzerland (Member of the Administrative Board)

CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARDS

Effective May 1, 2015, Dr. Per-Ove Hansson was appointed to the Management Board of SUSS MicroTec AG. In his capacity as Chief Executive Officer, he is responsible for individual product lines as well as the areas of sales and marketing, service, research and development, patents, and Group strategy.

OWNERSHIP OF SHARES AND SUBSCRIPTION RIGHTS

The members of the Management and Supervisory Boards of SUSS MicroTec AG in office in the 2015 fiscal year owned the following number of shares and subscription rights as of the end of the fiscal year on December 31, 2015:

Ownership of Shares and Subscription Rights

	Number of shares on 12/31/2015	Change from 12/31/2014	Number of stock options on 12/31/2015	Change from 12/31/2014
Supervisory Board				
Dr. Stefan Reineck	9,600	-	0	-
Jan Teichert	0	-	0	-
Gerhard Pegam	0	-	0	-
Management Board				
Dr. Per-Ove Hansson	0	-	0	-
Michael Knopp	18,350	-6,650	0	-
Walter Braun	3,150	-7,350	0	-

DIRECTORS' DEALINGS OF THE MANAGEMENT AND SUPERVISORY BOARDS SUBJECT TO MANDATORY REPORTING

In accordance with Section 15 a of the German Securities Trading Law (WpHG), the members of the Management and Supervisory Boards are legally obligated to disclose the acquisition or sale of SUSS MicroTec AG shares or their corresponding financial instruments insofar as the value of the transactions that a member of the board and persons associated with him/her has carried out within the calendar year amounts to or exceeds EUR 5,000.

All dealings of the Management Board and Supervisory Board are published on the Company's website at ► www.suss.com ► Investor Relations ► Share ► Directors' Dealings.

Accounting and Annual Audit

SUSS MicroTec prepares its consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS) as are applied in the European Union for listed companies. The separate financial statements for SUSS MicroTec AG are prepared according to the provisions of the German Commercial Code (HGB).

On June 2, 2015, the Shareholders' Meeting appointed BDO AG Wirtschaftsprüfungsgesellschaft headquartered in Hamburg, with an office in Munich, as auditors and Group auditors of SUSS MicroTec AG for the 2015 fiscal year. As a result, the annual financial statements and the consolidated financial statements of SUSS MicroTec AG have been audited by a company of the BDO Group for the fourth time in a row. Aside from auditing activities, the BDO AG Wirtschaftsprüfungsgesellschaft did not perform any consulting services for SUSS MicroTec in 2015. The auditor has demonstrated its impartiality to the Supervisory Board in a declaration of impartiality. Furthermore, the auditor agreed to

inform the Supervisory Board of all material findings and circumstances that arise while conducting the audit. The lead auditor for the 2015 fiscal year was Mr. Thomas Steiner (Wirtschaftsprüfer – German Public Auditor), who was lead auditor of the financial statements and consolidated financial statements for SUSS MicroTec AG for the second year in a row.

Corporate Governance Declaration

A declaration regarding corporate governance in accordance with Section 289 a of the German Commercial Code (HGB) is part of the Management Report and has been made available on the Company's website at ► www.suss.com ► Investor Relations ► Corporate Governance ► Declaration on Corporate Governance and has also been published in full in the condensed Management Report.

Remuneration Report

We presented the elements of the remuneration system in the Remuneration Report, which is published in the condensed Management Report.

Condensed Management Report

of SUSS MicroTec AG for the 2015 fiscal year

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Economic Report

Business Activity, Corporate Control, and Strategic Orientation

The SUSS MicroTec Group develops, manufactures, and markets equipment for the production of microelectronics and micro-electromechanical systems. As a supplier of system solutions for semiconductor technology, the Group operates as a high-performance partner of the semiconductor industry for the laboratory and production areas. Special markets with strong growth form the main areas of activity and promote the innovative development of technologies with long-term potential for success in future-oriented markets and applications. The main focus here is on the microchip architecture and connection technology for applications in chip manufacture, telecommunications, and optical data transfer. Larger process lines are typically comprised of several individual tools, where the Group creates and utilizes networks with internal and external partners in order to establish competitive advantages.

As of December 31, 2015, the Group is comprised of four divisions, with the Others division composed of several smaller sub-units each managed separately. Through the acquisition of HamaTech APE GmbH & Co. KG (after the change in the company's legal status: SUSS MicroTec Photomask Equipment GmbH & Co. KG), a new division – the Photomask Equipment division – was created in the 2010 fiscal year. Tamarack Scientific Co., Inc. (after the change in the company's legal status: SUSS MicroTec Photonic Systems, Inc.), which was acquired in March 2012, is assigned to the Lithography division.

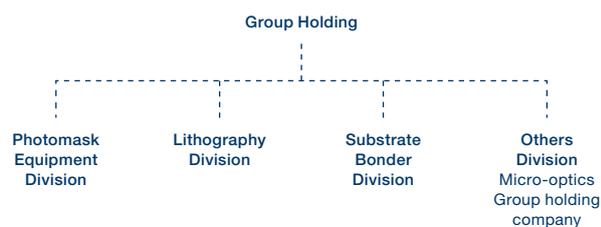
LEGAL STRUCTURE OF THE GROUP

The legal structure of the Group includes the proprietary company, SUSS MicroTec AG, as the management and financial holding company, as well as the subsidiaries held by the proprietary company. The development and production activities as well as the local sales and service activities for the Group are each organized within the subsidiaries. The Group has locations in Germany, the United States, the United Kingdom, France, Switzerland, Japan, China, Singapore, Korea, and Taiwan. The non-controlling interest of 10% in ELECTRON MEC S.R.L., Milan (Italy) was sold in the 2014 fiscal year since its significance for the operational business was immaterial.

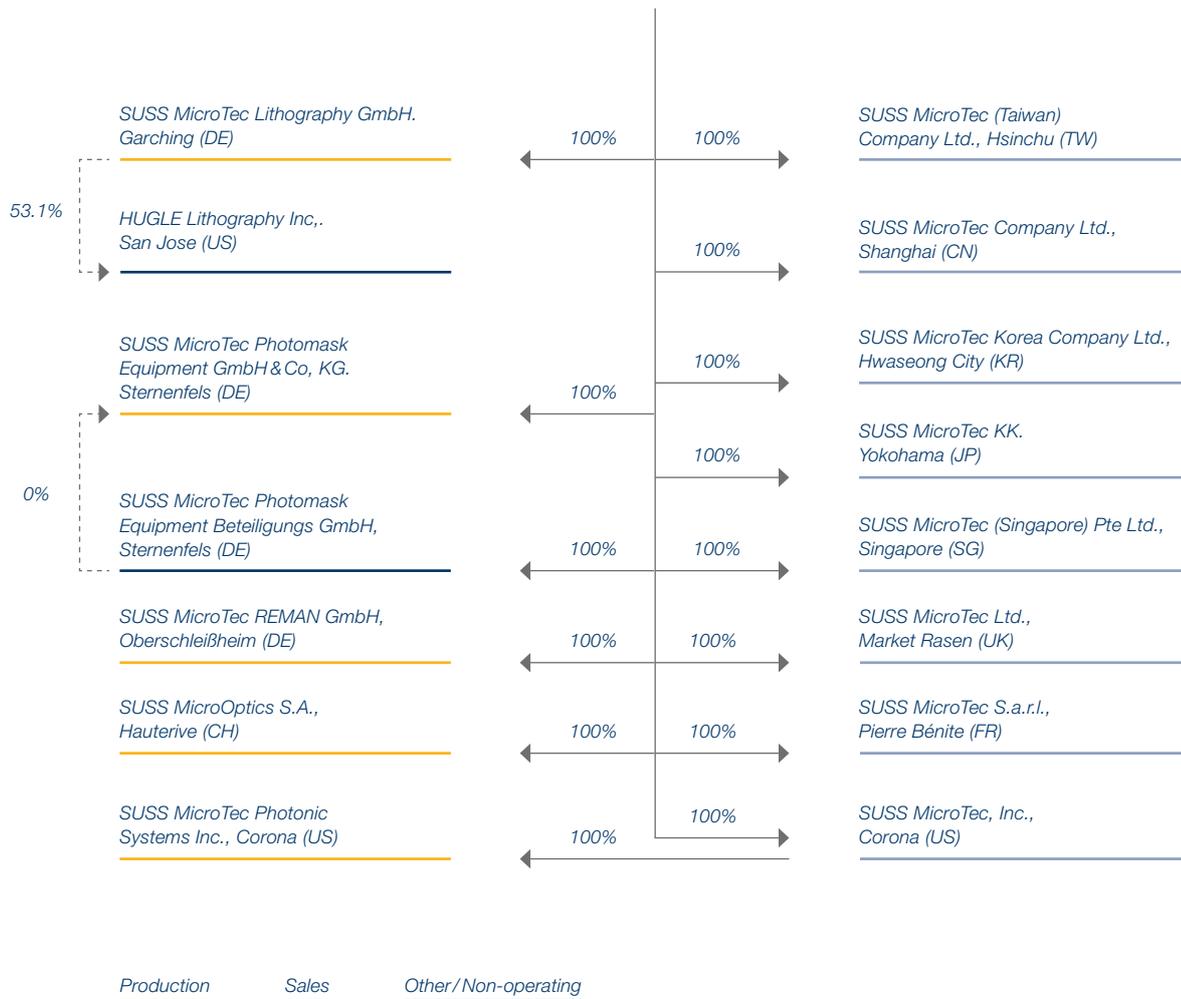
MANAGEMENT AND CONTROL – REMUNERATION STRUCTURE FOR OFFICERS

The Management Board receives both a monthly fixed salary and variable remuneration for its activities. The latter is paid when individually determined targets are reached. The fixed pay includes fringe benefits in the form of a company car with the option of private use and allowances for health insurance as well as for an optional retirement insurance. The amount of the fixed pay is first and foremost determined by the roles and responsibilities assigned. Moreover, pension commitments have been made to individual members of the Management Board in the form of direct insurance. Variable remuneration includes short-term and long-term components. More information about this can be found in the Remuneration Report.

Division Structure



SUSS MicroTec AG, GARCHING (DE)



The remuneration of the Supervisory Board is set out in Section 19 of the articles of incorporation of SUSS MicroTec AG. In accordance with Section 19 of the articles of incorporation, the members of the Supervisory Board receive the following remuneration: In addition to the reimbursement of expenses and meeting attendance remuneration of € 2,000 per meeting, every member of the Supervisory Board receives a fixed remuneration geared toward his/her responsibilities and the extent of the member's activities. According to this, the Chairman of the Supervisory Board receives € 60,000, the Deputy Chairman receives € 50,000, and a regular member of the Supervisory Board receives € 45,000 per fiscal year as fixed remuneration.

CORPORATE CONTROL, OBJECTIVES, AND STRATEGY

SUSS MicroTec pursues the strategy of occupying lucrative niche markets in the industry of semiconductor suppliers. The goal is to operate in the relevant markets by way of its clear positioning among the top three suppliers at all times. Partnerships with leading institutes and companies within the industry

should ensure that significant trends and promising technologies are always identified early on and that the potential for SUSS MicroTec is examined. Organic growth is at the center of focus. External growth is also considered in the case of interesting technologies and appropriate complementary products.

Corporate control is geared particularly toward the order entry, sales, and order backlog of the individual divisions. The performance of the divisions is, thus, measured above all by observing the development of the gross profit margin (sales less manufacturing costs) as well as the division earnings. The presentation of the division earnings now also includes income and expenses from foreign currency translation and asset disposals. Altogether, the division earnings are in line with the Group's operating income (EBIT). Another key control figure is the net liquidity (cash plus interest-bearing securities less financial debt). This represents a significant key control figure for the holding company's financing function. The following table shows the development of key figures since 2010.

Order Entry in € million



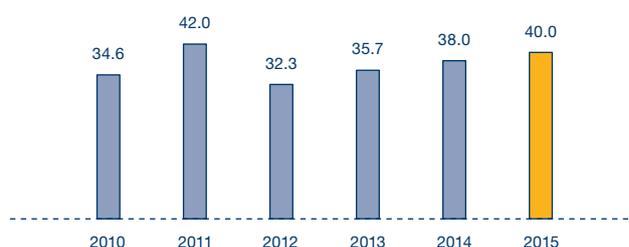
Sales in € million **and Gross Margin**



EBIT in € million **and EBIT Margin**



Net Liquidity in € million



¹ EBIT 2013 includes one-time costs of € 13.2 million for refocusing the permanent bonding product line.

Economic Environment

POLITICAL AND HUMANITARIAN CRISES SHAPE THE ECONOMIC PICTURE IN EUROPE

In its most recent estimates, the OECD expected slightly slower global economic growth of approximately 3.0% in 2015, compared with 3.3% in the previous year. Generally low raw material prices and particularly the low price of oil held back growth in the emerging countries. In the advanced countries, a moderate upturn continued, as expected.

After the debt crisis in Greece was initially eased by another aid package in the summer of 2015, the political situation in numerous crisis areas, for example, in Syria, Turkey, and Ukraine, had a negative impact on the macroeconomic mood in Europe. The ongoing influx of migrants as well as an increase in terrorist threats present many European countries with previously unknown economic, political, and humanitarian challenges. Nevertheless, the eurozone achieved growth of 1.5% in 2015; for the same period, the entire European Union assumes slightly higher growth of 1.9% (Source: European Commission, November 2015, OECD February 2016). Growth was spurred by strong exports, which were attributable to the relatively weak euro, as well as the low price of oil and the resulting increase in disposable income.

In the 2015 fiscal year, the German economy was driven primarily by lively domestic demand. In particular, the favorable labor market situation as well as in part robust increases in disposable income had a positive impact. According to the February 2016 estimates of the OECD, economic growth in Germany was 1.4% in 2015.

2015 WAS A CHALLENGING YEAR FOR THE SEMICONDUCTOR MARKET

In the 2015 fiscal year, the market volume for the entire semiconductor market was US\$ 333.7 billion, compared with US\$ 340.3 billion in the previous year. This means a decline of approximately 1.9% (Source: Gartner, January 2016) and therefore the first decline in the semiconductor industry since 2012. The strong US dollar as well as the lower growth of demand for electronic products such as smartphones, tablets, and PCs weighed on the market in the past fiscal year. In addition, the demand for DRAM storage media decreased, according to Gartner.

Sales Development in the Semiconductor Market in US\$ billion



Source: Gartner, 2011–2016

DEVELOPMENT IN THE SEMICONDUCTOR EQUIPMENT INDUSTRY

The market for semiconductor equipment shrank by approximately 0.6% in 2015, according to current estimates of the SEMI industry association. The primary reasons for this – as also for the entire semiconductor industry – were lower growth rates for smartphones, tablets, and PCs. The pre-vacation season increase in sales figures that is otherwise typical for the industry sector did not materialize this year and ultimately caused the overall market to shrink.

In the past fiscal year, investments were primarily made for tools to process wafer sizes of 300mm. Only approximately 10% of investment went into tools for processing 200mm wafers or even smaller wafer sizes. According to the SEMI industry association, investments were primarily made in tools for the manufacturing of memory chips, particularly for DRAMs with a structure size of 21/20nm.

SUSS MicroTec in Figures

PROFIT SITUATION: ORDER ENTRY, SALES, AND EBIT

Comparison of Full-Year Figures for 2015 to Forecast 2015

In the forecast report of the 2014 Management Report, the Company held out the prospect of sales of approximately € 130 to 140 million and balanced earnings before interest and taxes (EBIT) for the 2015 fiscal year. In August 2015, the sales and earnings forecasts were raised for the 2015 fiscal year. SUSS MicroTec concluded the 2015 fiscal year with sales of € 148.5 million. EBIT reached € 5.0 million, meaning that sales and earnings were slightly above the Company's own expectations.

	Forecast 2015	Adjusted forecast 2015	Earnings 2015
Sales	€ 130 – 140 million	€ 135 – 145 million	€ 148.5 million
EBIT	balanced	slightly positive	€ 5.0 million
EBIT margin	–	1% to 2%	3.4%

Corporate Development in 2015

Order entry for the 2015 fiscal year totaled € 188.6 million, while order entry of € 134.3 million was achieved in the previous year. In particular, the fourth quarter of 2015, in which record order entry of € 79.7 million was generated, accounted for a large share of this. As a result, order entry in 2015 exceeded order entry of the previous year by approximately 40.4%. As of December 31, 2015, there was an order backlog of € 117.6 million, approximately € 42.0 million more than order backlog of the previous year (€ 75.6 million). The ratio of newly received orders to realized sales (book-to-bill ratio) was 1.27 after 0.92 in the previous year.

Sales Development in Wafer Fab Equipment in in US\$ billion



Source: Gartner, 2011 – 2016

In the 2015 fiscal year, the earnings position of the SUSS MicroTec Group showed a sales increase and positive annual earnings. Sales increased compared to the previous year by approximately 2.2% and totaled € 148.5 million, while in the previous year sales of € 145.3 million were achieved. Earnings before interest and taxes (EBIT) in 2015 amounted to € 5.0 million. In 2014, EBIT of € 8.4 million was achieved.

SUSS MicroTec's largest segment, the Lithography division, achieved a sales increase of € 9.6 million. In 2015, the Lithography division accounted for almost 72% of Group sales. However, sales in the Substrate Bonder division recorded a decline of approximately € 11.0 million. In the Photomask Equipment division, sales growth of € 2.7 million was recorded, while the Others division booked a sales increase of € 1.9 million.

The cost of sales included write-downs on capitalized development costs in the amount of € 0.1 million. New capitalizations totaled € 1 thousand. Both write-downs and new capitalizations of development costs related exclusively to the Lithography division. In the previous year, write-downs of € 0.5 million on capitalized development costs were recognized. New capitalizations in the previous year totaled € 45 thousand.

In the 2015 fiscal year, a gross profit of € 49.4 million was generated, which corresponded to a gross profit margin of 33.3%. In the previous year, the gross profit totaled € 48.8 million; the gross profit margin in 2014 amounted to 33.6%.

Selling costs in the fiscal year increased to € 18.8 million (previous year: € 17.5 million), representing an expense ratio of 12.7% (previous year: 12.1%) relative to sales generated.

Administration costs fell from € 14.2 million in the previous year to € 13.3 million, representing an expense ratio of 8.9% (previous year: 9.8%). In the previous year, administration costs included a severance payment of € 1.1 million for a former member of the Management Board.

Research and development costs increased from € 10.5 million in the previous year to € 12.8 million. In 2015, SUSS MicroTec significantly expanded its activities in the area of research and development and hired new employees, as planned.

Other operating income totaled € 4.9 million in the fiscal year (previous year: € 4.5 million). As in the previous year, this included high foreign currency gains, which resulted from the translation of foreign currency positions into euros. In 2015, revenue of € 0.6 million was generated from a cancellation agreement with a customer. In the previous year, the reversal of value adjustments for receivables resulted in revenue of € 1.3 million.

In 2015, other operating expenses amounted to € 4.4 million (previous year: € 2.7 million) and consisted primarily of expenses from foreign currency translation.

Earnings before interest and taxes (EBIT) in the reported fiscal year amounted to € 5.0 million. In 2014, EBIT of € 8.4 million was achieved.

The financial result for 2015 amounted to € -0.3 million (after € -0.2 million in the previous year).

Group earnings before tax of € 4.7 million were subject to tax expense of € 4.5 million, which corresponds to an average tax expense rate of approximately 95%. The extraordinarily high tax expense relative to profit before tax resulted primarily from the accumulated losses of foreign Group companies in the 2015 fiscal year (particularly in the USA), for which (as in previous years) no deferred tax assets were recognized in view of the current Group budget. As a result, no corresponding income tax was assessed for losses generated by foreign companies.

In the previous year, Group earnings before tax of € 8.2 million were subject to tax expense of € 3.6 million, which corresponded to an average tax expense rate of approximately 44%. Consequently, the actual tax expense rate in the previous year also deviated significantly from the anticipated tax expense rate. Similarly, in the 2014 fiscal year, the high tax expense relative to profit before tax resulted from the accumulated losses of foreign Group companies (particularly in the USA), for which no deferred tax assets were recognized.

The Group generated earnings after tax for the year of € 0.2 million (previous year: € 4.6 million). Basic earnings per share amounted to € 0.01, after € 0.24 in the previous year.

Sales per employee decreased compared to the previous year by 3.6% from € 221 thousand to € 213 thousand (based on the respective number of employees as of the reporting date).

DEVELOPMENT IN THE INDIVIDUAL DIVISIONS

Lithography

The Lithography division includes the development, manufacture, and sale of the mask aligner, UV projection scanner, and laser processing product lines as well as coaters and developers. These product lines are manufactured in Germany at the locations in Garching near Munich and, since the beginning of 2010, in Sternenfels. The Lithography division was strengthened in the first quarter of 2012 by the acquisition of Tamarack Scientific Co., Inc. (now operating under the name SUSS MicroTec Photonic Systems Inc.). The company has its headquarters in Corona in southern California (USA). With a contribution to sales of more than 70%, the Lithography division is SUSS MicroTec Group's largest division. The components that are manufactured with these tools are sent primarily to the end markets of advanced packaging, microelectromechanical systems, compound semiconductors (LED), and 3D integration.

In the 2015 fiscal year, the Lithography division achieved order entry of € 149.6 million and sales of € 106.3 million. This corresponds to 63.5% higher order entry and 9.9% higher sales from the previous year. The significant increase in order entry was achieved across all product lines. It was possible to recover and expand market share with 300 mm coaters and developers. With our innovative UV projection scanners, we succeeded for the first time in 2015 in winning a large order for serial production from an important semiconductor manufacturer. In addition, the mask aligner product line was very successful, particularly with MEMS customers in Europe and the USA.

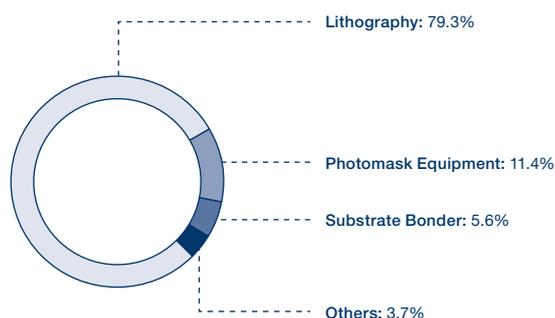
The gross profit in the Lithography division was slightly lower in the last fiscal year than in the previous year. In 2015, the gross margin was 34.2%, compared with 35.7% in the previous year.

The Lithography division contributed earnings of € 9.7 million (previous year: € 10.7 million) to consolidated earnings before interest and taxes (EBIT). This resulted in a sales margin of 9.1% for the Lithography division, a slight decline from the previous year (sales margin in the previous year: 11.0%). As already described in earlier reports, the competitive situation for coaters and developers has intensified significantly in recent years and led to a noticeable reduction in achievable margins. However, margins in the mask aligner product line remained stable.

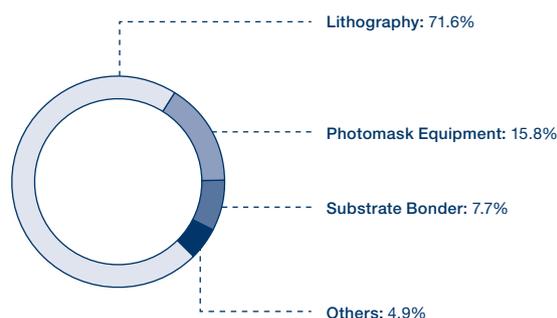
Lithography Key Figures

in € million	2015	2014
Order entry	149.6	91.5
Division sales	106.3	96.7
EBIT division earnings	9.7	10.7
Net assets	51.3	50.3

Order Entry by Division



Sales by Division



Substrate Bonder

The Substrate Bonder division comprises the development, production, and sale of the substrate (wafer) bonders. Manufacturing is located at our largest site in Sternenfels. Markets addressed by the Substrate Bonder systems include MEMS, compound semiconductors, and 3D integration.

The Substrate Bonder division experienced declines again both in terms of order entry of € 10.5 million (previous year: € 17.2 million) and sales of € 11.4 million (previous year: € 22.4 million). In the past fiscal year, significantly fewer orders were recorded than in 2014. The main reason for this was the refocusing of the permanent bonding product line. Whereas orders for permanent production bonders were still recorded in the single-digit million euro range in this division in 2014, their share of order entry was nearly zero in 2015. The analysis of sales development results in a similar situation. Here also, significantly lower sales of permanent production bonders were realized in 2015 than in the previous year. In the future, we expect order entry and sales to increase significantly again in this division, particularly through the introduction of new products and the recovery of market share in MEMS and LED manufacturing.

The gross profit of the Substrate Bonder division was positive in the past fiscal year. The gross margin improved again from 13.9% to 19.3%. Since the 2014 fiscal year, the margins achieved in the temporary bonding and debonding area as well as the remaining business with permanent bonding systems have improved sustainably, but remained below company average due to overall low quantities. In the Substrate Bonder division, earnings before interest and taxes (EBIT) were € -4.0 million after € -2.4 million in the previous year.

Substrate Bonder Key Figures

in € million	2015	2014
Order entry	10.5	17.2
Division sales	11.4	22.4
EBIT division earnings	-4.0	-2.4
Net assets	5.7	7.8

Photomask Equipment

The Photomask Equipment division, which is located at the Sternenfels site near Stuttgart, comprises the development, manufacture, and sale of specialized tools for the cleaning and processing of photomasks for the semiconductor industry. Among the markets targeted by the Photomask Equipment division is the semiconductor industry, where SUSS MicroTec is mainly active on the front end.

The Photomask Equipment division performed better in the 2015 fiscal year than in the previous year in terms of both order entry and sales. At the end of December 2015, order entry totaled € 21.5 million (previous year: € 20.2 million). Division sales amounted to € 23.5 million after € 20.8 million in 2014.

As a result of several high-margin orders, the gross profit margin was 40.3% in the 2014 fiscal year. In the 2015 fiscal year, it was possible to achieve a margin of 31.5%.

The Photomask Equipment division was able to contribute earnings of € 2.3 million (previous year: € 4.7 million) to Group EBIT. The sales margin was 9.9%, much lower than in the very strong previous year (sales margin 2014: 22.7%). The primary reason for the extraordinarily high sales margin in 2014 was a few high-margin orders.

Photomask Equipment Key Figures

in € million	2015	2014
Order entry	21.5	20.2
Division sales	23.5	20.8
EBIT division earnings	2.3	4.7
Net assets	6.8	3.7

Others

The Others division comprises micro-optics activities at the Hauterive, Switzerland, location, and costs for central Group functions that generally cannot be attributed to the main divisions.

Order entry increased significantly from € 5.4 million in the 2014 fiscal year to € 7.0 million in 2015. Division sales even amounted to € 7.3 million after € 5.4 million in the corresponding period of the previous year. As in the previous year, the micro-optics business, which generated increased order entry of € 6.6 million (previous year: € 5.1 million) as well as an increase in sales from € 5.1 million to € 6.8 million, accounted for the largest share of sales and order entry.

Others Key Figures

in € million	2015	2014
Order entry	7.0	5.4
Division sales	7.3	5.4
EBIT division earnings	-3.1	-4.5
Net assets	19.9	19.3

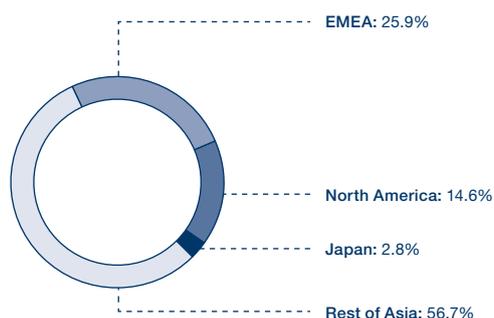
DEVELOPMENT IN THE MOST IMPORTANT REGIONS

Europe, North America, and Asia are important regions of the world for SUSS MicroTec's business. Asia is divided into Japan and "Rest of Asia" in order to account for the fact that most of the Company's customers in the advanced packaging market are located outside of Japan, particularly in Taiwan. However, this market is also more susceptible to fluctuation than those for compound semiconductors and MEMS.

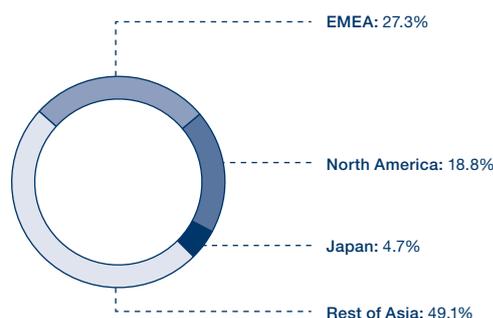
It was possible to generate significant increases in order entry in all regions except Japan in the past fiscal year. North America increased its order entry from € 21.9 million in 2014 to € 27.6 million in the 2015 fiscal year. This 26.0% growth stems primarily from good positioning with leading MEMS customers in the USA. In the most important region, Rest of Asia (excluding Japan), the SUSS MicroTec Group recorded an enormous 70.7% increase in orders to € 107.0 million (previous year: € 62.7 million). The reasons for this are a general increase in demand for our lithographic products, particularly from Taiwan and the Asia Pacific region. This includes the 300 mm coater and developer systems as well as UV projection scanners. The region Europe, Middle East, and Africa (EMEA) was also able to grow significantly compared to the previous year, achieving order entry of € 48.8 million, a double-digit 19.0% increase from the previous year. Only Japan's order entry fell compared to the previous year. The 40.2% decline resulted in order entry of only € 5.2 million.

Sales displayed a very diverse picture regionally. Although it was possible to achieve significant growth in North America, the regions of EMEA and Japan generated lower sales than in the previous year. EMEA recorded a 5.2% decline to € 40.5 million, while the decline in Japan was a more significant -30.7%. North America was able to achieve a sales growth of 30.2% to € 28.0 million due to higher revenues from the Photomask Equipment division. The largest region - Rest of Asia - recorded a slight increase in sales of 2.9% to € 73.0 million.

Order Entry by Region



Sales by Region



ASSETS AND FINANCIAL POSITION

SUSS MicroTec is Characterized by a Stable Assets and Financial Position

The Group's net cash position – the balance of cash and cash equivalents, interest-bearing securities, and financial liabilities – increased from € 38.0 million in the previous year to € 40.0 million as of December 31, 2015. The amount of cash and interest-bearing securities increased from € 48.3 million in the previous year to € 49.1 million at the end of the reporting year.

Cash flow from operating activities totaled € 4.7 million (previous year: € 5.1 million). As of December 31, 2015, SUSS MicroTec reported high trade payables of approximately € 4.7 million, which had a positive impact on cash flow from operating activities. High tax liabilities in Germany as well as the Group-wide low amount of trade receivables also boosted liquidity by a total of € 5.0 million. However, the high level of inventories of € 8.1 million at the end of the year had a noticeable liquidity-reducing effect. The increase in inventory reserves compared to the previous year related primarily to increased purchases of materials and supplies, which were attributable to high order backlog at the end of the year.

Cash flow from investing activities totaled € -3.4 million (previous year: € -3.0 million), excluding investments in securities. Investments in tangible assets involved in part additional fixtures in the leased premises of SUSS MicroOptics (Hauterive, Switzerland), for which cash outflows of approximately € 0.5 million were recorded. Renovations were conducted and fixtures were added in the buildings at the production sites in Garching and Sternenfels. In addition, new acquisitions were made of equipment and tools as well as operating and office equipment at

the German companies. Investments in intangible assets primarily involved expansions of the Group-wide SAP system, to which SUSS MicroTec Photonic Systems Inc. (Corona, USA) is now also connected, as well as the introduction of new CAD software.

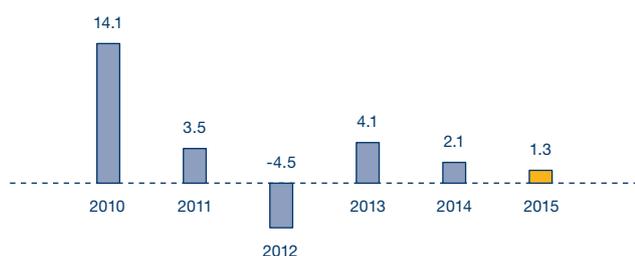
As a result, free cash flow before the inclusion of securities purchases and sales came to € 1.3 million. In the previous year, free cash flow (adjusted for the effects of securities purchases and sales) of € 2.1 million was generated.

Cash flow from financing activities amounted to € -1.2 million (previous year: € -1.2 million), reflecting repayments of both bank loans of SUSS MicroTec AG, which served to finance the two business properties in Garching and Sternenfels.

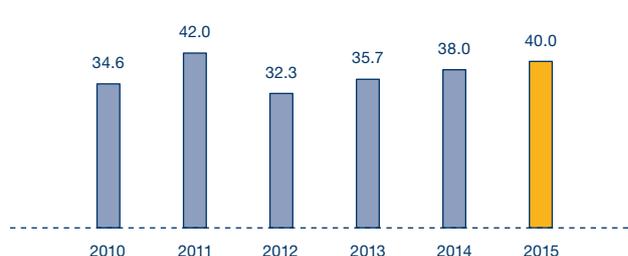
Aside from cash and interest-bearing securities of € 49.1 million (previous year: € 48.3 million), the Group had domestic guarantee and credit lines of € 9.0 million at the end of the reporting year (previous year: € 8.0 million). In the reporting year, the line was utilized exclusively in the form of guarantees. Most of them involved down payment guarantees. As of the reporting date, utilization amounted to € 5.4 million.

A bank consortium led by Deutsche Bank AG with the participation of DZ Bank AG and the Baden-Württembergische Bank sponsored a credit and guarantee line of € 4.5 million. This credit and guarantee line was granted until further notice and was issued without covenants. In addition, the Deutsche Bank granted a guarantee line of € 1.0 million with a term until April 30, 2016. The lines can be utilized by SUSS MicroTec AG or SUSS MicroTec Lithography GmbH.

Free Cash Flow in € million



Net Liquidity in € million



A general credit agreement exists between SUSS MicroTec Photomask Equipment GmbH & Co. KG and Baden-Württembergische Bank Mannheim for a credit line of € 1.0 million. The credit line runs for an indefinite term and was issued without covenants.

In connection with a bond insurance agreement, a guarantee line of € 2.5 million exists with an insurance company. The term of the deposit insurance agreement is indefinite. A term deposit account of € 0.3 million was pledged to the insurance company as collateral for this line.

Overall, the Group has sufficient financial leeway to finance necessary product developments and other strategic activities.

In addition to goodwill, the technology of SUSS MicroTec Photonic Systems obtained through a corporate acquisition and the business properties in Garching and Sternenfels accounted for the bulk of noncurrent assets.

Goodwill amounted to € 15.8 million (previous year: € 15.5 million). A part of goodwill (US\$ 2.4 million) is denominated in US dollars and therefore is subject to currency fluctuations. The entire amount of goodwill is assigned to the Lithography division.

As of December 31, 2015, capitalized development costs had a carrying amount of € 0.3 million (previous year: € 0.4 million), which was completely attributable to the Lithography division. They play only a subordinate role for the assets position of the Group.

In addition, noncurrent assets encompassed licenses and patents as well as the SAP system activated at SUSS MicroTec AG, with a total carrying amount of € 2.8 million (previous year: € 2.7 million). They were composed of € 1.5 million (previous year: € 1.5 million) for the Lithography, Substrate Bonder, and Photomask Equipment divisions and € 1.3 million (previous year: € 1.2 million) for the Others division. Furthermore, the technology obtained as part of the Photonic Systems acquisition, which carried a residual book value of € 1.2 million as of the reporting date (previous year: € 1.4 million), was recognized under intangible assets and attributed to the Lithography division. The technology is denominated in US dollars and will be amortized over eight years.

The two business properties in Garching and Sternenfels, which carried a residual book value of € 13.8 million at the end of the year (previous year: € 13.7 million), accounted for the bulk of tangible assets. SUSS MicroTec Lithography GmbH, SUSS MicroTec Photomask Equipment GmbH & Co. KG, and SUSS MicroTec AG are located there.

The remaining tangible assets are less significant for the assets position of the Group, as it does not typically rely on cost-intensive production equipment. Capital expenditure (without land or buildings) amounted to € 2.1 million in the reporting year, as compared with € 1.3 million in the previous year.

The carrying amount of tangible assets changed only slightly from the previous year.

Deferred tax assets amounted to € 2.5 million as of the reporting date, after € 3.9 million in the previous year. They decreased primarily as a result of the utilization of deferred tax assets on loss carryforwards. In 2015, the taxable entity in Germany (with SUSS MicroTec AG as the parent company and SUSS MicroTec Lithography GmbH and SUSS MicroTec REMAN GmbH as subsidiaries) achieved significantly positive earnings, in the process utilizing a portion of the loss carryforwards created in the previous year. It is assumed that the German companies will completely utilize the remaining loss carryforwards over the course of 2016. However, no deferred tax assets on loss carryforwards were recognized for the loss carryforwards of US companies in view of the current Group budget.

Current assets rose by € 10.6 million in the reporting year to € 133.8 million. This increase was primarily attributable to much higher inventory levels. In response to the high order backlog, all of the Group's manufacturing companies boosted their purchases of materials at the end of the year.

Inventories increased from € 58.9 million as of the previous year's reporting date to € 68.7 million as of the end of 2015. The increase was primarily attributable to the significantly higher inventories of materials and auxiliary supplies, which grew by € 6.5 million to € 28.6 million. Inventories of unfinished and finished goods also increased by € 1.4 million and € 1.9 million, respectively, while gross inventories of demonstration equipment declined by around € 0.5 million.

Trade receivables fell compared to the previous year, going from € 13.4 million to € 13.1 million. The decline was primarily due to the reporting date.

The SUSS MicroTec Group does not hold any securities as of December 31, 2015. In the previous year, the portfolio of securities still amounted to € 1.0 million. The amount of cash and cash equivalents increased from € 47.3 million to € 49.1 million.

The rise in other assets from € 1.7 million in the previous year to € 2.3 million at the end of the year was primarily attributable to higher VAT receivables, which arose due to the reporting date.

Noncurrent liabilities decreased from € 13.9 million to € 13.1 million. Financial liabilities, which totaled € 7.9 million in the fiscal year (previous year: € 9.1 million), accounted for the majority of noncurrent liabilities. Aside from the noncurrent portion of the Sternenfels loan, the noncurrent portion of the loan that serves to finance the Garching property is recognized here. The SUSS MicroTec Group's pension obligations, which were recognized as a liability amounting to € 5.1 million (previous year: € 4.8 million) at the end of the year, were also disclosed under noncurrent liabilities.

Current liabilities recorded a significant increase from € 38.0 million in the previous year to € 45.4 million as of the reporting date. The level of trade payables, which totaled € 8.5 million as of the end of the year (previous year: € 3.4 million), accounted for the bulk of this increase. The increase was primarily due to the reporting date. In addition, tax liabilities increased from € 1.5 million in the previous year to € 3.3 million as of the end of the year. Other liabilities increased from € 22.8 million in the previous year to € 23.5 million. Aside from accrued personnel expenses, the amount also included customer down payments, which amounted to € 18.2 million as of the end of the fiscal year (previous year: € 18.0 million).

The shareholders' equity of the SUSS MicroTec Group increased since December 31, 2014, by € 2.7 million to € 118.7 million. The equity ratio fell as a result of higher total assets from 69.1% in the previous year to 67.0%.

CAPITAL EXPENDITURE

Targeted Capital Expenditure Strengthens the Company

SUSS MicroTec AG is the owner of the business properties in Garching and Sternenfels, where the Company headquarters as well as the offices of SUSS MicroTec Lithography GmbH and SUSS MicroTec Photomask Equipment GmbH & Co. KG are located. SUSS MicroTec continuously invests in the Company buildings at both sites in order to maintain state-of-the-art storage, production, and administrative facilities.

Due to the structure of the Company, investments in equipment and tools are not a significant component of its development. Fundamental value is added through the design, assembly, and alignment of components, as well as the corresponding software management. Special equipment and tools are not required for these activities.

We assume that investments in tangible assets will be within the range of approximately 1% to 2% of sales in the long term. The only exception is the micro-optics product line included in the Others division. This product line involves small-scale production, which requires corresponding production tools.

Intangible assets were recognized for development costs that satisfy the IFRS requirements for capitalization. Therefore, a portion of capital expenditure is to be allocated to intangible assets.

Shareholders' Equity in € million and Equity Ratio



SUSS MicroTec AG is the owner of the Group-wide SAP system, which is used by the German companies as well as by SUSS MicroTec, Inc. (Corona, USA) and SUSS MicroTec (Taiwan) Company Ltd. (Hsinchu, Taiwan). In 2015, SUSS MicroTec Photonic Systems (Corona, USA) was successfully connected to the Group-wide SAP system.

RESEARCH AND DEVELOPMENT

Research and development expenditures increased from € 10.5 million in the previous year to € 12.8 million, which corresponds to an expense ratio of 8.6% (previous year: 7.2%) in relation to sales in 2015. Of the expenditures, € 8.0 million (previous year: € 6.9 million) related to the Lithography division and € 2.2 million (previous year: € 1.5 million) applied to the Substrate Bonder division. € 1.9 million (previous year: € 1.6 million) was attributable to the Photomask Equipment division.

At the end of 2015, 147 employees – almost every fifth employee of SUSS MicroTec – were employed in the area of research and development (previous year: 128 employees).

Lithography

The largest division combines the following product lines: exposure (mask aligners, UV projectors), laser processing, and coaters and developers.

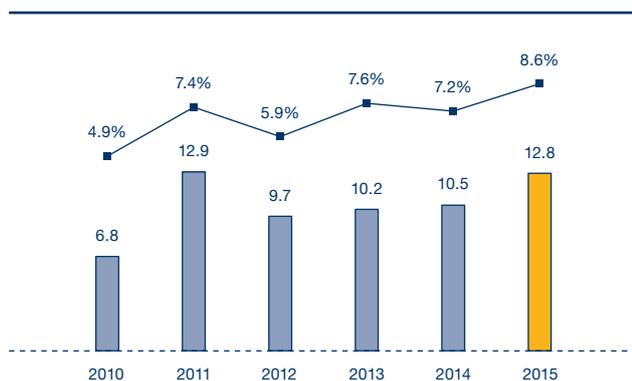
The coater and developer product group focused its research and development activities in 2015 on three essential areas. Initially, targeted improvements of the available basic systems were developed both for the automated 200mm and 300mm device platforms. For example, with the 200mm equipment the air flow was optimized in the coater modules. This led on the one hand to improved processing results and on the other hand to reduced operating costs due to lower demands on the customer's exhaust air equipment. The implementation of a new

handling system in the ACS300 Gen2 improves the throughput of the equipment and thus also leads to optimized operating costs for the equipment. The serviceability was also optimized through detail improvements, bringing both platforms to the highest standards.

In addition, a new dispensing system for chemicals was developed from scratch. Previously, customers had to opt for either complex and thus cost-intensive pumping solutions for the highest dosage and repeat accuracy or simply constructed pressure-based systems. Based on a pressure-based system, control and measurement options and process-relevant positions were added. In combination with intelligent control algorithms, it was possible to create such a system featuring the simplicity of a pressure-based dispensing system together with the dosage and repeat accuracy of a pumping system.

As another key priority, the production equipment's software was optimized and expanded. The so-called scheduling algorithm is a core component that strongly determines throughput. It plans all transports of the substrates in the equipment to and from the various process modules and ensures that they are optimally utilized. Through intensive experiments and studies, it was possible to develop new software components that simultaneously fulfill the requirements of maximum throughput and process flexibility. The development research also ensures that the aforementioned new handling system of the ACS300 Gen2 is used optimally.

Research and Development (R&D) Expenditures in € million
and R&D in % of sales



In the 2014 fiscal year, the mask aligner product line introduced to the market a new fully automated tool generation with the MA200 Gen3. The goal is to offer the customers a steady improvement in the cost of ownership. Over the course of the 2015 fiscal year, it was possible to boost throughput significantly again. Through continuous product development, the processes for high-volume production were stabilized. New digital cameras and improved microscopes enable significantly higher resolution and improved image quality for alignment mark recognition. As a result, masks and wafers can be aligned more precisely. This overlay quality parameter, which is important for the customer, is particularly vital for the production of complex patterns with multiple exposure steps. In addition, the cameras are significantly more sensitive so that even poorly visible patterns/marks are possible without using special equipment.

In the area of 200mm wafer processing, there continues to be intense interest in the handling of warped wafers, which is covered particularly by MA200 Gen3. With 300mm wafers, the handling of severely bent wafers is particularly important for the production of image sensors. Through comprehensive refinements of the MA300 and its special tools and software processes, now even severely bent wafers can be processed reliably here.

Cameras that were produced at the wafer level are found today in nearly all cellular telephones and other mobile devices, such as touch pads and laptops. These cameras consist of two main components: the CMOS image sensor and the wafer-level optics (WLO). The small lenses represent an important part of the optics. This technically sophisticated specialty area has tremendous market potential for SUSS MicroTec. In cooperation with leading customers, innovative processes and special tools were developed for the MA/BA8 Gen3 in the past fiscal year. The goal is to develop the next generation of wafer-level optics technologies that enable the customer-specific integration of optical components in semiconductor processes.

The SELECT option for selective plasma treatment is used particularly to prepare wafers for bonding. This innovative option for the MA/BA8 Gen3 mask and bond aligner is now also available for wafers with a diameter up to 200 mm.

In the 2015 fiscal year, the main development work at the Corona site focused on the further development of UV projection scanner technology. It was possible to achieve significant throughput increases of up to 50% with the DSC300 Gen2 projection scanner. As a result, we will be able to offer our customers significantly improved cost of ownership in the future. With the DSC300 Gen2, expanded automation functions, such as an automated faceplate changer for optical optimization, were developed and integrated into the tool over the course of the year. In addition, the main focus of the product line was on process qualification and tool optimization in view of the growth areas of copper-pillar bumping and fan-out wafer-level packaging. Thanks to the comprehensive further development of the DSC300 Gen2 and the improvement of various processes, we succeeded in gaining the first large customer who will use the scanner technology in high-volume production.

Substrate Bonder

The division is divided into the two sub-areas of permanent and temporary bonding.

In the area of permanent bonding, a new semi-automated wafer bonder was developed and introduced to the market in the 2015 fiscal year. The semi-automated XB8 system, which is based on the control platform of the SB6/8 Gen2 wafer bonder developed in 2014, can process wafer sizes up to 200mm as well as various substrate sizes and types. In contrast to the bonding force up to 20 kN, which the SB6/8 Gen2 offers, the new XB8 bonder can muster up to 60 kN or 100 kN bonding force using 200 mm wafers. Such high bonding forces are necessary both for current thermal compression bonding processes, such as copper-to-copper bond connections used for applications in MEMS and 3D integration, and for other metallic bonding processes, for which the number of sensors per wafer and thus also the proportion of the metal surfaces to be connected increases. Along with the possibility of mustering very high bonding forces, the XB8 wafer bonder has a double-sided, symmetrically constructed ceramic heater system with active cooling, which is designed for temperatures up to 550°C and therefore meets current and future processing requirements in the areas of MEMS, LED, and 3D integration.

In the area of temporary bonding, we were able to reinforce our market position in the area of TSV-based 3D memory chips by gaining a second Asian production customer for a portion of our tool solution. The detail improvements to individual process modules developed for this customer were adopted in serial production following customer qualification. In addition, development projects were carried out in close coordination with existing key Asian customers to optimize the sequence control of temporary bonders, leading to improved user friendliness, stability, and

throughput. Hardware improvements were also made to increase process flexibility and to expand parameter monitoring of the debonder. The resulting improvements were retrofitted and qualified on 3D memory chip production tools already installed at a customer facility in recent years.

The focus on the application side in the past fiscal year was in part on development partnerships with external research institutes such as IMEC, through which innovative processes and materials systems are qualified on our temporary bonders, as well as on direct cooperative agreements with materials manufacturers in order to make processes more efficient and therefore more cost-effective. In cooperation with an Asian materials manufacturer, qualification started for an innovative absorption layer for mechanical debonding for a materials system that is already in production. This new absorption layer enabled simplified processing, creating cost advantages compared to the process currently in use. In cooperation with an American materials manufacturer, innovative absorption layers for excimer laser-based debonding on our ELD300 were optimized and successfully tested for various customer applications from the 3D packaging area.

Photomask Cleaning

The introduction of extreme ultraviolet lithography (EUVL) for high-volume production in the semiconductor industry continues to be delayed. For industry this means that 193i immersion lithography will be expanded using the double patterning and quadruple patterning process. As a result, directly related processing techniques, such as photomask cleaning, will need to be adjusted and expanded.

In 2015, the Photomask division focused on megasonic-based technologies. In particular, it was possible to implement the integration and qualification of a surface-based ultrasound application in cooperation with an important Korean customer and subsequently have it included in the standard product portfolio. The standard megasonic application in use at SUSS MicroTec for years could now be successfully tested in the RF range. It is similarly already integrated in numerous customer facilities.

Along with critical parameters for photomask cleaning such as particle size and efficiency, the preservation of optical properties also plays an essential role. The degree of transmission and reflection as well as the change in the critical pattern line width distribution on photomasks are strongly influenced by the use of conventional wet chemistry processes. Gentle dry cleaning and surface treatment methods create new possibilities here.

The development of a special plasma unit was already part of the development in 2014 and was integrated in existing MaskTrack PRO equipment at a Taiwanese customer. This unit was successfully qualified in 2015. Especially here, the use of plasma under atmospheric pressure offers many advantages since aside from the cleaning effect it exercises additional influence on surface energy, improving wettability for subsequent wet processing. In addition, a passivation of the surface is achieved using plasma following the final cleaning.

In the area of EUVL, the EU-funded Seven Nanometer Technology (SeNaTe) project, for which SUSS MicroTec is also a project partner and responsible for the area of photomask cleaning, was officially started.

The Holding Company – SUSS MicroTec AG

The holding company is responsible for the steering and management of the SUSS MicroTec Group. One of its tasks is strategic orientation, for example the expansion of the product portfolio, acquisitions, and financial issues for the Group as a whole. The holding company is also responsible for corporate identity, investor relations, marketing and IT. Furthermore, the holding company assumes the financing of strategically important development projects of the operating subsidiaries.

SUSS MicroTec AG is generally the sole shareholder of the companies included in the consolidated financial statements. The holding company has provided loans only to subsidiaries and their subsidiaries. The earnings position of the holding company as an individual company is not directly dependent on the development of the Company's markets. The holding company is primarily refinanced by allocating costs to the operating companies, by leasing the buildings at the Garching and Sternenfels sites to subsidiaries, through interest income from loans to subsidiaries, and through existing profit and loss transfer agreements.

Presentation of the Key Financial Figures of the Holding Company

in € thousand	SMT AG (HGB)			
	2015	2014	Change	in %
Annual net profit/loss	-8,491	6,980	-15,471	-
Shareholders' equity	87,648	96,139	-8,491	-9
Total assets	137,668	139,443	-1,775	-1
Equity ratio in %	64	69		
Noncurrent assets	81,885	82,751	-866	-1
% of total assets	59	59		
Current assets (incl. deferred items)	55,784	56,692	-908	-2
% of total assets	41	41		

SIGNIFICANT CHANGES IN THE ASSETS AND FINANCIAL POSITION

Intangible assets remained unchanged as of the reporting date at € 1.6 million.

Shares in affiliated companies were recognized as € 51.7 million as of the reporting date and are thus € 1.2 million lower than in the previous year. The reason for the decline are write-downs on the investment in SUSS MicroTec, Inc., Corona (USA). The company, which originally was an operationally active production facility, serves meanwhile merely as a sales company and therefore has a low EBIT margin as is typical for a sales company.

Accordingly, the model used to conduct an impairment test on financial assets indicates a write-down of the valuation of the investment in this company by approximately € 1.2 million.

Loans to affiliated companies rose by approximately € 0.3 million. Additional loan amounts were granted to SUSS MicroTec Photonic Systems Inc., Corona, USA. As of December 31, 2015, the loan totaled US\$ 38.5 million (previous year: US\$ 22.6 million). Since negative earnings are expected for SUSS MicroTec Photonic Systems based on the current Group budget, the model used to conduct an impairment test on financial assets indicates a write-down of this shareholder loan by approximately € 14.1 million. Accordingly, the loan was written down by this amount on December 31, 2015. In addition, the loan granted to SUSS MicroTec KK, Yokohama (Japan), which amounted to JPY 775 million (previous year: JPY 600 million), was written down due to the company's modest earnings prospects. As of December 31, 2015, the amount of the write-down came to € 1.7 million.

Current receivables from affiliated companies rose by € 0.4 million to € 14.9 million. The increase was primarily due to the reporting date. This amount included receivables from profit transfers of SUSS MicroTec Lithography GmbH and SUSS MicroTec Reman GmbH as well as the equal-phase revenue recognition of SUSS MicroTec Photomask Equipment GmbH & Co. KG.

In the reporting year, the liquidity position of SUSS MicroTec AG declined by € 1.2 million. The reduced liquidity position can be seen in the decline in deposits with banks of € 0.2 million. The portfolio of securities declined by € 1.0 million to € 0.

Liabilities to affiliated companies increased by € 6.8 million to € 36.3 million in the fiscal year.

Bank borrowings declined over the course of 2015 by € 1.2 million. This resulted from the scheduled repayment of a loan to finance the business property in Sternenfels and a loan to finance the business property in Garching.

As a result of the loss for the year, the Company's shareholders' equity declined from € 96.1 million to € 87.6 million.

SIGNIFICANT EVENTS WITH INFLUENCE ON THE EARNINGS POSITION OF THE HOLDING COMPANY

In the annual financial statements of SUSS MicroTec AG under commercial law, a loss for the year of € 8.5 million was incurred in the 2015 fiscal year (previous year: profit for the year of € 7.0 million).

The sales of the holding company amounted to € 6.6 million (previous year: € 5.5 million), primarily encompassing invoices billed to the subsidiaries for management services, marketing, and insurance. Sales also included charges for the Group-wide SAP system and license fees.

Other operating income primarily included rental income of € 1.8 million (previous year: € 1.9 million) and foreign currency gains of € 0.8 million (previous year: € 0.2 million).

Apart from current administrative expenses, other operating expenses included foreign currency losses of € 0.8 million (previous year: € 4.6 million).

As a result of the profit and loss transfer agreement with SUSS MicroTec Lithography GmbH, Garching (Germany), which is in effect since January 1, 2011, income from a profit transfer of € 6.3 million (previous year: € 8.8 million) was recognized at the holding company. As a result of the profit and loss transfer agreement with SUSS MicroTec REMAN GmbH, Oberschleissheim (Germany), which was concluded in the 2008 fiscal year, income from a profit transfer of € 1.4 million (previous year: € 1.1 million) was recognized at the holding company. Income from investments of € 1.8 million (previous year: € 0) were to be recognized from the equal-phase revenue recognition of SUSS MicroTec Photomask Equipment GmbH & Co. KG. In addition, the holding company generated investment income of approximately € 0.7 million from a dividend distribution of SUSS MicroTec (Taiwan) Company Ltd., Hsin Chu (Taiwan).

Income from loans from financial investments included interest income for long-term loans that were granted to the subsidiaries SUSS MicroTec Photonic Systems Inc. (Corona, USA) and SUSS MicroTec KK (Yokohama, Japan).

Financial investments were written down by € 16.9 million (previous year: € 6.9 million). Of this amount, € 1.2 million related to the investment in SUSS MicroTec, Inc. (Corona, USA) and € 14.1 million and € 1.7 million, respectively, related to loans granted to SUSS MicroTec Photonic Systems Inc. (Corona, USA) and SUSS MicroTec KK (Yokohama, Japan).

In the previous year, SUSS MicroTec AG generated a gain of € 7.6 million from the repayment of the shareholder loan, which was previously granted to SUSS MicroTec Photomask Equipment GmbH & Co. KG.

Interest expense increased in the fiscal year slightly by € 0.1 million, which was primarily attributable to higher interest for affiliated companies.

SUSS MicroTec AG had an average of 18 employees in the 2015 fiscal year (previous year: 19).

The short and medium-term development of SUSS MicroTec AG mainly depends on how the financial and earnings position of important subsidiaries develops. The financial and earnings position of the subsidiaries is critical for the level of the interest-bearing net financing balance of the holding company and the distribution and transfer of profits to the proprietary company. In addition, earnings are influenced by foreign currency effects that result primarily from changes in the exchange rates of US\$ and JPY.

The course of business, the situation, and the expected development with its major opportunities and risks of SUSS MicroTec AG as the holding company do not differ fundamentally from the Group. But the financial statements of SUSS MicroTec AG are influenced by valuation effects of financial assets.

Sustainability

For more than sixty years, SUSS MicroTec has been active in the manufacture of equipment and the development of process solutions for micro-patterning applications. In our fast-paced business environment characterized by short innovation cycles, it is always necessary to develop new solutions for the customers. Nevertheless, ecological and economic thinking are not mutually exclusive. Sustainability is an important success factor, which has a very high priority for us. As a technology leader and driver of innovation, we consider ourselves committed not only to first-class products, but also to sustainability. In management decisions, it is always necessary to bring the social, ecological, and economic aspects into harmony. We strive for a fair and socially responsible interaction with customers, employees, and competitors.

In addition, we also apply the same high standards to suppliers and business partners. We are committed to sustainable economic development and in the coming pages we would like to give the readers an overview of our activities regarding sustainable corporate development. You can find more information on this topic on the internet at ► www.suss.com ► **Company** ► **Quality Management** ► **Sustainability**.

COMPLIANCE

Each employee bears responsibility for our Company's image and for ensuring that we meet our social responsibility. In addition, our self-image encompasses the integration of all employees, without regard to age, background, gender, disability, or religion. The Code of Conduct stipulates rules for SUSS MicroTec employees in their interaction with customers, suppliers, and other business partners as well as interaction with other employees. It should help to cope with the numerous legal and ethical challenges encountered in day-to-day work, create clarity, and thus strengthen trust in the performance and integrity of the SUSS MicroTec Group. The employees commit themselves to abide by the Code of Conduct and compliance rules. Since the 2014 fiscal year, we have installed a web-based whistle-blowing system for possible compliance violations. The notifications are sent directly to the legal department by email either anonymously or by name on a voluntary basis.

In the 2015 fiscal year, we completely revised the Code of Conduct and our Compliance Handbook. In the 2016 fiscal year, we will intensify our focus on the topic of compliance and will also conduct mandatory training sessions for our employees.

QUALITY MANAGEMENT

SUSS MicroTec's leading technology position in the Lithography, Photomask Equipment, Substrate Bonder, and Micro-optics divisions is rooted in a strong commitment to complying with the highest quality standards. Our quality goals are based on sustainable customer trust, respect for our customers, partnerships, and motivated employees. SUSS MicroTec provides high-quality products and services as well as innovative solutions. All SUSS MicroTec divisions share our commitment to the highest quality. Our processes are based on an effective quality management system, which is ISO 9001-certified for the production sites in Germany and Switzerland and is constantly being improved.

ENVIRONMENTAL RESPONSIBILITY

ISO 14001 Certification

Since 1996, the ISO 14001 standard has established a basis for the construction, introduction, monitoring, and refinement of environmental management systems. It sets out corresponding requirements, which are applicable to organizations of all types and sizes as well as to different geographic, cultural, and social conditions. The overarching goal is to promote environmental protection and to reduce environmental harm – in harmony with economic, social, and political requirements. ISO 14001 is simultaneously the basis for the certification of environmental management systems.

Within the framework of environmental management, we have already been intensively involved in preparations for ISO 14001:2015 certification at SUSS MicroTec since 2014. In the past fiscal year, preparations were made for both the system analysis and documentation of the preliminary examination. We are currently in the preparation phase for actual ISO certification, which should be successfully completed in the 2016 fiscal year. Through this certification, we would like to exhibit an internationally recognized environmental management system. Moreover, during and prior to the actual certification process weak points are frequently discovered in the environmental management system. In addition, streamlining opportunities are discovered that we would like to exploit to the advantage of the Company and its employees. We will be able to report more about this topic in the 2016 Annual Report.

General Refurbishment of our Tools

Our employees take great care constructing our tools, which are frequently designed for a long service life. A useful life of up to 15 years or longer is not uncommon – and demonstrates outstanding efficiency. Year after year, SUSS MicroTec equipment displays its quality, reliability, and durability. With our subsidiary SUSS MicroTec REMAN, we offer our customers the opportunity to obtain used tools that we have carefully refurbished at a favorable price. In this manner, we ease pressure on the procurement budgets of our customers, extend the useful lives of used tools, and conserve valuable resources. SUSS MicroTec REMAN has made a contribution to the success of the Company for many years.

Handling of Chemicals

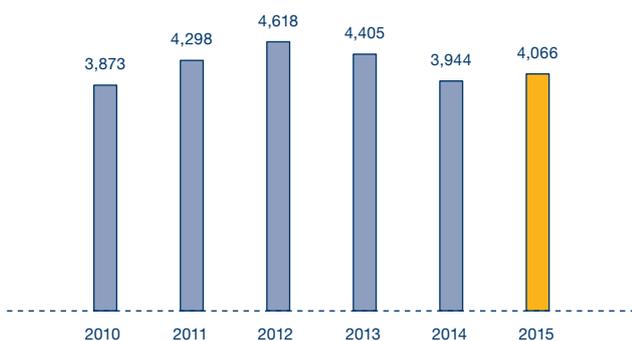
The careful handling of chemicals plays an important role, particularly with our coaters and developers. The continuous improvement of our tools regarding the use of wet chemicals is an important goal of our corporate development work. However, a certain use of wet chemistry has been absolutely necessary for semiconductor production processes until now.

In the Garching applications laboratory, where test runs of our tools are conducted, we have therefore installed neutralization equipment for effluent treatment, which adjusts the pH-value of various chemicals to an acceptable level.

As a specialty tool manufacturer in the semiconductor sector, we have products on the market that make a significant contribution to the manufacturing of energy-efficient finished products and the reduction of CO₂ emissions. An example of this is the production of energy-saving light-emitting diodes (LED). With MA100/150e Gen2 we offer a mask aligner platform specially for the processing of sensitive compound semiconductors, such as ultra-bright LEDs (UBH).

In addition, many components (e.g. high-performance ICs) manufactured in part using our tools are used in industrial applications for renewable energy, such as wind and solar power. But the improvements of the ecological properties and environmental impact of our products are themselves an important part of our development work. Therefore, we are attaching increasing importance to minimizing the use of chemicals and hazardous processing materials as much as possible during the manufacturing process and the operation of our tools. For coating and developing as well as photomask equipment, innovative process management and sophisticated tool design make it possible to reduce the consumption of materials used. This saves our customers cash and spares the environment.

Electricity Consumption in Sternenfels and Garching in MWh



EMPLOYEES

The employees and their expertise are a significant part of the Company's value. Our business is characterized by internationality, global positioning, and cultural diversity. We have employees distributed around the globe in development, production, administration, sales, and service, who constitute an important network for the exchange of knowledge across locations as well as intercultural collaboration. We work in flat hierarchies with short decision-making processes, and enable our employees to play an active role and to develop in accordance with their abilities and preferences. After all, the motivation, knowledge, and flexibility of our employees are important prerequisites for the long-term success of the Company.

As of the end of the 2015 fiscal year, the Group had 698 employees (previous year: 659). In the entire Company, 26 apprentices were employed in commercial and technical areas as of December 31, 2015 (2014: 32). The Company has collaborated with universities and research institutes for many years to bring the SUSS MicroTec name to the attention of talented graduates and up-and-coming talent as early as possible in order to ensure the successful existence of the Company.

We respect personal dignity, privacy, and the personal rights of each individual. We are particularly interested in the safety and well-being of our employees. A safe and healthy work environment enhances both productivity and the work atmosphere in the Company. As stated in our declaration on the environment, health, and safety (www.suss.com ► [Company](#) ► [Quality Management](#) ► [Environmental Responsibility](#)), there are special programs designed to meet the highest standards in terms of safety. We maintain detailed statistics about workplace accidents and analyze them regularly.

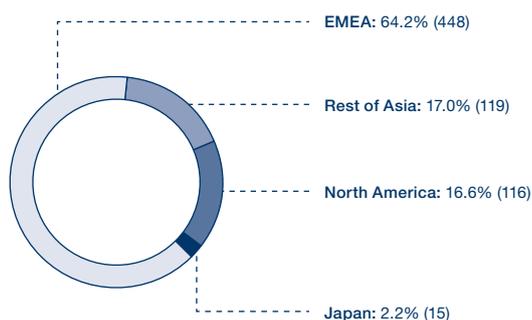
In the 2015 fiscal year, a mobile for-fee massage service was tested for the first time at the Garching site. It generated a very positive response in the Company. Beginning in the 2016 fiscal year, this service will be regularly available to our employees every two weeks.

The collaboration of our employees worldwide and our interactions with customers and business partners are characterized by mutual respect, acting with integrity, and compliance with ethical guidelines and laws. In order to cope with the numerous legal and ethical challenges encountered in day-to-day work, create clarity, and thus strengthen trust in the performance and integrity of the SUSS MicroTec Group, we have adopted a Code of Conduct and compliance with it is mandatory for all employees.

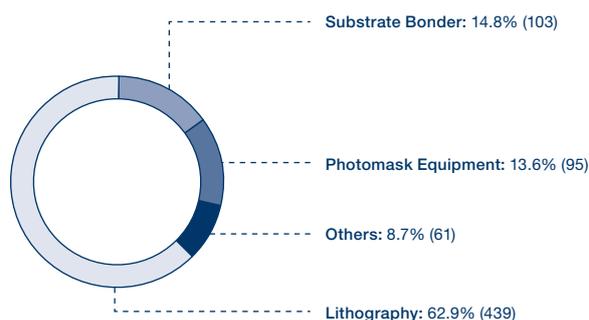
As a result of the law for the equal participation of women and men in management positions in the private and public sectors (Section 76 (4) and Section 111 (5) of the German Stock Corporation Law (AktG)), which went into effect in May 2015, certain companies are obligated for the first time to set targets for the share of women in both the Supervisory Board and the Management Board and at the next two management levels. In addition, a deadline must be set for achieving the respective share of women.

For the first and second management levels below the Management Board, the Management Board of SUSS MicroTec AG has set a target of 20% and an implementation deadline of June 30, 2017. The target for the first management level means an increase in the female share, which is currently 18%. Similarly, the target for the second management level means an increase from the current 14%. The implementation deadline satisfies the guidelines for the initial setting of an implementation deadline.

Employees by Region 2015



Employees by Division 2015

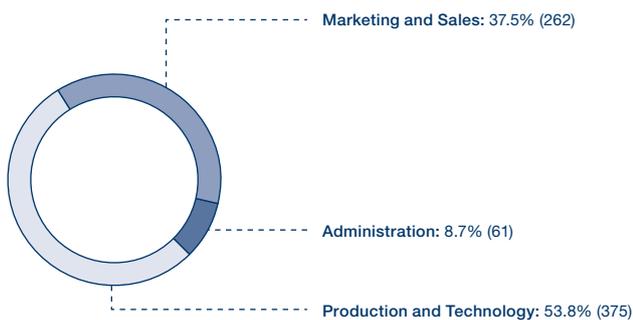


CUSTOMER RELATIONS

We attach tremendous importance to maintaining high ethical standards in our interactions with employees, customers, and business partners. We believe that this can make a decisive contribution to the success of the Company. This includes the proper handling of inside information, the intellectual property of employees, and the confidential information of customers and suppliers.

Our customers include well-known integrated device manufacturers (IDM) from around the world and numerous customers in the area of outsourced assembly and test (OSAT). In addition, we have worked very successfully with leading universities and research institutes both in Germany and abroad for many years. In terms of the development of new and innovative technologies, tools, and solutions, we also enter into partnerships and collaborations with other industrial companies.

Employees by Area 2015



Disclosures of Takeover Provisions in Accordance with Section 289 (4) German Commercial Code (HGB) and Section 315 (4) HGB

1. Composition of subscribed capital

As of December 31, 2015, the subscribed capital of the Company totaled € 19,115,538.00 (previous year: € 19,115,538.00). The equity capital is divided into 19,115,538 (previous year: 19,115,538) registered, no-par-value individual shares representing a pro rata amount of € 1.00 per share. The shares are fully paid in.

The same rights and obligations apply to all shares. Each share confers one vote at the Shareholders' Meeting and determines the shareholder's portion of the Company's profits. The shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Law (AktG), in particular by Sections 12, 53a et seq., 118 et seq., and 186 AktG.

In accordance with Section 67 (2) AktG, a shareholder in relation to the Company is only someone who is entered as such in the share registry. Shareholders must provide the Company with the information necessary to be included in the share registry.

2. Restrictions with regard to voting rights or the transfer of shares

There are no restrictions with regard to voting rights or the transfer of shares, as stipulated by the articles of incorporation. We are also not aware of the existence of such agreements between shareholders.

3. Investments in capital that exceed 10% of the voting rights

Direct or indirect investments in capital that reach or exceed 10% of the voting rights have not been reported to us and are also not known to us.

4. Shares with extraordinary rights that grant controlling authority

Shares with extraordinary rights that grant controlling authority do not exist.

5. The nature of voting rights control when employees have a stake in the Company's capital and do not exercise their control rights directly

When SUSS MicroTec AG issues shares to its employees through the employee stock program, the shares are directly transferred to the employees. The beneficiary employees who hold shares of employee stock may exercise their control rights in the same way as any other shareholder directly in accordance with applicable laws and the articles of incorporation.

6. Legal provisions and rules in the articles of incorporation for appointing and dismissing members to the Management Board as well as making changes to the articles of incorporation

The appointment and dismissal of members of the Management Board are stipulated in Sections 84 and 85 AktG. Accordingly, Management Board members may be appointed by the Supervisory Board for a maximum period of five years. A reappointment or extension of their terms is permitted for a maximum of five years. The Supervisory Board decides on the appointment and dismissal of Management Board members with a simple majority vote.

The Management Board consists of at least two persons, whereby the number of Management Board members is determined by the Supervisory Board, in accordance with Section 7 (1) of the articles of incorporation. The Supervisory Board may appoint a member of the Management Board as the Chairman or Spokesman of the Management Board as well as a Deputy Chairman or Spokesman of the Management Board, in accordance with Section 84 AktG and Section 7 (2) of the articles of incorporation.

If a required member of the Management Board is absent, in urgent cases the member can be legally summoned upon petition by a concerned party, in accordance with Section 85 AktG. The Supervisory Board may revoke the appointment of a Management Board member and the nomination of the Chairman of the Management Board for good cause, in accordance with Section 84 (3) AktG.

Changes to the articles of incorporation require a resolution by the Shareholders' Meeting, in accordance with Section 179 AktG. The authority to make changes which pertain to the wording only is delegated to the Supervisory Board, in accordance with Section 17 (3) of the articles of incorporation.

Resolutions of the Shareholders' Meeting that change the articles of incorporation require a simple majority of the votes cast and a simple majority of the equity capital represented during the resolution, in accordance with Sections 133 and 179 AktG in conjunction with Section 26 (1) of the articles of incorporation, as long as the law does not prescribe a larger majority.

7. Authority of the Management Board to issue or buy back shares

The Management Board is authorized to increase the Company's equity capital in the period through June 21, 2016 one or more times by up to a total of € 6,500,000.00 through the issuance of up to 6,500,000 new individual share certificates for cash contributions with the approval of the Supervisory Board. The Management Board is also authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board and under certain conditions.

Furthermore, the Management Board is authorized to increase the Company's equity capital in the period through June 18, 2018, one or more times by up to a total of € 2,500,000.00 through the issuance of up to 2,500,000 new registered share certificates for cash or non-cash contributions with the approval of the Supervisory Board. The Management Board is also authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board and under certain conditions.

In addition, the Management Board is authorized, with the approval of the Supervisory Board, to acquire by June 18, 2018, treasury shares of the Company up to a total of 10% of the equity capital existing at the time of the resolution in the amount of € 19,115,538.00. At no time may more than 10% of the equity capital accrue to the acquired shares together with other treasury shares, which are owned by the Company or are attributable to it, in accordance with Sections 71 a et seq. of the German Stock Corporation Law (AktG). The authorization may not be utilized for the purpose of trading in treasury shares. The acquisition may occur after the election of the Management Board via the stock exchange or by means of a public tender offer directed to all shareholders or of a public invitation to all shareholders to submit an offer for sale. The Management Board is authorized, with the approval of the Supervisory Board, to use the treasury shares acquired on the basis of this authorization for any legal purpose.

8. Significant agreements on the part of the Company subject to the condition of a change of control resulting from a corporate takeover bid

With each of the banks of the consortium, there is a bilateral credit relationship with a common pool of collateral. These relationships have different structures and conditions. One credit relationship contains a right to extraordinary cancellation if there is a change of control and the parties have not reached a timely agreement regarding proceeding under possibly different conditions, for example with respect to interest, security, or other arrangements.

There are no other significant agreements on the part of SUSS MicroTec AG subject to the condition of a change of control resulting from a corporate takeover bid.

9. Compensation agreement of the Company with Management Board members or employees in the event of a corporate takeover bid

No compensation or similar agreements exist with employees or members of the Management Board in the event of a corporate takeover bid.

In summary, no special rules exist with regard to the voting rights tied to shares or any control options resulting from this, either through the establishment of special stock categories or through restrictions on voting rights or transfers. There are no provisions extending beyond the legal regulations regarding the appointment or dismissal of members of the Management Board. Important business fields or activities of SUSS MicroTec AG may not be discontinued due to existing change of control clauses in the event of a takeover bid.

Corporate Governance Declaration in Accordance with Section 289a of the German Commercial Code (HGB)

On March 3, 2016, the Management Board and Supervisory Board of SUSS MicroTec AG issued a joint declaration regarding corporate governance in accordance with Section 289a of the German Commercial Code (HGB) and made it available on the Company's website at ► <http://ir.suss.com/websites/suess/English/2010/declaration-on-corporate-governance.html>.

Corporate Governance Declaration

RELEVANT INFORMATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289A OF THE GERMAN COMMERCIAL CODE (HGB)

The declaration regarding corporate governance in accordance with Section 289a of the German Commercial Code (HGB) is part of the condensed Management Report. In accordance with Section 317 (2) (4) HGB, the statements in accordance with Section 289a are not included in the audit; in this way, it should merely be determined in the course of the audit whether these statements were made. The corporate governance declaration contains the declaration of compliance, information on corporate governance practices, and a description of the working procedures of the Management Board and the Supervisory Board. In this manner, we are pursuing the goal of presenting corporate governance clearly and succinctly.

DECLARATION OF COMPLIANCE AND REPORTING ON CORPORATE GOVERNANCE

In accordance with Section 161 of the German Stock Corporation Law (AktG), the Management Board and Supervisory Board of a listed German stock corporation are required to declare at least once per year whether it has complied or will continue to comply with the German Corporate Governance Code and which recommendations of the Code have not been or will not be implemented and why not. Based on extensive consultation, the Management Board and Supervisory Board declared on January 7, 2016, that the Company has complied and will continue to comply with the recommendations of the German Corporate Governance Code in the version from May 5, 2015, with the following exceptions – a deductible for D&O insurance,

vertical remuneration comparison, pension commitments, the creation of committees, and a term limit for membership in the Supervisory Board.

The wording of the current declaration of compliance as well as of all previous declarations regarding the Code are published on the Company's website at ► www.suss.com ► [Investor Relations](#) ► [Corporate Governance](#) ► [Declaration of Compliance](#).

COMPLIANCE

As an international entity, SUSS MicroTec is obligated to gain and retain the trust of customers and business partners via impeccable conduct. SUSS MicroTec regards it as an essential management responsibility to observe laws, regulations, internal corporate policies, and voluntary commitments as well as to see to it that Group companies observe them as well.

Code of Conduct

In order to ensure consistent exemplary behavior and conduct, a Code of Conduct has been devised for the entire Group. It applies to all Group employees equally and should serve as guidance for everyone. The Code of Conduct defines minimum standards and sets out guidelines for employees to help them handle and overcome ethical and legal challenges that might arise in their everyday work. Infractions will be investigated consistently and their causes remedied in the interest of all employees.

Compliance Handbook

In addition, the Group-wide compliance program is supplemented by the Compliance Handbook, various procedural regulations, and Company bylaws applicable to particular bodies. The Compliance Handbook is addressed to all Group employees for the purpose of ensuring proper and consistent conduct in the handling of confidential corporate data. In particular, it explains legal requirements prohibiting market manipulation and insider dealing. Individuals who work for SUSS MicroTec and in accordance with regulations have access to insider information in order to perform their duties at SUSS MicroTec are added to an insider list in accordance with the provisions of the German Securities Trading Law (WpHG). These individuals are notified of their consequent legal obligations as well as the legal

consequences of violations. In addition, insider trading guidelines, which govern the trading in corporate securities by officers and employees within specified time frames, elaborate upon legal provisions prohibiting insider dealings.

WORKING PROCEDURES OF THE MANAGEMENT AND SUPERVISORY BOARDS

As a German corporation (“AG”), SUSS MicroTec is subject to German stock corporation law and, therefore, has a dual management and control structure, which is exercised by the members of the Management and Supervisory Boards. The corporate management of SUSS MicroTec AG is defined by close and constructive cooperation between the Management and Supervisory Boards. Both Boards work together closely in the interest of the Company and with the common goal of increasing the enterprise value over the long term. The work of the Management and Supervisory Boards is subject to their respective bylaws.

SUPERVISORY BOARD

The Supervisory Board monitors and consults the Management Board with regard to the management of the Company and appoints the members of the Management Board. At regular intervals, the Supervisory Board discusses business development and planning as well as strategy and its implementation. It examines quarterly and interim reports and approves the annual financial statements of SUSS MicroTec AG and the Group, taking into account the reports from the auditor. Its responsibilities also include monitoring the Company’s compliance with legal provisions, government regulations, and internal corporate policies. Significant business events – for example, acquisitions, divestments, and financial transactions – require its approval. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings, and looks after the body’s interests externally. The Supervisory Board of SUSS MicroTec AG is not co-determined.

In accordance with the articles of incorporation, SUSS MicroTec AG’s Supervisory Board consists of three members. As the German Corporate Governance Code recommends, the Supervisory Board has, in its judgment, an appropriate number of independent members. In particular, only one former member of the Management Board belongs to the Supervisory Board (this being Dr. Stefan Reineck) so that the impartial consultation and monitoring of the Management Board is assured. The Supervisory Board’s term of office is five years. The current term ends upon conclusion of the ordinary Shareholders’ Meeting in 2017.

Contrary to the recommendations of the Code, SUSS MicroTec AG’s Supervisory Board is refraining from creating committees. Instead, the Supervisory Board, which has consisted of

three members since June 2008, believes that the creation of committees would unnecessarily make cooperation and decision-making more difficult.

MANAGEMENT BOARD

SUSS MicroTec AG’s Management Board currently consists of three members. The members of the Management Board bear joint responsibility for management activities and decide on fundamental issues of business policy as well as annual and multi-year planning. They develop the Company’s strategy, coordinate this with the Supervisory Board, and ensure that it is carried out. The Management Board informs the Supervisory Board about business policy and all relevant issues related to planning, business development, risk position, risk management, and compliance on a regular, prompt, and comprehensive basis.

In addition, the Management Board is responsible for preparing the Company’s quarterly and interim financial statements, SUSS MicroTec AG’s annual financial statements, and the consolidated financial statements. Furthermore, the Management Board sees to the observance of legal provisions, government regulations, and internal corporate policies and acts to ensure compliance by Group companies.

REMUNERATION OF THE SUPERVISORY AND MANAGEMENT BOARDS

SUSS MicroTec AG complies with the recommendations of the German Corporate Governance Code to disclose remuneration of Management and Supervisory Board members on an individualized basis. The elements of the remuneration system are presented in the Remuneration Report, which is part of the condensed Management Report. In view of the “vertical remuneration structure” targeted by the Corporate Governance Code, SUSS MicroTec AG declares a deviation from the Code as a precaution since the Supervisory Board is of the opinion that determining senior management and the relevant staff, taking the trend over time into account, can lead in practice to substantial legal uncertainties.

DIRECTORS’ DEALINGS

Individuals who exercise management responsibilities at SUSS MicroTec AG, including in particular the members of the Management Board and the Supervisory Board, are legally obligated in accordance with Section 15a of the German Securities Trading Law (WpHG) to disclose their own transactions with shares of SUSS MicroTec AG or corresponding financial instruments, particularly derivatives, insofar as the value of the transactions that a member of the Company and persons associated with him/her has carried out within the calendar year does not reach € 5,000 by the end of the calendar year.

All securities transactions requiring disclosure have been published in accordance with legal regulations and can be viewed by the general public on the Company's website at ► www.suss.com ► **Investor Relations** ► **Share** ► **Directors' Dealings**. Members of the Management and Supervisory Boards hold 0.16% (31,100 out of 19,115,538 voting rights) of SUSS MicroTec AG's equity capital.

SETTING TARGETS TO PROMOTE THE PARTICIPATION OF WOMEN IN LEADERSHIP POSITIONS

As a result of the law for the equal participation of women and men in management positions in the private and public sectors (Section 76 (4) and Section 111 (5) of the German Stock Corporation Law (AktG)), which went into effect on May 1, 2015, listed companies like SUSS MicroTec were obligated for the first time, inter alia, to set targets for the share of women in both the Supervisory Board and the Management Board and at the next two management levels. In addition, a deadline had to be set for achieving the respective target.

In order to implement the aforementioned obligation, on September 7, 2015, the Supervisory Board of SUSS MicroTec AG decided to set a target of 0% for the female share in the Supervisory Board of SUSS MicroTec AG. This represents a continuation of the status quo, meaning that it is not necessary to set a deadline for achieving the aforementioned target.

On September 7, 2015, the Supervisory Board of SUSS MicroTec AG decided to set a target of 0% for the female share in the Management Board of SUSS MicroTec AG. This represents a continuation of the status quo, meaning that it is also not necessary to set a deadline for achieving the aforementioned target in this respect.

For both the first and second management levels below the Management Board, on September 2, 2015, the Management Board of SUSS MicroTec AG set a target of 20% and an implementation deadline of June 30, 2017. The target for the first management level means an increase in the female share, which at the time of the resolution was 18%. The target for the second management level similarly means an increase, since the female share at the time of the resolution was 14%. The implementation deadline satisfies the guidelines for the initial setting of an implementation deadline. As of December 31, 2015, the female share at the first management level remained 18%, while the female share at the second management level was 14%.

SHAREHOLDERS AND THE SHAREHOLDERS' MEETING

SUSS MicroTec AG's shareholders exercise their co-determination and supervisory rights at the Shareholders' Meeting, which occurs at least once a year. Each SUSS MicroTec share entitles the holder to one vote. All documents required for decision-making have been published on the Company's website in accordance with regulations on shareholder rights. Copies can also be requested from the Company.

Every shareholder who is entered into the share register and registers on time is entitled to participate in the Shareholders' Meeting and exercise his or her voting rights. Shareholders who cannot personally participate in the Shareholders' Meeting have the option of having their voting right exercised by a financial institution, a shareholder association, a voting rights representative appointed by the Company, or by a proxy of their choice. Instructions for exercising voting rights can be issued in writing prior to the Shareholders' Meeting or at the meeting directly on site.

ACCOUNTING AND ANNUAL AUDIT

SUSS MicroTec prepares its consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS) as applied in the European Union for listed companies. The consolidated financial statements are prepared by the Management Board, audited by the auditor, and approved by the Supervisory Board. The separate financial statements for SUSS MicroTec AG are prepared according to the provisions of the German Commercial Code (HGB), audited by the auditors, and approved by the Supervisory Board.

On June 2, 2015, the Shareholders' Meeting appointed BDO AG Wirtschaftsprüfungsgesellschaft headquartered in Hamburg, with an office in Munich, as auditors and Group auditors of SUSS MicroTec AG for the 2015 fiscal year. The auditor has demonstrated its impartiality to the Supervisory Board in a declaration of impartiality. Furthermore, the auditor agreed to inform the Supervisory Board of all material findings and circumstances that arise while conducting the audit.

RISK MANAGEMENT

Dealing with business risks responsibly is one of the principles of good corporate governance. A risk management system has long been a component of corporate management at SUSS MicroTec for the purpose of recognizing and controlling risks as well as for meeting legal requirements. This system is reviewed once a year during the audit of the annual financial statements.

The organization of risk management is geared toward the functional and hierarchical structure of the Group. Upon introduction of the risk management system, a risk management officer, who reports directly to the Management Board every three months, was appointed. For its part, the Management Board regularly informs the Supervisory Board about existing risks and their development.

Details about risk management at the SUSS MicroTec Group are presented in the Risk Report, which is part of the Management Report. In accordance with the German Accounting Law Modernization Act (BilMoG), the Risk Report includes a report on the accounting-related internal control and risk management system.

TRANSPARENCY

SUSS MicroTec informs shareholders, analysts, shareholder associations, members of the media, and any interested members of the general public regularly and promptly about the Group's current business developments and position. Various target groups are treated equally and informed simultaneously. In addition, all information relevant to the capital markets is published and can be viewed by the general public on the Company's website. Important recurring events are compiled in the Company's financial calendar. The calendar is published sufficiently far in advance and can be viewed at the Company's website at ► www.suss.com ► [Investor Relations](#) ► [Financial Calendar](#).

Remuneration Report

Remuneration of the Management Board

SUSS MicroTec has already been disclosing the remuneration of the Management Board members on an individualized basis for many years. The objective of SUSS MicroTec's remuneration system for the Management Board is to incentivize long-term and sustainable corporate governance. Special performance should be rewarded with special remuneration. However, the failure to achieve objectives must lead to a tangible reduction in remuneration. In addition, remuneration must be oriented toward the size and economic position of the Company. The overall remuneration of members of the Management Board consists of remuneration components both independent of performance as well as based on performance.

The Supervisory Board is responsible for setting the remuneration of Management Board members. The full council of the Supervisory Board determines and monitors the remuneration system for the Management Board on a regular basis and finalizes the Management Board contracts.

The Supervisory Board has taken up the matter of aligning Management Board remuneration with sustainable corporate governance in detail. An external remuneration specialist was also consulted.

FIXED REMUNERATION

The amount of fixed pay is determined first and foremost by the roles and responsibilities assigned. The remuneration components independent of performance consist of the base salary and fringe benefits in the form of a company car and allowances for health insurance and voluntary retirement insurance. In addition, employer pension commitments (retirement, disability, and widow's pension) in the form of direct insurance have been made to individual members of the Management Board (endowment insurance).

PERFORMANCE-BASED REMUNERATION

Performance-based remuneration consists of variable remuneration.

VARIABLE REMUNERATION

Since January 1, 2012, variable remuneration may amount to a maximum of 150% of the fixed remuneration at the beginning of the respective fiscal year. In the 2015 fiscal year, this provision applies to Mr. Knopp and Mr. Braun. For Mr. Hansson,

variable remuneration may amount to a maximum of 110% of the fixed remuneration at the beginning of the respective fiscal year. This provision also applies in future fiscal years. Effective January 1, 2016, variable remuneration for Mr. Knopp and Mr. Braun may amount to a maximum of 100% of the fixed remuneration at the beginning of the respective fiscal year.

Of the variable remuneration, 70% is determined according to annual targets, while the remaining 30% is determined according to multi-year targets. Since Mr. Hansson received a guaranteed bonus for the 2015 fiscal year, no annual or multi-year targets were set for him.

VARIABLE REMUNERATION BASED ON ANNUAL TARGETS (VARIABLE REMUNERATION A)

The Supervisory Board sets annual targets (order entry, sales, EBITDA, and free cash flow) one fiscal year at a time. If only 70% or less of these targets is achieved, this remuneration component is not received. The maximum amount is received when 130% of the target is achieved. If the achievement of a given target is between 70% and 130%, the variable remuneration is calculated proportionally to the amount achieved.

Remuneration based on annual targets is determined annually. In the interest of promoting long-term corporate development, the Management Board members are permanently entitled to only half of variable remuneration A. As for the other half of the amount payable (the qualified half), the Management Board member is obligated to acquire Company shares during the first trading window after payment of the amount payable and to hold them in a registered account in their name for a lock-up period of three years, commencing on the last day of the trading window in which the shares were acquired.

VARIABLE REMUNERATION BASED ON MULTI-YEAR TARGETS (VARIABLE REMUNERATION B)

30% of the variable remuneration applies to multi-year targets, which are, as a rule, are set for a period of three fiscal years.

Multi-year targets were set for the first time for the 2010 to 2012 fiscal years. For the 2013 to 2015 fiscal years, renewed multi-year targets for three fiscal years were set in advance, whereby they may differ according to the function and area of responsibility of the Management Board member. The current multi-year targets relate to the achievement of established EBIT margins or the milestones of development projects in defined time

periods. If only 70% or less of these targets is achieved, this remuneration component is not received. The maximum amount is received when 150% of the target is achieved. If the achievement of a given target is between 70% and 150%, the variable remuneration is calculated proportionally to the amount achieved. Variable remuneration B, which is based on multi-year targets, is determined annually and is completely paid out in the respective fiscal year.

SEVERANCE PAYMENTS

In Management Board contracts, a compensation payment has been earmarked for cases where the term of a member of the Management Board ends prematurely and without significant cause. This is limited to no more than two years of compensation including fringe benefits (severance payment cap) and compensates for no more than the remaining term of the employment contract. The Management Board contracts do not include approval for benefits arising from the premature termination of the Management Board function as a result of a change of control (change of control rule).

REMUNERATION OF THE MANAGEMENT BOARD

The tables presented below on Management Board remuneration comply with the German Corporate Governance Code. The fixed remuneration and fringe benefits are geared to the agreed upon fixed amount. For variable remuneration both a target value for reaching 100% and the achievable minimum and maximum remuneration are stipulated.

The yearly bonuses for Mr. Braun come to at least € 35,625.00 for the fiscal years 2014 and 2015. For the 2015 fiscal year, Mr. Hansson is to receive a guaranteed bonus of € 186,667.00.

AMOUNT OF MANAGEMENT BOARD REMUNERATION

The following tables (“Granted Benefits” and “Inflow”) show the compensation for the fiscal years 2015 and 2014 per Management Board member according to the requirements of the German Corporate Governance Code Number 4.2.5 (3). The statements previously contained in the “Management Board Compensation” table according to Section 314 German Commercial Code (HGB) are now shown in the “Inflow” table.

Targeted remuneration of the Management Board according to the German Corporate Governance Code:

in €	Dr. Per-Ove Hansson Chief Executive Officer (CEO) since 05/01/2015			
	2014	2015 (100%)	2015 (min.)	2015 (max.)
Granted contributions				
Fixed remuneration	–	233,336.00	233,336.00	233,336.00
Signing bonus ¹	–	100,000.00	100,000.00	100,000.00
Ancillary benefits (fix) ²	–	44,850.10	44,850.10	44,850.10
Pension expenses ³	–	–	–	–
Total	–	378,186.10	378,186.10	378,186.10
One-year variable remuneration (A) ⁴	–	130,666.90	130,666.90	130,666.90
thereof variable share component ⁵	–	65,333.45	65,333.45	65,333.45
Multi-year variable remuneration (B) (2013–2015)	–	56,000.10	56,000.10	56,000.10
Total	–	564,853.10	564,853.10	564,853.10
Service cost	–	–	–	–
Total remuneration	–	564,853.10	564,853.10	564,853.10

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

Michael Knopp
Chief Financial Officer (CFO)

in €

Granted contributions	2014	2015 (100%)	2015 (min.)	2015 (max.)
Fixed remuneration	251,254.00	268,339.00	268,339.00	268,339.00
Signing bonus ¹	–	–	–	–
Ancillary benefits (fix) ²	21,502.56	21,646.08	21,646.08	21,646.08
Pension expenses ³	2,148.00	2,148.00	2,148.00	2,148.00
Total	274,904.56	292,133.08	292,133.08	292,133.08
One-year variable remuneration (A) ⁴	128,625.00	136,500.00	–	273,000.00
thereof variable share component ⁵	64,312.50	68,250.00	–	136,500.00
Multi-year variable remuneration (B) (2013–2015)	55,125.00	58,500.00	–	117,000.00
Total	458,654.56	487,133.08	292,133.08	682,133.08
Service cost	–	–	–	–
Total remuneration	458,654.56	487,133.08	292,133.08	682,133.08

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

Walter Braun
Chief Operating Officer (COO) since 07/01/2014

in €

Granted contributions	2014	2015 (100%)	2015 (min.)	2015 (max.)
Fixed remuneration	94,998.00	189,996.00	189,996.00	189,996.00
Signing bonus ¹	–	–	–	–
Ancillary benefits (fix) ²	9,993.66	20,093.88	20,093.88	20,093.88
Pension expenses ³	–	–	–	–
Total	104,991.66	210,089.88	210,089.88	210,089.88
One-year variable remuneration (A) ⁴	49,875.00	99,750.00	35,625.00	199,500.00
thereof variable share component ⁵	24,937.50	49,875.00	17,812.50	99,750.00
Multi-year variable remuneration (B) (2013–2015)	21,375.00	42,750.00	–	85,500.00
Total	176,241.66	352,589.88	245,714.88	495,089.88
Service cost	–	–	–	–
Total remuneration	176,241.66	352,589.88	245,714.88	495,089.88

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

Frank Averdung				
Chief Executive Officer (CEO) until 08/24/2014				
in €				
Granted contributions	2014	2015 (100%)	2015 (min.)	2015 (max.)
Fixed remuneration	330,000.00	–	–	–
Signing bonus ¹	–	–	–	–
Ancillary benefits (fix) ²	23,789.28	–	–	–
Pension expenses ³	2,148.00	–	–	–
Total	355,937.28	–	–	–
One-year variable remuneration (A) ⁴	173,250.00	–	–	–
thereof variable share component ⁵	86,625.00	–	–	–
Multi-year variable remuneration (B) (2013–2015)	74,250.00	–	–	–
Total	603,437.28	–	–	–
Service cost	–	–	–	–
Total remuneration	603,437.28	–	–	–

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

Inflow of Management Board remuneration according to the German Corporate Governance Code:

Dr. Per-Ove Hansson				
Chief Executive Officer (CEO) since 05/01/2015				
Michael Knopp				
Chief Financial Officer (CFO)				
in €				
Inflow	2014	2015	2014	2015
Fixed remuneration	–	233,336.00	251,254.00	268,339.00
Signing bonus ¹	–	100,000.00	–	–
Ancillary benefits (fix) ²	–	44,850.10	21,502.56	21,646.08
Pension expenses ³	–	–	2,148.00	2,148.00
Severance payment	–	–	–	–
Total	–	378,186.10	274,904.56	292,133.08
One-year variable remuneration (A) ⁴	–	130,666.90	191,758.96	252,429.75
thereof variable share component ⁵	–	65,333.45	95,879.48	126,214.87
Multi-year variable remuneration (B) (2013–2015)	–	56,000.10	104,107.89	–
Total	–	564,853.10	570,771.41	544,562.83
Service cost	–	–	–	–
Total remuneration	–	564,853.10	570,771.41	544,562.83

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

in €	Walter Braun Chief Operating Officer (COO) since 07/01/2014		Frank Averdung Chief Executive Officer (CEO) until 08/24/2014	
	2014	2015	2014	2015
Inflow				
Fixed remuneration	94,998.00	189,996.00	330,000.00	–
Signing bonus ¹	–	–	–	–
Ancillary benefits (fix) ²	9,993.66	20,093.88	23,789.28	–
Pension expenses ³	–	–	2,148.00	–
Severance payment	–	–	930,000.00	–
Total	104,991.66	210,089.88	1,285,937.28	–
One-year variable remuneration (A) ⁴	74,355.51	184,467.89	120,000.00	–
thereof variable share component ⁵	37,177.76	92,233.95	–	–
Multi-year variable remuneration (B) (2013–2015)	16,648.99	64,125.00	–	–
Total	195,996.16	458,682.77	1,405,937.28	–
Service cost	–	–	–	–
Total remuneration	195,996.16	458,682.77	1,405,937.28	–

¹ The signing bonus of € 200,000 is paid in two installments in May 2015 and May 2016.

² Includes: Allowance for optional retirement insurance
Monetary value of company car
Company share of legal or private health insurance
Allowance for moving and additional living expenses (limited to six months)

³ Expense for retirement benefits (direct insurance policy)

⁴ Variable remuneration (single-year and multi-year) maximum of 150% of fixed remuneration of the respective fiscal year

⁵ A lock-up period of three years applies to shares acquired through variable remuneration

PENSION PLANS

No pension provisions exist for members or former members of the Management Board.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is set out in Section 19 of the articles of incorporation of SUSS MicroTec AG. In addition to the reimbursement of their expenses and meeting attendance compensation of € 2,000.00 per meeting, each member of the Supervisory Board also receives a fixed remuneration based on the responsibilities and duties of the member. According to this, the Chairman of the Supervisory Board receives € 60,000.00, the Deputy Chairman receives € 50,000.00, and a regular member of the Supervisory Board receives € 45,000.00 per fiscal year as fixed remuneration. The members of the Supervisory Board have reimbursed the Company for the notional per capita share of the D&O insurance premium paid by the Company.

2015 in €	Remuneration	Attendance fee	Deduction for pro rata D&O insurance premium
Supervisory Board			
Dr. Stefan Reineck (Chairman of the Supervisory Board)	60,000.00	12,000.00	1,655.18
Jan Teichert (Deputy Chairman of the Supervisory Board)	50,000.00	12,000.00	827.59
Gerhard Pegam	45,000.00	12,000.00	551.73

2014 in €	Remuneration	Attendance fee	Deduction for pro rata D&O insurance premium
Supervisory Board			
Dr. Stefan Reineck (Chairman of the Supervisory Board)	45,000.00	13,500.00	1,914.82
Jan Teichert (Deputy Chairman of the Supervisory Board)	40,000.00	13,500.00	957.41
Gerhard Pegam	35,000.00	12,000.00	638.27

In the 2015 fiscal year, neither members of the Supervisory Board nor persons or companies affiliated with them received any remuneration or benefits for personal services, particularly consultation and placement services.

Subsequent Events

Report on Significant Events After the End of the Fiscal Year

There were no significant events after the reporting date that have had a material impact on the net assets, financial position and results of operations of the Group.

On January 28, 2016, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to §21 (1) WpHG (securities trading act) that on January 25, 2016, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, fell below the threshold of 5% and amounted on this day to 4.86%

(929,356 voting rights). Pursuant to Section 22 of the German Securities Trading Act WpHG, 4.86% (929,356 voting rights) are attributable to it.

On March 3, 2016, Dimensional Holdings Inc., Austin, Texas, USA, notified us pursuant to §21 (1) WpHG (securities trading act) that on February 25, 2016, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, rose above the threshold of 3% and amounted on this day to 3.004% (574,300 voting rights). Pursuant to Section 22 of the German Securities Trading Act WpHG, 3.004% (574,300 voting rights) are attributable to it.

Potential

Opportunities and Risks for the Future Development of the SUSS MicroTec Group

The goal of our opportunity and risk management is to maintain and increase the enterprise value of the SUSS MicroTec Group. Our corporate goals include the early and successful detection of opportunities, the identification and suitable assessment of the related risks, and an appropriate response. The diverse opportunities for our Group result from technology leadership in our businesses, our broad spectrum of products and solutions for the semiconductor equipment industry, collaborations with international customers and research institutes, and our global positioning.

We define opportunities and risks as follows:

- Opportunities are possible future developments or events that can lead to a deviation from forecasts or targets that is positive for the Group.
- Under risks, we understand possible future developments or events that can lead to a deviation from forecasts or targets that is negative for the Group.

The analysis and assessment of opportunities and risks for the Group is the subject of continuous deliberations by the Management Board and the management of the Group. On the basis of an opportunity-oriented, but simultaneously risk-conscious management, however, the Company's fundamental goal is not to avoid all potential risks. Instead, it constantly aims to achieve an optimum level of risk avoidance, risk reduction, and the controlled acceptance of risk. An awareness of risks should not interfere with the ability to identify risks and to use them for the benefit of the Company and its shareholders.

OPPORTUNITIES FOR THE GROUP

The global business activities of the SUSS MicroTec Group within a dynamic market environment open up new opportunities to support and advance the targeted growth of SUSS MicroTec. Therefore, the recognition and exploitation of these opportunities are among the essential components of our growth policy.

Macroeconomic Opportunities

SUSS MicroTec is represented worldwide with production, sales, and service subsidiaries and also cooperates with many external commercial partners. Its international presence offers the Group numerous opportunities to acquire new customers worldwide, to enter into new cooperative agreements, and to participate in the growth of industrial markets in the major and emerging economies.

Strategic Corporate Opportunities

SUSS MicroTec has set standards for the manufacturing of processing equipment for the semiconductor industry in terms of precision and quality. Continuous innovation and the capacity to always provide new solutions in a rapidly changing environment have made SUSS MicroTec a technology leader in the industry. These strengths, together with a solid financial backing, give the Group the opportunity to carry out promising development projects and enter into auspicious cooperative agreements in order to expand the product range further and to refine applications and technologies. The SUSS MicroTec Group maintains numerous development partnerships with research institutes and universities. In particular, cooperation with research institutes offers tremendous potential for SUSS MicroTec because they usually work very closely with our customers and are financed to a significant extent by these customers. New basic technologies are frequently developed in the laboratories of research institutes and only then find their way into industry. It is all the more important for a high-tech company like SUSS MicroTec to participate in the development of new technologies and processes from the beginning. This increases the chances of being able to offer tools and solutions later for industry on a large scale.

Along with the refinement of its own technologies, SUSS MicroTec fundamentally also sees the opportunity to expand the Company with new businesses and technologies through external acquisitions.

Sector and Market-Specific Opportunities

The markets in the semiconductor equipment industry served by SUSS MicroTec are subject to constant change, which is driven primarily by rapid developments in the area of information and communication technology. Thus, the ever increasing number of smartphones and tablet computers is a significant growth driver for manufacturers of these products. In 2015, 26.2 million smartphones were sold in Germany, an increase of 7.4% from the previous year. Sales in Germany rose even by 22% to € 10.3 billion, breaking the symbolic threshold of € 10 billion for the first time. This is according to the German Association for Information Technology, Telecommunications and New Media (BITKOM) based on current forecasts of the European Information Technology Observatory (EITO)¹. The smartphone boom will continue in 2016, according to the BITKOM forecasts. For Germany the sale of 28.2 million devices is projected, representing another increase of 7.5% from 2015.

Worldwide growth is also uninterrupted. In the fourth quarter of 2014, more than 300 million smartphones were sold worldwide for the first time. In the first three quarters of 2015, this growth trend continued – in all three quarters smartphone sales were well above the 300 million threshold².

In addition, technical advancements in smart devices led to rising sales. According to a survey conducted on behalf of the BITKOM digital association, smartphone users would like for their devices above all a longer battery life (63% of the respondents), a higher quality camera (36%), more storage capacity (35%), and more computing power (23%)³. Additional technical features displayed by more and more smartphones include a curved or flexible screen, a fingerprint sensor, and 3D capability for the camera. Smartphone sales in 2015 have shown that consumers are prepared to invest in performance and comfort. Thus, the average price for a smartphone in 2015 in Germany was € 395, whereas in the previous year an average of € 348 was spent for a smartphone.

The increasing demand for smartphones with complex components promotes the sales of various SUSS MicroTec products. Our mask aligners, coaters, and bonders are used by our customers to equip and connect chips with patterns and to manufacture the numerous sensors embedded in every smartphone. In addition, with UV bonding SUSS MicroTec supports two important processing steps, which are necessary for manufacturing wafer-level optics (WLO). Nearly all cameras embedded in cellular telephones and other mobile devices are comprised of a CMOS image sensor and wafer-level optics.

Important parts of the global semiconductor industry are focused on Asia. They include several large packaging houses (OSATs) as well as many of the globally operating manufacturers of storage media and MEMS components.

The strong market cycles in the semiconductor industry offer SUSS MicroTec – depending on the type of development – numerous new opportunities in the market, which could result in a sharp short-term increase in order entry and sales.

Our global network of sales employees, product engineers, and commercial partners is focused on fulfilling the sector and market-specific requirements of our customers worldwide. SUSS MicroTec is represented in the core markets of the semiconductor

¹ Source: press release of the BITKOM digital association dated February 16, 2016

² Source: Statista 2016

³ Source: press release of the BITKOM digital association dated February 22, 2016

equipment industry in Taiwan, China, Japan, and South Korea with its own subsidiaries. Our subsidiaries always maintain direct contact with our customers and thereby have the opportunity to observe current developments in the semiconductor markets immediately. As a result, SUSS MicroTec can respond quickly to emerging developments and adjust its applications accordingly.

In order to perceive developments in the markets quickly at all times, direct and regular contact with partners, customers, and potential new customers is very important to us. Therefore, SUSS MicroTec is represented at trade fairs for the semiconductor industry and sponsors international technology forums. For example, SUSS MicroTec presents its new developments routinely at the Semicon trade fairs, which are held annually at various sites worldwide. In addition, SUSS MicroTec presents its developments at smaller, local trade fairs. For example, in March 2015 the SUSS Technology Forum, at which innovations were presented to our customers in cooperation with various research institutes, was held in parallel to Semicon China. In Monterey (California, USA), SUSS MicroTec organized for the second time the SUSS Photomask Summit, in which managers and technologists from leading mask shops, device, material, and equipment manufacturers, and scientific consortia participated.

Through close cooperation with SEMI and numerous international research institutes, SUSS MicroTec can address a large audience. The international presence of SUSS MicroTec and the high level of recognition created by trade fairs and events make it possible for us to “keep our ear close to the market” and to respond quickly to technological progress and new developments.

Operational Opportunities

Lithography remains the SUSS MicroTec Group's largest sales generator and accounts for approximately two-thirds of total Group sales. With the mask aligner and coater / developer product lines, SUSS MicroTec has been represented successfully in the market for many years, servicing customers from various sectors and markets. The consistent sales volume and relatively stable margins of these two product lines ensure that the SUSS MicroTec Group can maintain a constant work load at the Garching and Sternenfels production sites and generate regular positive cash flows. With refinements and improvements of the technologies of these two product lines, we are consolidating our market position and ensuring that stable margins and cash flows still can be achieved with mask aligners and coater / developers in the future.

With the technologies gained from the acquisition of SUSS MicroTec Photonic Systems – UV projection lithography and laser processing – we have augmented and expanded our product portfolio in the Lithography division. In 2015 we recorded a large order from a leading semiconductor industry manufacturer for a notable number of DSC300 Gen2 projection scanners. Serial production of these tools is anticipated in the fan-out wafer-level packaging growth segment. The DSC300 Gen2 offers comparable capabilities with respect to resolution and overlay, combined with higher throughput and thus lower costs than conventional projection steppers. With this successful product and technology qualification, SUSS MicroTec was able to expand its leadership position in the advanced packaging area. If we succeed in persuading more customers to use our systems, we could also achieve additional substantial order volumes and sales with scanners in the coming years. Given correspondingly high quantities, sustainable positive margins could be reached in the future.

The Substrate Bonder division is divided into the two sub-areas of permanent and temporary bonding. In the area of temporary bonding, we were able to reinforce our market position in the area of TSV-based 3D memory chips by gaining a second Asian production customer for a portion of our tool solution. In the area of permanent bonding, a new semi-automated wafer bonder was developed and introduced to the market in the 2015 fiscal year. The semi-automated XB8 system, which is based on the control platform of the SB6/8 Gen2 wafer bonder developed in 2014, can process wafer sizes up to 200mm as well as various substrate sizes and types. Through the extensive innovations that we introduced in 2015 and will continue to roll out in the following years, we expect a significant expansion of our market position in the future, higher sales volumes, and long-term positive margins.

In the Photomask Equipment division, we have achieved high sales and high margins since the acquisition of SUSS MicroTec Photomask Equipment in 2010. Most of the sales involved a few individual orders, each of which had a very high order value of several million euros. Therefore, sales per fiscal year display large fluctuations. We view our market position in this segment as very secure and assume that we will be able to achieve large profits in the future. However, we expect that sharp fluctuations in sales per fiscal year will continue over the long term, which should have a corresponding effect on annual division earnings.

The business of SUSS MicroOptics S.A. (Hauterive, Switzerland) developed very positively in 2015 despite the strong Swiss franc. The micro-optics business was able to record sales increases of almost 34% in the past fiscal year compared to the previous year. In 2015, the newly installed cleanroom in the leased premises was fully usable for the first time. The new facilities enabled significantly higher production efficiency. This partially compensated for margin shrinkage caused by the unfavorable development of the rate of the Swiss franc. In the coming years we expect additional sales increases in the micro-optics business and assume that SUSS MicroOptics will make a substantial contribution to the Group's sales and earnings.

Financial Opportunities

Significant changes in the currency market can affect the sales and earnings of SUSS MicroTec both positively and negatively. The current weakness of the euro against the US dollar offers SUSS MicroTec the opportunity to offer its products manufactured in Germany on the US dollar-dominated markets at attractive prices. The changes in value of the euro compared to the Japanese yen will influence sales and achievable margins in the Asian region in the future. An appreciation of the euro against the Japanese yen would have rather negative effects, while a devaluation would prospectively result in positive effects for SUSS MicroTec.

During the last fiscal year the Japanese yen displayed a strong volatility against the euro. While the Japanese yen still stood at 145.04 yen to the euro at the beginning of 2015, the exchange rate was at 131.13 yen per euro on December 31, 2015. In 2016 this trend continued and in late February 2016 the yen traded even significantly below 125 yen per euro. The strong yen could adversely affect sales of various Japanese competitors, who are mainly active in the market for coaters. It could also induce significant margin losses for these competitors. If the strength of the Japanese yen continues or if the yen appreciates even further, we see good opportunities to gain market share from Japanese competitors and we see a good chance to compensate for margin losses that we suffered in competition with Japanese vendors in the past.

Employee-Related Opportunities

SUSS MicroTec views itself as a small to medium-sized business that has flat hierarchies due to its relatively small size and therefore offers its employees short lines of communications and fast decision-making processes in all respects. Our SME structures together with our international orientation make SUSS MicroTec an attractive employer. The average period of employment of our globally active employees is nearly ten years. This shows the success of our efforts to offer our employees a good working environment, interesting assignments, and attractive remuneration. We are convinced that we will be able to fill all vacancies with qualified and motivated employees in the future. We will maintain our existing strategy to retain long-term employees.

Our remuneration system includes variable remuneration for our executives, the amount of which depends on the extent to which targets are achieved. The targets are redefined annually and are based on certain Group parameters (such as EBITDA, sales, and order entry), which are reset annually using current budget plans. In addition, personal targets are agreed upon with the employee. For sales employees, ordinarily targets are defined that are related to winning customer orders. The personal goals of employees of other departments mostly involve services or projects which add value to the respective department. By integrating budget planning into the remuneration system, we establish a financial incentive for our executives to contribute actively to the achievement of the established targets. In this way, we increase our chances of actually achieving our planned sales and earnings. In addition, the definition of personal targets for executives offers us the opportunity to implement numerous projects in various areas, even if a work effort is required of employees that goes beyond the normal day-to-day business.

As a globally successful technology company, SUSS MicroTec needs employees working in the area of research and development to advance targeted new product developments in order to satisfy the needs of our customers. For this purpose SUSS MicroTec establishes appropriate incentives and rewards employee ideas that are used in our products with annual inventor royalties.

Our international presence enables us to recruit highly qualified employees worldwide if current developments require it.

Development-Specific Opportunities

In the past fiscal year, we significantly expanded our development activities. We hired employees primarily for the mask aligner and coater/developer product lines as well as for the Photomask Equipment division. In addition, we made progress on development programs with the assistance of external service providers and partners. We will continue these efforts in the coming year. Our goal is to adapt our product lines to the latest developments in the market and to satisfy new customer demands. In the process, we intend to consolidate and further expand our market position.

RISK MANAGEMENT SYSTEM

The risk management system has long been a component of corporate management for the purpose of recognizing and controlling risks, and for meeting legal requirements.

In addition to short-term (operating) risks, the risk management at SUSS MicroTec also deals with long-term (strategic) developments that can have a negative impact on the business development. On the basis of an opportunity-oriented, but simultaneously risk-conscious management, however, the Company's fundamental goal is not to avoid all potential risks. Instead, it constantly aims to achieve an optimum level of risk avoidance, risk reduction, and the controlled acceptance of risk. An awareness of risks should not interfere with the ability to identify opportunities and to use them for the benefit of the Company and its shareholders.

Risk Management Organization and Documentation

The organization of risk management is geared toward the functional and hierarchical structure of the Group. Upon introduction of the risk management system, a risk management officer, who reports directly to the Management Board every three months, was appointed.

An external auditor examines the established early risk identification system during the audits of the annual financial statements. He or she reports about this to the Management Board and Supervisory Board.

Risk Identification

All Group units subject to reporting organize a workshop at least once per year which, in addition to past events, primarily addresses future developments. Moreover, the workshops serve to ensure that uniform valuation principles are maintained throughout the Group. Within the framework of a structured process, all identified risks are recorded and evaluated quarterly using an intranet-based IT solution. Next, risk reports are prepared that subject the known risks to a critical appraisal and address new topics.

Risks suddenly emerging are also reported immediately to the risk management representative of the respective unit.

The risk management representative processes the information and reports to the Management Board. The results of the overall process are presented to the Supervisory Board at least once a year.

The Group's quality management is an important element of early detection. The large production sites are certified in accordance with ISO 9001, which confirms reliable, process- and system-oriented quality management. Clearly structured and unambiguously documented processes within the framework of quality management not only ensure transparency but also have become, for most production clients, a precondition for the successful marketing of our tools.

Risk Assessment

Risks are assessed in part by indicating the maximum amount of damage if no countermeasures are taken. The risk value is determined on this basis by including a probability of occurrence, taking the corresponding countermeasures into account. The indication of the risk value pertains to the next 12 or 24 months in each case.

The identified risks are assigned to one of three different risk categories using a risk matrix, which takes into account both the possible damage amount and the likelihood of occurrence. Risks starting at a damage amount of € 10 million – as measured by the level of liquidity outflow – are viewed as “threatening the Company's continued existence.”

The combination of the likelihood of occurrence and the extent of impact determines which risk categories are regarded as significant from the Group's perspective. In this regard, a distinction is made between low (green category), medium (yellow category), and high (red category) risks.

		<i>Likelihood</i>					
		<i>very low</i>	<i>low</i>	<i>medium</i>	<i>high</i>	<i>very high</i>	
		<i>0% to ≤5%</i>	<i>>5% to ≤10%</i>	<i>>10% to ≤25%</i>	<i>>25% to ≤50%</i>	<i>>50% to ≤100%</i>	
Impact	threatening the existence	>€ 10 million to ≤€ 20 million					
	critical	>€ 2 million to ≤€ 10 million					
	serious	>€ 500 thousand to ≤€ 2 million					
	marginal	>€ 20 thousand to ≤€ 500 thousand					
	negligible	€ 0 to ≤€ 20 thousand					

According to our method of risk assessment, only high risks are classified as significant.

Risk Management

Depending on the type of risk and the amount of the assessment, measures for avoiding and lessening risk are taken on a tiered basis. In doing so, risk management is always geared toward the principles of an opportunity-based handling of risks, as mentioned earlier.

The avoidance of risk and organization of countermeasures is carried out at the subsidiary level. The parties responsible for risk and the reporting units are obligated to develop and implement strategies for preventing known risks. Should their expertise not suffice for implementing these, they must request assistance from higher management levels.

Global activities in the field of high technology yield general and current risks for the Company. The Management Board has taken appropriate measures for the purpose of monitoring risks in order to identify developments that may threaten the continued existence of the SUSS MicroTec Group early on.

Description of the Key Features of the Accounting-Related Internal Control and Risk Management System in Accordance with Sections 289 (5) and 315 (2) (5) of the German Commercial Code (HGB)

The risk management system for the accounting process aims to minimize the risk of false statements in accounting documents and external reporting. It serves as the first step toward the identification and evaluation and subsequent restriction and review of known risks in the accounting process which could undermine the compliance of the consolidated financial statements with regulations. The internal control system for the accounting

process should ensure with sufficient certainty that the consolidated financial statements conform to regulations despite identified risks in financial reporting.

The suitability of the risk early identification system is reviewed at the end of the year by the auditor during the audit. In the process, selected accounting-related internal controls are investigated and their effectiveness evaluated. In addition, checks are made of selected aspects of the IT systems in use.

The management of SUSS MicroTec AG is responsible for the establishment and effective maintenance of suitable controls over financial reporting. At the end of each fiscal year, management evaluates the suitability and effectiveness of the control system. As of December 31, 2015, management had confirmed the effectiveness of internal controls over financial reporting. However, certain limitations exist regarding the effectiveness of any control system. Absolute certainty cannot be assured even with appropriate, functioning systems.

SUSS MicroTec AG employs its Group-wide accounting manual to ensure the consistent application of accounting principles. The accounting manual is based on IFRS financial reporting standards and is the basis for the accounting process at all Group companies. Unambiguous guidelines are designed to restrict employee discretion with respect to the recognition and measurement of assets and liabilities and thus to reduce the risk of inconsistencies in the Group's accounting practices. The subsidiaries are subject to certain mandatory guidelines regarding reporting and the scope of disclosure. The central Finance and Controlling departments monitor compliance with reporting obligations and deadlines.

Accounting at the subsidiaries is done either locally by their own employees or with the support of external accounting firms or tax consulting companies. In the process, various electronic data processing (EDP) systems are used. All German companies have worked with SAP since 2008. Since 2010, SAP has been used by SUSS MicroTec (Taiwan) Company Ltd., Hsinchu, Taiwan. In 2011, SAP was installed at SUSS MicroTec Inc., Sunnyvale, California (USA). In 2015, SUSS MicroTec Photonic Systems Inc. (California, USA) was connected to the Group-wide SAP system, with the go-live occurring on May 1, 2015. Reporting to the corporate headquarters is carried out with the assistance of "Infor PM Application Studio" management information software. The separate financial statements are combined into a central consolidation system. At the Group level, the Finance and Controlling departments review the accuracy and reliability of the separate financial statements submitted by the subsidiaries. Controls within the framework of the consolidation process, such as the consolidation of liabilities, expenses, and income, are carried out manually. Possible deficiencies are corrected and reported back to the subsidiaries. The financial systems employed are protected from misuse through appropriate authentication principles and access restrictions. Authorizations are reviewed regularly and updated if necessary.

RISKS FOR THE GROUP

Macroeconomic Risks

SUSS MicroTec is represented worldwide, has a broad customer network, and offers its customers seven different product lines, which can be used in various sectors and industries. Consequently, SUSS MicroTec is fundamentally independent of individual markets and customers. Thus economic downturns in a region or sector can be at least partially offset. Thanks to its flexible positioning, SUSS MicroTec would be able to respond immediately to market events in the event of major economic instability and adjust cost structures in a timely manner. At its disposal are such tools as flextime accounts, the use of temporary employees, and outsourcing measures. In addition, the option exists of reducing working hours. In addition, purchasing departments routinely review and adjust procurement quantities.

Political decisions, new legislation, and other regulations in the countries in which SUSS MicroTec operates can also negatively impact our business. This includes tax legislation in respective countries, export restrictions, and tightened policies in the areas of product liability, competition law, work safety, and patent and trademark law.

SUSS MicroTec routinely participates in public tenders and counts universities and government research facilities, for example, among its worldwide customers. Regulations for participating in public tenders and the criteria for awards differ from country to country and can make it much more difficult to win and consummate public orders.

In general, significant changes in the currency market can affect the sales and earnings of SUSS MicroTec both positively and negatively. The current weakness of the euro against the US dollar offers SUSS MicroTec the opportunity to offer the products that it manufactures in Germany at attractive prices on the US dollar-dominated markets. The changes in value of the euro compared to the Japanese yen will influence sales and achievable margins in the Asian region in the future. An appreciation of the euro against the Japanese yen would have rather negative effects, while a devaluation would prospectively result in positive effects for SUSS MicroTec.

The tremendous strength of the Swiss franc against the euro had no noticeable impact on the ordering behavior of our customers in the Lithography, Substrate Bonder, and Photomask Equipment divisions. However, the business of SUSS MicroOptics S.A., which is located in Hauterive, Switzerland and manufactures microlenses, was significantly affected by the exchange rate of the Swiss franc. The strong Swiss franc led to noticeable margin shrinkage for micro-optics products in 2015. To be sure, the micro-optics business was able to record sales increases of almost 34% in the past fiscal year compared to the previous year. However, we assume that growth would have been still stronger if the change in the rate of the Swiss franc had not been so disadvantageous. The contribution to Group sales and earnings that SUSS MicroOptics will make in the future is highly dependent on the further development of the Swiss franc.

In 2015, significant fluctuations were observed in the euro relative to most Asian currencies. The euro exchange rates against the Taiwanese dollar, the Singaporean dollar, the South Korean won, and the Chinese renminbi yuan were affected by this. The SUSS MicroTec Group conducts business in these currencies only to a very slight extent. However, the Group subsidiaries located in Taiwan, Singapore, South Korea, and China have euro-denominated receivables from customers and other SUSS MicroTec companies. Depending on the size and due date, significant currency losses can arise for the Group in the valuation of these receivables in the respective country currency.

Sector and Market-Specific Risks

The difficulty in assessing the short and medium-term market development is still one of the greatest risks to the Company. The semiconductor industry in particular, which is among the Company's sales markets, is characterized by strong market cycles. A sharp drop in the entire semiconductor market would lead to lower sales for SUSS MicroTec and harm the Company's earnings. The Company is countering the related risks with lean structures, which can be adjusted quickly in the case of a weak business development and can be potentially supplemented with outsourcing.

Employee-Specific Risks

The Company depends on the expertise of individual employees in individual areas, primarily in the field of research and development. If these employees are unavailable to the Group, this presents a corresponding risk. This is monitored by internal documentation requirements.

Development-Specific Risks

The business model of the SUSS MicroTec Group is based on a strong culture of innovation and technological leadership. As a manufacturer of specialized tools, SUSS MicroTec delivers customer-specific solutions and conducts its product policies according to the rapidly changing conditions in the semiconductor equipment market. Nevertheless, we see the risk that in individual cases our technical developments could deviate from the preferences of the markets and our customers. In these cases the danger would exist that the affected customers might turn away from SUSS MicroTec and seek alternative technical solutions from our competitors. In the past fiscal year, our engineers have paid increased attention to this topic and intensively analyzed the markets and customer wishes. Several innovations that address specific customer wishes were introduced to the market and were very well received by our customers. We therefore see a significantly diminished likelihood of occurrence for the described risk.

Aside from developing customer-specific solutions, the engineers at SUSS MicroTec Group are continuously working on long-term development projects designed to anticipate future market developments so that the products of SUSS MicroTec will continue to satisfy future technical requirements. The risk exists that individual development projects might not lead to the desired result or that the result achieved does not correspond to market expectations. In these cases, the danger exists that SUSS MicroTec would temporarily not be able to offer an innovative product in the target market. The affected customers might turn away from SUSS MicroTec and seek alternatives in the market. In

addition, SUSS MicroTec may have used scarce resources in the area of development unproductively. In the past fiscal year, we increased our focus on this set of problems and intensified collaboration between our engineers and Asian distribution companies in order to address the preferences of our customers and potential customers better. As a result, we were able to achieve several successful outcomes and will continue this form of collaboration in the future. We now view the described risk as significantly diminished.

We regard ourselves as the market leader for several of our products because we satisfy the exact requirements of our customers with technically sophisticated solutions. In order to maintain this market leadership and customer satisfaction, refinements and improvements are routinely required for our existing products (for example, to keep up with the further miniaturization of patterns in the semiconductor industry). The risk exists that we might not recognize or implement technical innovations in time. In these cases, we see the danger that SUSS MicroTec could lose its market leadership in individual areas and would have to accept long-term sales losses.

Operating Risks

In view of the high level of cash and cash equivalents, the high equity ratio, and the lean cost structure, the risks that could arise for SUSS MicroTec from the current assets and earnings position are limited. With an EBIT of € 5.0 million, the SUSS MicroTec Group also achieved significantly positive earnings in 2015. Taking into account the order backlog as of the end of 2015 and the expected order entry development in the first half of 2016, we expect to generate sales in the range between € 170 and 180 million and a positive EBIT between € 9 and 13 million in 2016.

As of December 31, 2015, SUSS MicroTec records goodwill of approximately € 15.8 million, which is entirely attributable to the Lithography division. The Lithography division generated more than half of Group sales and positive division earnings. The Lithography division will once again generate more than half of total Group sales next year and will remain profitable. We therefore see no signs of impairment in the Lithography division.

The mask aligner product line, which belongs to the Lithography division, is one of the high-sale product lines of the SUSS MicroTec Group and has made a significant contribution to Group earnings for several years. We are confident that this product line will continue to produce a large contribution to sales and stable margins in the coming years. Nevertheless, the risk exists that the mask aligner would no longer be able to satisfy the

technical requirements of customers and could be supplanted by other technologies. However, we regard this risk as minimal. In addition, SUSS MicroTec can offer its customers alternative solutions with its laser and scanner system product lines located in the USA.

The coater product line, which similarly belongs to the Lithography division, has also made a major contribution to Group sales and earnings for many years. Since mid-2013, we have taken increasing note of Chinese competitors, who have been able to win customer orders in the market primarily for technically less sophisticated tools. Japanese manufacturers, some of whom were previously active only in the front end market, are also increasingly supplying 300mm systems in the mid-end and back end markets and offering customers technically sound solutions. In China, we already had to accept lower sales as a result of this development. The risk exists that this trend could continue and both Japanese and Chinese manufacturers will be successful in supplying the market with technically sophisticated tools, with which SUSS MicroTec previously has had a high market share. Should this scenario occur, we would have to reduce the prices of our tools, which would in turn lead to lower sales and margins. Despite these measures, the possibility of losing market share cannot be ruled out should competing manufacturers from Asia make further inroads in this market.

The Lithography division also includes the SUSS MicroTec Photonic Systems product lines for UV projection lithography and laser processing. In the past fiscal year, these product lines generated a loss. In 2015 we recorded a large order from a leading semiconductor industry manufacturer for a notable number of DSC300 Gen2 projection scanners. With this successful product and technology qualification, SUSS MicroTec was able to further expand its leadership position in the advanced packaging area. Most of the sales from this order will be realized in 2016. Due to the technical specification of the ordered tools and the extensive associated development services, we anticipate a low margin for this large order. Consequently, the product lines of SUSS MicroTec Photonic Systems will also generate an overall loss in 2016. The Photonic Systems product lines will be able to make a positive contribution to earnings only if we succeed in persuading more customers to use our systems and therefore achieve additional substantial order volumes and sales. If SUSS MicroTec does not achieve substantial sales and positive margins with the laser and scanner systems, this would have a further negative impact on the earnings of the Lithography division as well as Group earnings. Moreover, it could become necessary to make an additional value adjustments on the loans to SUSS MicroTec Photonic Systems Inc. in the separate financial statements of SUSS MicroTec AG if the product lines produced in the USA generate negative earnings on an ongoing basis.

In the reported fiscal year, the Substrate Bonder division produced another loss, generating division EBIT of € -4.0 million. We assume that the Substrate Bonder division will also generate a loss in the coming year. However, SUSS MicroTec once again significantly intensified its efforts in the area of research and development in the past fiscal year. In the area of permanent bonding, a new semi-automated wafer bonder was developed and introduced to the market in 2015. The semi-automated XB8 system, which is based on the control platform of the SB6/8 Gen2 wafer bonder developed in 2014, can process wafer sizes up to 200 mm as well as various substrate sizes and types. Further product innovations are planned. We assume that through these and additional measures we will be able to recover lost market share in permanent bonding and expand our market position. Nevertheless, the risk exists that we might not be able to achieve the required unit volumes on the permanent bonding market. In this case, the permanent bonders would also make a negative contribution to division earnings in the future. In addition, other product lines could be negatively affected by this. Thus, research institutes and universities in particular, but also customers in the MEMS area, expect that they will be able to obtain mask aligners, coater / developers, and permanent bonders from one supplier. Should we not succeed in sustainably establishing our permanent bonding systems in the market, sales losses would also be conceivable in the coater / developer and mask aligner product lines.

Also in the area of temporary bonding, we were able to achieve important milestones in 2015 on the way to high-volume production. In the area of TSV-based 3D memory chips, we were able to reinforce our market position by gaining a second Asian production customer for a portion of our tool solution. In general, 3D integration is still not used for high-volume production by our customers. In addition, there is the risk that other technologies and processes will gain popularity in the market than the ones that are being developed and offered by SUSS MicroTec. The success of our temporary bonding and de-bonding technology depends decisively on whether the technologies and processes we have developed gain popularity in the market and whether 3D integration establishes itself in industrial-scale manufacturing and production. Only through the sale of high quantities will we be able to improve our margins in the Substrate Bonder division and achieve sustainable positive earnings.

Significant pricing pressure still exists in the current market environment. This includes the risk that original target selling prices can no longer be achieved, even given recovering markets. We are countering this risk with a constant pricing policy. As such, orders are rejected if the conditions are unattractive, in order to guarantee constant prices for customers in recovering markets.

SUSS MicroTec's products are regularly analyzed, checked, and optimized using an extensive risk and quality management system. The liability risk for SUSS MicroTec may increase given the use of the products in the manufacturing environment of companies with rising demands on product quality. In addition to other types of insurance, SUSS MicroTec also has product liability insurance for the Group. This limits as much potential risk as possible. The suitability of these insurance policies, which also protect the Group companies, is reviewed regularly with respect to the covered risks and coverage amounts and modified if necessary. In addition, we also endeavor to include the limitations of liability in contracts with all contractual partners.

Information Technology Risks

We fundamentally view our IT infrastructure as well constructed and are of the opinion that we have taken adequate precautions to prevent data manipulation, data loss, and data misuse. Furthermore, we routinely invest in new hardware and software in order to minimize the likelihood that IT systems and software solutions will fail. With virus scanners and antivirus software, which are continually updated, we protect our IT systems from unauthorized access and damage. Nevertheless, we cannot eliminate the possibility of data manipulation, data loss, or data misuse in individual cases. It is also conceivable that new viruses and Trojans that are not detected by our security programs could penetrate our IT systems. The problem is exacerbated by the increasing use of mobile devices, such as notebooks and smartphones, that access our corporate network. In order to minimize the risk of unauthorized access to our corporate network arising from the use of mobile devices, Group-wide guidelines for mobile device usage have been established.

Financial Risks

CREDIT RISKS

A credit risk is an unexpected loss of cash or earnings. This occurs when a customer is unable to meet its obligations by the due date, or the assets used as collateral lose value. The Company has implemented Group-wide guidelines on the topic of credit assessment. These guidelines set out the specific payment conditions and safeguards to which the Company's individual sales units can agree, while taking the customer and country-specific aspects into consideration. Orders from customers located in "risk countries" can, therefore, only be accepted against down payment for the entire amount of the order, a bank guarantee, or a letter of credit. In the case of customers who are located in the "non-risk countries" and exceed a certain size, a corresponding customer rating is established. These ratings are based on information provided by external credit rating agencies. Depending on the customer's rating, tiered payment conditions and/or safeguards may be necessary to process the order.

Of the gross amount of trade receivables totaling € 13.6 million (previous year: € 13.7 million), a total of € 9.1 million was neither overdue nor impaired as of the reporting date (previous year: € 9.5 million). As of December 31, 2015, there were no indications of payment defaults occurring.

The age structure of overdue, but not impaired receivables as of the reporting date and that of the previous year are as follows:

in € thousand	2015	2014
Age structure of overdue receivables without impairment		
1–30 days	2,394	2,448
31–60 days	1,040	546
61–90 days	215	626
91–180 days	0	116
Overdue receivables without impairment	3,649	3,736

As of the reporting date, a total of € 0.8 million (previous year: € 0.5 million) of the gross inventory of receivables was overdue and impaired.

The age structure of overdue and impaired receivables as of the reporting date and that of the previous year are shown in the following table:

in € thousand	2015	2014
Age structure of overdue receivables without impairment		
< 91 days	21	0
91–180 days	527	179
181–360 days	76	36
> 360 days	174	250
Overdue receivables without impairment	798	465

Additional information about how value adjustments for trade receivables are determined can be found in the Notes.

LIQUIDITY RISKS

As of the end of the year, SUSS MicroTec Group held net cash of € 40.0 million (previous year: € 38.0 million). Free cash flow in the previous fiscal year (adjusted for the effects of securities purchases and sales) totaled € 1.3 million (previous year: € 2.1 million).

A loan agreement exists between SUSS MicroTec AG and IKB Deutsche Industriebank AG that serves to finance the business property in Garching. The loan was originally valued at € 7.5 million. It was made available and drawn down on December 16, 2013 and runs until June 30, 2021. Another loan agreement exists between SUSS MicroTec AG and a local cooperative bank that serves to finance the business property in Sternenfels. This loan was originally valued at € 4.5 million. It was made available and drawn down on July 6, 2010 and runs until June 30, 2020. As of December 31, 2015, the SUSS MicroTec Group recognized

bank borrowings of € 9.1 million for these two loans. The annual repayment of both loans will amount to € 1.2 million per year in the coming years. In addition, normal bank interest will be charged for both loans.

The SUSS MicroTec Group has access to credit and guarantee lines with national and international banks and insurance companies totaling € 9.0 million. Three banks forming a bank consortium are providing credit and guarantee lines totaling € 4.5 million to SUSS MicroTec Lithography GmbH. These credit and guarantee lines are granted until further notice. Furthermore, one of the banks in the consortium has granted SUSS MicroTec Lithography GmbH an additional guarantee line of more than € 1.0 million, which runs until April 30, 2016. An additional credit line of € 1.0 million is available to SUSS MicroTec Photomask Equipment GmbH & Co. KG. In addition, a further bond line of € 2.5 million exists in connection with a bond insurance agreement. The line can be used by SUSS MicroTec Lithography GmbH and SUSS MicroTec REMAN GmbH. At present, the Company is making use of these credit and guarantee lines in order to offer down payment guarantees in the operational business. As of December 31, 2015, € 5.7 million of these credit and guarantee lines are being utilized in the form of guarantees. We are confident that we will be able to continue to provide all of the necessary down payment guarantees.

Minimizing the dependence, particularly on short-term borrowed capital, should keep any potential financing risk low. The Company is countering this risk above all by aiming to keep its ratio of borrowed capital at a low level through the corresponding cash flows from optimizing its working capital. Further details about the Company's liquidity situation can be found in Note (25).

MARKET PRICE RISKS

Market price fluctuations can result in significant cash flow and earnings risks for the Company. Changes in foreign currency and interest rates influence the global operational business as well as investment and financing alternatives.

SUSS MicroTec's international orientation exposes it to foreign currency risk within the scope of its normal operating activities. Currency hedging is carried out on the basis of existing foreign currency orders. The hedging ratio for orders that are processed within three or six months comes to approximately 65% and 45%, respectively. Incoming and outgoing payment flows, which result particularly from foreign currency orders of materials and supplies, are deducted from the foreign currency amount to be identified and hedged. Forward exchange transactions are used as hedging instruments. For further details, please refer to Note (30).

The favorable development of foreign currency exchange rates can lead to higher margins for individual orders and generate additional currency gains.

The Company's interest rate risk is limited, as the variable-rate loans used to finance the property in Sternenfels have been hedged by a term-congruent interest rate swap. The conditions, which were originally variable, have thereby been converted into fixed conditions. The loan in connection with financing the Garching property carries a fixed interest rate.

OVERALL ASSESSMENT

No risks that threaten the Company's existence were identified in the Group in the 2015 fiscal year. The continued existence of the Company was at no time endangered from a material assets and liquidity point of view.

Material risks for the SUSS MicroTec Group are presented in the following table. The risks are rated according to their likelihood of occurrence as well as potential financial impact (as measured by the level of potential liquidity outflow).

	Likelihood					Impact				
	very low	low	medium	high	very high	negligible	marginal	serious	critical	threatening the existence
	0% to ≤5%	>5% to ≤10%	>10% to ≤25%	>25% to ≤50%	>50% to ≤100%	€0 to ≤€20 k	>€20 k to ≤€500 k	>€500 k to ≤€2 mill.	>€2 mill. to ≤€10 mill.	>€10 mill. to ≤€20 mill.
Macroeconomic risks										
Negative impacts due to changes in the currency market			X					X		
Development-specific risks										
Product policy, customer satisfaction ¹			X						X	
Insufficient innovativeness, failed development projects ¹			X						X	
Loss of market leadership in individual areas			X						X	
Operating risks										
Sales drop with mask aligners	X							X		
Loss of market shares for coaters				X					X	
No profitability of UV projection lithography systems and laser processing tools			X					X		
Permanent bonding – market share cannot be increased			X					X		
Temporary bonding – technology developed by SUSS MicroTec cannot be established in the market			X					X		
Product liability	X							X		
Information technology risks										
Data security			X				X			

¹ Likelihood previous year: high

Forecast Report

The business environment in which SUSS MicroTec operates is influenced by regional and global economic conditions as well as industry developments. In the following forecast report we explore various factors that both the Company and leading market and industry observers regard as essential for the future business development of the Company.

According to estimates of the ifo Institute in Munich, the world economic climate will cool noticeably in the coming months. In the fourth quarter of 2015, the indicator of the ifo world economic climate index measured only 89.6 points, well below the previous quarter's value of 95.9 points and the long-term average of 96.1 points. At the same time, the assessment of the current situation has deteriorated only slightly, although the outlook is less positive than in the previous quarter. Overall the world economic climate deteriorated in nearly all regions. In Europe and North America, the indicator is above its long-term average despite the gloom, but in Asia, Latin America, the Middle East, and Africa it is significantly lower. The climate in Europe, North America, and Latin America dimmed above all due to less positive economic expectations. By contrast, in Asia, the Middle East, and Africa, both climate components, situation, and expectations, were critical for the deterioration. In particular, the sustained period of weakness in the Chinese economy is weighing on the global economy and its outlook. According to the estimates of the OECD from February 18, 2016, the global economic growth was 3.0% in 2015 and will again reach the level of 3.0% in the 2016 fiscal year.

The entire European Union as well as the eurozone will exhibit slightly positive growth rates again in the 2016 economic year, according to forecasts of the OECD. For the eurozone, growth of 1.5% and 1.4% is expected for 2015 and 2016, respectively. For the European Union as a whole, growth assumptions in the same period are for a slightly higher increase in real gross domestic product of 1.9% initially and 2.0% in 2016. Growth will be spurred by strong exports, attributable to the relatively weak euro, as well as the low price of oil and the resulting increase in disposable income.

The December monthly report of the German Bundesbank indicates that the German economy was driven primarily by lively domestic demand in the 2015 fiscal year. The OECD expects a slowdown of economic activity in Germany for the fiscal year 2016. Growth is expected to be around 1.3% after 1.4% in 2015.

Industry-Specific Conditions

SEMICONDUCTOR INDUSTRY

On January 7, 2016, the Gartner market research institute published a press release with its current expectations for the development of the entire semiconductor market. While the semiconductor market was expected to grow by 4.0% as of April, or by 2.2% as of July 2015, the latest estimates actually project a slight decline for the sector of 1.9% compared to the previous year. In the 2015 fiscal year, the market volume was US\$ 333.7 billion after US\$ 340.3 billion in the previous year. The reasons for this are mainly lower sales forecasts for smartphones, tablets, and PCs as well as the sustained strong US dollar, which suppresses demand for electronic products outside the USA. Optimism returns for the 2016 fiscal year, with expectations that the semiconductor market will grow again and reach a total volume of US\$ 344.1 billion (Gartner, October 2015).

As has been shown in recent years, the precision of the forecast is very limited due to the special features and pronounced cyclical nature of the semiconductor sector. Therefore, several estimates of the market research institutes differ significantly from their own estimates as of the end versus the beginning of 2015. Against this backdrop, the resulting discussions represent estimates made on the basis of information available at the current time, but they do not guarantee that the forecasts will actually materialize.

SEMICONDUCTOR EQUIPMENT INDUSTRY

The entire semiconductor equipment market demonstrated extreme volatility in the period from 2010 to 2015. Positive growth rates of approximately 9% in 2011 were followed by significant declines of 15% and 14% in 2012 and 2013, respectively, followed by renewed growth of approximately 18% in 2014. For 2015 SEMI assumes a slight decline of 0.6%. The outlook for 2016 is also rather subdued. Accordingly, growth by a modest 1.4% is anticipated in the semiconductor equipment sector. As a result, in 2016 the semiconductor equipment market could grow to approximately US\$ 37.8 billion from US\$ 37.3 billion in 2015.

According to the SEMI industry association, in 2015 investments were primarily made in tools for the manufacturing of memory chips, particularly for DRAMs with a pattern size of 21/20 nm. This trend will weaken significantly in 2016 since investments in flash storage media are expected to increase in the current fiscal year.

For the back end of the semiconductor industry, the main sales market for SUSS MicroTec tools, in 2016 Gartner expects a slight decline in equipment market volume in the area of wafer-level packaging and assembly of approximately 0.1% compared with 2015 (previous year: 4.4% increase), according to its estimates as of January 11, 2016. Also for these forecasts the disclaimer applies that the expectations of market research institutes frequently change significantly over time and reliable forecasts are not possible.

Expected Development in the Major Markets

MICROELECTROMECHANICAL SYSTEMS (MEMS)

The market for microelectromechanical systems continues to develop very dynamically. According to estimates by the Yole Développement market research institute, the MEMS market had a volume of approximately US\$ 5 billion in 2000. In 2014, it had already grown to US\$ 11.1 billion and Yole expects a market volume of more than US\$ 20 billion by 2020. The unit volume growth of individual MEMS components is significantly higher, but due to pricing pressure and new designs the market volume is growing more slowly than unit volume. It also has to be taken into consideration that in the equipment sector there will be considerably less growth in the tools area due to efficiency gains, increases in throughput and yield, and the trend to greater wafer diameters. In June 2015 Yole estimated average annual sales growth of 7% (CAGR) through 2020 only for the area of lithography tools. In MEMS manufacturing, not only lithography equipment but also bonders from SUSS MicroTec are used. For this reason, the MEMS market will remain a very attractive business for SUSS MicroTec in the future.

Taking a closer look at the various types of MEMS sensors, it becomes clear that already today the area of consumer electronics, which has a volume of approximately US\$ 6.4 billion, is by far the largest application area and will exhibit the most growth in the future. In 2015, its share of the entire MEMS market was already more than 50%. This development is driven by the Internet of Things, rapidly increasing networking, and the associated spread of portable electronics in the form of watches and wristbands. Yole Développement's second highest growth forecast is for medical technology. From the thus far low market volume of approximately US\$ 700 million, double-digit annual growth rates are also expected here until 2020.

Market for wafer-level manufacturing equipment in US\$ billion



Source: Gartner, January 2016

Market for MEMS in US\$ billion



Source: Yole, May 2015

ADVANCED PACKAGING AND 3D INTEGRATION

Today the concept of advanced packaging encompasses a variety of technologies, such as wafer-level packaging (WLP), where the respective contacts are built while the individual chips are still located on the wafer. In addition, there are the subforms fan-in and fan-out WLP, flip chip bonding, wafer-level chip-scale packaging, and both 2.5D and 3D integration. SUSS MicroTec is particularly active in this field with its lithographic and temporary bonding solutions.

According to the Gartner market research institute (January 2016), the market for wafer-level packaging and assembly equipment grew in 2015 by 4.4% to approximately US\$ 1.8 billion (previous year: 14.3% growth). In an older study from July 2015, Gartner expected growth of 5.3% in 2015. According to the latest estimates from January 2016, this area will shrink slightly by 0.1% in 2016 before returning to path of positive growth with a robust gain of 14.6% in 2017. According to the Yole Développement market research institute, in particular tool builders for (end-use) applications in the lithography sector such as MEMS, advanced packaging, and LED will benefit from this trend. In 2015, SUSS MicroTec was already able to record important, high-volume orders with its lithographic solutions for modern fan-out WLP applications.

3D integration is a refinement of advanced packaging technologies currently in use. In the process, thinned microchips are stacked on top of each other and connected by means of through-silicon vias (TSVs). The advantage is the high degree of packing density and complexity that can be achieved in the smallest space. Through 3D integration it is also possible to integrate various functionalities, such as memory and processor, in one package.

In the forecast report of the 2014 Annual Report, we wrote that the year 2015 could have special significance, according to the Yole market research institute. After various memory chip manufacturers announced in 2014 that they had entered into pre-serial production or the production of prototypes, initial orders for the transition into volume production were anticipated in 2015. Looking back, we recognize that additional noteworthy investments were made in this technology in the 2015 fiscal year, but no company entered into large-scale production. Nevertheless, SUSS MicroTec is confident that this technology will contribute to the Company's sales and earnings growth in the future. However, due to the delay until now, it is extremely difficult from today's perspective to be more specific about the timing aspect. In the interim, the Company is benefiting from other innovative packaging technologies, which have already come into use in meaningful volumes and have tremendous potential, such as 2.5D, fan-out WLP, or copper-pillar bumping.

Market for wafer-level packaging and assembly equipment

in US\$ billion



Source: Gartner, January 2016

COMPOUND SEMICONDUCTORS (LED)

The market for compound semiconductors plays a subordinate role for SUSS MicroTec. Only the years 2010 and 2011 represent an exception here. In 2015, its share of total sales was again well under 10% and from today's perspective, an increase in this share cannot be foreseen. In the future, the LED industry will not be driven primarily by the sale of individual LEDs for monitors. Instead, the trend is moving toward complete lighting modules for general lighting. Here Yole Développement expects an increase in market volume from approximately US\$ 3 billion in 2015 to US\$ 10 billion in 2020.

Endogenous Indicators

In addition to the development of the target markets, innovative potential is decisive for business success. In the 2015 fiscal year, SUSS MicroTec entered into important cooperative development agreements with well-known partners from industry and research. Cooperative agreements with respected universities, research institutes, and technology-driven companies are an important part of our corporate strategy.

In January 2015, SUSS MicroTec initiated a cooperative agreement with Nuflare Technology, a Japanese equipment manufacturer. Through this cooperation the Company is strengthening its Photomask Equipment division in a targeted manner. Nuflare has a very good market position in the area of photomask equipment, enabling collaboration on promising technologies and new process solutions in this area. In addition, in the first half of 2015, a cooperative agreement commenced with the Georgia Institute of Technology (Georgia Tech). Georgia Tech will collaborate with us in the areas of nanotechnology, biomedical applications, and semiconductor packaging (3D). In addition, since the beginning of 2015, SUSS MicroTec has been a member of Georgia Tech's Packaging Research Center (PRC). Advanced illumination systems, such as excimer laser ablation systems, are being used and researched for via drilling on non-photosensitive materials.

In August 2015, SUSS MicroTec and the Singh Center for Nanotechnology at the University of Pennsylvania (Penn) announced a cooperative agreement in the area of nanoimprinting technologies. Within the framework of this collaboration, Penn obtained tools and technological expertise for the Substrate Conformal Imprint Lithography (SCIL) process, which will significantly expand the capabilities of the MA/BA6 Gen3 mask aligner already installed at Penn. SCIL technology involves a nanoimprinting process that combines the advantages of both soft and rigid stamps, allowing the reproduction of large-area

patterns with sub-50nm resolution. SCIL is applied in diverse fields, ranging from high-brightness (HB) LEDs, photovoltaics, MEMS, and NEMS to the mass production of optical gratings for gas sensing and telecommunications.

Statement on the Projected Development of the Group – Outlook for 2016

Based on the order backlog as of the end of 2015 and the expected order entry development for the first half of 2016, the Company forecasts sales for the current fiscal year in the range between € 170 and 180 million and positive earnings before interest and taxes (EBIT) between € 9 and 13 million.

In a market environment characterized by short-term customer decisions, we expect moderate order entry levels in the first half of the 2016 fiscal year. For the second half of 2016, we expect a recovery in demand for our products and solutions. However, for the full year 2016 we anticipate a level of order entry which will be below the level of 2015. For the full 2016 fiscal year we want to achieve a cash flow of approximately zero.

After an extremely strong fourth quarter of 2015, order entry of € 25 to 35 million is expected for the first quarter of the 2016 fiscal year.

In the 2016 fiscal year, the Lithography division will once again deliver the largest contribution to sales and earnings for the Group. Based on the order backlog at the end of 2015 and the forecast for order entry in the first quarter of 2016, we anticipate significantly higher sales and EBIT compared to 2015. The latter is expected to be in the € 14 to 17 million range. For the Substrate Bonder division, we expect a sales increase and EBIT that is slightly improved from the previous year but still in the negative low single-digit million range. In the coming year, sales and EBIT in the Photomask Equipment division are expected to remain at a level similar to the previous year. We remain committed to our goal of sustaining the organic growth of our core business without additional borrowing.

Forward-Looking Statements

This report contains information and forecasts that refer to the future developments of the SUSS MicroTec Group and its companies. The forecasts are assessments that the Company has made based on all of the information available to it at the present time. Should the assumptions on which these forecasts are based not occur or the risks – as addressed in the risk report – arise, the actual results may deviate from those currently expected.

Garching, March 9, 2016



Dr. Per-Ove Hansson
Chief Executive Officer



Michael Knopp
Chief Financial Officer



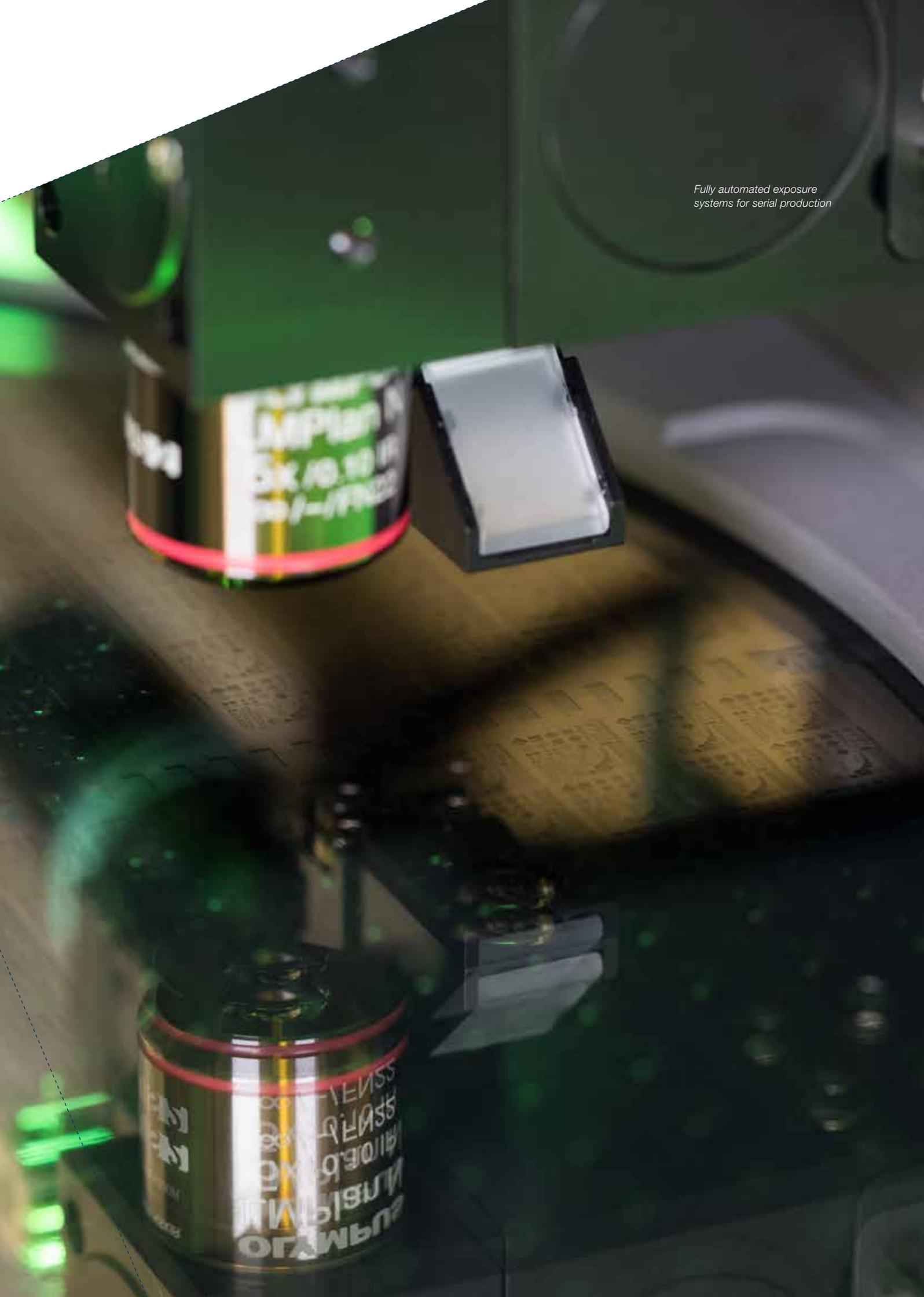
Walter Braun
Chief Operating Officer

Consolidated Financial Statements (IFRS)

of SUSS MicroTec AG for the 2015 fiscal year

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Fully automated exposure systems for serial production



Consolidated Statement of Income (IFRS)

in € thousand	Note	01/01/2015– 12/31/2015	01/01/2014– 12/31/2014
Sales	(3)	148,516	145,331
Cost of sales	(4)	-99,154	-96,519
Gross profit		49,362	48,812
Selling costs		-18,811	-17,520
Research and development costs		-12,787	-10,490
Administration costs		-13,286	-14,189
Other operating income	(5)	4,869	4,478
Other operating expenses	(6)	-4,374	-2,695
Analysis of net income from operations (EBIT):			
EBITDA (Earnings before interest and taxes, depreciation and amortization)		9,156	12,645
Depreciation and amortization of tangible assets, intangible assets and financial assets	(10)	-4,183	-4,249
Net income from operations (EBIT)		4,973	8,396
Financial income		258	349
Financial expenses		-526	-545
Financial result	(7)	-268	-196
Profit before taxes		4,705	8,200
Income taxes	(8)	-4,480	-3,587
Net profit		225	4,613
thereof equity holders of SUSS MicroTec AG		225	4,613
thereof non-controlling interests		0	0
Earnings per share (basic)	(9)		
Earnings per share in €		0.01	0.24
Earnings per share (diluted)	(9)		
Earnings per share in €		0.01	0.24

Statement of Comprehensive Income (IFRS)

in € thousand	01/01/2015– 12/31/2015	01/01/2014– 12/31/2014
Net profit	225	4,613
Items that will not be reclassified to profit and loss		
Remeasurements on defined benefit pension plans	-532	-982
Deferred taxes	165	199
Other comprehensive income after tax for items that will not be reclassified to profit and loss	-367	-783
Items that will be reclassified to profit and loss in later periods		
Fair value fluctuations of available-for-sale securities	-11	-19
Foreign currency adjustment	2,765	2,918
Cash flow hedges	76	-144
Deferred taxes	-18	53
Other comprehensive income after tax for items that will be reclassified to profit and loss	2,812	2,808
Total income and expenses recognized in equity	2,445	2,025
Total income and expenses reported in the reporting period	2,670	6,638
thereof equity holders of SUSS MicroTec AG	2,670	6,638
thereof non-controlling interests	0	0

Consolidated Balance Sheet (IFRS)

Assets in € thousand	Note	12/31/2015	12/31/2014
Noncurrent assets		43,402	44,718
Intangible assets	(11)	4,266	4,471
Goodwill	(12)	15,772	15,546
Tangible assets	(13)	20,263	20,198
Tax refund claims	(19)	37	50
Other assets	(14)	611	563
Deferred tax assets	(8)	2,453	3,890
Current assets		133,804	123,246
Inventories	(15)	68,719	58,883
Trade receivables	(16)	13,093	13,390
Other financial assets	(17)	221	204
Securities	(18)	0	1,026
Tax refund claims	(19)	414	725
Cash and cash equivalents	(20)	49,085	47,309
Other assets	(21)	2,272	1,709
Total assets		177,206	167,964

<i>Liabilities & Shareholders' Equity</i> in € thousand	<i>Note</i>	12/31/2015	12/31/2014
Equity		118,740	116,070
Total equity attributable to shareholders of SUSS MicroTec AG		118,740	116,070
Subscribed capital	(22)	19,116	19,116
Reserves	(22)	98,809	98,584
Accumulated other comprehensive income	(22)	815	-1,630
Noncurrent liabilities		13,108	13,929
Pension plans and similar commitments	(23)	5,144	4,751
Provisions	(24)	11	29
Financial debt	(25)	7,920	9,100
Other financial liabilities		33	49
Current liabilities		45,358	37,965
Provisions	(26)	2,362	3,238
Tax liabilities	(29)	3,327	1,495
Financial debt	(25)	1,186	1,187
Other financial liabilities	(27)	6,545	5,807
Trade payables		8,472	3,446
Other liabilities	(28)	23,466	22,792
Total liabilities and shareholders' equity		177,206	167,964

Consolidated Statement of Cash Flows

in € thousand	01/01/2015– 12/31/2015	01/01/2014– 12/31/2014
Net profit (after taxes)	225	4,613
Amortization of intangible assets	1,239	1,515
Depreciation of tangible assets	2,944	2,734
Profit on disposal of intangible and tangible assets	42	6
Change of reserves on inventories	-407	-177
Change of reserves for bad debts	149	-1,493
Non-cash income from the reversal of provisions	-93	-512
Other non-cash effective income and expenses	-1,370	-340
Change in inventories	-7,675	14,030
Change in trade receivables	1,289	362
Change in other assets	-624	860
Change in pension provisions	393	991
Change in trade payables	4,670	-2,199
Change in down payments received	-88	-13,110
Change in other liabilities and other provisions	383	-4,521
Change of tax assets and tax liabilities	3,593	2,324
Cash flow from operating activities	4,670	5,083

in € thousand	01/01/2015– 12/31/2015	01/01/2014– 12/31/2014
Disbursements for other tangible assets	-2,609	-1,766
Disbursements for intangible assets	-803	-1,190
Purchases of current available-for-sale securities	1,000	1,028
Cash flow from investing activities	-2,412	-1,928
Repayment of bank loans	-1,180	-1,180
Change in current bank liabilities	-1	-4
Cash flow from financing activities	-1,181	-1,184
Adjustments to funds caused by exchange rate fluctuations	699	279
Change in cash and cash equivalents	1,776	2,250
Funds at the beginning of the year	47,309	45,059
Funds at the end of the period	49,085	47,309
Cash flow from operating activities includes:		
Interest paid during the period	406	427
Interest received during the period	272	309
Tax paid during the period	865	1,179
Tax refunds during the period	129	63

Consolidated Statement of Changes in Shareholders' Equity (IFRS)

in € thousand	<i>Subscribed capital</i>	<i>Additional paid-in capital</i>	<i>Earnings reserve</i>	<i>Retained earnings</i>
<hr/>				
<hr/>				
<hr/>				
As of January 1, 2014	19,116	97,614	433	-4,076
Net income/loss				4,613
Total income and expenses recognized in equity				
Total comprehensive income/loss				4,613
As of December 31, 2014	19,116	97,614	433	537
As of January 1, 2015	19,116	97,614	433	537
Net income/loss				225
Total income and expenses recognized in equity				
Total comprehensive income/loss				225
As of December 31, 2015	19,116	97,614	433	762

<i>Accumulated other comprehensive income</i>						<i>Total equity attributable to shareholders of SUSS MicroTec AG</i>	<i>Non-controlling interests</i>	<i>Equity</i>
Items that will not be reclassified to profit and loss		Items that will be reclassified to profit and loss in later periods						
Remeasurements on defined benefit pension plans	Deferred taxes	Foreign currency adjustment	Cash flow hedges	Fair value fluctuations of available-for-sale securities	Deferred taxes			
-1,331	333	-2,425	-342	30	80	109,432	0	109,432
						4,613		4,613
-982	199	2,918	-144	-19	53	2,025		2,025
-982	199	2,918	-144	-19	53	6,638	0	6,638
-2,313	532	493	-486	11	133	116,070	0	116,070
-2,313	532	493	-486	11	133	116,070	0	116,070
						225		225
-532	165	2,765	76	-11	-18	2,445		2,445
-532	165	2,765	76	-11	-18	2,670	0	2,670
-2,845	697	3,258	-410	0	115	118,740	0	118,740

Fixed Assets Movement Schedule

The fixed assets movement schedule is part of the notes to the consolidated financial statements.

Fixed Assets Movement Schedule 2015

in € thousand	Acquisition and manufacturing costs				
	01/01/2015	Translation adjustment	Additions	Reclassifications	Disposals
I. Intangible assets					
1. Concessions, intellectual property rights and similar rights and assets as well as licenses in such rights and assets	17,224	207	802		2
2. Development costs	29,401	91	1		
3. Software	165	18			
4. Other intangible assets	3,089	245			
	49,879	561	803	0	2
II. Goodwill	29,959	226			
III. Tangible assets					
1. Land, buildings, fixtures	16,922	140	510		959
2. Technical equipment and machinery	9,645	904	825		24
3. Other equipment, office, and plant furnishings	10,413	146	834		628
4. Motor vehicles	421	6	10		63
5. Facilities under construction	2		430		
6. Capitalized leased property					
Land, buildings, fixtures	0				
Technical equipment and machinery	601	68			
Other equipment, office, and plant furnishings	18	3			
Fleet of cars	26	4			
	38,048	1,271	2,609	0	1,674
IV. Financial assets					
Other investments	2,120				
	2,120	0	0	0	0

<i>Depreciation and amortization</i>							<i>Net book value</i>		
<i>12/31/2015</i>	<i>01/01/2015</i>	<i>Translation adjustment</i>	<i>Additions</i>	<i>Reclassifications</i>	<i>Disposals</i>	<i>12/31/2015</i>	<i>12/31/2014</i>	<i>12/31/2015</i>	
18,231	14,492	133	819		2	15,442	2,732	2,789	
29,493	29,019	90	132			29,241	382	252	
183	165	18				183	0	0	
3,334	1,732	89	288			2,109	1,357	1,225	
51,241	45,408	330	1,239	0	2	46,975	4,471	4,266	
30,185	14,413					14,413	15,546	15,772	
16,613	2,537	99	763		959	2,440	14,385	14,173	
11,350	5,964	551	1,270		1	7,784	3,681	3,566	
10,765	8,332	103	887		617	8,705	2,081	2,060	
374	377	3	17		55	342	44	32	
432	0					0	2	432	
0	0					0	0	0	
669	601	68				669	0	0	
21	18	3				21	0	0	
30	21	2	7			30	5	0	
40,254	17,850	829	2,944	0	1,632	19,991	20,198	20,263	
2,120	2,120					2,120	0	0	
2,120	2,120	0	0	0	0	2,120	0	0	

Fixed Assets Movement Schedule

The fixed assets movement schedule is part of the notes to the consolidated financial statements.

Fixed Assets Movement Schedule 2014

in € thousand	Acquisition and manufacturing costs				
	01/01/2014	Translation adjustment	Additions	Reclassifications	Disposals
I. Intangible assets					
1. Concessions, intellectual property rights and similar rights and assets as well as licenses in such rights and assets	16,729	178	1,145	0	828
2. Development costs	29,360	91	45	0	95
3. Software	166	-1	0	0	0
4. Other intangible assets	2,840	249	0	0	0
	49,095	517	1,190	0	923
II. Goodwill					
	29,731	228	0	0	0
III. Tangible assets					
1. Land, buildings, fixtures	16,482	112	447	37	156
2. Technical equipment and machinery	8,767	313	569	0	4
3. Other equipment, office, and plant furnishings	9,887	85	734	14	307
4. Motor vehicles	400	7	14	0	0
5. Facilities under construction	52	0	2	-52	0
6. Capitalized leased property					
Land, buildings, fixtures	0	0	0	0	0
Technical equipment and machinery	610	43	0	0	52
Other equipment, office, and plant furnishings	18	0	0	0	0
Fleet of cars	26	0	0	0	0
	36,242	560	1,766	-1	519
IV. Financial assets					
Other investments	2,263	0	0	0	143
	2,263	0	0	0	143

<i>Depreciation and amortization</i>							<i>Net book value</i>		
<i>12/31/2014</i>	<i>01/01/2014</i>	<i>Translation adjustment</i>	<i>Additions</i>	<i>Reclassifications</i>	<i>Disposals</i>	<i>12/31/2014</i>	<i>12/31/2013</i>	<i>12/31/2014</i>	
17,224	14,431	88	801	0	828	14,492	2,298	2,732	
29,401	28,567	91	456	0	95	29,019	793	382	
165	166	-1	0	0	0	165	0	0	
3,089	1,414	60	258	0	0	1,732	1,426	1,357	
49,879	44,578	238	1,515	0	923	45,408	4,517	4,471	
29,959	14,413	0	0	0	0	14,413	15,318	15,546	
16,922	2,019	57	617	0	156	2,537	14,463	14,385	
9,645	4,659	132	1,176	0	3	5,964	4,108	3,681	
10,413	7,660	57	917	0	302	8,332	2,227	2,081	
421	359	4	14	0	0	377	41	44	
2	0	0	0	0	0	0	52	2	
0	0	0	0	0	0	0	0	0	
601	607	43	3	0	52	601	3	0	
18	18	0	0	0	0	18	0	0	
26	14	0	7	0	0	21	12	5	
38,048	15,336	293	2,734	0	513	17,850	20,906	20,198	
2,120	2,263	0	0	0	143	2,120	0	0	
2,120	2,263	0	0	0	143	2,120	0	0	

Segment Reporting (IFRS)

The Segment Reporting is part of the notes to the consolidated financial statements.

Segment Information by Business Segment

in € thousand	<i>Lithography</i>		<i>Substrate Bonder</i>	
	2015	2014	2015	2014
External Sales	106,299	96,719	11,389	22,436
Internal Sales	0	0	0	0
Total sales	106,299	96,719	11,389	22,436
Result per segment (EBIT)	9,683	10,661	-3,956	-2,435
Income before taxes	9,662	10,618	-3,958	-2,439
Significant non-cash items	125	-1,169	521	2,851
Segment assets	80,711	68,139	9,414	10,243
thereof goodwill	15,772	15,546	0	0
Unallocated assets				
Total assets				
Segment liabilities	-29,386	-17,801	-3,729	-2,435
Unallocated liabilities				
Total liabilities				
Depreciation and amortization	1,808	1,979	300	349
thereof scheduled	1,808	1,979	300	349
thereof impairment loss	0	0	0	0
Capital expenditure	1,464	979	121	178
Workforce on December 31	439	413	95	95

Segment Information by Region

in € thousand	<i>Sales</i>		<i>Capital expenditure</i>		<i>Assets (without goodwill)</i>	
	2015	2014	2015	2014	2015	2014
EMEA	40,538	42,740	2,583	2,708	78,339	76,649
North America	27,962	21,472	760	196	22,182	16,829
Japan	7,045	10,171	0	8	2,628	955
Rest of Asia	72,971	70,948	69	44	3,474	2,788
Consolidation effects	0	0	0	0	-281	-278
Total	148,516	145,331	3,412	2,956	106,342	96,943

<i>Photomask Equipment</i>		<i>Others</i>		<i>Consolidation effects</i>		<i>Total</i>	
<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
23,498	20,763	7,330	5,413	–	–	148,516	145,331
0	0	6,251	4,979	-6,251	-4,979	0	0
23,498	20,763	13,581	10,392	-6,251	-4,979	148,516	145,331
2,319	4,707	-3,073	-4,537	–	–	4,973	8,396
2,314	4,702	-3,313	-4,681	–	–	4,705	8,200
-42	415	-224	-1,190	–	–	380	907
9,420	12,673	22,569	21,434	–	–	122,114	112,489
0	0	0	0	–	–	15,772	15,546
						55,092	55,475
						177,206	167,964
-2,576	-8,974	-2,645	-2,142	–	–	-38,336	-31,352
						-20,130	-20,542
						-58,466	-51,894
207	168	1,868	1,753	–	–	4,183	4,249
207	168	1,868	1,753	–	–	4,183	4,249
0	0	0	0	–	–	0	0
93	269	1,734	1,530	–	–	3,412	2,956
103	97	61	54	–	–	698	659

Notes to the IFRS Consolidated Financial Statements

of SUSS MicroTec AG for the 2015 fiscal year

(1) Description of Business Activity

SUSS MicroTec AG (the “Company”), domiciled at Schleissheimer Str. 90, 85748 Garching, Germany, and its subsidiaries constitute an international Group that manufactures and distributes products using microelectromechanical systems and microelectronics. Production is carried out at the facilities in Garching and Sternenfels in Germany, Corona in the USA, and Hauterive (Canton of Neuchâtel) in Switzerland. The products are distributed by the production facilities directly and through independent distribution companies in the USA, France, the United Kingdom, Japan, Singapore, Taiwan, China, and Korea. In countries in which the Group does not have offices of its own, distribution is organized through trade representatives.

(2) Summary of Significant Accounting Policies

A) BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved and published by the International Accounting Standards Board (IASB) which are mandatory in the European Union. The requirements of the IFRS have been met in full and lead to the presentation of a true and fair view of the net assets, financial position and results of operations of the SUSS MicroTec Group.

The Company is an Aktiengesellschaft, i.e., a public company limited by shares, governed by German law. Under the regulations of the German commercial code (Handelsgesetzbuch – HGB), the Company is obliged to prepare consolidated financial statements in accordance with the accounting regulations of Section 315a HGB as SUSS MicroTec AG is a capital market-oriented company. The Group Management Report has been prepared in accordance with Section 315 HGB.

The consolidated financial statements and the Group Management Report for the year ending on December 31, 2015 will be submitted to and published in the electronic Federal Gazette.

B) STANDARDS AND INTERPRETATIONS THAT HAVE BEEN APPLIED FOR THE FIRST TIME

As of December 31, 2015, SUSS MicroTec applied IFRIC 21 “Levies” in the consolidated financial statements for the first time. In addition, changes resulting from the annual improvements to IFRSs 2011–2013 cycle were applied for the first time.

The initial application of the specified standards had no impact on the consolidated financial statements.

C) STANDARDS AND INTERPRETATIONS THAT HAVE NOT BEEN APPLIED PRIOR TO THE MANDATORY APPLICABLE DATE

The IASB has published the following standards and amendments to existing standards, which are still awaiting endorsement in EU law:

IFRS 9: “Financial Instruments”

In November 2009, the IASB published an initial version of the new standard IFRS 9 “Financial Instruments” on the classification and measurement of financial assets. Following several refinements and revisions, the IASB published the final version of the standard on July 24, 2014.

IFRS 9 “Financial Instruments” contains guidelines for the recognition, measurement, and derecognition of financial instruments as well as for hedge accounting. The previous accounting of financial instruments under IAS 39 “Financial Instruments: Recognition and Measurement” can now be completely replaced by accounting under IFRS 9.

The key requirements of the final IFRS 9 can be summarized as follows:

- Compared with IAS 39, the rules of IFRS 9 provide for a new classification model for financial assets. The subsequent measurement of financial assets will be conducted according to three categories with different measures of value and a different recognition of changes in value.
- For financial liabilities, the existing guidelines of IAS 39 were adopted by IFRS 9 almost unchanged. The only significant update involves the fair value option for financial liabilities.

- IFRS 9 provides for three stages that will determine the amount of recognized losses and interest collection in the future.
- In addition to comprehensive transitional requirements, IFRS 9 is also tied to comprehensive disclosure requirements both during transition and ongoing application.

The new IFRS 9 will presumably be applicable to all fiscal years beginning on or after January 1, 2018.

At present, SUSS MicroTec AG cannot definitively judge what effects the initial application of the standard will have if the standard is approved and adopted by the EU in this form.

IFRS 15: “Revenue from Contracts with Customers”

On May 28, 2014, the IASB published the new IFRS 15 “Revenue from Contracts with Customers,” which prescribes when and in what amount revenue is to be recognized. The new standard also requires the disclosure of additional information on contracts with customers. IFRS 15 should be applied generally to all contracts with customers. Exceptions are made for the following contracts:

- Leases that fall under IAS 17
- Financial instruments and other legal rights and obligations that fall under IFRS 9, IFRS 10, IFRS 11, IAS 27, or IAS 28
- Insurance contracts in the scope of IFRS 4
- Non-financial swap transactions between companies in the same sector, which aim to ease sales to customers or potential customers

In contrast to the current valid guidelines, the new standard provides for a single, principle-based five-stage model, which is applicable to all contracts.

On September 11, 2015, the IASB published an amendment to IFRS 15, which postpones the initial application deadline by one year to January 1, 2018. As a result, the new regulations for revenue recognition are applicable only to fiscal years that begin on or after January 1, 2018.

At present, SUSS MicroTec AG cannot definitively judge what effects the initial application of the standard will have if the standard is approved and adopted by the EU in this form.

The EU Commission has already adopted the following new and amended standards into EU law, but they are not mandatory for the 2015 fiscal year. An application of the new and amended standards is foreseen beginning with the obligatory initial application deadlines. The new and amended standards have not been applied early.

IFRS 11: “Joint Arrangements”

On May 6, 2014, the IASB published revisions to IFRS 11 “Joint Arrangements” regarding accounting for the acquisition of shares in a joint operation, which represents a business operation in the spirit of IFRS 3 “Business Combinations.” In such cases, the acquirer should apply the accounting principles for business combinations in accordance with IFRS 3. In addition, the disclosure requirements of IFRS 3 apply in these cases.

Decree 2015/2173 was announced in the Official Gazette of the European Union dated November 25, 2015. With it, the amendments to IFRS 11 published by the IASB were adopted.

The revisions are applicable to the fiscal years beginning on or after January 1, 2016. An earlier application is permitted.

SUSS MicroTec AG does not expect any effects from the initial application of the amendments.

IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”

On May 12, 2014, the IASB published amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets.” The changes clarify that sales-based depreciation methods for tangible and intangible assets is essentially inappropriate.

Decree 2015/2231 was announced in the Official Gazette of the European Union dated December 3, 2015. With it, the amendments to the two Standards published by the IASB were adopted.

The revisions are applicable to the fiscal years beginning on or after January 1, 2016.

SUSS MicroTec AG does not expect any effects from the initial application of the amendments.

Amendments to IAS 1 “Disclosure Initiative”

On December 18, 2014, the IASB published revisions to IAS 1 in the scope of the “Disclosure Initiative,” which should limit an excessively restrictive reading of the standard in regards to the disclosure requirements regulated in IAS 1 and should enable proper discretionary decisions.

Decree 2015/2406 was announced in the Official Gazette of the European Union dated December 19, 2015. With it, the amendments to IAS 1 published by the IASB were adopted.

The revisions are applicable to the fiscal years beginning on or after January 1, 2016.

SUSS MicroTec AG does not expect any effects from the initial application of the amendments.

Annual Improvements to IFRSs – 2012 to 2014 Cycle

On September 25, 2014, the IASB published the annual improvements to IFRSs – 2012 to 2014 cycle. The amendments involve clarifications to IFRS 5, IFRS 7, IAS 19, and IAS 34.

Decree 2015/2343 was announced in the Official Gazette of the European Union dated December 16, 2015. With it, the amendments to the specified Standards published by the IASB were adopted.

The amendments are mandatory for fiscal years beginning on or after January 1, 2016.

SUSS MicroTec AG does not expect any effects from the initial application of the amendments.

IAS 19 “Employee Benefits”

On November 21, 2013, the IASB published revisions to IAS 19 “Employee Benefits,” which clarifies how to account for employee contributions or the contributions of third parties to defined benefit plans.

Decree 2015/29 was announced in the Official Gazette of the European Union dated December 17, 2014. With it, the amendments to IAS 19 published by the IASB were adopted.

The revised IFRS 19 is mandatory for all fiscal years beginning on or after February 1, 2015.

SUSS MicroTec AG does not expect any effects from the initial application.

Annual Improvements to IFRSs – 2010 to 2012 Cycle

On December 12, 2013, the IASB published the annual improvements to IFRSs – 2010 to 2012 cycle. Decree 2015/28 was announced in the Official Gazette of the European Union dated December 17, 2014. With it, the annual improvements published by the IASB were adopted. The amendments are mandatory for fiscal years beginning on or after February 1, 2015.

SUSS MicroTec AG does not expect any effects from the initial application.

D) SIGNIFICANT ACCOUNTING POLICIES

Taking into consideration the quality criteria of the accounting and the applicable IFRS, the consolidated financial statements fulfill the principle of true and fair view and of fair presentation. In preparing the consolidated financial statements according to IFRS, the following accounting policies were applied in the same way as in the previous year.

Goodwill

Under IFRS 3, derivative goodwill is not subject to amortization, but is instead examined once annually for impairment. An examination is also performed if there are triggering events that indicate possible impairment.

The recoverability of goodwill is examined at the level of cash-generating units, which correspond to the operating segments in the SUSS MicroTec Group.

Impairment is recorded if the book values of the assets are no longer covered by the recoverable amount of the cash-generating unit concerned. The recoverable amount is the higher of fair value less costs to sell and value in use. In the reporting year, SUSS MicroTec AG computed the recoverable amount of cash-generating units on the basis of value in use. This value is generally based on valuations using discounted cash flow.

Other Intangible Assets

Purchased and internally generated intangible assets are capitalized pursuant to IAS 38 if it is probable that a future economic benefit will flow from the use of the asset and the costs of the asset can be determined reliably. They are recognized at acquisition or manufacturing costs and amortized normally using the straight-line method over their useful life, which is a maximum of ten years.

Development costs in connection with product development are capitalized as manufacturing costs if the expense can be attributed clearly and if technical feasibility and successful marketing are assured. It must, moreover, be sufficiently probable that the development activity will indeed generate a future economic benefit. The capitalized development performances comprise all costs that are directly attributable to the development process, including overheads relating to development. Capitalized development costs are amortized normally using the straight-line method from the commencement of production over the expected product life cycle, which is generally three to five years.

There are no other intangible assets with an indeterminate useful life in the SUSS MicroTec Group.

Tangible Assets

Tangible assets are recognized at cost and lessened on the basis of probable useful life by straight-line depreciation. The depreciation periods for the principal categories of tangible assets are given below:

Buildings, fixtures	10–40 years
Technical equipment and machinery	4–5 years
Other equipment, office, and plant furnishings	3–5 years
Vehicles	5 years

When assets are disposed of, the pertinent historical acquisition costs and accumulated depreciation are derecognized and the difference to the revenue from the sale is recorded as other operating expense or income.

In the case of rented assets, a distinction is made between a “finance lease” and an “operating lease” as set out in IAS 17. “Finance lease” items are capitalized at the present value of all future minimum lease payments and the leasing debt is recorded on the liabilities side. The capitalized items are depreciated or amortized over their useful life, the lease debt being redeemed and interest paid in accordance with the terms and conditions

of the lease agreement. In the case of an operating lease, there is no capitalization, and the lease payments are recorded as expenses in the periods when incurred.

In compliance with the rules of IAS 16, there was no revaluation of tangible assets.

Impairment of Intangible and Tangible Assets

Intangible assets, including goodwill, and tangible assets are subject to impairment if the book values of the assets would no longer be covered by the sales proceeds that may be expected or by the discounted net cash flow from further use. If it is not possible to determine the realizable amount for individual assets, the cash flow is determined for the next higher grouping of assets for which such a cash flow can be computed. Allocation of goodwill is on the basis of the reporting units (divisions).

If the circumstances that led to the impairment cease to apply in later periods, revaluations are made. The revaluation is made at a maximum to the amount which would have resulted if the impairment had not been recorded. No revaluation is made on goodwill once it has been written down.

Inventories

Inventories are measured at cost or, if lower, their net realizable value. The net realizable value is the sales proceeds that can probably be obtained less the costs likely to be incurred prior to sale. Inventory risks arising from decreased marketability and technical risks are accommodated by appropriate value adjustments.

The costs of conversion of work in progress and finished goods include direct material and production costs as well as attributable material and production overhead costs.

For raw materials, supplies, and consumables, the acquisition costs are computed on the basis of a weighted average.

If the reasons that led to an adjustment of the inventories cease to be applicable, a revaluation is made.

Financial Instruments

Financial instruments are contractual relationships which lead to a financial asset for one party and to a financial debt or an equity instrument for the other. These are divided into the categories “measured at amortized cost,” “measured at market value,” and “lease liabilities.”

The Company records financial instruments in the statement of financial position as soon as the SUSS MicroTec Group becomes a contractual partner to a financial instrument. First-time recognition is at market value. Subsequent measurement of financial assets and liabilities is in line with the category they have been allocated to – financial assets available for sale, loans and receivables, financial liabilities, or financial assets and liabilities held for trading purposes.

The categories “held to maturity” and “fair value option” are not used.

Receivables and Other Financial Assets

Receivables and other financial assets, with the exception of derivative financial instruments, are allocated to the category “loans and receivables” and measured at amortized cost. Appropriate value adjustments are made on doubtful receivables and receivables considered to be unrecoverable. In addition, value adjustments are made depending on the age structure of overdue receivables. These impairments are recorded in separate adjustment accounts.

Securities

Securities are classified as financial assets available for sale since they are not held for trading purposes. They are recognized at fair value whenever this can be determined reliably. Unrealized gains and losses are shown, after consideration of deferred taxes, under accumulated other comprehensive income.

Cash and Cash Equivalents

Cash equivalents include all nearly liquid assets that, at the time of acquisition or investment, have a remaining term of less than three months. Cash and cash equivalents are measured at the cost of acquisition.

Pension Plans and Similar Commitments

Provisions for pension plans and similar commitments are recognized pursuant to IAS 19 “Employee Benefits.”

Defined contribution plans generally do not lead to the formation of provisions since the Company’s obligation is restricted to the payment of contributions to retirement/pension funds. Premium payments to retirement/pension funds are recognized as an expense in the period in which they are accrued.

With defined benefit plans, the Company’s obligation consists of ensuring promised benefits to active and former employees. Defined benefit plans generally do not lead to the formation of pension provisions.

The net liability from defined-benefit plans (the cash value of the defined-benefit obligation less the value of plan assets) is calculated based on the projected unit credit method. Future salary increases and other increases in benefits are taken into consideration. The measurement of the pension obligations is on the basis of pension reports using the assets existing to cover these obligations (at the fair value of plan assets). The effects from the remeasurement of the net liability (actuarial gains and losses, income from plan assets, and changes in the effect of the upper limit on assets) are recognized in full in accumulated other comprehensive income. In case of future changes to the plan, the unrecognized prior service cost is recognized immediately in profit and loss.

Provisions

Provisions are formed under IAS 37 when there is an obligation to outside parties whose fulfillment they are likely to demand and if the probable amount of the necessary provision can be estimated reliably. The measurement is at full cost. Noncurrent provisions are recognized on the basis of corresponding interest rates at their discounted settlement amount as of the reporting date.

Financial Debt

Financial debt comprises bank borrowings and liabilities from finance leases. Bank borrowings are allocated to the category “Financial liabilities” and measured at amortized cost. The liabilities from finance leases are allocated to the category “Lease liabilities” and are measured in accordance with IAS 17.

Other Financial Liabilities

With the exception of derivative financial instruments, other financial liabilities are allocated to the category “Financial liabilities” and measured at amortized cost.

Trade Payables

Trade payables are allocated to the category "Financial liabilities" and measured at amortized cost.

Leasing

Whether an agreement constitutes a lease is determined on the basis of the economic substance of the agreement at the time it was concluded and involves estimating whether the fulfillment of the contractual agreement is dependent upon the use of a specific asset or assets and whether the agreement conveys the right to use the asset, even if this right is not explicitly stated in an agreement.

For leasing agreements that were concluded prior to January 1, 2005, the applicable date for the conclusion of the leasing agreement is January 1, 2005, in accordance with the transitional requirements of IFRIC 4.

Financing leases, according to which essentially all ownership-related opportunities and risks associated with the leased object are transferred to the Group, lead to the capitalization of the leased object at the beginning of the lease's term. The leased object is recognized at fair value or at the present value of minimum lease payments if this amount is lower. Lease payments are thus divided into financing expense and the repayment component of the remaining loan so that a constant interest rate applies to the remaining lease liability over the term of the leasing agreement. Financing expense is recognized in profit and loss.

Leased objects are depreciated over their useful life. However, if the transfer of ownership to the Group at the end of the lease's term is not sufficiently certain, the leased object is depreciated in full over the shorter of two possible time periods – the expected useful life or the term of the lease. Lease payments for operating leases are recorded under expense for operating leases in the statement of income using the straight-line method over the term of the lease.

Discontinued Operations

Discontinued operations are shown as soon as a part of the company with business activities and cash flows that can be clearly distinguished from the remainder of the entity for accounting purposes is classified as being for sale or has already been disposed of, and the business area represents a separate and substantial business branch.

Sales Recognition

Sales from the sale of tools are recorded in accordance with IAS 18 if the conditions are met for realizing them. Sales are realized at the time of transfer of the essential risks and opportunities associated with the property of the sold goods if it is sufficiently likely that the Company will benefit economically from the sale. The amount of the recorded sales is based on the fair value of the consideration to be received or claimed.

Customer orders of the Company usually include installation services that are necessary in order to put the sold tools into a ready-to-operate condition. Due to the complexity of the installation steps, the Company assumes that significant property risks remain until the installation has been completed at the customer's location. Therefore, in contracts in which not only the delivery of tools but also the installation and final acceptance by the customer are agreed upon, the sales are realized only if the setting up and assembly have been completed and final acceptance by the customer has occurred.

Revenues from services are realized when the performance has been rendered or, in the case of service contracts, proportionately over time. In the case of sales of spare parts, the revenue is realized on delivery.

Cost of Sales

The cost of sales comprises the manufacturing and procurement costs of the products and spare parts sold. In addition to the directly allocable materials and manufacturing costs, they also include overhead costs such as depreciation and amortization of production facilities and intangible assets as well as value adjustments on inventories.

Research and Development Costs

Expenses for research and expenses for development work that cannot be capitalized are recorded as expense when incurred.

Other Operating Expenses and Income

The other operating expenses and income are classified under the operating result and allocated to the appropriate period. This also applies to expenses and income from foreign currency translation.

Deferred Taxes

In accordance with IAS 12 "Income Taxes," deferred tax assets and liabilities are formed on all temporary differences between the fiscal measurement bases of the assets and debts and their recognized values in the IFRS consolidated statement of financial position as well as on tax loss carryforwards. The deferred taxes are computed on the basis of tax rates that apply or are expected to apply at the time of realization in the light of the present legal situation in the relevant countries. Deferred tax assets on temporary differences or on loss carryforwards are only recognized if it seems sufficiently certain that they can be realized in the near future.

Deferred taxes are only set up on temporary differences in goodwill if write-downs on the derivative goodwill are subject to recognition for tax purposes.

Earnings per Share

The Company computes earnings per share in accordance with IAS 33 "Earnings per Share."

The basic earnings per share are computed by dividing the net profit by the weighted average of the shares issued.

The diluted earnings per share are computed by dividing the adjusted net profit by the weighted average of the shares issued plus the share equivalents leading to a dilution.

Derivative Financial Instruments

Derivative financial instruments are concluded in the SUSS MicroTec Group for the purpose of hedging currency and interest risks.

Derivative financial instruments are accounted for in accordance with IAS 39. Derivative financial instruments are allocated to assets and liabilities held for trading purposes, are recognized at their market values, and are presented under other current financial assets or other current financial liabilities. First-time recognition is on the day of transaction. Changes in market value are shown either in the statement of income or, in the case of a cash flow hedge, under accumulated other comprehensive income after deduction of deferred taxes.

Cash Flow Hedges

The effective portion of market value changes to derivative instruments that are designated as cash flow hedges are recognized under accumulated other comprehensive income after accounting for deferred taxes. The ineffective portion is recognized as profit or loss in the statement of income.

Treatment of Subsidies

Under IAS 20 "Accounting for Government Grants," public subsidies are only recorded if there is sufficient certainty that the attached conditions will be fulfilled and the subsidies granted. They are taken to the statement of income, generally in the periods in which the expenses that are to be met by the subsidies are incurred. Subsidies relating to capitalizable development costs are subtracted from the total.

Transactions in Foreign Currency

Purchases and sales in foreign currency are translated at the daily exchange rate at the time of delivery. Assets and debts in foreign currency are translated to the functional currency at the exchange rate in effect on the reporting date. Foreign currency gains and losses arising from these translations are taken to the statement of income.

E) USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions that effect the presentation of assets and debts, the disclosures of contingent liabilities at the reporting date, and the presentation of income and expenses. In individual cases the actual values may deviate from the assumptions and estimates made.

Trade Receivables

Adjustments on doubtful receivables involve considerable estimates and judgments of individual receivables that are based on the creditworthiness of the individual customer, the current development of the economy, and an analysis of historical defaults on portfolios of receivables. If the Company derives the adjustment from historical default rates on a portfolio basis, any decrease in the volume of receivables decreases such provisions correspondingly, and vice versa. As of December 31, 2015, the total adjustment on trade receivables was € 471 thousand (previous year: € 323 thousand).

Impairments

SUSS MicroTec AG examines the goodwill for possible impairment at least once annually. The determination of the recoverable amount of a cash-generating unit that the goodwill is allocated to is associated with estimates by management. The recoverable amount is the higher of the fair value, less costs to sell, and the value in use. The Company generally determines these figures using measurement methods based on discounted cash flows. These discounted cash flows are determined for a period of five years. The basis used for the immediate future is the cash flow derived from the Group budget. For cash flow forecasts beyond the period of detailed planning, suitable forecasts from the semiconductor sub-supplier industry are used. On the basis of these forecasts, a growth rate is determined for each year of the period under consideration. For the five-year period, average annual growth of 9.0% (previous year: 8.8%) is calculated for the Lithography cash-generating unit, to which recognized goodwill is allocated. The forecast net cash flow is discounted using a risk-adjusted interest rate of 8.5% (previous year: 9.5%). These premises and the underlying method may have a considerable influence on the values in question and, finally, on the amount of any possible impairment of goodwill.

If it is not possible to determine the recoverable amount for individual assets in the framework of an impairment test for tangible assets or other intangible assets, the cash flow is determined for the next higher group of assets for which such a cash flow can be determined. For tangible assets and for other intangible assets, the determination of the recoverable amount is also similarly associated with estimates by management, which has a considerable influence on the values concerned and, in the final analysis, on the amount of any impairment.

Pension Plans and Similar Commitments

Commitments for pensions and associated expenses and income are determined in accordance with actuarial measurements. These measurements are based on key premises, including discount factors, the expected yield from plan assets, salary trends, and life expectancies. The assumed discount factors reflect the interest rates obtained as of the reporting date for high-quality, fixed-interest investments with corresponding terms.

On account of fluctuations in the market and economic situation, the premises applied may deviate from the actual development, with material effects on the obligations for pensions.

Provisions

The determination of provisions for contractually agreed guarantees and warranty claims is associated to a considerable extent with estimates. Where the Company derives these provisions from historical guarantee and warranty cases, a decline in the sales volume decreases such provisions correspondingly, and vice versa.

Other Financial Liabilities

Other financial liabilities are capitalized at their settlement amount. They are derecognized when the contractual liabilities have been met or rescinded or have expired. Depending on the contents of the contractual agreements, estimates are necessary in order to determine the likely settlement amount.

Purchase Price Allocation

On acquisition of entities, under IAS 27 (rev. 2008) and IFRS 3 (rev. 2008), the purchase price for the entity acquisition must be made on the identifiable assets, debts, and contingent liabilities acquired at purchase. With some exceptions (e.g., tax liabilities, pension obligations, and share-based remuneration), assets, debts, and contingent debts must be recognized at fair value. Here, consideration must be given not only to assets in the financial statement but also to intangible assets that have not previously been recognized.

F) CONSOLIDATION

Consolidation Principles

The consolidated financial statements include the financial statements of SUSS MicroTec AG and of all active companies over which, independent of the level of its participatory investment, the proprietary company can exercise control (i.e., the control principle). In cases where the majority of voting rights are held, it is assumed that it exercises control.

Receivables and liabilities as well as income and expenses incurred between the companies included in the consolidated financial statements as well as intra-Group profits and losses are eliminated.

Translation of Financial Statements in Foreign Currency

The reporting currency of the Group is the euro, which is also the functional currency of the proprietary company. All figures are in thousand euros unless otherwise stated.

Statement of financial position items of subsidiaries that use their local currency as their functional currency are (with the exception of equity, which is translated at historical rates) translated at the rate on the reporting date, and the items in the statement of income are translated at average rates.

	2015		2014	
	Statement of Financial Position	Statement of Income	Statement of Financial Position	Statement of Income
1 EUR vs 1 US\$	1.089	1.113	1.216	1.326
1 EUR vs 1 JPY	131.129	134.473	145.040	140.805
1 EUR vs 1 GBP	0.735	0.728	0.779	0.806
1 EUR vs 1 CHF	1.082	1.075	1.202	1.214
1 EUR vs 1 TWD	35.984	35.348	38.635	40.278
1 EUR vs 1 SGD	1.540	1.528	1.606	1.683
1 EUR vs 1 CNY	7.092	6.944	7.480	8.156
1 EUR vs 1 KRW	1,284.770	1,260.293	1,336.150	1,397.795

The resulting translation differences are shown as a separate component of equity (i.e., under accumulated other comprehensive income).

Disclosures on the Scope of Consolidation

Compared with the consolidated financial statements as of December 31, 2014, there were no changes to the scope of consolidation.

Therefore the following subsidiaries and associates of SUSS MicroTec AG (ultimate proprietary company) were included in the consolidated financial statements as of December 31, 2015 (figures on capital and net profit or loss of the individual companies according to local law and in local currency):

Company / based in	Currency	Subscribed capital	Investment	Shareholders' equity	Annual earnings	Consolidation
SUSS MicroTec AG, Garching ¹	EUR	19,115,538.00	Holding	78,227,376.09	-17,912,043.36	full
SUSS MicroTec Lithography GmbH, Garching ²	EUR	2,000,100.00	100%	46,986,087.76	6,259,611.51	full
SUSS MicroTec Photomask Equipment GmbH & Co. KG, Sternenfels	EUR	3,000,000.00	100%	3,000,000.00	1,786,433.91	full
SUSS MicroTec Photomask Equipment Beteiligungs GmbH, Sternenfels	EUR	25,000.00	100%	14,163.50	-167.71	full
SUSS MicroTec Ltd., Market Rasen, United Kingdom	GBP	10,000.00	100%	1,199,411.99	-7,972.91	full
SUSS MicroTec KK, Yokohama, Japan	JPY	30,000,000.00	100%	-693,261,793.00	-104,031,194.00	full
SUSS MicroTec S.a.r.l., Pierre-Bénite, France	EUR	114,750.00	100%	883,572.91	-22,570.73	full
SUSS MicroOptics S.A., Hauterive, Switzerland	CHF	500,000.00	100%	8,929,168.39	502,912.00	full
SUSS MicroTec Inc., Corona, USA	US\$	4,197,000.00	100%	18,558,845.00	-1,245,367.05	full
SUSS MicroTec (Taiwan) Company Ltd., Hsinchu, Taiwan	TWD	5,000,000.00	100%	191,696,514.00	42,857,281.00	full
SUSS MicroTec Company Ltd., Shanghai, China	CNY	1,655,320.00	100%	41,898,569.53	4,290,620.73	full
HUGLE Lithography Inc., San Jose ³ , USA	US\$	1,190,442.00	53.1%	-39,579.00	-2,580.00	at cost
SUSS MicroTec REMAN GmbH, Oberschleissheim ²	EUR	25,564.59	100%	1,603,189.30	1,397,317.24	full
SUSS MicroTec (Singapore) Pte Ltd., Singapore	SGD	25,000.00	100%	3,702,968.47	1,436,380.48	full
SUSS MicroTec Korea Co. Ltd., Hwaseong City, Korea	KRW	50,000,000.00	100%	3,251,306,027.00	404,719,083.00	full
SUSS MicroTec Photonic Systems Inc., Corona, USA	US\$	10,400.00	100%	-20,379,079.87	-9,955,389.55	full

¹ Equity and net income before profit and loss transfer agreement with SUSS MicroTec Lithography GmbH and SUSS MicroTec REMAN GmbH as well as before consideration of earnings for SUSS MicroTec Photomask Equipment GmbH & Co. KG

² Equity and net income before profit and loss transfer agreement with SUSS MicroTec AG

³ Entity considered at cost due to immateriality

The closing date of the financial statements of all the companies included is December 31 of the year in question.

Among the domestic subsidiaries within the legal form of a corporation, SUSS MicroTec Lithography GmbH, Garching, and SUSS MicroTec REMAN GmbH, Oberschleissheim, fulfill the conditions for exemption pursuant to Section 264 (3) of the German Commercial Code (HGB). Hence no disclosure is made of the financial statement documents.

SUSS MicroTec Photomask Equipment GmbH & Co. KG, which has the legal form of a partnership, fulfills the conditions for exemption pursuant to Section 264b HGB. Hence no disclosure is made of the financial statement documents.

Comments on the IFRS Consolidated Statement of Income

The following explanations to the consolidated statement of income relate exclusively to the Group's continuing operations. All figures are in € thousand unless otherwise stated.

(3) Sales

The sales are composed as follows:

in € thousand	2015	2014
Machines	111,660	107,913
Spare parts and upgrades	18,349	23,779
Services	11,603	8,467
MicroOptics	6,836	5,110
Others	68	62
Sales	148,516	145,331

For information on the breakdown of the sales in terms of product lines and regions, please refer to the segment reporting.

(4) Cost of Sales

Cost of sales includes total amortization of capitalized development costs of € 132 thousand (previous year: € 456 thousand), which accrues completely to the Lithography division. The residual book value for capitalized development costs of € 252 thousand as of December 31, 2015 exclusively involves the Lithography division, as it did in the previous year.

In addition, the cost of sales in the current fiscal year includes amortization of € 288 thousand for the acquired technology of SUSS MicroTec Photonic Systems (previous year: € 258 thousand). This technology carried a residual book value of € 1,225 thousand as of December 31, 2015.

The cost of sales also includes impairments of inventories (demonstration equipment, raw materials, supplies, and consumables, as well as finished & semi-finished products) of € 5,056 thousand (previous year: € 4,652 thousand). In the process, € 3,533 thousand (previous year: € 2,978 thousand) accrues to inventories in the Lithography division and € 1,364 thousand (previous year: € 1,447 thousand) accrues

to inventories of the Substrate Bonder division. The inventories of the Photomask Equipment division were marked down by € 158 thousand (previous year: € 227 thousand). Inventories in the Others division incurred markdowns of € 1 thousand in the current fiscal year (previous year: no markdowns).

(5) Other Operating Income

Other operating income was comprised as follows:

in € thousand	2015	2014
Foreign currency gains	2,962	1,265
Gains from cancellation agreement with one customer	607	0
Commissions	467	397
Reduction in the earn-out liability for SUSS MicroTec Photonic Systems	0	293
Company cars	229	245
Capitalization of internal activities	107	217
Income from storage of machines for customers	0	198
Reversal of other liabilities	182	241
Income from the reversal of value adjustments for trade receivables	51	1,280
Payouts from installations (rental) in Sunnyvale (SMT. Inc)	67	0
Income from the reversal of provisions	76	0
Partial reversal of the conditional purchase price liability for acquiring the remaining shares of SUSS MicroOptics	0	82
Revenue from the sale of the 10% holding in Electron Mec	0	40
Insurance reimbursements	0	35
Other subsidies	39	31
Rental income	32	25
Others	50	129
Other operating income	4,869	4,478

The foreign currency gains stemmed primarily from various business transactions in the operational area that were conducted in foreign currency (primarily in US dollars and Japanese yen) and from exchange rate changes during the year. Here, revenue is also recognized from the reporting date measurement of intra-Group clearing accounts, which exist in foreign currency from the perspective of the reporting company.

The commissions were obtained by our subsidiary in China.

Capitalized own work involves own work related to the expansion of the Group-wide SAP system. In 2015, SUSS MicroTec Photonic Systems Inc. (Corona, USA) was connected to the SAP system; the conversion to the new system occurred in the second quarter of 2015. To this end, employees of SUSS MicroTec AG and SUSS MicroTec Lithography GmbH performed extensive own work. In the previous year, capitalized own work involved an SAP module for human resources management for the German companies, services for the planned introduction of SAP at SUSS MicroTec Photonic Systems Inc. (Corona, USA), and services for a new customer relationship management system.

The previous year's income from the reduction of the earn-out liability for SUSS MicroTec Photonic Systems Inc. resulted from the complete reversal of the still remaining earn-out liability, which was recognized as a liability during the initial consolidation of Tamarack Scientific Co., Inc.

The income from the reversal of the provisions stemmed from SUSS MicroTec AG.

From the sale of the 10% interest in Electron Mec S.r.l. based in Milan, Italy, SUSS MicroTec Lithography GmbH generated proceeds of € 40 thousand in the previous year. The interest had belonged to the SUSS MicroTec Group since 1996.

Other subsidies of approximately € 39 thousand were obtained by our subsidiary in China. In addition, subsidies of € 31 thousand in the previous year involved subsidies to SUSS MicroTec China.

(6) Other Operating Expenses

Other operating expenses were comprised as follows:

in € thousand	2015	2014
Foreign currency losses	3,157	2,021
Other taxes	576	546
Allowances for value adjustments for doubtful debts	368	44
Expenses for cancellation agreement with one customer	135	0
Losses on disposal of assets	0	6
Others	138	78
Other operating expenses	4,374	2,695

The foreign currency losses arose – as in the previous year – mainly from changes in measurement of customer receivables in US dollars on account of changes in the exchange rates during the year as well as from measurement changes to intra-Group clearing accounts in foreign currency. In the previous year, € 103 thousand of the foreign currency losses resulted from the repayment of intra-Group foreign currency loans by SUSS MicroTec AG to SUSS MicroTec Inc. (USA). This amount was recorded in other comprehensive income (OCI) in the previous year until the loans were repaid.

Additions to value adjustments for doubtful receivables were primarily formed by SUSS MicroTec Lithography GmbH and SUSS MicroOptics, S.A. (Hauterive, Switzerland).

(7) Financial Result

The financial result is composed of interest expenses and interest income as well as other financial expenses and other financial income.

Financial income of € 258 thousand (previous year: € 349 thousand) resulted mainly from interest income for money market investments and securities.

The financial expenses are comprised as follows:

in € thousand	2015	2014
Bank loans	383	428
Commissions on bank guarantees	34	37
Accounting loss of redemption of available-for-sale securities	71	28
Compounding of noncurrent liabilities	0	29
Other interest and financial expense	38	23
Financial expense	526	545

Interest for bank liabilities decreased from the previous year and primarily involved interest expense for financing the property in Sternenfels (loan status as of December 31, 2015: € 3,600 thousand) and Garching (loan status as of December 31, 2015: € 5,500 thousand). In the reporting year, € 147 thousand of interest accrued for the loan for financing the Sternenfels property (previous year: € 154 thousand). The loan for financing the Garching property caused interest expense of € 224 thousand in the reporting year (previous year: € 260 thousand).

Book losses from the redemption of securities resulted from the acquisition during the year of corporate bonds, whose purchase price exceeded their nominal value. The acquired bonds had a short remaining term and were due before December 31, 2015. Redemption upon the due date occurred at the nominal value.

(8) Income Taxes

The tax expense and its breakdown into current and deferred taxes are as follows:

in € thousand	2015	2014
Current taxes	2,975	1,570
Deferred taxes	1,505	2,017
thereof on temporary differences	-420	1,067
Total	4,480	3,587

The table below shows a reconciliation between the tax expense expected in each fiscal year and the tax expense presented.

in %	2015	2014
Expected tax rate		
Corporate income tax rate	15.00	15.00
Solidarity surcharge	5.50	5.50
Trade income tax rate	12.43	12.43
Composite tax rate	28.25	28.25
in € thousand	2015	2014
Earnings before taxes	4,705	8,200
Expected income taxes	1,329	2,317
Different foreign tax rates	-1,505	-875
Minimum taxation	0	94
Remeasurement of German tax rates	8	13
Other non-deductible expenses	198	181
Income taxes from previous years	219	111
Change of valuation allowance on deferred taxes	4,382	2,499
Use of loss carryforwards adjusted in full	0	-435
Non-taxable income	-27	-292
Tax subsidies	-71	0
Others	-53	-26
Effective income taxes	4,480	3,587

A comparison of the expected and effective income taxes from the continuing operations shows a deviation of € -3,151 thousand (previous year: € -1,270 thousand). Instead of the expected tax expense of € 1,329 thousand, a tax expense of € 4,480 thousand resulted at the Group level in the reporting year.

In the reporting year, additional value adjustments of € 4,382 thousand were made on deferred tax assets. The largest need for value adjustment arose at the US companies SUSS MicroTec Inc., Corona (California, USA), and SUSS MicroTec Photonic Systems Inc., Corona (California, USA). Both US companies, SUSS MicroTec Inc. and SUSS MicroTec Photonic Systems Inc., form a tax group whose taxable income in the USA is subject to Group taxation. Based on the current Group budget, negative earnings are expected for SUSS MicroTec Photonic Systems in the next three years. Earnings for SUSS MicroTec Inc. are expected to be slightly positive beginning next year.

The tax expense from previous years mainly involved anticipated tax arrears payments of SUSS MicroTec AG, which resulted from the ongoing audit. Effective tax expense from previous years amounts to € 534 thousand.

The positive tax effect from the generation of tax-exempt income in the previous year was mainly attributable to income from the reversal of the remaining earn-out liability, which was recorded as a result of the reevaluation at the end of the year.

No tax deferral was recorded on non-distributed profits from subsidiaries. It was decided to forgo a calculation of the possible tax effects because the time and effort would have been disproportionate.

The deferred income and prepaid expenses for deferred taxes are computed as follows:

in € thousand	Assets		Liabilities	
	2015	2014	2015	2014
Other current liabilities	89	57	0	0
Pension plans and similar commitments	1,160	1,127	0	0
Trade receivables	0	4	2	20
Other noncurrent provisions	0	11	3	3
Intangible assets	1,503	2,184	0	0
Other current assets	101	64	1	0
Goodwill	0	0	2,064	2,064
Adjustment item SMT Photomask Equipment	0	0	303	336
Inventories	1,450	495	0	0
Tangible assets	12	0	0	1
Others	117	134	16	96
Loss carryforward	410	2,334	0	0
Balancing	-2,389	-2,520	-2,389	-2,520
Total	2,453	3,890	0	0

The Group has tax loss carryforwards of € 54,554 thousand (previous year: € 46,646 thousand). Of this amount, a total of € 5,785 thousand will have lapsed by December 31, 2024. In the period from 2028 to 2035, a total of € 46,360 thousand will lapse. Loss carryforwards of € 2,409 thousand can be used indefinitely.

The increase in loss carryforwards compared with the previous year resulted primarily from the annual loss of the US tax group composed of SUSS MicroTec, Inc. and SUSS MicroTec Photonic Systems Inc. As of December 31, 2015, this tax group in the USA had loss carryforwards of US\$ 50,497 thousand. By contrast, the loss carryforwards in Germany declined due to the positive earnings of the entities SUSS MicroTec Lithography GmbH and SUSS MicroTec REMAN GmbH and the similar positive earnings of SUSS MicroTec Photomask Equipment GmbH & Co. KG to € 1,452 thousand (previous year: € 8,263 thousand).

No deferred tax assets were recognized on loss carryforwards of € 53,102 thousand (previous year: € 38,383 thousand) and temporary differences of € 12,699 thousand (previous year: € 10,031 thousand).

According to IAS 12.74 et seq., deferred tax assets and liabilities are offset if the possibility to do so exists according to civil law and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. As of December 31, 2015, deferred tax assets and liabilities of € 2,389 thousand (previous year: € 2,520 thousand) were offset.

(9) Earnings per Share

The following table shows the computation of the basic and diluted earnings per share.

in € thousand	2015	2014
Profit/Loss, which accrues to shareholders of SUSS MicroTec AG	225	4,613
Weighted average number of outstanding shares	19,115,538	19,115,538
Effect of the (potential) exercise of stock options (number of options)	0	0
Adjusted weighted average number of outstanding shares	19,115,538	19,115,538
Earnings per share in € – basic –	0.01	0.24
Earnings per share in € – diluted –	0.01	0.24

(10) Other Disclosures on the IFRS Consolidated Statement of Income

EXPENSES FOR RESEARCH AND DEVELOPMENT

Along with the explicitly disclosed expenses for research and development in the statement of income, write-downs on capitalized development costs and to a lesser extent capitalizations of development costs were taken during the fiscal year.

Net investments and expenses for research and development are as follows:

in € thousand	2015	2014
R&D expense	12,787	10,490
R&D amortization	132	456
R&D capitalization	1	45
R&D net capitalization	-131	-411

PERSONNEL EXPENSES

The consolidated statement of income of the SUSS MicroTec Group includes personnel expenses under the various postings as follows:

in € thousand	2015	2014
Wages and salaries	48,462	43,016
Social security expenses	5,804	4,106
Pension expenses	2,972	2,749
Personnel expenses	57,238	49,871

The social security charges and expenses for benefits mainly contain the employer's portions of social security insurance and contributions to the employer's liability insurance.

The expenditures for pension provisions include pension expenses from company pension plans and employer contributions to the statutory retirement insurance.

COST OF MATERIALS

The cost of materials in the 2015 fiscal year came to € 48,534 thousand (previous year: € 54,851 thousand).

DEPRECIATION AND AMORTIZATION

Depreciation and amortization are composed as follows:

in € thousand	2015	2014
Intangible assets	1,239	1,515
Tangible assets	2,944	2,734
Depreciation and amortization	4,183	4,249

During the fiscal year, amortization charges of € 819 thousand (previous year: € 801 thousand) were recognized on concessions, intellectual property rights, and similar rights and assets as well as on licenses for such rights and assets. Amortization charges of € 132 thousand (previous year: € 456 thousand) were recognized on capitalized development costs.

The technology recognized with the initial consolidation of SUSS MicroTec Photonic Systems and other acquired intangible assets were subject to amortization charges of € 288 thousand (previous year: € 258 thousand).

Explanations on the Assets Side

The following explanations on the consolidated statement of financial position relate exclusively to the Group's continuing operations for the reporting year. All figures are in € thousand unless otherwise stated.

(11) Intangible Assets

The intangible assets show patents, licenses, and similar rights of € 2,789 thousand (previous year: € 2,732 thousand), development costs of € 252 thousand (previous year: € 382 thousand), and technology acquired from SUSS MicroTec Photonic Systems of € 1,225 thousand (previous year: € 1,357 thousand) as of the reporting date. The technology will be subject to amortization over eight years and will have a remaining useful life until March 31, 2020. Patents, licenses, and similar rights include the Group-wide SAP system.

The capitalized development costs relate mainly to the development of new tools. The residual book value as of December 31, 2015 involves only the Lithography division.

Technology acquired through the acquisition of SUSS MicroTec Photonic Systems is disclosed with a residual book value of € 1,225 thousand (previous year: € 1,357 thousand) under intangible assets. Since the value of the technology was recorded and continues to be denominated in US dollars, the change in the exchange rate of the US dollar to the euro had the effect of increasing its value as of December 31, 2015.

(12) Goodwill

The goodwill presented as of the reporting date in the amount of € 15,772 thousand (previous year: € 15,546 thousand) is allocated entirely to the Lithography cash-generating unit.

(13) Tangible Assets

The breakdown of tangible assets that are combined in the statement of financial position and their development in the reporting year are shown in the fixed assets movement schedule, which is a component part of these notes.

(14) Other (Noncurrent) Assets

Other noncurrent assets include the asset values of reinsurance policies which fail to fulfill the criteria for offsetting against existing pension provisions and tenants' guarantee deposits for rented office buildings.

in € thousand	2015	2014
Reinsurance policies	156	150
Deposits	455	413
Other noncurrent assets	611	563

(15) Inventories

The inventories can be broken down as follows:

in € thousand	2015	2014
Materials and supplies	28,610	22,091
Work in process	27,237	26,109
Finished goods	11,180	8,971
Demonstration equipment	20,032	20,490
Merchandise	869	838
Value adjustments	-19,209	-19,616
Inventory reserves	68,719	58,883

Of the total inventories of € 68,719 thousand as of December 31, 2015 (previous year: € 58,883 thousand), € 29,579 thousand (previous year: € 29,547 thousand) are accounted for at net realizable value.

The amount of inventories, which were recorded as an expense in the fiscal year, totaled approximately € 85,244 thousand (previous year: € 85,580 thousand).

(16) Trade Receivables

Trade receivables break down as follows:

in € thousand	2015	2014
Trade receivables – gross	13,564	13,713
Value adjustments	-471	-323
Trade receivables	13,093	13,390

The following table reproduces the changes in the value adjustments on the stock of trade receivables.

in € thousand	2015	2014
Valuation allowance as of beginning of fiscal year	323	1,815
Derecognition of trade receivables	-169	-256
Payments received and recoveries of previously written-off receivables	-51	-1,280
Additions	368	44
Valuation allowance as of end of fiscal year	471	323

(17) Other Financial Assets

The following items are presented under other financial assets:

in € thousand	2015	2014
Capitalized interest	6	29
Subsidized projects	0	31
Supplier bonuses	118	57
Tender guarantees	38	41
Claims against employees	24	24
Others	35	22
Other financial assets	221	204

Deferred interest relates to interest claims for time deposits.

(18) Securities

In the reported fiscal year, SUSS MicroTec AG invested part of its liquidity in securities held for sale. These were mostly interest-bearing corporate and government bonds as well as commercial paper. The securities have been measured at market prices. Any fluctuations in the market price are recognized in accumulated other comprehensive income and therefore do not affect profit and loss.

As of December 31, 2015, the Company's portfolio did not include any securities (previous year: € 1,026 thousand).

(19) Current Tax Assets

The noncurrent tax receivables result from the capitalization of the corporation tax credits of German Group companies in the amount of € 34 thousand (previous year: € 50 thousand) as a result of the SE introductory legislation (SEStEG) (this deals with tax measures in connection with the introduction of the European Company, or SE, and on amendments to other fiscal regulations). The credit will be disbursed in ten equal annual amounts in the years 2008 to 2017. Since the disbursement amount does not bear interest, a corresponding discount has been made. An additional € 3 thousand involved reimbursement claims of SUSS MicroTec Ltd. (Market Rasen, United Kingdom).

Current tax receivables are composed as follows:

in € thousand	2015	2014
Advance tax payments	264	691
Tax subsidies	150	34
Tax refund claims	414	725

(20) Cash and Cash Equivalents

The cash and cash equivalents amounting to € 49,085 thousand (Previous year: € 47,309 thousand) are cash, checks, and bank balances that are available within three months from the date of deposit. The changes compared to the previous year are shown in the consolidated cash flow statement.

(21) Other (Current) Assets

The following items are presented under other current assets:

in € thousand	2015	2014
Deferred items	822	1,061
Payments in advance	400	172
VAT	804	312
Security deposits	0	59
Bidding securities	100	71
Outstanding checks to be paid in	44	0
Others	102	34
Other current assets	2,272	1,709

The prepaid expenses item contains prepayments for future expenses, e.g., insurance premiums and advance payments of rent.

Explanations on the Equity & Liabilities Side

(22) Shareholders' Equity

SUBSCRIBED CAPITAL

The equity capital of SUSS MicroTec AG remained unchanged at € 19,115,538.00 as of the reporting date (divided into 19,115,538 registered and fully paid-in no-par-value shares each with an imputed face value of € 1.00). We refer here to the presentation of the Statement of Changes in Equity.

Each individual share gives entitlement to one vote. The individual shares are not repayable and cannot be converted. Dividends may only be distributed from the distributable profits as recognized in the financial statements of SUSS MicroTec AG prepared in accordance with commercial law.

The authorized capital as of the reporting date was € 9,000 thousand (previous year: € 9,000 thousand).

in € thousand	2015	2014
Subscribed capital	19,116	19,116
Authorized capital	9,000	9,000
Conditional capital	0	0

RESERVES

The Group's reserves are composed as follows:

in € thousand	2015	2014
Additional paid-in capital	97,614	97,614
Earnings reserve	433	433
Retained earnings	762	537
Reserves	98,809	98,584

The additional paid-in capital is unchanged on the previous year.

The earnings reserve is unchanged on the previous year.

The positive annual earnings of € 225 thousand result in a net profit for the year of € 762 thousand as of December 31, 2015.

ACCUMULATED OTHER COMPREHENSIVE INCOME

The development of accumulated other comprehensive income is as follows:

in € thousand	2015	2014
Remeasurement on defined benefit pension plans	-2,313	-1,331
Foreign currency adjustments	492	-2,426
Cash flow hedges	-486	-342
Unrealized gains/losses from available-for-sale securities	11	30
Tax effects		
Remeasurement on defined benefit pension plans	532	333
Unrealized gains/losses from available-for-sale securities	13	0
Cash flow hedges	121	81
Status at the beginning of the period	-1,630	-3,655
Pre-tax changes		
Remeasurement on defined benefit pension plans	-532	-982
Foreign currency adjustments	2,765	2,918
Cash flow hedges	76	-144
Unrealized gains/losses from available-for-sale securities	-11	-19
Tax effects		
Remeasurement on defined benefit pension plans	165	199
Unrealized gains/losses from available for sale securities	3	13
Cash flow hedges	-21	40
Status at the end of the period	815	-1,630

In 2010, SUSS MicroTec AG concluded an interest swap as a hedging instrument for the variable interest loan serving to finance the newly acquired real estate in Sternenfels. Hedge accounting was used for this interest swap: Instead of being recognized in the statement of income, changes in market value are shown under accumulated other comprehensive income.

MANAGEMENT OF EQUITY

The shareholders' equity of the SUSS MicroTec Group – comprised of subscribed capital, reserves, and accumulated other comprehensive income – totaled € 118,740 thousand as of December 31, 2015 (previous year: € 116,070 thousand); this

corresponds to an equity ratio of 67.0% (previous year: 69.1%). Along with an appropriate return on equity, the SUSS MicroTec Group strives for a sustained high equity ratio and a high liquidity reserve in order to ensure future growth and increase the enterprise value. In order to maintain or adjust the capital structure, the Group can exploit all the options arising from SUSS MicroTec AG's listing on the stock exchange.

The Company's Management Board assumes on the basis of its current planning that positive earnings will be achieved in the coming fiscal year. If the goals are not met, the danger exists that equity might decrease as a result of a net loss for the year.

(23) Pension Plans and Similar Commitments

The Company grants various benefits arrangements covering mainly old age, death, and invalidity. The plans vary depending on the legal, fiscal, and economic conditions in the various countries. As a rule, the benefits are calculated on the basis of the salaries and length of service of the insured employees.

A distinction is made between a defined benefit system and a defined contribution system. In the case of defined benefit commitments, the obligation of the Group consists in fulfilling the promised benefits to former employees, for which corresponding provisions are set up.

In the case of defined contribution plans, the Group does not enter into any further obligation apart from making contributions to special purpose funds. The contribution payments are charged against income; no provisions are set up.

The pension obligations are composed as follows:

in € thousand	2015	2014
Defined benefit obligation	9,003	7,278
Fair value of plan asset	-3,859	-2,527
Net pension obligation	5,144	4,751

DEFINED BENEFIT PLANS

The Group maintains defined benefit pension plans in Germany, Japan, and Switzerland.

The existing pension commitments in Germany comprise claims to old age, invalidity, and surviving dependents' pensions and are linked to annual salary or take the form of fixed commitments. Selected members of the management are eligible for these benefits. The main actuarial assumptions are shown below:

in %	2015	2014
Discount factor	1.91	1.93
Return on plan assets	1.91	1.93
Salary increase	0.00	0.00
Pension increase	2.00	2.00

Life expectancy according to tables by Dr. Heubeck, 2005

Salary-related increases have not been included since there are no longer any active claimants waiting under the German plans.

The pension commitments of the subsidiary in Switzerland cover claims for retirement, invalidity, and surviving dependents' pensions depending on the base salary. All employees and members of management of the subsidiary are entitled.

The main actuarial assumptions are shown below:

in %	2015	2014
Discount factor	0.90	1.10
Return on plan assets	0.90	1.10
Salary increase	1.50	1.50
Pension increase	0.00	0.00

The subsidiary in Japan has a noncontributory unfunded defined benefit plan, under which certain employees receive a pension payment after leaving the Company. The level of the pension payment is determined by a set computation method providing for a benefit of 80% of the monthly salary per year of employment for each qualifying employee. Every employee qualifies after belonging to the Company for at least three years.

The main actuarial assumptions are shown below:

in %	2015	2014
Discount factor	0.42	1.00
Salary increase	1.67	1.63
Pension increase	0.00	0.00

The present values of defined benefit obligations and the fair values of the plan assets developed in the 2015 and 2014 fiscal years as follows:

in € thousand	2015	2014
Defined benefit obligation as of January 1	7,278	5,935
Service cost	337	351
Interest cost	109	156
Pension payments	482	-206
Actuarial (-) gain/(+) loss due to changes in financial assumptions	186	879
Actuarial (-) gain/(+) loss due to changes in demographic assumptions	0	-55
Actuarial (-) gain/(+) loss due to experience adjustments	174	176
Foreign exchange fluctuations	437	42
Defined benefit obligation as of December 31	9,003	7,278
Plan assets as of January 1	2,527	2,175
Expected return on plan assets	36	56
Fund allocations paid	1,052	253
Actuarial (+) gain/(-) loss	53	15
Foreign exchange fluctuations	191	28
Plan assets as of December 31	3,859	2,527

The essential components of plan assets are reinsurance policies. In connection with pension obligations in Germany, corresponding reinsurance policies were arranged with Allianz Lebensversicherungs-AG. The pension obligations in Switzerland are backed by Helvetia Sammelstiftung, which has arranged corresponding reinsurance policies. Both reinsurance policies are to be regarded as a conservative, low-risk form of investment, whose value is subject to only slight market fluctuations.

The present value of the pension obligations of € 6,778 thousand (previous year: € 4,987 thousand) applies to pension claims financed by funds.

The pension expenses break down as follows:

in € thousand	2015	2014
Service cost	202	227
Personnel expenses component	202	227
Interest cost	88	125
Expected return on plan asset	-15	-25
Actuarial (+) gain/(-) loss	19	85
Interest expenses component	92	185

For 2016, the Group expects to make payments totaling € 338 thousand to meet pension obligations.

The following overview shows how the present value of all defined benefit obligations would be affected by changes in the essential actuarial assumptions:

in € thousand	2015
Present value of all defined benefit obligations if	
interest rate is 50 base points lower	9,692
interest rate is 50 base points higher	8,404
salary increase is 50 base points lower	8,893
salary increase is 50 base points higher	9,117
rate of pension increase is 0.50% lower	8,624
rate of pension increase is 0.50% higher	9,413

DEFINED CONTRIBUTION PLANS

The Group has set up a defined contribution plan for its employees in the USA. All employees of SUSS MicroTec Photonic Systems Inc. (Corona) and SUSS MicroTec Inc. (Corona) from the age of 18 or 21 and with a minimum of 1,000 working hours per year benefit from the plan. Both defined contribution plans include two components: a profit-sharing agreement and a 401(k) plan.

At SUSS MicroTec Inc., the amounts flowing into the profit-sharing agreement are revised annually. All contributions from the Company are held in a trust fund. Qualifying employees obtain a non-forfeitable claim to benefits over a period of six years.

Under the 401(k) plan, the employer contribution is US\$ 0.50 for each US\$ 1.00 of the employee contribution up to a maximum employee contribution of US\$ 3,000 (i.e., the maximum employer contribution is US\$ 1,500). The employees have entitlement to the full employer contribution only after completing their third year of employment. Prior to this, they do not have any claim to employer contributions.

The 401(k) plan of SUSS MicroTec Photonic Systems Inc. offers employees the possibility of paying 25% of their annual remuneration into the 401(k) plan. The employer matches each US\$ 1.00 of employee contribution up to a maximum amount of 3% of the salary. Qualifying employees obtain a non-forfeitable claim to benefits staggered into 20% steps over a period of six years.

In the 2015 fiscal year, the expenses to the Group for the 401(k) plan came to US\$ 131 thousand (previous year: US\$ 185 thousand).

Furthermore, in the reporting year employer contributions were paid into the statutory retirement insurance in the amount of € 2,841 thousand (previous year: € 2,611 thousand).

(24) (Noncurrent) Provisions

The noncurrent provisions comprise obligations of the Group arising from agreements under the pre-retirement part-time scheme. The provisions have developed as follows:

in € thousand	As of 01/01/2015	Utilization	Additions	As of 12/31/2015
Pre-retirement arrangements	29	-18	0	11

The pre-retirement arrangement concluded under a company agreement applies to employees of SUSS MicroTec Lithography GmbH and of SUSS MicroTec AG who have reached the age of 57 and were employed full-time or part-time in their present job for at least three years in the five years preceding the pre-retirement period.

During the pre-retirement period, the previous regular working time is reduced to 50%. The working time to be performed during the entire pre-retirement period is generally distributed such that it is performed in full in the first half of the pre-retirement period (work phase) and the employee is released from work duties in the second half (release phase).

In addition to the gross salary reduced to 50%, the employee receives a supplementary amount, which is measured such that the net monthly salary under the pre-retirement scheme equals at least 82% of the monthly full-time net salary. The supplementary amount is paid free of tax and social security charges.

(25) Financial Debt

The table below shows the maturity structure of the bank borrowings and liabilities from finance leases as of December 31, 2015, and the previous year's reporting date:

<i>December 31, 2015</i> in € thousand	<i>Remaining period to maturity up to one year</i>	<i>Remaining period to maturity more than one year to five years</i>	<i>Remaining period to maturity more than five years</i>	<i>Total</i>
Bank borrowings	1,180	7,420	500	9,100
Current bank liabilities	6	0	0	6
Total	1,186	7,420	500	9,106

<i>December 31, 2014</i> in € thousand	<i>Remaining period to maturity up to one year</i>	<i>Remaining period to maturity more than one year to five years</i>	<i>Remaining period to maturity more than five years</i>	<i>Total</i>
Bank borrowings	1,180	4,720	4,380	10,280
Liabilities from finance lease	7	0	0	7
Total	1,187	4,720	4,380	10,287

BANK BORROWINGS

Bank borrowings include liabilities from a long-term loan agreement of € 3,600 thousand (previous year: € 3,780 thousand), which serves to finance the company property in Sternenfels. The loan agreement was concluded on May 25 to 28, 2010 between SUSS MicroTec AG and a local bank. The loan amounted to € 4.5 million and has a term until June 30, 2020. It was made available and disbursed on July 6, 2010.

It also includes liabilities of € 5,500 thousand (previous year: € 6,500 thousand), which serves to finance the business property in Garching that was acquired in 2013. The loan agreement was concluded on October 23 to 28, 2013 between SUSS MicroTec AG and a local bank. The loan's term is until June 30, 2021. It was made available and disbursed on December 16, 2013.

The details of the status of various loans as of the end of the fiscal year are as follows:

<i>Group company</i> in € thousand	<i>2015</i>	<i>2014</i>	<i>Interest rate</i>	<i>Maturity</i>
SUSS MicroTec AG	3,600	3,780	3.98%	6/30/2020
SUSS MicroTec AG	5,500	6,500	3.65%	6/30/2021
Total	9,100	10,280		
thereof due current	1,180	1,180		
thereof due noncurrent	7,920	9,100		
due in 2016	1,180			
2017	1,180			
2018	1,180			
2019	1,180			
2020	3,880			
2021	500			
	9,100			

The Company has various credit lines with national and international banks and insurance companies. The credit lines and their utilization have developed as follows:

in € thousand	2015	2014
Credit line	9,000	8,000
Utilization	5,443	3,484
Available credit line	3,557	4,516

A bank consortium led by Deutsche Bank AG with the participation of DZ Bank AG and the Baden-Württembergische Bank provides credit and guarantee lines totaling € 4.5 million. These lines were granted until further notice and were issued without covenants. In addition, the Deutsche Bank AG granted a guarantee line of € 1.0 million with a term until April 30, 2016. The lines can be utilized by SUSS MicroTec AG or SUSS MicroTec Lithography GmbH.

BW-Bank Mannheim is granting SUSS MicroTec Photomask Equipment GmbH & Co. KG a credit and guarantee line of € 1.0 million. The credit line runs for an indefinite term and was issued without covenants.

There is an additional credit line of € 2.5 million with an insurance company to guarantee sureties of down payments. This line can be utilized by SUSS MicroTec AG, SUSS MicroTec Lithography GmbH, or SUSS MicroTec Reman GmbH.

As of the reporting date, the lines were utilized in an amount of € 5,443 thousand (previous year: € 3,484 thousand) in the form of guarantees.

The average interest rate for the utilization of the credit lines in the form of guarantees was 1.00% (previous year: 1.09%).

FINANCE LEASE LIABILITIES

The Group currently has operating leases for various furnishings and items of equipment in the production and administrative areas. In addition, there are finance leases for software, buildings, land and fixtures, technical equipment and tools, as well as for other equipment, office, and plant furnishings, the underlying assets of which are capitalized and subject to depreciation.

The terms of the lease liabilities and the future financial obligations from operating leases are as follows:

in € thousand	Finance Lease	Operating Lease
Depreciation/Expenses 2015	7	1,262
Depreciation/Expenses 2014	11	1,190
Future liabilities due in		
2016	0	895
2017	0	657
2018	0	106
2019	0	27
2020	0	2
later	0	0
Total future	0	1,687
thereof interest	0	
Liability as of December 31, 2015	0	
due current	0	
due noncurrent	0	

(26) (Current) Provisions

Current provisions are composed as follows:

in € thousand	2015	2014
Warranty provisions	1,574	1,434
Severance provisions	0	1,050
Miscellaneous provisions	788	754
Current provisions	2,362	3,238

The warranty provisions were set up in the amount of their probable utilization for statutory and contractually agreed guarantees and warranty claims of customers arising from deliveries of machines.

The provisions for severance payments disclosed in the previous year related in full to a former member of the Management Board.

The remaining provisions essentially include provisions for follow-up costs and provisions for personnel expenses.

Current provisions have developed as follows:

in € thousand	As of 01/01/2015	Utilization	Reversal	Additions	As of 12/31/2015
Warranty provisions	1,434	-1,434	0	1,574	1,574
Severance provisions	1,050	-1,050	0	0	0
Miscellaneous provisions	754	-678	-76	788	788
Current provisions	3,238	-3,162	-76	2,362	2,362

(27) Other (Current) Financial Liabilities

Other current financial liabilities break down as follows:

in € thousand	2015	2014
Premiums and commissions	3,886	2,684
External services	1,266	1,566
Supervisory Board remuneration	188	159
Negative market values from interest swaps	411	488
Forward currency transaction	34	0
Contingent purchase price obligation SMO	92	163
Outstanding wage tax	449	527
License fees	99	70
Others	120	150
Other (current) financial liabilities	6,545	5,807

Under other financial liabilities, the Company shows the negative market values from interest derivatives. Further details on interest hedges are provided in Note (30) "Additional information on financial instruments."

(28) Other (Current) Liabilities

Other current liabilities break down as follows:

in € thousand	2015	2014
Down payments received	18,176	17,964
Accrued personnel expenses	4,394	3,826
Deferred income	366	233
VAT	228	569
Others	302	200
Other current liabilities	23,466	22,792

The down payments received comprise deposit payments by customers for tools prior to their final acceptance. When delivery has been completed and the corresponding realization of sales has taken place, the deposit payments are offset against the receivables.

The accrued personnel expenses contain mainly obligations for vacation arrears and credit accounts under the flexible hours scheme.

(29) Tax Liabilities

The tax liabilities are made up of domestic income taxes of € 2,787 thousand (previous year: € 991 thousand) and foreign income taxes of € 540 thousand (previous year: € 504 thousand).

Other Disclosures

(30) Additional Information on Financial Instruments

Under IAS 32, financial instruments generally comprise all economic occurrences performed on a contractual basis that include a claim for cash. They include original financial instruments such as trade receivables and payables as well as financial receivables and liabilities. The financial instruments also comprise derivative instruments that are used to hedge currency and interest rate risks. The estimated fair values of the financial instruments do not necessarily represent the values that the Company would realize in an actual transaction under present market conditions. The following section provides a comprehensive overview of the significance of financial instruments for the Company and supplies additional information on statement of financial position items containing financial instruments.

The following table shows the book values of all categories of financial assets and liabilities:

in € thousand	2015	2014
Financial assets		
Cash and cash equivalents	49,085	47,309
Financial assets held for sale	0	1,026
Loans and receivables	13,314	13,594
Financial assets held for trading	0	0
	62,399	61,929
Financial liabilities		
Financial liabilities held for trading	445	488
Financial liabilities	23,711	19,101
	24,156	19,589

The table below presents the fair values and the book values of the financial assets and liabilities.

	2015		Measurement category according to IAS 39
	Book value	Fair value	
Financial assets			
Cash and cash equivalents	49,085	49,085	Loans and receivables
Trade receivables	13,093	13,093	Loans and receivables
Other financial assets	221	221	Loans and receivables
denominated at amortized cost	221	221	Loans and receivables
denominated at fair value	0	0	Loans and receivables
Financial liabilities			
Trade payables	8,472	8,472	Amortized cost
Financial debt	9,106	10,266	
Bank borrowings	9,100	10,260	Amortized cost
Liabilities from finance lease	6	6	Amortized cost
Other financial liabilities	6,578	6,578	
denominated at amortized cost	6,133	6,133	Amortized cost
denominated at fair value (Fair value level 2)	445	445	Derivatives

	2014		<i>Measurement category according to IAS 39</i>
	<i>Book value</i>	<i>Fair value</i>	
Financial assets			
Cash and cash equivalents	47,309	47,309	Loans and receivables
Trade receivables	13,390	13,390	Loans and receivables
Other financial assets	204	204	Loans and receivables
denominated at amortized cost	204	204	Loans and receivables
denominated at fair value	0	0	Loans and receivables
Securities, denominated at fair value (Fair value level 1)	1,026	1,026	Held for sale
Financial liabilities			
Trade payables	3,446	3,446	Amortized cost
Financial debt	10,287	11,769	
Bank borrowings	10,280	11,762	Amortized cost
Liabilities from finance lease	7	7	Amortized cost
Other financial liabilities	5,856	5,856	
denominated at amortized cost	5,368	5,368	Amortized cost
denominated at fair value (Fair value level 2)	488	488	Derivatives

The following methods and assumptions apply in determining the market values:

CASH AND CASH EQUIVALENTS

On account of the short-term nature of the investments, the book values correspond to the market values of the instruments.

RECEIVABLES/TRADE PAYABLES

On account of the short-term nature of the receivables and payables, the book values correspond approximately to the market values of the instruments.

OTHER FINANCIAL ASSETS/LIABILITIES

Because of the short-term nature of the assets and liabilities, the book values of the other financial assets and liabilities, which are measured at amortized cost, correspond roughly to their market value.

The measurement of other financial assets and liabilities that are measured at market value depends on their category. The market value of forward currency transactions is determined by the rates for forward currency transactions. The market value of interest derivatives is determined by discounting the expected future cash flows over the remaining term of the contract on the basis of current market interest rates and the interest structure graph.

SECURITIES

The market value of the financial assets available for sale corresponds to their prices in an active market.

BANK BORROWINGS

The market value of the financial liabilities with regard to bank borrowings was calculated by discounting the expected outflow of funds at usual market interest rates for debt instruments with comparable conditions and residual terms.

FINANCE LEASE LIABILITIES

The market value of the liabilities from finance leases was determined by discounting the expected outflow of funds at usual market interest rates for debt instruments with comparable conditions and residual terms.

The net gains and losses on financial instruments have developed as follows:

in € thousand	2015	2014
Loans and receivables	-317	1,236
Financial assets held for sale	-22	-47

Net gains or losses from loans and receivables contain changes in the adjustments and receipts of payments for loans and receivables that had been written off.

In the reporting year, the market value change of € -11 thousand (previous year: € -28 thousand) recorded under accumulated other comprehensive income – after accounting for deferred taxes – in the financial assets available for sale was reclassified from equity to the statement of income since these securities had matured in the meantime.

DERIVATIVE FINANCIAL INSTRUMENTS

For purposes of risk management, derivative financial instruments are used to limit the effects of fluctuations in exchange rates and interest rates.

The direct market values of the different kinds of derivative financial instruments have developed as follows:

in € thousand	2015		2014	
	Positive market value	Negative market value	Positive market value	Negative market value
Currency forwards	0	34	0	0
Interest rate swaps	0	411	0	488

Purchasing and sales obligations in foreign currencies arise due to cross-border supply relationships between SUSS MicroTec companies in the eurozone and external customers or suppliers who are not based in the eurozone. This applies above all to customers or suppliers in countries using the US dollar and the Japanese yen that obtain products from SUSS MicroTec companies in the eurozone or sell to them. At the time an order is placed, forward currency transactions are concluded in order to hedge against currency changes during the period until payment is made. Since the underlying transaction has not yet occurred at the time the forward currency transaction is concluded and will only come into being on realization of the sale, the purpose here is the hedging of planned transactions. The change in market values is shown under other operating income or other operating expenses. Potential risks arise from the fluctuation of the

currency exchange rates and in the creditworthiness of the contractual partners, which are exclusively German financial institutions with a first-rate credit standing.

As of December 31, 2015, there is an open forward foreign exchange contract for the forward sale of 175 million JPY with a value date of February 29, 2016. The hedging rate amounted to JPY/EUR 134.6159.

The sensitivity to exchange rates is determined by aggregating the foreign currency items of the operating activities and the Group treasury. Foreign currency risks are thus calculated on the basis of a simulation of a 10% devaluation of all foreign currencies versus the Euro. This simulated devaluation would have led to a reduction in the euro-equivalent value of € 149 thousand as of the reporting date (previous year: reduction of € 217 thousand) and a corresponding decrease (previous year: decrease) in annual income.

The following tables show the composition of the foreign currency exposure and the effects on annual income as of the reporting date and that of the previous year:

in € thousand	2015		
	US\$	JPY	Total
Cash and cash equivalents	2,058	10	2,068
Trade receivables	621	17	638
Trade payables	-574	-17	-591
Customer down payments	-476	0	-476
Net exposure	1,629	10	1,639
Effect of a 10% appreciation of the euro on annual net income	-148	-1	-149

in € thousand	2014		
	US\$	JPY	Total
Cash and cash equivalents	2,045	3,065	5,110
Trade receivables	2,545	786	3,331
Trade payables	-938	-230	-1,168
Customer down payments	-4,889	-2	-4,891
Net exposure	-1,237	3,619	2,382
Effect of a 10% appreciation of the euro on annual net income	112	-329	-217

The Company seeks to limit interest risks arising from the sensitivity of financial debt to fluctuations in the level of market interest rates by deploying interest derivatives such as interest swaps. Thus, the Company has hedged the variable rate loan taken out in 2010 to finance the property in Sternenfels with a term-congruent swap. The interest swap evens out the effect of future changes in the interest rates on the cash flows of the underlying variable rate investment. In order to model the market value fluctuations of the interest swap for the real estate loan under accumulated other comprehensive income, the Company has used hedge accounting for this interest swap. The term of the interest swap related to the property financing lasts until June 30, 2020.

(31) Related Parties

IAS 24 requires the disclosure of people that control or are controlled by SUSS MicroTec AG unless already included in the consolidated financial statements.

Control exists if a shareholder has more than half of the voting shares of SUSS MicroTec AG or has the possibility, on the strength of the articles of incorporation or contractual agreement, to control the financial and business policies of SUSS MicroTec AG.

Furthermore, the obligation of disclosure set out in IAS 24 also covers transactions with joint ventures and transactions with persons that exercise a substantial influence on the financial and business policies of SUSS MicroTec AG, including close family members or intermediate entities. A substantial influence on the financial and business policy of the Group may rest on a shareholding in SUSS MicroTec AG of 20% or more, a seat on the Management Board or Supervisory Board of SUSS MicroTec AG or another key management position.

With the exception of disclosures on the remuneration of the corporate bodies, the Group was not affected by the disclosure obligations set out under IAS 24 "Related Party Disclosures" in the fiscal year.

(32) Financial Obligations and Contingent Liabilities

Other financial obligations and contingent liabilities are composed as follows:

in € thousand	2015	2014
Purchase contingencies	19,540	13,543
Obligations from rental contracts	1,014	926
Total	20,554	14,469

The order obligation commits the Company to purchase services or materials from third parties.

(33) Explanations on the Consolidated Statement of Cash Flows

In the consolidated statement of cash flows of the SUSS MicroTec Group, a distinction is made in accordance with IAS 7 ("Statement of Cash Flows") between payment flows from operating activities and from investing and financing activities.

The item cash and cash equivalents in the statement of cash flows comprises all of the liquid funds shown in the statement of financial position, i.e., cash in hand, checks, and deposits with banks, provided they are available within three months without significant fluctuations in value. In the reporting year, part of the liquid funds, € 350 thousand (previous year: € 350 thousand) as of the reporting date, served as collateral for a deposit insurance contract. This amount can be settled at any time through the placement of a countersecurity.

The cash flows from investing and financing activities are computed on the basis of payments. On the other hand, the cash flow from operating activities is derived indirectly from the net result for the year.

Under the indirect computation, effects due to currency translation are eliminated from the relevant changes in statement of financial position items. The changes in the relevant statement of financial position items can, therefore, not be reconciled with the corresponding figures on the basis of the consolidated statement of financial position.

The other non-cash income and expenses in an amount of € -1,370 thousand (previous year: € -340 thousand) mainly contain currency effects. The previous year also includes effects from the addition of a provision for severance payments of € 1,050 thousand.

(34) Segment Reporting

INFORMATION ABOUT THE SEGMENTS

The activities of the SUSS MicroTec Group are analyzed in the segment reporting in accordance with the rules of IFRS 8 “Operating Segments” by product line and by region. This analysis is aligned with internal controlling and reporting to the Management Board and takes the different risk and earnings structures of the divisions into consideration.

The activities of the SUSS MicroTec Group are divided into the Lithography, Substrate Bonder, and Photomask Equipment operating divisions. The Others division combines further activities of the Group and the non-allocable costs of the Group functions.

In the Lithography division, the SUSS MicroTec Group develops, produces, and sells the mask aligner, developer, and coater product lines as well as the UV projection and laser processing product lines. The development and production activities are located in Germany in Garching near Munich and Sternenfels near Stuttgart. The development and production of the UV projection and laser processing product lines are conducted in Corona (USA). Substantial parts of the distribution organizations in North America and Asia are active for the Lithography division. Lithography represents distinctly more than half of the entire business of the Group and is represented in the advanced packaging, MEMS, and compound semiconductor markets.

The Substrate Bonder division encompasses the development, production and distribution of the substrate bonder product line. The activities of this division have been concentrated at Sternenfels near Stuttgart. Distribution for the Substrate Bonder division occurs from Sternenfels itself and worldwide in small units at locations in Europe, the USA, and Asia.

The Photomask Equipment division includes the development, manufacture, and sale of the HMx, ASx, MaskTrack, and MaskTrack Pro product lines of SUSS MicroTec Photomask Equipment GmbH & Co. KG. The development and production of specialized systems for the cleaning and processing of photomasks for the semiconductor industry are conducted at the Sternenfels site.

Besides covering the non-allocable costs of SUSS MicroTec AG, the Others division shows the operational activities that are not allocated to the other divisions in the area of micro-optics.

OTHER COMMENTS ON SEGMENT REPORTING

Division data was collated using the accounting and measurement methods applied in the consolidated financial statements. Due to the division of the Group by product line across companies, there are no material inter-division transactions. One exception is the reallocation of costs by SUSS MicroTec AG, recorded in the Others division, to the other divisions for the performance of certain Group functions such as financing and strategic matters. These charges also contained the expenses incurred by the holding company in connection with the introduction and operation of the SAP system.

In compliance with the requirements of IFRS 8 “Operating Segments”, the segment reporting contains disclosure of the pre-tax result per segment. This enables the sum of the segment results to be reconciled with the overall consolidated result before tax.

During the fiscal year, SUSS MicroTec made approximately 16% of total sales, amounting to € 23.8 million, with one customer. Of these sales € 23.2 million are attributable to the Lithography segment and € 0.6 million to the Photomask Equipment segment. In the previous year, all sales of SUSS MicroTec with individual customers remained below 10% of total sales.

Among the principal non-cash expenses and income are value adjustments on trade receivables, write-downs on inventories, and the addition and reversal of provisions and other liabilities.

Segment assets represent the necessary operational assets of the individual divisions. These comprise the intangible assets (including goodwill), tangible assets, inventory reserves, and trade receivables.

The segment liabilities include the operating debts and provisions of the individual divisions.

The investments relate to additions of both tangible and intangible assets.

For the geographical segment reporting, sales are segmented according to the location of the customers. In the reported fiscal year, SUSS MicroTec generated sales of € 18,552 thousand (previous year: € 18,388 thousand) in Germany.

The assets and investments were calculated on the basis of the location of the Group entity concerned. The Group's noncurrent assets primarily consist of intangible assets, goodwill, and tangible assets. Of noncurrent assets, € 32,340 thousand (previous year: € 32,297 thousand) are attributable to companies in Germany; € 7,961 thousand (previous year: € 7,918 thousand) accrue to foreign companies. In the reported fiscal year, the SUSS MicroTec Group invested € 2,075 thousand (previous year: € 2,242 thousand) in Germany.

(35) Subsequent Events

There were no significant events after the reporting date that have had a material impact on the net assets, financial position or results of operations of the Group.

(36) Management Board and Supervisory Board

MANAGEMENT BOARD OF THE ULTIMATE PROPRIETARY COMPANY

The Members of the Management Board of SUSS MicroTec AG in the 2015 fiscal year were:

DR. PER-OVE HANSSON (SINCE MAY 1, 2015)

Dr. rer. nat. (Physics), resident of Feldkirchen, Chief Executive Officer

RESPONSIBLE FOR THE AREAS:

Marketing and sales, Group strategy, service, research and development, patents, and divisions/product lines.

FURTHER APPOINTMENTS:

- none

MICHAEL KNOPP

Diplom-Kaufmann (Business Administration), resident of Ratingen, Chief Financial Officer, Speaker of the Management Board until April 30, 2015

RESPONSIBLE FOR THE AREAS:

Finance and accounting, IT, legal, tax and insurance, human resources, facility management, and investor relations. Until April 30, 2015, also marketing and sales, service, and Group strategy.

FURTHER APPOINTMENTS:

- none

WALTER BRAUN

Diplom-Ingenieur (Engineer), resident of Altensteig, Member of the Management Board

RESPONSIBLE FOR THE AREAS:

Production, work safety, quality management, environmental protection, materials management, and logistics. Until April 30, 2015, also patents, Group strategy, and research and development.

FURTHER APPOINTMENTS:

- none

SUPERVISORY BOARD

The Members of the Supervisory Board in the 2015 fiscal year were:

DR. STEFAN REINECK

Resident of Kirchartd; Managing Shareholder of RMC Dr. Reineck Management & Consulting GmbH, Kirchartd; Chairman of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- AttoCube Systems AG, Munich
(Vice Chairman of the Supervisory Board)
- AWS-Group AG, Heilbronn
(Member of the Supervisory Board)
- Phoseon Technology Inc., Hillsboro, Oregon, USA
(Member of the Board of Directors)
- Wittenstein AG, Igersheim
(Member of the Supervisory Board)
- Since October 26, 2015, Accel 4.0 Beteiligungs GmbH, Heilbronn (Chairman of the Advisory Board)

JAN TEICHERT

Resident of Metten; Member of the Board of Einhell Germany AG, Landau (Isar); Deputy Chairman of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- Until May 31, 2015, Kolb Technology GmbH, Hengersberg
(Member of the Advisory Board)

GERHARD PEGAM

Resident of Au bei Bad Aibling, Managing Shareholder of GPA Consulting, Au bei Bad Aibling; Member of the Supervisory Board of SUSS MicroTec AG

FURTHER APPOINTMENTS:

- OC Oerlikon Corporation AG, Pfäffikon, Switzerland
(Member of the Administrative Board);
- Schaffner Holding AG, Solothurn, Switzerland
(Member of the Administrative Board)

REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The members of the Management Board received cash remuneration of € 1,568 thousand (previous year: € 2,173 thousand). The amount of Management Board remuneration in the previous year included a severance payment of € 1,050 thousand for the former Chief Executive Officer, Mr. Frank Averdung, who departed on August 24, 2014.

The remuneration of the members of the Supervisory Board, including meeting attendance fees and expense allowances, amounted to € 188 thousand (previous year: € 159 thousand).

Individualized information about the remuneration of the Management Board and the Supervisory Board is presented in the Remuneration Report, which is part of the condensed Management Report.

Share and option holdings of the officers at year end:

	2015		2014	
	Shares	Options	Shares	Options
Michael Knopp	18,350	0	25,000	0
Walter Braun	3,150	0	10,500	0
Dr. Per-Ove Hansson	0	0	–	0
Dr. Stefan Reineck	9,600	0	9,600	0

(37) Employees

In the fiscal year, the SUSS MicroTec Group had an average of 686 employees (previous year: 651 employees).

Status at the end of the year:

	2015	2014
Administration	61	66
Sales and marketing	262	249
Operations	375	344
Total	698	659

(38) Auditor's Fees

In the current fiscal year, SUSS MicroTec recorded a fee of € 267 thousand (previous year: € 260 thousand) for the auditor of the consolidated financial statements, BDO AG Wirtschaftsprüfungsgesellschaft, Munich, pursuant to Section 314 (1) (9) of the German Commercial Code (HGB). The expenses cover the audit of the financial statements exclusively.

The expenses for the audit of the financial statements includes the entire fee for the audit of the annual financial statements of SUSS MicroTec AG as well as the audit of the consolidated financial statements and annual financial statements of subsidiaries by BDO AG Wirtschaftsprüfungsgesellschaft. Of the auditor's fee, € 227 thousand goes directly to the assigned auditor and € 40 thousand goes to network partners of the auditor.

BDO AG Wirtschaftsprüfungsgesellschaft did not perform any consulting services either during the fiscal year or the previous year.

(39) Corporate Governance

As in the previous years, in January 2015 the Management Board and the Supervisory Board submitted a declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG) and declared that they would comply with the recommendations of the German Corporate Governance Code in the version of June 24, 2014, with the following exceptions – a deductible for D&O insurance, vertical remuneration comparison, pension commitments, formation of committees, and goals for the composition of the Supervisory Board – and have complied with the recommendations of the Code in the version of May 13, 2013 since the last annual declaration of compliance was issued in January 2014 with the exceptions stated therein.

In January 2016, the Management Board and Supervisory Board issued a declaration of compliance pursuant to Section 161 AktG and declared that they would comply with the recommendations of the German Corporate Governance Code in the version of May 5, 2015 with the following exceptions – deductible for D&O insurance, vertical remuneration comparison, pension commitments, formation of committees, and a term limit for membership in the Supervisory Board. Furthermore, the Management Board and Supervisory Board have declared that they have complied with the recommendations of the Code in the version of June 24, 2014 since the issuance of the last annual declaration of compliance in January 2015 with the exceptions stated therein.

The declaration of compliance has been made permanently available online at ► www.suss.com.

(40) Disclosures Pursuant to Section 160 (8) of the German Stock Corporation Law (AktG)

In the fiscal year, the following notifications were made to the Company pursuant to Section 21 (1) of the German Securities Trading Law (WpHG) in conjunction with Section 32 (2) of the German Investment Law (InvG):

On January 8, 2015, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to Section 21 (1) WpHG that on January 2, 2015, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 4.44% (848,291 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 1.59% (304,356 voting rights) and pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.57% (492,000 voting rights) of the voting rights are attributable to it.

On February 3, 2015, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to Section 21 (1) WpHG that on January 30, 2015, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.04% (964,360 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 2.32% (444,356 voting rights) and pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.62% (500,000 voting rights) of the voting rights are attributable to it.

On February 4, 2015, Schrodgers PLC, London, UK, notified us pursuant to Section 21 (1) WpHG that on February 3, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.96% (564,820 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.96% (564,820 voting rights) of the voting rights are attributable to it.

On February 4, 2015, Schroder Administration Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on February 3, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.96% (564,820 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.96% (564,820 voting rights) of the voting rights are attributable to it.

On February 4, 2015, Schroder Investment Management Ltd., London, UK, notified us pursuant to Section 21 (1) WpHG that on February 3, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted

on this day to 2.96% (564,820 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 1.34% (256,507 voting rights) and pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 1.61% (308,313 voting rights) of the voting rights are attributable to it.

On February 10, 2015, Vanguard Whitehall Funds, Delaware, USA, notified us pursuant to Section 21 (1) WpHG that, on February 5, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell short of the threshold of 3% and amounted on this day to 2.919% (558,034 voting rights).

On February 18, 2015, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to Section 21 (1) WpHG that on February 13, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell short of the threshold of 5% and amounted on this day to 4.89% (933,859 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 2.37% (453,856 voting rights) and pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.51% (479,965 voting rights) of the voting rights are attributable to it.

On April 21, 2015, ING Groep N.V., Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 15, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.43% (656,497 voting rights). This 3.43% (656,497 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 21, 2015, NN Group N.V. (previously: ING Insurance Topholding N.V.), Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 15, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.43% (656,497 voting rights). This 3.43% (656,497 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 21, 2015, NN Insurance Eurasia N.V. (previously: ING Insurance Eurasia N.V.), Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 15, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.43% (656,497 voting rights). This 3.43% (656,497 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 21, 2015, NN Investment Partners Holdings N.V. (previously: ING Investment Management Holdings N.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 15, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.43% (656,497 voting rights). This 3.43% (656,497 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 21, 2015, NN Investment Partners International Holdings B.V. (previously: ING Investment Management (Europe) B.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 15, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.43% (656,497 voting rights). This 3.43% (656,497 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 24, 2015, NN Group N.V. (previously: ING Insurance Topholding N.V.), Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 24, 2015, NN Insurance Eurasia N.V. (previously: ING Insurance Eurasia N.V.), Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 24, 2015, NN Investment Partners Holdings N.V. (previously: ING Investment Management Holdings N.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 24, 2015, NN Investment Partners International Holdings B.V. (previously: ING Investment Management (Europe) B.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 24, 2015, NN Investment Partners B.V. (previously: ING Fund Management B.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). Of these voting rights, 2.03% (388,176 voting rights) are attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG and 0.94% (180,214 voting rights) pursuant to Section 22 (2) WpHG.

On April 24, 2015, NN Investment Partners Luxembourg S.A. (previously: ING Investment Luxembourg S.A.), Luxembourg, Luxembourg, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). Of these voting rights, 0.94% (180,214 voting rights) are attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG and 2.03% (388,176 voting rights) pursuant to Section 22 (2) WpHG.

On April 24, 2015, NN Investment Partners Belgium S.A. (previously: ING Investment Management Belgium S.A.), Brussels, Belgium, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (2) WpHG.

On April 24, 2015, ING Groep N.V., Amsterdam, Netherlands, notified us pursuant to Section 21 (1) WpHG that on April 21, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.97% (568,390 voting rights). This 2.97% (568,390 voting rights) is attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) and simultaneously Section 22 (2) WpHG.

On April 29, 2015, Internationale Kapitalanlagegesellschaft mbH, Düsseldorf, Germany notified us pursuant to Section 21 (1) WpHG that on April 28, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.10% (592,719 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 1.47% (280,314 voting rights) of the voting rights are attributable to it.

CORRECTION:

On May 7, 2015, NN Investment Partners B.V. (previously: ING Fund Management B.V.), Den Haag, Netherlands, notified us pursuant to Section 21 (1) WpHG that on August 8, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.42% (654,298 voting rights). Of these voting rights, 2.35% (448,348 voting rights) are attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG and 1.08% (205,950 voting rights) pursuant to Section 22 (2) WpHG.

On May 7, 2015, NN Investment Partners Luxembourg S.A. (previously: ING Investment Luxembourg S.A.), Luxembourg, Luxembourg, notified us pursuant to Section 21 (1) WpHG that on August 8, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.42% (654,298 voting rights). Of these voting rights, 1.08% (205,950 voting rights) are attributable to the Company pursuant to Section 22 (1) (1) (6) WpHG and 2.35% (448,348 voting rights) pursuant to Section 22 (2) WpHG.

On May 19, 2015, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to Section 21 (1) WpHG that on May 13, 2015, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.32% (1,017,394 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG, 2.64% (504,356 voting rights) and pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2), 2.61% (499,000 voting rights) of the voting rights are attributable to it.

On September 1, 2015, Henderson Group Holdings Asset Management Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on October 5, 2012, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.14% (601,056 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 3.14% (601,056 voting rights) of the voting rights are attributable to it.

On September 1, 2015, HGI Asset Management Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on October 5, 2012, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.14% (601,056 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 3.14% (601,056 voting rights) of the voting rights are attributable to it.

On September 1, 2015, Henderson Global Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on October 5, 2012, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.14% (601,056 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 3.14% (601,056 voting rights) of the voting rights are attributable to it.

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On September 1, 2015, Henderson Group Holdings Asset Management Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it.

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CORRECTION:

1. On December 9, 2015, Henderson Group Holdings Asset Management Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it. Henderson Horizon Fund, SICAV, holds 3% or more of the voting rights, which are attributable to the reporting entity pursuant to Section 22 (1) (1) (2–6) or (2) WpHG.

2. On December 9, 2015, HGI Asset Management Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it. Henderson Horizon Fund, SICAV, holds 3% or more of the voting rights, which are attributable to the reporting entity pursuant to Section 22 (1) (1) (2–6) or (2) WpHG.

3. On December 9, 2015, Henderson Global Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it. Henderson Horizon Fund, SICAV, holds 3% or more of the voting rights, which are attributable to the reporting entity pursuant to Section 22 (1) (1) (2–6) or (2) WpHG.

4. On December 9, 2015, Henderson Holdings Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it. Henderson Horizon Fund, SICAV, holds 3% or more of the voting rights, which are attributable to the reporting entity pursuant to Section 22 (1) (1) (2–6) or (2) WpHG.

5. On December 9, 2015, HGI Group Limited, London, UK, notified us pursuant to Section 21 (1) WpHG that on January 23, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 5% and amounted on this day to 5.14% (982,355 voting rights). Pursuant to Section 22 (1) (1) (6) WpHG in conjunction with Section 22 (1) (2) WpHG, 5.14% (982,355 voting rights) of the voting rights are attributable to it. Henderson Horizon Fund, SICAV, holds 3% or more of the voting rights, which are attributable to the reporting entity pursuant to Section 22 (1) (1) (2–6) or (2) WpHG.

On January 28, 2016, Universal-Investment-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to Section 21 (1) WpHG that on January 25, 2016, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, fell short of the threshold of 5% and amounted on this day to 4.86% (929,356 voting rights). Pursuant to Section 22 WpHG, 4.86% (929,356 voting rights) are attributable to it.

On March 3, 2016, Dimensional Holdings Inc., Austin, Texas, USA, notified us pursuant to §21 (1) WpHG (securities trading act) that on February 25, 2016, its share of voting rights in SÜSS MicroTec AG, Garching, Germany, rose above the threshold of 3% and amounted on this day to 3.004% (574,300 voting rights). Pursuant to Section 22 of the German Securities Trading Act WpHG, 3.004% (574,300 voting rights) are attributable to it.

(41) Approval of the Financial Statements

The Management Board of SUSS MicroTec AG approved the IFRS consolidated financial statements for forwarding to the Supervisory Board on March 9, 2016. The Supervisory Board has the task of examining the consolidated financial statements and declaring whether it approves them.

Garching, Germany, March 9, 2016

The Management Board



Dr. Per-Ove Hansson
Chief Executive Officer



Michael Knopp
Chief Financial Officer



Walter Braun
Chief Operating Officer

Responsibility Statement by the Legal Representatives

To the best of our knowledge, we assure that in accordance with applicable accounting principles, the consolidated financial statements convey an accurate view of the net assets, financial position, and results of operations of the Group and that the Group Management Report, which has been combined with the Management Report of SUSS MicroTec AG, conveys an accurate view of the business performance, including the earnings and condition of the Company, and describes the essential opportunities and risks for the Group's future development.

Garching, Germany, March 9, 2016

SUSS MicroTec AG



Dr. Per-Ove Hansson
Chief Executive Officer



Michael Knopp
Chief Financial Officer



Walter Braun
Chief Operating Officer

Auditors' Report

We have audited the consolidated financial statements – comprising the statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes – as well as the Group Management Report, which has been combined with the Management Report of SUSS MicroTec AG, for the fiscal year from January 1, 2015 to December 31, 2015. The preparation of consolidated financial statements in accordance with IFRS, as they are to be applied in the EU, as well as the supplementary regulations under commercial law according to Section 315 a (1) of the German Commercial Code (HGB), is the responsibility of the legal representatives of the Company. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We have conducted our audit of the consolidated financial statements in accordance with Section 317 HGB, taking into account the generally accepted German accounting principles promulgated by the Institute of Public Auditors in Germany (IDW). Accordingly, the audit has been planned and executed in such a manner that any errors or violations which have a material effect on the presentation of the net assets, financial position, and results of operations in the consolidated financial statement, taking into account the applicable principles of accounting, as well as in the Group Management Report are detected with reasonable assurance. The process of determining the audit actions has taken into account the knowledge about the business activities and the economic and legal environment of the Group as well as expectations of possible errors. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and Group Management Report are examined primarily on a spot-check basis within the framework of the audit. The audit consists of an evaluation of the annual financial statements of the companies included in the consolidated financial statements, the specification of the scope of consolidation, the applied accounting and consolidation principles, the significant estimates made by the legal representatives, and an assessment of the overall presentation of the consolidated financial statements and the Group Management Report. We are of the opinion that our audit has provided a sufficient basis for our assessment.

Our audit has not led to any objections.

In our opinion, based on the knowledge gained in the audit, the consolidated financial statements of SUSS MicroTec AG, Garching, comply with IFRS as they are to be applied in the EU as well as the supplementary regulations under commercial law according to Section 315 a (1) HGB, and convey in accordance with these principles an accurate view of the net assets, financial position, and results of operations of the Group. The Group Management Report is consistent with the consolidated financial statements, conveys an overall accurate picture of the condition of the Group, and presents the opportunities and risks of future development accurately.

Munich, March 17, 2016

BDO AG
Wirtschaftsprüfungsgesellschaft

S. Wiedemann
Auditor

T. Steiner
Auditor

Glossary

3D INTEGRATION

3D integration is divided into two main categories: 3D packaging and 3D interconnect. 3D packaging is used to describe components stacked on a wafer-level packaging strata without being connected using through-silicon vias (TSVs). 3D packaging is comprised of technologies such as SOC (system-on-chip) and other processes for which the connection is normally based on wire bonding. 3D interconnect on the other hand includes components joined by TSVs. This refers to vertical vias through the massive silicon which, as a general rule, is heavily thinned.

300 MM TECHNOLOGY

Wafers are disks made, for example, of the purest monocrystalline silicon, the basic material used in manufacturing microchips. The vast majority of silicon wafers (~42%) used around the world today have a diameter of 300 mm. The larger the wafer diameter, the more chips that can be made on one wafer. The more chips that can be manufactured on a wafer, the lower the production costs per individual chip.

ADVANCED PACKAGING

This term describes modern technologies to “package” microchips in their housing. All microchip contacts must be guided individually to the outside of the housing to ensure a connection to the printed circuit board. Advanced packaging involves packaging processes that generally employ methods previously used only in the front-end manufacturing of microchips themselves, such as lithography and photoresist technologies.

BACK-END

This term is used to describe the second (rear) link in the microchip production chain. The back-end process begins once the wafer has passed through all front-end process steps in the manufacture of the microchip itself. In this process, microchips are tested on the wafer and, if required, prepared for bonding. The wafers are then sawed into individual microchips that are packaged in their housing. For cost reasons, back-end process work is primarily done in Asia, where semiconductor manufacturers have back-end facilities of their own or allow foundries to handle testing and packaging.

BONDING

Attaching two or more components or wafers to each other by means of various chemical and physical effects. Adhesive bonding, for example, uses adhesives (usually epoxy resins or photoresists) to attach two components. Fusion or direct bonding directly links two wafers that are initially only connected by the weak atomic forces (van der Waals forces) of water molecules in the borderline layer. By subsequently applying heat, the water molecules are broken down, and the oxygen atoms released combine with the wafer's silicon atoms to form the covalent bond silicon oxide. This is a very strong, non-soluble bonding of the two wafers.

BUMP

A metallic (solder, gold, or similar) three-dimensional contact on a chip. In simple terms, it is described as a ball of solder on a single microchip contact.

CHIP

General term used for semiconductor components. In electronics, a chip or microchip is understood to mean an integrated circuit embedded in housing. From the outside, all one generally sees is the black housing and the connection point that links the chip and printed circuit board (by wire or flip chip bonding). The piece of silicon in the housing is frequently also referred to as the chip or microchip.

CLUSTER

A group of individual process modules (e.g., coater, aligner), which is fed wafers for processing by a central robot.

COATER

A coater is a special machine for the production of semiconductors. It disperses photosensitive resist to the wafer by way of rotational power.

COMPOUND SEMICONDUCTOR

Semiconductor composed of several elements, such as gallium arsenide, indium phosphide, silicon germanium, etc. Advantages over simple semiconductors include: speed, high temperature compatibility, and lower energy consumption.

COST OF OWNERSHIP

This assesses acquisition and operating costs as well as the costs of cleanroom space and wear and tear and maintenance of the machines. These costs are then calculated in relation to the proportion of functioning components at the end of the production process. The higher the output of perfect chips, the better the cost of ownership of the machines for the customers. An outstanding Cost of Ownership is of major significance, especially in mass production.

DIE

Die, IC (integrated circuit), and chip are terms often used synonymously. Integrated circuits are known as dies until the point at which they are integrated into housing. Wafers are referred to as dies long as they are going through the individual process steps. The term “chips” is only used after the dies are isolated and packaged.

DRAM

DRAM = dynamic random access memory. Electronic memory chip components primarily used in computers. This is the world's most widely used memory chip.

FAB

This is a manufacturing facility which specializes in the production of ICs on wafers (chips). Today, building a large, modern fab complete with the required cleanrooms and equipment costs approximately US\$ 1.5 billion to US\$ 4 billion.

FLIP CHIP BONDING

An advanced bonding technique between chip and housing that makes higher clock frequencies possible in signal transmission. The active side of the chip is face down and therefore has to be “flipped” before assembly.

FOUNDRY

A chip factory where microchips are manufactured to a circuit design that is specified by the customer. Making goods to order in this way, the foundry operators have no chip design or product sales/marketing costs and can therefore focus their R&D resources entirely on the process technology. The globally leading foundries are located in Taiwan and Singapore.

FRONT END

Front end processes are the production steps carried out on the wafer as a whole. This is where the chip itself is made. Back end processes in which chips are tested on the wafer follow. There, the wafer is cut into individual chips that are then inserted into housing.

IC

An integrated circuit (IC) consists of electronic components such as transistors, resistors, and capacitors that are integrated on a tiny microchip. Today, tens of millions of this type of cell are housed in circuits on a single chip. This high integration density has led to a high degree of chip performance.

LASER PROCESSING

New developments in solid-state laser technology, such as high-performance UV lasers with high pulse rates in picoseconds, have expanded potential applications for lasers through microstructuring. SUSS MicroTec offers two laser technologies:

Excimer Laser Ablation: In microstructuring, the use of excimer lasers primarily offers options for material evaporation. Through bombardment with pulsed laser radiation, material can be removed from a surface. In the process, a photochemical reaction sets off electron excitation, which results in a sudden rise in pressure and an explosive removal of material in the form of monomers and gases. The thermal effect here is minimal – the process technology protects materials that are sensitive to temperature. The systems use a Photomask that is exposed with a laser beam. Projection optics between the mask and the wafer project the mask patterns onto the wafer, similarly to a projection stepper in lithography. The material, however, is not exposed but rather removed directly. The entire wafer is patterned using a step and repeat process.

Processing with solid-state laser: Solid-state laser technology promises all the advantages of laser processing: It achieves high resolutions of up to 2 µm and ensures extremely precise results. Patterning processes are conducted without thermal side effects. The systems do not require a mask and use a direct writing method.

LED

Light-emitting diode. LEDs are semiconductor components that can generate light. They emit a very bright light yet at the same time consume very little energy. Moreover, their life span is over ten times that of a conventional light bulb.

LITHOGRAPHY

The electrical circuits of ICs are created by structuring individual strata on a silicon wafer in a type of layer structure. To create very small structures in the individual strata, the wafer is coated with a light-sensitive material (photoresist) and then exposed using a mask. The structures on the mask are, thus, superimposed on the wafer by means of casting a shadow. Where the mask blocks the light, the photoresist on the wafer is not exposed. Where it is transparent, light falls onto the wafer and the photoresist is exposed. During development after exposure, the exposed photoresist areas are cleared above the strata and can be accessed by the following process step. Nowadays, typical structure sizes for front-end lithography applications are between 32 nm (0.032 micrometers) and 0.6 micrometers. In the back-end, structure sizes ranging from several microns to tens of microns are generated by photolithography to create, for example, bumps for flip chip bonding.

MASK

A plate of glass or quartz glass on which the patterns needed to manufacture an IC are mapped. These patterns consist of transparent and opaque areas that correspond in size and shape to the circuits required.

MASK ALIGNER

Mask aligners align a glass mask to a wafer (covered with photo-sensitive material previously spun or sprayed on by a coater) with sub-micrometer accuracy. The glass mask is patterned with the structures that need to be transferred onto the wafer. These structures will then build electrical circuits, grooves, and bridges – all the various things that the chip needs in order to function. The pattern is transferred onto the wafer by means of exposure not unlike a photographic procedure.

MEMS

Microelectromechanical systems (MEMS) is the term used primarily in North America for microsystems technology (MST), a term more common in Europe. Semiconductor production technologies and processes are used to manufacture mechanical and other non-electrical elements. MEMS products are used, for example, in the automobile industry, telecommunications, optoelectronics, and medical technology.

MICROMETER/MICRON

A metric unit of length, symbol: μm . A micron is a millionth of a meter. The diameter of a human hair is approximately 60 μm .

MICROSYSTEM

A system made up of various components each less than 1 mm in size.

MICROSYSTEMS TECHNOLOGY

This term is defined differently by region. In Europe, it means the entire miniaturization of precision mechanics component structures of less than 1 mm. In contrast, in the United States and Asia microsystems technology or the more frequently used microelectromechanical systems (MEMS) refers to the use of semiconductor electronics technologies to produce the smallest of sensors or even complex systems such as a complete chemical or biological analysis unit. MEMS components include, for example, the silicon acceleration sensor that is used to activate an airbag or an inkjet printer cartridge nozzle.

NANOIMPRINTING/NANOIMPRINT – LITHOGRAPHY (NIL)

A mechanical method to create two or three-dimensional structures in the nanometer range with a casting or stamping tool. In contrast to the photolithographic production of devices on semiconductor wafers, the structures are formed by stamping patterns in soft polymers. The future importance of nanoimprinting will be in cost savings. Classical photolithography equipment will, if extended to extremely short wavelengths of light (EUV, x-ray), become too expensive.

NANOTECHNOLOGY

(Greek. nānos = dwarf) A collective term comprised of a broad range of technologies which deal with structures and processes in spatial dimensions ranging from one to several hundred nanometers. One nanometer is the billionth part of one meter (10^{-9} m) and defines a border range where the typical dimensions of a single molecule are found. Nanotechnology is a stringent continuation and expansion of microtechnology with mostly unconventional, new approaches. The tasks of nanotechnology include creating materials and structures in the nano-meter range.

OPTOELECTRONICS

By deliberately combining semiconductor electronics technologies and III-V materials such as gallium arsenide, light can be generated or detected (semiconductor lasers, LEDs, photodiodes, etc.). This technology is primarily used in telecommunications to transmit very large quantities of data (fiber-optic networks). LEDs are also increasingly being used in automobiles and domestically due to their many advantages, such as their low energy requirement, extreme brightness, and very long lifespan.

PACKAGING FOUNDRIES

See back end.

PHOTORESIST

A light-sensitive material that is first applied as a layer to the wafer and then exposed through a mask using ultraviolet light. In exposed areas, the ultraviolet light brings about chemical changes. These areas are dissolved from the layer during development, leaving a relief-like structure in the photoresist coating. This process is highly similar to photography.

PROJECTION LITHOGRAPHY

While the complete wafer is exposed in one step during full-field lithography (mask aligner), during projection lithography processes only individual sections of the wafer are typically exposed using projection optics. The complete exposure of the wafer is then carried out in steps (step and repeat) or continuously (scan). SUSS MicroTec manufactures 1:1 projection scanners for the semiconductor mid and back-end. Here a full-field mask is used and the wafer is exposed in one scanning step. There is no reduction in pattern sizes from the mask to the wafer. The projection scanner technology of SUSS MicroTec combines the advantages of full-field exposure and traditional projection lithography and offers an alternative to mask aligner and projection steppers.

SEMICONDUCTOR

A monocrystalline material of which the electrical resistance can be changed by implanting foreign atoms into its crystal grid. Silicon is the most important and also the most frequently used semiconductor element. ICs made of silicon are also often called semiconductors.

SENSOR

A component used to record and convert measurements such as temperature, pressure, and acceleration. These measurements are converted into electrical signals and relayed to a signal evaluation unit.

SILICON

A material with the structure of a crystal lattice with semiconducting properties. Semiconducting means that the material can be used as a conductor or non-conductor depending on the inclusion of certain foreign atoms. In the semiconductor industry, the most common base material used is silicon in monocrystalline disk form.

SUBSTRATE BONDER

The substrate bonder connects two or more substrates (primarily wafers) aligned to one another in an extremely precise manner. This is done using soldering, adhesion, or another physicochemical process. Many MEMS components require this processing step, as it is the only way to ensure that airbags, tire pressure sensors, GPS sensors, ink-jet printers, etc. work.

SYSTEM ON A CHIP

Highly complex ICs incorporating many different functions. Until recently, these functions had to be accommodated on several ICs. The enormous innovative momentum in process technology that has made it possible to manufacture ICs with ever smaller structure widths now means that different kinds of memory, digital signal processors, and analog functions can be accommodated on one chip. The advantage is that instead of many chips, only a handful or even a single one is needed, thereby reducing the space needed, the assembly requirements (and therefore the cost of the finished product) and, most importantly, the power consumption. This prolongs the battery life in battery-powered equipment such as laptops and cellular telephones. The trend towards ever smaller and more portable devices, which should also be less and less expensive, makes system on a chip increasingly important.

THROUGH-SILICON VIAS (TSVS)

Individual chip components are stacked on top of one another and joined with this technology. This shortens the path of the data stream between the individual chip components and allows for significantly less capacity loss. As such, through-silicon vias contribute to lowering the overall size of chips combined with a simultaneous rise in performance.

TOOL

Machines, instruments, robots, etc. Tools are all individual systems that comprise a production line in a semiconductor factory.

WAFERS

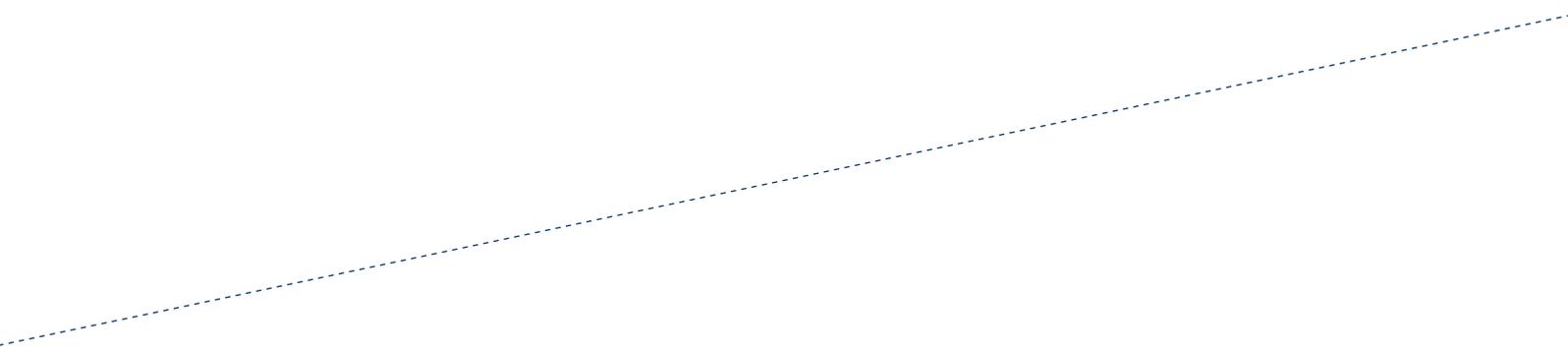
Slices of the purest silicon, for example, or compound semiconductors (gallium arsenide, indium phosphide, etc.) on which chips are produced. Over the past ten years, their diameter has increased from 150 mm to 200 mm and today to even 300 mm. Twice as many chips fit onto the surface area of the latest 300 mm wafers than onto a 200 mm wafer, thereby cutting production costs by approximately 30%.

WIRE BONDING

A common contact process that connects chips with housing via metal wires.

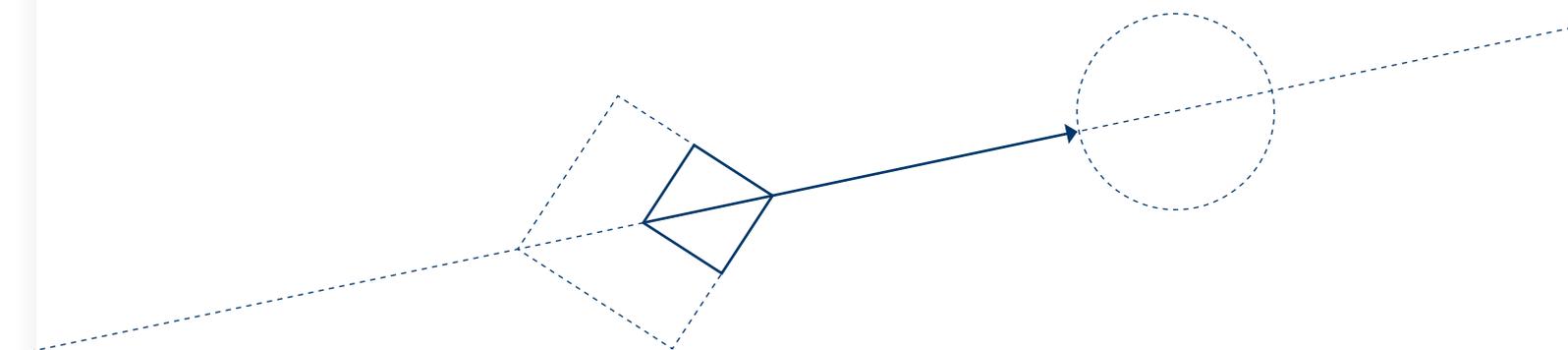
YIELD

One of the key parameters in semiconductor production. It measures the output of functioning microchips in relation to the total number of microchips on a wafer. The higher the yield, the more efficient and cost-effective the chip production for the customer.



Financial Calendar 2016

Annual Report 2015	March 30
Quarterly Report 2016	May 4
Annual General Meeting 2016, Munich	June 15
Interim Report 2016	August 5
Nine-Month Report 2016	November 9



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Forward-looking statements: These reports contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates, and projections, and should be understood as such. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution readers that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement.

Five-Year Overview

in € million	2015	2014	2013	2012	2011
Business development					
Order entry	188.6	134.3	135.0	157.2	143.1
Order backlog as of December 31	117.6	75.6	85.7	86.5	83.7
Total sales	148.5	145.3	134.5	163.8	175.4
Sales margin	0.1%	3.2%	-11.9%	4.6%	7.9%
Gross profit	49.4	48.8	21.8	57.4	66.4
Gross margin	33.3%	33.6%	16.2%	35.0%	37.9%
Cost of sales	99.2	96.5	112.7	106.4	109.1
R&D costs	12.8	10.5	10.2	9.7	12.9
EBITDA	9.2	12.6	-13.4	18.6	24.9
EBITDA margin	6.2%	8.7%	-10.0%	11.4%	14.2%
EBIT	5.0	8.4	-19.4	11.7	18.6
EBIT margin	3.4%	5.8%	-14.4%	7.1%	10.6%
Earnings after tax	0.2	4.6	-16.0	7.6	13.8
Earnings per share (in €)	0.01	0.24	-0.84	0.40	0.72
Balance sheet and cash flow					
Equity	118.7	116.1	109.4	127.2	120.4
Equity ratio	67.0%	69.1%	60.8%	70.5%	64.1%
Return on equity	0.2%	4.0%	-14.6%	6.0%	11.5%
Balance sheet total	177.2	168.0	179.9	180.4	187.7
Net cash	40.0	38.0	35.7	32.3	42.0
Free cash flow ¹	1.3	2.1	4.1	-4.5	3.5
Further key figures					
Investments	3.4	3.0	12.2	4.2	3.4
Investment ratio	2.3%	2.1%	9.1%	2.6%	1.9%
Depreciation	4.2	4.2	6.0	6.8	6.4
Employees as of December 31	698	659	655	704	624

¹ Before consideration of purchase or sale of available-for-sale securities



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