

# 2014

INTERIM REPORT

**SÜSS** MicroTec<sup>+</sup>



**1. JANUARY – 30. JUNE**

## KEY FIGURES

in € million	Q2 /2014	Q2 /2013	Change	6M /2014	6M /2013	Change
<b>Business Development</b>						
Order entry	36.2	36.7	-1.4%	61.2	71.6	-14.5%
Order backlog as of 06/30	-	-	-	77.7	102.5	-24.2%
Total sales	30.4	24.9	22.1%	69.4	55.0	26.2%
Sales margin	3.0%	-36.5%	39.5 %-points	2.9%	-21.1%	24.0 %-points
Gross profit	11.6	-0.5	-	22.4	6.8	>100.0%
Gross margin	38.2%	-2.0%	40.2 %-points	32.3%	12.4%	19.9 %-points
Cost of sales	18.8	25.4	-26.0%	47.1	48.2	-2.3%
R&D costs	2.6	3.1	-16.1%	4.9	5.3	-7.5%
EBITDA	2.9	-9.3	-	5.4	-11.1	-
EBITDA margin	9.5%	-37.3%	46.8 %-points	7.8%	-20.2%	28.0 %-points
EBIT	1.9	-11.7	-	3.4	-15.0	-
EBIT margin	6.3%	-47.0%	53.3 %-points	4.9%	-27.3%	32.2 %-points
Earnings after tax	0.9	-9.1	-	2.0	-11.6	-
Earnings per share (in €)	0.05	-0.48	-	0.11	-0.61	-
<b>Balance sheet and cash flow</b>						
Equity	-	-	-	111.4	114.9	-3.0%
Equity ratio	-	-	-	65.8%	69.3%	-3.5 %-points
Return on equity	0.8%	-7.9%	8.7 %-points	1.8%	-10.1%	11.9 %-points
Balance sheet total	-	-	-	169.3	165.9	2.0%
Net Cash	-	-	-	33.3	19.5	70.8%
Free cash flow <sup>1</sup>	1.8	-5.2	-	-2.4	-12.4	-
<b>Further key figures</b>						
Investments	0.8	0.8	0.0%	1.2	1.8	-33.3%
Investment ratio	2.6%	3.2%	-0.6 %-points	1.7%	3.3%	-1.6 %-points
Depreciation	1.0	2.3	-56.5%	2.0	3.9	-48.7%
Employees as of 06/30	-	-	-	649	680	-4.6%

<sup>1</sup> before consideration of purchase or sale of available-for-sale securities

# CONTENTS

03

- 04 Foreword by the Management Board
- 06 Highlights first half of 2014
- 07 Investor Relations
- 09 Consolidated Interim Management Report
- 22 Financial Report (IFRS)
- 32 Selected Explanatory Notes to the Interim Report
- 35 Service

# 04 FOREWORD OF THE MANAGEMENT BOARD

## Dear Shareholders,

In its economic forecast for 2014, the German Council of Economic Experts assumes that GDP in Germany will grow by 1.9 percent. Growth stimulus should come primarily from domestic sources. In addition to private consumer spending, equipment investment in particular is expected to revive. In addition, a slight positive contribution to growth is expected from a trade surplus. However, the positive outlook for this year should not obscure the fact that the federal government is taking measures in the area of labor and social policy that could impair the growth potential of the German economy over the medium term. Aside from the positive outlook for Germany, there are also signs of more favorable development in other eurozone countries.

Despite the expectation of a tangible recovery in the semiconductor sector in 2014, we continue to find ourselves in an environment which is characterized by uncertainty and a low visibility. With respect to order entry, we look back on a positive second quarter of 2014 following a difficult first quarter. We were able to record new orders of € 36.2 million, thus within our estimated range for the quarter.

On the product side, we were able to obtain important new orders and deliver new tools. Thus SUSS MicroTec succeeded in qualifying its latest-generation DSC300 projection scanner at a leading Asian outsourced assembly and test house (OSAT) for high-volume production. The customer will use these illumination systems in the volume production of flip chip and wafer-level packaging (WLP) applications. With the planned installation of additional systems, the customer will expand its production capacity in order to be able to serve rising demand for mobile devices and consumer electronics.

In addition, SUSS MicroTec delivered an innovative coating and developer system to a leading Asian OSAT. The tool was built on the basis of ACS300 technology, which has proven itself in industry. With its modular design, the ACS300 platform satisfies all requirements of the semiconductor industry for clean, stable, and high-throughput photolithography processes. The tool was developed for processing wafers for fan-out wafer-level packaging applications. This system can process wafers, built from single microchips which are put together on an artificial wafer. The wafer then has a diameter of more than 300 mm.

In June 2014, SUSS MicroTec succeeded again in achieving “preferred supplier” status at NANIUM S.A., Portugal. In order to achieve “preferred supplier” status at NANIUM, a company must fulfill high requirements. The evaluated categories are purchasing, quality, logistics, and technology. The “preferred supplier” status was retained thanks to the extraordinary efforts of the employees in Sternenfels and Garching.

Dear shareholders, in order to survive in the fast-paced environment of the semiconductor industry, we must come to grips with new technologies and offer customer-friendly solutions. An example for this is our technology forum on the topic of nanoimprint lithography, which we sponsored in June 2014 in Grenoble. During the one-day workshop, experts from industry as well as research and development presented and discussed current trends and developments in nanoimprint lithography. Nanoimprint lithography (NIL) is a multifaceted enabling technology for nanoscale production technologies and is part of the International Technology Roadmap for Semiconductors (ITRS) with respect to the feasibility of pattern widths of 32 and 22 nm. This technology uses a master stamp for the replication of patterns on the nanometer scale. Therefore, it can be expected that this technology will play a leading role in the commercialization of nanopatterns.

## THE FIRST HALF OF THE YEAR IN FIGURES

Order entry reached € 61.2 million after € 71.6 million in the previous year. The distribution by division indicates that, due to the discontinuation of the Permanent Bond Cluster systems product line, the Bonder division recorded much lower order entry of € 6.5 million than in the previous year (€ 17.2 million). Order entry in the Lithography sector fell by approximately 12 percent to € 42.8 million and the Photomask Equipment division recorded an increase in order entry from € 3.4 million to € 9.1 million due to the reporting date. Sales of € 69.4 million in the first half of the year were 26.2 percent higher than the figure in the previous year (H1 2013: € 55.0 million). The order backlog as of June 30, 2014 amounted to € 77.7 million (June 30, 2013: € 102.5 million).

fltr  
**Frank Averdung**  
 Chief Executive Officer  
**Michael Knopp**  
 Chief Financial Officer  
**Walter Braun**  
 Chief Operating Officer



The Group's largest division, Lithography, recorded an approximately 18 percent increase in sales in the first half of the year to € 43.8 million (previous year: € 37.1 million). The Photomask Equipment division indicated a lower contribution to sales of € 7.8 million (previous year: € 9.2 million). This corresponds to a decrease of approximately 15 percent. The Substrate Bonder division was able to contribute sales of € 15.2 million in the first half of the year (previous year: € 6.6 million). Sales in the Others division increased from the previous year to € 2.7 million (previous year: € 2.0 million).

The gross profit margin for SUSS MicroTec Group increased in the first half of the year to 32.3 percent (H1 2013: 12.4 percent). Besides the elimination of one-time costs for restructuring the Substrate Bonder division, the segments Lithography, Photomask Equipment and Substrate Bonder displayed a better performance and contributed positively to the gross margin.

Earnings before interest and taxes (EBIT) of € 3.4 million were much higher than the € -15.0 million of the previous year. However, EBIT for the first half of 2013 included an extraordinary effect of € -6.0 million from refocusing the Permanent Bonding product line. As a result, adjusted EBIT for the first half of 2013 was € -9.0 million. There were no notable extraordinary effects in the first half of 2014.

Earnings after taxes (EAT) for continuing operations amounted to € 2.0 million, compared to € -11.6 million in the previous year. Basic earnings per share (EPS) amount to € 0.11 (previous year: € -0.61).

Free cash flow, excluding the effects of securities purchases and sales, totaled € -2.4 million in the first half of the year (previous year: € -12.4 million). The net cash position of € 33.3 million was slightly lower than the € 35.7 million as of December 31, 2013 (June 30, 2013: € 19.5 million).

#### OUTLOOK

The Management Board continues to expect sales of approximately € 135 – 145 million for the current 2014 fiscal year. The previous earnings expectation within a range between € -5 to 0 million was increased due to an increased result in the first half of the year. The Company now anticipates a slightly positive EBIT in the 2014 fiscal year.

Customer behavior is increasingly characterized by very short-term expenditure decisions. This eliminates part of a company like SUSS MicroTec's ability to make accurate forecasts and also makes it increasingly difficult to make forward-looking statements. For the third quarter of 2014, we expect order entry within the range of € 25 – 35 million. Due to an expected upswing in demand from customers during the course of the year, the Management Board considers it possible from today's perspective that order entry will return to the 30 to 40 million-euro range in the fourth quarter of 2014.

Garching, Germany, August 2014

Frank Averdung  
 Chief Executive Officer

Michael Knopp  
 Chief Financial Officer

Walter Braun  
 Chief Operating Officer

## HIGHLIGHTS FIRST HALF OF 2014

### MARKET LAUNCH OF TWO NEW SUSS MICROTEC PHOTONIC SYSTEMS PRODUCTS

After the acquisition of Tamarack Scientific in 2012, SUSS MicroTec optimized the product portfolio, focused on the most promising tools, and systematically refined them and prepared them for volume production. March 2014 saw the market launch of DSC300 Gen2, the latest generation of projection scanners for advanced packaging. The second generation of projection scanners has been enhanced with improvements and new features to meet the latest overlay, resolution, and automation requirements of emerging advanced packaging applications like Cu pillar bumping and Wafer Level Chip Scale Packaging (WLCSPP). With the DSC300 Gen2 and Mask Aligner MA300 Gen2, SUSS MicroTec offers two complementary lithography solutions, which enable the customer to optimize price and performance.

With the Excimer Laser Stepper ELP300, another product of SUSS MicroTec Photonic Systems was successfully launched in the market. This latest generation product provides the means to directly create vias ( $<5\mu$ ) and microstructures. This process makes it possible to overcome the limitations of traditional photo-dielectrics and conventional lithography steppers and directly address the current requirements in the application areas of advanced packaging and 3D integration. The wafer level packaging industry has long sought alternative technologies to manufacture vias that enable the development of higher performance packages. The ELP300 Gen2 is configured to process 200mm and 300mm wafers.

### SUSS MICROTEC APPOINTS WALTER BRAUN AS CHIEF OPERATING OFFICER (COO)

The Supervisory Board of SUSS MicroTec AG has appointed Mr. Walter Braun (47) to the Management Board. Mr. Braun accepted the appointment and joined the Management Board of the Company on July 1, 2014. He assumed the post of Chief Operating Officer (COO). SUSS MicroTec AG will be managed by three board members in the future. In this newly created position, Mr. Braun will be responsible for all areas that are relevant to production at the various sites as well as supply chain management. Prior to his move, Mr. Braun was a member of the expanded Management Board of Manz AG, a mechanical engineering company based in Reutlingen. Dr. Stefan Reineck, Chairman of the Supervisory Board of SUSS MicroTec AG commented: "Walter Braun brings with him the requisite knowledge of technology for this challenging task, relevant experience in the special purpose machinery sector, and many years of international experience in the US and China. As a result, he possesses the best background to shape the Company in the future."

### MARKET LAUNCH OF TWO NEW MASK ALIGNERS

In the second quarter of 2014, SUSS MicroTec launched two new Mask Aligners in the market. One is the Mask Aligner MA12, a semiautomatic tool for use in industrial research and production for wafer sizes up to 300mm and 300x300mm substrates. The operator-assisted tool offers the highest degree of processing and alignment precision in the submicrometer range. In addition, the MA12 uses SUSS MicroTec Exposure Optics, a unique optical design that satisfies the most demanding requirements of modern lithographic processes.

With Mask Aligner MA200 Gen3, another exposure tool was introduced to the market. The tool that was developed for large-scale serial production is designed for wafer sizes up to a diameter of 200mm. The MA200 Gen3 combines the proven SUSS MicroTec Mask Aligner technology with various new functions, which makes it a leading illumination system in the areas of advanced packaging and MEMS. The current tool generation features improvements in throughput as well as process management and definition compared with the predecessor model. The resulting higher yield leads to an improved cost of ownership.



## CURRENT BUSINESS SITUATION REMAINS STABLE – OUTLOOK HAS DETERIORATED

After a positive start to the year, the Ifo Business Climate Index for industry and trade in Germany declined for a second consecutive month in June to 109.7 points from 110.4 points in May. The current business situation continued to be considered good. However, optimism ebbed with regard to the future course of business. The German economy fears the possible ramifications from the crises in Ukraine and Israel.

According to the Ifo Institute, the crisis in Ukraine is also leaving its mark on the economic outlook for Europe and the world economy. Although the countries of North America and Europe in particular have regained their footing, the pace of expansion in the Asian and Latin American emerging countries appears to be slowing and the growth forecasts for Russia and Ukraine have deteriorated.

## THE SUSS MICROTEC SHARE

Since the beginning of the year, the SUSS MicroTec share has experienced a steady upward trend, which has been impaired only by isolated daily fluctuations. After beginning the stock market year on January 2 at a closing price of €6.38, the share was again able to rise well beyond the €8 mark so that the SUSS MicroTec share ended the first half of the year on 6/30/2014 with a XETRA closing price of €8.75. This corresponds to a gain of approximately 37%. The two benchmark indexes TecDAX and Prime IG Semiconductor also performed positively over the course of the year. During the same period, the TecDAX increased by 12% and the Prime IG Semiconductor index even rose by 24%.

The reasons for the price increase are multifaceted. For one thing, the sustained low interest rate policy of the European Central Bank has made investing in shares much more attractive. For another, the overall mood in the semiconductor sector has improved. According to market studies, positive growth is expected in the semiconductor equipment sector again in 2014 for the first time after two challenging years. Given this trend, SUSS MicroTec should also benefit over the medium term. Upon publication of the figures for the first quarter, the Company confirmed its outlook for the year and held out the prospect of increasing order entries in the second quarter. Along with the general market trends, this had a positive impact on the performance of the stock price.

The average daily trading volume of SUSS MicroTec shares on all German stock exchanges in the first half of 2014 amounted to approximately 85,000 shares (H1 2013: average daily trading volume of approximately 93,000 shares).

## 2014 SHAREHOLDERS' MEETING

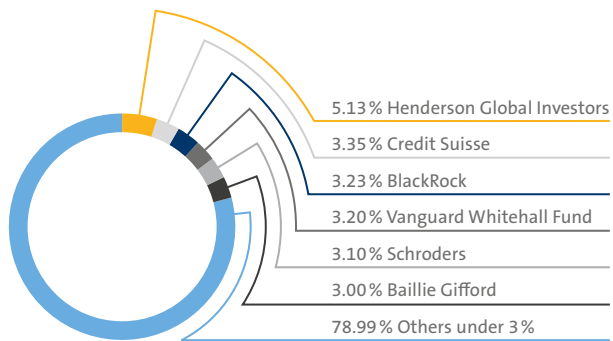
On June 17, 2014, the ordinary Shareholders' Meeting was held at the Haus der Bayerischen Wirtschaft (House of the Bavarian Economy) in Munich. In total, approximately 60 shareholders, shareholder and bank representatives, and guests joined the Company at the meeting in Munich. Thus 25.03% of the Company's equity capital was present.

In addition to the decision on the discharge of liability for the Management Board and the Supervisory Board, a vote was held on a revision to the profit and loss transfer agreement between SUSS MicroTec AG and SUSS MicroTec Lithography GmbH and a revision to the profit and loss transfer agreement between SUSS MicroTec AG and SUSS MicroTec REMAN GmbH. 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.

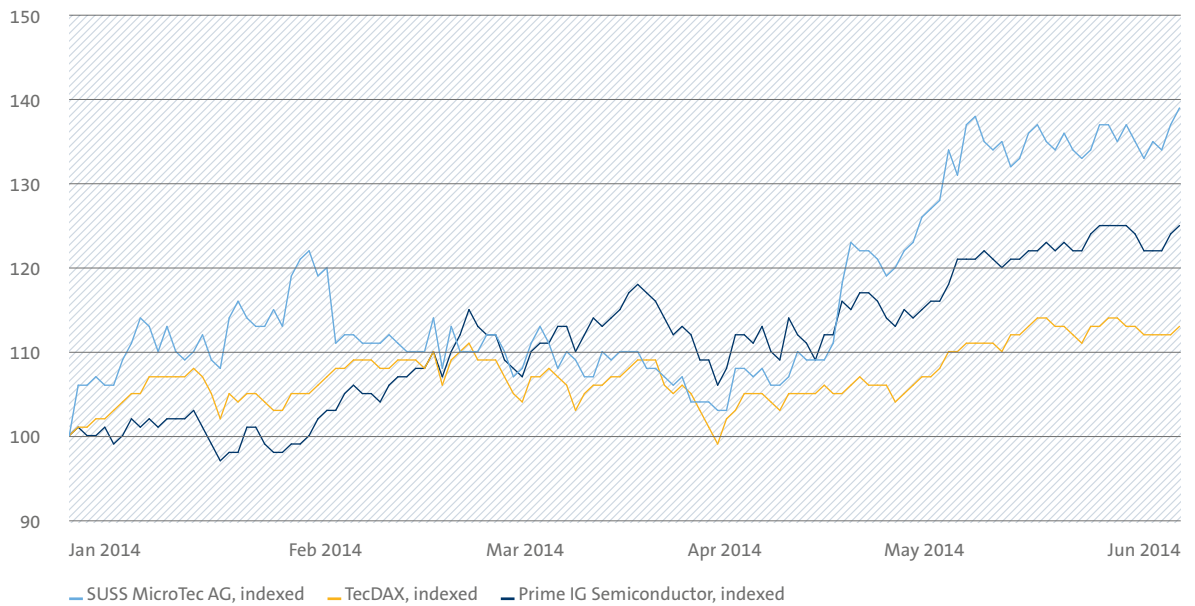
In his report, Chief Executive Officer Frank P. Averdung discussed the key developments and results of the past fiscal year and the first quarter of 2014 and confirmed the outlook for the entire 2014 fiscal year. The focus of his remarks was the Company's global positioning and technological innovative power.

SUSS MICROTEC SHARE PERFORMANCE IN 2014

Ownership Information as of June 30, 2014



SUSS MICROTEC SHARE PRICE ON JANUARY 2, 2014: € 6.38





<b>09</b>	<b>Business Development first half of 2014</b>
10	OVERVIEW
10	ORDERS POSITION AND SALES BY REGION
11	BUSINESS DEVELOPMENT IN THE INDIVIDUAL DIVISIONS
<b>13</b>	<b>Report on the Earnings, Assets, and Financial Position of the Group</b>
13	EARNINGS POSITION
14	FINANCIAL POSITION
15	ASSETS POSITION
<b>16</b>	<b>Group Employees</b>
<b>17</b>	<b>Reporting on the Expected Development with its main Opportunities and Risks</b>
17	OPPORTUNITIES AND RISK REPORT
18	SUBSEQUENT EVENTS
19	FORECAST REPORT
<b>22</b>	<b>Financial report</b>
22	CONSOLIDATED STATEMENT OF INCOME (IFRS)
23	STATEMENT OF COMPREHENSIVE INCOME
24	CONSOLIDATED BALANCE SHEET (IFRS)
26	CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)
28	CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (IFRS)
30	SEGMENT REPORTING (IFRS)
32	SELECTED EXPLANATORY NOTES TO THE INTERIM REPORT
<b>35</b>	<b>Service</b>
35	LEGAL STRUCTURE
36	FINANCIAL CALENDAR 2014
36	CREDITS & CONTACT

# BUSINESS DEVELOPMENT FIRST HALF OF 2014

## OVERVIEW

In the first half of 2014, the Company generated order entry of €61.2 million, representing a decline of 14.5% from the previous year (previous year: €71.6 million). Sales of €69.4 million in the first half of 2014 were 26.2% higher than the figure in 2013 (H1 2013: €55.0 million). The order backlog as of June 30, 2014 thus amounted to €77.7 million (June 30, 2013: €102.5 million).

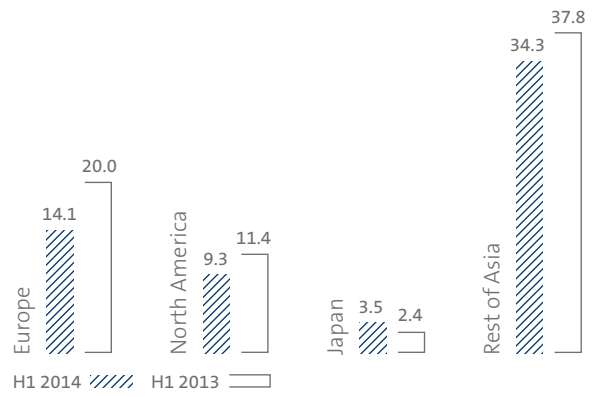
Earnings before interest and taxes (EBIT) of €3.4 million were much higher than the €-15.0 million of the previous year. EBIT for the first half of 2013 included an extraordinary effect of €-6.0 million from refocusing the Permanent Bonding product line. The extraordinary effect primarily included value adjustments for demonstration equipment and inventories as well as capitalized development services from the years prior to 2008.

## ORDERS POSITION AND SALES BY REGION

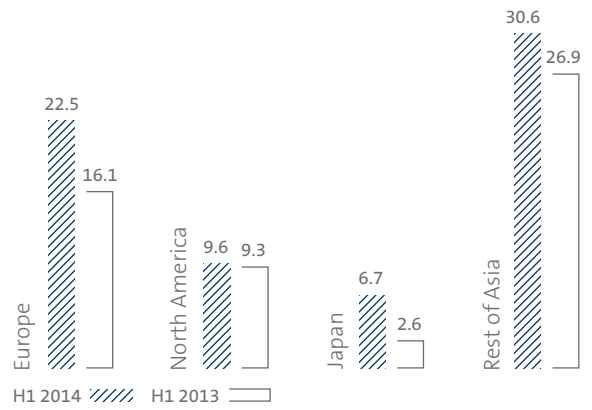
In the first half of 2014, all regions except for Japan recorded declines in order entry. The Japan region achieved an increase of approximately 46%. Europe and North America reported decreases of approximately 30% and 18%, respectively. The region of Rest of Asia had to accept a decline of approximately 9%.

Regional sales grew in all regions in the first half of the year. While the region of North America recorded an increase of approximately 2.5%, Europe grew by almost 40%. Sales in Japan rose, from a lower base, by approximately 157%. The largest region, "Rest of Asia," achieved approximately 14% higher sales compared to the previous year.

ORDER ENTRY BY REGION in € million



SALES BY REGION in € million



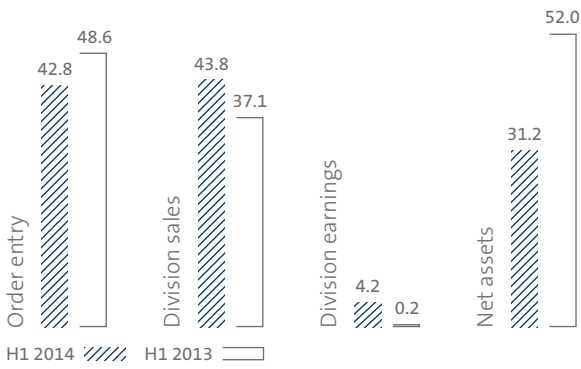
**BUSINESS DEVELOPMENT IN THE INDIVIDUAL DIVISIONS**

**Lithography**

The Lithography division comprises the development, manufacture, and sale of the Mask Aligner, Developer, and Coater product lines, as well as laser technology and UV projection lithography. These product lines are developed and produced in Germany at the locations in Garching and Sternenfels and in the USA in Corona, California.

In the first six months of the 2014 fiscal year, the Lithography division recorded a decline in order entry. Order entry of €42.8 million was 11.9% below its total of €48.6 million in the previous year. Division sales in the first half of 2014 amounted to €43.8 million after €37.1 million in the first half of the previous year. The gross profit margin increased from 30.0% to 36.7%. Division earnings increased accordingly from €0.2 million to €4.2 million.

*LITHOGRAPHY DIVISION OVERVIEW in € million*

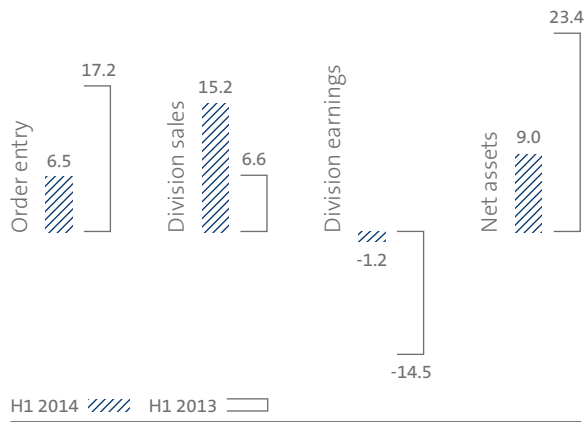


**Substrate Bonder**

The Substrate Bonder division comprises the development, production, and sale of the Substrate (Wafer) Bonder product line and is located at our site in Sternenfels (Germany).

In the first half of the year, the Substrate Bonder division recorded a decrease in order entry, reaching €6.5 million after €17.2 million in the previous year's period. Sales rose from €6.6 million in the previous year to €15.2 million in 2014. The gross profit margin rose from -134.3% to 10.3% as a result of the restructuring measures introduced in the previous year. Division earnings were correspondingly better, increasing to €-1.2 million (H1 2013: €-14.5 million). Earnings for the first half of 2013 included an extraordinary effect of €-6.0 million from refocusing the Permanent Bonding product line.

*SUBSTRATE BONDER DIVISION OVERVIEW in € million*

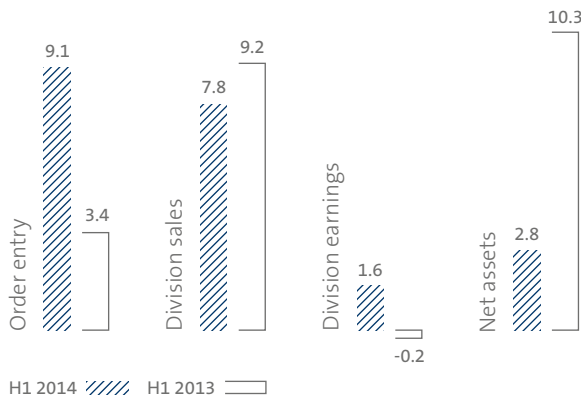


**Photomask Equipment**

The Photomask Equipment division comprises the development, manufacture, and sale of the HMx, ASx, MaskTrack, and MaskTrack Pro product lines. The development and production of specialized systems for the cleaning and processing of photomasks for the semiconductor industry are also conducted at the Sternenfels site in Germany.

The Photomask Equipment division recorded an order entry of €9.1 million in the first half of 2014 (H1 2013: €3.4 million) as well as slightly lower division sales of €7.8 million (H1 2013: €9.2 million). The gross profit margin in this division rose from 25.1% to 39.8%. Division earnings improved accordingly, resulting in a profit of €1.6 million in the first half of the year (H1 2013: €-0.2 million).

*PHOTOMASK EQUIPMENT DIVISION OVERVIEW in € million*

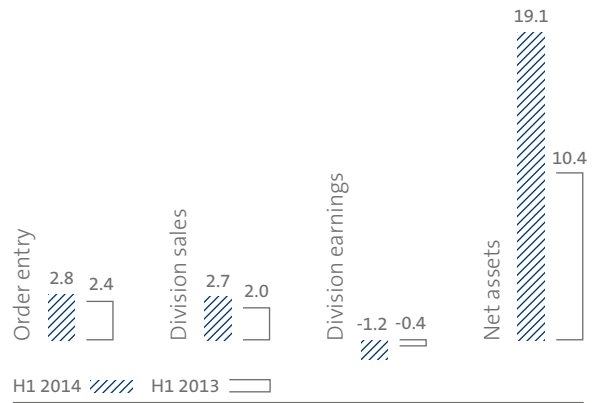


**Others**

The Others division comprises Micro-optics activities at the Hauterive, Switzerland, location, the C4NP business, as well as the costs for central Group functions that generally cannot be attributed to the main divisions.

Division sales of €2.7 million increased compared to the previous year. Order entry also rose, amounting to €2.8 million in the first two quarters of 2014 (previous year: €2.4 million). Division earnings of €-1.2 million were below the €-0.4 million in the previous year.

*OTHERS DIVISION OVERVIEW in € million*



# REPORT ON THE EARNINGS, ASSETS, AND FINANCIAL POSITION OF THE GROUP

## EARNINGS POSITION

In the first half of 2014, sales of the SUSS MicroTec Group totaled €69.4 million, or 26.2% higher than in the first half of 2013 (€55.0 million). EBIT in the first half of 2014 amounted to €3.4 million. In the first half of the previous fiscal year, the SUSS MicroTec Group generated EBIT of €-15.0 million, which was impacted by value adjustments and additional provisions of €6.0 million formed in connection with the refocusing of the Permanent Bonding product line.

In the first half of 2014, the largest sales driver was again the Lithography division, which produced sales of €43.8 million and EBIT of €4.2 million. The Lithography division thus contributed to approximately 63% of Group sales. In the first half of the previous fiscal year, the SUSS MicroTec Group's Lithography division generated sales of €37.1 million and EBIT of €0.2 million. In the previous year, the Lithography division accounted for approximately 67% of Group sales.

In the first half of 2014, sales in the Substrate Bonder division totaled approximately €15.2 million. As of June 30, 2014, the EBIT of the Substrate Bonder division amounted to €-1.2 million. In the previous year, the SUSS MicroTec Group generated sales of €6.6 million and EBIT of €-14.5 million in the Substrate Bonder division. EBIT in the first half of 2013 included extraordinary expenses of €6.0 million, which were incurred in connection with the refocusing of the Permanent Bonding product line. In the first six months of the 2013 fiscal year, value adjustments of €4.6 million on capitalized development costs, demonstration equipment, and other inventories as well as provisions of €1.4 million for purchase commitments received and other agreements were formed for this. Without these extraordinary expenses, EBIT for the Substrate Bonder division would have amounted to €-8.5 million in the first half of the previous fiscal year.

In the first half of 2014, the Photomask Equipment division generated sales of €7.8 million, after achieving sales of €9.2 million in the corresponding period of the previous year. EBIT in the Photomask Equipment division totaled €1.6 million in the first half of 2014, while EBIT in the first half of 2013 was slightly negative at €-0.2 million.

The cost of sales included write-downs of €0.2 million on capitalized development costs, which apply entirely to the Lithography division. In the first half of 2013, write-downs on capitalized development costs totaled €2.0 million, of which €0.3 million was allocated to the Lithography division and €1.7 million to the Substrate Bonder division. In the previous year, write-downs in the Substrate Bonder division included extraordinary write-downs of €1.2 million, which were recognized in connection with the refocusing of the Permanent Bonding product line. In both 2014 and 2013, only minor new capitalizations in the five-figure range were carried out. Following the extraordinary write-downs in the previous year, the capitalized development costs of the Substrate Bonder division have a book value of zero. The remaining book value of approximately €0.6 million as of June 30, 2014 is entirely attributable to the Lithography division.

Gross profit in the first half of 2014 amounted to €22.4 million after €6.8 million in the first half of the previous fiscal year. The gross profit margin increased from 12.4% in the same period of the previous year to 32.3%. The gross profit in the first half of 2013 was impacted by extraordinary expenses of €4.7 million, which were incurred in connection with the refocusing of the Permanent Bonding product line. Without these extraordinary expenses, the gross profit in the first half of 2013 would have amounted to approximately €11.5 million, corresponding to a gross profit margin adjusted for extraordinary effects of 20.9%. The gross profit margin achieved in the first half of 2014 improved significantly compared to the previous year. It is negatively impacted again by the low gross profit margin in the Substrate Bonder division, which is of consequence due to its high share of sales. The gross profit margin in the Lithography division increased in all product lines compared to the previous year. In the first half of 2014, the Photomask Equipment division was able to achieve an above average gross profit margin.

It was possible to further reduce administration and selling costs through the systematic and continued implementation of the cost-saving program. Overall, administration and selling costs of € 14.9 million were incurred, representing an expense ratio of 21.5% relative to sales generated. In the same period of the previous year, corresponding costs of € 16.2 million were recorded, representing approximately 29.5% of sales generated.

Research and development costs totaled € 4.9 million in the first half of 2014, compared with € 5.3 million in the same period of the previous year. Expenses in the previous year included extraordinary expenses of € 1.3 million, which were incurred in connection with the refocusing of the Permanent Bonding product line.

Of other operating income of € 1.9 million, approximately € 0.7 million related to foreign currency gains and € 0.8 million to the release of provisions and individual value adjustments on receivables. During the corresponding period of the previous year, primarily foreign currency gains of € 1.7 million were recognized in other operation income. Other operating expenses of € 1.1 million primarily comprised foreign currency losses. In addition, lump-sum value adjustments were recognized here on customer receivables, which have been due for more than a year. Also in the first half of 2013, other operating expenses of € 1.9 million resulted primarily from foreign currency losses and lump sum value adjustments on customer receivables.

The financial result for the first half of 2014 amounted to € -0.1 million, reflecting interest income and expenses. The financial result of € 0.2 million in the previous year's period resulted primarily from interest income, interest expenses, and gains from the sale of securities.

In the first half of 2014, a tax expense of € 1.3 million was recognized. This resulted in a Group tax rate that deviated significantly from the average Group tax rate of approximately 28%. This development is essentially due to the fact that it was not possible to recognize deferred tax assets for the losses incurred by foreign subsidiaries. In the previous year, tax income of € 3.2 million was recognized.

## FINANCIAL POSITION

The SUSS MicroTec Group's net cash position – the balance from cash and cash equivalents, interest-bearing securities, and financial liabilities – fell by approximately € 2.4 million when compared with December 31, 2013, to approximately € 33.3 million.

Before consideration of securities purchases and sales, free cash flow of € -2.4 million was negative in the first half of the year. One reason for this was the negative cash flow from operating activities of € -1.2 million. Another reason was the negative cash flow from investing activities of € -1.2 million. In the first half of 2013, free cash flow was also negative at € -12.4 million.

In the first half of 2014, total cash flow from operating activities was € -1.2 million. Current earnings and a sharp decline in inventory had a positive effect on cash flow from operating activities. Above all, inventories of materials and supplies as well as unfinished goods declined in the process. In turn, however, Group liabilities also decreased. The reporting date-related decline in trade payables, the reduction of other liabilities and provisions, and above all the sharp decline in customer advances led to a high cash outflow and therefore to an overall negative cash flow from operating activities.

Cash flow from investing activities totaled € -1.2 million, excluding investments in securities. The major investments in the first half of 2014 were for the acquisition and extension of software required for business operations, various renovations and expansions of the Garching and Sternenfels facilities, and acquisitions in the areas of technical equipment and tools as well as plant and office furnishings. At the Garching site, a cogeneration unit was acquired and activated for € 0.2 million.

Cash flow from financing activities reflects the repayment of two bank loans and a slight increase in other financial liabilities.



Besides cash and cash equivalents of €17.2 million (December 31, 2013: €45.1 million) and securities of €26.9 million (December 31, 2013: €2.1 million), the Group had credit and guarantee lines of €8.0 million as of the half-year reporting date, which were predominantly secured in line with banking practice and were not bound to financial covenants. The utilization of these credit lines amounted to €2.4 million as of the half-year reporting date and primarily related to down payment guarantees for customer down payments. Thus, the Group has sufficient funds at its disposal to finance the operational business.

#### ASSETS POSITION

Noncurrent assets totaled €45.8 million as of the half-year reporting date and were thus €1.2 million lower than on December 31, 2013. The decline was primarily attributable to a reduction in the book values of intangible assets and tangible assets resulting from amortization and depreciation. In addition, the amount of deferred tax assets, which were capitalized in connection with ongoing losses at the German companies, declined slightly.

Current assets of the Group decreased by €9.4 million from €132.9 million (December 31, 2013) to €123.5 million as of the half-year reporting date.

The negative cash flow generated in the first half of the year and the acquisition of securities led to a sharp decline in the level of cash and cash equivalents, which still amounted to €17.2 million as of June 30, 2014 (after €45.1 million as of December 31, 2013). However, the portfolio of securities increased in the first half of 2014 by €24.8 million to €26.9 million as of the half-year reporting date. In the first six months of the current fiscal year, securities were acquired for approximately €61.0 million with available cash and cash equivalents. Securities valued at approximately €36.0 million reached their maturity date in this half of the year and were redeemed. The securities recognized consist of corporate and government bonds as well as commercial paper.

Trade receivables changed only slightly compared to December 31, 2013: They increased by €0.5 million due to the reporting date and amounted to €11.6 million as of mid-year. In the first half of 2014, the Lithography and Substrate Bonder divisions recorded increases of €1.6 million and €0.1 million, respectively, while receivables in the Photomask Equipment division decreased by €1.1 million.

The amount of inventories reported as of June 30, 2014 fell significantly. As of the half-year reporting date, the gross amount of inventory totaled €85.3 million, approximately €5.6 million less than as of December 31, 2013. The sharp decrease is almost exclusively attributable to the lower inventory of tools compared to the end of 2013, which had been delivered to the end customers but are still pending final acceptance (and therefore revenue recognition). In contrast, the inventories of materials, supplies, and work in progress increased compared with December 31, 2013. The cumulative value adjustments on inventory have increased from the end of the previous year, totaling approximately €21.1 million as of June 30, 2014 (after €19.8 million as of December 31, 2013). Of this amount, approximately €14.1 million (December 31, 2013: €13.2 million) was attributable to write-downs for demonstration equipment.

The rise in other assets from €2.5 million as of December 31, 2013 to €3.0 million resulted primarily from higher VAT receivables and prepaid expenses, which arose due to the reporting date.

The shareholders' equity of the SUSS MicroTec Group has grown since December 31, 2013 by €2.0 million to €111.4 million. The equity ratio increased from 60.8% to 65.8%.

Additional details about the development of consolidated equity are presented in the equity reconciliation statement.

Noncurrent liabilities declined by €0.6 million from €14.6 million to €14.0 million. The decline resulted primarily from the repayment of bank loans in the first half of 2014, which totaled €0.7 million.

In the first half of 2014, current liabilities also declined by €11.9 million to €43.9 million. On the one hand, other financial liabilities decreased by €0.8 million to €5.6 million because lower liabilities for outstanding invoices were recognized due to the reporting date. On the other hand, trade payables fell by €1.6 million to €4.0 million. In addition, a decline of provisions by €1.7 million to €4.2 million was recorded primarily because the provisions formed in connection with the restructuring of the Permanent Bond Cluster division had declined significantly as of mid-year. The level of customer advance payments, which amounted to approximately €23.5 million as of June 30, 2014 (compared with €30.8 million as of December 31, 2013), also fell significantly.

## **GROUP EMPLOYEES**

As of June 30, 2014, the Group had 649 employees within the individual companies (June 30, 2013: 680 employees).

# REPORTING ON THE EXPECTED DEVELOPMENT WITH ITS MAIN OPPORTUNITIES AND RISKS

## OPPORTUNITIES AND RISK REPORT

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. 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 risk monitoring, a fundamental distinction is made between general business and industry risks, operating risks, and financial market risks.

### General Business and Industry Risks

The Company identifies general business risks as underlying political and economic conditions, cyclical market fluctuations and developments, market positioning, and dependence on the expertise of individuals. These risks are described in the Company's most recent Annual Report in the corresponding Risk Report section.

There were no substantial changes to the risks and opportunities outlined in the most recent Annual Report during the first half of the current fiscal year.

### Operating Risks

SUSS MicroTec regards operating risks as those which have an impact on the Group's assets and earnings position as a result of potentially necessary write-downs in the consolidated statement of financial position due to the difficult economic environment. Pricing pressure and legal risks, in particular liability risks, represent additional operating risks. Each of these risk types was outlined in detail in the most recent Annual Report.

In addition, the last Annual Report discussed the subdued outlook for the Substrate Bonder division for the 2014 fiscal year. As forecasted, the Substrate Bonder division generated another negative contribution to earnings in the first half of 2014. Also for the second half of 2014, SUSS MicroTec expects a loss in the Substrate Bonder division. The risk remains that the Substrate Bonder division will continue to produce losses beyond the current fiscal year. The success of temporary bonding and de-bonding technology depends decisively on whether the technologies and processes SUSS MicroTec has 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 SUSS MicroTec be able to improve its margins in the Substrate Bonder division and achieve sustainable positive earnings.

In connection with the halting of production of Permanent Bond Cluster systems, the Company has described the risk that the competitiveness of SUSS MicroTec could be negatively affected by the strategic measures that have been taken. This risk remains and could have a negative impact above all on the sales figures for manual Substrate Bonders.

Moreover, in the 2013 Annual Report, the Company referred to the risks that could result in connection with the new lithographic product lines of SUSS MicroTec Photonic Systems. Also in the first half of 2014, no positive earnings could be achieved with these product lines for UV projection exposure and laser processing. There is the risk that these product lines could continue to produce losses beyond the 2014 fiscal year and thus impair earnings in the Lithography division in the future as well. The Photonic Systems product lines can generate a positive contribution to earnings only if SUSS MicroTec succeeds in placing the scanner systems in the market and reaches a much higher volume.

Break-even sales of the SUSS MicroTec Group could be negatively affected on a sustainable basis by continued losses in the Photonic Systems and Substrate Bonder division product lines.

Regarding other operating risks, there were no substantial changes to the risks and opportunities outlined in the 2013 Annual Report in the first half of 2014.

### Business Opportunities

Above all, the Company views the positive development possibilities for the Substrate Bonder division and Photonic Systems product lines as business opportunities. These opportunities were discussed in detail in the 2013 Annual Report.

### Financial Market Risks

At the SUSS MicroTec Group, financial market risks encompass credit risks, liquidity risks, and market price risks. The 2013 Annual Report provides an extensive description of these risks.

No substantial changes to these risks and opportunities occurred in the first half of the year.

### Overall Risk

No risks that threaten the Company's existence were identified within the Group in the first half of the 2014 fiscal year. The continued existence of the Company was at no time endangered from a material assets and liquidity point of view.

### RISK MANAGEMENT SYSTEM

The risk management system described in the 2013 Annual Report continued to be used in the first half of 2014.

### SUBSEQUENT EVENTS

No material events requiring disclosure occurred after the end of the interim reporting period.

### Voting Rights Announcements after the Reporting Date

On July 09, 2014, Dimensional Fund Advisors LP, Austin, Texas, USA, notified us pursuant to Section 21 (1), WpHG (German Securities Trading Law) that, on July 07, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.01 % (574,432 voting rights). Pursuant to section 22(1)(1)(6) WpHG, 2.86% (546,861 voting rights) and pursuant to section 22(1)(1)(6) WpHG in connection with section 22(22)(1), 0.17% (33,256 voting rights) are attributable to it.

On July 09, 2014, Dimensional Holdings Inc., Austin, Texas, USA, notified us pursuant to Section 21 (1), WpHG (securities trading act) that, on July 07, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted to 3.01% (574,432 voting rights) on this day. Pursuant to Section 22 (1)(1)(6) WpHG in conjunction with Section 22 (1)(2) WpHG, 3.01% (574,432 voting rights) of the voting rights are attributable to it.

On July 15, 2014, Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, notified us pursuant to § 21 (1) sentence 1 WpHG (securities trading act) that on July 15, 2014, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.07% (585,900 voting rights).

### Report on Material Transactions with Related Parties

In the first half of 2014 and the 2013 fiscal year, there were no material transactions with related parties subject to the disclosure requirements of IAS 24.

## FORECAST REPORT

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

### Overall Macroeconomic Conditions

According to a study of the Kiel Institute for the World Economy (IfW), the world economy showed little dynamism at the beginning of 2014. The IfW expects that the world economy will revive in the second half of 2014 and in 2015. The economic expansion should gradually strengthen primarily in the advanced economies. However, the overall dynamism in the emerging countries should remain subdued in the forecast period, particularly if the high rates of expansion recorded in the past decade are used as the basis for comparison. All in all, an increase in world production of 3.5% is anticipated in the current year; for 2015, gross domestic product growth of 3.9% is expected.

The spring forecast of the European Commission published in May 2014 assumes that the economy of the European Union will enjoy a sustained recovery after overcoming the recession approximately a year ago. The main driver of growth is expected to be the generally rising domestic demand. Additional reasons for a recovery include lower deficits, higher levels of investment, and a gradual improvement in the labor market. As a result, real GDP growth in 2014 should reach 1.6% in the EU and 1.2% in the eurozone. In 2015, it should continue to rise to 2.0% and 1.7%, respectively. The forecast is based on the assumption that the member states and the EU implement the agreed upon political measures and thereby further advance the necessary correction process.

The upturn in Germany will continue, according to the ifo Institute in Germany. Real GDP could increase by 2.0% in 2014 and in the coming year by 2.2%. The upturn is being driven, as it was last year, by the domestic economy. Investments in new equipment will expand at an accelerated rate since the high rate of capacity utilization requires replacement purchases and investments in expansion. Construction investment will also continue to increase significantly. Skepticism toward foreign investments and low interest rates are positive factors here. Private consumption should also increase in line with rising real incomes. Exports are increasing rapidly as the world economy improves. However, imports will increase even more strongly due to high domestic activity.

### Industry-Specific Conditions

#### SEMICONDUCTOR INDUSTRY

In 2013, the semiconductor market grew by approximately 5% to roughly US\$ 315 billion, thereby reaching a record level of sales. All market research institutes in this sector expect renewed growth in 2014, although the forecasted growth rates are very different. They range from continued growth of 6.5% (estimate of World Semiconductor Trade Statistics WSTS, June 2014) to approximately 12% (Mike Cowan, April 2014). For the current year, Gartner expects growth of 5.4% compared to 2013. Positive impetus from the automotive industry – in safety, entertainment, navigation, and communication – is an important driver of the growth expected in the electronics sector. Along with the sustained strong trend toward mobile communication, the intensified spread of smartwatches, wearable fitness gear, and mobile health monitoring will stimulate the market. Nevertheless, the reliability of the forecast in a still volatile market should continue to be viewed as minimal. Minor distortions of the global economy or even limited regional events could lead to substantial deviations from projections.

### SEMICONDUCTOR EQUIPMENT INDUSTRY

According to the SEMI industry association, the semiconductor equipment industry should again display a significant growth in investment in 2014 after two restrained years. In 2014, an increase in sales from the previous year of 20.8% to US\$ 38.4 billion is expected. In 2015, the market should continue to grow from the previous year by 10.8%, reaching a volume of US\$ 42.6 billion.

According to a July 2014 publication, the SEMI industry association expects a sales increase of 8.6% in 2014 and slight growth of 1.2% in 2015 for the backend specialty area of assembly and packaging, which is particularly relevant for SUSS MicroTec. This would mean a significant reduction in expected growth relative to previous forecasts of the Gartner market research institute. In June 2013, the specialists from Gartner had still forecasted growth of 26.7% in 2014 and 7.6% in 2015 for the area of wafer-level packaging and assembly.

### EXPECTED DEVELOPMENT IN THE MAJOR MARKETS

The market for microelectromechanical systems (MEMS) has been driven primarily by mobile applications in smartphones and tablet computers in recent years. MEMS microphones are an important element in this trend. Here the market research institute Yole Développement expects average annual unit volume growth of approximately 13% in the coming years until 2019. Nevertheless, not only unit volume growth but also the electronic contents of the individual mobile devices are growing steadily. The possible applications of these micromachines currently seem boundless. Biochemical detectors and gas sensors are already being contemplated. Overall, the market outlook has not changed significantly since publication of the 2013 Annual Report. Yole estimates the average annual growth of the entire MEMS market from 2012 to 2018 to be more than 20%, which is driven primarily by consumer electronics applications.

However, in interpreting the market figures it should be noted that the equipment market in this segment is not growing as quickly as the MEMS market itself. This is due to the fact that the higher degree of productivity of the manufacturing systems enables an ever-increasing number of MEMS components to be produced per machine.

Aside from the MEMS market, advanced packaging / wafer-level packaging (WLP) is the most important area of activity for SUSS MicroTec. For this market segment Gartner expects equipment growth of 26.7% in 2014 and another 7.6% in 2015. As already described in the market outlook for the semiconductor equipment sector, the SEMI industry association expects a sales increase of 8.6% in 2014 and slight growth of 1.2% in 2015 for the specialty area of assembly and packaging.

Market expectations for 3D integration have not significantly changed since the publication of the 2013 Annual Report. 3D integration is a continuation of today's large-scale use of packaging technologies. In the process, thinned microchips are stacked on top of each other and connected by means of through-silicon vias (TSVs). The decisive advantages are the high packing density and enormous complexity that can be achieved in the smallest space. Through 3D integration, it is also possible to combine various functionalities, such as memory and processor, in one package. In 2013, SUSS MicroTec succeeded in obtaining the world's first order for tools enabling the pilot production of stacked chips.

In the market for compound semiconductors, SUSS MicroTec focuses on the growth segment of light-emitting diodes (LEDs) and, with its product solutions, is particularly targeting manufacturers of high-end light-emitting diodes, i.e., high-brightness (HB) and ultra-high-brightness (UHB) LEDs. SUSS MicroTec is actively involved in the latest generations of technology, which specifically require thin wafer handling. Recently, falling prices for LEDs combined with impressive useful life and good light yield have made replacing other lighting devices with LEDs more attractive, even for private homes. After a few challenging years, the LED market should continue to recover in 2014. Two factors complicating a forecast for the LED equipment market are the difficulty of quantifying existing overcapacities and the inability to transfer market growth directly to the equipment sector.



### ENDOGENOUS INDICATORS

In the first half of 2014, progress was made with the continued expansion of the innovative product portfolio. Particular attention was paid to the area of exposure.

After the acquisition of Tamarack Scientific (today SUSS MicroTec Photonic Systems) in 2012, SUSS MicroTec optimized the product portfolio of the subsidiary, focused on the most promising tools, and systematically refined them and prepared them for volume production. March 2014 saw the market launch of DSC300 Gen2, the latest generation of projection scanners for advanced packaging. With the Excimer Laser Stepper ELP300, another product of SUSS MicroTec Photonic Systems was successfully launched in the market. This latest generation product provides the means to directly create vias (<math><5\mu</math>) and microstructures. The ELP300 Gen2 is configured to process 200mm and 300mm wafers.

In the second quarter of 2014, SUSS MicroTec also launched two new Mask Aligners in the market. One is the Mask Aligner MA12, a semiautomatic tool for use in industrial research and production for wafer sizes up to 300 mm and for 300x300 mm substrates. The operator-assisted tool offers the highest degree of processing and alignment precision in the submicrometer range. In addition, the MA12 uses SUSS MicroTec Exposure Optics, a unique optical design that satisfies the most demanding requirements of modern lithographic processes. With Mask Aligner MA200 Gen3, another exposure tool was introduced to the market. The tool that was developed for large-scale serial production is designed for wafers with a diameter up to 200 mm.

### GENERAL STATEMENT ON THE PROJECTED DEVELOPMENT OF THE GROUP

The Management Board continues to expect sales of approximately € 135–45 million for the current 2014 fiscal year. The previous earnings expectation within a range between € -5 to 0 million was increased due to an increased result in the first half of the year. The Company now anticipates a slightly positive EBIT in the 2014 fiscal year.

Customer behavior is increasingly characterized by very short-term expenditure decisions. This eliminates part of the Company's ability to make accurate forecasts and also makes it increasingly difficult to make forward-looking statements. For the third quarter of 2014, we expect order entry within the range of € 25–35 million. Due to an expected upswing in demand from customers during the course of the year, the Management Board considers it possible from today's perspective that order entry will return to the 30 to 40 million-euro range in the fourth quarter of 2014.

### FORWARD-LOOKING STATEMENTS

This half-yearly financial report contains information and forecasts related 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, Germany, August 6, 2014

The Management Board



Frank Averdung  
Chief Executive Officer



Michael Knopp  
Chief Financial Officer



Walter Braun  
Chief Operating Officer

# FINANCIAL REPORT

of SUSS MicroTec AG

## CONSOLIDATED STATEMENT OF INCOME (IFRS)

in € thousand	04/01/2014– 06/30/2014	04/01/2013– 06/30/2013	01/01/2014– 06/30/2014	01/01/2013– 06/30/2013
Sales	30,411	24,928	69,427	55,023
Cost of sales	-18,828	-25,416	-47,065	-48,211
<b>Gross profit</b>	<b>11,583</b>	<b>-488</b>	<b>22,362</b>	<b>6,812</b>
Selling costs	-4,365	-4,280	-8,399	-8,729
Research and development costs	-2,608	-3,095	-4,852	-5,327
Administration costs	-3,140	-3,581	-6,535	-7,500
Other operating income	933	636	1,883	1,657
Other operating expenses	-536	-875	-1,069	-1,900
<b>Analysis of net income from operations (EBIT)</b>				
EBITDA (Earnings before Interest and Taxes, Depreciation and Amortization)	2,885	-9,315	5,421	-11,055
Depreciation and amortization of tangible assets, intangible assets and investments in subsidiaries	-1,018	-2,368	-2,031	-3,932
<b>Net income from operations (EBIT)</b>	<b>1,867</b>	<b>-11,683</b>	<b>3,390</b>	<b>-14,987</b>
Financial income	91	212	185	350
Financial expenses	-125	-92	-279	-182
<b>Financial result</b>	<b>-34</b>	<b>120</b>	<b>-94</b>	<b>168</b>
<b>Profit or loss before taxes</b>	<b>1,833</b>	<b>-11,563</b>	<b>3,296</b>	<b>-14,819</b>
Income taxes	-948	2,436	-1,287	3,172
<b>Net profit or loss</b>	<b>885</b>	<b>-9,127</b>	<b>2,009</b>	<b>-11,647</b>
Thereof equity holders of SUSS MicroTec	885	-9,127	2,009	-11,647
Thereof non-controlling interests	0	0	0	0
<b>Earnings per share (basic)</b>				
Earnings per share in €	0.05	-0.48	0.11	-0.61
<b>Earnings per share (diluted)</b>				
Earnings per share in €	0.05	-0.48	0.11	-0.61

## STATEMENT OF COMPREHENSIVE INCOME (IFRS )

in € thousand	01/01/2014–06/30/2014	01/01/2013–06/30/2013
<b>Net profit or loss</b>	<b>2,009</b>	<b>-11,647</b>
<b>Items that will not be reclassified to profit and loss</b>		
Remeasurements on defined benefit pension plans	0	5
Deferred taxes	0	0
<b>Other comprehensive income after tax for items that will not be reclassified to profit and loss</b>	<b>0</b>	<b>5</b>
<b>Items that will be reclassified subsequently to profit and loss</b>		
Fair value fluctuations of available for sale securities	5	-233
Foreign currency adjustment	6	-616
Cash flow hedges	-115	134
Deferred taxes	38	28
<b>Other comprehensive income after tax for items that will be reclassified to profit and loss</b>	<b>-66</b>	<b>-687</b>
<b>Total income and expenses recognized in equity</b>	<b>-66</b>	<b>-682</b>
<b>Total income and expenses reported in the reporting period</b>	<b>1,943</b>	<b>-12,329</b>
Thereof equity holders of SUSS MicroTec	1,943	-12,329
Thereof non-controlling interests	0	0

## CONSOLIDATED BALANCE SHEET (IFRS )

ASSETS in € thousand	06/30/2014	12/31/2013
<b>Non-current assets</b>	<b>45,828</b>	<b>46,995</b>
Intangible assets	4,220	4,517
Goodwill	15,333	15,318
Tangible assets	20,367	20,906
Tax refund claims	65	65
Other assets	537	522
Deferred tax assets	5,306	5,667
<b>Current assets</b>	<b>123,490</b>	<b>132,872</b>
Inventories	64,190	71,133
Trade receivables	11,611	11,073
Other financial assets	201	320
Securities	26,924	2,072
Tax refund claims	382	721
Cash and cash equivalents	17,216	45,059
Other assets	2,966	2,494
<b>» Total assets</b>	<b>169,318</b>	<b>179,867</b>

<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b> in € thousand	<b>06/30/2014</b>	<b>12/31/2013</b>
<b>Equity</b>	<b>111,375</b>	<b>109,432</b>
Total equity attributable to shareholders of SUSS MicroTec AG	111,375	109,432
Subscribed capital	19,116	19,116
Reserves	95,980	93,971
Accumulated other comprehensive income	-3,721	-3,655
<b>Non-current liabilities</b>	<b>13,994</b>	<b>14,613</b>
Pension plans and similar commitments	3,801	3,760
Provisions	43	62
Financial debt	9,600	10,280
Other financial liabilities	467	496
Deferred tax liabilities	83	15
<b>Current liabilities</b>	<b>43,949</b>	<b>55,822</b>
Provisions	4,244	5,939
Tax liabilities	660	651
Financial debt	1,256	1,191
Other financial liabilities	5,603	6,366
Trade payables	3,977	5,563
Other liabilities	28,209	36,112
<b>» Total liabilities &amp; shareholders' equity</b>	<b>169,318</b>	<b>179,867</b>

## 26 CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

in € thousand	01/01/2014–06/30/2014	01/01/2013–06/30/2013
Net profit or loss (after taxes)	2,009	-11,647
Amortization of intangible assets	738	2,711
Depreciation of tangible assets	1,293	1,221
Profit or loss on disposal of intangible and tangible assets	-4	-6
Profit or loss on disposal of available-for-sale securities	0	-70
Change of reserves on inventories	1,334	4,160
Change of reserves for bad debts	-356	645
Non-cash income from the reversal of provisions	-218	-9
Other non-cash effective income and expenses	-275	142
Change in inventories	5,845	-8,072
Change in trade receivables	-137	6,743
Change in other assets	-368	-876
Change in pension provisions	41	-189
Change in trade payables	-1,598	-2,042
Change in down payments received	-7,402	3,233
Change in other liabilities and other provisions	-2,626	-2,983
Change of tax refund claims and tax liabilities	484	-3,556
<b>» Cash flow from operating activities</b>	<b>-1,240</b>	<b>-10,595</b>



in € thousand	01/01/2014–06/30/2014	01/01/2013–06/30/2013
Disbursements for tangible assets	-779	-1,478
Disbursements for intangible assets	-422	-331
Purchases of current available-for-sale securities	-25,876	-5,986
Proceeds from redemption of available-for-sale securities	1,028	3,097
<b>Cash flow from investing activities</b>	<b>-26,049</b>	<b>-4,698</b>
Repayment of bank loans	-680	-180
Change in current bank liabilities	0	-94
Change in other financial debt	65	-6
<b>Cash flow from financing activities</b>	<b>-615</b>	<b>-280</b>
Adjustments to funds caused by exchange-rate fluctuations	61	-234
<b>Change in cash and cash equivalents</b>	<b>-27,843</b>	<b>-15,807</b>
<b>Funds at beginning of the year</b>	<b>45,059</b>	<b>25,192</b>
<b>Funds at end of the period</b>	<b>17,216</b>	<b>9,385</b>
Cash flow from operating activities includes		
Interest paid during the period	215	96
Interest received during period	208	287
Tax paid during the period	737	980
Tax refunds during the period	93	0

## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (IFRS)

in € thousand	Subscribed capital	Additional paid-in capital	Earnings reserve	Retained earnings
<b>As of 01/01/2013</b>	19,116	97,614	433	11,896
Net income / loss				-11,647
Total income and expenses recognized in equity				
Total comprehensive income / loss				-11,647
<b>As of 06/30/2013</b>	19,116	97,614	433	249
<b>As of 01/01/2014</b>	19,116	97,614	433	-4,076
Net income				2,009
Total income and expenses recognized in equity				
Total comprehensive income / loss				2,009
<b>As of 06/30/2014</b>	19,116	97,614	433	-2,067

Accumulated other comprehensive income							Total equity attributable to shareholders of SUSS MicroTec AG	Non-controlling interests	Equity
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				
-1,242	327	-768	-505	248	73	127,192	0	127,192	
						-11,647	0	-11,647	
5	0	-616	134	-233	28	-682	0	-682	
5	0	-616	134	-233	28	-12,329	0	-12,329	
-1,237	327	-1,384	-371	15	101	114,863	0	114,863	
-1,331	333	-2,425	-342	30	80	109,432	0	109,432	
						2,009		2,009	
0	0	6	-115	5	38	-66		-66	
0	0	6	-115	5	38	1,943	0	1,943	
-1,331	333	-2,419	-457	35	118	111,375	0	111,375	

## SEGMENT REPORTING (IFRS)

### SEGMENT INFORMATION BY BUSINESS SEGMENT

in € thousand	Lithography		Substrate Bonder		Photomask Equipment	
	6M/2014	6M/2013	6M/2014	6M/2013	6M/2014	6M/2013
External Sales	43,776	37,135	15,153	6,636	7,826	9,239
Internal Sales	0	0	0	0	0	0
<b>Total Sales</b>	<b>43,776</b>	<b>37,135</b>	<b>15,153</b>	<b>6,636</b>	<b>7,826</b>	<b>9,239</b>
Result per segment (EBIT)	4,175	185	-1,173	-14,497	1,606	-227
Income before taxes	4,156	121	-1,175	-14,497	1,604	-230
Significant non-cash items	-627	-380	-844	-5,204	680	-689
<b>Segment assets</b>	<b>53,824</b>	<b>77,051</b>	<b>12,793</b>	<b>31,557</b>	<b>12,910</b>	<b>12,474</b>
thereof Goodwill	15,333	15,410	0	0	0	0
Unallocated assets						
<b>Total assets</b>						
<b>Segment liabilities</b>	<b>-22,656</b>	<b>-25,101</b>	<b>-3,819</b>	<b>-8,140</b>	<b>-10,153</b>	<b>-2,187</b>
Unallocated liabilities						
<b>Total liabilities</b>						
Depreciation and amortisation	946	1,106	168	1,912	63	182
thereof scheduled	946	1,106	168	756	63	182
thereof impairment loss	0	0	0	1,156	0	0
Capital expenditure	494	268	117	56	10	121
Workforce at 06/30	395	409	99	116	102	103

### SEGMENT INFORMATION BY REGION

in € thousand	Sales		Capital expenditure		Assets (without Goodwill)	
	6M/2014	6M/2013	6M/2014	6M/2013	6M/2014	6M/2013
Europe	22,503	16,123	1,071	1,687	67,742	90,848
North-America	9,564	9,330	63	45	14,531	21,760
Japan	6,738	2,623	59	4	568	2,448
Rest of Asia	30,622	26,947	8	72	2,490	2,051
Consolidation effects	0	0	0	0	-277	440
<b>» Total</b>	<b>69,427</b>	<b>55,023</b>	<b>1,201</b>	<b>1,808</b>	<b>85,054</b>	<b>117,547</b>

Other		Consolidation effects		Total	
6M/2014	6M/2013	6M/2014	6M/2013	6M/2014	6M/2013
2,672	2,013	-	-	69,427	55,023
2,109	2,538	-2,109	-2,538	0	0
<b>4,781</b>	<b>4,551</b>	<b>-2,109</b>	<b>-2,538</b>	<b>69,427</b>	<b>55,023</b>
-1,218	-448	-	-	3,390	-14,987
-1,289	-213	-	-	3,296	-14,819
24	-78	-	-	-767	-6,351
<b>20,860</b>	<b>11,875</b>	-	-	<b>100,387</b>	<b>132,957</b>
0	0	-	-	15,333	15,410
				68,931	32,965
				<b>169,318</b>	<b>165,922</b>
<b>-1,722</b>	<b>-1,494</b>	-	-	<b>-38,350</b>	<b>-36,922</b>
				-19,593	-14,137
				<b>-57,943</b>	<b>-51,059</b>
854	732	-	-	2,031	3,932
854	732	-	-	2,031	2,776
0	0	-	-	0	1,156
580	1,363	-	-	1,201	1,808
53	52	-	-	649	680

# SELECTED EXPLANATORY NOTES TO THE INTERIM REPORT

of SUSS MicroTec AG as of June 30, 2014

## 1. GENERAL ACCOUNTING POLICIES

The consolidated financial statements of SUSS MicroTec AG as of December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applied by the International Accounting Standards Board (IASB) as of the closing date. The condensed consolidated interim financial statements as of June 30, 2014, which were prepared on the basis of International Accounting Standard (IAS) 34 "Interim Financial Reporting," do not contain all of the necessary information as required for the preparation of the Annual Report and should be read in conjunction with the consolidated financial statements of SUSS MicroTec AG as of December 31, 2013. In the interim financial statements as of June 30, 2014, the same accounting methods are applied as in the consolidated financial statements for the 2013 fiscal year.

All of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) in effect as of June 30, 2014 have been applied.

For additional information about the specific accounting and valuation methods used, please see the consolidated financial statements of SUSS MicroTec AG as of December 31, 2013.

The interim financial statements are neither audited by the Group auditor nor subjected to an accounting review

## 2. CHANGES IN THE SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of SUSS MicroTec AG and all the material companies over which, independent of the level of participatory investment, the proprietary company can exercise control (i.e., the control principle).

Compared with the consolidated financial statements as of December 31, 2013, there were no changes to the scope of consolidation.

## 3. MANDATORY DISCLOSURES

The securities held as available for sale recognized in the statement of financial position include – as in the previous year – corporate and government bonds as well as commercial papers with a term of up to three months. The securities are 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.

Financial expense includes € 11 thousand in interest cost from the compounding of noncurrent financial liabilities, which resulted from the acquisitions of Tamarack / USA (100% acquisition) and SUSS MicroOptics / Switzerland (15% acquisition) in the 2012 fiscal year.

Other issues influencing assets, liabilities, shareholders' equity, the result for the period, or cash flows and which are unusual in terms of their nature, magnitude, or frequency did not arise during the interim reporting period.



#### **4. CHANGE IN PRESENTATION**

No changes in presentation have been made; the presentation of the consolidated financial statements of SUSS MicroTec AG as of June 30, 2014 is analogous to the presentation dated as of December 31, 2013.

#### **5. CHANGES IN ESTIMATES**

To the extent that estimates were made in the interim reports, the methodology underlying the estimates remained fundamentally the same during the fiscal year and in comparison to the previous fiscal year.

In a departure from the approach used at year-end, income tax expense in each interim reporting period is recorded on the basis of the best estimate of the weighted average annual income tax rate which is expected for the entire fiscal year.

SUSS MicroTec AG currently assumes that the annual income tax rate will deviate from the expected tax rate of approximately 28%. The primary reason for this is that the losses incurred by foreign subsidiaries cannot be capitalized.

Otherwise, there are no changes requiring disclosure which would have a material impact on the current interim reporting period.

#### **6. BONDS AND EQUITY SECURITIES**

During the reporting period, no issuances, repurchases, or repayments occurred involving either bonds or other equity securities.

#### **7. DIVIDENDS PAID**

During the reporting period, no dividend was distributed nor was such a distribution proposed.

#### **8. SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD**

No material events occurred after the end of the interim reporting period.

#### **9. CONTINGENT LIABILITIES AND RECEIVABLES**

There are no contingent receivables. There were no substantial changes in contingent liabilities since the previous reporting date of December 31, 2013.

## 10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the shares (net of minority interests) by the average number of shares.

In order to calculate diluted earnings per share, the profit or loss for the period attributable to shareholders (net of minority interests) and the weighted average of outstanding shares are adjusted for the impact of all potential dilutive shares.

The following table shows the calculation of the basic and diluted earnings per share:

in € thousand	6M/2014	6M/2013
Profit/loss which accrue to shareholders of SUSS MicroTec AG	2,009	-11,647
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 € from continuing operations – basic –	0.11	-0.61
Earnings per share in € from continuing operations – diluted –	0.11	-0.61

### Responsibility Statement by the Legal Representatives

“To the best of our knowledge, we assure that in accordance with the applicable accounting principles for interim reporting, the consolidated interim financial statements convey an accurate view of the net assets, financial position, and results of operations of the Group and that the Group Interim Management Report 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, August 6, 2014

The Management Board



Frank Averdung  
Chief Executive Officer



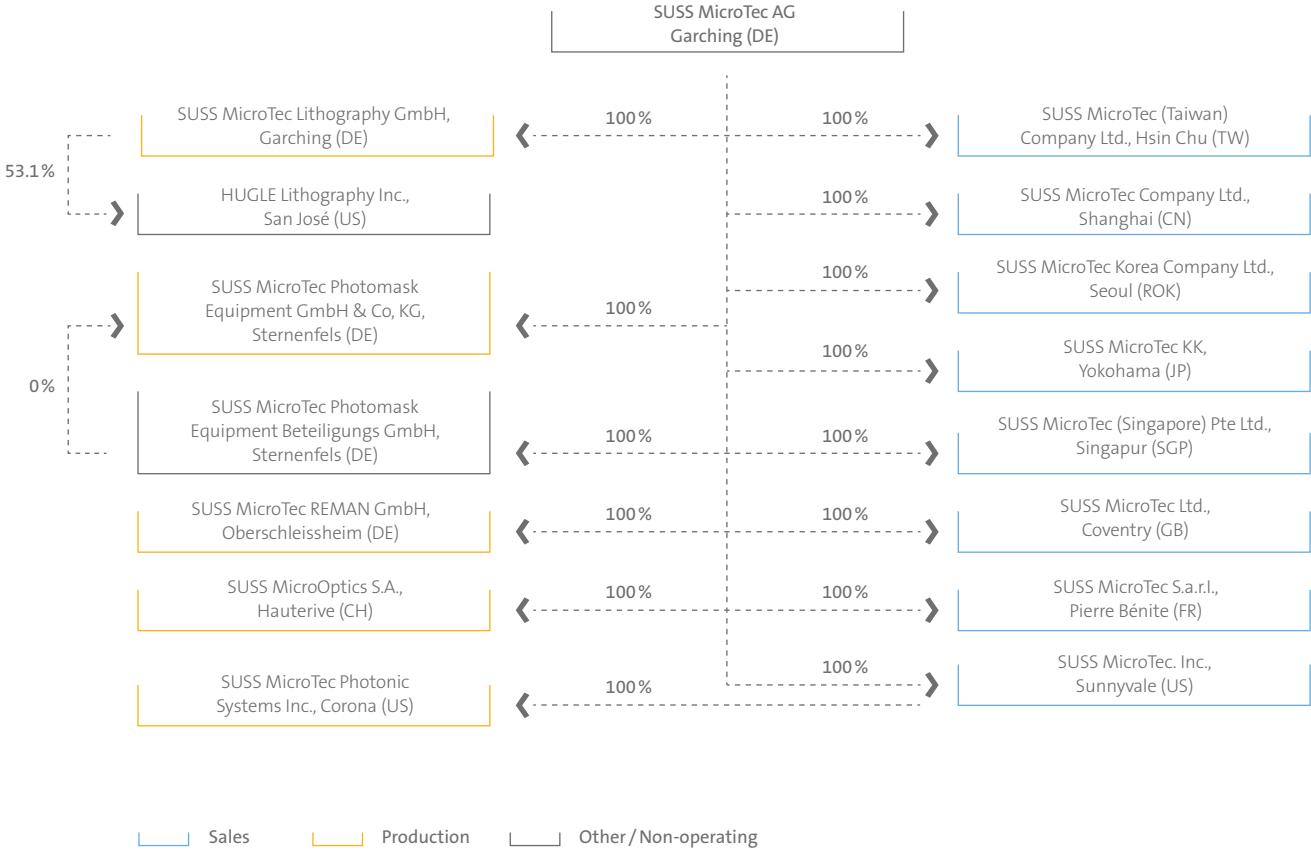
Michael Knopp  
Chief Financial Officer



Walter Braun  
Chief Operating Officer

# LEGAL STRUCTURE

of SUSS MicroTec Group



## FINANCIAL CALENDAR 2014

Interim Report 2014	August 7
UBS Best of Germany Conference, New York	September 8
Investment Conference Bankhaus Lampe, Zurich	September 11
German Corporate Conference, Berenberg / Goldman Sachs, Munich	September 22
Investment Conference, Baader Bank, Munich	September 24
Nine-month Report 2014	November 6
German Equity Forum 2014, Frankfurt am Main	November 24 – 26.

### CREDITS

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