QUARTERLY STATEMENT

Q3/2016

January – September 2016

siltronic
perfect silicon solutions

Quartely overview

		Q3 2016	Q2 2016	Q1 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
Statement of profit or loss							
Sales	EUR mn	237.0	229.6	220.6	230.6	687.1	716.0
Gross profit	EUR mn	45.3	39.3	33.7	45.0	118.2	131.2
Gross margin	%	19.1	17.1	15.3	19.5	17.2	18.3
EBITDA	EUR mn	36.9	35.1	23.6	29.3	95.5	100.8
EBITDA margin	%	15.6	15.3	10.7	12.7	13.9	14.1
EBIT	EUR mn	6.7	6.0	−5.6	0.3	7.0	8.8
EBIT margin	%	2.8	2.6	−2.5	0.1	1.0	1.2
Financial result	EUR mn	−2.5	−2.4	−3.8	−3.1	−8.7	−8.3
Income taxes	EUR mn	0.3	2.7	2.1	3.4	5.1	11.7
Net result for the period	EUR mn	3.9	0.9	−11.5	−6.2	−6.8	−11.2
Earnings per share	EUR	0.16	0.07	−0.34	−0.15	−0.12	−0.21
ROCE	%	3.6	3.2	−3.0	0.2	1.3	1,5
Capital expenditure and free cash flow							
Capital expenditure in property, plant and equiment, and intangible assets	EUR mn	22.1	22.4	20.4	27.2	64.9	40.6
Free cash flow	EUR mn	15.7	0.1	−6.7	1.2	9.1	47.9

		30.09.2016	31.12.2015
Statement of financial position			
Total assets	EUR mn	1,031.5	1,040.8
Equity	EUR mn	297.0	497.3
Equity ratio	%	29	48
Net financial assets (+) / net financial debt (–)	EUR mn	165.0	155.9
Employees		**3,789**	**3,894**

Company profile

Siltronic is one of the world's leading manufacturers of hyperpure silicon wafers with diameters up to 300mm and partner of many leading semiconductor companies. The company has a network of state-of-the-art production sites in Europe, Asia and the USA and employs nearly 4,000 people. Silicon wafers are key components of e.g. computers, flat-screens, navigation systems, control systems for the automotive industry and many other applications. Technology leadership and a consistent focus on improving efficiency form the bedrock for increasing the Company's value going forward.

Content

Commentary on the first nine months of 2016

Business in the first nine months of 2016 exceeded our expectations. In Q3 2016, our 200 mm and 300 mm wafer lines were fully loaded.

Overall, the first nine months of 2016 were very satisfactory and exceeded our expectations. After the sequential increase in demand during both of the first two quarters of the financial year, demand during Q3 2016 was again slightly above the level of the previous quarter. We had to reduce our inventories slightly in order to cope with demand. We even had to turn down client orders. Fortunately, average selling prices (ASP) stabilized in Q3 2016, although they were down significantly year on year.

We expect demand for silicon wafer area to at the most slightly slow down during Q4 2016 while ASP should remain stable. Overall, our sales outlook for 2016 as a whole is somewhat more positive than three months ago, and we currently expect sales to be in the low single-digit percentage range below the level of the previous year.

"Average selling prices were stable in Q3 2016, and we anticipate that this will also be the case in Q4 2016. Due to very high capacity utilization at our production plants, we have already had to turn down client orders for 300 mm and 200 mm wafers. As far as our contractual obligations allow, we have begun to inform our clients about planned price increases during Q1 2017."

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

Our capital expenditure is an investment in the future of our company, and contributes to maintaining our technological edge in the wafer market in the future. In September 2016, our new crystal pulling hall in Freiberg, Saxony was officially inaugurated. We are progressively replacing older crystal pullers there with cutting-edge equipment, in order to meet our customers' ever-increasing technological requirements. Our progressive automation of production is on schedule, and will further increase our competitiveness. Due to the range of measures we have taken to increase efficiency and improve production yields, which will result in future cost savings, our capital expenditure in 2016 will be somewhat higher than originally planned, at about EUR 85 million to EUR 90 million.

In Q3 2016, Siltronic realized clearly positive free cash flow of EUR 15.7 million. Aggregated free cash flow for the first nine months of 2016 was EUR 9.1 million.

"This year, we are investing around EUR 85 million to EUR 90 million in technology and are reducing advance payments received from customers by around EUR 20 million. Nevertheless, we will still realize positive free cash flow for the fourth year in a row."

(Rainer Irle, CFO, Siltronic AG)

The takeover of SunEdison SEMI, USA, by GlobalWafers, Taiwan, will lead to a consolidation among leading wafer manufacturers. We remain convinced, however, that we will continue to be able to successfully defend our strong market position as a technology leader in the 300 mm wafer segment.

"It is paying off that Siltronic is optimally diversified both regionally and with regard to customers. Through close and faithful collaboration with our customers, we are ensuring that we are at the forefront when it comes to latest technology developments. By doing so, we are helping our customers to continuously improve and develop their products and solutions."

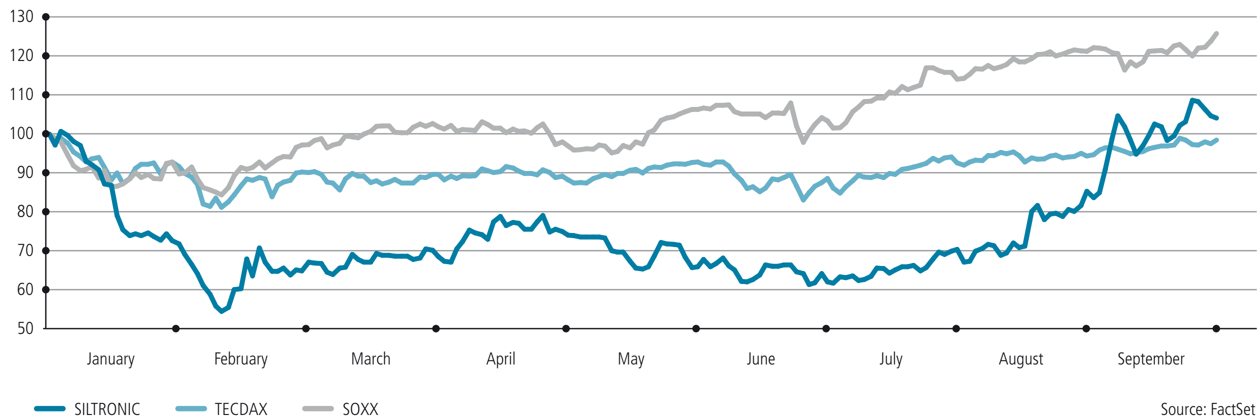
(Dr. Christoph von Plotho)

Siltronic shares have developed very positively in the third quarter. Overall, the semiconductor market is decidedly more positive than it was during the first half of 2016. Share price increases at companies in our sector have also been influenced by current consolidation trends and the associated company valuations.

On September 30, 2016, the Xetra closing price of Siltronic shares was EUR 23.52, equating to growth of about 62 percent since June 30, 2016 (EUR 14.50). Compared to the closing price as of December 31, 2015, our shares have increased by 4.1 percent, and compared to the lowest price of EUR 12.30 in February 2016, by as much as 91 percent.

As of September 30, 2016, Siltronic AG's market capitalization was EUR 705.6 million. The trading volume in the Xetra trading system persists at a low level. In the period January to September 2016, an average of 24,624 Siltronic shares were traded each day. At the end of April, Baupost Group sold a large portion of shares it holds in Siltronic and reported that it had fallen below the 3 percent reporting threshold. This had a positive effect on our free float. The average daily Xetra trading volume was 29,781 shares in Q3 2016, up from 15,387 shares per day in Q2 2016. Overall, however, the volume of trading on alternative trading platforms is far higher.

Performance of Siltronic shares (indexed)
in %



Source: FactSet

Economic development
January to September 2016

Financial performance and financial position

Financial performance

Encouraging sales trend in Q3

			Change				Change	
In EUR mn	**Q3 2016**	Q3 2015	Amount	%	**Q1 – Q3 2016**	Q1 – Q3 2015	Amount	%
Sales	237.0	230.6	6.4	3	687.1	716.0	–28.9	–4

Sales during the first nine months of 2016 developed better than expected at the beginning of the year, with Q3 contributing significantly to that development.

As Siltronic recorded particularly strong business performance during the first half of 2015, sales during H1 2016 were EUR 35.3 million lower than the prior-year period. During Q3 2016, however, sales realized were 3 percent higher than in Q3 2015. Aggregated sales during the first nine months of 2016 were 4 percent lower year on year.

The decrease in sales in 2016 can mainly be attributed to lower average selling prices. Changes in exchange rates did not have a substantial impact. The US dollar, which is by far the most important foreign currency for Siltronic, was at 1.12 against the euro after the first nine months of the year, which corresponds to the rate of the prior-year period.

Gross margin increases steadily in 2016. Falling cost of sales per wafer area could not compensate for price decrease.

			Change				Change	
In EUR mn	**Q3 2016**	Q3 2015	Amount	%	**Q1 – Q3 2016**	Q1 – Q3 2015	Amount	%
Cost of sales	191.7	185.6	6.1	3	568.9	584.8	–15.9	–3
Gross profit	45.3	45.0	0.3	1	118.2	131.2	–13.0	–10
Gross margin in %	19.1	19.5	–	–	17.2	18.3	–	–

We managed to continue to decrease cost of sales per wafer area year on year whereby the wafer area sold corresponded to the area sold during the first nine months of the previous year.

In spite of this positive development, gross profit was lower year on year, which can be attributed to the fact that the price decrease during the first nine months of 2016 was greater than the decrease in the cost of sales. The increasing gross margin in the current year (15.3 percent in Q1, 17.1 percent in Q2, and 19.1 percent in Q3) demonstrates that the gap is getting smaller, however.

Selling expenses, R&D and administrative expenses increase slightly

In EUR mn	Q3 2016	Q3 2015	Change Amount	Change %	Q1–Q3 2016	Q1–Q3 2015	Change Amount	Change %
Selling expenses	8.3	8.4	–0.1	–1	24.8	25.9	–1.1	–4
Research and development expenses	17.3	16.0	1.3	8	50.1	48.4	1.7	4
General administration expenses	5.1	4.7	0.4	9	16.0	14.2	1.8	13
Total	**30.7**	**29.1**	**1.6**	**5**	**90.9**	**88.5**	**2.4**	**3**
as a percentage of sales	13.0	12.6			13.2	12.4		

Selling expenses, research and development (R&D) expenses and general administration expenses were slightly higher compared to the first three quarters of 2015 due to non-recurring items and tariff increases.

In Q3 2016, non-recurring inventor compensation was incurred, which led to higher R&D costs year on year.

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

In EUR mn	Q3 2016	Q3 2015	Change Amount	Change %	Q1–Q3 2016	Q1–Q3 2015	Change Amount	Change %
Other operating income	6.4	13.8	–7.4	–54	34.8	78.6	–43.8	–56
Other operating expense	–14.3	–29.4	15.1	–51	–55.1	–112.5	57.4	–51
Other operating income and expense, net	–7.9	–15.6	7.7	–49	–20.3	–33.9	13.6	–40
of which exchange rate effects	*–7.0*	*–15.5*	*8.5*		*–19.4*	*–35.2*	*15.8*	

Other operating income and expense are severely affected by exchange rate gains and losses, particularly in connection with foreign currency hedging. Currency hedging involves the US dollar and Japanese yen. Exchange rate effects resulted in a total expense of EUR 19.4 million during the first nine months of 2016, compared to an expense of EUR 35.2 million during the prior-year period.

During Q3 2016 the expense resulting from exchange rate effects decreased noticeably by EUR 8.5 million compared to the prior-year period.

EBIT and EBITDA margins develop positively

In EUR mn	Q3 2016	Q3 2015	Change Amount	Change %	Q1–Q3 2016	Q1–Q3 2015	Change Amount	Change %
EBIT	6.7	0.3	6.4	–	7.0	8.8	−1.8	−20
EBIT margin in %	2.8	0.1			1.0	1.2		
Depreciation, amortization and impairment less reversals thereof	30.2	29.0	1.2	4	88.5	92.0	−3.5	−4
EBITDA	36.9	29.3	7.6	26	95.5	100.8	−5.3	−5
EBITDA margin in %	15.6	12.7			13.9	14.1		

Although gross profit declined by EUR 13.0 million comparing the nine-month period of 2016 and 2015, EBIT was only EUR 1.8 million lower than the figure for the prior-year period. The improvement in EBIT is largely due to the decrease in expenses resulting from exchange rate effects of EUR 15.8 million, which are shown under other operating income and expense.

We managed to increase our EBIT margin significantly during the course of the year. Up from −2.5 percent in Q1 2016 and 2.6 percent in Q2 2016, the margin in Q3 2016 was 2.8 percent. The EBIT margin in Q3 2015 was significantly lower, at 0.1 percent.

EBITDA in Q3 2016 was about 26 percent higher than in the prior-year quarter. The EBITDA margin was 15.6 percent, compared to 12.7 percent in the previous year.

Over the first nine months of 2016 as a whole, EBITDA was 5 percent lower than the prior-year figure. At 13.9 percent, the EBITDA margin was on the level of 2015, however.

Excluding the exchange rate effects contained under other operating income and expense, which had a negative overall impact on earnings, an EBITDA margin of 18.5 percent would have been realized in the third quarter of 2016. The equivalent prior-year figure would have been 19.4 percent. Overall for the first nine months of 2016 an EBITDA margin of 16.7 percent would have been realized with an equivalent prior-year figure of 19.0 percent.

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

In EUR mn	Q3 2016	Q3 2015	Change Amount	Change %	Q1–Q3 2016	Q1–Q3 2015	Change Amount	Change %
Interest income	0.3	0.0	0.3	–	1.0	0.1	0.9	–
Interest expenses	−0.5	−0.4	−0.1	−25	−2.8	−1.7	−1.1	65
Other finance cost, net	−2.3	−2.7	0.4	15	−6.9	−6.7	−0.2	3
Financial result	**−2.5**	**−3.1**	**0.6**	**19**	**−8.7**	**−8.3**	**−0.4**	**5**

Interest income increased as a result of the proceeds of the IPO in 2015.

The increase in interest expenses year-on-year can be attributed to interest costs for foreign currency hedging mainly accounted for in Q1 2016. Although expenses are significantly higher year on year, they were much lower in Q2 and Q3 2016 (both just under EUR 0.5 million) than in Q1 2016 (EUR 1.9 million).

The other financial result of EUR −6.9 million during the first three quarters of 2016 primarily resulted from the discounting of pension provisions.

Income tax expenses drop significantly

In EUR mn	Q3 2016	Q3 2015	Change		Q1–Q3 2016	Q1–Q3 2015	Change	
			Amount	%			Amount	%
Result before income tax	4.2	−2.8	7.0	–	−1.7	0.5	−2.2	–
Income taxes	−0.3	−3.4	3.1	91	−5.1	−11.7	6.6	56
Net result for the period	**3,9**	− 6,2	**10,1**	–	**− 6,8**	−11,2	**4,4**	**39**

Income taxes during the first nine months of 2016, at EUR 5.1 million, were down from EUR 11.7 million during the prior-year period, which resulted from current taxes for Siltronic Singapore Pte. Ltd. In Q3 2016, income taxes were only EUR 0.3 million, which can primarily be attributed to tax refunds.

Net loss for Q1–Q3 2016, but net profit for Q2 and Q3 2016
The net profit improved to EUR 3.9 million in Q3 2016. During Q1 2016, we showed a net loss of EUR 11.5 million, while we showed a net profit of EUR 0.9 million in Q2 2016.

In the nine-month comarison wer were able to improve the net loss for the period from EUR 11.2 million in 2015 to EUR 6.8 million in 2016.

Quarterly profit of EUR 0.16 per share
At EUR 0.16, earnings per share continued to be positive in Q3 2016, up from EUR 0.07 in Q2 2016.

Earnings per share for the first nine months of 2016 were −0.12 EUR compared to −0.21 EUR in the first nine months of 2015.

Financial position

At EUR 1,031.5 million, total assets as of September 30, 2016 were lower than the year-end figure for 2015 (EUR 1,040.8 million), mainly due to the decrease in non-current assets.

In EUR mn	September 30, 2016	31.12.2015	Change
Intangible assets	27.3	29.7	−2.4
Property, plant and equipment	524.0	542.9	−18.9
Other assets	6.0	6.5	−0.5
Non-current assets	**557.3**	**579.1**	**−21.8**

Non-current assets lower due to depreciation and amortization
The decrease in property, plant and equipment compared to December 31, 2015 is the result of depreciation, which was EUR 20.1 million higher than the additions to non-current assets. Due to the appreciation of the Singapore dollar against the euro during the first nine months of 2016, the carrying amount of property, plant and equipment only decreased by EUR 18.9 million.

Capital expenditure on property, plant and equipment and non-current intangible assets amounted to EUR 64.9 million during the first nine months of 2016.

In EUR mn	September 30, 2016	December 31, 2015	Change
Inventories	138.4	142.7	−4.3
Trade receivables	112.8	100.4	12.4
Fixed-term deposits	52.4	40.0	12.4
Other assets	18.0	24.1	−6.1
Cash and cash equivalents	152.6	154.5	−1.9
Current assets	**474.2**	**461.7**	**12.5**

Current assets increase due to trade receivables and positive free cash flow
The increase in trade receivables can primarily be attributed to the increase in sales at the end of Q3 2016. The increase in fixed-term deposits can primarily be attributed to the positive free cash flow.

In EUR mn	September 30, 2016	December 31, 2015	Change
Equity	297.0	497.3	−200.3
Pension provision	495.6	299.4	196.2
Financial liabilities	40.0	38.6	1.4
Other liabilities	56.8	58.0	−1.2
Non-current liabilities	**592.4**	**396.0**	**196.4**
Trade liabilities	72.8	72.1	0.7
Other liabilities	69.3	75.4	−6.1
Current liabilities	**142.1**	**147.5**	**−5.4**

Lower discount rates for pension provisions result in decrease in equity
Lower discount rates used in the calculation of pension provisions had a significantly negative effect on equity, having already led to a decrease in the equity ratio during Q2 2016. The equity ratio as of September 30, 2016 was 29 percent, down from 31 percent as of June 30, 2016, and 48 percent as of December 31, 2015.

Discount-related increase in pension provisions raises non-current liabilities
Non-current liabilities increased to EUR 592.4 million as of September 30, 2016, corresponding to 57 percent of total assets.

The main reason for this was the increase of EUR 196.2 million in pension provisions, which can be attributed to the decrease in the discount rates used for Germany and the US. The provision was discounted at 1.38 percent in Germany as of September 30, 2016, compared to 2.75 percent as of December 31, 2015. In the US, the discount rate for pensions of 4.20 percent as of December 31, 2015 decreased to 3.43 percent as of September 30, 2016.

Free cash flow clearly positive

In EUR mn	Q1 – Q3 2016	Q1 – Q3 2015	Change
Cash flow from operating activities	86.9	88.1	– 1.2
Payments for items of property, plant, and equipment and intangible assets	– 77.8	– 40.2	– 37.6
Free cash flow	**9.1**	**47.9**	**– 38.8**
Payments for items of property, plant, and equipment and intangible assets	– 77.8	– 40.2	– 37.6
Proceeds from the disposal of securities	– 12.5	– 60.0	47.5
Cash flow from investing activities	**– 90.3**	**– 100.2**	**9.9**

At EUR 86.9 million, the cash flow from operating activities during the first nine months of 2016 was EUR 1.2 million lower than the prior-year figure. As of June 30, 2016, the difference year on year was still EUR 16.7 million.

At EUR 77.9 million, cash payments for capital expenditure on property, plant and equipment and intangible assets were significantly higher year on year, and primarily relate to capital expenditure on the new crystal pulling hall at Freiberg and the automation of production. The difference of EUR 13.0 million between the cash payments and the capital expenditure on property, plant and equipment and non-current intangible assets is due to high capital expenditure undertaken in December 2015, for which cash payments were not made until 2016.

The free cash flow during the first nine months of 2016 was clearly positive, at EUR 9.1 million. The Q3 2016 figure of EUR 15.7 million contributed to that amount.

Net financial assets reach EUR 165 million

In EUR mn	September 30, 2016	December 31, 2015	Change
Financial liabilities	– 40.0	– 38.6	– 1.4
Cash and cash equivalents	152.6	154.5	– 1.9
Fixed-term deposits	52.4	40.0	12.4
Net financial assets	**165.0**	**155.9**	**9.1**

Net financial assets increased by EUR 9.1 million as of September 30, 2016 compared to December 31, 2015, as a result of the increase in fixed-term deposits.

ROCE at 1.3 percent

The ROCE for the first nine months of 2016 amounted to 1.3 percent, compared to 1.5 percent for the prior-year period. The decline resulted almost exclusively from the decrease in EBIT. The movement in capital employed did not have a significant effect on the ROCE. Compared to Q2 2016 (+ 3.2 percent), the ROCE improved again in Q3 2016 and came to + 3.6 percent.

Risk report

Material risks are presented in the risk report on pages 60 to 70 of our Annual Report 2015, and were adjusted in our Interim Report Q2 2016 (page 12) with respect to our assessment of pension risk.

No further material changes in risks were identified during Q3 2016. We are not currently aware of any risks that could affect the Company's ability to continue as a going concern.

Risk assessment 2016 (as of October 27, 2016)

	Probability of occurrence				Financial and economic impact			
Risk	Unlikely	Possible	Likely	Change from Q2 2016	Low	Moderate	High	Change from Q2 2016
Overall environment								
Economic downturn		•		→			•	→
External risk	•			→		•		→
Industry and market risk								
Competition, demand controlled by customers, threat of substitute products, cyclicality of the wafer market		•		→			•	→
Adaptation of production facilities	•			→	•			→
Additional costs from closures	•			→		•		→
Product development risk		•		→		•		→
Procurement market risk								
Dependency on individual companies		•		→		•		→
Dependency on related parties	•			→	•			→
Production risk and product liability risk								
Product liability risk and production risk	•			→		•		→
Efficiency targets and manufacturing cost targets		•		→	•			→
Legal and regulatory risk								
General legal risk		•		→		•		→
Risk relating to environmental laws	•			→		•		→
Regulatory risk	•			→		•		→
Security of IT systems and data	•			→		•		→
HR risk	•			→	•			→
Pension risk			•	→		•		→
Financial risk								
Credit risk	•			→	•			→
Market risk/currency risk		•		→			•	→
Liquidity risk	•			→	•			→

Outlook

Expected macroeconomic and sector development

The growth outlook for the semiconductor market improved in recent months. Due to the positive development market research institutes raised their forecasts. A main reason for the market upturn is the strong demand in memory. With respect to global sales of silicon-based semiconductor components, the marketing research firm IHS Markit Technology increased their forecast from −4.8 percent to −1.3 percent. IHS Markit Technology anticipates that the demand for silicon wafers will increase by a total of 3.8 percent in 2016. The forecast in June 2016 stated only a 1.3 percent growth.

Siltronic's future performance

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

Our outlook regarding relevant KPIs is described in detail in our Annual Report 2015, as well as in the Q1 2016 Quarterly Statement and Q2 2016 Interim Report. The relevant KPIs are shown in the table on page 12 of this Quarterly Statement.

In principle, Siltronic AG remains committed to its published outlook for 2016. As of October, we have stated our outlook for sales and capital expenditure more precisely.

Outlook for Q4 2016

Overall, the first nine months of 2016 exceeded our expectations. Q3 developed better than was still presumed in June. Our 200 mm and 300 mm lines were fully loaded. We expect demand to at the most only slghtly ease off at the most in Q4, following the usual seasonal pattern. We anticipate a slight volume growth for 2016 in comparison to 2015.

After already improving our product mix during Q1 2016 compared to Q4 2015, we expect our product mix for the financial year 2016 to be overall better.

The noticeable price pressure seen at the end of the financial year 2015 did not continue to increase during Q1 2016. Although the price pressure decreased slightly in Q2 2016 in comparison to the previous quarter, it was still noticeable. In Q3 2016, the average selling prices remained stable compared to Q2 2016. We expect average selling prices to also remain stable in Q4 2016.

We currently anticipate our sales to be below the previous year, equating to a decrease in the low single-digit range. The strong Japanese yen will bolster sales.

As a result of the currently relatively stable EUR/USD rate of 1.10 and a EUR/JPY rate of about 114, we continue to anticipate currency losses in the range of EUR 20 million to EUR 25 million which are accounted for in other operationg income and expense.

Due to the range of measures we have taken that will result in future cost savings, our capital expenditure is increasing to about EUR 85 million to EUR 90 million. This is also due to the fact that projects are proceeding faster than anticipated.

Sources:
IHS Markit Technology (Application Market Forecast Tool AMFT – World + Regions, Q4'16 Update, released September 29, 2016)
IHS Markit Technology (Semiconductor Silicon Demand Forecast Tool, Q4'16 Update, released October 12, 2016)

Outlook for 2016 (as of October 27, 2016)

	Change: October vs. June 2016	**Forecast as of October 27, 2016**	Forecast as of June 28, 2016	Forecast as of April 28, 2016	Forecast as of March 16, 2016
EBITDA margin	→	Slight improvement	Slight improvement	Slight improvement	Slight improvement
ROCE	→	In the low to mid single-digit percentage range	In the low to mid single-digit percentage range	In the mid single-digit percentage range	In the mid single-digit percentage range
Free cash flow	→	Clearly positive, but below the 2015 figure	Clearly positive, but below the 2015 figure	Clearly positive, but below the 2015 figure	Clearly positive, but below the 2015 figure
Sales	↗	In low single-digit percentage range compared to previous year; bolstered by strong JPY	In low to mid single-digit percentage range compared to previous year; bolstered by strong JPY	In low to mid single-digit percentage range compared to previous year	Slightly below previous year
R&D	→	Unchanged at approximately 7% of sales	Unchanged at approximately 7% of sales	Unchanged at approximately 7% of sales	Unchanged at approximately 7% of sales
Cost structures	→	Potential savings of around EUR 30 mn to 35 mn	Potential savings of around EUR 30 mn to 35 mn	Potential savings of around EUR 30 mn to 35 mn	Potential savings of around EUR 30 mn to 35 mn
Currency losses	→	Substantially lower at around EUR 20 mn to EUR 25 mn; if EUR/USD rate remains at about 1.10 and EUR/JPY rate at about 114	Substantially lower at around EUR 15 mn; if EUR/JPY rate remains at about 114, around EUR 20 mn to EUR 25 mn	Substantially lower at around EUR 10 mn to EUR 15 mn	Substantially lower at around EUR 10 mn to EUR 15 mn
Amortization	→	Small reduction	Small reduction	Small reduction	Small reduction
Tax expense	→	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn
Financial result	→	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn	Roughly EUR 10 mn
Earnings per share	→	Presumably slightly positive	Presumably slightly positive	Presumably slightly positive	Presumably slightly positive
Capital expenditure	↗	Around EUR 85 mn to EUR 90 mn	Around EUR 80 mn	Around EUR 80 mn	Around EUR 80 mn

Events after the balance sheet date

No material events occurred between September 30, 2016 and the date this quarterly statement was published.

Munich, October 27, 2016
The Executive Board of Siltronic AG

Dr. Christoph von Plotho
CEO

Rainer Irle
CFO

Group Financials

Consolidated Statement of Profit or Loss

In EUR mn	Q3 2016	Q3 2015	Q1 – Q3 2016	Q1 – Q3 2015
Sales	237.0	230.6	687.1	716.0
Cost of sales	–191.7	–185.6	–568.9	–584.8
Gross profit	**45.3**	**45.0**	**118.2**	**131.2**
Selling expenses	–8.3	–8.4	–24.8	–25.9
Research and development expenses	–17.3	–16.0	–50.1	–48.4
General administration expenses	–5.1	–4.7	–16.0	–14.2
Other operating income	6.4	13.8	34.8	78.6
Other operating expense	–14.3	–29.4	–55.1	–112.5
Operating result	**6.7**	**0.3**	**7.0**	**8.8**
Interest income	0.3	0.0	1.0	0.1
Interest expenses	–0.5	–0.4	–2.8	–1.7
Other finance cost, net	–2.3	–2.7	–6.9	–6.7
Financial result	**–2.5**	**–3.1**	**–8.7**	**–8.3**
Result before income tax	4.2	–2.8	–1.7	0.5
Income taxes	–0.3	–3.4	–5.1	–11.7
Result for the period	**3.9**	**–6.2**	**–6.8**	**–11.2**
of which				
attributable to Siltronic AG shareholders	4.8	–4.4	–3.5	–6.3
attributable to non-controlling interests	–0.9	–1.8	–3.3	–4.9
Earnings (+) / Loss (–) per common share in EUR (basic / diluted)	0.16	–0.15	–0.12	–0.21

Consolidated Statement of Financial Position

In EUR mn	September 30, 2016	September 30, 2015	December 31, 2015
Intangible assets	27.3	30.2	29.7
Property, plant and equipment	524.0	523.4	542.9
Other financial assets	0.3	0.8	0.2
Income tax receivables	–	0.1	0.1
Deferred tax assets	5.7	6.0	6.2
Non-current assets	**557.3**	**560.5**	**579.1**
Inventories	138.4	141.2	142.7
Trade receivables	112.8	112.5	100.4
Fixed-term deposits	52.4	60.0	40.0
Other financial assets	3.2	13.1	15.6
Other non-financial assets	12.7	6.3	7.3
Income tax receivables	2.1	0.4	1.2
Cash and cash equivalents	152.6	143.8	154.5
Current assets	**474.2**	**477.3**	**461.7**
Total assets	**1,031.5**	**1,037.8**	**1,040.8**

In EUR mn	September 30, 2016	September 30, 2015	December 31, 2015
Subscribed capital	120.0	120.0	120.0
Capital reserves	997.3	1,070.0	997.3
Accumulated deficit	−493.2	−554.7	−489.7
Other equity items	−320.5	−131.7	−127.1
	303.7	503.6	500.5
Non-controlling interests	−6.6	−1.9	−3.2
Equity	**297.0**	**501.7**	**497.3**
Pension provision	495.6	293.9	299.4
Other provisions	37.3	30.2	30.4
Provisions for income tax	–	0.1	–
Deferred tax liabilities	2.6	2.6	2.6
Financial liabilities	40.0	36.9	38.6
Other financial liabilities	1.4	0.1	0.6
Other non-financial liabilities	15.5	30.3	24.3
Non-current liabilities	**592.4**	**394.1**	**396.0**
Other provisions	4.4	7.3	6.0
Provisions and liabilities for income tax	5.8	6.2	5.4
Trade liabilities	72.8	55.4	72.1
Financial liabilities	–	0.6	–
Other financial liabilities	12.5	25.9	18.4
Other non-financial liabilities	46.6	46.6	45.6
Current liabilities	**142.1**	**142.0**	**147.5**
Liabilities	734.5	536.1	543.5
Total equity and liabilities	**1,031.5**	**1,037.8**	**1,040.8**

Consolidated Statement of Cash Flows

In EUR mn	Q3 2016	Q1–Q3 2016	Q1–Q3 2015
Result for the period	3.9	–6.8	–11.2
Depreciation/amortization of non-currnet assets, including impairment losses and reversals thereof	30.2	88.5	92.0
Other non-cash expenses and income	0.6	–1.9	–12.1
Result from disposal of non-current assets	0.1	0.6	0.6
Interest income	0.2	1.8	1.6
Interest paid	–0.2	–1.8	–0.7
Interest received	0.3	1.0	0.1
Tax expense	0.3	5.1	11.7
Taxes paid	–1.6	–5.3	–5.8
Changes in inventories	5.7	4.8	–1.6
Changes in trade receivables	–8.7	–9.9	2.9
Changes in other financial and non-financial assets	4.8	–2.4	3.8
Changes in deferred taxes	0.1	0.4	2.6
Changes in provisions	0.3	11.5	22.0
Changes in trade liabilities	7.0	9.5	–3.4
Changes in other financial and non-financial liabilities	–2.0	–8.2	–14.4
Cash flow from operating activities	**41.0**	**86.9**	**88.1**
Payments for capital expenditures (including intangible assets)	–25.3	–77.9	–40.4
Proceeds from disposal of fixed assets	0.0	0.1	0.2
Proceeds / payments from fixed-term deposits	0.1	–12.5	–60.0
Cash flow from investing acitivities	**–25.2**	**–90.3**	**–100.2**
Stock issue proceeds from IPO	–	–	143.3
Utilization of (+) or allocation to (–) cash pooling of and loans of Wacker Chemie	–	–	–175.5
Proceeds from other financial liabilities	–	–	0.0
Cash flow from financing activities	**0.0**	**0.0**	**–32.2**
Changes due to exchange-rate fluctuations	–1.2	1.5	0.6
Changes in cash and cash equivalents	**14.6**	**–1.9**	**–43.7**
at the beginning of the period	138.0	154.5	187.4
at the end of the period	**152.6**	**152.6**	**143.7**

Financial calendar

March 14, 2017	Publication of Annual Report 2016
April 27, 2017	Publication of Quarterly Statement Q1 2017
July 28, 2017	Publication of Interim Report Q2 2017
October 26, 2017	Publication of Quarterly Statement Q3 2017

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

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

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