
We engineer
the future

Consolidated Interim Financial Report as at June 30, 2015

Sensor solutions are synonymous with technical innovation and economic growth. This is because they form the basis for the development and use of intelligent technologies.

First Sensor AG is among the world's leading providers in the area of sensor technology. Our company develops and manufactures both standardized and tailor-made sensor solutions for applications in the industrial, medical and mobility growth markets.

We will be among the top three providers in our core markets by 2019.

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1 First Sensor in figures

in € thousand, unless otherwise indicated	6M 2014	6M 2015	Δ absolute	in %	Q2 2014	Q2 2015	Δ absolute	in %
Sales revenues	59,302	67,215	7,913	13.3	30,328	33,912	3,584	11.8
Industrial	32,812	37,729	4,917	15.0	17,046	18,986	1,940	11.4
Medical	9,837	10,896	1,059	10.8	4,819	5,648	829	17.2
Mobility	16,606	18,650	2,044	12.3	8,503	9,281	778	9.1
Others, consolidation	47	-60	-107	-	40	-3	-43	-
EBITDA	6,765	7,564	799	11.8	3,278	3,665	387	11.8
EBITDA margin (%)	11.1	11.0	-0.1	-	10.5	10.7	0.2	-
EBIT	2,520	2,914	394	15.6	1,132	1,418	286	25.3
Industrial	n/a	6,165	-	-	n/a	2,693	-	-
Medical	n/a	437	-	-	n/a	300	-	-
Mobility	n/a	1,012	-	-	n/a	432	-	-
Others, consolidation	n/a	-4,700	-	-	n/a	-2,007	-	-
Net profit for the period	1,073	1,748	675	62.9	444	666	222	50.0
Cash flow from operating activities	3,599	-7,145	-10,744	-298.5	2,479	-6,128	-8,607	-347.2
Cash flow from investment activities	-2,403	-2,696	-293	-12.2	-1,467	-987	480	32.7
Free cash flow	1,196	-9,841	-11,037	-922.8	1,012	-7,115	-8,127	-803.1
Number of shares in thousand	10,093	10,152	59	0.6	10,093	10,152	59	0.6
Earnings per share (€)	0.11	0.17	0.06	54.5	0.04	0.06	0.02	50.0
Incoming orders	78,818	78,220	-598	-0.8	48,402	43,329	-5,073	-10.5
Book-to-bill-ratio	1.33	1.16	-0.17	-12.8	1.60	1.28	-0.32	-20.0

in € thousand, unless otherwise indicated	Dec. 31, 2014	June 30, 2015	Δ absolute	in %
Orders on hand	86,428	98,693	12,265	14.2
Shareholders' equity	71,982	74,265	2,283	3.2
Balance sheet total	144,889	149,564	4,675	3.2
Equity ratio (%)	49.7	49.7	0	0
Net debt	-29,726	-40,253	-10,527	-35.4
Number of employees (full-time equivalent FTE)	756	774	18	2.4

At a glance

Six-months sales

increased
by 13.3%

67.2 €
MILLION

EBITDA

improved
by 11.8%

7.6 €
MILLION

Orders on hands

increased
by 14.2%

98.7 €
MILLION

Forecast lifted for 2015:

Sales of €130-134 million (previously: €128-132 million),
EBITDA of €15-17 million (previously: €14-16 million).



1 Dr. Martin U. Schefter, CEO

2 Foreword by the Management Board

Dear shareholders and business partners,
Dear employees,

Following a successful start to fiscal year 2015, the results for the first half of the year show that we are still on a growth path. In the first six months, we increased our total sales by 13.3% year-on-year to €67.2 million. One particularly encouraging development was the fact that we recorded double-digit sales growth of between 10.8% and 15.0% in each of our three segments: Industrial, Medical, and Mobility. We also recorded double-digit growth in all of our core regions, with the strongest performers in terms of sales being the USA (+37%), Asia (+36%) and our domestic market of Germany (+20%).

13.3

percent sales increase

Our sales performance in the first half of the year was accompanied by an improvement in the operating result (EBITDA), which increased by 11.8% year-on-year to €7.6 million despite the impact of higher procurement costs in US dollars and further non-recurring expenses. All in all, the First Sensor Group recorded a net profit of €1.7 million. This corresponds to an increase of around 63% on the first half of the previous year.

11.8

percent EBITDA increase

The Group had orders on hand of more than €98 million as at June 30, 2015, an increase of €12.3 million (14.2%) compared with December 31, 2014. Incoming orders declined slightly year-on-year to €78.2 million, resulting in a ratio of incoming orders to sales (book-to-bill) of 1.16.

14.2

percent orders on hand increase

The negative operating cash flow in the first half of 2015 is largely due to the capital tied up in working capital, as well as tax payments of €1 million. In addition, the pre-financed factoring receivables at year-end 2014 mean that around €4.3 million of the receivables that are normally outstanding at this date have already had a corresponding effect on liquidity.

Business activities and conditions

Among other things, the strong results for the first half of the year are attributable to the further growth of the sensor technology market. In particular, we are recording steady growth in demand for LIDAR systems, a laser-based method for optical distance and speed measurement and the remote measurement of atmospheric parameters, in the area of industrial applications and the automotive and commercial vehicle sector. In the area of medical technology, new technologies such as 3D endoscopy and continued miniaturization are opening up additional market potential.

Our measures aimed at focusing our approach, leveraging synergies, streamlining our processes and improving our market positioning are also having the desired effect, with the company making significant progress in terms of its structure and development and production potential, as well as continuing to strengthen its workforce in strategically important positions and in the area of production.

Overall, the company had 65 more employees than at June 30 in the previous year. This means that First Sensor is now excellently positioned to shape the growth market of sensor technology as a leading player.

This leadership aspiration is also reflected in our corporate naming and our consistent brand identity. Since May 2015, the subsidiaries acquired in recent years have been operating under uniform company names and with a joint web presence. As well as representing a further important component of the integration process, this is the first time that we have also made our strategic approach and orientation visible to the outside world:

Three business units focusing on the growth markets of Industrial, Medical, and Mobility, two cross-divisional Competence Centers for Research & Development and Production, and a global sales organization all result in an international, high-growth technology company – First Sensor AG. At the same time, our new corporate design also more clearly highlights what makes First Sensor unique: proximity to our customers, our innovative strength, and

our high standards in terms of quality. This combination is what distinguishes us and inspires us to become even more attractive for our customers and employees alike.

New impetus for the continued growth of First Sensor AG will also be provided by the arrival of Dr. Mathias Gollwitzer from August 10, 2015. In late June, the Supervisory Board appointed the 53-year-old as CFO for a three-year term.

In addition to finance and controlling, he will be responsible for procurement, human resources, IT, and process development, as well as investor relations and legal issues. Gollwitzer has worked in these areas at various companies over the past 23 years. In particular, he has gained valuable experience in the aviation and automotive industries over many years. As well as this necessary expertise as a CFO operating in an international industrial environment, he also possesses a high degree of technology expertise.

Working together, our aim will be to develop First Sensor AG into one of the top three providers in its core markets by 2019.

Outlook 2015

The discontinuation of factoring business will continue have a non-recurring effect on cash flow in the second half of 2015. However, this will not impact the positive development of the First Sensor Group in any respect.

In light of the market growth, orders on hand, incoming orders and further cost reductions in combination with the strategic and organizational reorientation of the First Sensor Group, we are anticipating further growth in sales and earnings and are increasing our forecast for 2015.

Our new target corridor for sales is €130-134 million (previously: €128-132 million), while earnings before interest, taxes, depreciation and amortization (EBITDA) are expected to amount to €15-17 million (previously: €14-16 million).

I would like to thank all of the employees, whose performance and commitment made the positive results for the first half of the year possible, and I look forward to enjoying further success with you in the second half of the year.

Yours



Dr. Martin U. Scheffer
Management Board

130-134

€ million sales
prognosis 2015

15-17

€ million EBITDA,
prognosis 2015

3 First Sensor share

Patchy second quarter of 2015

Following the positive performance of the First Sensor share at the start of 2015, the second quarter saw a phase of consolidation. The First Sensor share opened the quarter at €10.60 and had already reached its high for the period of €10.83 on April 10. German share indices also enjoyed an impressive rally during this period, climbing from one high to the next and reaching new all-time highs across the board in April. The euphoria on the financial markets triggered by the trillion-euro bond-buying program of the European Central Bank (ECB) was superseded by growing concerns about the situation in Greece, which had a corresponding negative impact on share prices as the quarter progressed.

In mid-**April**, the negative stock market environment led to a sharp downturn in prices, with the First Sensor share falling to €10.14. It then recovered from this low, briefly returning to €10.50 once again. Highly volatile trading

on April 30 meant that the share price fell to a low for the second quarter of €9.82 in intraday trading before closing the month at €10.30.

The share price recovery in **May** was accompanied by positive analyst coverage, with the First Sensor share returning to €10.65. At the same time, however, the share was unable to escape the rising volatility on the financial markets, leading to extremely uneven performance throughout May. Share price development was also influenced by various company reports.

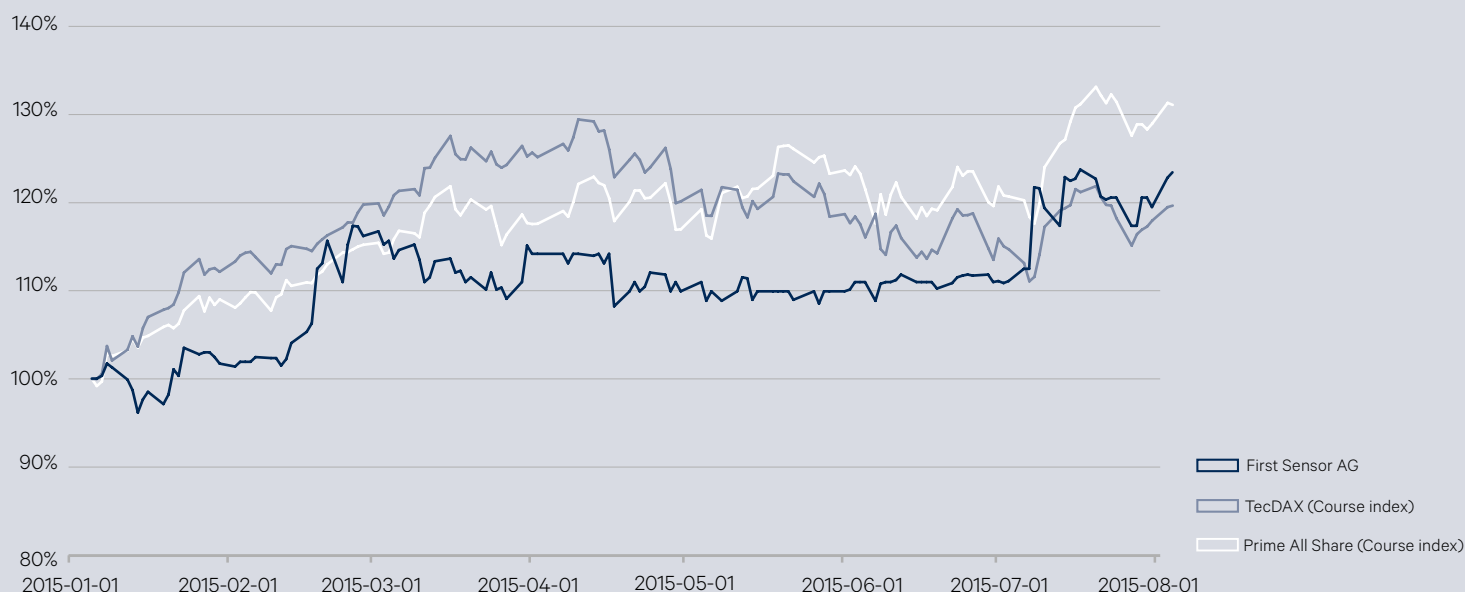
Things improved again in **June**, with the share price consolidating at €10.45. Investors were focused mainly on the negotiations between Greece and its creditors, which unfortunately culminated in the breakdown of talks in late June, a development that sent the stock markets into a downturn. All in all, the First Sensor share price fell by a disappointing 3.6% in the

second quarter but rose by an impressive 6.7% over the second quarter as a whole. The share closed June at €10.40.

The **average number** of First Sensor shares traded each day declined to 2,701 in the second quarter of 2015 compared with an average daily volume of 5,918 in the first quarter of 2015.

The TecDAX rose by 1.7% in the second quarter, while the Prime All Share Index fell by 7.5%.

Performance of the First Sensor share



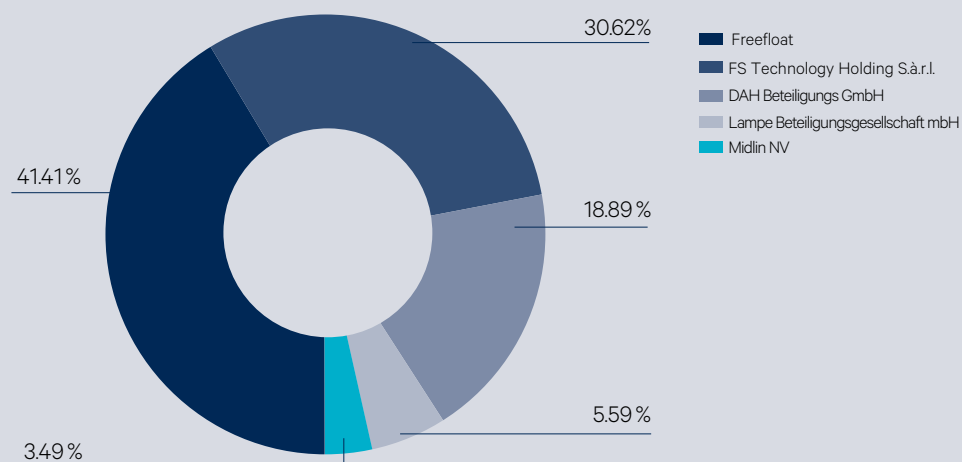
First Sensor share key figures

in € thousand, unless otherwise indicated	June 30, 2014	June 30, 2015	Δ absolute	in %
Share capital (€)	50,467,915	50,758,305	290,390	0.6
Market capitalization	110,868	105,588	-5,280	-4.8
Share price (€), XETRA closing price	10.98	10.40	-0.58	-5.3
Net profit attributable to shareholders	1.074	1,748	674	62.8
Number of shares, weighted	9,983,933	10,151,661	167,728	1.7
Earnings per share (€)	0.11	0.17	0.06	54.5

First Sensor share key data

ISIN	DE0007201907
Ticker Symbol	SIS
Class of security	No-par value ordinary bearer share
Market segment	Regulated market
Transparency level	Prime Standard
Trading centers	XETRA, all German stock exchanges
Industry	Technology
IPO	1999
Designated sponsor	equinet Bank AG
Analysts	Warburg Research, Hauck & Aufhäuser Institutional Research

Shareholder structure as at June 30, 2015 (according to available voting rights notifications)



4 Group Management Interim Report (IFRS) First Sensor AG

Business model

Business activities and organization

First Sensor is a developer and manufacturer of customer-specific high-end sensor solutions. These innovative specialized sensor solutions are used for the high-quality conversion of nonelectric variables (radiation, light, pressure, flow rate, position, speed, fill level, etc.) into electric variables that are then used in our customers' electronic systems. This means that our sensor solutions make an important contribution to the competitiveness of our customers' products..

First Sensor's future strategy for its sensor products will focus on three growing areas of business in the **Industrial, Medical, and Mobility sectors**. The three business units have been created as part of this plan, which will ensure a consistent focus on markets and customers. The broad mix of sectors means that the company is generally independent of cyclical developments in the individual sectors.

The business units are supported by the **Competence Center for Research & Development** and **Production** as well as a global sales organization.

Customers include prominent industrial groups and research institutes. Most of First Sensor's sensor solutions are used as key components in a wide range of applications in many different industries.

The product portfolio of the **Business Unit Industrial** includes but is not limited to:

Optical and radiation sensors for

- Laser rangefinders
- Laser scanners/LIDAR
- Laser alignment systems
- Encoders
- Spectrometers
- Container and baggage scanners
- Passenger counting systems

Pressure, flow rate, and fill level sensors for

- Volumetric flow controllers
- Filter monitoring
- Leak detection
- Fill level monitoring
- Industrial printers
- Cabin air pressure measurement

Inertial sensors for

- Condition monitoring
- Control and navigation systems

The product portfolio of the **Business Unit Medical** includes but is not limited to:

Optical and radiation sensors for

- Computer tomography
- Video endoscopy
- Pulse oximeters
- Blood glucose monitors
- Gamma probes

Pressure, flow rate, and fill level sensors

- Ventilators
- Sleep diagnostic devices
- Sleep apnea therapy equipment (CPAP)
- Spirometers
- Anesthesia equipment
- Dialysis machines
- Infusion pumps
- Oxygen concentrators
- Insufflators

The product portfolio of the **Business Unit Mobility** includes but is not limited to:

Camera systems and optical sensors for Driver assistance systems

- LIDAR
- Adaptive cruise control (ACC)
- Distance detection
- Road sign detection
- Blind spot assistance
- Lane departure warning systems

Sun and rain sensors

OEM pressure sensors for

- Tank pressure measurement
- Fuel delivery systems
- Tank leakage diagnostics
- Tank air intake and extraction
- Brake booster systems
- Power steering
- Engine suspension
- Air conditioning systems
- Exhaust gas recirculation systems
- Filter monitoring

Economic Report

Changes in the basis of consolidation

There were no changes in the basis of consolidation in the first half of the year. To support the reorganized company structure, the

following companies have been renamed with uniform company names each beginning with "First Sensor":

Previous company names

Microelectronic Packaging Dresden GmbH

Silicon Micro Sensors GmbH

Lewicki microelectronic GmbH

Sensortechinics Scandinavia AB

Sensortechinics Ltd.

New company names

First Sensor Microelectronic Packaging GmbH

First Sensor Mobility GmbH

First Sensor Lewicki GmbH

First Sensor Scandinavia AB

First Sensor Technics Ltd.

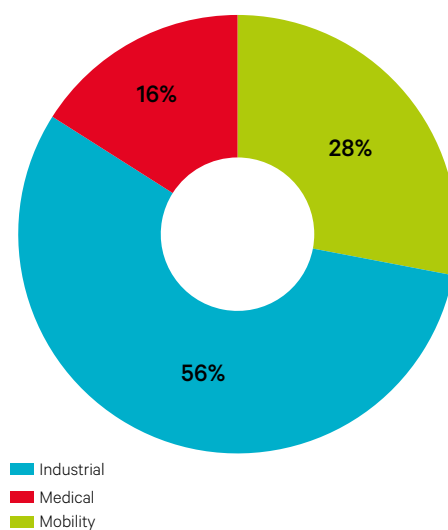
Results of operations

In the first six months, First Sensor's **total sales** increased by 13.3% year-on-year to €67.2 million (previous year: €59.3 million). This is due primarily to the higher level of sales in the

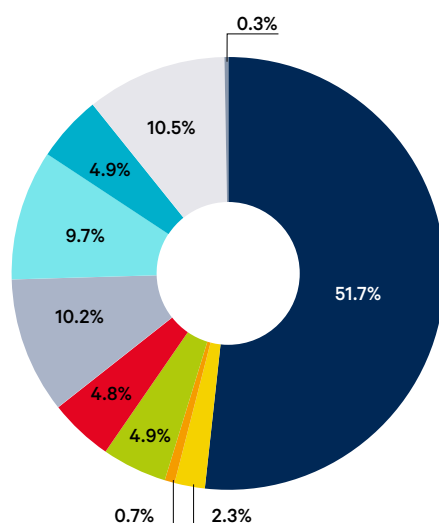
Business Unit Industrial. Sales in the Business Units Medical and Mobility also enjoyed double-digit growth. The sales distribution between the business units was as follows:

in € thousand	6M 2014	6M 2015	Δ absolute	in %
Industrial	32,812	37,729	4,917	15.0
Medical	9,837	10,896	1,059	10.8
Mobility	16,606	18,650	2,044	12.3
Others	47	-60	-107	-
total	59,302	67,215	7,913	13.3

SALES SPLIT BY BUSINESS UNITS 2015



SALES SPLIT BY REGIONS 2015



The regional distribution of sales for the key regions was as follows:

Sales in € thousand	6M 2014	6M 2015	Δ absolute	in %
Germany	28,951	34,772	5,821	20.1
France	1,287	1,524	237	18.4
Italy	602	502	-100	-16.6
Benelux	2,767	3,265	498	18.0
Great Britain	3,270	3,209	-61	-1.9
Scandinavia	7,640	6,831	-809	-10.6
Rest of Europe	7,286	6,546	-740	-10.2
North America	2,085	3,332	1,247	59.8
Asia	5,179	7,041	1,862	36.0
Rest der Welt	235	193	-42	-17.9
Total	59,302	67,215	7,913	13.3

In addition to sales, the **total performance** of €68.6 million (previous year: €60.8 million) includes capitalized own work and changes in inventories of finished goods and work in progress. The increase is primarily due to increased sales. Changes in inventories declined by €0.2 million year-on-year, while own work capitalized increased by €0.1 million.

Other **operating income** fell by €0.4 million to €1.4 million (previous year: €1.8 million) as a result of the lower proceeds from subsidies and allowances from successfully completed development projects.

At 49.9%, the **cost of materials ratio** was up 1.2 percentage points on the same period of the previous year. This was due primarily to the change in the product mix in the first six months and the impact of the deterioration in the USD exchange rate on the cost of materials in international procurement.

Gross profit, the earnings contribution calculated as the difference between sales and the

attributable production costs, is broken down at the level of the individual business units as follows:

Gross profit in € thousand	6M 2014	6M 2015
Industrial	n/a	10,808
Medical	n/a	3,028
Mobility	n/a	2,872
total	n/a	16,708

This corresponds to a **gross profit margin** in terms of sales as shown in the following table:

Gross profit margin in %	6M 2014	6M 2015
Industrial	n/a	28.6
Medical	n/a	26.0
Mobility	n/a	15.4
total	n/a	27.8

Personnel expenses increased by €1.0 million year-on-year to €-20.4 million (previous year: €-19.4 million). This was due largely to the appointment of new staff. Overall, the company had 65 more employees than at June 30 in the previous year. Despite this, the increase in total performance meant that the personnel expenses ratio improved to 29.8%, thereby falling below 30% on a cumulative basis for the first time.

Number of employees(FTE)	Dec. 31, 2014	June 30, 2015
Industrial	n/a	77
Medical	n/a	59
Mobility	n/a	92
Competence Center Production	n/a	436
Competence Center Development	n/a	35
Specialist areas, sales, management	n/a	75
total	756	774

Other operating expenses rose by €0.9 million to €-7.7 million (previous year: €-6.8 million). This was due to the higher cost of premises for the capacity expansion in the Mobility business units, as well as the €0.5 million increase in legal and consultancy fees. The ratio in terms of total performance deteriorated slightly by 0.1 percentage point to 11.3%.

This resulted in a year-on-year improvement in earnings before interest, taxes, depreciation and amortization (**EBITDA**) to €7.6 million (previous year: €6.8 million), which corresponds to an EBITDA margin in relation to total performance of 11.0% (previous year: 11.1%).

Depreciation of property, plant and equipment and amortization of intangible assets amounted to €-4.6 million (previous year: €-4.2 million). The increase is attributable to write-downs of intangible assets, the recognition of depreciation for completed development projects, and additional depreciation and amortization due to new investments.

Consolidated earnings (**EBIT**) improved by €0.4 million to €2.9 million (previous year: €2.5 million). This corresponds to an EBIT margin of 4.3% (previous year: 4.2%). The distribution

between the business units is shown below. Oncharged expenses and changes in cost allocation could lead to a shift in earnings in future:

EBIT in € thousand	6M 2014	6M 2015	EBIT margin (%)
Industrial	n/a	6,165	16.3
Medical	n/a	437	4.0
Mobility	n/a	1,012	5.4
Others, consolidation	n/a	-4,700	-
total	2,520	2,914	4.3

The **financial result** improved significantly by €0.4 million to €-0.8 million (previous year: €-1.2 million) thanks to the utilization and recognition of the positive fair values of forward foreign exchange contracts. Interest expenses remained essentially unchanged at around €-1.1 million.

This resulted in a **consolidated profit** after tax of €1.7 million for the first six months (previous year: €1.1 million).

Order situation

Orders on hand in the Group amounted to €98.7 million at June 30, 2015, an increase of €12.3 million compared with December 31, 2014 (€86.4 million). **Incoming orders** declined slightly by €0.6 million but remained at a high level of €78.2 million (previous year: €78.8 million). Accordingly, the ratio of incoming orders to sales (book-to-bill) fell to 1.16 (previous year: 1.33).

in € thousand	6M 2014	6M 2015
Sales revenues	59,302	67,215
Incoming orders	78,818	78,220
Orders on hand (previous year as at Dec. 31)	86,428	98,693
Book-to-bill-ratio	1.33	1.16

This provides a solid basis for the achievement of our growth targets for 2015. The Management Board is increasing its **sales forecast** for the current fiscal year to **€130-134 million** (previously: €128-132 million) and its **EBITDA forecast** to **€15-17 million** (previously: €14-16 million).

Orders on hand, incoming orders and the book-to-bill ratios are broken down by business unit in the following tables:

Orders on hand in € thousand	Dec. 31, 2014	June 30, 2015	Incoming orders in € thousand	6M 2014	6M 2015	Book-to-bill-ratio	6M 2014	6M 2015
Industrial	n/a	47,881	Industrial	n/a	40,465	Industrial	n/a	1.07
Medical	n/a	18,372	Medical	n/a	15,061	Medical	n/a	1.38
Mobility	n/a	32,440	Mobility	n/a	22,694	Mobility	n/a	1.22
total	86,428	98,693	total	78,818	78,220	total	1.33	1.16

Financial analysis

The aim of First Sensor's financial management is to ensure adequate liquidity at all times for the production processes, growth and investments.

The **promissory note loans** totaling €31.0 million that were issued at the end of fiscal year 2013 are repayable on maturity (€19 million in December 2016 and €12 million in December 2018), meaning that only loan repayments for current loans and interest payments were incurred in the period under review.

The factoring that was introduced in 2013 was discontinued with effect from April 30, 2015. The receivables that are no longer pre-financed means that there is an increase in the short-term utilization of current loans, among other things.

Net debt is shown in the following table:

in € thousand	2014	2015	Δ absolute
Non-current financial liabilities	-41,176	-38,619	2,557
Current financial liabilities	-3,075	-11,053	-7,978
Cash and cash equivalents	14,525	9,419	-5,106
Net debt	-29,726	-40,253	-10,527

In the area of financial liabilities, there was a reclassification of €1.9 million to the short-term maturity category. Non-current financial liabilities fell by €0.6 million in the first six months on account of loan repayments.

In the area of current financial liabilities, overdraft facilities were utilized in the amount of €6.8 million. This was due to the aforementioned termination of the factoring agreement, as well as short-term financing for current business operations.

Cash and cash equivalents fell by €-5.1 million due to being tied up in working capital.

Investment analysis

Cash flow from investing activities of €-2.7 million relates primarily to investments in machinery and equipment.

in € thousand	6M 2014	6M 2015
Intangible assets	-379	-622
Property, plant and equipment	-2,247	-2,349
Investments	-2,626	-2,971
Investment grants	197	303
Other effects	26	-28
Cash flow from investment activities	-2,403	-2,696
Intangible assets	-1,590	-1,923
Property, plant and equipment	-2,655	-2,727
Depreciation and amortization	-4,245	4,650

Liquidity analysis

In order to be able to assess First Sensor's solvency, the following table shows the company's liquidity in the form of liquidity ratios. To calculate the cash ratio, cash and cash equivalents are shown in relation to current liabilities.

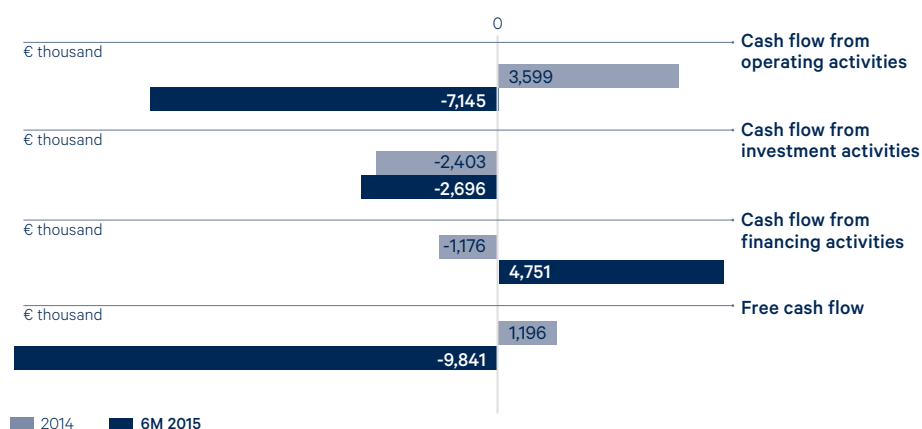
The quick ratio includes current receivables, while the current ratio also takes inventories into account.

The short-term impact on liquidity (see Financing) has led to a reduction in these ratios:

in %	2014	Q2 2015
Cash ratio	77.9	36.7
Quick ratio	140.7	117.2
Current ratio	300.8	243.3

The following table shows the condensed consolidated statement of cash flows:

in € thousand	6M 2014	6M 2015
Cash flow from operating activities	3,599	-7,145
Cash flow from investment activities	-2,403	-2,696
Cash flow from financing activities	-1,176	4,751
Exchange differences	8	-16
Change in cash and cash equivalents	20	-5,090
Cash and cash equivalents at the beginning of the financial year	11,357	14,525
Cash and cash equivalents at the end of the reporting period	11,385	9,419
Free-cash flow	1,196	-9,841



Cash flow from operating activities was down significantly year-on-year at €-7.1 million. This was largely due to the capital tied up in working capital, as well as tax payments of €1 million. In addition, the pre-financed factoring receivables at year-end 2014 mean that around €4.3 million of the receivables that are normally outstanding at this date have already had a corresponding effect on liquidity.

Free cash flow, which consists of the total of cash flow from operating activities and cash flow from investing activities, amounted to -€9.8 million in the period under review (previous year: €1.2 million). The negative figure for the first six months is primarily due to the effects in the cash flow from operating activities described above. This development was amplified by the €0.4 million increase in investment expenditure compared with the previous year.

Analysis of asset and liability structure

Total assets increased from €144.9 million in the consolidated financial statements for 2014 to €149.6 million. The main changes were due to the following factors:

Intangible assets fell by €1.8 million as a result of amortization (with scheduled amortization accounting for €1.7 million). This was offset by investments of €0.3 million, which led to carrying amounts declining from €19.1 million to €17.6 million.

Internally generated intangible assets are reported separately for better clarity. Additional capitalization amounted to €0.3 million and current amortization meant that the reported amount was €3.7 million (previous year: €3.5 million).

Goodwill remained unchanged year-on-year at €29.8 million. The carrying amounts were subjected to an impairment test in the annual financial statements. A regular review of these carrying amounts found that no valuation allowances were necessary.

Property, plant and equipment declined by €0.3 million to €36.1 million in the period under review. This was due to amortization of €2.7 million, which exceeded the level of investment

in the first six months. Investments primarily related to the acquisition of technical equipment and machinery for the purposes of capacity expansion.

Inventories increased by €2.5 million to €32.4 million on the back of the improved order situation and the resulting material requirements (previous year: €29.9 million).

The increase in **accounts receivable** of €9.3 million to €17.9 million compared with December 31, 2014 (previous year: €8.6 million) is attributable primarily to the factoring receivables that have been sold, as well as the higher level of sales in the period under review.

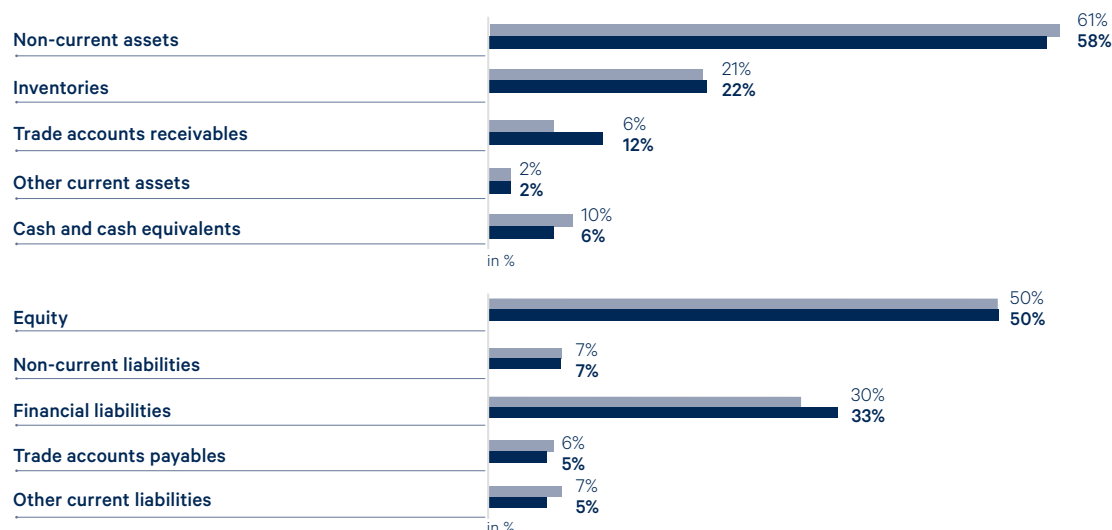
Other current assets and **tax refund claims** declined by €0.4 million to €2.7 million (previous year: €3.1 million). This was largely due to value-added tax receivables and the change in prepaid expenses.

Cash and cash equivalents amounted to €9.4 million at the reporting date, a decrease of €5.1 million compared with the end of the previous year. This was mainly due to the capital tied up in working capital and the discontinuation of factoring.

Accounts payable remained unchanged as against December 31, 2014 at €8.2 million (previous year: €8.2 million).

Other current liabilities totaled €5.5 million at the reporting date (previous year: €6.8 million). This includes liabilities for wages and salaries, value-added tax liabilities, and other current provisions. A tax liability for prior periods in the amount of €0.6 million that was reported at year-end was settled in January.

Group equity increased by €2.3 million as against December 31, 2014 to €74.3 million (previous year: €72.0 million). Please refer to the statement of changes in equity for further information. Due to the proportionate increase in total assets as a result of the rise in working capital, this meant that the equity ratio remained unchanged at 49.7% (previous year: 49.7%).



■ 2014 ■ 6M 2015

Segment Reporting

For the purposes of segment reporting, First Sensor reports on the basis of business units as distinguishable segments within the meaning of IFRS 8. Accordingly, the Business Units Industrial, Medical, and Mobility are identified as segments and addressed in greater detail in the following section. Employees are allocated to the segments on a functional basis. Employees in the areas of production, development, sales and the cross-divisional specialist departments are reported separately.

First Sensor

Industrial

The Business Unit Industrial offers products along the entire value chain, from unhoused sensor elements and media-isolated industrial transmitters through to complex sensor solutions. The key areas covered are length measurement, radiation and safety, building automation and air conditioning technology, industrial process monitoring, and aviation.

In the area of product development, the business unit focuses on broadening the value chain of pressure, optical and flow sensors on the basis of platform technology and the expansion of application expertise. Human resources in the area of product management are being successively strengthened with a view to achieving the defined strategic targets.

Key events in the first half of the year include the successful trade fair appearances at

Photonics West (San Francisco), Laser World of Photonics China/electronica China (Shanghai) and Sensor+Test (Nuremberg). These trade fair activities have led to increased demand for LIDAR systems and industrial applications, including with a view to "Industry 4.0" and the trend towards the "Internet of things".

Sales increased by almost €5 million or 15% in the period under review. Segment EBIT of €6.2 million resulted in an EBIT margin of 16.3%. Incoming orders in the first six months and orders on hand at June 30, 2015 serve to confirm the growth targets, while the book-to-bill ratio of 1.07 is an indicator of stable development.

in € thousand, unless otherwise indicated	6M 2014	6M 2015
Sales revenues	32,812	37,729
EBIT	n/a	6,165
EBIT margin (%)	n/a	16.3
Orders on hand as at Jun, 30	n/a	47,881
Incoming orders	n/a	40,465
Book-to-bill ratio	n/a	1.07
Number of employees (FTE) as at Jun, 30	n/a	77

The Business Unit Medical develops, produces and distributes sensor solutions for medical technology. The technologies used include optical sensors, radiation sensors, and pressure, flow and fill level sensors. EN ISO 13485 certification demonstrates compliance with the high requirements for medical products.

Sales amounted to €10.9 million in the first six months (previous year: €9.8 million), corresponding to growth of more than €1 million or 10%. EBIT in the Medical segment amounted to €0.4 million. This figure was calculated for the first time and is still subject to assumptions and estimates concerning cost allocation that could lead to changes in future. Allocable incoming orders amounted to €15.1 million in the period

under review, with the book-to-bill ratio of 1.38 indicating a solid growth path for the second half of the year.

New technologies such as 3D endoscopy and the regional expansion into the US medical technology market will provide further growth opportunities in the second half of the year. Success in the continued miniaturization of existing packaging solutions will improve the cost situation through redesigns and allow additional margin potential to be leveraged.

The number of employees was allocated on a cost center-specific basis for the first time as at June 30, 2015, meaning that prior-period figures are not available.

In € thousand, unless otherwise indicated	6M 2014	6M 2015
Sales revenues	9,837	10,896
EBIT	n/a	437
EBIT margin (%)	n/a	4.0
Orders on hand as at Jun, 30	n/a	18,372
Incoming orders	n/a	15,061
Book-to-bill ratio	n/a	1.38
Number of employees (FTE) as at Jun, 30	n/a	59

The Business Unit Mobility develops, produces, and distributes innovative pressure sensors and cameras for the automotive and vehicle industry. All quality standards are fulfilled in accordance with the strict ISO/TS 16949 quality standards for the automotive industry.

The segment enjoyed encouraging business development in the first six months, with sales increasing by more than €2 million or 12.3% to €18.7 million. This was largely due to the increased demand for pressure sensors. Segment EBIT amounted to €1.0 million, corresponding to a margin of 5.4%. The strength of the US dollar in particular had a significant negative impact on the cost of materials in the first half of the year. However, this was largely offset thanks to the currency hedging performed by the Group. EBIT after adjustment for exchange rate effects amounted to €1.3 million, corresponding to a margin of 7.0%.

Orders on hand of more than €32 million and the book-to-bill ratio of 1.22 indicate that the growth targets for the second half of the year will be achieved. Incoming orders primarily relate to the product families of front cameras and pressure sensors, but additional orders have also been secured for new production runs.

Development costs of €1.0 million were recorded in the Mobility segment in the period under review. The concentration is on innovative, cost-efficient, customer-specific solutions with a particular focus on:

- Development of pressure sensor technologies for new strategic markets and customer-specific applications, particularly in the areas of tank pressure and high-pressure sensor technology.
- Portfolio expansion to include camera solutions for driver assistance systems.

The capacity for pressure sensor production at the Dresden site was successfully doubled at the start of the year, thereby safeguarding new production launches as well as the expansion of existing production activities. To achieve the increased capacity, investments amounting to €1.0 million were made primarily in equipment and operating facilities.

in € thousand, unless otherwise indicated	6M 2014	6M 2015
Sales revenues	16,606	18,650
EBIT	n/a	1,012
EBIT margin (%)	n/a	5.4
Orders on hand as at Jun, 30	n/a	32,440
Incoming orders	n/a	22,694
Book-to-bill ratio	n/a	1.22
Number of employees (FTE) as at Jun, 30	n/a	92

Supplementary Report

There were no material events after the end of the reporting period.

Outlook, opportunity and risk report

For reporting on the outlook, opportunity and risk report, please refer to the information contained in the Annual Report 2014, which was published at the end of March 2015.

No material changes to the situations described therein have occurred during the first six months of fiscal year 2015.

In light of the market growth, orders on hand, incoming orders and further cost reductions in combination with the strategic and organizational reorientation of the First Sensor Group, we are anticipating further growth in sales and earnings and are increasing our forecast for 2015.

Our new target corridor for sales is €130-134 million (previously: €128-132 million), while earnings before interest, taxes, depreciation and amortization (EBITDA) are expected to amount to €15-17 million (previously: €14-16 million).

5 Consolidated Interim Financial Report (IFRS)

Consolidated balance sheet ASSETS (IFRS)

ASSETS in € thousand	Dec. 31, 2014	June 30, 2015	Δ absolute	in %
Intangible assets	19,069	17,597	-1,472	-7.7
Internally-generated intangible assets	3,489	3,679	190	5.4
Goodwill	29,816	29,816	0	0
Property, plant and equipment	36,412	36,067	-345	-0.9
Total non-current assets	88,786	87,159	-1,627	-1.8
Inventories	29,862	32,353	2,491	8.3
Trade accounts receivables	8,611	17,929	9,318	108.2
Tax refund claims	576	502	-74	-12.8
Other current assets	2,529	2,202	-327	-12.9
Cash and cash equivalents	14,525	9,419	-5,106	-35.2
Total current assets	56,103	62,405	6,302	11.2
TOTAL ASSETS	144,889	149,564	4,675	3.2

Structure of ASSETS

in %	Dec. 31, 2014	June 30, 2015
Non-current assets	61%	58%
Inventories	21%	22%
Trade accounts receivables	6%	12%
Other current assets	2%	2%
Cash and cash equivalents	10%	6%

Consolidated balance sheet EQUITY AND LIABILITIES (IFRS)

EQUITY AND LIABILITIES in € thousand	Dec. 31, 2014	June 30, 2015	Δ absolute	in %
Share capital	50,655	50,763	108	0.2
Capital reserves	16,363	16,471	108	0.7
Earning reserves	1,004	1,004	0	0
Currency translation	-213	180	393	184.5
Revaluation reserves	-425	-499	-74	-17.4
Retained earnings	4,193	5,826	1,633	38.9
Minority interest	405	520	115	28.4
Total equity	71,982	74,265	2,283	3.2
Non-current post-employment benefit obligation	323	318	-5	-1.5
Other non-current provisions	208	211	3	1.4
Long-term loans, excluding current portion	41,176	38,619	-2,557	-6.2
Other non-current liabilities	5,602	5,521	-81	-1.4
Deferred tax liabilities	4,257	3,925	-332	-7.8
Total non-current liabilities	51,566	48,594	-2,972	-5.8
Income tax provisions and liabilities	1,590	1,003	-587	-36.9
Other current provisions	1,102	337	-765	-69.4
Short-term loans and current portion of long-term loans	3,075	11,053	7,978	259.4
Payments received on account of orders	545	601	56	10.3
Trade accounts payables	8,211	8,215	4	0.0
Other current liabilities	6,818	5,496	-1,322	-19.4
Total current liabilities	21,341	26,705	5,364	25.1
TOTAL EQUITY AND LIABILITIES	144,889	149,564	4,675	3.2

Structure of EQUITY AND LIABILITIES

in %	Dec. 31, 2014	June 30, 2015
Equity	50%	50%
Non-current liabilities	7%	7%
Financial liabilities	30%	33%
Trade accounts payables	6%	5%
Other current liabilities	7%	5%

Consolidated statement of comprehensive income (IFRS)

Consolidated income statement

in € thousand	6M 2014	6M 2015	Δ absolute	Q2 2014	Q2 2015	Δ absolute
Sales revenues	59,302	67,215	7,913	30,328	33,912	3,584
Other operating income	1,775	1,380	-395	610	799	189
Change in inventories of finished goods and work in progress	1,226	1,014	-212	652	168	-484
Other own work capitalized	267	358	91	102	298	196
Costs of materials and purchased services	-29,607	-34,234	-4,627	-15,454	-17,346	-1,892
Personnel expenses	-19,417	-20,439	-1,022	-9,709	-9,926	-217
Other operating expenses	-6,781	-7,730	-949	-3,251	-4,240	-989
Profit from operations (EBITDA)	6,765	7,564	799	3,278	3,665	387
Depreciation of property, plant and equipment and amortization of intangible assets	-4,245	-4,650	-405	-2,146	-2,247	-101
Earnings before interest and tax (EBIT)	2,520	2,914	394	1,132	1,418	286
Interest income	7	4	-3	4	2	-2
Interest expenses	-1,147	-1,099	48	-588	-553	35
Currency gains	81	1,368	1,287	55	449	394
Currency losses	-129	-1,098	-969	0	-703	-703
Income before tax and minority interest	1,332	2,089	757	603	613	10
Income tax expenses	-259	-341	-82	-159	53	212
Net profit for the period	1,073	1,748	675	444	666	222
Net profit for the period attributable to First Sensor AG shareholders	945	1,633	688	372	617	245
Net profit for the period attributable to minority interest	128	115	-13	72	49	-23
Earnings per share in € (basic=diluted)	0.11	0.17	0.06	0.04	0.06	0.02

Other comprehensive income

in € thousand	6M 2014	6M 2015	Δ absolute	Q2 2014	Q2 2015	Δ absolute
Net profit for the period	1,073	1,748	675	444	666	222
Actuarial gains and losses on defined benefit plans	0	0	0	0	0	0
Taxes on other comprehensive income	0	0	0	0	0	0
Items not subsequently reclassified to the income statement	0	0	0	0	0	0
Changes from currency translations	40	393	353	103	-95	-198
Revaluation of derivative financial instruments	17	-106	-123	2	-172	-174
Revaluation of derivative financial instruments taxes on other comprehensive income	0	32	32	0	52	52
Items that can be subsequently reclassified to the income statement	57	319	262	105	-215	-320
Total comprehensive income	1,130	2,067	937	549	451	-98
Thereof attributable to shareholders of First Sensor AG	1,002	1,952	950	477	402	-75
Thereof attributable to minority interest	128	115	-13	72	49	-23

Consolidated statement of changes in equity (IFRS)

June 30, 2014

in € thousand	Number of shares in thou.	Capital stock	Capital reserves	Earning reserves	Currency translation	Revaluation reserves	Retained earnings	Minority interest	Total shareholders' equity
As at January 1, 2014	9,981	49,907	15,960	1,004	-570	-495	4,018	182	70,006
Net profit for the period							945	128	1,073
Other comprehensive income					40	17			57
Total comprehensive income					40	17	945	128	1,130
Share-based remuneration			207						207
Capital increase	112	561	76						637
Appropriation of earnings									0
As at June 30, 2014	10,093	50,468	16,243	1,004	-530	-478	4,963	310	71,980

June 30, 2015

in € thousand	Number of shares in thou.	Capital stock	Capital reserves	Earning reserves	Currency translation	Revaluation reserves	Retained earnings	Minority interest	Total shareholders' equity
As at January 1, 2015	10,131	50,655	16,363	1,004	-213	-425	4,193	405	71,982
Net profit for the period							1,633	115	1,748
Other comprehensive income					393	-74			319
Total comprehensive income					393	-74	1,633	115	2,067
Share-based remuneration			67						67
Capital increase	22	108	41						149
Appropriation of earnings									0
As at June 30, 2015	10,153	50,763	16,471	1,004	180	-499	5,826	520	74,265

Consolidated cash flow statement (IFRS)

in € thousand	6M 2014	6M 2015	Δ absolute	Q2 2014	Q2 2015	Δ absolute
Income before tax and minority interest	1,332	2,089	757	603	613	10
Interest paid	1,140	1,097	-43	584	553	-31
Depreciation of property, plant and equipment and amortization of intangible assets	4,245	4,650	405	2,146	2,247	101
Income from investment grants	-197	-303	-106	-98	-238	-140
Gains and losses on disposal of fixed assets	-19	-11	8	-4	-1	3
Other non-cash expenses and income	275	40	-235	209	40	-169
Changes in provisions	-959	-767	192	-318	-846	-528
Changes in working capital	-2,649	-11,805	-9,156	-650	-10,290	-9,640
Changes in other assets and liabilities	130	-1,092	-1,222	-160	2,188	2,348
Income tax paid	301	-1,034	-1,335	167	-385	-552
Cash flow from operating activities	3,599	-7,145	-10,744	2,479	-6,128	-8,607
Payments for investments in property, plant and equipment and intangible assets	-2,626	-3,001	-375	-1,573	-1,225	348
Proceeds from disposal of property, plant and equipment, intangible assets and investments	19	0	-19	4	0	-4
Proceeds from investment grants	197	303	106	98	238	140
Interest received	7	2	-5	4	0	-4
Cash flow from investment activities	-2,403	-2,696	-293	-1,467	-987	480
Proceeds from shareholders	636	175	-461	636	5	-631
Repayments from financial liabilities	-2,430	-1,815	615	-1,387	-1,123	264
Proceeds from loans	1,225	7,236	6,011	680	6,866	6,186
Interest paid	-607	-845	-238	-401	-299	102
Cash flow from financing activities	-1,176	4,751	5,927	-472	5,449	5,921
Net change in cash and cash equivalents	20	-5,090	-5,110	540	-1,666	-2,206
Currency differences from converting funds	8	-16	-24	12	-96	-108
Cash and cash equivalents at the beginning of the financial period	11,357	14,525	3,168	10,833	11,181	348
Cash and cash equivalents at the end of the financial period	11,385	9,419	-1,966	11,385	9,419	-1,966

6 Notes to the consolidated interim financial statements (IFRS)

Presentation of the situation at the group

The parent company is First Sensor AG, domiciled in Berlin, Peter-Behrens-Str. 15, 12459 Berlin, and entered in the commercial register of Berlin in Department B under HRB 69326. First Sensor AG is listed in the regulated market on the Frankfurt Stock Exchange in the Prime Standard segment under ISIN DE0007201907.

First Sensor AG and its subsidiaries, referred to hereinafter as "First Sensor", operate in the sensor production and microsystems technology industries. The company's business focuses mainly on the development, manufacture and distribution of customer-specific semiconductor sensors and sensor systems.

First Sensor also develops and manufactures highly reliable customized hybrid circuits and products for microsystem engineering and advanced packaging.

The consolidated financial statements for 2014 were approved by the Supervisory Board on March 25, 2015, and were published on the First Sensor AG website.

Reporting principles

First Sensor's consolidated financial statements for 2014 have been prepared in accordance with the applicable International Financial Reporting Standards (IFRS) as at the balance sheet date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that must be applied in the European Union.

In the consolidated interim financial report as at June 30, 2015, which was prepared on the basis of International Accounting Standard

(IAS) 34 "Interim Financial Reporting", the same accounting policies were used as in the consolidated financial statements for fiscal year 2014.

The interim financial statements were prepared in euro (€). Unless otherwise indicated, all amounts have been stated in thousands of euros (€ thousand). The fiscal year of First Sensor AG and its consolidated subsidiaries corresponds to the calendar year.

The statement of comprehensive income has been prepared using the nature of expense method.

To improve clarity, individual items have been summarized in the balance sheet and the statement of comprehensive income. There may be rounding differences in the presentation.

Important discretionary decisions and uncertainty of estimates

In preparing the interim financial statements, some assumptions and estimates have been made which affected the amount and the disclosure of reported assets and liabilities, earnings and expenses. In individual cases, the actual values may deviate from these assumptions or estimates at a later stage. Relevant changes will be made once more accurate information is available.

All assumptions and estimates are made to the best of our knowledge and belief in order to provide a true and fair view of the Group's net assets, financial position and results of operations.

Basis of consolidation

There were no changes to the Group's basis of consolidation compared with the consolidated financial statements for 2014.

Management Board

Mr. Joachim Wimmers, CFO of First Sensor AG, stepped down from the Management Board at his own request effective March 31, 2015. The CFO's sphere of responsibility was provisionally taken over by Dr. Martin U. Schefter as at the same date. The Supervisory Board of First Sensor AG has appointed Dr. Mathias Gollwitzer as the CFO of First Sensor AG for a three-year term with effect from August 10, 2015. In addition to finance and controlling, Dr. Gollwitzer will be responsible for procurement, human resources, IT and process development, investor relations, and legal issues in his role as CFO.

Discontinued operations

No operations were discontinued in the first six months of 2015. No operations were discontinued in the first six months of 2015.

Corporate Governance

The company has issued a declaration of compliance pursuant to Article 161 AktG (German Stock Corporation Act) and the declaration of business management pursuant to Article 289a German Commercial Code HGB. These declarations are permanently available on the company's website www.first-sensor.com/en/.

7 Assurance of the legal representatives (responsibility statement)

according to Articles 264 (2) sentence 3, 289 (1) sentence 5 HGB

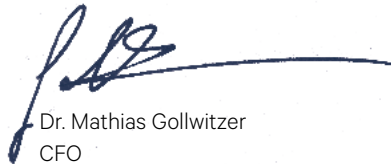
To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the consolidated management report includes a fair review of the development and performance of the business and the position of the Group for the first six months of the financial year, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, August 13, 2015

First Sensor AG



Dr. Martin U. Schefter
CEO



Dr. Mathias Gollwitzer
CFO

8 Further information

Legal disclaimer and financial calendar 2015

Legal disclaimer

This report contains statements of a predictive nature and does not represent any incitement to purchase shares of First Sensor AG, but rather is intended exclusively for information purposes with regard to possible future developments at the company.

All future-oriented specifications in this consolidated interim financial report were produced on the basis of a probability-based plan and represent statements regarding the future which cannot be guaranteed.

Financial calendar 2015

Date	Topic	Location
March 26, 2015	Publication of consolidated financial report 2014	
May 12, 2015	Publication of consolidated interim financial report as at March 31, 2015	
May 28, 2015	Annual General Meeting	Penta Hotel Berlin Köpenick, Grünauer Str. 1, 12557 Berlin
August 13, 2015	Publication of consolidated interim financial report as at June 30, 2015	
November 12, 2015	Publication of Consolidated interim financial report as at September 30, 2015	
November 23 – 25, 2015	Analysts' conference First Sensor AG/ German Equity Capital Forum 2015	Congress Center at Messe Frankfurt, Frankfurt am Main

As we cannot rule out the possibility of delays, we recommend that you consult the latest set of dates at www.first-sensor.com/en/investor-relations/financial-calendar/.

Internet, information, contact

This consolidated interim financial report is available in German and English.

Both versions are also available for download on the Internet at

www.first-sensor.com/en/investor-relations/financial-publications/all-annual-reports/

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