

CH-Wetzikon, August 18, 2015

Elma – Interim Report as of June 30, 2015 **Order income increased and profitability improved**

- **Order income increased by 3.7% to CHF 57.3 million**
- **Revenue of CHF 55.4 million decreased by 4.3% versus previous year**
- **EBIT at CHF 1.5 million and net income at CHF 0.8 million ahead of previous year**

Market development

The economy in the United States showed a moderate growth in the first six months. The government bodies are still facing financing and cost pressures and are accordingly reluctant when awarding major projects. In Europe, however, the economic situation has improved, especially in Germany and in the UK a revival of investment activity among customers was recorded. The dynamics of the Chinese economy, however, has slowed in the first half of 2015.

Revenue

In this mixed market environment Elma closed the first half year 2015 with a consolidated revenue of CHF 55.4 million (previous year: CHF 57.9 million) which represents a decline of 4.3%; adjusted for currency translation effects, sales fell by 3.9%. The Europe region showed encouraging growth; in particular the subsidiaries in Germany, UK and Israel were able to increase their sales significantly. Overall, the Europe region increased revenue in the first half 2015 by 2.0% to CHF 25.0 million (previous year: CHF 24.5 million); adjusted for currency translation effects, they grew by 9.7%. In the Americas region the revenue declined by 9.1% compared with the previous year; adjusted for currency translation effects, revenue was down 14% to USD 27.3 million (previous year: USD 31.7 million). Also the Asia region was marked by a weaker development. The revenue decreased by 7.7% to CHF 4.7 million (previous year: CHF 5.1 million); adjusted for currency translation effects it represents a decline of 12.7%.

As of the beginning of the business year 2015, the revenue of electronic cabinets will be allocated to the product line Enclosures & Components and no longer to the product line System Solutions. To ensure comparability with the previous year's figures, they have been adjusted accordingly. In the first half year the business with System Solutions remained stable. They achieved an almost unchanged revenue of CHF 34.5 million (previous year: CHF 34.6 million or -0.3%); adjusted for currency translation effects revenue went up 0.7%. The product line Enclosures & Components posted revenue of CHF 13.9 million (previous year: CHF 14.4 million), representing a decline of 3.2%; adjusted for currency translation differences revenue decreased by 4.4%. Sales of Rotary Switches declined by 21.2% to CHF 7.0 million (previous year: CHF 8.9 million); adjusted for currency translation effects the revenue was down 20.6%. The decline in revenue is primarily due to a lower order volume with a key customer in Asia.

Order Income

The order income developed positively in the first half year of 2015 and increased by 3.7% to CHF 57.3 million (previous year: CHF 55.3 million); adjusted for currency translation effects a plus of 4.0% was achieved. In the Americas region, the order income rose in Swiss Francs by 2.1%; in local currency a decline of 3.5% to USD 29.6 million (previous year: USD 30.7 million) was posted. The Europe region increased the order income by 3.3% to CHF 24.7 million (previous year: CHF 23.9 million); adjusted for currency translation effects it went up 11.4%. Also the Asia region the order income rose significantly thanks to stronger demand in the Transportation sector and in Industrial Automation. The first half of the year resulted in an increased order income by 17.1% to CHF 4.6 million (previous year: CHF 4.0 million); adjusted for currency translation effects a plus of 10.7% was achieved.

Although the consolidated revenue declined over the previous year, Elma improved again the profitability in the first half year 2015. Elma achieved an EBITDA of CHF 2.8 million (previous year: CHF 2.6 million) and an EBIT of CHF 1.5 million (previous year: CHF 1.4 million). Elma closed the first half year 2015 with a net profit of CHF 0.8 million (previous year: CHF 0.7 million). The improvement was achieved due to a better gross margin and lower fixed costs respectively. The earnings per share increased to CHF 3.52 (previous year: CHF 3.11).

For the first time the EBIT and the EBIT margin by region are disclosed in the notes to this interim report, in addition to the revenue by region. Elma is thereby implementing the new recommendation for listed companies (Swiss GAAP FER 31) which was put into force by January 1, 2015, requesting the disclosure of additional information.

Balance Sheet

As of June 30, 2015, Elma reported total assets of CHF 66.3 million (31.12.2014: CHF 67.6 million). Despite a net profit of CHF 0.8 million, the equity ratio decreased from 40.3% to 39.3% due to high currency translation adjustments of almost CHF 2.0 million. Net debts rose by CHF 0.7 million compared with December 31, 2014, amounting to CHF 15.0 million.

Currency translation effects

Since the Swiss National Bank has ended its cap of 1.20 Swiss Franc per Euro on January 15, 2015, the average exchange rate of the Swiss Franc has appreciated by around 14% against the Euro in the first half year compared to the same period last year. Elma has addressed the currency issues at an early stage by setting up its production capacities in the Euro area, in the USA and in China. Therefore, the recent currency changes led mainly to translation differences when converting local finance statements into Swiss Francs.

Outlook and objective

At present the market development in the second half year is difficult to predict. New currency adjustments or interventions by governments could have a significant impact. For the full business year 2015 Elma will maintain the objective to increase revenue and to improve the operating result.

The complete 2015 Interim Report can be downloaded from our website at

<http://www.elma.com/en-eu/investors/reports/>

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This Media Release is published in German and in English. Should the English translation differ from the German original, the German version is binding.

Elma Group Key Figures

in CHF 1,000	30.06.2015	30.06.2014
Order income	57,300	55,254
Revenue	55,448	57,915
EBITDA	2,775	2,637
EBIT	1,532	1,423
in % of revenue	2.8	2.5
Net income	805	711
in % of revenue	1.5	1.2
in % of average equity (ROE)	3.0	3.2
Headcount end of period (FTE)	676	684

in CHF 1,000	30.06.2015	31.12.2014
Balance sheet total	66,279	67,576
Shareholders' equity	26,022	27,210
in % of balance sheet total	39.3	40.3

Information for Investors

The registered shares of Elma Electronic AG with a nominal value of CHF 11 per share are listed on SIX Swiss Exchange and have been traded there since December 4, 1996.

Elma registered shares	30.06.2015	31.12.2014
Share capital		
Number of registered shares issued	228,492	228,492
Average number of registered shares	228,492	228,492
Nominal value	in CHF 11.00	11.00
Nominal share capital	in CHF 1,000 2,513	2,513
Stock market prices		
Highest	in CHF 397.75	403.00
Lowest	in CHF 343.25	367.75
Closing price	in CHF 359.75	384.50
Stock market capitalization		
Balance sheet date	in CHF million 82	88
	in % of equity 316	323

	30.06.2015	30.06.2014
Key figures		
Equity per share	in CHF 113.89	102.58
Profit per share	in CHF 3.52	3.11