

CH-Wetzikon, August 16, 2016

Interim Report as of June 30, 2016 Elma closes first half year 2016 with a net profit

- **Net sales grew by 10.9% to CHF 61.5 million due to acquisition of Trenew Electronic AG**
- **Order income increased by 21.8% to CHF 69.8 million**
- **EBIT with CHF 0.3 million and net profit with CHF 0.2 million**
- **Integration of the Swiss company Trenew Electronic AG, acquired at the end of 2015, into the Elma Group proceeds according to plan**

Market Development

After a general weakness of the world economy at the beginning of 2016, economic growth has resumed some of its momentum towards the end of the second quarter, especially in the United States. In Europe, the geopolitical environment continued to be difficult but there were positive signs of stabilization in industrial production and a further improvement in the employment situation, particularly in Germany. In China, recent economic indicators do not anticipate any noticeable improvement in the general market and economic conditions

For the Elma Group the first half of 2016 was influenced by significant project delays with key customers, especially in the US, and thus the consolidated sales closed below expectations. As expected, the acquisition led to a sales improvement in the Europe region as well as for the product line System Solutions in the first half 2016 compared with the previous year. The integration of Trenew Electronic AG, which was acquired at the end of 2015, into the Elma Group proceeds as planned. The co-location of the two companies in Wetzikon, Switzerland, will be completed by the end of the year.

Net Sales

Elma closed the first half year 2016 with consolidated net sales of CHF 61.5 million (previous year: CHF 55.4 million). This represents a growth of 10.9%; adjusted for currency translation effects, sales increased by 7.9%, adjusted for currency translation and acquisition effects, they declined by 7.9%. The Europe region increased their net sales by 25.0% to CHF 31.2 million (previous year: CHF 25.0 million). This positive trend is mainly due to the acquisition of Trenew Electronic AG which contributed an amount of CHF 8.8 million to the net sales in the first six months. Also Germany was able to improve their net sales again. Adjusted for currency translation effects, sales in the Europe region rose by 23.4%, adjusted for currency translation and acquisition effects, they declined by 11.7%. The Americas region increased the net sales in the first half year 2016 by 1.7%; project delays with some key customers resulted in a decrease in local currency of 2.5% to USD 26.6 million (previous year: USD 27.3 million). The Asia region was affected by a weaker economic development. Net sales declined year-on-year by 13.8% to CHF 4.1 million (previous year: CHF 4.7 million); adjusted for currency translation effects, this represents a reduction of 17.4%.

The product line System Solutions increased net sales (including Trenew) and posted a year-on-year plus of 22.6% to CHF 42.3 million (previous year: CHF 34.5 million); adjusted for currency translation effects, it rose by 19.3%, adjusted for currency translation and acquisition effects, the net sales were down 6.2%. The product line Enclosure and Components posted net sales of CHF 12.6 million (previous year: CHF 13.9 million), which represents a decline by 9.2%; adjusted for currency translation sales decreased by 11.6%. Rotary Switches recorded a drop of 6.9% to CHF 6.5 million (previous year: CHF 7.0 million); adjusted for currency translation effects net sales were down 9.4%.

Order Income

In the first half of 2016, the order income of the Elma Group moved in a positive direction and closed above previous year. Overall order income increased by 21.8% to CHF 69.8 million (previous year: CHF 57.3 million); adjusted for currency translation effects, a plus of 18.1% was achieved, adjusted for currency translation and acquisition effects, it rose by 5.1%. In the Americas region, order income in Swiss Francs were up 19.4%; in local currency the year-on-year increase was 14.4% to USD 33.9 million (previous year: USD 29.6 million). The Europe region boost the order income by 28.7% to CHF 31.8 million (previous year: CHF 24.7 million); adjusted for currency translation effects it went up 26.6%, adjusted for currency translation and acquisition effects it declined by 3.5%. The Asia region recorded a stable order intake of CHF 4.6 million (previous year: CHF 4.6 million); adjusted for currency translation effects it went down 4.9%.

EBIT and Net Profit

Although the consolidated net sales increased over the previous year due to the acquisition, Elma's profitability declined as a result of the slow start in the Americas region. The Elma Group achieved an EBITDA of CHF 1.7 million (previous year: CHF 2.8 million) and an EBIT of CHF 0.3 million (previous year: CHF 1.5 million). Elma closed the first half year with a net profit of CHF 0.2 million (previous year: CHF 0.8 million). The profit per share amounted to CHF 0.95 (previous year: CHF 3.52).

Balance Sheet

As of June 30, 2016, Elma reported total assets of CHF 72.3 million (31.12.2015: CHF 72.5 million). The shareholders' equity declined by CHF 0.7 million and the equity ratio decreased from 35.2% to 34.3% due to currency translation adjustments. Compared to December 31, 2015, net debts rose by CHF 3.4 million to CHF 21.5 million.

Outlook

Given the major uncertainties, the business development is difficult to assess. Elma's goal is to improve both revenue and operating profit in the second half of 2016.

The complete 2016 Interim Report can be downloaded from our website at <http://www.elma.com/en-eu/investors/reports/>

Contacts:

Elma Electronic AG
Hofstrasse 93
CH-8620 Wetzikon

Fred Ruegg
CEO Elma Group
Tel. +41 44 933 43 04
fred.ruegg@elma.com

Edwin Wild
CFO Elma Group
Tel. +41 44 933 42 45
edwin.wild@elma.ch

Elma Electronic is a worldwide provider of solutions for the construction of enclosure systems for electronics. The product range extends from electronic packaging components to modular enclosures, cabinets and backplanes through to complete system platforms. Elma also produces rotary switches for electronic applications. The flexibility that allows customer requirements to be met and our many years of experience in the development and production of components and systems for complex applications distinguish Elma as a reliable partner.

Please visit our website: www.elma.com

Disclaimer

This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Elma's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Elma's past and future filings and reports and in past and future filings, press releases, reports and other information posted on Elma Group companies' websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Elma disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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	30.06.2016	30.06.2015
Order income	69,772	57,300
Net sales	61,477	55,448
EBITDA	1,691	2,775
EBIT	288	1,532
in % of net sales	0.5	2.8
Net profit	217	805
in % of net sales	0.4	1.5
in % of average equity (ROE)	0.9	3.0
Headcount end of period (FTE)	690	676

in CHF 1,000	30.06.2016	31.12.2015
Balance sheet total	72,293	72,520
Shareholders' equity	24,803	25,521
in % of balance sheet total	34.3	35.2

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	30.06.2016	31.12.2015
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 369.50	398.00
Lowest	in CHF 340.25	335.00
Closing price	in CHF 359.00	369.50
Stock market capitalization		
Balance sheet date	in CHF million 82	84

	30.06.2016	30.06.2015
Key figures		
Equity per share	in CHF 108.55	113.89
Profit per share	in CHF 0.95	3.52