REPORT ON THE SECOND QUARTER

APRIL 1 – JUNE 30, 2005

Highlights

- Solid results in the second quarter of 2005

- Sales growth of 8.8 percent compared to previous year
- Gross result as a percentage of sales of 51.0 percent improved versus first quarter of 2005
- Net profit margin at 10.0 percent again

- Book-to-bill raised to 1.09 in semiconductor segment
- Design wins with high expected life cycle sales of more than 120 million Euro in the second quarter of 2005

- New long-term outlook based on detailed analysis

Key figures

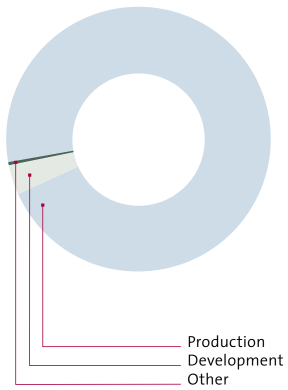
in million Euro or percent unless otherwise indicated	4|1-6|30|2005	4|1-6|30|2004	Change
Sales	**38.3**	**35.2**	**8.8%**
Semiconductor	36.1	32.6	10.7%
Micromechanics	2.2	2.6	– 14.4%
Gross profit	19.5	18.1	8.2%
in percent of sales	51.0%	51.3%	
R&D expenditure	7.0	5.9	18.2%
in percent of sales	18.3%	16.8%	
Operating income	7.1	7.4	– 4.0%
in percent of sales	18.4%	20.9%	
EBIT	**6.9**	**7.4**	**– 6.6%**
in percent of sales	18.1%	21.1%	
Net income	3.8	4.4	– 14.0%
in percent of sales	10.0%	12.6%	
Earnings per share in Euro	**0.20**	**0.23**	**– 14.0%**
Operating cash flow	6.8	6.4	5.7%
Capital expenditure (fixed assets)	– 8.5	– 6.3	34.2%
Design wins			
Number	6	9	
Expected life cycle sales (Assumption: life of five years)	124	116	
Expected sales contribution p.a. (Assumption: life of five years)	24.8	23.2	

	6|30|2005	12|31|2004	Change
Shareholders' equity	135.8	136.2	– 0.3%
in percent of total assets	58.9%	62.0%	
Employees as of accounting date	1,010	967	4.4%

▸ Sales development

In the second quarter of 2005, sales of 38.3 million Euro were achieved, exceeding the prior-year quarterly sales by 8.8 percent. Despite the modest number of orders received during both the second half-year 2004 and the first quarter of 2005, the previous quarter's sales were exceeded slightly. The key semiconductor segment remains the principal contributor with a growth in sales of 10.7 percent in comparison with the prior-year quarter. At 2.2 million Euro, external sales of the micromechanics segment roughly equalled the level reached in the first quarter of 2005. Total sales of micromechanics grew in comparison with the prior-year quarter. Because a comparatively larger fraction was generated within the Group in the quarter under report, external sales decreased by 14.4 percent in comparison with the prior year's quarter. Part of the increase of the U.S. sales is attributable to the micromechanics segment as well.

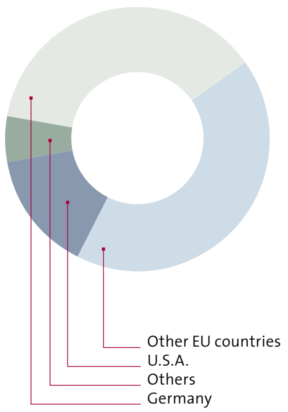
Sales according to origin H1 2005



Sales of the first half-year 2005 were also raised by 8.8 percent compared to the first half-year 2004, to 76.3 million Euro.

Sales according to origin	1|1-6|30|2005 Thousand Euro	in percent of sales	1|1-6|30|2005 Thousand Euro	in percent of sales	Change
Production	73,260	96.0%	67,267	95.9%	8.9%
Development	2,718	3.6%	2,705	3.9%	0.5%
Other	338	0.4%	199	0.3%	69.7%
Group sales	**76,316**	**100.0%**	**70,171**	**100.0%**	**8.8%**

Sales according to regions H1 2005



The breakdown of sales according to origin shows no essential changes. Sales from production continue to make the largest sales contribution by far.

Sales according to regions	1|1 - 6|30|2005 Thousand Euro	in percent of sales	1|1-6|30|2004 Thousand Euro	in percent of sales	Change
Germany	28,528	37.4%	34,682	49.4%	– 17.7%
Other EU countries	32,287	42.3%	20,819	29.7%	55.1%
U.S.A.	11,200	14.7%	9,733	13.9%	15.1%
Others	4,301	5.6%	4,937	7.0%	– 12.9%
Group sales	**76,316**	**100.0%**	**70,171**	**100.0%**	**8.8%**

Primarily due to changes in the supply chains of several major customers, a shift of the German portion towards the other EU countries is notable if comparing the first half-year 2005 with the previous year's period.

▸ Order situation

ELMOS refers to a new order won for the development of an integrated circuit as design win. The development of such a chip usually takes between two and four years before serial production can be started. Even upon signing the design win, a price and quantity structure is determined for future serial production, allowing for certain target corridors. This makes long-term planning possible for ELMOS.

LONG-TERM DEVELOPMENT: DESIGN WINS

Six new orders were won in the second quarter of 2005, three ASICs and three ASSPs. The expected life cycle sales represented by these orders (assumption: life of five years) come to 124 million Euro, indicating an average sales contribution of 24.8 million Euro per annum. The ASICs are intended for comfort, safety, and industrial applications while the ASSPs have a variety of applications for both automotive and industrial use. Altogether eleven new projects were won in the first half-year 2005, with expected life cycle sales of 206 million Euro, as opposed to 16 new projects and 234 million Euro in the first half-year 2004.

In contrast to design wins, the ratio of orders received to sales (the so-called book-to-bill) serves as an indicator of the short-term orders received. Customers constantly issue release orders to ELMOS; depending on the product, minimum lead times vary. According to demand and market situation, customers sometimes issue long-dated orders, sometimes they just observe the minimum lead times.

INDICATOR FOR THE SHORT-TERM ORDER SITUATION: BOOK-TO-BILL

In the second quarter of 2005, the core semiconductor segment's book-to-bill ratio improved in comparison with the first quarter from 0.97 to 1.09. This may indicate that inventories are not as well-stocked throughout the separate steps of the supply chain as they still were during the first quarter of 2005. The Group records a book-to-bill of 1.03 (semiconductor segment 1.03, micromechanics 1.00) for the first half-year 2005 as compared to 1.08 in the first half-year 2004.

Because of unexpected changes effecting orders received during the first quarter of 2005, ELMOS conducted a detailed analysis of the present situation through the second quarter of 2005 whose essential conclusions, and the consequences to be drawn, are discussed on pages eight and nine.

▸ Profit situation

The gross result as a percentage of sales was improved from 50.2 percent in the first quarter of 2005 to 51.0 percent in the quarter under report. This achievement can be traced back primarily to selective efforts of production for the improvement of yields with regard to certain products. However, production bears additional burdens compared to the corresponding prior-year periods because the product mix has shifted towards more complex products faster than expected. The semiconductor segment's gross margin was improved from 51.0 percent in the first quarter of 2005 to 52.1 percent in the second quarter of 2005, thus even slightly exceeding the prior-year quarterly mark of 52.0 percent. The micromechanics segment achieved a gross margin of 33.2 percent as opposed to 43.0 percent in the prior-year quarter and 38.3 percent in the first quarter of 2005. This result is still attributable to the delayed qualification and customer release of individual products. The Group's gross margin of the first half-year 2005 came to 50.6 percent as opposed to 51.0 percent in the first half-year 2004.

Research and development expenditure rose by 18.2 percent from 5.9 million Euro in the second quarter of 2004 to 7.0 million Euro in the quarter under report. In relation to sales, R&D expenditure accounts for 18.3 percent, above the last quarters' levels. This is a consequence of the systematic expansion of research and development activity, with sales proceeds rising more slowly. In the first half-year 2005, R&D expenditure come to 17.8 percent of sales in comparison to 16.9 percent in the first half-year 2004.

Marketing and selling expenses increased from 1.7 million Euro in the second quarter of 2004 to 2.4 million Euro in the second quarter of 2005. This is the result of ongoing intensified sales efforts. General administrative expenses remained at 3.1 million Euro, unchanged from the prior-year quarter.

At 7.1 million Euro or 18.4 percent of sales, the operating income fell below the prior-year result of 7.4 million Euro mainly because of the increased research and development expenditure. In the first half-year 2005, the operating income came to 14.4 million Euro, almost reaching the amount achieved in the prior-year period.

Owing to this performance and higher foreign exchange losses and other expenses, the EBIT (earnings before interest and taxes) dropped by 6.6 percent to 6.9 million Euro in the second quarter of 2005. In the first half-year 2005, the EBIT came to 14.0 million Euro, representing a margin of 18.4 percent (first half-year 2004: 20.3 percent).

The net income of 3.8 million Euro or 10.0 percent of sales reached the level of the first quarter of 2005 but fell below the prior-year quarterly result (4.4 million Euro). Earnings per share amount to 0.20 Euro compared to 0.23 Euro in the second quarter of 2004.

► Financial and assets situation

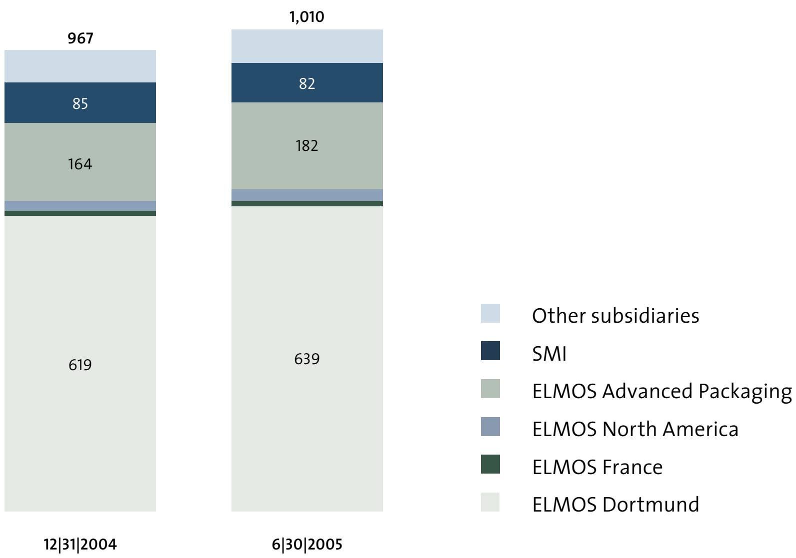
The net cash provided by operating activities of 6.8 million Euro in the second quarter of 2005 exceeded the amounts recorded for both the first quarter of 2005 (4.6 million Euro) and the previous year's quarter of comparison (6.4 million Euro). Coming to 11.4 million Euro, the operating cash flow of the first half-year 2005 approximated the amount achieved in the prior-year comparison period (12.4 million Euro).

Capital expenditure on fixed assets amounted to 17.9 million Euro in the first half-year 2005. For the most part, these investments benefit frontend and backend as well as buildings and equipment. Investments of the first half-year 2005 account for the majority of the total capital expenditure of about 30 million Euro scheduled for 2005.

Cash and cash equivalents dropped from 15.3 million Euro by the end of the year 2004 to 12.6 million Euro as of June 30, 2005. Net debt rose from 38.7 million Euro to 49.2 million Euro, essentially caused by assuming short-term liabilities.

► Staff development

ELMOS had 1,010 employees worldwide as of June 30, 2005, 639 of which at the Dortmund location. By comparison with December 31, 2004, the number of employees rose altogether by 43, and by 18 compared to March 31, 2005.



▸ Directors' dealings

The following directors' dealings were carried out in the second quarter of 2005. All transactions refer to shares of ELMOS Semiconductor AG (ISIN DE0005677108). The issuer is ELMOS Semiconductor AG, Heinrich-Hertz-Str. 1, 44227 Dortmund, Germany.

Date Place	Name	Capacity	Transaction	Number of shares	Price/ basic price Euro	Total volume Euro
May 25, 2005 Off-market	ELMOS Finanzholding GmbH, Dortmund	Juristic person closely associated with persons fulfilling executive functions (Dr. Klaus Weyer, CEO of ELMOS Semiconductor AG; Prof. Dr. Günter Zimmer, Chairman of the Supervisory Board of ELMOS Semiconductor AG)	Sale of ELMOS shares	870,000	12.50	10,875,000
June 20, 2005 Xetra	Dr. Peter Thoma	Member of the Management Board of ELMOS Semiconductor AG	Purchase of ELMOS shares	2,000	11.92	23,840
June 30, 2005 Off-market	Dr. Klaus Weyer	CEO of ELMOS Semiconductor AG	Granting of options	10,000	13.98	–
June 30, 2005 Off-market	Dr. Peter Thoma	Member of the Management Board of ELMOS Semiconductor AG	Granting of options	10,000	13.98	–
June 30, 2005 Off-market	Reinhard Senf	Member of the Management Board of ELMOS Semiconductor AG	Granting of options	10,000	13.98	–

▸ Shareholdings and share options

Following a secondary placement carried out in May 2005, ELMOS Finanzholding GmbH (EFH) holds 53.2 percent of the shares of ELMOS Semiconductor AG (previously 57.7 percent). Accordingly, the free-float increased to 46.8 percent (previously 42.3 percent).

A new tranche of share options was issued to employees and Management Board members in June 2005. Members of the Management Board and the Supervisory Board of ELMOS Semiconductor AG hold the following numbers of shares and options as of June 30, 2005:

Management Board	Shares	Options
Reinhard Senf	1,948	40,000
Dr. Peter Thoma	9,200	40,000
Dr. Klaus Weyer	10,000	40,000

Supervisory Board	Shares	Options
Dr. Burkhard Dreher	1,900	0
Jörns Haberstroh	3,956	0
Dr. Wolfgang Heinke	0	0
Herbert Sporea	2,265	0
Jutta Weber	200	0
Prof. Dr. Günter Zimmer	0	0

A total 961,260 share options are outstanding as of June 30, 2005. Of these options, 150,000 have so far been issued to Management Board members and the rest to employees. The options outstanding are attributable to the separate tranches as follows:

Year of resolution	Year of issue	Exercise price Euro	Blocking period Years	Execution period after blocking period Years	Options outstanding as of June 30, 2005
1999	2000	34.89	3	3	100,022
2000	2001	35.14	3	3	127,250
2002	2003	7.87	2	3	279,941
2003	2004	11.59	2	3	293,072
2004	2005	13.98	2	3	160,975

▸ Events of particular importance

The **6th Annual General Meeting** of April 26, 2005 decided on a dividend of 0.21 Euro per share. Apart from the usual items on the agenda, the Annual General Meeting (AGM) authorized the Management Board to repurchase own shares in order to fulfill the share option plans for employees and members of the Management Board. The AGM also elected the Supervisory Board, with two new members – Jörns Haberstroh, former managing director of Nokia GmbH Deutschland, and Jutta Weber, sister of the former CEO Knut Hinrichs, who died in early March – joining the panel. Dr. Peter Thoma, currently member of the Management Board of ELMOS Semiconductor AG for Sales and Design, was appointed as a Supervisory Board substitute member as of October 1, 2005.

On May 23, 2005 ELMOS announced the signing of a **cooperation agreement with the Fraunhofer Institute for Microelectronic Circuits and Systems (IMS)** in Duisburg. The contract covers joint research and development as well as cooperative use of the 200mm wafer production line. The semiconductor production facilities in Duisburg have the potential for the introduction of up to 200 new wafers a day into production. The production of ELMOS products at the IMS will start in early 2006.

On May 25, 2005 **ELMOS Finanzholding GmbH (EFH)** informed that it had **reduced its interest in ELMOS from 57.7 percent to 53.2 percent**. The portion of ELMOS shares attributable to free-float was raised to 46.8 percent by this secondary placement. The funds thus realized are used by EFH among others for financing inheritance taxes. For the medium term, EFH intends to hold an interest of less than 50 percent; however, with a stake of significantly more than 40 percent, EFH will remain the steady major shareholder and guarantor for the independence of ELMOS.

▸ Events of particular importance after the end of the quarter

On July 12, 2005 ELMOS announced that it had received an **order for the development and production of a tire pressure monitoring system**. The customer for this product is one of the leading European manufacturers of tire pressure monitoring system solutions for cars. The multi-chip solution consists of a combined acceleration and pressure sensor and one ASIC inside a customized package.

▸ Analysis of the 2005 course of business to date

Our detailed analysis of the modest sales growth over the first half-year 2005 has led to the following results.

- **Economy effect**
  Owing to the weakness of some American automobile manufacturers, various development projects have been delayed or cancelled altogether. The hesitant development of German car sales in connection with the heated discussion of so-called Feinstaub (fine particulate matter emitted by diesel cars), among other things, added to this effect.

- **Pipeline effect**
  The customers' inventories proved larger than expected as some customers had obviously worried about short supply with components. Thus some older products were not ordered anymore at an earlier time than expected.

- **Product mix effect**
  Today's products have a significantly higher functionality and demand more complex process technologies. The product mix has clearly changed due to the sooner phase-out of old products and the large number of new products originating from design wins of the previous years.

- **Research and development effects (product development and technology)**
  Some of the numerous development projects have not been completed and transferred to production on schedule because of delays caused by customers or delays that ELMOS was responsible for.

We want to address these issues with an initiative for the improvement of our planning reliability, the accelerated provision of new process technologies, and the intensified supervision of development projects. The supply of additional resources is intended for both technology and product development as well. The chances inherent in the cooperation with the IMS will also be taken advantage of in this sense to an increasing degree. This will burden the operating income for the short term, but in the long run the market position of ELMOS will be strengthened and new opportunities will be opened up.

▸ Outlook

We confirm our sales forecast of roughly 157 million Euro for the year 2005 (i.e. at the bottom of the initially targeted corridor of 165 million Euro plus/minus five percent) as publicized in early May 2005. Based on our detailed analysis, we anticipate a growth in sales of at least ten percent for the year 2006 and at least 15 percent for 2007.

We continue to aim at the gross margin's reaching or exceeding the 50 percent target for the next years. Therefore we must compensate for the rapidly increasing complexity of new products with boosting our productivity. The next essential steps to be taken are the transfer of production to 200mm wafers within the framework of the cooperation with the IMS in Duisburg and the accelerated introduction of new process technologies. We will also pay even more attention to a well-balanced product mix consisting of high volume orders and projects with moderate unit numbers generating high profit margins.

Our initiative for improvement will lead to a increase of research and development expenses. We are expecting a level of between 15 and 20 percent of sales for the next years.

The higher research and development expenditure will result in an EBIT margin of between 15 and 20 percent. The tax rate will turn out more favorable in comparison with the last years, and we are expecting a net profit margin of approximately ten percent.

As far as investments are concerned, we continue to plan capital expenditure of roughly 30 million Euro per annum for the years 2005 to 2007 (including investments at the IMS in Duisburg). These investments are necessary since the utilization of production capacity is very high due to the increasing product complexity.

▸ ELMOS share

The ELMOS share closed the second quarter of 2005 at 12.25 Euro (Xetra). With a minus of 12.8 percent in the second quarter of 2005, it promptly lost the better part of its 19.1 percent gain of the first quarter of 2005. Altogether, the share price showed a half-year performance of 3.8 percent. In the second quarter of 2005, the TecDAX gained 4.3 percent (5.6 percent increase in the first half-year 2005) and the Philadelphia Semiconductor Index (SOXX), relevant to semiconductor stocks, gained 0.5 percent (3.3 percent loss in the first half-year 2005).

The average daily trading volume of the ELMOS share (Xetra and Frankfurt floor) in the second quarter of 2005 of roughly 66,000 shares was higher than in the first quarter of the year (54,000 shares), adding up to a half-year amount of approximately 60,000 shares on daily average.

The ELMOS management continued its constant dialog with investors and analysts in the form of visits to the Dortmund location, road shows in Europe and the U.S., and participation at conferences.

► Company boards

MANAGEMENT BOARD

Dr. rer. nat. Klaus G. Weyer, *chairman*
Graduate physicist | Schwerte

Dr. rer. nat. Peter Thoma
Graduate physicist | Unterschleißheim

Reinhard Senf
Graduate engineer | Iserlohn

SUPERVISORY BOARD

Prof. Dr. Günter Zimmer, *chairman*
Institute director | Duisburg

Dr. Burkhard Dreher, *deputy chairman*
Graduate economist | Dortmund

Jörns Haberstroh
(from April 26, 2005)
Business management graduate | Kerken

Dr. Wolfgang Heinke
Graduate physicist | Reutlingen

Herbert Sporea
Businessman | Altwittenbek

Jutta Weber
(from April 26, 2005)
Graduate educationist | Tarrytown, New York, U.S.A.

The quarterly report as of June 30, 2005 has been prepared in accordance with accounting principles generally accepted in the United States of America (US-GAAP), as were the quarterly report as of June 30, 2004 and the financial statements for the fiscal year 2004. In preparing the interim report, the same accounting, valuation and consolidation methods have been applied upon which the financial statements of 2004 were based. A representation of the methods of accounting, valuation and consolidation is discussed in detail in the notes to the consolidated financial statements as of December 31, 2004. The quarterly report has not been audited.

▸ Consolidated income statement | 1st half-year 2005

	1|1-6|30|2005 Euro	in percent of sales	1|1-6|30|2004 Euro	in percent of sales	Change
Net sales	**76,316,205**	**100.0%**	**70,170,527**	**100.0%**	**8.8%**
Cost of sales	37,684,360	49.4%	34,391,087	49.0%	9.6%
Gross profit	**38,631,845**	**50.6%**	**35,779,440**	**51.0%**	**8.0%**
Research and development expenses	13,564,700	17.8%	11,830,347	16.9%	14.7%
Marketing and selling expenses	4,498,202	5.9%	3,355,994	4.8%	34.0%
General administrative expenses	6,166,742	8.1%	6,128,337	8.7%	0.6%
Operating income	**14,402,201**	**18.9%**	**14,464,762**	**20.6%**	**– 0.4%**
Interest expense / (income)	1,856,386	2.4%	1,621,195	2.3%	14.5%
Foreign exchange net loss / (income)	214,492	0.3%	153,045	0.2%	40.1%
Other net (income) / expenses	175,039	0.2%	100,396	0.1%	74.3%
Income before income taxes and minority interest	**12,156,284**	**15.9%**	**12,590,126**	**17.9%**	**– 3.4%**
Income tax expenses					
Current	3,092,834	4.1%	4,682,520	6.7%	– 33.9%
Deferred	1,205,330	1.6%	– 296,687	– 0.4%	– 506.3%
	4,298,164	**5.6%**	**4,385,833**	**6.3%**	**– 2.0%**
Net income before minority interest	**7,858,120**	**10.3%**	**8,204,293**	**11.7%**	**– 4.2%**
Minority interest in earnings of consolidated subsidiaries	260,620	0.3%	135,134	0.2%	92.9%
Net income	**7,597,500**	**10.0%**	**8,069,159**	**11.5%**	**– 5.8%**
Basic earnings per share	**0.39**		**0.42**		**– 5.8%**

▸ Earnings before interest and taxes (EBIT) | 1st half-year 2005

	1|1-6|30|2005 Euro	in percent of sales	1|1-6|30|2004 Euro	in percent of sales	Change
Operating income	**14,402,201**	**18.9%**	**14,464,762**	**20.6%**	**– 0.4%**
Foreign exchange net loss / (income)	214,492	0.3%	153,045	0.2%	40.1%
Other net (income) / expenses	175,039	0.2%	100,396	0.1%	74.3%
EBIT	14,012,670	**18.4%**	**14,211,321**	**20.3%**	**– 1.4%**

▸ Consolidated income statement | 2nd quarter of 2005

	4|1-6|30|2005 Euro	in percent of sales	4|1-6|30|2004 Euro	in percent of sales	Change
Net sales	**38,307,028**	**100.0%**	**35,193,669**	**100.0%**	**8.8%**
Cost of sales	18,762,200	49.0%	17,130,800	48.7%	9.5%
Gross profit	**19,544,828**	**51.0%**	**18,062,869**	**51.3%**	**8.2%**
Research and development expenses	7,009,225	18.3%	5,928,215	16.8%	18.2%
Marketing and selling expenses	2,360,983	6.2%	1,708,067	4.9%	38.2%
General administrative expenses	3,120,326	8.1%	3,075,091	8.7%	1.5%
Operating income	**7,054,294**	**18.4%**	**7,351,496**	**20.9%**	**– 4.0%**
Interest expense / (income)	1,074,117	2.8%	843,390	2.4%	27.4%
Foreign exchange net loss / (income)	92,491	0.2%	22,591	0.1%	309.4%
Other net (income) / expenses	27,127	0.1%	– 95,529	– 0.3%	– 128.4%
Income before income taxes and minority interest	**5,860,559**	**15.3%**	**6,581,044**	**18.7%**	**– 10.9%**
Income tax expenses					
Current	1,156,660	3.0%	2,173,404	6.2%	– 46.8%
Deferred	722,175	1.9%	– 60,965	– 0.2%	– 1.284.6%
	1,878,835	**4.9%**	**2,112,439**	**6.0%**	**– 11.1%**
Net income before minority interest	3,981,724	10.4%	4,468,605	12.7%	– 10.9%
Minority interest in earnings of consolidated subsidiaries	167,522	0.4%	34,436	0.1%	386.5%
Net income	3,814,202	**10.0%**	**4,434,169**	**12.6%**	**– 14.0%**
Basic earnings per share	**0.20**		**0.23**		**– 14.0%**

▸ Earnings before interest and taxes (EBIT) | 2nd quarter of 2005

	4|1-6|30|2005 Euro	in percent of sales	4|1-6|30|2004 Euro	in percent of sales	Change
Operating income	**7,054,294**	**18.4%**	**7,351,496**	**20.9%**	**– 4.0%**
Foreign exchange net loss / (income)	92,491	0.2%	22,591	0.1%	309.4%
Other net (income) / expenses	27,127	0.1%	– 95,529	– 0.3%	– 128.4%
EBIT	6,934,675	**18.1%**	**7,424,434**	**21.1%**	**– 6.6%**

Consolidated balance sheet

Assets	6|30|2005 Euro	12|31|2004 Euro
Current assets		
Cash and cash equivalents	12,634,770	15,286,595
Marketable securities	3,063,394	3,629,904
Trade accounts receivable	32,140,010	27,777,902
Inventories	26,789,307	25,147,734
Prepaid expenses and other assets	8,729,384	5,803,386
	83,356,865	**77,645,521**
Deferred taxes	**6,594,572**	**13,274,744**
Intangible assets		
Goodwill after depreciation	9,928,977	8,314,399
Software	36,922,413	35,138,106
Less accumulated depreciation	– 11,185,426	– 9,280,575
	35,665,964	**34,171,930**
Investments	**653,431**	**559,828**
Property, plant and equipment		
Land	7,413,004	7,202,876
Buildings and improvements	67,973,605	63,040,386
Technical equipment and machinery	119,221,668	107,992,133
Construction in progress	13,635,986	14,253,989
Less accumulated depreciation	– 103,843,105	– 98,360,743
	104,401,158	**94,128,641**
Total assets	230,671,990	**219,780,664**

Liabilities and shareholders' equity	6|30|2005 Euro	12|31|2004 Euro
Current liabilities		
Amounts payable to banks	27,190,998	17,750,354
Trade accounts payable	11,943,310	11,039,224
Provisions for salaries and wages, social security benefits and taxes	4,338,989	4,015,427
Other accrued liabilities	7,923,340	4,597,720
Accrued income taxes	3,212,000	4,072,637
Current portion of long-term obligations	3,269,450	3,749,038
	57,878,087	**45,224,400**
Long-term obligations less current portion	**34,473,451**	**36,127,507**
Non-current obligations	**1,997,980**	**1,608,986**
Minority interest	**507,968**	**608,040**
Shareholders' equity		
Share capital	19,300,000	19,300,000
Paid-in capital	84,964,354	84,918,244
Accumulated other comprehensive income	– 15,069,237	– 11,081,400
Retained earnings	46,619,387	43,074,887
	135,814,504	**136,211,731**
Total liabilities and shareholders' equity	230,671,990	**219,780,664**

► Consolidated statement of cash flow

	1|1-6|30|2005 Euro	1|1-6|30|2004 Euro	4|1-6|30|2005 Euro	4|1-6|30|2004 Euro
Net cash provided by operating activities				
Net income	7,597,499	8,069,159	3,814,202	4,434,169
Depreciation less appreciation	7,508,099	6,781,419	3,861,898	3,471,137
Non-cash effective expense	1,205,330	– 296,687	722,176	– 60,965
Minority interest	260,620	135,134	167,522	34,436
Share options granted	46,110	84,000	23,055	42,000
Changes in net working capital:				
Accounts receivables	– 4,362,108	– 3,370,531	1,420,772	– 978,061
Inventories	– 1,641,572	– 740,656	– 2,262,520	– 1,185,790
Prepaid expenses and other assets	– 2,925,999	– 1,052,069	– 144,896	– 274,258
Accounts payables	904,086	818,244	– 1,729,555	744,632
Accrued liabilities	3,649,183	– 2,826	2,301,822	– 401,301
Accrued income taxes payable	– 860,637	2,016,015	– 1,373,830	606,622
	11,380,611	**12,441,202**	**6,800,645**	**6,432,622**
Net cash used in investing activities				
Capital expenditure on fixed assets	– 17,933,658	– 10,103,993	– 8,475,517	– 6,316,255
Capital expenditure in goodwill	– 1,614,578	0	– 1,614,578	0
Disposal of fixed assets	1,881,978	348,315	1,784,736	209,785
Purchase / disposal of marketable securities and investments	– 184,295	206,707	– 145,495	247,207
	– 17,850,553	**– 9,548,971**	**– 8,450,855**	**– 5,859,263**
Net cash provided by financing activities				
Dividends paid	– 4,053,000	– 2,509,000	– 4,053,000	– 2,509,000
Dividends paid by consolidated subsidiaries to minority shareholders	– 270,000	– 170,000	– 270,000	– 170,000
Proceeds of long-term obligations	0	71,722	0	0
Repayment of long-term obligations	– 1,744,651	– 2,058,045	– 1,015,875	– 766,542
Proceeds / Repayment of notes payable	9,440,644	1,070,734	6,286,539	816,482
	3,372,993	**– 3,594,589**	**947,664**	**– 2,629,060**
Decrease / Increase of cash and cash equivalents	**– 3,096,949**	**– 702,358**	**– 702,545**	**– 2,055,701**
Effect of exchange rate changes in cash and cash equivalents	445,124	318,777	238,972	3,408
Cash and cash equivalents at beginning of period	15,286,595	17,426,927	13,098,343	19,095,640
Cash and cash equivalents at end of period	**12,634,770**	**17,043,346**	**12,634,770**	**17,043,346**

Consolidated statement of changes in shareholders' equity

	Shares	Share capital Euro	Paid-in capital Euro	Accumulated other comprehensive income / loss Euro	Retained earnings Euro	Total Euro
Balance as of December 31, 2003	**19,300,000**	**19,300,000**	**84,716,644**	**– 8,613,429**	**29,275,387**	**124,678,602**
Net income					16,308,500	16,308,500
Dividends paid					– 2,509,000	– 2,509,000
Share option expense			201,600			201,600
Change in unrealized gains on marketable securities after taxes				– 985,515		– 985,515
Foreign currency adjustments				– 1,482,456		– 1,482,456
Balance as of December 31, 2004	**19,300,000**	**19,300,000**	**84,918,244**	**– 11,081,400**	**43,074,887**	**136,211,731**
Net income					7,597,500	7,597,500
Dividends paid					– 4,053,000	– 4,053,000
Share option expense			46,110			46,110
Change in unrealized gains on marketable securities				– 5,526,014		– 5,526,014
Foreign currency adjustments				1,538,177		1,538,177
Balance as of June 30, 2005	**19,300,000**	**19,300,000**	**84,964,354**	**– 15,069,237**	**46,619,387**	**135,814,504**

Segments

Segmental reporting on the assembly segment was discontinued as of December 31, 2004. This segment has been included in the semiconductor segment as of January 1, 2005. The previous year's period has been adjusted accordingly for comparison purposes.

	Semiconductor segment			Micromechanics segment			Group		
in thousand Euro or percent unless otherwise indicated	1|1-6|30| 2005	1|1-6|30| 2004	Change	1|1-6|30| 2005	1|1-6|30| 2004	Change	1|1-6|30| 2005	1|1-6|30| 2004	Change
Sales	71,929	65,621	9.6%	4,387	4,549	– 3.6%	76,316	70,171	8.8%
Book-to-bill	1.03	1.08		1.00	0.98		1.03	1.08	
Gross profit	37,064	33,939	9.2%	1,567	1,840	– 14.8%	38,632	35,779	8.0%
in percent of sales	51.5%	51.7%		35.7%	40.5%		50.6%	51.0%	
Operating income	14,180	14,229	– 0,3%	222	236	– 5.8%	14,402	14,465	– 0.4%
in percent of sales	19.7%	21.7%		5.1%	5.2%		18.9%	20.6%	
Total assets	203,986	186,754	9.2%	26,686	25,903	3.0%	230,672	212,658	8.5%
Depreciation	7,052	6,293	12.1%	457	488	– 6.5%	7,508	6,781	10.7%
Capital expenditure	19,044	9,406	102.5%	504	698	– 27.8%	19,548	10,104	93.5%

in thousand Euro or percent unless otherwise indicated	1|4-6|30| 2005	1|4-6|30| 2004	Change	1|4-6|30| 2005	1|4-6|30| 2004	Change	1|4-6|30| 2005	1|4-6|30| 2004	Change
Sales	36,124	32,642	10.7%	2,183	2,552	– 14.4%	38,307	35,194	8.8%
Book-to-bill	1.09	1.13		0.91	1.08		1.08	1.12	
Gross profit	18,821	16,967	10.9%	724	1,096	– 33.9%	19,545	18,063	8.2%
in percent of sales	52.1%	52.0%		33.2%	43.0%		51.0%	51.3%	
Operating income	6,927	7,234	– 4.2%	128	118	8.6%	7,054	7,351	– 4.0%
in percent of sales	19.2%	22.2%		5.9%	4.6%		18.4%	20.9%	
Total assets	203,986	186,754	9.2%	26,686	25,903	3.0%	230,672	212,658	8.5%
Depreciation	3,614	3,231	11.9%	248	240	3.2%	3,862	3,471	11.3%
Capital expenditure	9,793	6,100	60.5%	297	216	37.4%	10,090	6,316	59.7%

FINANCIAL CALENDAR

August 3, 2005	Quarterly report Q2 2005
September 28, 2005	Capital Markets Day in Dortmund
November 3, 2005	Quarterly report Q3 2005

CONFERENCE CALL FOR ANALYSTS AND INVESTORS

On the occasion of their publication, management will comment on the results for the second quarter of 2005 in the course of a conference call for analysts and investors on August 3, 2005 at 5 p.m. (CEST).

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