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# Financial Ratios

# 26 %

## Sales growth

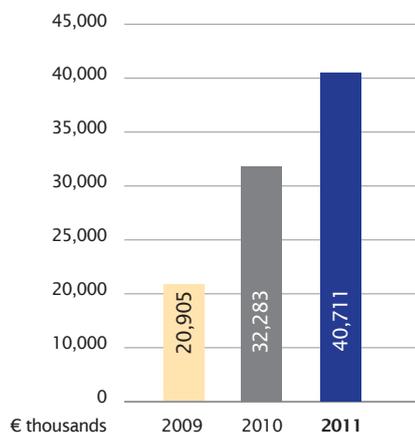
Sales up 26%  
to €40.7 million  
compared to 9M 2010

## Key figures January to September 2011 9M 2011

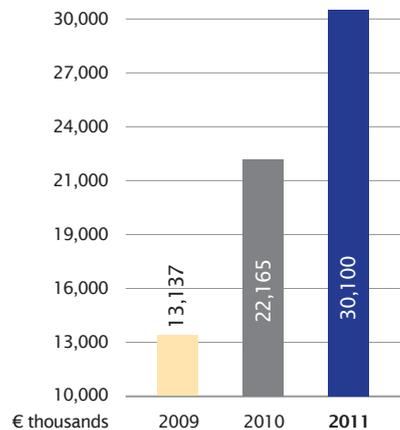
in € thousands unless otherwise specified	9M 2011	9M 2010	Δ	Δ %
Sales	40,711	32,283	8,428	26
Operating result before depreciation and amortization (EBITDA)	6,226*	4,956	1,270	26
Operating result (EBIT)	3,494*	2,517	977	39
Total net profit for the period	2,091	1,784	307	17
Earnings per share (EUR)	0.32	0.27	0.05	19
Number of shares (weighted)	6,625,899	6,625,899	0	0
Equity	39,909	37,630	2,457	7
Equity ratio (%)	55	56	-1	-1
R&D expenses	3,389	2,353	1,036	44
Number of employees	436	333	103	31

\* adjusted for transaction costs expensed in conjunction with the acquisition of the Sensortechnics Group

## Sales Revenue Interim Financial Report 9M 2009 - 2011



## Orders on Hand Interim Financial Report 9M 2009 - 2011



### Key figures July to September 2011 Q3 2011

in € thousands unless otherwise specified	Q3 2011	Q3 2010	Δ	Δ %
Sales	13,546	12,971	575	4
Operating result before depreciation and amortization (EBITDA)	2,536*	2,268	268	12
Operating result (EBIT)	1,582*	1,434	148	10
Total net profit for the period	363	1,095	-732	-67
Earnings per share (EUR)	0.05	0.17	-0.12	-71
Number of shares (weighted)	6,625,899	6,625,899	0	0
Equity	39,909	37,452	2,457	7
Equity ratio (%)	55	56	-1	-1
R&D expenses	3,389	771	2,618	340
Number of employees	436	333	103	31

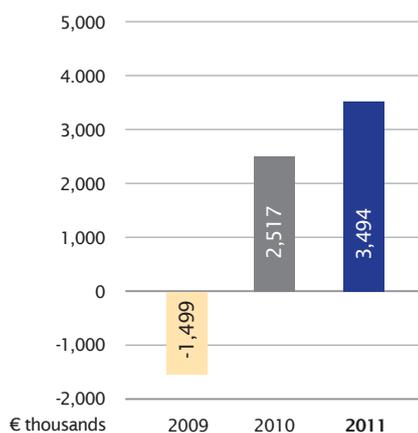
\* adjusted for transaction costs expensed in conjunction with the acquisition of the Sensortechnics Group

# 3,5

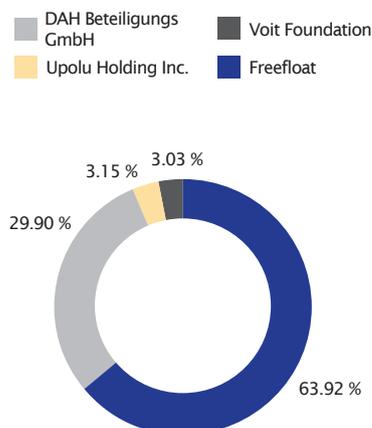
**EBIT in € million before transaction costs**

EBIT up 39% to €3.5 million compared to 9M 2010

#### EBIT Interim Financial Report 9M 2009 - 2011



#### Shareholder Structure as at September 30, 2011



## Foreword

# Foreword

## Our ascent to becoming the world's leading developer and manufacturer of specialized sensor solutions is complete!

Dear shareholders,  
dear business partners and  
employees,

With the acquisition of a controlling interest in the Sensortech Group with effect from October 1, 2011, First Sensor has stepped up into a new league. This transaction has resulted in the emergence of one of the world's largest developers and manufacturers of high-quality sensor solutions. The Sensortech Group consists of Sensortech GmbH, Klay B.V., Elbau GmbH along with Sensortech subsidiaries in the US, Netherlands, in Canada, Sweden, Singapore and the UK. In the 2011 financial year, Sensortech as a whole is expected to generate sales of €60 million with its 270 employees at eight locations, thereby doubling the size of First Sensor.

The merger serves to further expand our integrated industrial group, placing us on a level with other major global providers of specialized sensors:

- In 2012, First Sensor will record sales of around €120 million with some 750 employees, making it even more interesting as a partner for major clients in particular.
- More than 4,000 direct customer relationships in all key industries ensure stable capacity utilization and the potential for further growth.
- With a total of 14 locations in Germany, the USA, Canada, the Nether-

lands, Sweden, the UK and Singapore and a broad-based network of distributors and cooperation partners, a global presence in all key markets is ensured.

### Extensive strategic benefits of new orientation

The acquisition gives rise to a number of strategic advantages that will benefit First Sensor's customers, as well as generating various synergies:

#### Distribution channels

The distribution strength of Sensortech will create an additional sales channel for First Sensor's products. In past annual reports, we detailed the establishment of our own distribution network and the initial success of new projects for existing customers and the acquisition of new customers. The merger with Sensortech will significantly strengthen this area. The possibility of offering existing sensor solutions to new customer groups will substantially expand our distribution options. This is particularly relevant in light of the fact that we already have good knowledge of the product cycles and requirements of our customers thanks to our direct customer relationships.

#### Expansion of industry portfolio

The low level of industry overlap between First Sensor and Sensortech means that the latter is an optimal addition to the portfolio. To date, we have focused on the



Dr. Hans-Georg Giering  
Chief Executive Officer



Dr. Ingo Stein  
Chief Financial Officer

areas of mobility, aerospace, life science, industrial and security. Sensortechnics will contribute many decades of experience in the areas of life science, food and shipbuilding in particular. As well as being largely independent of individual industrial cycles, the opportunity to transfer sensor solutions between these industries represents another significant benefit. The expanded group is able to draw upon a wide range of industry solutions and support both existing and new customers in increasing the benefit of their products.

#### Expansion of added value

The merger further expands the competitive advantage of First Sensor in terms of offering customers the complete product value chain, from sensor components and modules through to complete sensor systems. Elbau will complement the module area, while Sensortechnics and Klay will increase the Group's systems expertise. First Sensor's ability to act as a "one-stop shop", which has been further enhanced by the acquisition, will allow it to attract new customer groups and expand its existing customer base.

#### Flexible batch sizes

With Elbau, First Sensor has added a packaging company that will expand its expertise in the area of medium-sized batch sizes for the manufacture of sensor modules. This means that First Sensor now has significantly expanded flexibility in terms of batch sizes (small/medium) and can optimally allocate its production to reflect customer requirements. The ability to reallocate and divide its capacities between locations will also mean greater security of supply for customers.

#### Expansion of scalability

In past publications, we have often reported on the increased economies of scale resulting from the investments we have made since 2008, particularly due to the expansion of our production capacities at our Berlin site, the improved efficiency of our production facilities and the combination of production processes in the areas of OPTO and MEMS. The significant expansion of the group will provide a further boost for this process of scalability. For example, cross-selling will be possible between sensor components, sensor modules and sensor systems, thereby increasing the utilization of the individual locations. In addition, the increased opportunities for order allocation mean that the utilization of the individual locations can be optimized. Meanwhile, the increase in intragroup trade and the resulting internalization of purchasing margins will also increase the profitability of First Sensor AG.

#### Potential capacity for large orders

In previous publications, we have also stated that the significant expansion in major orders for camera systems and steering angle sensors as reported in ad hoc disclosures has broken a certain barrier, making First Sensor increasingly attractive for large customers. With the company's size now doubling, the likelihood of major orders being placed by customers has increased further. The financial stability of the expanded Group is also relevant in this context. With equity well in excess of €70 million following the capital increase and a high level of cash and cash equivalents, the First Sensor Group is in an excellent financial position. For many

# 10 %

Share price increase  
since announcement of  
takeover transaction

# 120

Sales target for 2012 in € million  
with approx. 750 employees

## Foreword

4,000

Direct customer relationships  
in all key industries

14

Locations in all key markets  
serve to ensure global presence

customers, this is a decisive factor in the placement of long-term orders.

### Wider technology base

The significantly broader base of expertise and resources means that new products and manufacturing technologies can be developed more easily. First Sensor has access to a comprehensive base of sensor solutions that have been developed by the individual Group companies over the past decades.

### More efficient sales structures

The combination of sales activities, particularly in Europe as well as in the USA and Asia, means that critical mass can be achieved more quickly and expanded more easily in these markets.

By systematically leveraging these strategic benefits, seven-digit synergies will be generated over the coming years. The integration of the Sensortech Group will be the focal point of activities in the next quarters. This will be facilitated in particular by the fact that the individual companies have already cooperated in a spirit of mutual trust for a number of years. The process will be eased significantly by the low degree of industry overlap and the way in which the acquired companies optimally expand First Sensor's value chain. Instead of a restructuring, there will be a joint expansion of activities. The resulting market opportunities are many and varied.

### Successful financing in a turbulent capital market environment

First Sensor has succeeded in implementing this major acquisition in a

difficult capital market environment. The purchase price is financed by equity and debt to a roughly equal extent. This allows for the maintenance of healthy balance sheet ratios while making the dilutive effect manageable.

The capital increase was implemented from authorized capital. A total of 3.2 million new shares were placed at an issue price of €10. In the light of the turbulence affecting the capital markets at present, this is a huge demonstration of the confidence of our shareholders and something for which we would like to express our gratitude on behalf of the Management Board. With DPE Deutsche Private Equity GmbH (Alegria Beteiligungsgesellschaft mbH), we have obtained another major shareholder to support Company's long-term development along with DAH Beteiligungs GmbH.

The other half of the purchase price was financed by way of a long-term EURIBOR-based syndicated loan with major German banks at arm's-length conditions. We would also like to thank the banks involved for their confidence in us.

Following the integration of Sensortech, the consolidated equity ratio will be well in excess of 40%.

The current share price development shows that the capital markets are rewarding the most important strategic step in the Company's history to date. Since the transaction was announced on September 29, the share price has risen by more than 10%, while the average trading volume has also increased significantly: around 29,000 shares a day were traded on XETRA and in Frankfurt in July, whereas this figure

had risen to 36,000 shares a day by September.

## Successful business development in the first nine months

The activities of the Sensortechnics Group will be included in the consolidated financial statements of First Sensor with effect from October 1, 2011. In the first nine months of the current financial year, First Sensor recorded significant year-on-year growth in both sales and earnings. Sales increased by 26% to €40.7 million (previous year: €32.3 million). The operating result (EBIT) before the acquisition costs for the Sensortechnics Group improved by 39% to €3.5 million (previous year: €2.5 million), corresponding to an EBIT margin of 9% (previous year: 8%). The transaction costs expensed to date in conjunction with the acquisition, which amounted to €0.5 million, included in particular legal and consulting costs for due diligence activities, valuations, contractual negotiations and arrangements, and legal reports. The operating result (EBIT) after these transaction costs amounted to €3.0 million. Net profit for the period before transaction costs increased by 40% year-on-year to around €2.5 million (previous year: €1.8 million). After adjustment for transaction costs, net profit amounted to €2.1 million. Orders on hand excluding the Sensortechnics Group increased by 36% to €30.1 million, thereby reflecting our dynamic future business development.

Our balance sheet ratios remained stable. Equity amounted to €40 million, corresponding to an equity ratio of 55%. Cash and cash equivalents of €11.3 million will safeguard our future growth path. Our strong financial position was also confirmed by the Top 1 rating that was recently

awarded by Hoppenstedt Kreditinformation GmbH – a level that was only achieved by 3.3% of the 4.5 million companies analyzed.

## Forecast for 2012

The acquisition means that our earnings forecasts must be increased. We trust you will understand that concrete forecasts can only be issued after the company units have been integrated in full and final purchase price allocation has taken place. However, we do wish to make some preliminary forecasts at this point. In 2012, we intend to generate sales of around €120 million and an operating result before interest, taxes, depreciation and amortization of around €15 million. The aim is to achieve double-digit sales growth over the coming years. We intend to record sales in excess of €150 million by 2015. We are maintaining our target of an EBIT margin of 15% in the medium term. Despite the higher interest expense and amortization due to purchase price allocation, earnings per share will increase further even after the transaction.

As announced, we have now combined our MEMS activities with our optoelectronics operations. The relocation of 50 employees and equipment went smoothly. This was thanks to the superlative efforts of our employees over recent months. The joint production with expanded cleanroom capacities will form the basis for future economies of scale as the underlying production processes in both areas are the same, meaning that the factory constructed in 2008 will have a higher utilization rate.

In celebrating our 20th anniversary, we have made another quantum leap with the doubling of our size. Exciting times

# 26 %

Sales growth  
to €40.7 million

# 39 %

EBIT growth  
to €3.5 million

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Share price performance

# 150

Sales target for 2015  
in € million

lie ahead of us, and we will be delighted to accompany us on our path to becoming the world's leading manufacturer of specialized sensors. for you, our shareholders, customers, employees and business partners, to

Berlin, November 2011

First Sensor AG



Dr. Hans-Georg Giering  
Chief Executive Officer



Dr. Ingo Stein  
Chief Financial Officer

# Share price performance

## First nine months 2011



First Sensor AG  
 ISIN: DE0007201907  
 WKN (German securities identification code): 720190  
 Symbol: SIS

# Consolidated interim financial statements

## Business segments of the First Sensor Group

### Preliminary remark: Acquisition of the Sensortechnics Group

With the acquisition of 100% of the shares of Sensortechnics GmbH, First Sensor AG obtained control over the Sensortechnics Group with effect from October 1, 2011. This acquisition has doubled the size of the First Sensor Group. The Sensortechnics Group will be included in the consolidated financial statements with effect from October 1, 2011. Although the following description of the business segments relates to the period prior to the acquisition, the fact that the newly acquired companies represent an optimal addition to First Sensor's value chain means that the fundamental statements remain unchanged.

### Business segments

First Sensor is a developer and manufacturer of customer-specific high-end sensor solutions. These innovative sensor solutions are used for the high-quality conversion of non-electric variables (radiation, light, pressure, speed, temperature, moisture, etc.) into electric variables that can then be used in our customers' electronic systems. This means that our sensor solutions make an important contribution to the competitiveness of their products. Our most important activities include solutions in the area of optical sensors and MEMS sensors (microelectromechanical

systems), which involve pressure, position and acceleration sensors in particular.

The individual companies of the First Sensor Group are active along the entire value chain. In addition to sensor components, First Sensor develops and manufactures highly reliable customer-specific hybrid circuits and products in the areas of microsystems technology and advanced packaging (sensor modules) right through to complete sensor systems. Customers include prominent industrial groups and research institutes. A project generally starts with the customer issuing the specifications and the joint preparation of a development strategy. Following an extensive development and test phase, a supply relationship is initiated that generally lasts for a number of years.

First Sensor's sensor solutions are mostly used as key components in every conceivable application in a wide range of industries, meaning that it is largely independent of cyclical developments in the individual sectors. The market for high-end sensor solutions that we address remains a strong growth market.

First Sensor is one of the world's technology leaders, developing and producing optical and MEMS-based high-end sensor solutions for the most stringent specifications. Among other things, this includes the avalanche photodiodes (APD) and ava-

lanche photodiode arrays developed and manufactured by First Sensor in the past, which enjoy a leading global position in their field. One use for these APDs is in high-precision distance measurement systems for a wide range of applications together with laser modules.

First Sensor's sensor solutions are employed in a wide range of applications, such as in electronic folding rules, in tank pressure and sun angle sensors for motor vehicles, in air conditioning systems, in blood glucose monitors, in X-ray machines for baggage screening, in machine controls, in aerospace research, in cancer operations, in truck toll monitoring or in measurement systems for the pharmaceutical and environmental technology industries, to name just a few examples.

## Business development in the first nine months of 2011

### Preliminary remark

Following the acquisition of control over the Sensortech Group with effect from October 1, 2011, the size of the First Sensor Group will double. Initial consolidation will take place as of October 1, 2011, meaning that the assets and earnings of Sensortech will be recognized for the first time in the fourth quarter of the current financial year.

Various transaction costs were incurred to a not insignificant extent in the course of the acquisition process. This includes costs for the procurement of equity and debt, due diligence, legal reports, the preparation of acquisition negotiations, contractual arrangements, valuations and notarization. Some of these non-recurring costs were expensed immediately. In order to ensure that it is not distorted, the following comparability of the results of operations applies the figures before transaction costs.

### Business development

In the first nine months of the 2011 financial year, sales increased by 26% year-on-year to €40.7 million (previous year: €32.3 million). The main sales driver in this period was existing customers who initiated a number of new projects or expanded their order volume. Further new projects will begin in the fourth quarter. The sustained dynamism of our business

performance is also illustrated by orders on hand, which rose by 31% as against September 30, 2010 to total €30.1 million. This figure does not include the expansion of the major orders for the supply of high-precision camera systems for a prominent carmaker (with a term until 2018) and the production of steering angle sensors for a major European carmaker (with a term until 2016), which was announced in Q2 and Q3. Both orders have potential sales in the double-digit million range.

Gross income increased by 19% year-on-year to €24.8 million. The 4% decrease in the gross profit margin to 56% reflects the change in the product mix and the different added value as a result.

In the first three quarters of the current financial year, sales, research and development resources and middle management were expanded with a view to the future growth in business activities and the integration of the Sensortech Group following its acquisition. These investments are the main reason for the 15% increase in staff costs to €12.9 million and the 29% increase in other operating expenses to €6.1 million as against the same period of the previous year. In addition, new appointments were made to production positions to reflect the significant growth in orders. Other operating expenses also include extraordinary transaction costs in conjunction with the acquisition of the Sensortech Group in the amount

of €0.5 million. The comparative figures for the previous year do not include the corresponding first-quarter expenses of First Sensor Technology GmbH, which was only consolidated as of April 1, 2010.

EBITDA before transaction costs increased by 26% to €6.2 million (previous year: €5.0 million). EBITDA after transaction costs amounted to €5.8 million. The 12% rise in depreciation and amortization to €2.7 million reflects the investments in improving production efficiency and the integration of MEMS at our sensor factory in Berlin-Oberschöneweide in particular.

EBIT before transaction costs increased by 39% year-on-year to €3.5 million (previous year: €2.5 million). EBIT after transaction costs amounted to €3.0 million.

The financial result, which primarily includes interest for investment loans, amounted to minus €0.5 million (previous year: to minus €0.5 million). Net profit for the first nine months before transaction costs increased by 38% to €2.5 million, while net profit for the first nine months after transaction costs amounted to €2.1 million.

Group equity amounted to €39.9 million (December 31, 2010: €38.0 million), corresponding to an equity ratio of 55% (previous year: 56%). Together with cash and cash equivalents of €11.3 million, the Company is excellently positioned for

shaping its continued growth. These key figures are also important for our customers when it comes to choosing a manufacturer, as development and production processes often take a number of years and the long-term financial stability of the selected partner plays a major role.

Total current and non-current loans increased by €2.7 million to €15.9 million compared with December 31, 2010 as a result of the net new borrowings. The new loans are primarily intended for the acquisition of plant and equipment to improve production efficiency and the necessary construction measures for the combination of optoelectronics and MEMS at the Berlin-Oberschöne weide location.

The increase in trade receivables compared with December 31, 2010 (up €1.3 million to €7.4 million) as well as the stock (up €1.4 million to €13.1 million) are at-

tributable to the growth in sales and orders and the creation of buffer stores in the first half of the current financial year in preparation for the relocation of First Sensor Technology GmbH from Adlershof to Oberschöne weide.

The Group had a total of 436 employees as of September 30, 2011. The increase compared with September 30, 2010 (333 employees) is primarily attributable to the expansion of production in response to the higher level of utilization, as well as the expansion of sales, research and development and middle management.

At €2.1 million, cash flow from operating activities was down on the previous year (€3.9 million). The main reason for this development was the substantial increase in working capital in the first nine months of 2011, which was attributable to the strong sales growth and the esta-

ishment of buffer stores in preparation for the integration of MEMS activities at the Berlin-Oberschöne weide location. Cash flow from investment activities in the amount of €7.9 million (previous year: €7.2 million; this figure also included the acquisition of a subsidiary) was characterized by investments in property, plant and equipment, including for the further improvement of production efficiency and the expansion of production lines at all locations. Repayments of loans in the amount of €3.5 million were offset by new borrowings in the amount of €5.6 million (excluding changes in working capital loans), resulting in cash flow from financing activities of €1.8 million (previous year: minus €0.5 million). The net change in cash and cash equivalents amounted to minus €4.0 million (previous year: minus €3.7 million).

## Outlook

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The acquisition of the Sensortechnics Group means that our earnings forecasts must be increased. Concrete forecasts can only be issued after the company units have been integrated in full and final purchase price allocation has taken place. However, the following forecasts can be

made at present: In 2012, First Sensor is expecting to record sales of around €120 million and an operating profit before interest, taxes, depreciation and amortization of around €15 million. The aim is to continue to achieve double-digit sales growth over the coming years. We intend

to record sales in excess of €150 million by 2015. We are maintaining our target of an EBIT margin of 15% in the medium term. Despite the higher interest expense and amortization due to purchase price allocation, earnings per share will increase further even after the transaction.

Berlin, November 2011

First Sensor AG



Dr. Hans-Georg Giering  
Chief Executive Officer



Dr. Ingo Stein  
Chief Financial Officer

# Financial Statements

## First Sensor AG Consolidated Balance Sheet, ASSETS as at September 30, 2011 (IFRS, unaudited)

in € thousands unless otherwise indicated	Sept. 30, 2011	Dec. 31, 2010
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	11,300	14,604
Accounts receivable	7,438	6,145
Due from affiliated companies	14	24
Inventories	13,133	11,704
Tax refund claims	27	115
Payments and accrued income and other current assets	1,477	1,456
<b>Total current assets</b>	<b>33,389</b>	<b>34,048</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	30,171	26,989
Intangible assets	3,699	2,227
Shares in affiliated companies	906	906
Goodwill	3,424	2,971
Deferred tax assets	792	946
Other non-current assets	34	22
<b>Total non-current assets</b>	<b>39,026</b>	<b>34,061</b>
<b>TOTAL ASSETS</b>	<b>72,415</b>	<b>68,109</b>

Consolidated Balance Sheet, Assets/Liabilities

Interim Financial Report  
as at September 30, 2011

## First Sensor AG

### Consolidated Balance Sheet, LIABILITIES

#### as at September 30, 2011 (IFRS, unaudited)

in € thousands unless otherwise indicated	Sept. 30, 2011	Dec. 31, 2010
<b>CURRENT LIABILITIES</b>		
Current loans	4,653	4,659
Accounts payable	4,313	3,778
Due to affiliated companies	31	0
Advances from customers	2,077	1,914
Accrued liabilities	426	515
Liabilities from income tax	932	771
Other current liabilities	2,016	2,983
<b>Total current liabilities</b>	<b>14,448</b>	<b>14,620</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term interest-bearing loans	11,274	8,533
Provisions	168	165
Deferred taxes	1,171	1,174
Prepayments and accrued income	5,390	5,531
<b>Total non-current liabilities</b>	<b>18,003</b>	<b>15,403</b>
<b>Minority interests</b>	<b>55</b>	<b>78</b>
<b>TOTAL EQUITY</b>		
Subscribed capital	33,130	33,130
Reserves	1,456	1,642
Currency adjustment items	-245	-241
Net profit	5,568	3,477
<b>Total equity</b>	<b>39,909</b>	<b>38,008</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>72,415</b>	<b>68,109</b>

**First Sensor AG**  
**Consolidated Statement of Comprehensive Income**  
**First Nine Months 2011 (IFRS, unaudited)**  
**Third Quarter 2011 (IFRS, unaudited)**

in € thousands unless otherwise indicated	Jan. 1, 2011 - Sept. 30, 2011	Jan. 1, 2010 - Sept. 30, 2010	July 1, 2011 - Sept. 30, 2011	July 1, 2010 - Sept. 30, 2010
Sales	40,711	32,283	13,546	12,971
Other operating income	1,153	1,084	401	353
Change in inventories of finished goods and unfinished goods	1,033	862	159	667
Other own work capitalized	1,356	535	595	201
Cost of materials/purchased services	-19,436	-13,787	-6,134	-5,676
Personnel expenses	-12,932	-11,274	-4,516	-4,441
Depreciation of property, plant and equipment and amortization of intangible assets	-2,732	-2,439	-954	-834
Other operating expenses	-6,142	-4,747	-2,481	-1,807
<b>Operating result</b>	<b>3,011</b>	<b>2,517</b>	<b>616</b>	<b>1,434</b>
Interest income	74	0	24	0
Interest expenses	-624	-550	-239	-168
Currency gains	117	59	69	0
Currency losses	-105	0	3	-123
<b>Result before taxes and minority interests</b>	<b>2,473</b>	<b>2,026</b>	<b>473</b>	<b>1,143</b>
Taxes on income	-406	-144	-115	-27
<b>Net profit for the period</b>	<b>2,067</b>	<b>1,882</b>	<b>358</b>	<b>1,116</b>
<b>Net profit for the period attributable to First Sensor AG shareholders</b>	<b>2,091</b>	<b>1,784</b>	<b>363</b>	<b>1,095</b>
Net profit for the period attributable to minority interests	-24	98	-5	21
<b>EXPENSES AND INCOME RECOGNIZED DIRECTLY IN EQUITY</b>				
Differences from currency conversion (after taxes)	-4	55	90	-136
Net gain/loss from cash flow hedges (after taxes)	-42	82	-53	25
Net gain/loss from transaction costs	-260	0	-195	0
<b>Total expenses and income recognized directly in equity</b>	<b>-306</b>	<b>137</b>	<b>-158</b>	<b>-111</b>
<b>TOTAL NET PROFIT FOR THE PERIOD</b>	<b>1,761</b>	<b>2,019</b>	<b>200</b>	<b>1,005</b>
<b>Basic earnings per share (EUR)</b>				
Number of shares applied in the calculation of basic earnings per share (thousands)	6,626	6,626	6,626	6,626
<b>Diluted earnings per share (EUR)</b>	<b>0.31</b>	<b>0.27</b>	<b>0.04</b>	<b>0.16</b>
Number of shares applied in the calculation of basic earnings per share (thousands)	6,689	6,636	6,680	6,641

Consolidated Statement of Comprehensive  
Income

Interim Financial Report  
as at September 30, 2011

Consolidated Statement of Cash Flows

## First Sensor AG

### Consolidated Statement of Cash Flow

#### from January 1, 2011 to September 30, 2011 (IFRS, unaudited)

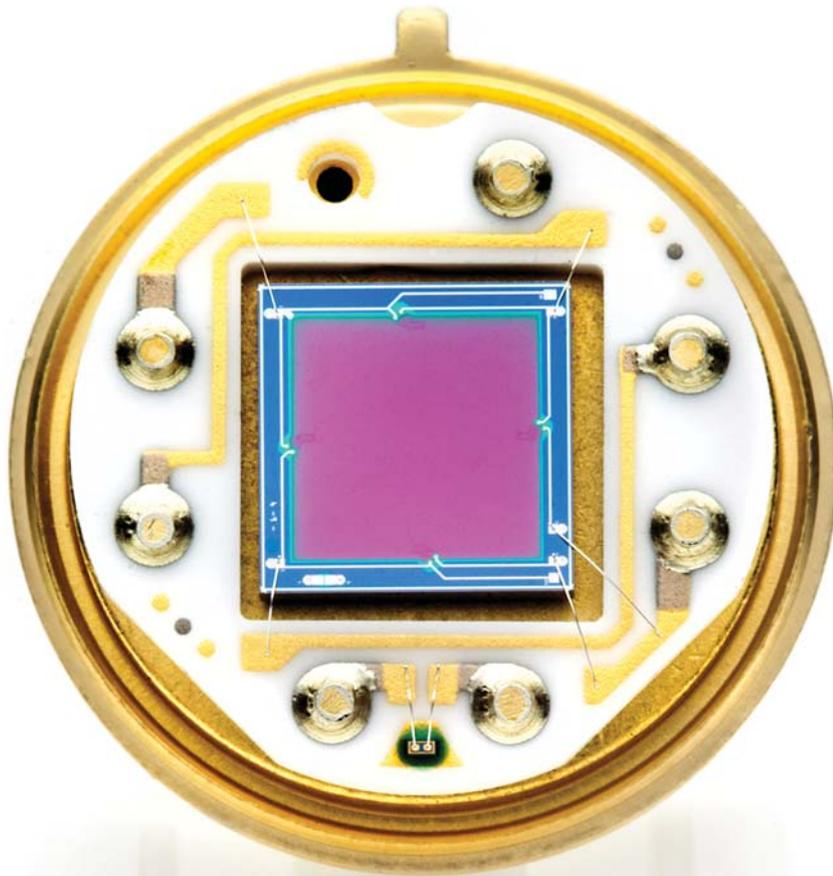
in € thousands	Jan. 1, 2011 - Sept. 30, 2011	Jan 1, 2011 - Sept. 30, 2010
<b>Pre-tax income</b>	<b>2,473</b>	<b>2,026</b>
<b>Adjustments to reconcile operating result with cash flow from operating activities</b>		
Depreciation of property, plant and equipment and amortization of intangible assets	2,733	2,439
Other non-cash expenses/income	117	360
Income from investment grants	-391	-424
Loss on asset disposal	11	0
Interest income	-74	-63
Interest expense	625	613
Income from asset disposal	-1	-30
Increase/decrease in provisions	-86	-160
Increase/decrease in inventories, accounts receivable and other assets not assigned to investment/ financing activities	-2,745	-3,480
Increase/decrease in accounts payable and other liabilities not assigned to investment/financing activities	49	3,221
Interest paid	-639	-601
Income tax paid	49	56
Other profits/losses	0	0
<b>Cash flow from operating activities</b>	<b>2,121</b>	<b>3,957</b>
Payments for investments in property, plant and equipment and intangible assets	-7,387	-2,962
Payments for investments in affiliated companies	-150	-104
Payments for acquisition of subsidiaries	0	0
Receipts from disposal of property, plant and equipment and intangible assets	11	30
Payments for acquisition of subsidiaries less cash acquired	-469	-4,241
Receipts from investment grants	13	3
Interest received	74	63
<b>Cash flow from investment activities</b>	<b>-7,908</b>	<b>-7,211</b>
Receipts from appropriations to equity	0	0
Repayments of financial liabilities	-3,533	-1,818
Distributions to shareholders	0	0
Transaction costs for issuing shares	-260	0
Proceeds from borrowings	5,564	1,301
<b>Cash flow from financing activities</b>	<b>1,771</b>	<b>-517</b>
Currency differences from converting funds	7	55
<b>Net change in cash and cash equivalents</b>	<b>-4,009</b>	<b>-3,716</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>14,058</b>	<b>16,652</b>
<b>CASH AND CASH EQUIVALENTS AT THE REPORTING DATE</b>	<b>10,049</b>	<b>12,936</b>

**First Sensor AG**  
**Consolidated Statement of Changes in Equity**  
**First Nine Months 2010 (IFRS, unaudited)**

	Num- ber of shares (‘000)	Sub- scribed capital	Share pre- mium	Revenue reserves	Unrealized profit/loss	Balance sheet loss/ profit	Exchange equalization items	Minority interests	Total equity
in € thousands unless otherwise indicated									
<b>January 1, 2010</b>	<b>6,626</b>	<b>33,130</b>	<b>4,618</b>	<b>-586</b>	<b>-209</b>	<b>-1,231</b>	<b>-339</b>	<b>-6</b>	<b>35,377</b>
Differences from currency conversion									0
Result shown directly as equity, total					82				82
<b>Net profit for the period</b>					<b>82</b>	<b>1,785</b>	<b>55</b>	<b>98</b>	<b>2,020</b>
Appropriation of balance sheet loss									0
Share capital increase without issue of new shares									0
Share-based remuneration				55					55
Capital increase									0
<b>September 30, 2010</b>	<b>6,626</b>	<b>33,130</b>	<b>4,618</b>	<b>-531</b>	<b>-127</b>	<b>554</b>	<b>-284</b>	<b>92</b>	<b>37,452</b>

**First Sensor AG**  
**Consolidated Statement of Changes in Equity**  
**First Nine Months 2011 (IFRS, unaudited)**

	Num- ber of shares (‘000)	Sub- scribed capital	Share pre- mium	Revenue reserves	Unrealized profit/loss	Balance sheet loss/ profit	Exchange equalization items	Minority interests	Total equity
in € thousands unless otherwise indicated									
<b>January 1, 2011</b>	<b>6,626</b>	<b>33,130</b>	<b>2,136</b>	<b>-404</b>	<b>-90</b>	<b>3,477</b>	<b>-241</b>	<b>78</b>	<b>38,086</b>
Net profit/loss for the period						2,091		-24	2,067
Result shown directly as equity, total					-302		-4		-306
<b>Total net profit/loss for the period</b>					<b>-302</b>	<b>2,091</b>	<b>-4</b>	<b>-24</b>	<b>1,761</b>
Share-based remuneration				117					117
<b>September 30, 2011</b>	<b>6,626</b>	<b>33,130</b>	<b>2,136</b>	<b>-287</b>	<b>-392</b>	<b>5,568</b>	<b>-245</b>	<b>54</b>	<b>39,964</b>



# Notes to the consolidated financial statements

## Explanations

(all figures in € thousand unless otherwise indicated)

### General

First Sensor AG, Berlin (hereinafter "FIS" or "the Company") is a listed stock corporation domiciled in Berlin. At the Annual General Meeting on June 9, 2011, the shareholders resolved to rename the former Silicon Sensor International AG as First Sensor AG. The new name was entered in the commercial register on June 25, 2011.

### Consolidated interim financial statements

The consolidated interim financial statements for the period ended September 30, 2011 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) approved by the IASB as required to be applied in the European Union (EU) and valid as of the reporting date. The requirements of the German Securities Trading Act (WpHG) were also applied.

All of the information in this interim report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor.

The reporting currency is the euro (€); unless otherwise indicated, all amounts are presented in thousands of euro (€ thousands).

### Presentation of accounting policies

As a matter of principle, the accounting policies applied in preparing the consolidated interim financial statements were the same as those applied in preparing the 2010 consolidated financial statements. A detailed description of these accounting policies can be found in the published consolidated financial statements for the 2010 financial year.

### Basis of consolidation

In the previous financial year, First Sensor Technology GmbH was included in consolidation for the first time with effect from April 1, 2010. This means that the comparability of the results of operations for the first nine months of 2010 and 2011 is limited.

The assets, liabilities and results of the acquired Sensortechnics Group, which consists of Sensortechnics GmbH, Puchheim, and its subsidiaries Elbau Elektronik Bauelemente GmbH, Berlin, Klay Instruments B. V., Netherlands, and other subsidiaries, will be included in consolidation for the first time with effect from October 1,

2011. Accordingly, the consolidated financial statements for the period ended September 30, 2011 is not yet affected by the acquisition and the business activities of these companies.

### Impairment of non-current assets

The First Sensor Group continuously monitors its non-current assets for impairment by comparing its planned and actual operating results. In the first nine months of 2011, there were no indications that non-current assets were impaired above and beyond the reported carrying amount of these assets.

### Financial liabilities

In the period from January 1 to September 30, 2011, the First Sensor Group entered into financial liabilities totaling €6.9 million for the expansion and efficiency improvement of its production capacities. The loans were concluded for a term of seven years. Interest is largely variable. The loans are secured through the assignment of machinery and equipment.

### Report on post-balance sheet date events

With the acquisition of 100% of the shares of Sensortechnics GmbH, First Sensor AG obtained control with effect from Octo-

ber 1, 2011. This transaction will double the size of First Sensor, making it one of the world's largest developers and manufacturers of sensor solutions. The merger is expected to give rise to seven-digit synergies over the coming years. The purchase price of a maximum of €66.75 million was financed roughly equally by a capital increase from authorized capital and a long-term bank loan.

The cash capital increase was entered in the commercial register on October 25, 2011. The share capital was increased by €16.1 million as of September 30, 2011, from €33.1 million to €49.2 million. Premium payments of €16.1 million were transferred to capital reserves. The proceeds of the issue amounted to €32.2 million.

A syndicated loan agreement with a total volume of €39 million was concluded

with banks. The loan agreement has a term of five years. Interest is variable on a EURIBOR basis. Among other things, the shares in Sensortechneics were pledged as security for the loans.

The assets, liabilities and results of the Sensortechneics Group will be included in the consolidated group of First Sensor AG with effect from October 1, 2011. Final purchase price allocation had not yet taken place as of the balance sheet date due to the proximity of the acquisition transaction and various contractual arrangements. Based on the preliminary considerations on purchase price allocation, the purchase price including contingent purchase price components (€54 million) will consist of acquired net assets at a carrying amount of €10 million and hidden reserves less deferred taxes in the amount of €44 million. The acquired hidden reserves are attributable to acquired orders/customer relationships,

trademarks, patents/technologies product developments, deferred taxes and goodwill. Based on initial estimates, €26 million of the acquired hidden reserves have an indefinite useful life.

## Responsibility statement

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

Berlin, November 2011

First Sensor AG



Dr. Hans-Georg Giering  
Chief Executive Officer



Dr. Ingo Stein  
Chief Financial Officer

## Legal Notice

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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 report were produced on the basis of a probability-based plan and represent statements regarding the future which cannot be guaranteed.

## Financial Calendar 2011

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Date	Topic	Location
2011-11-18	Publication of Interim Financial Report Q3	
2011-11-21 – 2011-11-23	German Equity Capital Forum	Congress Center at Messe Frankfurt, Frankfurt am Main

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## Contact

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First Sensor AG  
Peter-Behrens-Str. 15  
D-12459 Berlin  
T +49 30 639923-710  
F +49 30 639923-719  
ir@first-sensor.com  
www.first-sensor.com

This Interim Financial Report 2011 is available in German and English.

Both versions are also available for download on the internet at  
[www.first-sensor.com](http://www.first-sensor.com).

Legal Notice  
Financial Calendar 2011

Interim Financial Report  
as at September 30, 2011



### First Sensor AG

Peter-Behrens-Str. 15  
12459 Berlin  
Germany  
T +49 30 6399 2399  
F +49 30 6399 2333  
contact@first-sensor.com  
www.first-sensor.com

### First Sensor Technology GmbH

Peter-Behrens-Str. 15  
12459 Berlin  
Germany  
T +49 30 639923-810  
F +49 30 639923-816  
info@mems.first-sensor.com  
www.mems.first-sensor.com

### Microelectronic Packaging Dresden GmbH

Grenzstr. 22  
01109 Dresden  
Germany  
T +49 351 2136-100  
F +49 351 2136-109  
info@mpd.de  
www.mpd.de

### Silicon Micro Sensors GmbH

Königsbrücker Str. 96  
01099 Dresden  
Germany  
T +49 351 3177 62-10  
F +49 351 3177 62-12  
info@smicrosensors.com  
www.smicrosensors.com

### Lewicki microelectronic GmbH

Allee 35  
89610 Oberdischingen  
Germany  
T +49 7305 9602-0  
F +49 7305 9602-50  
info@lewicki-gmbh.de  
www.lewicki-gmbh.de

### Pacific Silicon Sensor, Inc.

5700 Corsa Avenue # 105  
Westlake Village, CA 91362  
USA  
T +1 818 706-3400  
F +1 818 889-7053  
information@pacific-sensor.com  
www.pacific-sensor.com

### Silicon Projects GmbH

Peter-Behrens-Str. 15  
12459 Berlin  
Germany  
T +49 30 6399 2399  
F +49 30 6399 2333  
info@silicon-projects.de  
www.first-sensor.com

### memsfab GmbH

Technologie-Campus 1  
09126 Chemnitz  
Germany  
T +49 371 5347-680  
F +49 371 5347-681  
info@memsfab.de  
www.memsfab.de

### Sensortechncs GmbH

Boschstr. 10  
82178 Puchheim  
Germany  
T +49 89 8008-30  
F +49 89 8008-333  
info@sensortechncs.com  
www.sensortechncs.com



### Sensortechncs Corp.

1980 Sherbrooke St. West  
Suite 505  
Montreal, QC H3H 1E8  
Canada  
T +1 514 938-8089  
info@sensortechncs.com  
www.sensortechncs.com

### Sensortechncs, Inc.

896 Main Street  
Walpole, MA 02081  
USA  
T +1 508 66088-23  
F +1 508 66088-36  
SalesNA@sensortechncs.com  
www.sensortechncs.com

### Sensortechncs Scandinavia AB

Jägerhorns väg 10  
141 75 Kungens Kurva  
Sweden  
T +46 8 4495642  
F +46 8 4495649  
SE@sensortechncs.com  
www.sensortechncs.com

### Klay Instruments BV

Nijverheidsweg 5  
7991 CZ Dwingeloo  
The Netherlands  
T +31 521 5915-50  
F +31 521 5920-46  
info@klay.nl  
www.klay.nl

### ELBAU Elektronik Bauelemente GmbH

Darßer Bogen 19  
13088 Berlin  
Germany  
T +49 30 92404-20  
F +49 30 92404-292  
vertrieb@elbau-gmbh.de  
www.elbau-gmbh.de

### Elbau Singapore Pte. Ltd

3 Kallang Sector  
Singapore 349278  
Republic of Singapore  
T +65 6747 6670  
F +65 6747 5202  
vertrieb@elbau-gmbh.de  
www.elbau-gmbh.de

### Pressure & Flow Ltd.

McGowan House  
66C Somers Road  
Rugby, Warwickshire CV22 7DH  
Great Britain  
T +44 1788 5604-26  
F +44 1788 5612-28  
SalesUK@sensortechncs.com  
www.sensortechncs.com



