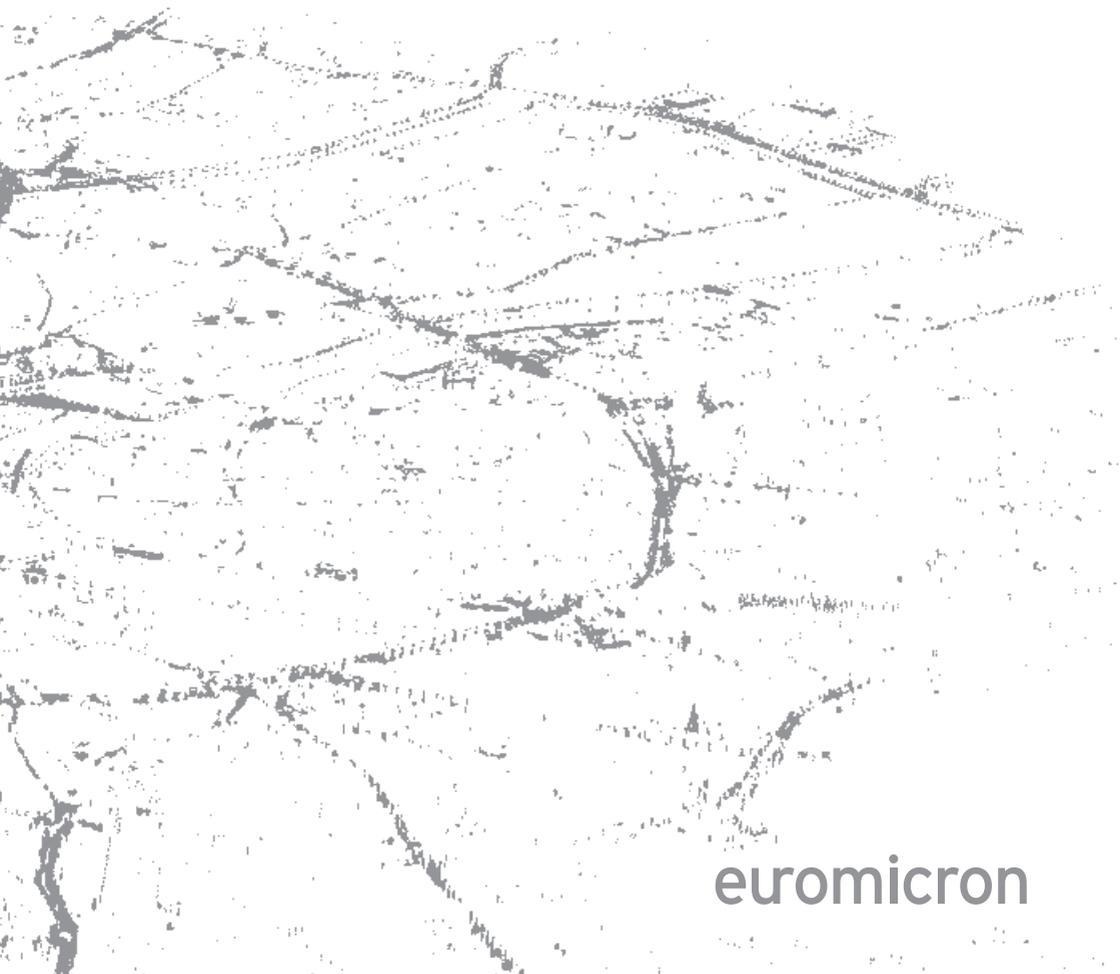


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# INTERIM REPORT

Q1/2015



euromicron

## TUNED TO THE PULSE OF THE DIGITAL FUTURE

Increasing networking and digitization of all conceivable information are impacting how we work and live to a greater and greater extent. The basis for these rapid changes is powerful network infrastructures for data transmission. This supply central system will become the pacemaker for the future.

**euromicron** specializes in creating these network infrastructures. We are geared toward digital future topics relating to the Internet of Things. Our strategy is driven by innovation, efficiency and profitability. By making high-quality components, offering tailored system integration, creating high-performance means of data transmission and delivering powerful security systems, we help our customers be successful in their industries.

## KEY INCOME FIGURES

of the euromicron Group at March 31, 2015

### Key figures

	<b>2015</b>	<b>2014*</b>
	€ thou.	€ thou.
Sales	74,562	75,714
EBITDA	753	2,674
EBITDA margin in % (relative to sales at the reporting date)	1.0	3.5
Operating EBIT **	-85	1,791
Consolidated EBIT	-1,606	116
Consolidated net loss for the period for euromicron AG shareholders	-1,956	-584
Earnings per share in € (undiluted)	-0.27	-0.08
Equity ratio	37.2	37.3
Working capital	79,470	66,856
Working capital ratio in % (relative to sales of the past 12 months)	23.0	20.6
Cash flow from operating activities, adjusted for effects from factoring and customers' monies to be passed on	-2,894	-6,846

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")

\*\* Before holding costs  
(unaudited acc. to IFRS)

## DEAR SHAREHOLDERS, DEAR READERS,

We commenced our work on the Executive Board of euromicron AG effective April 1, 2015. As part of that, our full attention was focused to begin with on systematically dealing with the accounting mistakes from the past. The corrections to mistakes in the valuation of projects from previous years made in the 2014 consolidated financial statements necessitate subsequent adjustments in the quarterly financial statements for 2015 relating to the comparative figures for 2014. In addition, we are also correcting the comparative figures for the previous year for 2014 in the interim financial statements for 2015 due to lump-sum deferrals that were made. As a result of these corrections, the accounting mistakes of the past have now been fully addressed. At the same time, we are continuing to adjust our internal structures and ensure through suitable measures that such errors are not repeated in future.

euromicron AG's performance in the first three months of 2015 was restrained, but is still within expectations for the year as a whole. Sales fell slightly by 1.5% to €74.6 million (Q1 2014: corrected figure of €75.7 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first three months of 2015 were €0.8 million, following a corrected figure of €2.7 million in the same period of the previous year. The decline is mainly attributable to non-recurring effects from severance payments and higher structural costs, lower own work capitalized and a slight increase in the ratio of cost of materials to total operating performance.

New orders in the first quarter of 2015 were €79.1 million (Q1 2014: €98.7 million), since in the first quarter of 2015 euromicron AG deliberately refrained from acquiring large, but low-margin projects. In addition, new business at our production companies was still restrained in some part in the first three months of 2015, mainly due to order postponements. In view of the positive market signals, the order situation should improve significantly in the course of the fiscal year. You can find more information on our business performance in the "Economic report" on pages 9 to 19.

In the first 100 days of our work on the Executive Board, we have laid the groundwork for readjusting the company's strategic focus. As part of that, innovation and efficiency are for us the key drivers so that we can create a profitable growth model in a dynamic market in the medium term. We therefore need to stick unwaveringly to the path we have adopted and develop and enhance euromicron lastingly by rigorously implementing the new strategy. A vital factor in that is a considerably improved differentiation on the market, backed by technical innovations and end-to-end solutions in the "Internet of Things" arena. We would like to take this opportunity to thank in particular our employees, who are a key pillar in achieving our strategic realignment, are right behind us and will help the Group move forward with their know-how and commitment.

Dear shareholders and capital market participants, we thank you for your trust in this phase of radical change. We would be delighted if you were to accompany euromicron AG on its path in future – and always tuned to the pulse of the digital future.

Frankfurt/Main, June 2015

**Bettina Meyer**

Member of the Executive Board  
(Spokeswoman)

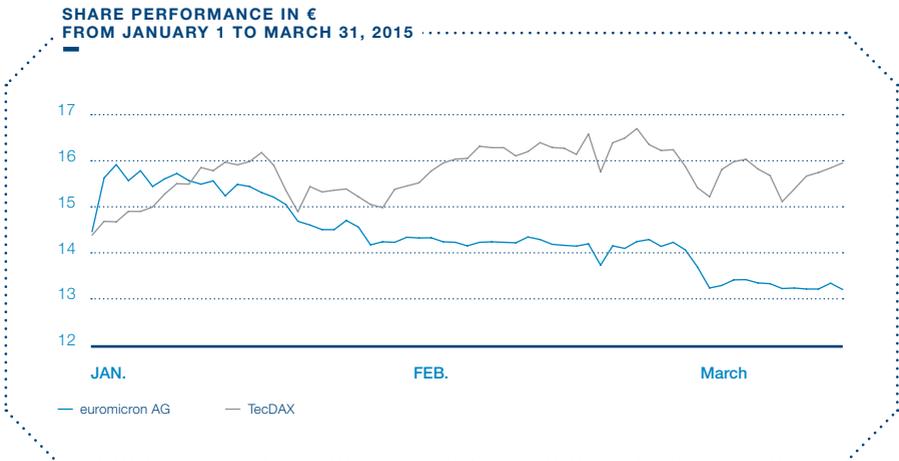
**Jürgen Hansjosten**

Member of the Executive Board

# EUROMICRON'S SHARES

euromicron's share began 2015 and so our fiscal year at €11.70. January was characterized by moderate sideward movements. In February, the price displayed a visible upward trend, with the result that euromicron's share rose to up to €13.73 at the end of the month.

The share peaked in the first quarter of 2015 at €14.80 on March 16, 2015, and posted its lowest mark of €9.16 on March 26, 2015. The share price of euromicron AG on March 31, 2015, was €10.33. A total of 2.36 million shares were traded in the period under review.



# INTERIM MANAGEMENT REPORT

of the euromicron Group from January 1 to March 31, 2015

## Fundamentals of the Group

### Profile

The euromicron Group is a leading provider of complete infrastructure solutions for communications, transmission, security and data networks and has a comprehensive network of branch offices in Germany and at diverse European locations.

The companies in the euromicron Group offer customers from a wide range of different sectors a one-stop shop for tailor-made, vendor-independent solutions. Their portfolio comprises planning, implementation, service and maintenance of communications solutions, as well as developing, producing and distributing network components. We cater for all common transmission media – copper, fiber optic and wireless technology (radio) – and applications. The solutions are used in supraregional networks, metropolitan networks and local area networks for data communication in a wide range of different sectors, public authorities and institutions, data centers, medical engineering and security technology.

Building on this basic business, the euromicron Group develops solutions for digitizing business processes. These solutions focus on the Internet of Things (IoT), a market that will grow strongly in future.

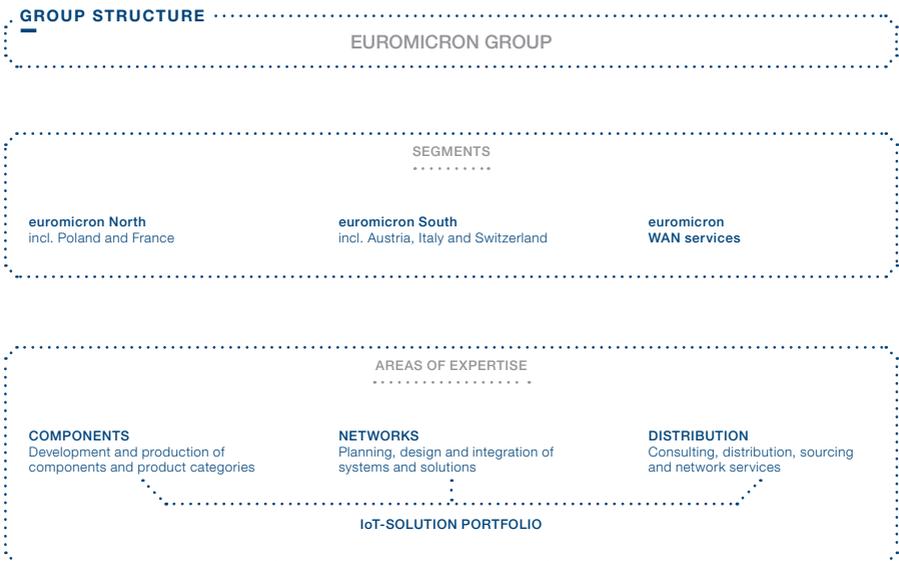
### Legal structure

euromicron AG, Frankfurt/Main, is a strategic management holding that discharges overarching tasks at the Group. They include not only strategic controlling, but also financing, Group controlling and accounting, legal affairs, human resources, purchasing, IT and public and investor relations. The Group's operational business is controlled on the basis of the following three segments, which also form the segments that must be reported on within the meaning of the International Financial Reporting Standards (IFRS):

- euromicron North
- euromicron South
- euromicron WAN services

The consolidated financial statements include the parent company euromicron AG and a further 26 fully consolidated subsidiaries. The common strategic focus on the “Internet of Things” market generates synergies across the companies and segments. That ensures the competitiveness of euromicron’s solution portfolio and opens up new potential for creating value added. Apart from companies in Germany, euromicron North also has representative agencies in Poland and France, while euromicron South also includes companies in Austria, Italy and Switzerland. The WAN services Segment groups business relating to planning, installation and maintenance of wide area networks, i.e. supraregional networks.

The figure below provides an overview of the Group’s structure:



## Areas of expertise

The euromicron Group pools its know-how across segments in the areas of expertise “euromicron components”, “euromicron networks” and “euromicron distribution”. The objective of the areas of expertise is to be successful in their respective markets, but also to achieve synergies between themselves, in particular by jointly developing an IoT solution portfolio.

### euromicron components

The euromicron group unites its technology suppliers in the area of expertise “euromicron components”. They develop and produce active and passive optical network components, high-quality fiber-optic cabling systems, public address systems, testing and inspection equipment, networked workplace systems and highly professional safety and security technology for special applications. Reliable delivery, professional training in how to use our products and comprehensive services round out the portfolio.

We mainly cater for niche markets with high-end products. Our innovative products, components and systems are distinguished by the very highest quality “Made in Germany” and have been certified by major market partners, such as Deutsche Telekom or Deutsche Bahn. We serve international markets through export business and our own branch offices or project offices in the respective countries.

### euromicron networks

The area of expertise “euromicron networks” offers a one-stop shop for integrated solutions for all types of security, communications, transmission and data network, as well as data centers. As a system integrator, we take care of management and handling of the entire project – from planning, consulting, selecting and installing the system technology to service, maintenance and network management.

As part of that, we combine all technologies and applications in the field of information and communications technology (ICT) so as to be able to offer our customers tailored solutions in the Internet der Things (IoT) arena.

By planning, installing and maintaining intelligent digital network infrastructures, the area of expertise “euromicron networks” supports the digitization of business processes of small, medium-sized and large enterprises with customer-specific solutions.

The inclusion of innovative products from “euromicron components” opens up a new market for digital solutions in the future.

### **euromicron distribution**

Our area of expertise “euromicron distribution” advises and supplies customers in a vendor-independent manner in all matters relating to active and passive network components in the fiber-optic and copper arena. It also offers a full portfolio for FTTx networks and passive data center design.

## **Economic report**

### **Overall economy**

According to forecasts by the German Institute for Economic Research (DIW Berlin), the German economy is undergoing a strong upturn, attributable to the fall in the price of oil and the sharp depreciation in the Euro, among other things. Gross domestic product rose by around 0.6% in the first quarter of 2015 and is expected to increase by 2.1% for 2015 as a whole. One of the main factors underpinning that is private consumption. It is expected to increase by 2.5% in 2015 and by 1.6% the year after on the back of strong income growth and favorable trends on the labor market.

The fall in the price of crude oil is having a major impact on overall economic development in Germany. German households benefit from higher real incomes and the German economy, a net importer of crude, benefits from an improvement in trade conditions. Countering that, demand for German goods will probably decline due to the fact that oil-exporting countries generate less income. However, it is anticipated all in all that the positive effects will outweigh the negative ones.

Growth in the Euro area remains at a low level – a rate of 1.3% is anticipated this year and 1.5% in the following year. Although the fall in energy costs means an increase in the spending power of private households, investment will probably only recover gradually, since reducing debt still has priority for many companies.

According to the forecast of the DIW's economic experts, the global economy will grow by around 4% in 2015 and 2016 respectively. That would mean a noticeable increase compared with the past three years. Economic activity is robust in a number of industrialized countries, in particular the U.S. and United Kingdom. However, it tends to be weak overall in some major emerging countries. For example, the rate of expansion in China has been declining since mid-2014. The sharp fall in oil prices and a monetary policy that remains expansionary for the time being are providing boosts.

### **The industry**

The German Association for Information Technology, Telecommunications and New Media (BITKOM) expects the ICT market to perform positively in fiscal year 2015. In March, BITKOM increased its growth forecast for revenue from information technology, telecommunications and entertainment electronics from 0.6% to 1.5% and expects total revenue of €155.5 billion. According to the forecast, revenue in the information technology segment will increase by 3.2% to €80.3 billion in 2015.

## Sales

euromicron Group at March 31, 2015

### Sales development – consolidated by regions

	<b>2015</b>	<b>2014</b>
	€ thou.	€ thou.
Germany*	65,321	65,665
Euro zone	6,730	7,610
Rest of World	2,511	2,439
<b>Consolidated net sales</b>	<b>74,562</b>	<b>75,714</b>

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

The euromicron Group's sales in the first quarter of 2015 were €74.6 million (previous year: €75.7 million) and so were largely stable year on year. As in previous years, 2015 is expected to exhibit the customary seasonal course of business: euromicron provides most of its value-added services and bills for a large part of its projects in the fourth quarter.

Our home market of Germany remains the focus of our commercial activity. Sales of €65.3 million (previous year: €65.7 million) – or around 87.6% of total sales – were generated there.

We are represented in other European countries with our own locations in Italy, Austria, Benelux, France, Poland and Switzerland. Other foreign business is mainly tapped by product export and individual project business, with this being controlled from Germany. We are represented in some non-European countries in the shape of project offices, for example in China and Pakistan, so as to cater for market requirements there. Our foreign sales were €9.3 million, slightly down on the previous year's figure of €10.0 million, and so accounted for 12.4% of total sales.

## Income

euromicron Group at March 31, 2015

### Key income figures

	<b>2015</b>	<b>2014*</b>
	€ thou.	€ thou.
Consolidated EBIT	-1,606	116
Operating EBIT **	-85	1,791
EBITDA	753	2,674
EBITDA margin in % (relative to sales at the reporting date)	1.0	3.5
Income before taxes	-2,403	-731
Consolidated net loss for the period for euromicron AG shareholders	-1,956	-584
Earnings per share in € (undiluted)	-0.27	-0.08

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")

\*\* Before holding costs  
(unaudited acc. to IFRS)

Consolidated earnings before interest and taxes (EBIT) at March 31, 2015, were € -1.6 million compared with €0.1 million at March 31, 2014. EBITDA was €0.8 million (previous year: €2.7 million). €0.5 million of the €1.9 million decline in EBITDA is due to non-recurring effects from severance payments. Higher structural costs also reduced income slightly. In addition, the ratio of cost of materials to total operating performance increased by 0.9 percentage points year on year, reducing income by €0.8 million. Moreover, own work capitalized fell by €0.3 million.

The cost of materials was €39.7 million (previous year: €39.2 million), slightly higher year on year, while total operating performance was virtually constant. The cost of materials relative to total operating performance (defined as the total of sales and inventory changes) was around 52.7% (previous year: 51.8%). This increase is attributable to changes in the margin mix of projects billed in the first quarter. In addition, the production companies in some cases made products for stock for impending orders in the first quarter of 2015, which resulted in a further rise in the cost of materials relative to total operating performance.

Personnel costs were €25.5 million (previous year: €24.6 million). €0.5 million of this increase is due to non-recurring effects from severance payments. The remainder of the rise is explained by the increase in the headcount by 2.3% from 1,772 employees at March 31, 2014, to 1,812.

Amortization and depreciation in the first three months of fiscal year 2015 was €2.4 million and so fell by €0.2 million compared with the first quarter of fiscal year 2014 (€2.6 million). This is in particular a result of lower amortization of hidden reserves disclosed as part of capital consolidation.

The other operating expenses were €10.5 million (previous year: €10.6 million) and so slightly down year on year. Vehicle and travel expenses, rent/room costs and legal and consulting costs are still the largest items within the other operating expenses.

Interest expenses are around the level of the previous year (€0.8 million; previous year: €0.9 million).

The tax ratio was 20.2%, below the anticipated tax ratio for the Group of 30.0%. This is due in particular to the fact that deferred taxes were not recognized for newly incurred tax losses in the first quarter of 2015.

The net income for the period after minority interests at March 31, 2015, was € -2.0 million compared with € -0.6 million in the previous year. Undiluted earnings per share were € -0.27 versus € -0.08 in the same period for the previous year.

## New orders and order books

euromicron Group at March 31, 2015

### Consolidated new orders/order books

	<b>2015</b>	<b>2014</b>
	€ thou.	€ thou.
Consolidated new orders	79,084	98,673
Consolidated order books*	126,014	144,827

\* Previous year's figure adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

At March 31, 2015, the euromicron Group recorded new orders of €79.1 million (previous year: €98.7 million) and order books of €126.0 million (previous year: €144.8 million). The decline in new orders and so in order books is due to the fact that the Group deliberately refrained from accepting low-margin large orders as part of system house business in the first quarter of 2015. Our production companies also experienced order postponements. Given the positive market signals, we expect new orders to improve again in the second quarter of 2015.

## Net assets

Total assets at the euromicron Group were €288.9 million at March 31, 2015, a slight increase of €1.5 million over the level at December 31, 2014.

Noncurrent assets accounted for around 52.1% of total assets and so were almost at the level of the previous year (52.4%). The ratio of equity and long-term outside capital to noncurrent assets is around 107.4%.

Current assets increased slightly by €1.6 million to €138.3 million. As in previous years, inventories and the gross amount due from customers for contract work rose in total by around €10.7 million for seasonal reasons, which is due to the larger volume of projects in progress in system house business and stocking of products by the production companies in the first quarter of 2015. On the other hand, trade accounts receivable were able to be reduced by €10.3 million from the traditionally high figure at the end of the year.

Cash and cash equivalents increased by €1.2 million over the figure at December 31, 2014, to €16.8 million.

Equity at March 31, 2015, was €107.5 million, €2.9 million below the level of December 31, 2014 (€110.4 million). The decline is due to the consolidated net loss for the first quarter of 2015; in addition, capital distributions from subsidiaries which were declared in the first quarter of 2015 and to which non-controlling shareholders were entitled to on a pro-rata basis had to be transferred from equity to liabilities. The equity ratio was thus 37.2% following 38.4% at December 31, 2014.

Noncurrent liabilities were 18.8% of total assets (previous year: 20.0%) and for the major part contain the long-term components of the Group's outside financing. They fell by €3.3 million from €57.6 million to €54.3 million.

Current liabilities at March 31, 2015, increased by €7.7 million from €119.4 million to €127.1 million and were 44.0% (previous year: 41.6%) of total assets. This rise is mainly due to an increase of €35.1 million in liabilities to banks. On the other hand, there was a decline in trade accounts payable of €14.8 million and other current financial liabilities of €10.5 million. Within the other current financial liabilities, there was in particular a decline of €12.0 million in liabilities from customers' monies to be passed on. There were counter-effects from recognition of the liability for the distribution to non-controlling shareholders and from the reclassification of purchase price obligations and obligations from preemptive rights from noncurrent to current liabilities.

## Financial position

Our Group's net debt (long-term and short-term) at March 31, 2015, was €81.8 million (previous year: €70.2 million). The increase in net debt over the first quarter of the previous year is due to slightly higher up-front financing in project business, but mainly to a lower factoring volume and higher repayment of liabilities from customers' monies to be passed on.

At March 31, 2015, euromicron AG had free credit lines of around €42 million from partner banks, still sufficient for up-front financing of project business and to finance the company's planned further development. In the further course of fiscal year 2015, struc-

turing of funding will be a key focus of the Executive Board's activities. The objective is to increase the proportion of medium- and long-term funding by means of structured financing and so adjust financing structures further to the Group's growth in size.

euromicron AG will continue to fund the euromicron Group and its associated companies directly or through its cash pool model.

### Notes on the cash flow

At March 31, 2015, the cash flow from operating activities was € -29.5 million, compared with € -27.3 million at March 31, 2014. However, the reported cash flow figures from operating activities are mainly impacted by effects resulting from the Group's factoring program.

In order to obtain comparable cash flow figures that permit a statement to be made on the development of cash flows from operating activities, the figure was therefore adjusted to take into account the factoring effects. This involves the following:

- Elimination of the effect from the change in the volume of factoring used between the reporting date for the quarter and the respective balance sheet date for the previous year. This results in negative cash flow effects from a lower factoring volume of € -16.4 million for the first quarter of 2014 and € -15.6 million for the first quarter of 2015, which have to be eliminated.
- Where Group companies received monies from customers resulting from receivables sold as part of factoring shortly before the reporting date for the quarter and the balance sheet date and the Group companies were not able to pay these monies over to the factoring company, this results in a liability from customer monies to be passed on, which is carried under "Other financial liabilities". The effect on liquidity from the change in these liabilities between the respective reporting date for the quarter and the balance sheet date of the previous period is eliminated for the purposes of analyzing the cash flow from operating activities. This negative cash flow effect, which has to be eliminated, is € -4.5 million for the first quarter of 2014 and a much higher € -12.0 million for the first quarter of 2015.

- The full amount of the receivable offered for sale is initially not paid out by the factoring company, but a blocked amount is withheld. This receivable due from the factoring company is carried under “Other financial assets”; here too, the change in the balance sheet item has to be eliminated for the purposes of analyzing the cash flow from operating activities. This effect is €0.4 million in the first quarter of 2014 and €1.0 million in the first quarter of 2015.

All in all, reconciliation of these three factors results in cash flows from operating activities after adjustment for factoring effects as summarized in the table below:

#### Calculation of the adjusted cash flow from operating activities

	<b>Jan. 1, 2015 – March 31, 2015</b>	<b>Jan. 1, 2014 – March 31, 2014</b>
	€ thou.	€ thou.
Cash flow from operating activities acc. to statement of cash flows	-29,514	-27,340
Effects from factoring and customers' monies to be passed on included in the above	26,620	20,494
Adjusted cash flow from operating activities	-2,894	-6,846

(unaudited acc. to IFRS)

This results in a cash outflow from operating activities of € –2.9 million after adjustment for factoring effects in the first quarter of 2015 compared with the cash outflow € –6.8 million in the first quarter of 2014. Consequently, the adjusted cash flow from operating activities improved significantly by €3.9 million compared to the first quarter of the previous fiscal year.

The cash outflow from operating activities as of March 31 is due to the business model and the fact that up-front financing for projects (gross amount due from customers for contract work) increases in the first quarter. At March 31, 2015, this effect reduced the cash flow in the first three months of 2015 by around €8.3 million.

Cash outflow from investing activities in the first quarter of 2015 was € –3.1 million, €6.6 million below the figure for the same period of the previous year (€ –9.7 million). This is mainly attributable to lower purchase price payments from company acquisitions.

The net cash provided by financing activities was €33.8 million compared with €17.7 million in the same quarter of the previous year. The net proceeds are due to raised loans which exceed the net cash used to repay loans.

Cash funds of the euromicron Group at March 31, 2015, were thus €16.8 million compared with €19.5 million at March 31, 2014.

## Risk report

The reports from the risk management system at December 31, 2014, have been continuously examined and updated as part of the quarterly report at March 31, 2015. At March 31, 2015, there were no significant material changes in the analysis of risks and their structure or evaluation at the euromicron Group compared with as stated and described in detail in the management report in the 2014 Annual Report.

Taking into account all known facts and circumstances, euromicron does not anticipate any significant effects on its operational business from macroeconomic changes and in particular does not see any risks that might jeopardize the existence of the euromicron Group in a foreseeable period of time or, as far as can be assessed at present, might have a significant influence on the Group's financial position, net assets and results of operations.

## Outlook

Despite the restrained business performance in the first three months of 2015 compared with the same period of the previous year, euromicron AG assumes its business will develop stably for the year as a whole and confirms its forecast for fiscal year 2015. At present, positive signals in the market indicate an improvement in business trends in the course of the year. Taking into consideration the opportunities and risks, a similar sales volume as in 2014 can therefore be expected in 2015, namely a total of between €340 and €360 million. A stable EBITDA margin between 6% and 8% is planned for operating business in 2015.

Our realignment toward the market segment “Internet of Things” means we have to continue to optimize structures at the networks area of expertise. Apart from that, we are currently examining whether to shed equity investments that are not strategically relevant.

These necessary, forward-looking reorganization measures will probably reduce the EBITDA margin by around one percentage point, with the result that the forecast EBITDA margin – allowing for these effects – will be in a range between 5% and 7%. It is anticipated that the company will generate a large part of its income in the fourth quarter due to its project and customer structure.

This forecast is based on the assumption that the overall economy in the Federal Republic of Germany and the general conditions in the IT/ICT industry will develop positively in 2015. Nevertheless, the actual results may deviate significantly from the expectations and forecasts if one of the above, or other, uncertainties arise or the assumptions on which the statements were based should prove to be inaccurate.

# INCOME STATEMENT

of the euromicron Group for the period January 1 to March 31, 2015 (IFRS)

## Income statement

	3-month report	
	Jan. 1, 2015 – March 31, 2015	Jan. 1, 2014 – March 31, 2014*
	€ thou.	€ thou.
<b>Sales</b>	<b>74,562</b>	<b>75,714</b>
Inventory changes	886	-34
Own work capitalized	546	841
Other operating income	432	522
Cost of materials	-39,729	-39,191
Personnel costs	-25,483	-24,623
Amortization and depreciation	-2,359	-2,558
Other operating expenses	-10,461	-10,555
<b>Earnings before interest and taxes (EBIT)</b>	<b>-1,606</b>	<b>116</b>
Interest income	7	10
Interest expenses	-804	-857
<b>Income before income taxes</b>	<b>-2,403</b>	<b>-731</b>
Income taxes	486	219
<b>Consolidated net loss for the period</b>	<b>-1,917</b>	<b>-513</b>
Attributable to euromicron AG shareholders	-1,956	-584
Attributable to non-controlling interests	39	71
<b>(Un)diluted earnings per share in €</b>	<b>-0.27</b>	<b>-0.08</b>

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

# RECONCILIATION OF THE QUARTERLY RESULTS WITH THE STATEMENT OF COMPREHENSIVE INCOME

of the euromicron Group for the period January 1 to March 31, 2015 (IFRS)

## Reconciliation of the quarterly results with the statement of comprehensive income

	<b>Jan. 1, 2015 – March 31, 2015</b>	<b>Jan. 1, 2014 – March 31, 2014</b>
	€ thou.	€ thou.
<b>Consolidated net loss for the period, before minority interests*</b>	<b>-1,917</b>	<b>-513</b>
Gain/loss on the valuation of securities (may have to be reclassified to the income statement in future periods)	0	0
Currency translation differences (may have to be reclassified to the income statement in future periods)	2	0
Revaluation effects from pensions (will not be reclassified to the income statement in future periods)	0	0
<b>Other comprehensive income</b>	<b>2</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>-1,915</b>	<b>-513</b>
Attributable to euromicron AG shareholders	-1,954	-584
Attributable to non-controlling interests	39	71

\* Previous year's figure adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

# CONSOLIDATED BALANCE SHEET

## ASSETS

euromicron Group at March 31, 2015 (IFRS)

### Assets

	<b>March 31, 2015</b>	<b>Dec. 31, 2014</b>
	€ thou.	€ thou.
<b>Noncurrent assets</b>		
Goodwill	113,606	113,479
Intangible assets	20,026	20,795
Property, plant and equipment	14,039	14,121
Other financial assets	889	888
Other assets	85	85
Deferred tax assets	1,990	1,370
	<b>150,634</b>	<b>150,738</b>
<b>Current assets</b>		
Inventories	31,436	29,024
Trade accounts receivable	23,456	33,731
Gross amount due from customers for contract work	60,325	52,070
Claims for income tax refunds	780	1,202
Other financial assets	1,936	2,971
Other assets	3,503	2,078
Cash and cash equivalents	16,847	15,622
	<b>138,283</b>	<b>136,698</b>
<b>Total assets</b>	<b>288,917</b>	<b>287,436</b>

(unaudited acc. to IFRS)

# CONSOLIDATED BALANCE SHEET

## EQUITY AND LIABILITIES

euromicron Group at March 31, 2015 (IFRS)

### Equity and liabilities

	March 31, 2015	Dec. 31, 2014
	€ thou.	€ thou.
<b>Equity</b>		
Subscribed capital	18,348	18,348
Capital reserves	94,298	94,298
Gain/loss on the valuation of securities	98	98
Currency translation difference	1	-1
Consolidated retained earnings	-5,543	-2,747
Stockholders' equity	107,202	109,996
Non-controlling interests	319	405
<b>Total equity</b>	<b>107,521</b>	<b>110,401</b>
<b>Noncurrent liabilities</b>		
Provisions for pensions	1,198	1,194
Other provisions	1,885	1,912
Liabilities to banks	42,095	43,231
Liabilities from finance lease	1,084	1,206
Other financial liabilities	465	2,457
Other liabilities	212	234
Deferred tax liabilities	7,326	7,362
	<b>54,265</b>	<b>57,596</b>
<b>Current liabilities</b>		
Other provisions	1,666	1,748
Trade accounts payable	29,477	44,238
Liabilities from current income taxes	2,714	3,009
Liabilities to banks	55,022	19,888
Liabilities from finance lease	457	457
Other tax liabilities	2,685	6,039
Personnel obligations	8,370	9,127
Other financial liabilities	18,566	29,086
Other liabilities	8,175	5,847
	<b>127,131</b>	<b>119,439</b>
<b>Total equity and liabilities</b>	<b>288,917</b>	<b>287,436</b>

# STATEMENT OF CHANGES IN EQUITY

of the euromicron Group for the period January 1 to March 31, 2015 (IFRS)

## Statement of changes in equity

	Subscribed capital	Capital reserves	Contribution made to carry out the adopted capital increase
	€ thou.	€ thou.	€ thou.
<b>December 31, 2013*</b>	<b>17,037</b>	<b>88,771</b>	<b>6,838</b>
<b>Net loss for Q1 2014*</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other profit/loss</b>			
Gain/loss on the valuation of securities	0	0	0
Currency translation differences	0	0	0
Revaluation effects from pensions	0	0	0
<b>Total profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions with owners</b>			
Contribution made to carry out the adopted capital increase	1,311	5,527	-6,838
Profit share of non-controlling shareholders	0	0	0
Distributions to/drawings by minority interests	0	0	0
	<b>1,311</b>	<b>5,527</b>	<b>-6,838</b>
<b>March 31, 2014</b>	<b>18,348</b>	<b>94,298</b>	<b>0</b>
<b>December 31, 2014</b>	<b>18,348</b>	<b>94,298</b>	<b>0</b>
<b>Net loss for Q1 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other profit/loss</b>			
Gain/loss on the valuation of securities	0	0	0
Currency translation differences	0	0	0
Revaluation effects from pensions	0	0	0
<b>Total profit/loss</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions with owners</b>			
Profit share of non-controlling shareholders	0	0	0
Distributions to/drawings by minority interests	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>March 31, 2015</b>	<b>18,348</b>	<b>94,298</b>	<b>0</b>

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

Consolidated retained earnings	Gain/loss on the valuation of securities	Currency translation difference	Equity attributable to the shareholders of euromicron AG	Non-controlling interests	Total equity
€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
-2,052	177	0	110,771	392	111,163
-513	0	0	-513	0	-513
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
-513	0	0	-513	0	-513
0	0	0	0	0	0
-71	0	0	-71	71	0
0	0	0	0	-125	-125
-71	0	0	-71	-54	-125
-2,636	177	0	110,187	338	110,525
-2,747	98	-1	109,996	405	110,401
-1,917	0	0	-1,917	0	-1,917
0	0	0	0	0	0
0	0	2	2	0	2
0	0	0	0	0	0
0	0	2	2	0	2
-1,917	0	2	-1,915	0	-1,915
-39	0	0	-39	39	0
-840	0	0	-840	-125	-965
-879	0	0	-879	-86	-965
-5,543	98	1	107,202	319	107,521

# STATEMENT OF CASH FLOWS

of the euromicron Group for the period January 1 to March 31, 2015 (IFRS)

## Statement of cash flows

	Jan. 1, 2015– March 31, 2015	Jan. 1, 2014– March 31, 2014	Correc- tion acc. to IAS 8	Jan 1, 2014– March 31, 2014 before correction
	€ thou.	€ thou.	€ thou.	€ thou.
Income before income taxes	–2,403	–731	–2,206	1,475
Net interest income/loss and other financial expenses	797	847	0	847
Depreciation and amortization of noncurrent assets	2,359	2,558	0	2,558
Disposal of assets, net	–3	5	0	5
Allowances for inventories and doubtful accounts	–6	107	22	85
Change in provisions	–166	–126	0	–126
Changes in short- and long-term assets and liabilities:				
– Inventories	–2,388	–43	0	–43
– Trade accounts receivable and gross amount due from customers for contract work	1,994	–2,185	203	–2,388
– Trade accounts payable and gross amount due to customers for contract work	–14,920	–6,898	4,274	–11,172
– Other operating assets	–425	–4,168	–2,493	–1,675
– Other operating liabilities	–13,764	–12,360	200	–12,560
– Income tax paid	–748	–3,646	0	–3,646
– Income tax received	676	68	0	68
– Interest paid	–524	–777	0	–777
– Interest received	7	9	0	9
<b>Cash outflow from operating activities</b>	<b>–29,514</b>	<b>–27,340</b>	<b>0</b>	<b>–27,340</b>
Proceeds from				
– Retirement/disposal of property, plant and equipment	10	3	0	3
Payments due to acquisition of				
– Intangible assets	–674	–1,081	0	–1,081
– Property, plant and equipment	–802	–636	0	–636
– Subsidiaries	–1,610	–8,000	0	–8,000
<b>Cash outflow from investing activities</b>	<b>–3,076</b>	<b>–9,714</b>	<b>0</b>	<b>–9,714</b>
Proceeds from raising of financial loans	39,164	21,295	0	21,295
Cash repayments of financial loans	–5,329	–3,579	0	–3,579
Distributions to/withdrawals by non-controlling interests and profit shares of minority interests	–20	0	0	0
<b>Cash inflow from financing activities</b>	<b>33,815</b>	<b>17,716</b>	<b>0</b>	<b>17,716</b>
Net change in cash funds	1,225	–19,338	0	–19,338
Cash funds at start of period	15,622	38,830	0	38,830
Cash funds at end of period	16,847	19,492	0	19,492

(unaudited acc. to IFRS)

# SEGMENT REPORTING

of the euromicron Group as of March 31, 2015 (IFRS)

## Sales by reporting segments

	<b>2015</b>	<b>2014*</b>
	€ thou.	€ thou.
Sales for the North segment	27,191	26,586
Sales for the South segment	28,484	30,087
Sales for the WAN services segment	21,675	21,566
Total for the segments	77,350	78,239
Group consolidations	-2,788	-2,525
<b>Consolidated sales for the Group</b>	<b>74,562</b>	<b>75,714</b>

## EBIT by reporting segments

	<b>2015</b>	<b>2014*</b>
	€ thou.	€ thou.
EBIT for the North segment	3,055	2,897
EBIT for the South segment	-2,537	-1,323
EBIT for the WAN services segment	-603	217
Central services and Group consolidations	-1,521	-1,675
<b>Consolidated EBIT for the Group</b>	<b>-1,606</b>	<b>116</b>

## Amortization/depreciation by reporting segments

	<b>2015</b>	<b>2014*</b>
	€ thou.	€ thou.
North, consolidated	-1,017	-1,019
South, consolidated	-841	-1,022
WAN services, consolidated	-390	-414
Central services and Group consolidations	-111	-103
<b>Consolidated depreciation/amortization for the Group</b>	<b>-2,359</b>	<b>-2,558</b>

\* Previous year's figures partly adjusted (see "Corrections acc. to IAS 8")  
(unaudited acc. to IFRS)

# NOTES

## Preamble

euromicron AG is a registered company under German law with headquarters in Frankfurt/Main and is mainly active in the areas of network and fiber optics technology.

euromicron AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date and with their interpretations by the International Financial Reporting Interpretations Committee (IFRIC). The interim report as of March 31, 2015, was prepared in compliance with the regulations of the International Accounting Standard (IAS) 34 “Interim Financial Reporting” and with the requirements of standard no. 16 “Interim Financial Reporting” of the DRSC (Deutsche Rechnungslegungs Standards Committee e.V.). The previous year’s figures were determined using the same principles.

Unless otherwise stated, the figures in this interim report are presented in thousands of euros (€ thou.).

The results in the interim financial statements as of March 31, 2015, do not necessarily permit forecasts for the further course of business.

## Reporting and measurement methods

The same reporting and measurement methods were used in the abridged presentation of the consolidated financial statements as of March 31, 2015, as for preparing the consolidated financial statements at December 31, 2014, unless changes are explicitly specified.

A detailed description of these methods is published in the 2014 Annual Report and is available on the company's homepage. The consolidated financial statements of euromicron AG as of December 31, 2014, were prepared on the basis of Section 315a of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards, as are applicable in the European Union.

The purchase price allocation of the companies/divisions acquired in the current fiscal year is still provisional at March 31, 2015, since definitive examinations in relation to assets, liabilities and legal matters must still be made. The calculated difference is carried as provisional goodwill.

An individual tax rate is used as the basis for calculating the income taxes for German companies and is also applied to the deferred taxes. The respective national rates of tax are used for calculating the income taxes for foreign companies.

Estimates and assumptions must be made to a certain extent in the interim report; the value of assets, liabilities and contingent liabilities, as well as expenses and income in the reporting period, depend on these. The actual later figures may differ from the amounts reported in the interim report.

As regards the content of the new standards and interpretations and amendments to existing standards, we refer to our comments on pages 105 to 110 of the 2014 Annual Report.

The following interpretations and amendments have been in force since the beginning of fiscal year 2015:

- IFRIC 21 – Levies
- Annual Improvement Project (AIP) – Annual improvements to the IFRSs, 2011–2013 cycle (“Improvements to IFRS”)

This collection “Annual improvements to the IFRSs, 2011–2013 cycle” contains amendments to the following IFRSs:

- IFRS 1 “First-time Adoption of International Financial Reporting Standards”
- IFRS 3 “Business Combinations”
- IFRS 13 “Fair Value Measurement”
- IAS 40 “Investment Property”

Application of the new and/or amended standards and interpretations has no significant impact on the Group’s financial position, net assets and results of operations or cash flow.

## Corrections according to IAS 8

As part of preparation of the IFRS quarterly financial statements of euromicron AG at March 31, 2015, adjustments to the comparative figures of the same quarter of the previous year (quarter from January 1 to March 31, 2014) were necessary and are presented below. They relate to the presentation of individual items in the income statement, the statement of cash flows and the statement of changes in equity for the same quarter of the previous year. No corrections relating to the balance sheet had to be disclosed, since the balance sheet at December 31, 2014, is shown as the comparison balance sheet in the quarterly financial statements at March 31, 2015 and all items in it are accurately presented.

1. Due to the IAS 8 corrections of mistakes in the valuation of projects from previous years made in the published IFRS 2014 consolidated financial statements, there are subsequent adjustments in the IFRS quarterly financial statements at March 31, 2015, relating to the comparative disclosures for the same quarter of the previous year from January 1 to March 31, 2014. These subsequent adjustments effect sales, cost of materials and other operating expenses in the first quarter of 2014 for the projects affected by the corrections. There were also effects on income taxes. By means of the adjustments made in these quarterly financial statements at March 31, 2015, the effects from the subsequent corrections, which were recorded in the profit/loss of the fourth quarter of 2014, but relate to the first quarter of 2014, are now recognized in the correct period in the profit/loss for the first quarter of 2014. The audited and published 2014 consolidated financial statements are not affected, since the corrections only relate to the comparative figures for the respective quarters of 2014 and are fully eliminated by the end of fiscal year 2014 (“Subsequent adjustment in 2014 – IAS 8 correction: Project valuation”).

2. In addition, in the present quarterly financial statements at March 31, 2015, the company corrects the comparative figures for the same quarter of 2014 due to lump-sum deferrals that have been made. These deferrals do not conform to the principles of calculation of results on an accrual basis and so like the corrections stated in number 1 above – are mistakes within the definition of IAS 8. These corrections relate to sales, inventory changes, cost of materials and other operating expenses. There were also effects on income taxes. These corrections do not likewise have any effect on total income for 2014 or the company's equity, since they are accruals/deferrals during the year and are fully eliminated by the end of fiscal year 2014 ("IAS 8 correction: quarterly deferrals").

In the present quarterly financial statements at March 31, 2015, the comparative figures for the period from January 1 to March 31, 2014, were adjusted in all disclosures relating to the figures in the income statement. The adjustments in accordance with IAS 8 are also indicated in the statement of changes in equity and the statement of cash flows.

The table below presents the effects of the corrections on the comparative figures reported in the quarterly financial statements at March 31, 2015, for the period from January 1 to March 31, 2014, reference to which is made at various places in these quarterly financial statements.

## CORRECTION TO THE CONSOLIDATED INCOME STATEMENT ACCORDING TO IAS 8

of the euromicron Group for the period January 1 to March 31, 2014 (IFRS)

### Correction to the consolidated income statement according to IAS 8

	Jan. 1, 2014– March 31, 2014 before correction	Subsequent adjustment in 2014 – IAS 8 correction: Project valuation	IAS 8 correction: quarterly deferrals	Jan. 1, 2014– March 31, 2014 after correction
	€ thou.	€ thou.	€ thou.	€ thou.
<b>Sales</b>	80,073	269	-4,628	75,714
Inventory changes	141	0	-175	-34
Own work capitalized	841	0	0	841
Other operating income	522	0	0	522
Cost of materials	-41,741	57	2,493	-39,191
Personnel costs	-24,623	0	0	-24,623
Amortization and depreciation	-2,558	0	0	-2,558
Other operating expenses	-10,333	-22	-200	-10,555
<b>Earnings before interest and taxes (EBIT)</b>	<b>2,322</b>	<b>304</b>	<b>-2,510</b>	<b>116</b>
Interest income	10	0	0	10
Interest expenses	-857	0	0	-857
<b>Income before income taxes</b>	<b>1,475</b>	<b>304</b>	<b>-2,510</b>	<b>-731</b>
Income taxes	-443	-91	753	219
<b>Consolidated net income for the period</b>	<b>1,032</b>	<b>213</b>	<b>-1,757</b>	<b>-513</b>
Thereof for euromicron AG shareholders	961	213	-1,757	-584
Thereof for non-controlling interests	71	0	0	71
<b>(Un)diluted earnings per share in €</b>	<b>0.13</b>	<b>0.03</b>	<b>-0.24</b>	<b>-0.08</b>

(unaudited acc. to IFRS)

## Consolidated companies

Apart from euromicron AG, the consolidated financial statements at March 31, 2015, still include 26 companies, in which euromicron AG has the majority of voting rights directly or indirectly and so controls them.

## Treasury shares

At March 31, 2015, euromicron does not hold any treasury shares that might be offset against equity in accordance with IAS 31.33.

## Non-controlling interests (minority interests)

Under IFRS 3 (2008), non-controlling interests are disclosed as part of equity.

The minority interests in equity reported at March 31, 2015 (€319 thousand) relate exclusively to Qubix S.p.A., Padua (10%).

## Segment information

Business segments are identified using internal organizational and reporting structures, which at the euromicron Group are essentially based on regions.

euromicron reports in the operating segments euromicron North, euromicron South and WAN services, as well as Central services and Group consolidations. The interim report presents the details regularly reported to the main decision-maker. Further items from the balance sheet and income statement are not reported regularly and so are not disclosed (IFRS 8.32).

The applied accounting principles and methods are identical for all segments. The information shown for the individual segments contains segment-related consolidations.

### **Business transactions with related parties**

Apart from the compensation for the Executive Board and Supervisory Board, there are no significant relations with related persons. There are also no business transactions between consolidated companies of the euromicron Group and non-consolidated or associated companies of the euromicron Group.

### **Contingencies**

There were no significant changes in contingencies, contingent liabilities and other financial obligations compared with the annual financial statements at December 31, 2014.

## DECLARATION BY THE LEGAL REPRESENTATIVES

We declare to the best of our knowledge that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the accounting principles to be applied for interim reporting and that the course of business, including the business results and the Group's position, is presented in the interim group management report in such a way that a true and fair view is given and the main opportunities and risks of the Group's anticipated development in the remainder of the fiscal year are described.

Frankfurt/Main, June 30, 2015

The Executive Board

Bettina Meyer  
Member of the Executive Board  
(Spokeswoman)

Jürgen Hansjosten  
Member of the Executive Board

## FINANCIAL CALENDAR 2015

June 30, 2015	Publication of the business figures for the 1st quarter of 2015
July 16, 2015	General Meeting, Frankfurt/Main
August 7, 2015	Publication of the business figures for the 2nd quarter of 2015
November 6, 2015	Publication of the business figures for the 3rd quarter of 2015

This quarterly report is available in German and English.

Both versions can also be downloaded from the Internet at **[www.euromicron.de](http://www.euromicron.de)**.

In cases of doubt, the German version is authoritative.

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### DISCLAIMER ON PREDICTIVE STATEMENTS

This report also includes predictive statements and information on future developments that are based on the convictions and current views of euromicron AG's management and on assumptions and information currently available to euromicron. Where the terms "assume", "believe", "assess", "expect", "intend", "can/may/might", "plan" or similar expressions are used, they are intended to indicate predictive statements that are subject to certain elements of insecurity and risks, such as competitive pressure, changes to the law, changes in general political and economic conditions, changes to business strategy, other risks and uncertainties that euromicron AG in many cases cannot influence and that may result in significant deviations between the actual results and predictive statements. Any liability or guarantee for the used and published data and information being up-to-date, correct and/or complete is not assumed, either explicitly or implicitly.



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