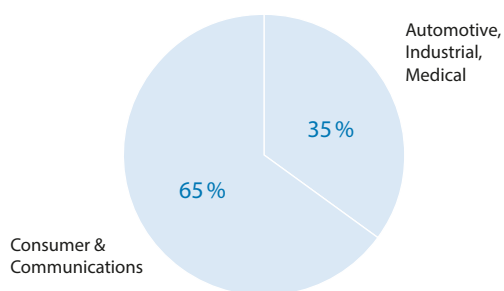




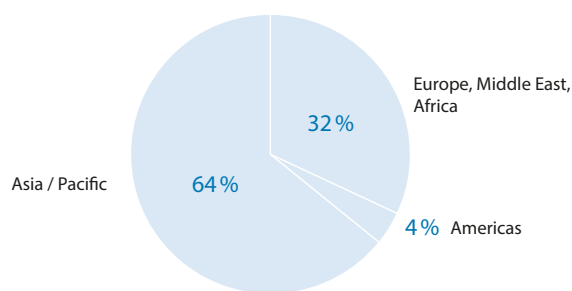
Highlights

In millions of EUR	2015	Changes to		
		2014	2014	2013
Revenues	623.1	34%	464.4	377.8
Gross margin (excluding acquisition-related costs)	56%		56%	55%
Gross margin (including acquisition-related costs)	54%		55%	52%
R & D expense	107.8	40%	77.0	68.5
Operating result (EBIT)	147.3	40%	105.4	63.9
EBIT margin in %	24%	3%	23%	17%
Net income	148.7	52%	97.5	60.8
Earnings per share (in EUR, basic)	2.16	51%	1.43	0.90 ²⁾
Earnings per share (in CHF, basic) ¹⁾	2.30	32%	1.74	1.11 ²⁾
Operating cash flow	155.6	19%	130.2	100.2
Total order backlog (as of December 31)	119.4	-9%	131.3	76.6
Capital expenditure	80.1	14%	70.1	47.1
Total assets (as of December 31)	1,223.4	28%	955.0	653.0
Equity ratio	56%		58%	68%
Employees (average)	1,921	17%	1,636	1,394

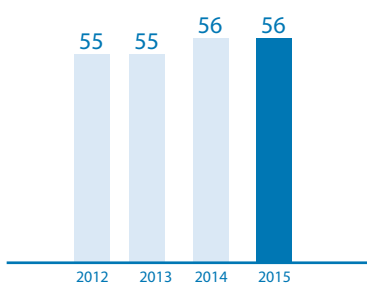
Revenues by market 2015 in %



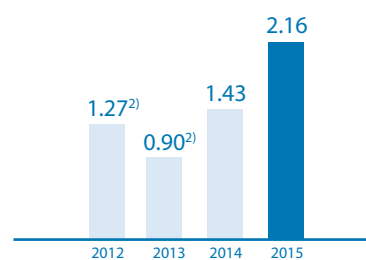
Revenues by region 2015 in %



Gross margin in %³⁾



Earnings per share (EPS) in EUR (basic)



1) Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

2) Earnings per share have been adjusted to reflect the share split of 1:5.

3) Excluding acquisition-related costs.

Growing worldwide

We added new offices
and expanded locations
around the globe last year

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LOW NOISE OPERATOR

BARCODE READERS

INDUSTRIAL INSPECTION
HIGH SPEED

MOS

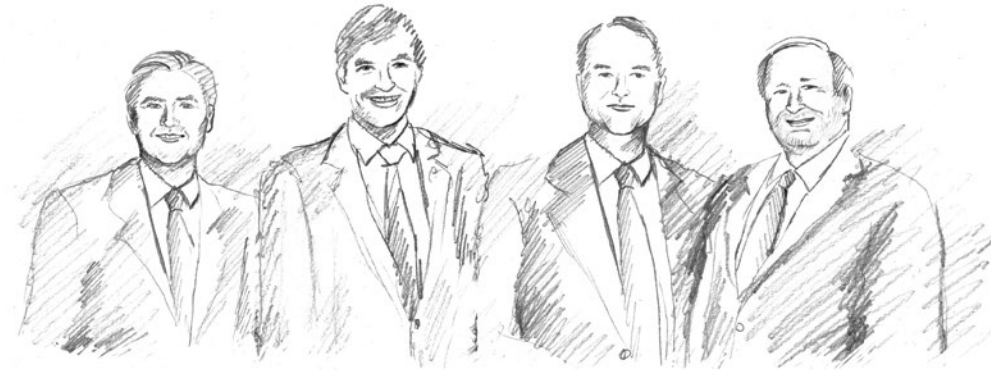
AI CONVERSION

VIDEO PRODUCTION

OPTICAL
MICRO
RE

Antwerp

Preface by the Management Board



Dear shareholders, customers and employees,
ladies and gentlemen

We are pleased to report another successful year for ams. We delivered record revenues and profitability, despite the mixed performance of some end markets in the second half of the year. Driven again by our consumer product lines and supported by a positive performance of our other businesses, we grew substantially last year and confirmed our position as a key supplier to leading consumer, communications, automotive, industrial, and medical OEMs.

Our strategy which focuses the company around sensor solutions is a success allowing us to exploit the proliferation of sensor applications in all areas of daily life and across a broad range of end markets. We want to “shape the world with sensor solutions” and our goal is to lead with innovation, deliver differentiated products and offer industry-leading benefits to our customers.

As part of a planned succession, we were pleased to welcome Alexander Everke as CEO designate and new member of the Management Board in October 2015. With more than 24 years of semiconductor industry experience and senior executive positions at Siemens, Infineon, and NXP, Alexander Everke brings highly valuable expertise and insights to our management team. In March 2016, Alexander Everke took over the position of CEO to steer ams to our 2019 goal of EUR 1 billion in revenues and beyond. After serving for nearly three years as CEO, Kirk Laney assumed the position of Chief Strategist for Sensors while remaining a member of the Management Board. In his new position, he will concentrate on our emerging sensor businesses to drive future growth opportunities for our company.

In our view, the expanded Management Board offers an excellent platform to scale our business in the coming years and move ahead on our strategic path.

Our consumer and communications business was again the most significant revenue contributor last year, particularly driven by our light sensor and wireless products. We recorded strong growth in the first half of 2015 and maintained a good performance in an increasingly difficult environment during the second half, based on our significant relationships with leading smartphone, tablet PC and mobile device OEMs.

As the market leader in advanced light sensors we again shipped very high volumes of ambient light, proximity, and gesture sensor solutions for a broad range of consumer devices. Our next generation products for innovative light sensor applications are expected to reinforce our leadership position in this area. Our wireless business contributed significantly to the first half of 2015 via our NFC antenna boost solution while customer-specific factors resulted in significantly lower NFC shipments during the second half of the year. We concluded a license agreement for our NFC boost technology creating additional business potential in the coming years. Other areas, including audio solutions for MEMS microphones and ambient noise cancellation, also performed well last year, and we saw new market opportunities emerging for them.

ams' automotive, industrial, and medical businesses were successful last year, benefitting from their wide range of applications and ams' strong customer relationships. Robust demand for our industrial product lines strengthened our leading position in industrial sensors, sensor interfaces, position measurement, and building automation. Our medical business continued to be built around high performance medical imaging solutions for computed tomography, digital X-ray, and mammography. We again saw solid growth in our automotive business as sensor applications proliferate and safety systems such as collision avoidance are being adopted more widely.

Additional 2015 highlights included an agreement with the State of New York (USA) for construction of a new analog wafer fab built to our specifications. Based on a long-term lease of the new wafer fab at a nominal cost, we expect to see significant financial benefits as we will only incur operating costs on the wafers produced. Construction of the facility began recently, and we expect a production ramp of the wafer fab's first buildout stage in the first half of 2018.

Last year, ams also completed two important acquisitions that augment and leverage our sensor solutions strategy. In summer 2015, we acquired the CMOS environmental sensor business from NXP for integrated temperature, pressure, and relative humidity sensors. Together with our gas sensor capabilities, this complete range of environmental sensing technologies offers attractive growth potential in new applications for industrial, home automation, automotive, and consumer markets over the coming years. Late last year we announced the larger-scale acquisition of Belgium-based CMOSIS, adding a leading high-value industrial and medical image sensor business with a sound revenue base. CMOSIS brings strong IP and design expertise to ams which we will leverage into opportunities for growth in new markets and innovative applications.

Our production model combines in-house capacity and strong manufacturing partners, resulting in a robust high volume platform. Our internal capacity was fully utilized in 2015 while we completed the expansion of our wafer fabrication facility in Austria and extended our test facility in the Philippines. ams is committed to responsible business practices, and implemented additional energy efficiency measures last year.

We maintain high levels of investment in R&D and in 2015 added R&D resources that support our development and design-in pipeline. We focused on account penetration at major OEMs and recorded new project wins supporting our outlook for the coming years.

Based on our dividend policy we will propose a dividend of EUR 0.51 per share or 25% of the net result for 2015. Our financial position remains strong and is supported by continuing high cash flow generation.

As in prior years, the Supervisory Board offered constructive support for our activities and backed our strategic initiatives. We would like to thank our customers, partners, shareholders and, above all, the people of ams whose ingenuity, creativity, and commitment are the key pillars of our success worldwide.

We expect our business to develop positively in 2016 as we prepare for growth opportunities with the potential to accelerate ams' expansion in the coming years. Our focus on innovation, product differentiation, and excellence in design and manufacturing is key in building ams' leadership position in a world of sensor solutions.



Alexander Everke
CEO



Michael Wachsler-Markowitsch
CFO



Dr. Thomas Stockmeier
COO



Kirk S. Laney
Member of the
Management Board



Plano

Preface by the Supervisory Board

Dear shareholders

2015 was another very positive year for ams. Once again, ams' wide range of sensor and analog solutions successfully met the ever increasing demands of our customers for leading edge technology, and set records for revenues, profit, and other performance indicators.

The company's success is a credit to its strategic concentration on sensor solutions and technologies. We have aligned our engineering resources, investments, and manufacturing towards creating innovative applications that meet future market needs in our areas of focus. The management team will continue to pursue this strategy, while selective acquisitions may support and complement ams' future strategic path. The combination of our in-house production capacity and partnerships with leading wafer manufacturers is a key pillar of ams' manufacturing strategy. We are proud of the agreement we reached with the State of New York (USA) last year for the construction of a new state-of-the-art wafer fabrication facility. This new facility will help secure ams' future growth potential and enable the company to meet upcoming customer and technology demands.

The Supervisory Board held six meetings to perform its tasks and duties during the reporting period. The Supervisory Board received regular and comprehensive information from the Management Board, both in writing and verbally, about the course of business, business policies, and the company's finances. Most deliberations of the Supervisory Board were held together the members of the Management Board, in specific instances without them. In addition, the Management Board and Supervisory Board held periodic, constructive discussions about the company's short-term business development and strategic tasks.

The Supervisory Board received comprehensive support from its committees, whose work focused on succession planning and remuneration systems, on the exchange of information with the auditors, the support of the year-end audit, and the internal audit. Based on a structured selection process, the Supervisory Board appointed Alexander Everke as a new member of the Management Board and Chief Executive Officer (CEO) designate as of October 1, 2015. As planned Alexander Everke was confirmed as Chairman of the Management Board and CEO as of March 1, 2016.

Alexander Everke brings to ams an extensive technical and business background and more than 24 years of experience in engineering, marketing, and management positions in the semiconductor industry. Earlier in his career, he worked for many years in executive sales and marketing positions at Siemens and Infineon. Prior to joining ams, Alexander Everke led the major business areas of High Performance Mixed Signal and Infrastructure and Industry for the international semiconductor group NXP. His results-oriented management style will strongly support the implementation of ams' long-term strategy.

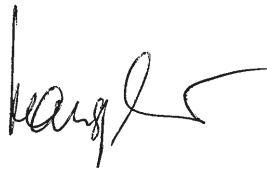
We are very pleased that former Chairman of the Management Board Kirk Laney agreed to retain a seat on the Management Board. In his new capacity, Kirk Laney will be responsible for ams' sensor technology strategy and will continue to contribute to the company with his pioneering spirit and aptitude for innovation.

We would like to thank Kirk Laney for his outstanding service as CEO. Under his leadership the company achieved significant growth over the last years and defined sensor solutions as ams' corporate strategy, making it the global focus of the ams group.

The Supervisory Board again performed a self-evaluation in 2015 to improve its work in the interest of shareholders and stakeholders and assess decisions taken in previous periods. In addition, the Management Board and Supervisory Board expanded the established corporate governance concept of ams last year.

We are pleased that ams' financial success, the operative and strategic measures implemented, the support from our customers, and the commitment of all staff members have allowed the Management Board to propose yet another dividend increase to the Annual General Meeting. The Supervisory Board would like to thank the management and all employees of the worldwide ams group for their dedication and commitment, and for making this success possible.

On behalf of the Supervisory Board

A handwritten signature in black ink, appearing to read 'Hans Jörg Kaltenbrunner', with a stylized flourish at the end.

Hans Jörg Kaltenbrunner
Chairman of the Supervisory Board

Our Company



Premstaetten

Our Company

Vision

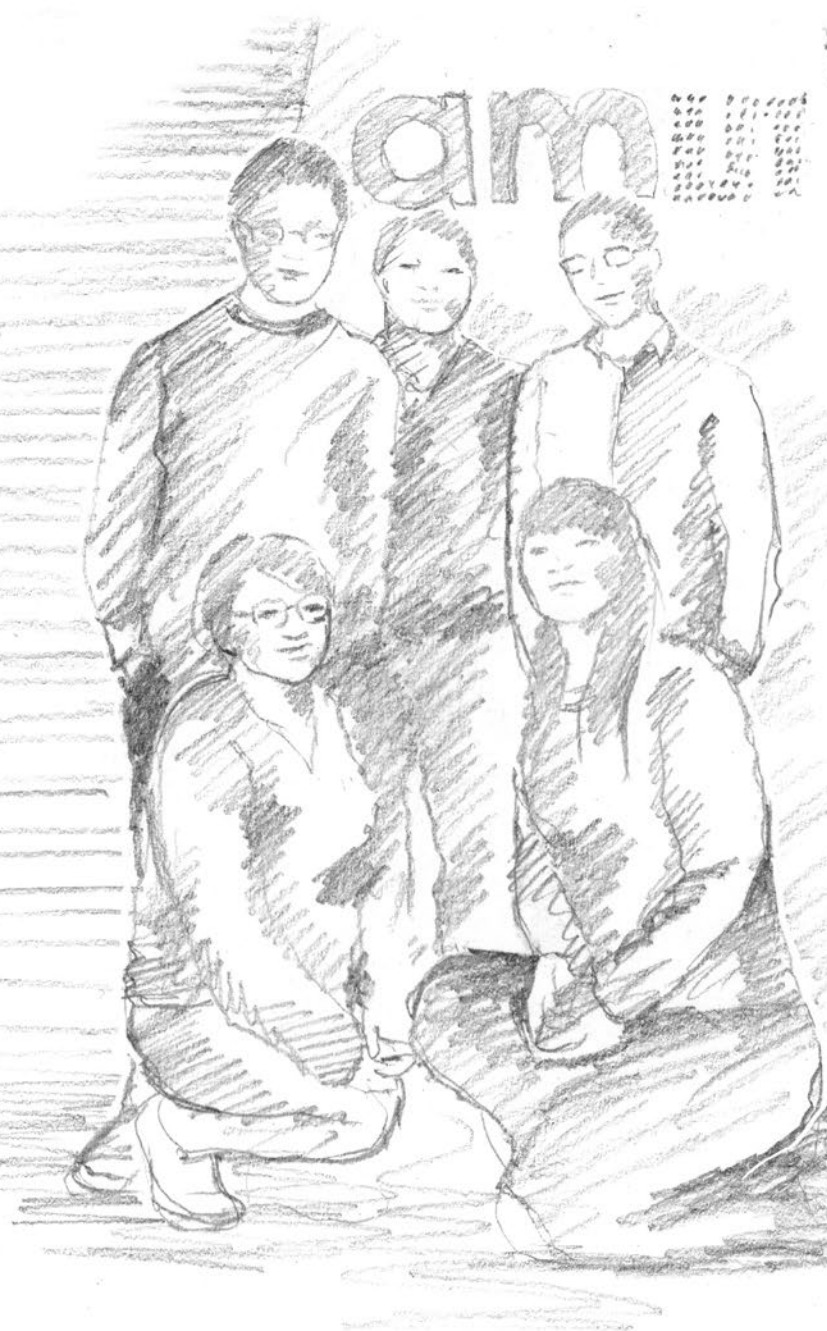
With its world-class sensor solutions, ams leads the way in forging continuous connections between people and technology, and envisioning life where the experience between them is seamless.

Our passion is in creating the sensor solutions that make devices and technology smarter, safer, easier to use and more environmentally friendly.

Strategy

People today are consistently exposed to and surrounded by sensors in their personal mobile devices, in wearables, in smart homes, offices, vehicles and more. Sensor capabilities and functionality are evolving rapidly, making our smartphones more intuitive and intelligent, our vehicles safer, and our living and work spaces smarter. Sensors also enable breakthrough imaging and other capabilities for industrial and medical applications. ams is leading the way with sensor solutions that are relied upon around the globe to recognize light, color, gestures, images, sound, gases, and motion; increase precision, safety, and battery life; and measure miniscule changes in position, environmental and medical parameters. Sensors are at the heart of many advanced consumer, communications, automotive, industrial, and medical applications.

ams is shaping the world with high-performance sensor solutions. We are a global leader in the design and manufacture of advanced sensor solutions, and these solutions enable our customers to create differentiated products that are changing our lives. When applications require extreme precision, dynamic range, sensitivity, and ultra-low power consumption, we excel. We offer sensors including optical sensors, sensor interfaces, wireless and power management integrated circuits (ICs) for the consumer, mobile communications, automotive, industrial, and medical markets.



Shanghai

Our Talent

The ams culture recognizes the company's workforce as its greatest asset and the key driver of ams' global success. We embrace a diverse range of highly creative, innovative, and unconventional thinkers, helping us attract and retain the best and brightest talent in the industry. Across ams the commitment and effort of every staff member contributes to our achievements in a competitive worldwide marketplace.

The creativity and ingenuity of our research and development teams keep us at the leading edge of semiconductor technology, design, and manufacturing. ams' capacity for innovation and success also stems from its global mindset: our staff of more than 2,100 people worldwide represents nearly 40 nationalities in more than 20 countries.



Oulu

Corporate Responsibility

At ams, ethical, professional practices and environmental responsibility are fundamental principles that guide how we conduct business. Our company code of conduct is a binding set of principles and procedures for all ams staff safeguarding consistent, responsible, and accountable corporate activity across all business functions. We are a member of the UN Global Compact, the world's largest corporate initiative for responsible business and sustainability. With more than 10,000 participants in 130 countries, the UN Global Compact is committed to human rights, just labor standards, environmental protection, and anti-corruption measures.

We remain firm in our commitment of protecting the environment and the sustainability of resources, and continue to focus on reducing our carbon emissions footprint. ams promotes efficient energy use throughout its global operations, where innovative methods for reducing electricity and gas consumption bring about both environmental and cost benefits. We also publish information on our emissions footprint within the framework of the Carbon Disclosure Project, an international initiative for corporate disclosure of environmental information. ams remains an industry pioneer in environmental certification and is DIN EN ISO 14001 certified for its locations in Premstätten, Austria, and Calamba, Philippines.



Tokyo

Our Business

ams focuses on providing advanced sensor solutions for high-value and emerging markets in:

Consumer & Communications
Automotive, Industrial, Medical

Consumer & Communications

As a global leader in high-performance sensor and integrated circuit designs, ams is at the forefront of innovation and understands the evolving demands of the consumer electronics and communications markets – the need for creating a seamless connection between people and technology, continuously improving the user experience, and making the interaction with devices richer and more intuitive. ams solutions excel in delivering extreme accuracy, dynamic range, sensitivity, and ultra-low power consumption, all of which extend the ability to seamlessly interact with mobile and communications devices.

Our broad range of technologies for consumer and communications device manufacturers includes intelligent light sensors, gesture sensors, audio solutions such as Active Noise Cancelling (ANC), NFC solutions, environmental sensors, power management functions, and more.

We remain the clear market leader in intelligent light sensors, focused around consumer and communications applications. Our gesture-recognition sensor modules ship in high volumes to leading smartphone OEMs and offer another example of how ams is simplifying the human-machine interface. The sensor module combines

gesture sensing with RGB color sensing, proximity sensing, and universal remote control support in a compact form factor. The ams family of gesture sensors uses our leading photodiode technology to enable an intuitive and touchless interface for many devices.

ams' other lines of ambient light sensors, including RGB color and proximity sensors, are the backbone of its consumer business and support a broad range of applications requiring sophisticated display management. Ambient light and proximity sensors, which today are in use in hundreds of millions of smartphones, tablets, laptop computers and other communications devices, deliver a better overall user experience along with extended battery life.

ams recognizes significant opportunities in new and existing markets for advanced uses of its light sensor technology, including spectral sensing. Spectral sensing enables innovative spectral analysis of light for applications such as true color sensing biosensors for critical health data, smart industrial and home lighting, and the Internet of Things (IoT). ams launched a first-generation biosensor last year and expects to advance functionality in upcoming product generations.

Near-field communication (NFC) remains an important technology in ams' wireless activities, which also encompass a strong position in RFID reader solutions. ams offers boostedNFC™ solutions including a combined analog front-end with antenna auto-tuning to ensure reliable NFC mobile transactions for small form factors. Last year ams was successful in shipping high volumes of boostedNFC™ products into smartphones and wearable accessories and concluded a licensing agreement for its technology.

Internet-connected environmental sensors replicate and enhance human responses by monitoring air quality, humidity, and temperature in IoT devices. Our sensors measure ambient concentrations of gases associated with bad air quality, such as alcohols, organic acids, and aromatic hydrocarbons. ams' integrated environmental sensor delivers accurate and robust information for data-driven decisions.

Automotive, Industrial, Medical

In the industrial space, ams offers a broad range of advanced sensor solutions and application-specific ICs for applications including industrial automation, position sensing, building automation, and security. ams' industrial sensors and sensor interfaces help drive innovation to support Industry 4.0 and the Internet of Awareness™. ams launched the first generation of integrated sensor-driven lighting managers into the emerging market for true smart industrial LED lighting last year. The scope of upcoming applications for smart lighting ranges from harvesting daylight for energy-effi-

Refining the audio quality in mobile communications is another strength for ams, and we address market needs with our advanced active noise-cancellation solutions (ANC) and MEMS microphone interfaces. Today, ams is the clear market leader for MEMS microphone interfaces supporting high-quality applications in a dynamic market environment. ANC technology from ams offers excellent sound quality for mobile communications and multimedia applications by enabling crystal clear sound, regardless of the noise levels from the surrounding environment. ams' ANC technology and low-noise MEMS microphone ICs are widely found across mobile devices such as smartphones, earphones, headsets, notebook computers, and tablet PCs. In 2015, we saw increasing market traction for ANC in smartphone in-box-bundled earphones, and expect this product area to offer substantial growth potential going forward.

cient illumination of indoor spaces to seamlessly adapting workspace light environments to human circadian rhythms. Harnessing the concept of the Internet of Awareness™ and the vast possibilities for connected sensors, these solutions provide for an innovative sensor hub platform enabling additional sensing functions such as presence, temperature, humidity, and air quality.

ams broadened its sensor technology portfolio substantially last year with the acquisitions of the CMOS environmental sensor business from

NXP Semiconductor and CMOSIS. The CMOS environmental sensor business added integrated temperature, pressure, and relative humidity sensors. Expanding ams' gas sensor capabilities, this full range of environmental sensor technologies enables new applications in industrial, home automation, automotive, and consumer markets, offering attractive growth opportunities in the coming years.

The acquisition of CMOSIS brought a high-value industrial and medical image sensor business to the ams portfolio. CMOSIS is active in areas including machine vision, traffic monitoring, and high-speed inspection based on high-end area- and line-scan CMOS image sensors, and offers strong IP creating new application opportunities. The acquisition also yielded the NanEye image sensor line comprising an ultra-small form factor camera module configuration under 1x1 mm in size. NanEye sensors are a strategic technology initially targeted at state-of-the-art medical endoscopy with possibilities for innovative future applications in other end markets.

In medical electronics, ongoing demand for more advanced and cost-efficient diagnostics equipment ensures the need for new sensor solutions. In the core area of medical imaging – which includes computer tomography, digital X-ray, and mammography – our high-resolution imaging solutions lead the market, creating significant

diagnostic and patient benefits for higher-quality healthcare. ams is building on this strong position and its partnerships with leading medical systems OEMs that pave the way for new projects and customers. Sensor technologies from ams can improve medical patients' quality of life and enable easier and more convenient personal health management.

ams' high performance sensor solutions for the automotive market make driving safer, smarter and more environmentally friendly. Intelligent magnetic, capacitive, and inductive sensors from ams feature industry-leading robustness for highest reliability. Our sensors are ideally suited for automotive applications including pedal and throttle position, transmission, steering wheel angle and torque, brushless motor control applications, and level and chassis control.

Sensors also play a pivotal role in the realization of safety systems supporting the move toward autonomous driving. ams continues to be successful in the area of LIDAR light-based solutions for advanced driver assistance systems (ADAS). ams powers safety systems for collision avoidance and automatic braking and, in addition, enables efficient energy management solutions for vehicles. With the strength of its sensor expertise, ams is well positioned to benefit from rising semiconductor and sensor content and new applications in vehicles over the coming years.

Technology and Manufacturing

As a high performance sensor solutions and analog semiconductor company, ams operates its own in-house wafer manufacturing and test facilities. This capability allows ams to push the limits of analog performance in lowest noise, highest sensitivity, and maximum accuracy while assuring customers a dedicated high volume supply and highest quality standards.

ams pursues a flexible manufacturing concept combining internal and external wafer capacity, and enjoys strong relationships with major semiconductor manufacturing partners. We exploit state-of-the-art technologies for leading-edge monolithic sensor integration using a proprietary through-silicon via (TSV) process and specialty processes for high voltage, optoelectronics, and RF applications.

ams made additional significant investments at its headquarters last year and completed the two-stage project to expand capacity of its 200mm wafer fabrication facility. ams' wafer production is certified for automotive and medical IC manufacturing while ams' specialty analog foundry business offers customers a full-service approach that includes packaging and testing options.

Safeguarding its long-term manufacturing strategy, ams concluded an agreement with the State of New York (USA) last year for a new wafer

fab facility at the Nano Utica site in Marcy, NY. ams will lease the fully operational wafer fab, which will be constructed to ams specifications, for a period of 20 years for a nominal amount and will incur operating expenses only on the wafers produced. ams expects meaningful cost benefits from this structure which provides for increasing wafer needs in the future.

Capable of 130nm production and more advanced future manufacturing nodes, the new wafer fab will be located in the largest technology region in the U.S. which is home to other semiconductor companies and semiconductor-focused academic institutions. In its first buildout stage, the new facility will offer capacity of at least 150,000 200mm-wafer equivalents per year with a view to future expansion up to a total buildout potential of more than 450,000 200mm-wafer equivalents per year. Construction of the wafer fab has recently started and ams expects volume production of the new facility to ramp in the first half of 2018.

This important project, together with the expanded highly efficient 200mm wafer fab in Austria, demonstrates ams' readiness to support future growth.

Our Global Network

Europe

Austria

ams headquarters
Premstaetten dc/tc/so

Germany

Nuremberg dc/so
Reutlingen dc/so
Stutensee dc/so

Belgium

Antwerp dc/so

Finland

Helsinki so
Oulu dc

France

Vincennes so

Italy

Corsico so
Pavia dc
Pisa dc

Netherlands

Eindhoven dc

Portugal

Funchal dc

Slovenia

Ljubljana dc

Spain

Valencia dc

Sweden

Sollentuna so

Switzerland

Rapperswil dc/so

United Kingdom

Stockport so

Asia

China

Beijing so
Hongkong so
Shanghai so
Shenzhen so
Suzhou so

India

Hyderabad dc

Japan

Tokyo dc/so

Korea

Seoul so

Philippines

Calamba tc

Singapore so

Taiwan

Taipei so

dc design center

tc test center

so sales office

North America

USA

Austin, TX dc
Cupertino, CA so
Plano, TX dc/so





Investor Relations and Corporate Governance



Eindhoven

Investor Relations

The ams share offers attractive potential for value appreciation as ams continues to grow its business and focuses on implementing its sensor solutions strategy. The ams share recorded a mixed performance in 2015 with the share price showing strong positive momentum in the first months of the year which reversed into a downward trend for the remainder of 2015. This development reflected specific business trends as well as the muted development of consumer end markets in the second half. Overall, the ams share depreciated by 8% over the course of the year.

ams follows a dividend policy outlining a payout ratio of 25% of the annual net result. The Management Board will therefore propose a dividend of EUR 0.51 for the fiscal year 2015, which is an increase of EUR 0.18 compared to 2014. ams intends to continue to distribute dividends in the coming years based on the further positive development of its business. ams also operates a share buyback scheme under which the company bought back

1,284,873 shares last year, equivalent to 1.8% of total issued shares at year end 2015. These shares may be used to cover employee share option and long-term incentive plans.

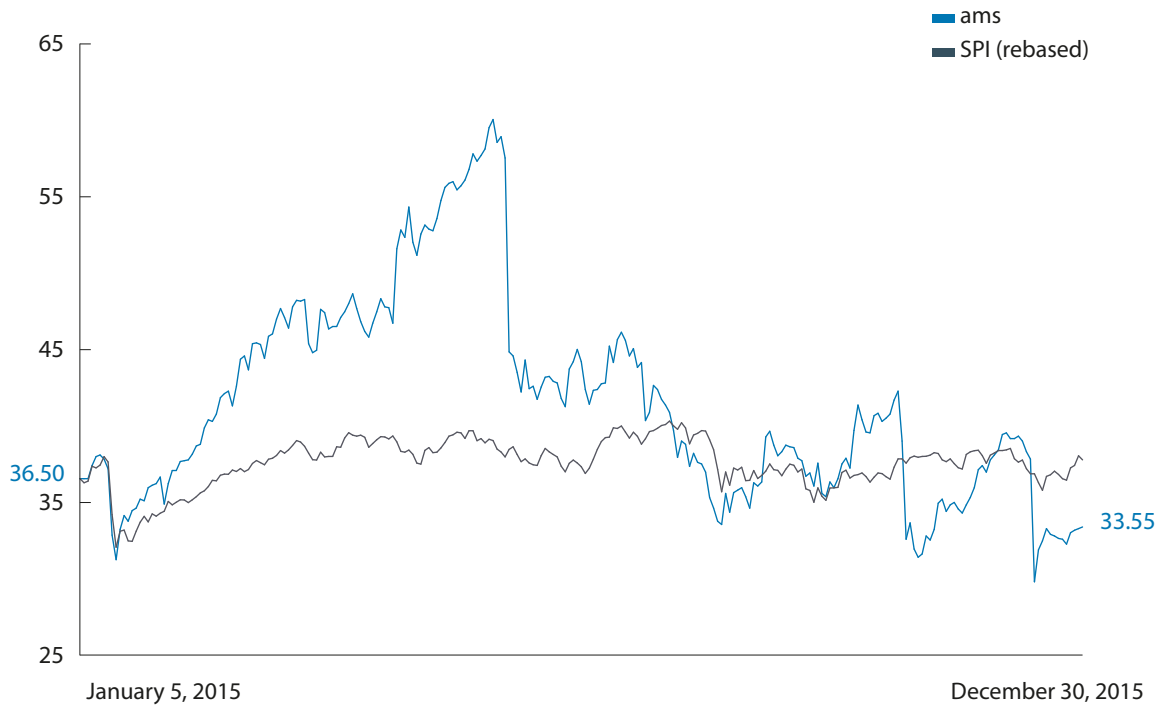
At the Annual General Meeting in June 2015, all agenda items subject to a vote were approved with an overwhelming majority.

ams continued to expand its investor relations activities in 2015, based on its quarterly reports and regular presentations to analysts, press, and institutional investors. ams held frequent investor road shows in financial hubs across Europe, the U.S., and Canada and attended investor conferences in Europe and the U.S., strengthening its investor relations activities in North America once again. Financial reports, press releases, and additional information on the ams share are available in the "Investor" section of the company website www.ams.com.

Share details

ISIN	AT0000A18XM4
Securities code	24924656
Ticker symbol	AMS (SIX Swiss Exchange)
Reuters / Bloomberg	AMS.S / AMS SW

ams share price development in CHF



Executive Bodies

Management Board

Alexander Everke (CEO, since March 1, 2016)

Kirk S. Laney (CEO, until February 29, 2016; Chief Strategist Sensor Solutions, since March 1, 2016)

Michael Wachsler-Markowitsch (CFO)

Dr. Thomas Stockmeier (COO)

Supervisory Board

Guido Klestil (Honorary Chairman)

Hans Jörg Kaltenbrunner (Chairman)

Prof. Dr. Siegfried Selberherr (Deputy Chairman)

Gerald Rogers (Deputy Chairman)

Michael Grimm

Klaus Iffland

Jacob Jacobsson

Johann Eitner (employee representative)

Andreas Pein (employee representative, since February 1, 2016)

Günter Kneffel (employee representative, until January 31, 2016)

Vida Uhde-Djefroudi (employee representative, since March 10, 2015)

Dr. Günther Koppitsch (employee representative, until January 31, 2015)

Corporate Governance

As an Austrian company listed in Switzerland, ams AG ("ams") is subject to the compulsory regulations of the SIX Swiss Exchange's directive concerning information on corporate governance ("Swiss Corporate Governance Directive"). The Swiss Corporate Governance Directive is available at https://www.six-exchange-regulation.com/dam/downloads/regulation/admission-manual/directives/06_16-DCG_en.pdf. This chapter also contains the Corporate Governance report information according to the stipulations of Austrian law.

In this context, ams points out that Austrian Corporate Law differs from the Swiss model in terms of the structure of its corporate bodies, their duties and their accountability. Hereinafter, the Austrian terms for the corporate bodies will be used. Corporations that are not constituted according to the Swiss Code of Obligations are required correspondingly to meet the regulations of the Swiss Corporate Governance Directive, which is formulated in close correspondence with the Swiss Code of Obligations. Consequently there follows a brief description of the particular features of the Austrian organizational structure:

– The Management Board is responsible for company management and representation of the company; it holds the monopoly on company management and representation. It is not subject to instructions by the shareholders or the Supervisory Board, acting rather on its own responsibility and without instructions. Where the Swiss Corporate Governance Directive calls for information on the Executive Board, corresponding details on the Management Board are provided. Nevertheless, the function of the Management Board does not correspond exactly with that of the Swiss Executive Board.

– The Supervisory Board is in charge of appointing and dismissing the Management Board and, in particular, supervising it. Furthermore, specific legal transactions also require the Supervisory Board's approval. Where the Swiss Corporate Governance Directive calls for information on the Administrative Board corresponding details on the Supervisory Board are provided. Nevertheless, the function of the Supervisory Board does not correspond exactly with that of the Swiss Administrative Board.

– The Annual General Meeting, functioning as the supreme means of decision-making body for a company, is responsible for appointing and dismissing the members of the Supervisory Board and the appointment of the auditor. Where the Swiss Corporate Governance Directive calls for information on the General Meeting corresponding details on the Annual General Meeting are provided. The Swiss and Austrian legal systems differ with regard to these two institutions.

1. Corporate Structure and Shareholders

1.1 Corporate Structure

ams, with headquarters in Unterpemstatten, Austria, has been officially listed on the main segment of the SIX Swiss Exchange since May 17, 2004 (securities number 24924656, ISIN AT0000A18XM4). On the reporting date, the company had a market capitalization of approximately 2.46 billion CHF. ams' business activity is divided into the business segments Products and Foundry. The Products business segment consists of the Consumer, Communications, Automotive, Industrial, and Medical market areas, while the Foundry business segment comprises the Full Service Foundry area. The company manages its business via a Management Team which includes managers responsible for managing the business areas within the framework of the strategy defined by the Management Board. These managers report directly to the Management Board of ams. Further information on the business segments is provided in the Notes to the Consolidated Financial Statements under item 1.

The company has active unlisted subsidiaries; there are no listed subsidiaries. The following table lists the company's direct active subsidiaries:

Company	Head office	Equity in EUR	Percentage of shares held
ams Germany GmbH	Munich	579,996	100 %
ams International AG	Rapperswil	110,723,644	100 %
ams France S.à.r.l.	Vincennes	-88,566	100 %
ams Italy S.r.l.	Milan	536,824	100 %
ams R&D UK Ltd.	Launceston	300,034	100 %
AMS USA, Inc.	Raleigh	1,170,779	100 %
ams Japan Co., Ltd.	Tokyo	179,888	100 %
ams Asia Inc.	Calamba City	26,759,413	100 %
ams Semiconductors India Private Ltd.	Hyderabad	302,340	100 %
ams R&D Spain SL	Valencia	90,918	100 %
Aspern Investment Inc.	County of Kent	3,562,445	100 %
AMS-TAOS USA Inc.	Plano	3,720,075	100 %
AppliedSensor Sweden AB	Linköping	14,093,437	100 %
acam-messelectronic GmbH	Stutensee	2,750,295	100 %
CMOSIS International BV	Berchem	64,717,019	100 %

1.2 Significant Shareholders

As ams did not fall under the disclosure requirements set forth by Swiss law before May 1, 2013, the shareholdings described below relate to the time of notification or capital increase and may have changed subsequently:

In April 2008 Schroders plc, London, United Kingdom, notified a holding of 4.6% of the share capital. In September 2008 Dr. Berger, Vienna, Austria, notified a holding of 8.3% of the share capital as trustee. In July 2009 Dr. Johannes Heidenhain GmbH, Traunreut, Germany, notified a holding of 3.2% of the share capital and Kempen Capital Management, Edinburgh, United Kingdom, notified a holding of 9.2% of the share capital. In August 2009 Odin Fund Management, Oslo, Norway, notified a holding of 4.3% of the share capital and Pictet Asset Management, Zurich, Switzerland, notified a holding of 4.1% of the share capital. In February 2010 The Capital Group Companies, Inc., Los Angeles, USA, notified a holding of 3.0% of the share capital. In July 2010 FMR LLC, Boston, USA, notified a holding of 4.8% of the share capital.

Since May 1, 2013 ams is subject to article 20 of the Swiss Federal Law on Securities Exchanges and Securities Trading (SESTA) and the Ordinance of the Swiss Financial Market Supervisory Authority on Stock Exchanges and Securities Trading (the FINMA Stock Exchange Ordinance). Pursuant thereto, ownership interests in companies with registered office outside of Switzerland whose equity securities are mainly listed in whole or in part in Switzerland must be notified both to the issuer company and to SIX Swiss Exchange when the holder's voting rights reach, increase

above or fall below certain thresholds. These notification thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% of voting rights. Information on significant shareholders or groups of shareholders filed with ams and the Disclosure Office of SIX Swiss Exchange in accordance with article 20 SESTA can be viewed on the Disclosure Office's publication platform at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

1.3 Cross Shareholding

No cross shareholdings exist at this time.

2. Capital Structure

2.1 Capital

As of December 31, 2015, ams' ordinary capital amounted to nominally EUR 73,408,545.00, divided up into 73,408,545 no-par-value shares with a calculated nominal value of EUR 1.00 per share.

2.2 Authorized and Conditional Capital in Particular

(the figures shown below reflect the situation at the time of authorization)

Authorized Capital

In May 2012, the management board was authorized upon cancellation of the existing authorized capital (authorized capital 2011) to increase – if required in several tranches - the share capital of up to EUR 16,657,936.24 by issuing up to 6,876,546 new shares (no-par shares) against cash and/or contribution in kind and to determine, in agreement with the Supervisory Board, the par value, the terms of issue and further details of the implementation of the capital increase (authorized capital 2012).

Conditional Capital

In May 2005, the Annual General Meeting authorized the Management Board to increase the share capital by EUR 2,398,203.53 by issuing 990,000 new bearer shares for cash to provide cover for stock options granted to staff members and senior executives in the company and its subsidiaries, excluding the subscription rights of existing shareholders. The terms of issue are based on the provisions of the stock option plan approved by the Management Board on April 22, 2005 (Stock Option Plan 2005).

The management board was authorized in June 2015 to conditionally increase the share capital pursuant to § 159 paragraph 2 sub-par 3 Austrian Stock Corporation Act (AktG) in a manner that the share capital is increased up to EUR 5,000,000.- by issuance of up to 5,000,000 no-par bearer shares (no-par value shares) for the purpose of granting stock options to employees, officers and directors of the Company and any company affiliated within the scope of the Performance Stock Unit Plan (PSP) 2014-2029. The issue price is calculated based on the stock exchange price before granting of the respective stock options, whereupon the issue price in any case is at least the amount of the share capital attributable to each no-par share. The Supervisory Board is authorized to decide changes in the Articles of Association resulting from the conditional capital increase.

2.3 Changes in Capital

In total, the ams Group's shareholders' equity amounted to EUR 444.73 million as of December 31, 2013, EUR 555.76 million as of December 31, 2014; and EUR 681.21 million as of December 31, 2015. Information about the changes in shareholders' equity over the last two reporting years is provided in the section entitled "Consolidated Statement of Changes in Shareholders' Equity according to IFRS from January 1, 2015 until December 31, 2015" in the financial section of this Annual Report.

2.4 Shares and Participation Certificates

On the date of reporting, ams' share capital consisted of 73,408,545 common no-par-value shares issued to bearer with a calculated nominal value of EUR 1.00 per share. Every bearer of a common share has the right to vote and is entitled to receive dividends; there are no preferential rights. All shares are equal in terms of the company's residual assets; all capital was paid in. There are no participation certificates.

2.5 Profit Sharing Certificates

There are no profit sharing certificates.

2.6 Restrictions on Transferability and Nominee Registration

The company only has bearer shares outstanding. There are no restrictions on transferability or corporate rules on nominee registration.

2.7 Convertible Bonds and Option Plan

On April 22, 2005, the Management Board approved a stock option plan for staff members and senior executives in the company and its subsidiaries (Stock Option Plan 2005). This provides for the issue of a total of 4,950,000 options over a period of four years. According to the conditions of SOP 2005, options forfeited back to the company may be re-issued until the end of the plan period. In 2015 no options were granted. One option entitles the bearer to buy one share in the company. 20% of the options issued can be exercised a year after issue at the earliest and the remainder in 20% installments for each further year after issue at the earliest. The options' strike price is calculated from the average market price of the ams share over the three months prior to granting of the stock options, minus a discount of 25%. To fund the options issued, the conditional capital increase described in section 2.2 will be used. The options are non-transferable. The last possible exercise date was June 30, 2015, therefore this stock option plan ended on June 30, 2015.

An additional Stock Option Plan (SOP 2009) was approved at the Annual General Meeting of April 2, 2009. Under the terms of SOP 2009, over a period of 4 years a total not exceeding 5,500,000 options on no-par company shares was to be granted, corresponding to around 10 % of the company's capital at the time of approval. Every option granted entitles the participant to purchase a no-par share in ams. Exercise of options is possible annually to the extent of 25% on the days of the first, second, third and fourth anniversaries of granting, i.e. in four equal tranches. The preferential price of the options is calculated from the average stock market price over the 3 months prior to granting of the stock options. All options granted must be exercised by June 30, 2017. Differing from the practice in previous years, the options issued in 2013 vest to the extent of 33% on the first, second and third anniversary of the grant for 50% of the granted options. The earliest date for exercising the other 50% of the granted options is the third anniversary of the options grant date depending on the achievement of the following criteria: (i) The benchmark growth of the market (sales growth of the analog semiconductor market as published by WSTS) has to be surpassed in the period 2013-2015 with stable gross margins (not to be lower than in 2012; adjusted for extraordinary impacts related to a positive long-term development of the business such as e.g. acquisition costs or financing costs). If this does not apply to the whole period but only to single calendar years, a quota of one third of the exercisability for the relevant year has to be taken into account. (ii) Over the period 2013-2015 an increase of earnings per share has to be achieved. If this does not apply to the whole period but only to single calendar years (provided that earnings per share are not lower than in 2012), a quota of one third of the exercisability for the relevant year has to be taken into account.

In connection with the acquisition of TAOS Inc., the company has committed to grant options to certain employees of TAOS Inc. by issuing a Stock Option Plan, which – as far as legally possible - matches the number of options and the option plan which has been granted to those employees under the TAOS Inc. - „Equity Incentive Plan 2000“. To fulfill this obligation, the management board of ams has adopted a new Stock Option Plan 2011 (SOP 2011), which the company's Supervisory Board approved on July 9, 2011. The SOP 2011 comprises unvested options and vested options. Each option granted entitles each employee to purchase one share of the company. For holders of unvested options the exercise price equals the original exercise price under the TAOS Inc. plan. This price is in the range of USD 0.19 and USD 3.96. Certain employees of TAOS Inc., who held a small number of TAOS Inc. shares („small Shareholders“), were granted exercisable options for shares of the Company as compensation for shares of TAOS Inc. held by them prior to the transaction (vested options). The option exercise price for these options is CHF 8.27 which is the average of the market price of the shares of the company on the SIX Swiss Exchange within 30 days following the date of grant of options. The term of the unvested options will remain unchanged compared to the original TAOS Inc. plan. The options will expire between September 3, 2017 and June 8, 2021. The options of the Small Shareholders expire ten years after the date of issuance, therefore on July 12, 2021.

The supervisory and management boards have decided to adopt a new Stock Option Plan (SOP 2013) on August 28, 2013. The SOP 2013 comprises a maximum of 2,000,000 options, of which (i) up to 1,575,000 options may be granted to employees and executive employees and (ii) up to 235,000 options may be granted to the Chairman of the Management Board / Chief Executive Officer and up to 190,000 options may be granted to the Chief Financial Officer. This corresponds to 2.8% of the nominal capital of the Company at that time. Each option entitles the relevant employee, executive employee and/or managing director (collectively “Participants”) to acquire one no-par value ordinary share of ams. The available options were to be granted during the year 2013 after prior resolution by the SOP committee. All options granted must be exercised by 30 June 2021. The exercise price for the new shares corresponds to the average strike price within the last three months before the granting of the stock options. For 50% of the granted options, options can be exercised to the extent of 33% of the grant on the first, second and third anniversary of the options grant date at the earliest. For the other 50% of the granted options, the earliest exercise date is the third anniversary of the options grant date depending on the achievement of the following criteria: (i) The benchmark growth of the market (sales growth of the analog semiconductor market as published by WSTS) has to be surpassed in the period 2013-2015 with stable gross margins (not to be lower than in 2012; adjusted for extraordinary impacts related to a positive long-term development of the business such as e.g. acquisition costs or financing costs). If this does not apply to the whole period but only to single calendar years, a quota of one third of the exercisability for the relevant year has to be taken into account. (ii) Over the period 2013-2015 an increase of earnings per share has to be achieved. If this does not apply to the whole period but only to single calendar years (provided that earnings per share are not lower than in 2012), a quota of one third of the exercisability for the relevant year has to be taken into account. In total, 1,571,005 options were distributed from SOP 2013.

The management board has decided to adopt a new Long Term Incentive Plan (LTIP 2014) on October 17, 2014. The LTIP 2014 comprises a maximum of 5,124,940 options. This corresponds to approximately 7%

of the share capital of the Company at the time. Each option granted entitles each participant to purchase one share of the Company. The available options were to be granted during the year 2014 for the first time after prior resolution by the LTIP committee. All options granted must be exercised by October 17, 2024. The exercise price for the new shares is EUR 1.00. Issuance of the options is subject to the following criteria: a) approval of the plan by the annual general meeting; b) exercisability of 50% of the options depends on an increase of earnings per share measured over a period of three years compared to the earnings per share of the year prior to the respective grant; c) exercisability of the remaining 50% of the options depends on the comparison of total shareholder return over a period of three years to a defined benchmark group of semiconductor companies. The earliest date for exercise of options is three years after grant and the LTIP committee's decision about fulfillment of the above criteria. In 2015, 510,090 options were granted from LTIP 2014 to employees and management of the company (2014: 583,550 options).

3. Supervisory Board

On the reporting date, the company's Supervisory Board was composed of nine members, of whom three were employee representatives. The members were not employed as members of the company's or a subsidiary's management board and are therefore non-executive.

3.1 / 3.2/ 3.3 / 3.4 Members of the Supervisory Board, Other Activities, Vested Interests, Cross-Involvement, Election and Terms of Office
Insofar as nothing to the contrary is mentioned below, no material activities, vested interests or cross-involvements exist regarding the members of the Supervisory Board. Under the Corporate Governance Directive and the relevant comment by SIX Swiss Exchange, activities and vested interests are only indicated in listed Swiss and foreign organizations or ones that operate in the same or a related industry sector as the company. The information below shows committee memberships as of the reporting date.

Hans Jörg Kaltenbrunner (Chairman), born in 1957, Austrian citizen. Member of the Supervisory Board since 2009, Chairman since 2013. Re-elected in 2014, current term of office until 2018. Having studied at the Vienna University of Business and Economics, Hans Jörg Kaltenbrunner began his professional career at the Austrian Trade Delegation in Taipei, Taiwan as Deputy Trade Delegate in 1982. From 1985-1994, he assumed management positions at the Hong Kong branch and in the asset management group of Creditanstalt-Bankverein. Following appointments to the management boards of RHI AG and Austria Mikro Systeme AG, he has been a partner of Andlinger & Company since 2002 and has served as a member of management and supervisory boards of international industrial companies in this capacity.

Prof. Dr. Siegfried Selberherr (Vice Chairman), born in 1955, Austrian citizen. Member of the Supervisory Board since 2001, Vice Chairman since 2001. Re-elected in 2014, current term of office until 2018. After completing his studies in Electrical Engineering, Prof. Selberherr earned a doctorate in Technical Sciences. He has been a full professor at the Institute of Microelectronics at Vienna University of Technology since 1988 and was Dean of the Faculty of Electrical Engineering and Information Technology from 1998 to 2005. Prof. Selberherr is internationally recognized for his research in microelectronics, particularly in the field of technology computer-aided design (TCAD), and advises several international semiconductor companies.

Gerald Rogers (Vice Chairman), born in 1944, U.S. citizen. Member of the Supervisory Board since 2011, current term of office until 2016. A prolific engineer and successful businessman in the technology industry, he is Chairman of the board of directors for privately-held OnBoard Research, a musical instrument accessory company, and also serves as an advisor and investor to technology start-ups. He was a member of the board of directors for TAOS Inc. since 2003. Gerald Rogers began his career in 1969 at Texas Instruments in VLSI design and was promoted to Vice President and manager of the microprocessor division in 1981. In 1986, he became President and CEO of Visual Information Technologies. In 1987, he founded Cyrix, a highly successful microprocessor company focused on the PC market, serving as its CEO for almost a decade. Gerald Rogers earned his Bachelor's degree from the University of Houston.

Klaus Iffland, born in 1956, German citizen. Member of the Supervisory Board since 2006. Re-elected in 2014, current term of office until 2018. Having graduated in Mechanical Engineering and Business Studies, Klaus Iffland held executive positions at Audi AG in production, development, and purchasing, and was head of purchasing from 1996. Since 2002 he has held executive positions at Magna International, a leading worldwide automotive supplier, first as a member of the management board of Magna Steyr Fahrzeugtechnik, then as President of Intier Automotive Europe and Magna Closures, VP Purchasing at Magna International Europe and VP Procurement & Supply at Magna Steyr. Since 2008 he is VP Global Purchasing Magna International Europe; in July 2011 he additionally assumed responsibility for Magna Logistics Europe and joined the Management Board of Magna Europe.

Michael Grimm, born in 1960, German citizen. Member of the Supervisory Board since 2009. Re-elected in 2014, current term of office until 2018. Michael Grimm studied Management at the University of Frankfurt and then worked as a tax consultant and auditor at Arthur Andersen Wirtschaftsprüfungsgesellschaft, lately as a partner and head of the Leipzig office. From 1997 until 2001 he was at Hoechst AG with responsibility for group accounts and was involved in the transformation of Hoechst AG into Aventis. From 2002 until 2005 Michael Grimm was director of finance, accounting and investments at Grohe Water Technology AG & Co. KG, then Managing Director of Triton Beteiligungsberatung GmbH, an investment company with holdings in medium-sized companies in Germany and Sweden. Since 2008 he has been Commercial Director of Dr. Johannes Heidenhain GmbH.

Jacob Jacobsson, born in 1953, Swedish and U.S. citizen. Member of the Supervisory Board since 2011, current term of office until 2016. Jacob Jacobsson has held CEO positions at Blaze DFM, Inc., Forte Design Systems and SCS Corporation, and executive positions at Xilinx Inc., Cadence Design Systems, and Daisy Systems. He has served on the board of directors at Actel Corp., and currently serves on the boards of a number of privately-held companies in the United States and Europe. He was a member of the board of directors for TAOS Inc. since 2003. Prior to his management career, Jacob Jacobsson was active in the fields of IC design and automated design of semiconductor chips. He holds M.S. degrees in Computer Science and Electrical Engineering from the Royal Institute of Technology (KTH, Stockholm) and a B.A. degree from the University of Stockholm.

Johann C. Eitner (Employee Representative), born in 1957, Austrian citizen. Member of the Supervisory Board since July 1994. Re-elected in 2014, current term of office until 2019. Chairman of the Workers' Council and Employee Representative on the Supervisory Board since 1994. During his more than 35-year career, Johann Eitner has been

employed as an electrician in various positions and, since 1984, as supervisor in the mask lithography department at ams. He was trained as an electrician.

Günter Kneffel (Employee Representative), born in 1968, Austrian citizen. Member of the Supervisory Board since March 1999. Re-elected in 2015, left Supervisory Board in 2016. Chairman of the Employee Council and Employee Representative on the Supervisory Board from 1999 until 2016. After completing his studies in RF Engineering and Electronics, Günter Kneffel gained more than 15 years of professional experience as a process engineer for photolithography and graduated in law in 2010 (Magister der Rechtswissenschaften).

Vida Uhde-Djefroudi (Employee Representative), born in 1959, Austrian citizen. Member of the Supervisory Board from 2012 until November 2014 and since March 2015, current term of office until 2019. Member of the Employee Council since 2003. Vida Uhde-Djefroudi studied at Graz University of Technology and received a degree in Electrical Engineering. She joined ams in 1994 as an analog circuit designer and has focused on high voltage design since 2003.

Dr. Günther Koppitsch (Employee Representative), born in 1950, Austrian citizen. Member of the Supervisory Board from December 2014 until January 2015. Member of the Employee Council from 2007 until January 2015. Dr. Koppitsch studied at Graz University of Technology and University of Graz and received a degree in Experimental Physics, Geophysical Science and Physical Chemistry. He joined ams in 1985 and, following assignments in Design and Process Technology, worked in Research & Development.

Unless decided otherwise by the Annual General Meeting, members of the Supervisory Board are elected for four years, i.e. until the end of the Annual General Meeting that decides on their discharge for the third business year after the election. For this purpose, the business year in which they were elected is not included in the calculation. Individual election or election as a group are both possible under the Articles of Association and the Austrian Stock Corporation Act. The Articles of Association do not stipulate any staggering of the Supervisory Board members' terms of office.

3.5 Internal Organization

3.5.1 Allocation of tasks in the Supervisory Board

Both the Management Board and the Supervisory Board have rules of procedure. The Supervisory Board has a Chairman and two Vice Chairmen. The Supervisory Board can appoint one or more committees from its midst for the purpose of preparing its negotiations and resolutions or monitoring the implementation of its resolutions. The Supervisory Board of ams has formed the following committees: Compensation Committee, Financial Audit Committee, Nomination Committee and Emergency Committee.

3.5.2 Members list, tasks and area of responsibility for all committees of the Supervisory Board

The information below shows committee memberships as of the reporting date.

– Compensation Committee

The Compensation Committee is responsible for negotiating and passing resolutions on the relationship between the company and the members of the Management Board except resolutions on appoint-

ments and dismissals of members of the Management Board (signing, adaptation and termination of the employment contracts for members and remuneration for the Management Board, etc.) The members of this committee are Hans-Jörg Kaltenbrunner (Chairman), Gerald Rogers and Johann C. Eitner.

– Financial Audit Committee

The Financial Audit Committee is, amongst other matters, in charge of examining the annual financial statements, the management report and the proposal on the appropriation of profits, preparing the reports to be submitted to the Annual General Meeting and discussing the audit report with the auditor. The members of this committee are Michael Grimm (Chairman), Jacob Jacobsson, Hans-Jörg Kaltenbrunner, Johann C. Eitner, and Günter Kneffel.

– Nomination Committee

The Nomination Committee is responsible for preparing proposals to the Supervisory Board regarding appointments to executive positions that become available on the Management Board, strategies for succession planning and proposals to the Annual General Meeting regarding appointments to positions that become available on the Supervisory Board. The members of this committee are Hans-Jörg Kaltenbrunner (Chairman), Gerald Rogers, Prof. Siegfried Selberherr, Jacob Jacobsson, Johann C. Eitner, and Günter Kneffel.

– Emergency Committee

The Emergency Committee was set up to discuss the affairs of the Supervisory Board in cases of imminent danger (“danger in delay”) and, if the situation absolutely requires it, to decide on them. The members of this committee are Hans-Jörg Kaltenbrunner (Chairman), Gerald Rogers, Prof. Siegfried Selberherr, Johann C. Eitner, and Günter Kneffel.

3.5.3 Working procedures of the Supervisory Board and its committees

The meetings of the Supervisory Board (SB) are presided over by the Chairman and, in his absence, by a Vice Chairman. Resolutions are passed by simple majority of the votes cast. In case of equality of votes, the Chairman's vote is decisive. The SB is entitled to request written reports on corporate affairs and managerial issues from the Management Board at any time. In principle, the Management Board also attends the SB meetings. Unless the chairman of the meeting decides otherwise the Management Board is merely granted an advisory vote. 10 days in advance of a SB meeting, the members of the SB receive the meeting agenda, which has been aligned with the Chairman, and extensive information on the agenda items. The members of the SB can pose questions to the Management Board and request additional information via an internal communications tool. In the SB meeting the Management Board provides details on the development of the business including human resources, on the financial performance and on the progress of longer-term technical and commercial projects. Extensive time is allocated to discussions with the Management Board and within the SB. In accordance with the Management Board by-laws resolutions on investments, acquisitions and other proposals by the Management Board are a further important element of each SB meeting.

The SB committees are entitled to adopt a resolution which is binding for the Supervisory Board only in cases where the committee has been granted such decision-making power by the Supervisory Board in advance. The Supervisory Board appoints a committee member as Committee Chairman and an additional committee member as the Chairman's deputy. Committee resolutions are passed by simple

majority of the votes cast. In case of equality of votes, the Committee Chairman's vote is decisive.

The Supervisory Board normally convenes five times a year. During the past year, the Supervisory Board convened a total of seven times with sessions lasting on average around six hours. The Compensation Committee convened a total of seven times with sessions lasting on average around one hour. The Financial Audit Committee convened a total of five times with sessions lasting on average around one hour. The Nomination Committee convened a total of two times with sessions lasting on average around one hour. The Emergency Committee did not convene. With the exception of one member missing one meeting for health reasons and one member missing one meeting due to another commitment all members attended all meetings of the Supervisory Board and its Committees.

3.6 Definition of Area of Responsibility

The Management Board of ams acts on its own responsibility and is not subject to instructions from the shareholders or the Supervisory Board. Specific legal transactions individually listed in the Austrian Stock Corporation Act require approval by the Supervisory Board. Amongst other responsibilities including succession planning and nomination and compensation of Board members, the Supervisory Board supervises the business conduct of the Management Board. This includes discussing regular updates on the company's financial and business development internally and with the Management Board and approving the company's budget for the following year. The Management Board clears the company's strategic orientation with the Supervisory Board and discusses the status of strategy implementation with the Supervisory Board at regular intervals.

3.7 Information and Control Instruments vis-à-vis the Management Board

The company possesses a Risk Management System, a Management Information System (MIS) and an internal audit function. Within the framework of the Risk Management System, recognizable risks in numerous areas of the company are compiled and assessed at least twice a year. Further details on the Risk Management System are given in item 8 of the Group Management Report. The principal results are subsequently evaluated by the Management Board and brought to the attention of the Supervisory Board. The company's MIS compiles a multitude of performance indicators from various areas of the company as well as comprehensive financial information and promptly makes them available to management as processed files in electronic form. The Supervisory Board receives monthly and quarterly reports based on information from the MIS. The internal audit function compiles four audit reports per year which are made available to the Supervisory Board and cover specific areas of audit jointly defined by the Management and Supervisory Boards.

4. Management Board

4.1 / 4.2 Members of the Management Board, Other Activities and Vested Interests

Insofar as nothing to the contrary is mentioned below, no material activities or vested interests exist regarding the members of the Management Board.

Alexander Everke, born in 1963, German citizen. Member of the Management Board since October 2015 and Chairman of the Management Board since March 2016. Contract term until 2018. Alexander Everke started his career in the semiconductor industry with Siemens as Marketing Manager and Director in 1991. In 1996 he joined the Siemens spinoff Infineon as Vice President Sales responsible for the Memory Products Division. In 2001 he became Senior Vice President Sales responsible for the Global Sales Organization of Infineon with an annual revenue of EUR 7.2 billion. His final position with Infineon was Senior Vice President and General Manager for the Chip Card & Security ICs Business Unit before joining NXP Semiconductor UK as General Manager in 2006. In 2007 Alexander Everke became a Member of the NXP Management Team and served as Executive Vice President and General Manager for the Business Units Multimarket Semiconductors, High Performance Mixed Signal and Infrastructure & Industrial reporting in all roles directly to the CEO of NXP Semiconductor. Alexander Everke holds a Master diploma in Electrical Engineering and a Master degree in Business Administration.

Kirk S. Laney, born in 1957, U.S. citizen. Chairman of the Management Board from May 2013 until February 2016, Member of the Management Board since March 2016. Contract term until 2017. Kirk Laney began his 30-year semiconductor industry career in 1980 when he joined the Linear Products Group at Texas Instruments where he became Operations Manager for the Optoelectronics Business Unit in 1993. Under his leadership, a core team was assembled to enable the Intelligent Opto Sensor (IOS) strategy. In 1998, under a technology license, Kirk Laney and five colleagues spun off the Optoelectronic Products Group into Texas Advanced Optoelectronic Solutions, Inc. (TAOS) which he led from a niche market provider to a worldwide leader and technology innovator of opto-sensor solutions. Kirk Laney served as CEO of TAOS since its foundation and headed ams' opto-sensor and lighting business as Executive Vice President following ams' acquisition of TAOS in 2011. Kirk Laney holds a Bachelor of Science degree in Physics from Midwestern State University and four patents in opto-electronic packaging.

Michael Wachsler-Markowitsch, born in 1968, Austrian citizen. Member of the Management Board responsible for finance since February 2004. Contract term until 2019. He has been with ams since 2001, holding the position of Chief Financial Officer (CFO) since 2003. During his more than 20-year career, Michael Wachsler-Markowitsch was finance director of Ahead Communications AG and worked as a consultant and auditor for international mandates at KPMG Austria. He has extensive experience in accounting, corporate finance and tax consultancy. Michael Wachsler-Markowitsch studied Business Administration at Vienna University of Business and Economics (Magister degree) and founded Dynaconsult GmbH, an IT consulting firm, during the same period. He is a member of the Management Board of the Styrian Federation of Industry and heads the representative body for the electrical and electronics industries at the Styrian Chamber of Commerce.

Dr. Thomas Stockmeier, born in 1958, German citizen. Member of the Management Board responsible for operations since October 2014. Contract term until 2017. He joined ams in April 2013 as Executive Vice President and General Manager of the Industrial & Medical business. In July 2014, he was appointed Executive Vice President and General Manager of the Division Sensors and Sensor Interfaces as well as Corporate Technology. Dr. Thomas Stockmeier has 29 years of broad experience in the electronics industry, gained with ABB in Switzerland and the U.S. where he spent 13 years holding various positions in R&D and management. Before joining ams, he worked at SEMIKRON for 13 years as

Member of the Management Board and Chief Technology Officer (CTO) responsible for R&D, Operations, and Quality. Dr. Thomas Stockmeier received a Diploma Degree in Material Science and a Doctorate Degree in Electrical Engineering from the University of Erlangen-Nuremberg.

4.3 Management Contracts

There are currently no management contracts.

5. Compensation, Shareholdings and Loans

5.1 Content and Method of Determining Compensation and Share Ownership Programs

The Annual General Meeting is in charge of determining the remuneration of the company's Supervisory Board. A shareholder may submit a proposal for resolution to the Annual General Meeting.

The remuneration of the individual Management Board members is determined annually by the Compensation Committee and the share ownership programs of the individual Management Board members by the Supervisory Board Chairman and its two Vice Chairmen in consultation with the employee representative members of the Supervisory Board.

The amount of the annual variable part of the Management Board remuneration is determined according to the fulfillment of annually determined performance targets for the members of the Management Board. For the year under review, the amount was based on targets for revenues and operating result (EBIT), with the level of achievement taking into account 40% each for revenues and operating result (EBIT), while 20% of the amount was based on reaching predefined milestones of strategically important long-term customer and development projects. The determination of the annual compensation includes an external benchmarking of the remuneration and remuneration structure with respect to comparable positions in the European electronics and semiconductor industry. Further details are given in section 5.3 regarding the remuneration and under item (n) of the Significant Accounting Policies concerning the terms and structure of the share ownership programs.

In the period under review, the annual variable part of the remuneration was 94.67% of the basic remuneration for the Chairman of the Management Board (in the period under review), the CFO, and the COO. In addition, the Chairman of the Management Board (in the period under review) and the CFO were privy to a long-term variable incentive of 200% of their basic remuneration, which became due upon fulfillment of pre-agreed conditions at acceptance of the annual accounts 2015 by the Supervisory Board. This program will be replaced by the performance share unit-based LTIP 2014 going forward.

Two Management Board members receive a severance pay of two gross monthly salaries per year of service up to a maximum of two yearly gross salaries. In case of termination or non-extension of their Board membership these Management Board members have a claim in the amount of the severance pay. There are no further claims from company pension schemes or in case of termination of Board membership. D&O insurance is in place for members of the Management Board and for members of the Supervisory Board.

5.3 Remuneration report in keeping with Arts. 14 to 16 Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC)

Regarding compensation for acting Board members, the relevant details are available below. In the year under review, former Board members were not granted any compensation.

Remuneration (in thousands of EUR)	CEO active		CEO designate		CFO		COO		Management board total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Salary										
Salary, not variable	388	326	151	0	330	302	300	50	1,169	678
Salary, variable	454	292	150	0	330	307	344	53	1,278	652
Options										
Options (Value at allocation)	418	121	0	0	232	78	373	43	1,023	242
Non cash benefit										
Car	0	0	2	0	4	4	8	2	14	6
Expense for precautionary measures										
Contribution to accident insurance	1	1	1	0	1	1	1	1	4	3

The company's executive officers hold 763,303 shares and call options for the purchase of 589,505 shares of ams AG as of December 31, 2015 (785,623 shares and call options for the purchase of 701,410 shares as of December 31, 2014).

During the year under review 41,750 call options were allocated to the Chairman of the Management Board (2014: 45,560), 23,220 call options to the CFO (2014: 29,600) and 37,300 call options to the COO (2014: 26,250) which is a total of 102,270 (2014: 91,410) call options for the Management Board from LTIP 2014 (2014: SOP 2009 / LTIP 2014) with a strike price of EUR 1.00 (2014: EUR 1.00). For conditions and valuations of the call options for shares of ams AG based on the LTIP 2014 and SOP 2009 please refer to point (p) (iv) in the Notes to the Consolidated Financial Statements. No persons related to the Management Board members held shares or options of ams AG as of December 31, 2015 or December 31, 2014, respectively.

An amount of EUR 232 thousand was recorded in the profit and loss statement as expenses (2014: release) from accrual for severance pay-

ments for the Management Board (2014: EUR 336 thousand recognized as income).

The remuneration of the company's Supervisory Board amounted to EUR 394 thousand (2014: EUR 438 thousand). All remunerations were or are to be paid directly by the company. One member of the Supervisory Board supplied consulting services amounting to EUR 14 thousand in 2015 (2014: EUR 15 thousand). The company has no consulting agreements with its known shareholders.

The presented remuneration for the Supervisory Board members shows the amounts actually paid during the business year. The remuneration for the business year 2015 will be determined in the Annual General Meeting on June 2, 2016. No persons related to the Supervisory Board members held shares or options of ams AG as of December 31, 2015 or December 31, 2014, respectively.

Directors' remuneration 2015

in thousands of EUR		Directors' gross remuneration fixed	Travel expenses & attendance fees	Number of shares held as per Dec. 31	Number of options held as per Dec. 31
Name	Function				
Hans Jörg Kaltenbrunner	Chairman	80	2	0	0
Prof. Dr. Siegfried Selberherr	Vice chairman	60	3	75,000	0
Gerald Rogers	Vice chairman	60	40	76,106	0
Michael Grimm	Member	40	1	0	0
Klaus Iffland	Member	40	1	700	0
Jacob Jacobsson	Member	40	24	66,500	0
Johann Eitner	Employee representative	0	1	0	0
Günter Kneffel	Employee representative	0	1	0	0
Dr. Günther Koppitsch	Employee representative (until January 31, 2015)	0	0	0	0
Vida Uhde-Djefroudi	Employee representative (since March 10, 2015)	0	1	0	3,010
		320	74	218,306	3,010

Directors' remuneration 2014

in thousands of EUR		Directors' gross remuneration fixed	Travel expenses & attendance fees	Number of shares held as per Dec. 31	Number of options held as per Dec. 31
Name	Function				
Hans Jörg Kaltenbrunner	Chairman	73	2	0	0
Prof. Dr. Siegfried Selberherr	Vice chairman	60	3	75,000	0
Gerald Rogers	Vice chairman	53	44	79,106	0
Michael Grimm	Member	40	2	0	0
Klaus Iffland	Member	40	2	350	0
Jacob Jacobsson	Member	40	33	80,556	0
Johann Eitner	Employee representative	0	2	0	0
Günter Kneffel	Employee representative	0	2	0	0
Vida Uhde-Djefroudi	Employee representative (until November 21, 2014)	0	2	0	3,530
Dr. Günther Koppitsch	Employee representative (since December 4, 2014)	0	0	500	2,345
		346	92	235,512	5,875

6. Shareholders' Right of Participation

6.1 Voting Rights and Representation Restrictions

All shareholders of ams hold common bearer shares. Every share entitles its bearer to one vote at the Annual General Meeting. There are no voting right restrictions. Voting by proxy is only possible with a written power of attorney which remains with the company.

6.2 Statutory Quorums

The resolutions passed by the Annual General Meeting require the majority of the votes cast (simple majority) insofar as the Austrian Stock Corporation Act or the Articles of Association do not foresee a larger majority or additional requirements. ams' Articles of Association do not call for a higher number of votes than those required by the Austrian Stock Corporation Act.

6.3 Convocation of the Annual General Meeting

Pursuant to the Austrian Stock Corporation Act, the Annual General Meeting is convened by the Management Board. In accordance with the company's Articles of Association, the Annual General Meeting shall be convened at least 28 days prior to the appointed date. The convocation is published in the "Wiener Zeitung" and announced in "Finanz & Wirtschaft".

6.4 Agenda

In compliance with the Austrian Stock Corporation Act, the agenda proposed for the Annual General Meeting shall be published in connection with the convocation of said meeting. Within 21 days prior to the date of the Annual General Meeting, a minority of 5% of the ordinary capital may demand that the agenda of a previously convened Annual General Meeting shall be supplemented. Those proposing must have been in possession of the shares for at least three months prior to making their proposal.

6.5 Inscriptions into the Share Register

The company only has bearer shares outstanding and therefore does not keep a share register.

7. Changes of Control and Defense Measures

7.1 Duty to Make a Public Offer

Since ams is an Austrian corporation mainly listed in Switzerland, the regulations of the Swiss Federal Law on Securities Exchanges and Securities Trading (SESTA) regarding public takeover offers apply at the reporting date. Under article 32 para. 1 SESTA, anyone acquiring equity securities with 33 1/3% or more of all voting rights must mandatorily make a public tender offer. The Articles of Association of ams contain neither an opting-up clause (in other words, they do not raise this percentage threshold) nor an opting-out clause (i.e., they do not waive the requirement of a tender offer). At the same time, the regulations of Austrian takeover law relating to offer obligations do not apply to ams.

7.2 Clauses on Changes of Control

At the reporting date, no clauses on changes of control existed in agreements or plans involving members of the Supervisory Board, the Management Board or other members of management.

8. Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

The existing auditing mandate was assumed by KPMG Alpen-Treuhand GmbH, now KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, in 2005. Its election as auditor for the year under review was confirmed at the Annual General Meeting on June 9, 2015. The audit partner responsible for this mandate, Mag. Helmut Kerschbaumer, took office for the first time for fiscal year 2015.

8.2 Auditing Fees

The auditing firm charged auditing fees amounting to EUR 160,000.00 during the year under review.

8.3 Additional Fees

The auditing firm charged fees for additional consulting services amounting to EUR 28,412.50 during the year under review.

8.4 Supervisory and Control Instruments Pertaining to the Audit

The auditor reports regularly to the Supervisory Board's Financial Audit Committee both orally and in writing. In the period under review, the auditor attended one Supervisory Board meeting and four Financial Audit Committee meetings.

The auditor is monitored and evaluated by the Supervisory Board's Financial Audit Committee at regular intervals. The auditor is selected on the basis of a tendering process that takes a catalog of criteria into account. The auditor's remuneration is checked regularly against prevailing market fees. The lead auditor for the company rotates every five years.

9. Information Policy

ams is committed to an open and transparent information policy towards the stakeholders. All important information on the development of business and the share price (reports, financial calendar and share price data) is available on the company website www.ams.com under the "Investor" tab. The company's ad-hoc publications are available via www.ams.com/eng/Investor/Financial-News/Ad-hoc and can be subscribed via www.ams.com/eng/Investor/Investor-Contact/Subscribe. Share-price-influencing events are published promptly through the media and on the website. ams issues quarterly reports regarding the development of its business. The publications are made available in electronic form. The Annual Report may also be made available in a printed version. For the company's contact details, refer to the publishing information at the end of the Annual Report.

Advancement of Women

ams is committed to facilitating the career development of women in management positions and to increasing the share of women in its workforce over the medium term. However, as a highly technical company in a high-tech industry it remains difficult for ams to increase the ratio of women in management positions in Austria as well as internationally. The share of women in management positions (except Management Board members) was 16% in fiscal year 2015 (11% in fiscal year 2014), while the overall share of women in the company's workforce was 26% last year. According to its Code of Conduct, ams refrains from any form of discrimination based on, for example, race, religion, political affiliation, and in particular gender.

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Group Management Report 2015

1. Overview Of The Economic Environment and the Past Financial Year

The global semiconductor sector showed a muted development in 2015 and was influenced by an increasingly volatile macroeconomic environment in key regions. Total sales of the global semiconductor industry remained almost unchanged in 2015, increasing slightly by 0.2% to USD 336.4bn while market volume in 2014 had increased by 9.9% to USD 335.8bn. The relevant market segment for ams, analog semiconductors, showed a higher growth of 2.5% to USD 45.5bn in 2015 (previous year: USD 44.4bn)¹⁾.

More than 30 years of experience in the analog segment, high performance IC solutions, and continuous innovation give ams a competitive edge. The company's clear focus within the analog semiconductor market and significant investments in research and development strengthened ams' position as a leading supplier of advanced sensor and analog IC solutions in 2015. ams' strongly positive business development last year was driven by the market success of high volume products at major OEMs which resulted in full year revenues growing by 34% to EUR 623.1m.

ams is regarded as a valued technology partner with strong competence in sensors, sensor interfaces, power management- and wireless solutions offering ultra-low energy consumption and excellent analog performance. Through its worldwide sales and support network ams has a strong presence in the relevant markets in Europe, Asia, and North America as more than 8,000 customers globally rely on ams' expertise and innovation to solve their technological challenges.

ams' business segment Products comprises the markets Consumer & Communications and Automotive, Industrial, Medical.

The company's Consumer & Communications business recorded significant growth in 2015 which was predominantly driven by ams' market position as a major supplier of advanced sensor and analog solutions for smartphones, tablet PCs and mobile devices.

ams' light sensor product area recorded the largest share of group revenues again last year as ams remained the worldwide market leader in advanced light sensors. ams holds a particularly strong position in light sensor solutions for mobile devices and supplies a broad range of leading smartphone and tablet PC vendors given its technological edge. As a result, ams once again shipped substantial volumes of its high value ambient light and proximity sensors for a wide variety of smartphones and other devices in 2015. The company's compact gesture sensor module combining gesture sensing with RGB color sensing, proximity sensing, and additional functions also continued to ship in high volumes to leading smartphone OEMs last year.

ams sees strong growth opportunities in the coming years based on more advanced uses of its light sensor technology such as True Color Sensing and Spectral Sensing. These include biosensors to capture personal health data and innovative light sensor applications. In biosensors, ams launched its first product generation last year and expects the market launch of its second product generation offering additional features in the coming months.

ams' wireless product area (RFID and NFC) developed very strongly in the first half of 2015 as high volume shipments of ams' NFC antenna booster solution contributed significantly to the growth of the company. The wireless business was, however, impacted by significantly lower shipments of NFC products in the second half of 2015 due to customer-specific developments. Implementing its strategic NFC roadmap, ams concluded a license agreement for its NFC boost technology last year and presented its combined NFC analog front-end solution. Against this background, ams continues to expect its wireless business to contribute meaningfully to the company's business development over the next years.

In audio solutions, MEMS microphone interface products showed another good performance in 2015 with very high shipments of around 1.6 billion units. As the clear market leader in a dynamic market environment ams focuses on high value applications for mobile devices. In the recent market for active noise cancellation (ANC) ams saw increasing market traction for its low power solution targeting in-box bundled earphones for smartphones. ams expects further growth for this product area in the current and coming years.

ams' industrial, medical and automotive businesses also recorded positive results in 2015 leveraging their wide range of end markets, product lines, and customers for better market penetration.

ams' industrial business showed attractive growth in 2015 mainly driven by an overall positive demand environment in the company's industrial markets. ams strengthened its position as a leading supplier of sensors and sensor interfaces for industrial and factory automation, building control, and industrial sensing last year. ams benefits from

a broad portfolio of advanced sensor technologies and solutions for high performance applications and is driving innovation to support Industry 4.0 and the Internet of Awareness. ams launched the first generation of its integrated sensor-driven lighting manager into the emerging market for smart industrial LED lighting last year. ams sees strong market dynamics in lighting and expects this area to unfold into a volume opportunity in the coming years.

ams added the CMOS environmental sensor business for integrated temperature, pressure and relative humidity sensors in 2015. Together with ams' gas sensor capabilities, this complete range of technologies offers very attractive growth potential in new sensor applications for industrial, home automation, and other end markets over the next years. ams expects to sample first generation CMOS environmental sensors to identified customers in the near future.

The acquisition of CMOSIS was another milestone in the past financial year adding a leading high value industrial and medical image sensor business with a sound revenue base. ams expects the use of multiple sensors in industrial applications to accelerate offering good growth potential for vendors with a broad-based sensor portfolio. At the same time, CMOSIS' strong IP creates significant future growth opportunities in new markets and innovative applications.

ams' medical business performed well in 2015 demonstrating ams' know-how in advanced sensors and sensor interfaces. In the core area of Medical Imaging (computed tomography (CT), digital X-ray, and mammography) the company's high resolution imaging solutions lead the market and create significant diagnostic and patient benefits for higher

quality healthcare. ams was able to build on this strong position and its partnerships with leading medical systems OEMs last year and sees a good pipeline of projects including new customers.

The company's automotive business recorded solid growth in 2015 given a positive demand environment in the global automotive market. ams' high performance sensor and position measurement solutions, battery management, and solutions for safety systems such as LIDAR collision avoidance continued to be successful in an increasing number of platforms. Focusing on its sensor strengths, ams is well positioned to benefit from rising semiconductor and sensor content in vehicles over the coming years.

ams' business segment Foundry which manufactures analog and mixed-signal ICs for customers using specialty processes performed well in 2015 and contributed attractively to the company's results. The business segment is positioned as a

full service provider offering a broad spectrum of services from design support to final test and holds a leading market position as an analog foundry for specialty processes.

ams made further significant investments last year to expand its wafer fabrication facility at the company's headquarters. The two-stage project for capacity expansion that ams had started in the previous year was successfully completed in 2015. In addition, ams was able to conclude an attractive agreement with the State of New York (USA) covering the construction of a new analog wafer fab in the U.S. which ams will lease on a long-term basis. The start of operation as well as production ramp of the new facility which is expected to offer significant cost benefits is planned for the first half of 2018. As a result, ams can follow a flexible long-term manufacturing strategy to support the future growth and further development of the company in the best possible manner.

2. Business Results

2.1 Development of Revenues

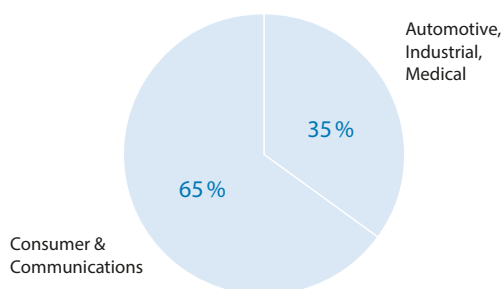
Consolidated group revenues for the financial year 2015 increased by 34% to a record high of EUR 623.1m compared to EUR 464.4m in 2014. This very positive development was primarily due to robust demand in the target market Consumer & Communications (C&C) (+37%) as well as good overall demand for ams' solutions in the Automotive, Industry and Medical markets (AIM). The strong revenue growth in the company's Consumer &

Communications business was driven by the market success of major smartphone OEMs relying on innovative ams solutions. The positive trend in ams' Automotive, Industry and Medical business, on the other hand, resulted primarily from an attractive industrywide development of demand.

The revenue breakdown by markets is shown below:

in millions of EUR	2015	% of revenues	2014	% of revenues	Change in %
C&C	407.9	65%	298.1	64%	+37%
AIM	215.2	35%	166.3	36%	+29%
	623.1		464.4		

Revenue breakdown by markets



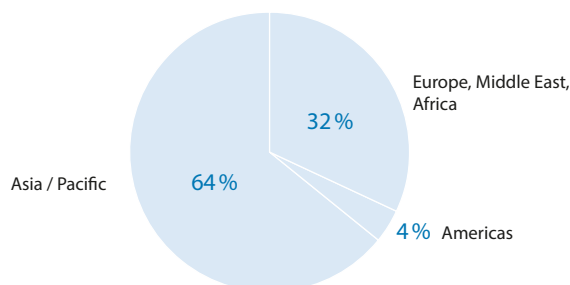
The distribution of revenues by region does not reflect the demand situation in ams' target markets but the geographic billing location of the company's customers. Business in the Asia/Pacific region developed very positively in 2015 with revenues growing considerably compared to the previous year. This development was particularly due to a major customer in Asia.

The expansion of the company's sales and distribution network continued last year enabling the addition of new customers and a higher market presence in all regions. Against this backdrop, ams expects all regions to continue to contribute to the overall growth of the company.

The revenue breakdown by region (based on billing location) is shown below:

in millions of EUR	2015	% of revenues	2014	% of revenues	Change in %
EMEA	197.7	32%	182.9	39%	+8%
Americas	22.9	4%	18.7	4%	+22%
Asia / Pacific	402.4	64%	262.8	57%	+53%
	623.1		464.4		

Revenue breakdown by region



2.2 Orders Received and Order Backlog

Given robust order patterns in key markets, orders received increased significantly over the course of the year growing by 13% from EUR 504.6m in the previous year to EUR 569.4m in 2015.

ams' year-end order backlog decreased by 9% to a solid level of EUR 119.4m on December 31, 2015 (EUR 131.3m at year-end 2014) creating an appropriate starting point for 2016.

Revenues and orders developed as follows:

in millions of EUR	2015	2014	Change in %
Revenues	623.1	464.4	+34%
Orders received	569.4	504.6	+13%
Total order backlog	119.4	131.3	-9%

2.3 Earnings

Gross profit increased substantially to EUR 339.2m in 2015 compared to EUR 253.2m in the previous year.

The company's full year gross margin excluding acquisition-related amortization remained unchanged at 56% (2014: 56%) while gross margin including acquisition-related amortization decreased slightly to 54% compared to 55% in the previous year. This positive result was mainly due to the full utilization of the company's production capacity in 2015, an attractive product mix, economics of scale, and efficiency improvements. At the same time, selling prices for the company's products showed a slight overall decline during the year.

Research and development costs as well as marketing and sales expenses showed an increase in 2015 compared to the previous year which was due to significant product development efforts, the

strengthening of the sales network and a further increase in personnel cost. Administrative costs were also higher compared to the year before due to an increase in personnel costs.

Given the strong revenue growth in relation to a comparatively lower increase in fixed costs, the operating result (EBIT) including acquisition-related amortization for the year 2015 increased strongly by EUR 41.9m to the record level of EUR 147.3m. In parallel to the increase in EBIT, EBITDA (earnings before interest and taxes plus depreciation and amortization) increased by EUR 52.5m to EUR 195.2m.

Net income for 2015 increased to EUR 148.7m compared to EUR 97.5m in 2014. The return on equity rose to 22% compared to 18% for 2014 while the return on revenues grew by 3 percentage points to 24% (2014: 21%).

in millions of EUR	2015	2014	Change in %
Gross profit on revenues	339.2	253.2	+34%
Gross margin	54%	55%	
Gross margin (including acquisition-related amortization)	56%	56%	
EBITDA	195.2	142.7	+37%
Operating result (EBIT)	147.3	105.4	+40%
EBIT margin	24%	23%	
Financial result	11.7	-1.2	+1.034%
Result before tax	158.9	104.1	+53%
Net result	148.7	97.5	+52%
Return on equity	22%	18%	
Return on revenues	24%	21%	

2.4 Assets and Financial Position

The balance sheet structure shows a high ratio of fixed to total assets which is common to the semiconductor industry. The share of intangibles and property, plant and equipment in the total assets increased from 54% in the year 2014 to 69% in the reporting period.

The investments in fixed assets affecting cash (capital expenditures) of EUR 80.1m were higher than the current depreciation and amortization of EUR 47.9m and amounted to 13% of full year revenues (2014: 15%). The ratio of equity to fixed assets reached 80% in 2015 compared to 104% in the previous year, thus reflecting the investments in fixed assets, acquisitions and strategic investments.

In the past financial year ams acquired a majority share in the CMOSIS group as well as the CMOS sensor activities of NXP Semiconductors in a strategic transaction.

The fixed assets include a deferred tax asset of EUR 34.8m (previous year: EUR 34.1m). Under the current tax legislation, this tax asset can be carried

forward indefinitely but is expected to be used to offset profit taxes within the next five years.

Inventories amounted to EUR 79.8m at the end of 2015 (2014: EUR 59.9m). This increase was particularly driven by the strong increase in revenues at a continuing high level of capacity utilization and a comparable level of inventory turnover.

Trade receivables at balance sheet date increased to EUR 88.7m due to the impact of fourth quarter revenues (2014: EUR 79.0m). The average period of outstanding receivables showed a slight increase compared to the previous year.

Financial liabilities increased by EUR 90.6m to EUR 275.2m from EUR 184.6m in 2014, as a result of drawn long-term credit lines (exploiting the historically low interest rate levels) for acquisitions and strategic investments. For the same reason, net debt increased to EUR 131.3m in 2015 compared to a net cash position of EUR 45.0m in 2014. Group equity increased by 22% to EUR 678.9m due to the positive development of the net result.

in millions of EUR	2015	2014		2015	2014
Assets			Equity and liabilities		
Inventories	79.8	59.9	Financial liabilities	275.2	184.6
Trade receivables	88.7	79.0	Trade liabilities	58.6	51.0
Other current assets	172.6	247.9	Other liabilities	127.3	98.8
Fixed assets	847.5	534.1	Provisions	81.1	64.7
Deferred tax asset	34.8	34.1	Shareholders' equity	681.2	555.8
Total assets	1,223.4	955.0	Total equity and liabilities	1,223.4	955.0

Given the higher gross debt the company's debt-to-equity ratio increased to 40% compared to 33%

in the previous year. At the same time, the equity ratio decreased to 56% (2014: 58%).

	2015	2014
Equity ratio	56%	58%
Debt to equity ratio	40%	33%
Equity to fixed assets ratio	80%	104%

These key figures are directly derivable from the group financial statements.

2.5 Cash Flow

The operating cash flow increased to EUR 155.6m in 2015 compared to EUR 124.1m in the previous year. This improvement was primarily due to the strong growth of the company's operating result. The cash flow from investing activities was EUR -287.2m (2014: EUR -108.9m) including EUR 80.1m of expenditures for intangible assets, property, plant and equipment (2014: EUR 70.1m)

and EUR 201.5m for company acquisitions (2014: EUR 35.8m). Free cash flow amounted to EUR -131.6m (2014: 15.1m). The company's available liquidity decreased by EUR 100.1m to EUR 103.6m at the end of 2015. The cash flow from financing activities amounted to EUR 21.7m in 2015 compared to EUR 101.0m in the previous year.

in millions of EUR	2015	2014	Change in %
Operating cash flow	155,6	124,1	25%
Cash flow from investing activities	-287,2	-108,9	-164%
Free cash flow	-131,6	15,1	-969%
Cash flow from financing activities	21,7	101,0	-79%
Effects of changes in foreign exchange rates on cash and cash equivalents	9,8	4,2	133%
Cash and cash equivalents	103,6	203,7	-49%

3 Research and development

ams' technological leadership in the design and manufacture of high performance sensors and analog ICs is based on more than 30 years of intensive research and development activities. In order to secure and strengthen its leading position, the company makes significant investments in research and development on a continuous basis. Research and development expenses amounted to EUR 107.8m last year (17% of revenues) compared to EUR 77.0m in the year before (17% of revenues). Research and development activities mainly comprised the areas Sensors and Sensor Interfaces, Power Management

and Wireless for product development as well as the development of specialty variants of CMOS and SiGe processes for high-voltage and high-frequency applications. The average number of employees in research and development was 548 in 2015 (2014: 390).

ams' R&D activities again allowed the filing of a large number of international patents and the publication of numerous papers in international specialist journals and at trade conferences last year.

4 Purchasing and manufacturing

In purchasing, ams was able to reduce the cost of raw materials and assembly services slightly last year which had a positive effect on the gross profit margin. Given continuously rising personnel costs the cost pressures in manufacturing nevertheless remain high.

Internal production capacity was fully utilized throughout the year 2015. As a consequence, the average capacity utilization across all manufacturing areas was 100% over the reporting period. Any unabsorbed fixed costs have been recorded in the income statement.

Gross margin excluding acquisition-related amortization remained unchanged at 56% compared to 2014 while gross margin including acquisition-related amortization decreased slightly to 54% from 55% in the previous year. This stable development was mainly due to a favorable product mix, high capacity utilization in manufacturing and economics of scale.

Given the positive demand environment for its products ams expects another year of very high capacity utilization for 2016.

5 Employees

On average, ams had 1,921 employees in 2015 (2014: 1,636) of which 1,040 worked at the company headquarters in Premstätten (2014: 922). The increase of 285 employees comprises the addition of 159 employees in research and development, 68 employees in production and 58 employees in General and Administration.

ams recognizes its responsibility as an important employer in the region. The company again offered a wide range of internal and external training and development opportunities for all employees last year and provided training positions for apprentices.

ams attempts to retain its employees with the help of a long-term remuneration model. A profit sharing program for all ams employees augments

the existing employee stock option and incentive programs by way of an attractive direct component. The profit sharing program expresses ams' belief that the company's employees are its most important success factor and honors every employee's contribution to ams' success.

Owing to the attractive increase in earnings in 2015, the total amount for distribution which depends on the operating profit before taxes in relation to full year revenues (EBT margin) increased significantly and totals EUR 15.7m for 2015 (2014: EUR 13.9m).

Moreover, active internal and employee communications as well as regular employee events which form a company tradition serve to ensure the employees' identification with the company.

6 Environment

Acting responsibly towards the environment is a basic principle for ams in all business operations. ams is dedicated to meeting the highest environmental standards as well as using resources and the environment conservatively. ams has therefore been certified to ISO 14001:2004 for a number of years.

Sustainability as well as efforts to preserve environmental resources and reduce energy costs and carbon dioxide emissions are major concerns for ams which have been supported by a range of activities for many years. Based on a thorough

analysis of ams' carbon dioxide emission sources in 2009, measures to achieve further reductions in carbon dioxide emissions are being defined each subsequent year.

ams also submits information on its carbon dioxide emissions to the Carbon Disclosure Project, a global transparency initiative which has created the world's largest freely available database of corporate carbon dioxide emissions.

7 Subsidiaries and branch facilities

ams currently has subsidiaries in Switzerland, Italy, Germany, France, Belgium, the United Kingdom, Spain, Portugal, Sweden, the U.S., the Cayman Islands, the Philippines, China, Japan, Korea, Slovenia and India. The subsidiaries in the USA, Switzerland, Italy, Belgium, Spain, Portugal, the United Kingdom, Slovenia, Germany and India carry out development, marketing and sales activities, while the subsidiaries in France, China and Japan are active in marketing and sales and technical support. The subsidiary in the Philippines is responsible for

production activities in testing, while the subsidiary in Korea is responsible for sales and assembly in the region. Branch facilities exist in Hong Kong, Singapore and Taiwan.

Principal shareholdings: The investment in New Scale Technologies, Inc., Victor, New York (USA), remained unchanged at 34.5%. New Scale Technologies develops piezo-based miniature motor technologies and licenses products and technologies to industrial partners.

8 Risk management

Operating on a global basis, the ams Group is exposed to a variety of risks that are inextricably linked to business activities. In order to identify, evaluate and counteract these risks in a timely manner, ams has developed and implemented tight internal risk management systems. This risk management system was implemented and benchmarked against best practices in conjunction with the company's auditors. The risk management process in place requires the business units to constantly monitor and

evaluate risks. Regular risk reports are prepared for the management board and supervisory board. This ensures that major risks are identified and counteraction can be taken at an early stage.

The internal audit function complements the risk management process. In close alignment with the supervisory board's audit committee it aims to analyze internal processes and if necessary propose improvements.

Business Interruption Risk

The company's state-of-the-art 200mm manufacturing facility went into operation in 2002. Although 14 years old the facility is regarded as comparatively new by semiconductor industry standards. Therefore the risk of breakdowns or prolonged downtime is relatively low. In addition, this risk is being minimized further by preventive maintenance activities. The business interruption risk is

additionally insured for the replacement price and against loss of earnings for 18 months. ams' insurer, FM Global, has awarded the company – as one of a select number of semiconductor manufacturers – the HPR (highly protected risk) status.

Financial Risks

Risk management is handled centrally by the treasury department in accordance with guidelines issued by the management board. These detailed internal guidelines regulate responsibility and acti-

on parameters for the areas affected. The treasury department evaluates and hedges financial risks in close cooperation with the business units.

Receivables And Credit Risk

ams operates a strict credit policy. The creditworthiness of existing customers is constantly checked and new customers undergo a credit evaluation. Under ams' treasury and risk management policy, investments in liquid securities and transactions

involving derivative financial instruments are only carried out with financial institutions that have high credit ratings. As of the balance sheet date there were no significant concentrations of credit risk.

Interest Rate Risk

Interest rate risk – the possible fluctuation in value of financial instruments due to changes in market interest rates – arises in relation to medium and long-term receivables and payables (especially borrowings). ams' treasury policy ensures that part of the interest rate risk is reduced by fixed-interest borrowings. On the liability side, 45% of all amounts owed to financial institutions are at fixed

rates. Of the remaining borrowings on a floating rate basis (55%), 67% will be repaid over the next two years. The remaining floating rate borrowings undergo continual checks with regard to the interest rate risk. On the asset side, the interest rate risks are primarily attached to time deposits and securities in current assets that are tied to the market interest rate.

Foreign Exchange Risk

Financial transactions in the semiconductor industry are predominantly carried out in US dollars. To hedge the currency risk, all transaction and conversion risks are constantly monitored. Within the group, cash flow streams in the same currency are offset (netting). Currency fluctuations during

foreign currency transactions mainly concern the US dollar. From the company's point of view, due to the extreme volatility in the currency markets, it is not possible to engage in economically feasible, efficient, and low risk currency hedges.

Product liability and quality risk

The products manufactured by ams are integrated into complex electronic systems. Faults or functional defects in the products produced by ams may

have a direct or indirect effect on the property, health or life of third parties. The company is not in a position to reduce or exclude its liability towards

consumers or third parties in sales agreements. Every product that leaves the company undergoes several qualified checks regarding quality and function. In spite of quality control systems certified to ISO/TS 16949, ISO/TS 13485, ISO 9001 und ISO

14001, product defects may occur and possibly only show up after installation and use of the finished products. Although this risk has been appropriately insured, quality problems could negatively impact ams' assets, financial and earnings position.

Patent Infringement Risk

ams manufactures complex ICs using various process technologies, line widths and production facilities. Like industry competitors, the company constantly has to develop these technologies further. Should ams infringe any existing patents while consistently monitoring processes, pro-

duction methods, and design blocks protected under patent law as well as related comprehensive licensing, this may negatively impact the assets, financial and earnings position of the company as well as the ams share price.

9 Events after the Balance Sheet Date

No transactions had a significant effect on ams' financial position, assets or earnings after the closing of the fiscal year.

10 Outlook

Despite the prevailing uncertainties about the development of the world economy, global industrial production and private consumption in the current year, ams expects its business to continue to grow in 2016 based on the market launch of new advanced sensor and analog solutions and the implementation of various design-wins.

For the analog segment of the worldwide semiconductor industry market researchers assume market volume to expand further in 2016 and currently expect year-on-year growth in the low single-digit percentage range (WSTS, February 2016). In

contrast, ams is confident at this time to achieve a revenue growth rate above the expected market growth rate for the current year. Moreover, ams expects gross profit margin for the year 2016 to remain high and foresees a commensurate development of the operating and net result in the current year given further increases in R&D and sales and marketing expenses.

However, should global semiconductor demand and the macroeconomic environment develop unfavorably in 2016 and/or the US dollar show notable weakness, ams would experience a mea-

ningful impact on the development of its business and earnings.

ams' outstanding expertise in sensor and analog solutions offers significant growth opportunities for the company given a wide range of applications in smartphones, tablet PCs and other mobile devices, the integration of innovative sensor

functions into wearables and smartphones, and the rapidly increasing use of advanced sensor technologies in automotive, industrial, and medical applications. In this context, the expansion of the company's business with key accounts in all markets, the broadening of its worldwide customer base and a growing penetration of target markets remain mid-term strategic priorities for ams.

11 Other Information

Regarding information concerning equity and investments please refer to the notes of the financial statements.

Premstätten, February 3, 2016



Kirk S. Laney
CEO



Alexander Everke
CEO designate



Dr. Thomas Stockmeier
COO



Michael Wachsler-Markowitsch
CFO

Consolidated Income Statement

acc. to IFRS from January 1, 2015 until December 31, 2015

in thousands of EUR	Note	2015	2014
Revenues	2	623,100	464,370
Cost of sales	4	-283,878	-211,132
Gross profit		339,222	253,238
Research and development	4	-107,770	-77,021
Selling, general and administrative	4	-93,525	-76,851
Other operating income	3	8,096	7,821
Other operating expense	4	-503	-1,377
Result from investments in associates	14	1,750	-455
Result from operations		147,269	105,355
Finance income	5	14,192	1,219
Finance expenses	5	-2,538	-2,466
Net financing result		11,654	-1,248
Result before tax		158,923	104,108
Income tax result	6	-10,256	-6,568
Net result		148,667	97,540
Basic Earnings per Share in EUR	25	2.16	1.43
Diluted Earnings per Share in EUR	25	2.08	1.37

Consolidated Statement of Comprehensive Income

acc. to IFRS from January 1, 2015 until December 31, 2015

in thousands of EUR	Note	2015	2014
Net result		148,667	97,540
Items that will never be reclassified to profit and loss			
Remeasurements of defined benefit liability	22	-2,731	-1,279
Items that may be reclassified to profit and loss			
Valuation of available for sale financial instruments		-684	474
Exchange differences on translating foreign operations		22,170	31,800
Other comprehensive income		18,755	30,995
Total comprehensive income		167,422	128,535

Consolidated Balance Sheet

acc. to IFRS as of December 31, 2015

in thousands of EUR	Note	Dec. 31, 2015	Dec. 31, 2014 adjusted	Dec. 31, 2013 adjusted
Assets				
Cash and cash equivalents	7	103,579	203,681	83,358
Financial assets	13	40,321	25,933	20,976
Trade receivables	8	88,734	78,992	63,724
Inventories	9	79,752	59,856	40,487
Other receivables and assets	10	28,663	18,286	10,544
Total current assets		341,049	386,747	219,089
Property, plant and equipment	11	256,631	204,096	145,409
Intangible assets	12	582,022	315,749	243,045
Investments in associates	14	1,876	6,549	5,074
Deferred tax assets	15	34,824	34,075	33,282
Other long-term assets	16	6,979	7,749	7,133
Total non-current assets		882,332	568,218	433,944
Total assets		1,223,381	954,964	653,032
Liabilities and shareholders' equity				
Liabilities				
Interest-bearing loans and borrowings	17	74,961	38,474	777
Trade liabilities		58,590	51,032	28,300
Tax liabilities		46,333	34,436	26,541
Provisions	18	34,747	30,304	19,489
Other liabilities	20	30,972	42,096	24,070
Total current liabilities		245,603	196,342	99,177
Interest-bearing loans and borrowings	17	200,223	146,138	59,318
Employee benefits	22	32,449	27,015	23,576
Deferred tax liabilities	19	57,890	20,846	13,584
Other long-term liabilities	20	6,008	8,858	12,648
Total non-current liabilities		296,569	202,858	109,126
Shareholders' equity				
Issued capital	23	73,409	73,267	35,270
Additional paid-in capital	23	203,785	200,031	228,615
Treasury shares	23	-77,612	-54,533	-41,726
Other reserves (translation adjustment)	23	60,288	38,119	6,319
Retained earnings		421,339	298,881	216,253
Total shareholders' equity and reserves		681,209	555,764	444,729
Total liabilities and shareholders' equity		1,223,381	954,964	653,032

Consolidated Statement of Cash Flows

acc. to IFRS from January 1, 2015 until December 31, 2015

in thousands of EUR	Note	2015	2014
Operating activities			
Result before tax		158,923	104,108
Depreciation (net of government grants)	11, 12	47,926	37,316
Expense from stock option plan (acc. to IFRS 2)		3,048	2,939
Changes in other long-term liabilities		-4,969	7,745
Result from sale of plant and equipment		-181	-11
Result from sale of financial assets	3	-2,631	170
Result from investments in associates		881	455
Net financing cost		-11,652	1,248
Change in inventories		-11,931	-17,411
Change in trade and other receivables		-22,556	-29,583
Change in trade and other payables		-65	6,012
Change in provisions and employee benefits		14,842	11,911
Change in deferred income	22	-1,856	4,209
Tax Payments		-14,202	-5,041
Cashflows from operating activities		155,578	124,067
Investing activities			
Acquisition of intangibles, property, plant and equipment		-80,082	-70,099
Acquisition of subsidiary, net of cash acquired		-201,506	-35,739
Acquisition of other financial investments		-15,023	-10,503
Proceeds from sale of plant and equipment		318	11
Proceeds from sale of financial assets		7,081	5,850
Interest received		2,050	1,561
Cashflows from investing activities		-287,162	-108,919
Financing activities			
Proceeds from borrowings		220,348	125,303
Repayment of debt		-149,628	-767
Repayment of finance lease liabilities		-2,114	-1,059
Acquisition of treasury shares		-49,627	-19,525
Sale of treasury shares		26,548	6,718
Interest paid		-1,913	-2,058
Dividends paid		-22,795	-14,106
Changes resulting from capital increase		848	6,474
Cashflows from financing activities		21,667	100,980
Change in cash and cash equivalents		-109,917	116,128
Effects of changes in foreign exchange rates on cash and cash equivalents		9,815	4,195
Cash and cash equivalents at begin of period		203,681	83,358
Cash and cash equivalents at end of period	7	103,579	203,681

Consolidated Statement of Changes in Shareholders' Equity

acc. to IFRS from January 1, 2015 until December 31, 2015

in thousands of EUR	Issued capital	Additional paid-in capital	Treasury shares	Translation adjustments	Retained earnings	Total shareholders' equity
Total equity as of December 31, 2013	35,270	228,615	-41,726	6,319	216,253	444,729
Net result	0	0	0	0	97,540	97,540
Remeasurement of defined benefit liability	0	0	0	0	-1,279	-1,279
Valuation of financial instruments	0	0	0	0	474	474
Exchange differences on translating foreign operations	0	0	0	31,800	0	31,800
Comprehensive income	0	0	0	31,800	96,735	128,535
Share based payments	0	9,022	0	0	0	9,022
Dividends paid	0	0	0	0	-14,106	-14,106
Capital increase	37,997	-37,605	0	0	0	391
Purchase of treasury shares	0	0	-19,525	0	0	-19,525
Sale of treasury shares	0	0	6,718	0	0	6,718
Total equity as of December 31, 2014	73,267	200,031	-54,533	38,119	298,881	555,764
Net result	0	0	0	0	148,667	148,667
Remeasurement of defined benefit liability	0	0	0	0	-2,731	-2,731
Valuation of financial instruments	0	0	0	0	-684	-684
Exchange differences on translating foreign operations	0	0	0	22,170	0	22,170
Comprehensive income	0	0	0	22,170	145,252	167,422
Share based payments	0	3,754	0	0	0	3,754
Dividends paid	0	0	0	0	-22,795	-22,795
Capital increase	142	0	0	0	0	142
Purchase of treasury shares	0	0	-49,627	0	0	-49,627
Sale of treasury shares	0	0	26,548	0	0	26,548
Total equity as of December 31, 2015	73,409	203,785	-77,612	60,288	421,339	681,209

Notes to the Consolidated Financial Statements

1 Significant accounting policies

ams AG ("the Company") is a company located in 8141 Premstätten, Austria. The Company is a global leader in the design, manufacture and sale of high performance analog and analog intensive mixed signal integrated circuits. The consolidated financial statements for the year ended December 31, 2015 represent the parent company ams AG and its subsidiaries (together referred to as the "Group").

On February 11, 2016 the consolidated financial statements according to IFRS as per December 31, 2015 were completed and released for approval by the Supervisory Board.

(a) Statement of Compliance

The consolidated financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and all obligatory interpretations as issued by the International Financial Interpretations Committee. Furthermore these consolidated financial statements are in accordance with the International Financial Reporting Standards as to

be applied in the European Union as per the business year 2015, as well as additional requirements relating to §245a UGB.

New or amended standards and interpretations that have been applied for the first time during the business year:

Standard	Content	Initial application IASB ¹⁾	Initial application EU ²⁾
New standards and interpretations:			
IFRIC 21	Levies	January 1, 2014	July 1, 2014 ¹⁾
Amended standards and interpretations:			
Annual improvements (2011-2013 cycle)	Various	July 1, 2014	January 1, 2015
Amendment to IAS 19	Defined Benefit Plans: Employee Contribution	July 1, 2014	February 1, 2015 ²⁾
Annual improvements (2010-2012 cycle)	Various	July 1, 2014	February 1, 2015 ²⁾

¹⁾Standards to be applied for financial years which begin on or after the effective date according to the respective pronouncements of the International Accounting Standards Board.

²⁾The IFRS are to be applied for business years that begin on or after the effective date according to the respective EU regulation.

IFRIC 21: Levies

IFRIC 21 is an interpretation that refers to IAS 37 Provisions, Contingent Assets and Contingent Liabilities. It provides a guidance on determining the obligation event under IAS 37 in connection with

a levy imposed by government. It is clarified when to recognise a liability arising from a levy. First-time adoption of IFRIC 21 does not have any impact on the consolidated financial statements of ams AG.

Annual Improvements (2011-2013 cycle)

During this project four standards were amended. Existing regulations should be clarified by adapting the wording of single IFRS standards. The amend-

ments affected the standards IFRS 1, IFRS 3, IFRS 13 and IAS 40.

Amendment to IAS 19: Defined Benefit Plans: Employee Contribution

The amendments to IAS 19 clarify the requirements that relate how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits

practical measures to facilitate if the amount of the contributions is independent of the number of years of service.

Annual Improvements (2010-2012 cycle)

During this project seven standards were amended. Existing regulations should be clarified by adapting the wording of single IFRS standards. Additionally, the amendments did have an effect

on the notes. The amendments affected the standards IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Already published but not yet mandatory standards, amended or new standards that could be relevant for the group:

Standard	Content	Initial application IASB ¹⁾	Initial application EU ²⁾
New standards and interpretations:			
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	Pending
IFRS 15	Revenue from Contracts with Customers	January 1, 2018	Pending
IFRS 9	Financial Instruments	January 1, 2018	Pending
IFRS 16	Leases	January 1, 2019	Pending
Amended standards and interpretations:			
Amendment to IFRS 11	Acquisition of an interest in a joint operation	January 1, 2016	January 1, 2016
Amendments to IAS 16 and IAS 38	Acceptable Methods of depreciation and amortisation	January 1, 2016	January 1, 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016	January 1, 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016	January 1, 2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	.. ³⁾	.. ³⁾
Annual improvements (2012-2014 cycle)	Various	January 1, 2016	January 1, 2016
Amendment to IAS 1	Disclosure Initiative	January 1, 2016	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Consolidation – Investment entities	January 1, 2016	pending

No premature application of the in the table above mentioned changes or amendments of standards and interpretations are made, but are described in the following. The management is currently

evaluating the effect of these changes and amendments of standards on the consolidated financial statements.

IFRS 15: Revenue from Contracts with Customers

Rules and definitions under IFRS 15 replace the content under IAS 18 as well as IAS 11 in the future. The new standard does not make a difference between order type or type of service, but establishes

uniform criteria, when performance obligations satisfied can be recognized according to a point in time or the period. The Company did not analyze the impacts in detail.

¹⁾ Standards to be applied for financial years which begin on or after the effective date according to the respective pronouncements of the International Accounting Standards Board.

²⁾ The IFRS are to be applied for business years that begin on or after the effective date according to the respective EU.

³⁾ Originally the initial application was scheduled for January 1, 2016, but it has been delayed by the IASB for an indefinite period of time. The possibility of a premature application is still given. On September 8, 2015 the European Financial Reporting Advisory Group (EFRAG) recommended to postpone the adoption of the standard into the EU until the IASB completed their postponing process.

IFRS 9: Financial Instruments

In July 2014 the IASB published the last version of IFRS 9 which will replace IAS 39 in future. The standard includes guidelines for classifying financial instruments, identifying and recording

of impairments, as well as hedge accounting. The company expects changes regarding the determination of impairments of financial assets as well as for classification of financial instruments.

IFRS 16: Leasing

The final version of IFRS 16 was issued in January 2016. The main idea is to recognize all leasing relationships and their related assets and liabilities in the balance sheet. Therefore the differentiation under IAS 17 between finance and operating leasing

is not necessary anymore. Due to initial application of IFRS 16 the company expects a balance-sheet extension, especially due to recognition of assets and liabilities resulting from operating leasing.

Amendment to IFRS 11: Acquisition of an Interest in a Joint Operation

The amendments clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all principles for business combinations

accounting according to IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11.

Amendments to IAS 16 and IAS 38: Acceptable Methods of Depreciation and Amortisation

The amendments clarify acceptable methods of depreciation of property, plant and equipment and amortisation of intangible assets. Depreciation should reflect the expected pattern of consumption of the future economic benefits of the asset. Therefore the IASB has clarified that a depreciation of property, plant and equipment based

on revenues generated as a proportion of total expected revenues during the assets useful life is not appropriate. Multiple factors influence revenue and not all of these are related to the way the asset is used or consumed, e.g. changes in sales volumes and prices and inflation.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address a conflict between the requirements of IAS 28 (2011) and IFRS 10. It is set out that, on a sale or contribution of assets to a joint venture or associate the extent of any gain or loss recognized depends on whether the assets or subsidiary constitute a business, as defined in IFRS

3 Business Combinations, whether the transaction is carried out as share or asset deal. When the assets or subsidiary constitute a business, any gain or loss is recognized in full; when the assets or subsidiary do not constitute a business, only the entity's share of the gain or loss is recognized.

Annual Improvements (2012-2014 cycle)

During this project four standards were amended. Existing regulations should be clarified by adapting the wording of single IFRS standards. The amendments affected the standards IFRS 5, IFRS 7, IAS

19 and IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016, but can be applied earlier.

Amendments to IAS 1: Disclosure Initiative

The amendments aim at clarifying to preparers reports that notes have to be presented only, if their content is not material. This explicit is also valid for minimum-requests of IFRS. The amendments also clarify that the notes do not need to be presented in model structure, that an entity's share of other

comprehensive income of equity-accounted associates and joint ventures should be presented in the income statement, and an aggregation or disaggregation of single line items have to be specified in the balance sheet and the income statement.

Amendments to IFRS 10, IFRS 12 and IAS 28: Consolidation – Investment Entities

The standard clarifies the application of consolidation exceptions under IFRS 10 for entities meeting

the definition of an "investment entity".

(b) Basis of Preparation

The financial statements are presented in EUR and rounded to the nearest thousand. The use of automated calculation systems may lead to rounding differences in totals of rounded amounts and percentages.

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial positions:

- Available-for-sale financial assets measured at fair value
- Derivative financial instruments are stated at their fair value
- Employee benefits: fair value of the defined benefit liability (or asset)
- Share-based payments: fair value

(c) Amendments in the Presentation of the Balance Sheet

Due to an amendment in the presentation of the balance sheet in the consolidated financial statements as of December 31, 2015 the tax liabilities

are presented in a separate line item. The prior-year figures have been adjusted for comparison purpose.

(d) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all operative enterprises controlled by the Company. Control exists when the Company is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Audits of major subsidiaries were carried out locally.

The accounts of the subsidiary company AMS R&D UK Limited have not been audited. All members agree to the exemption in accordance with section 479A of the UK Companies Act 2006.

(ii) Business combinations

The acquisition method is used for all business combinations, as soon as the Company obtained control. The value of the consideration transferred as well as the identifiable assets acquired and the liabilities assumed are generally measured at fair value. If the fair value is higher than the assets acquired a goodwill is indicated. An impairment test under IAS 36 has to be performed annually. A profit resulting from an acquisition below market value is accounted in the income statement in the period occurred. Acquisition related costs are recognized in profit or loss immediately. All contingent consideration are recognized at fair value, subsequent changes are recognized in profit or loss.

On June 8, 2015 the Group acquired the CMOS Sensor Business from NXP B.V., Netherlands.

The CMOS Sensor Business, domiciled in Eindhoven (Netherlands), expands the environmental sensor portfolio with advanced monolithic and integrated CMOS sensors. These sensor solutions enable measuring of several environmental variables such as relative humidity, pressure and temperature in one sensor device. The new product line (first deliveries expected for the second of the year 2016) offers a broad range of potential applications as well as improved growth opportunities for smartphones, wearables, consumer, industry, medical and automotive segments. In the context of the transaction more than 100 patents were assigned to ams, which allow to strengthen ams' product- and IP-position in the growing market for monolithic integrated CMOS sensors. The CMOS sensor business has been integrated into a newly founded design center (ams Netherlands B.V.) in Eindhoven, Netherlands. The business comprises a team of 40 employees.

The CMOS Sensor Business enhances ams' know-how in designing demanding sensors. ams here-with underlines its development to a supplier for sensor solutions, which combines market leading innovations and outstanding product performance.

The following gives an overview of assets and liabilities as well as the purchase price allocation of single assets at the time of the acquisition (June 8, 2015):

In thousands of EUR	June, 2015 USD ¹⁾	June, 2015 EUR
Property, plant and equipment	1,107	997
Intangible assets		
Goodwill	1,924	1,733
Patents	5,296	4,769
Current provisions	-121	-109
Other current liabilities	-3,167	-2,852
Total consideration transferred	5,040	4,538
thereof cash	5,040	4,538

Goodwill is essentially attributed to the abilities of the management and employees, existing technologies as well as expected synergies deriving from the integration. No portion of the goodwill is expected to be deductible for tax purposes.

Costs that relate directly to the acquisition, were EUR 202 thousand in the business year and were allocated in the item "Selling, general and administrative costs".

Due to first deliveries expected during the second half of 2016 the new CMOS Sensor Business contributed a loss of EUR -2.134 thousand to the consolidated net result during the period between the date of acquisition and December 31, 2015.

On December 4, 2015 the Group obtained control over CMOSIS International NV, Belgium and its subsidiaries.

CMOSIS headquartered in Antwerp (Belgium), is a leading supplier of high performance standard and customized area and line scan CMOS image sensors for demanding imaging applications. CMOSIS' portfolio of imaging solutions features low noise, global and rolling shutter, high dynamic range and high frame rates through high-speed on-chip analog-to-digital conversion and digital interfaces. CMOSIS' image sensors serve a broad range of high-end applications in diverse markets including machine vision, medical, broadcast, traffic, scientific and photographic imaging. CMOSIS operates as a fabless semiconductor supplier with more than 110 employees from locations in Belgium, Germany, Portugal and the U.S.

The CMOS Sensor Business enhances ams' know-how in designing demanding sensors, ams here-with underlines its development to a supplier for sensor solutions, which combines market leading innovations and outstanding product portfolio.

¹⁾Transaction currency

The following gives a preliminary overview of assets and liabilities as well as the purchase price

allocation of single assets at the time of the acquisition (December 4, 2015):

In thousands of EUR	December, 2015
Cash and cash equivalents	25,395
Trade receivables	6,420
Inventories	10,816
Other receivables and assets	616
Property, plant and equipment	2,528
Intangible assets	
Goodwill	131,176
Trademark	9,546
Customer relationship	89,920
Technology	26,910
Deferred tax assets	1,357
Interest-bearing loans and borrowings	-19,852
Trade liabilities	-4,505
Current provisions	-268
Other current liabilities	-12,220
Other long-term liabilities	-2,118
Deferred tax liabilities	-43,357
Total consideration transferred	222,363
thereof cash	222,363

Due to the short term between the date of acquisition and balance sheet date recognition and measurement of assets and liabilities have been done on a provisional basis. This allows to adapt the values until December 4, 2016 the latest.

Goodwill is essentially attributed to the abilities of the management and employees, existing technologies as well as expected synergies deriving from the integration. No portion of the goodwill is expected to be deductible for tax purposes

Costs that relate directly to the acquisition, were EUR 1.067 thousand in the business year and were allocated in the item "Selling, general and administrative costs".

During the period of time between the date of acquisition and December 31, 2015 CMOSIS contributed revenues amounting to EUR 4.638 thousand to the consolidated revenues and EUR 1.482 thousand to the consolidated net result. If the acquisition had taken place on January 1, 2015, CMOSIS would have, according Management Boards estimates, contributed a profit of EUR 8.501 thousand to the consolidated net result and EUR 55.062 thousand to the consolidated revenues.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any results from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in associates

Investments in associates are accounted using the equity method if the company has a significant influence on the investee (associate), but without control or joint control, and the concerned companies are material to present a true and fair view of the financial statements.

(e) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into EUR at the average foreign exchange rate at the date of the transaction. Foreign exchange rate differences are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into EUR at the foreign exchange rate at that date and provided from the ECB (European Central Bank).

(ii) Financial statements of economic independent foreign entities

The functional currency of the mother company is the Euro (EUR). The functional currency of entities domiciled outside the EUR zone is their respective domestic currency.

Under the equity method, on initial recognition the investment in an associate or a joint venture are recognized at cost including all transaction costs. After the initial recognition the consolidated profit or loss includes the share of the profit or loss of the investee until the significant influence ceases. If there are any indications that an investment may be impaired and the carrying amount is less than the recoverable amount an impairment loss has to be recognized as an expense. If a favorable change of the recoverable amount occurs, a reversal of the recognized impairment loss is possible in future.

Accordingly, the assets and liabilities of these entities including goodwill from subsidiaries outside the Eurozone are translated into EUR at the average foreign exchange rates at the balance sheet date. Revenues and expenses of foreign entities are translated into EUR at the average foreign exchange rates of the year. Translation differences are recognized directly within other comprehensive income.

In the case of loss of control the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(iii) Hedges of a net investment in a foreign operation

If settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then

foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly such differences are recognized in OCI and accumulated in the translation reserve.

In the case of loss of control the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(f) Property, Plant and Equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses and net of related government grants. The cost of internally generated assets includes the cost of materials, direct labor, directly attributable proportion of production overheads and borrowing costs for qualified assets.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment recorded by way of finance leases is stated at an amount at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Minimum lease payments are appointed between the finance charge and the reduction of the outstanding liability. The leasing costs are distributed over the term of the lease so that the interest rate for the remaining liability remains constant over the period. Assets arising under other lease agreements are

classified as operating leasing and are not recognized in the balance sheet. Operating lease payments should be recognized as an expense in the income statement over the lease term on a straight-line basis. Incentives for the agreement should be recognized as a reduction of the rental expenses over the lease term.

(iii) Depreciation

Depreciation on property, plant and equipment is charged to the income statement on a straight-line basis over the estimated useful life of the assets. Land is not depreciated. The estimated useful life is as follows:

Buildings	15 – 33 years
Plants, technical equipment and machines	4 – 12 years
Other equipment	4 – 10 years

Due to the application of the cost of sales method the annual depreciation is distributed over all cost positions.

(f) Intangible Assets

(i) Intangible assets acquired by the Group

Intangible assets, which are acquired by the Group, are stated at cost less accumulated amortization and impairment losses. The goodwill arising out of business combinations are recognized at cost less accumulated impairment losses.

(ii) Amortization

Amortization of intangible assets is charged to the income statement on a straight-line basis over the estimated useful economic life of the assets, unless it is not an intangible asset with indefinite useful lives (goodwill). The estimated useful life is as follows:

Patent and Licenses	5 years
Customer base and technology	7 – 18 years

Due to the application of the cost of sales method the annual depreciation is distributed over all cost positions. All intangible assets have a limited useful economic life.

(iii) Research and Development

Expenditures on research activities, expecting to gain new scientific or technical knowledge and understanding, are expensed as incurred and are recognized as expenses for Research and Development.

Development expenditures are capitalized only

if the expenditure can be measured reliably the product or process is technical and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment loss. In the business year 2015 the criteria for capitalization of development costs were met for the first time. Therefore the group recognized development costs in amount of EUR 4.079 thousand as addition to the intangible assets.

(g) Primary Financial Instruments

(i) Recognition and Measurement

Non-derivative financial instruments are classified into following measurement categories by the Group:

- Available-for-sale financial assets
- Held-for-trading
- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial liabilities at (amortized) costs

The Group recognizes non-derivative financial instruments at value date.

Available-for-sale financial assets are recognized at fair value including any directly attributable transaction costs and are recognized under the item financial instruments in the balance sheet item "Financial assets". Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and directly in equity. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to

profit or loss. In the business year 2015 valuation effects amounting to EUR -684 thousand (2014: EUR 474 thousand) have been recognized in other result.

Financial instruments classified as Held-for-Trading and the performances are constantly monitored and are recognized at fair value through profit or loss.

Loans and receivables are recognized at fair value at initial recognition and further at amortized costs including impairment losses. Whereby resulting gains or losses have to be recognized in the profit and loss statement. Loans and receivables are recognized in the balance sheet items "Trade receivables", and sometimes "Other receivables and assets" or "Other assets".

Non-derivative financial liabilities are included in the balance sheet items "Interest-bearing loans and borrowings", "Trade liabilities" and sometimes "Other liabilities" and "Other long-term liabilities" and are measured at amortized costs minus directly

attributable transaction costs. For non-current financial liabilities the effective interest method is used.

Further information is given in the notes to single balance sheet items.

(ii) Impairment

An entity is required to assess at each balance sheet date whether there is any objective evidence of impairment for all primary financial assets, which are not classified as held-for-trading or designat-

ed at fair value. An impairment loss or reversal of impairment is recognized pursuant to the relevant valuation group. Evidence of impairment may include indications like the failure or default of a debtor, the disappearance of an active market for shares or observable data indicating a notable decrease in expected cash flows from a specific group. An objective evidence indicator for the impairment of equity instruments is a significant or longer lasting decline of the fair value. The company defines a decline of 20% as significant and nine months as longer lasting.

(h) Derivative Financial Instruments

Interest swaps were used by the Group to reduce the interest rate risk from financial financing and investing activities as well as to optimize the financial result during the business year. Due to the fact that not all criteria for hedge accounting under IAS 39 are met the Group does not apply hedge accounting. Derivative financial instruments are recognized at cost (equal to the fair value) on initial recognition. Directly attributable transaction costs are recognized in profit or loss. At further

recognition derivative financial instruments are accounted for at fair value. Resulting changes are recognized in profit or loss. Positive market values are shown in the balance sheet item "Other receivables and assets" whereby negative market values are reported under the line item "Other liabilities". As of December 31, 2015 the company has not been involved as a contractual party for derivative financial instruments.

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The cost of inventories is based on the moving average price formula and includes expenditures incurred in their acquisition as well as bringing

them to their existing location and condition. For manufactured inventories and work in progress, cost includes an appropriate share of overhead based on normal operating capacity.

(j) Equity

Issued capital is the fully paid-in capital of ordinary shares (bearer shares). If shares are repurchased the value is recognized as own shares.

Directly attributable costs regarding issue or repurchasing of shares are, considering tax effects,

deducted from equity (retained earnings). If treasury shares are sold later or issued again, the income including any difference to the carrying amount has to be recognized in equity (retained earnings).

(k) Impairment of Non-Financial Assets

At each balance sheet date the Group is required to assess whether there is any objective evidence of impairment. Therefore assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units), that are largely independent of cash inflows from either assets or cash-generating units. Goodwill acquired in a business combination shall be allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. If there is an indication of a value impairment the recoverable amount of the asset or cash-generating unit is determined. At each balance sheet date the recoverable amount of intangible assets with an indefinite useful life and intangible assets not yet available for use is estimated. An impairment loss shall be recognized if the carrying amount of the asset or cash-generating unit, to which independent results can be attributed, exceeds the recoverable amount. An impairment loss is recognized in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount is the higher value of their fair value less transaction costs or as the present value of expected future cash flows and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value

using a pre-tax discount rate that reflects current market rates of the time value of money and the risks specific to the asset. For assets that do not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Goodwill acquired in a business combination shall be allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

(ii) Reversals of impairment

An impairment loss recognized for an asset shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss recognized for goodwill shall not be reversed.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized, when they are classified as held for sale.

(l) Non-Current Assets Held for Sale

Non-current assets or disposal groups, including assets and liabilities, are classified as held for sale if its carrying amount will be recovered principally through a sale rather than through continuing use. These non-current assets or disposal groups are recognized at the lower of its carrying amount and fair value less cost to sell. On initial recognition an

impairment loss or reversal has to be recognized in the profit or loss. As soon as the intangible asset or property, plant and equipment are classified as held for sale they are no longer depreciated or amortized. Investments in associates are no longer recognized with the equity method.

(m) Employee Benefits

(i) Defined benefit plans

According to Austrian labor regulations, employees who joined the Company prior to December 31, 2002, are entitled to receive severance payments – depending on the job tenure - equal to a multiple of their monthly compensation, which comprises fixed plus variable amounts such as overtime and bonus payments. Maximum severance is equal to a multiple of twelve times the eligible monthly compensation. All employees of the Swiss companies are covered by pension funds at pension fund providers, with benefit contributions made by employers and employees. Because employers and employees are charged a “restructuring contribution” in the event that the fund does not have sufficient assets to cover the employees’ entitlements, IAS 19 identifies this system as a defined benefit plan. The obligation for such severance payments is measured using the projected unit credit method. The discount rate is the yield at the balance sheet date on AAA credit-rated bonds that have maturity dates approximating the terms of the Group’s obligations. Life expectancy is calculated according to the respective country’s mortality tables. Remeasurements of the defined benefit liability are recognized in other comprehensive income.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation vary from country to country depending on the economic situation.

(ii) Defined contribution plans

For all Austrian based employees who entered into an employment contract after December 31, 2002, the Company is obliged to contribute 1.53 % of their monthly remuneration to an employee benefit fund. There is no additional obligation for the Company. Therefore, this plan constitutes a defined contribution plan. Contributions are recognized as an expense in the income statement as incurred. There are no further obligations for the Company.

(iii) Other long-term employee benefits

All Austrian employees under the collective agreement are eligible for jubilee payments. Under this plan, eligible employees receive a cash payment after a specified service period. This payment equals one to three months salary, depending on the number of years of service. The amount recognized as a liability from this compensation is measured using the projected unit credit method. Actuarial assumptions are identical to those applied for defined benefit plans. All actuarial gains and losses are recognized immediately. Remeasurements of the defined benefit liability are recognized in profit and loss.

(iv) Stock Option Plan

The stock options issued to employees are recognized at fair value of the single option at the grant date. The determined value of the options will be spread over the period until vesting. The amount recognized as expense is adjusted, if expectations

regarding the settlement of service conditions and independent performance conditions change, in such a way as recognized expenses are based on the options, which fulfill the service conditions and the independent performance conditions at the end of the vesting period respectively. The fair values for market condition based stock option plans are determined on the grant date including these conditions; an adjustment of occurring differences between expected and actual results is not being recognized.

The options were measured based on option-pricing models. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgement. The expected volatilities were extrapolated from the historical stock-exchange price of the ams share (source: Bloomberg). This can result in a difference between the figures shown here and values subsequently realized on the marketplace.

The shareholders approved a further Stock Option Plan (SOP 2005) in the annual general meeting on May 19, 2005.

Within the SOP 2005 a total of maximum 4,950,000 options of no-par-value shares may be issued. This reflects 9% of the issued capital at the time of approval. The SOP 2005 is administered by the SOP Committee. The Committee may define terms for allocation and exercise of the options. It is envisaged to grant the options during a 4-year-program. One option entitles the holder to receive one no-par-value share of ams AG. The options may be exercised during each of the next succeeding five years on the first, second, third, fourth and fifth anniversary of the grant date to the maximum extent of twenty percent (20%) of the total number of shares covered thereby (vesting period). The strike price for each tranche will be defined based on a 3month average price of the ams share prior to the grant date with a further 25% discount taken from that price. All granted options under the SOP

2005 must be exercised prior to June 30, 2015. According to the SOP 2005 options reverted to the company can be issued again until the end of the term.

No options (SOP 2005) were granted in the business year 2015 and the previous year to employees and to executives of the company.

The shareholders approved a further Stock Option Plan (SOP 2009) in the annual general meeting on April 2, 2009.

Within the SOP 2009 a total of up to 5,500,000 options of no-par-value shares may be issued. This reflects 10% of the issued capital at the time of approval. The SOP 2009 is administered by the SOP Committee. The Committee may define terms for allocation and exercise of the options. It is envisaged to grant the options during a 4-year-program. One option entitles the holder to receive one no-par-value share of ams AG. The options may be exercised during each of the next succeeding four years on the first, second, third and fourth anniversary of the grant date to the maximum extent of twenty-five percent (25%) of the total number of shares covered thereby (vesting period). The strike price for each tranche will be defined based on a 3month average price of the ams share prior to the grant date. All granted options under the Stock Option Plan 2005 must be exercised prior to June 30, 2017. Any options reverted to the company can be issued under the options of the SOP 2009 until the end of the term.

No options (SOP 2009) were granted to employees and executives of the company in the business year 2015 (2014: no options (SOP 2009) were granted).

In connection with the acquisition of TAOS, the Company has committed to grant options to certain employees of TAOS – by issuing a Stock Option Plan, which – as far as legally possible - matches the number of options and the option plan which

has been granted to those employees under the TAOS - "Equity Incentive Plan 2000". To fulfil this obligation, the management board of ams AG has adopted a new Stock Option Plan 2011 (SOP 2011), which the company's Supervisory Board approved on July 9, 2011.

Each option granted entitles each employee to purchase one share of the company. For holders of unvested options the exercise price equals the original exercise price under the TAOS plan. This price is in the range of USD 0.19 and USD 3.96.

Certain employees of TAOS, who held a small number of TAOS shares ("Small Shareholders"), were granted exercisable options for shares of the Company as compensation for shares of TAOS held by them prior to the transaction (vested options). The option exercise price for these options is CHF 8.27 which is the average of the market price of the shares of the Company on the SIX Swiss Exchange within 30 days following the date of grant of options.

The term of the unvested options will remain unchanged compared to the original TAOS plan. The options will expire between September 3, 2017 and June 8, 2021.

The options of the Small Shareholders expire ten years after the date of issuance, therefore on July 12, 2021.

The management board has decided to adopt a new Stock Option Plan (SOP 2013) on August 28, 2013.

The SOP 2013 comprises a maximum of 2,000,000 options, of which (i) up to 1,575,000 options may be granted to employees and executive employees and (ii) up to 235,000 options may be granted to the Chief Executive Officer and up to 190,000 options may be granted to the Chief Financial Of-

ficer of the management board. This corresponds to 2.8% of the nominal capital of the Company at that time. Each option entitles the participants to acquire one no-par value ordinary share of ams AG. The available options shall be granted during the year 2013 after prior resolution by the SOP committee. All options granted can only be exercised by June, 30 2021. The exercise price for the new shares corresponds to the average strike price within the last three months before the granting of the stock options.

Regarding the earliest date of exercise for exercising 50% of the granted options, these vest to the extent of 33% on the first, second and third anniversary of the granting.

The earliest date for exercising the other 50% granted options is the third anniversary of the options grant date depending on the achievements of the following criteria:

(i) The benchmark growth of the market (sales growth of the analog semiconductor market as published by WSTS) has to be surpassed in the period 2013-2015 with stable gross margins (not less than in 2012; adjusted for extraordinary time impacts in relation with a positive, long lasting development of the business like e.g. acquisition costs, financing costs etc.). If this does not apply to the whole period but to single calendar years, 1/3 of exercisability for the relevant year has to be taken into account.

(ii) Over the period 2013-2015 an increase of earnings per share has to be achieved. If this does not apply to the whole period but to single calendar years (not less than in the year 2012), an aliquot of 1/3 of exercisability for the relevant year has to be taken into account. Any options reverted to the company can be issued under the options of the SOP 2013 until the end of the term.

No options (SOP 2013) were granted to employees and executives of the company in the business year 2015 (2014: no options (SOP 2013) were granted).

On October 17, 2014 a Long Term Incentive Plan (LTIP 2014) was adopted by the Supervisory Board and the Management Board.

The LTIP 2014 comprises a maximum of 5,124,940 options.

This corresponds to approximately 7% of the share capital of the Company at the time. Each option granted entitles each participant to purchase one share of ams AG for an exercise price of EUR 1. The available options were to be granted during the year 2014 after prior resolution by the LTIP committee. All options granted must be exercised by October 17, 2024. The exercise price for the new shares is EUR 1.

Issuance of the options is subject to the following criteria:

- Approval of the plan by the Annual General Meeting
- 50% of the options are depending on an increase of earnings per share over a period of three years compared to the earnings per share before grants of respective options.
- 50% of the options are depending on the comparison of Total Shareholder Returns over a period of 3 years to a defined benchmark of companies.

The earliest date for exercising is three years after granting and the LTIP committee's decision of meeting the criteria.

In 2015 510,090 options (2014: 583,550 options) were granted to 830 employees (2014: 697) and to the executives of the company (LTIP 2014).

The main basis data of the granted options according to the Long Term Incentive Plan structures as follows:

Valuation of Options (weighted average)		2015	2014
Market price at granting	in EUR	32.70	25.64
Term of options	in years	9	10
Risk-free interest rate	in %	0.46	0.02
Dividend yield	in %	1.5	1.5
Expected volatility	in %	44.55	37.91
Present value of Option	in EUR	29.78	23.18

The Options developed in the fiscal years 2015 and 2014 as follows:

LTIP 2014	2015		2014	
	Options	weighted average exercise price (in EUR)	Options	weighted average exercise price (in EUR)
outstanding at January 1	583,550	1.00	0	-
granted during the period	510,090	1.00	583,550	1.00
forfeited during the period	23,710	1.00	0	-
exercised during the period	0	-	0	-
expired during the period	0	-	0	-
outstanding at the end of the period	1,069,930	1.00	583,550	1.00
exercisable at the end of the period	0	-	0	-
Not yet granted	4,055,010	1.00	4,541,390	1.00
weighted average share price at the date of exercise (in EUR)	-		-	
range of exercise prices (in EUR)	1.00		1.00	
remaining contractual life	until October 17, 2024		until October 17, 2024	

SOP 2013	2015		2014	
	Options	weighted average exercise price (in EUR)	Options	weighted average exercise price (in EUR)
outstanding at January 1	1,449,170	11.86	1,568,705	11.86
granted during the period	0	-	0	-
forfeited during the period	40,720	11.86	43,515	11.86
exercised during the period	112,851	11.86	76,020	11.86
expired during the period	0	-	0	-
outstanding at the end of the period	1,295,599	11.86	1,449,170	11.86
exercisable at the end of the period	596,632	11.86	316,731	11.86
Not yet granted	515,530	11.86	474,810	-
weighted average share price at the date of exercise (in EUR)	39.36		28.95	
range of exercise prices (in EUR)	11.86		11.86	
remaining contractual life	until June 30, 2021		until June 30, 2021	

SOP 2011	2015		2014	
	Options	weighted average exercise price (in EUR)	Options	weighted average exercise price (in EUR)
outstanding at January 1	256,311	2.47	385,915	2.41
granted during the period	0	-	0	-
forfeited during the period	0	-	255	1.46
exercised during the period	53,243	3.02	129,349	2.29
expired during the period	0	-	0	-
outstanding at the end of the period	203,068	2.33	256,311	2.47
exercisable at the end of the period	203,068	2.33	248,341	2.37
Not yet granted	0	-	0	-
weighted average share price at the date of exercise (in EUR)	43.15		21.43	
range of exercise prices (in EUR)	0.44-7.07		0.44-7.07	
remaining contractual life	from Sept. 3, 2017 until July 12, 2021		from Sept. 3, 2017 until July 12, 2021	

SOP 2009	2015		2014	
	Options	weighted average exercise price (in EUR)	Options	weighted average exercise price (in EUR)
outstanding at January 1	2,351,120	9.47	3,445,970	8.71
granted during the period	0	-	0	-
options from prior periods	22,500	5.58	0	-
forfeited during the period	17,460	10.92	29,360	10.13
exercised during the period	771,514	8.12	1,065,490	7.02
expired during the period	0	-	0	-
outstanding at the end of the period	1,584,646	10.05	2,351,120	9.47
exercisable at the end of the period	1,029,680	9.29	1,025,771	8.16
Not yet granted	122,335	-	127,375	-
weighted average share price at the date of exercise (in EUR)	40.51		25.60	
range of exercise prices (in EUR)	1.54-16.25		1.54-11.15	
remaining contractual life	until June 30, 2017		until June 30, 2017	

SOP 2005	2015		2014	
	Options	weighted average exercise price (in EUR)	Options	weighted average exercise price (in EUR)
outstanding at January 1	128,300	6.60	610,040	6.29
granted during the period	0	-	0	-
forfeited during the period	-13,590	5.12	13,500	5.58
exercised during the period	141,890	6.46	468,240	6.23
expired during the period	0	-	0	-
outstanding at the end of the period	0	-	128,300	6.60
exercisable at the end of the period	0	-	128,300	6.60
Not yet granted	-	-	89,245	-
weighted average share price at the date of exercise (in EUR)	39.74		23.59	
range of exercise prices (in EUR)	1.54-8.37		1.54-8.37	
remaining contractual life	expired June 30, 2015		until June 30, 2015	

(n) Provisions

A provision is recognized on the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Warranties

A provision for warranties is recognized when a warranty claim is received from a customer. The amount recognized is the best estimate of the expenditure required to settle the claim based on historical experience.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(o) Trade and Other Payables

Trade and other payables are stated at amortized historical cost.

(p) Revenue

Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenues from services rendered is recognized in the income statement in proportion to the stage

of completion of the transaction at the balance sheet date. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(q) Government Grants

During the business year 2015 government grant was provided as R&D subsidy and R&D premium. The R&D premium is recognized as income under the item research- and development expenses. The R&D subsidy is recognized as other operating income. If the grants are related to capitalized project costs they are according to the net method deducted from the initial costs.

In July 2015 the company entered a contract with two non-profit-organizations, associated to the State of New York ("New York"), for constructing and operating a semiconductor fab in the State of New York. New York as the owner of the fab,

entirely finances the fab and leases out the fab to the company for a symbolic price. The company committed to operate the fab for the contractual period. The contract determines further conditions such as a minimum amount of current expenses and investments and a minimum number of qualified personnel. The company expects to meet these conditions. Granting the fab for a symbolic price qualifies as a government grant. At the moment the fab is under construction. Except for the capitalized project costs amounting to EUR 90 thousand no further amounts are recognized in the consolidated financial statements.

(r) Construction Contracts

Construction contracts are recognized as services rendered but not yet chargeable in the balance sheet item "Inventory" and measured at occurred costs less process billings and recognized losses. Contract revenue includes the amount of revenue agreed and, if it is more likely than not that they will result in revenue and they are capable of being reliably measured. Contract costs are recognized when they arise, unless they form an asset that

is connected with the completion of the order. As the result of construction contracts cannot be estimated reliably a partial-realization is not appropriate. An expected loss on the contract shall be recognized as expense immediately. If partial billings and recognized losses exceed occurred costs the value should be recognized as deferred income. Advanced payments from customers are recognized as deferred liability.

(r) Net Financing Cost

Net financing costs comprise interest payable on borrowings, interest receivable on funds invested and dividend income, foreign exchange gains and

losses, and gains and losses on derivative financial instruments related to financing activities.

Interest income is recognized in the income statement as it accrues, taking into account the asset's effective yield. Dividend income is recognized in the income statement on the date that the dividend is declared.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing cost. The interest expense component of finance lease payments is recognized in the income statement using the effective interest method.

(s) Income Tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly within equity or income taxes directly related to acquisitions.

(i) Current tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted at the balance sheet date and all adaptations concerning earlier years.

(ii) Deferred tax

Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for IFRS financial reporting purposes

and the amounts used for tax purposes as well as for tax assets existing at the balance sheet date. Deferred tax assets and liabilities for temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are not recognized.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is only recognized, when it is probable based on current planning, that during the next 5 years future taxable results can be used against unused tax losses and unused tax credits.

2. Segment Reporting and Revenues

Segment information is presented on the basis of the internal reporting structure for the segments "Products" and "Foundry" and determined according to valuation and accounting regulations of IFRS. The Segment "Products" comprises the development and distribution of analog Integrated Circuits ("ICs"). The segment's customers are mainly in the Communications, Industrial, Medical and Automotive markets. Within the "Foundry" segment we report manufacturing of analog/mixed signal ICs based on our customers' designs.

The segment measure "Result from operations" consists of gross profit, expenses for research and development, expenses for selling, general and administrative as well as other operating income and expenses.

The segment assets basically comprise the allocatable assets, i.e. customer receivables as well as segment specific tangible and intangible assets. The reconciliations comprise items which by definition are not part of the segments.

Business Segments

in thousands of EUR	2015			2014		
	Products	Foundry	Total	Products	Foundry	Total
Revenues gross	579,045	44,055	623,100	424,959	39,411	464,370
Eliminations of inter-segment revenues	0	0	0	0	0	0
Consolidated revenues	579,045	44,055	623,100	424,959	39,411	464,370
Research & development	95,832	2,102	97,934	65,268	1,995	67,263
Result from operations	126,236	12,401	138,637	115,201	10,929	126,130
Segment Assets	668,634	5,639	674,273	401,079	4,776	405,855

Reconciliation of segments results to income statement

in thousands of EUR	2015	2014
Result from operations per segment reporting	138,637	126,130
Result from investments in associates	1,750	-455
Depreciation due to business combinations	-14,972	-10,764
Unallocated research- and development costs	-9,836	-9,758
Subsidies not recognized under research and development	4,450	3,507
Unallocated corporate costs	27,241	-3,306
Result from operations	147,269	105,355
Financial result	11,654	-1,248
Result before tax	158,923	104,108

Reconciliation of segment assets to total assets

in thousands of EUR	2015	2014
Assets per segment reporting	674,273	405,855
Property, plant and equipment	241,182	182,893
Inventories	79,752	59,856
Cash, cash equivalents and short-term investments	143,901	229,613
Deferred tax asset	34,824	34,075
Intangible assets	11,933	7,121
Investments in associates	1,876	6,549
Other assets	35,641	29,003
	1,223,381	954,964

The geographic regions are structured by the three regions in which sales occur: "EMEA" (Europe, Middle East and Africa), "Americas" and "Asia/Pacific". In

presenting information on the basis of geographical regions, segment revenue is based on the geographical billing location of customers.

Revenues per geographical segments

in thousands of EUR	2015	2014
EMEA	197,749	182,901
Asia / Pacific	402,441	262,766
Americas	22,910	18,703
	623,100	464,370

in thousands of EUR	2015	2014
Taiwan	157,628	101,594
Hongkong	116,396	65,143
Germany	80,662	69,325
United Kingdom	47,507	46,478
China	46,463	38,821
Austria	998	1,649
Rest of the world	173,445	141,362
	623,100	464,370

Long-term assets per geographical segments

in thousands of EUR	2015	2014
Austria	737,272	443,848
Switzerland	50,090	44,746
Philippines	22,981	14,018
Other countries	24,847	17,233
	835,190	519,845

Revenues from one customer of the segment
Products amount to EUR 141,814 thousand (2014:

EUR 91,326 thousand). This customer is a distributor that serves different end customers.

3. Other Operating Income

in thousands of EUR	2015	2014
Government grants related to R&D expenses	6,902	7,262
Gain from disposal of assets	226	14
Insurance refunds	19	24
Other	950	520
	8,096	7,821

4. Other Operating Expenses

in thousands of EUR	2015	2014
Expenses for monetary transactions	214	171
Allowance for bad debts	97	1,138
Other	192	68
	503	1,377

Expenses by nature

in thousands of EUR	2015	2014
Changes in inventories of finished goods and work in progress	-4,874	9,656
Material expenses	-185,000	-139,144
Personnel expenses	-165,397	-131,006
Scheduled depreciation	-47,807	-37,110
Expenses for other third-party services	-42,383	-33,426
Other expenses	-39,712	-33,975
Sum of cost of sales, selling, general and administrative expenses as well as research and development costs	-485,173	-365,004

5. Net Financing Result

in thousands of EUR	2015	2014
Interest expense	-2,538	-1,565
Interest income	1,985	1,219
Exchange differences	9,733	1,489
Changes of fair value of contingent liability	2,423	-2,390
Other financial result	51	0
	11,654	-1,248

6. Income Tax

Recognized in the income statement

in thousands of EUR	2015	2014
Current tax		
Current year	-16,316	-9,353
from previous years	-996	-991
	-17,311	-10,344
Deferred tax		
Change in temporary differences	7,139	4,211
Effect of previously unrecognized tax losses	-84	-435
	7,055	3,776
Total income tax result in income statement	-10,256	-6,568

Reconciliation of effective tax expense

in thousands of EUR	2015	2014
Result before tax	158,923	104,108
Income tax using the domestic corporation tax rate (25%)	-39,731	-26,027
Effect of tax rates in foreign jurisdictions	26,354	13,421
Amounts recognized in other comprehensive income	585	423
Tax incentives (mainly for R&D)	1,671	1,693
Current year result for which no deferred tax asset was recognized	2,067	5,348
Effect of previously unrecognised tax losses	-207	-435
Tax result from prior years	-996	-991
	-10,256	-6,568

Recognized in other comprehensive income

in thousands of EUR	2015	2014
From remeasurements of defined benefit liability	332	426
From valuation of available for sale financial instruments	171	0
From exchange differences on translating foreign operations	2,099	0

Deferred tax assets are recognized for all temporary differences and tax losses carry forwards only to the extent that it is probable that future taxable profit will be available within a foreseeable period. Therefore approximately EUR 12,867 thousand (2014: EUR 10,939 thousand) are not recognized in the balance sheet.

Tax liabilities relating to investments in subsidiaries amounting to EUR 20,485 thousand (2014: EUR 50,010 thousand) are not recognized in the consolidated financial statements.

7. Cash and Cash Equivalents

in thousands of EUR	2015	2014
Bank deposits	103,553	203,666
Cash on hand	26	15
	103,579	203,681

8. Trade Receivables, Net

in thousands of EUR	2015	2014
Trade receivables gross	89,035	79,197
Allowance for bad debt	-301	-206
	88,734	78,992

Allowance for bad debt developed as follows:

In thousands of EUR	2015	2014
Balance at the beginning of the period	206	258
Consumptions during the year	-6	-60
Additions during the year	102	8
Balance at the end of the period	301	206

Trade receivables by regions

in thousands of EUR	2015	2014
Region		
EMEA	29,721	30,503
Americas	4,224	2,427
Asia / Pacific	54,789	46,061
	88,734	78,992

Concentration of credit risks:

Same as last year – one trade receivable attributable to a single customer exceeded 10% of all

trade receivables but was less than 30% of all trade receivables.

Ageing analysis for trade receivables

in thousands of EUR	2015		2014	
	Receivables gross	Impairment	Receivables gross	Impairment
Receivables more than 30 days overdue and not impaired	2,023	0	1,436	0
Receivables more than 30 day overdue and impaired	395	-301	206	-206
Receivables not overdue or less than 30 days overdue and not impaired	86,617	0	77,556	0
Total trade receivables not adjusted	89,035	-301	79,197	-206

The impairment for "Receivables more than 30 days overdue and impaired" comprises a collective impairment assessment amounting to EUR 180 thousand (2014: EUR 180 thousand). For not overdue

receivables not collected before the balance sheet date and which were not impaired, no evidence for a possible bad debt loss was existent at the balance sheet date.

9. Inventories

in thousands of EUR	2015	2014
Unfinished goods	39,225	34,178
Finished goods	20,062	15,685
Raw materials and supplies	16,120	7,363
Work in progress	4,344	2,630
	79,752	59,856

Inventories stated at net realizable value were EUR 3,644 thousand as per December 31, 2015 and EUR 4,524 thousand as per December 31, 2014 respectively. The valuation allowance from inventories amounts to EUR 18,002 thousand as of

December 31, 2015 and to EUR 16,965 thousand as of December 31, 2014 respectively. During the business year allowances amounting to EUR 1,838 thousand (2014: EUR -904 thousand) have been released (accrued).

10. Other Receivables and Assets

in thousands of EUR	2015	2014
Financial assets		
Government grants related to R&D expenses	17,198	10,764
Other	5,722	3,977
	22,920	14,741
Non-financial assets		
Amounts due from tax authorities	2,138	722
Prepaid expenses	3,478	2,700
Deferred interests	128	123
	5,743	3,545
Total other receivables and assets	28,663	18,286

All other receivables and assets are neither overdue nor impaired.

11. Property, Plant and Equipment

in thousands of EUR	Land and buildings	Plant and equipment	Fixtures and equipment	Under construction	Government grants	Total
Cost						
Balance at January 1, 2015	96,355	456,564	16,172	12,982	-28,267	553,807
Additions from business combinations	0	3,716	1,693	0	0	5,409
Currency translation differences	2,980	1,257	547	10	0	4,793
Additions	7,497	44,986	2,266	21,898	0	76,647
Transfers	474	11,455	64	-11,993	0	0
Disposals	-20	-9,502	-551	0	432	-9,640
Balance at December 31, 2015	107,287	508,476	20,192	22,896	-27,835	631,016
Depreciation and impairment losses						
Balance at January 1, 2015	51,073	312,420	12,872	0	-26,653	349,712
Additions from business combinations	0	2,097	783	0	0	2,881
Currency translation differences	76	420	108	0	0	603
Depreciation	2,775	26,125	1,080	0	-268	29,712
Transfers	0	9	-9	0	0	0
Disposals	-9	-8,476	-469	0	432	-8,522
Balance at December 31, 2015	53,915	332,594	14,365	0	-26,488	374,386
Carrying amount						
At January 1, 2015	45,282	144,145	3,300	12,982	-1,614	204,096
At December 31, 2015	53,372	175,882	5,827	22,896	-1,347	256,631

	Land and buildings	Plant and equipment	Fixtures and equipment	Under construction	Government grants	Total
Cost						
Balance at January 1, 2014	80,022	386,217	14,180	29,119	-28,267	481,272
Additions from business combinations	0	1,187	683	0	0	1,870
Currency translation differences	2,425	1,344	220	0	0	3,989
Additions	13,483	62,983	1,597	9,736	0	87,798
Transfers	426	25,420	29	-25,875	0	0
Disposals	0	-20,587	-537	1	0	-21,122
Balance at December 31, 2014	96,355	456,564	16,172	12,982	-28,267	553,807
Depreciation and impairment losses						
Balance at January 1, 2014	48,776	301,467	11,819	0	-26,199	335,863
Additions from business combinations	0	831	432	0	0	1,263
Currency translation differences	82	766	148	0	0	996
Depreciation	2,214	21,375	987	0	-453	24,124
Transfers	0	0	0	0	0	0
Disposals	0	-12,019	-514	0	0	-12,533
Balance at December 31, 2014	51,073	312,420	12,872	0	-26,653	349,712
Carrying amount						
At January 1, 2014	31,246	84,750	2,361	29,119	-2,067	145,409
At December 31, 2014	45,282	144,145	3,300	12,982	-1,614	204,096

As of December 31, 2015, commitments for the acquisition of property, plant and equipment amounted to EUR 25,692 thousand (2014: EUR 13,782 thousand) and intangible assets amounted to EUR 57 thousand (2014: EUR 641 thousand).

Government grants shown have been a one-time subsidy which is recognized through profit and loss during the useful life of the subsidized equipment. The equipment subsidized is depreciable.

12. Intangible Assets

in thousands of EUR	Goodwill	Customer base	Technology	Trade-marks	Patents & Licences	Development costs	In development	Total
Cost								
Balance at January 1, 2015	239,014	53,303	49,488	0	52,129	0	26	393,959
Additions from business combinations	132,894	89,920	26,910	9,547	213	841	0	260,325
Currency translation differences	19,919	2,369	1,216	0	498	0	68	24,070
Additions	0	0	0	0	6,389	30	4,036	10,454
Transfers	0	0	0	0	26	0	-26	0
Disposals	0	0	-9,900	0	-1	0	0	-9,901
Balance at December 31, 2015	391,827	145,591	67,714	9,547	59,254	871	4,104	678,907
Amortization and impairment losses								
Balance at January 1, 2015	0	20,100	13,640	0	44,470	0	0	78,210
Additions from business combinations	0	0	0	0	83	355	0	439
Currency translation differences	0	0	0	0	46	0	0	46
Amortization	0	9,111	5,861	0	3,215	5	0	18,192
Transfers	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	-1	0	0	-1
	0	29,211	19,500	0	47,813	360	0	96,886
Carrying amount								
Balance at December 31, 2015								
At January 1, 2015	239,014	33,202	35,848	-	7,659	0	26	315,749
At December 31, 2015	319,827	46,380	48,230	-	11,440	510	4,104	582,022

The company has capitalized development costs.

	Goodwill	Customer base	Technology	Trade-marks	Patents & Licences	Development costs	In development	Total
Cost								
Balance at January 1, 2014	190,672	38,478	29,132	0	48,709	0	252	307,244
Additions from business combinations	27,578	12,028	18,920	0	1,136	0	0	59,663
Currency translation differences	20,764	2,796	1,435	0	52	0	0	25,047
Additions	0	0	0	0	1,980	0	25	2,005
Transfers	0	0	0	0	252	0	-252	0
Disposals	0	0	0	0	0	0	0	0
Balance at December 31, 2014	239,014	53,303	49,488	0	52,129	0	26	393,959
Amortization and impairment losses								
Balance at January 1, 2014	0	14,052	8,924	0	41,222	0	0	64,199
Additions from business combinations	0	0	0	0	769	0	0	769
Currency translation differences	0	0	0	0	50	0	0	50
Amortization	0	6,048	4,716	0	2,429	0	0	13,192
Disposals	0	0	0	0	0	0	0	0
Balance at December 31, 2014	0	20,100	13,640	0	44,470	0	0	78,210
Carrying amount								
At January 1, 2014	190,672	24,426	20,208	0	7,487	0	252	243,045
At December 31, 2014	239,014	33,202	35,848	0	7,659	0	26	315,749

The goodwill amounting to EUR 146,659 thousand, which was calculated in the course of the acquisition of TAOS Inc. in the year 2011, has been assigned to the cash-generating unit Advanced Optical Sensors (formerly Optical Sensors & Lighting). An impairment test was carried out at the effective date September 30, 2015 and did not result in any need for write-downs. The recoverable amount of the cash generating unit Advanced Optical Solutions at the date of valuation is USD 736,654 thousand (EUR 657,551 thousand) and exceeds the book value of USD 302,274 thousand (EUR 269.815 thousand) by USD 434,380 thousand (EUR 387.736 thousand).

The recoverable amount was calculated on the basis of fair value less costs to sell (level 3). The calculation has been carried out using the discounted

cash flow method with a detailed planning period up to 2020. The payment surplus of the following planning periods is considered sustainable and used as a basis for the calculation of the present value of a perpetuity. For extrapolation of cash flows in the perpetuity, a growth rate of 2% has been assumed. A USD interest rate of 13.4% has been applied when discounting the forecasted cash flows (EUR interest rate 2014: 14.0 %). The interest rate was determined based on the weighted average cost of capital (WACC). Fair value less costs to sell was checked for plausibility with a market multiples comparison. This is based on market multiples generated key performance indicators from benchmark companies.

The goodwill amounting to EUR 37,886 thousand which was calculated in the course of the acqui-

sition of the IDS group in 2012 has been assigned to the cash-generating unit Wireless Connectivity (formerly Power Management & Wireless). An impairment test has been conducted at effective date September 30, 2015 and did not result in any need for write-downs. The recoverable amount of the cash-generating unit Wireless Connectivity at the date of valuation is EUR 129,948 thousand and exceeds the book value of EUR 59,548 thousand by EUR 70,400 thousand.

The recoverable amount was calculated on the basis of fair value less costs to sell (level 3). The calculation is carried out via the discounted cash flow method using a detailed planning period up to 2020. The payment surplus of the following planning periods is considered sustainable and used as a basis for the calculation of the present value of a perpetuity. For extrapolation of cash flows in the perpetuity, a growth rate of 2% has been assumed. An EUR interest rate of 11.6% was applied (2014: 14.0%) to the discounting of the cash flow forecast. The interest rate was determined based on the weighted average cost of capital (WACC). Fair value less costs to sell was checked for plausibility with a market multiples comparison. This is based on market multiples generated key performance indicators from benchmark companies.

The goodwill amounting to EUR 11,704 thousand which was calculated in the course of the acquisition of AppliedSensor group in 2014 and the CMOS Business in the year 2015 has been assigned to the cash-generating unit Environmental Sensors. An impairment test has been conducted at effective date September 30, 2015 and did not result in any need for write-downs. The recoverable amount of the cash-generating unit Environmental Sensors at the date of valuation is EUR 119,987 thousand and exceeds the book value of EUR 22,246 thousand by EUR 97,741 thousand.

The recoverable amount was calculated on the basis of fair value less costs to sell. The calculation is carried out via the discounted cash flow method using a detailed planning period up to 2020. The

payment surplus of the following planning periods is considered sustainable and used as a basis for the calculation of the present value of a perpetuity. For extrapolation of cash flows in the perpetuity, a growth rate of 2% has been assumed. An EUR interest rate of 11.6% was applied (2014: 14.0%) to the discounting of the cash flow forecast. The interest rate was determined based on the weighted average cost of capital (WACC). Fair value less costs to sell was checked for plausibility with a market multiples comparison. This is based on market multiples generated key performance indicators from benchmark companies.

The goodwill amounting to EUR 17,509 thousand which was calculated in the course of the acquisition of acam in 2014 been assigned to the cash-generating unit Specialty Sensors. An impairment test has been conducted at effective date September 30, 2015 and did not result in any need for write-downs. The recoverable amount of the cash-generating unit Specialty Sensors at the date of valuation is EUR 176,469 thousand and exceeds the book value of EUR 50,604 thousand by EUR 125,865 thousand.

The recoverable amount was calculated on the basis of fair value less costs to sell. The calculation is carried out via the discounted cash flow method using a detailed planning period up to 2020. The payment surplus of the following planning periods is considered sustainable and used as a basis for the calculation of the present value of a perpetuity. For extrapolation of cash flows in the perpetuity, a growth rate of 2% has been assumed. An EUR interest rate of 11.0% was applied to the discounting of the cash flow forecast. The interest rate was determined based on the weighted average cost of capital (WACC). Fair value less costs to sell was checked for plausibility with a market multiples comparison. This is based on market multiples generated key performance indicators from benchmark companies.

13. Financial Assets

in thousands of EUR	2015	2014
Investment funds designated as at fair value through profit and loss	40,061	25,722
Derivative financial instruments	261	210
	40,321	25,933

Current investments are government backed corporate bonds issued by banks. Maturity dates are January 20, 2016, March 8, 2016, April 10, 2017, July

12, 2017, January 17, 2020 and February 9, 2021 which can be sold anytime before maturity.

14. Investments in Associates

in thousands of EUR	Balance Jan. 1, 2015	Result	Impairment	Currency translation differences	Balance Dec. 31, 2015
NewScale Technologies Inc.	794	-203	0	-71	520
FlipChip Holdings LLC	4,448	2,055	-6,503	0	0
RF Micron Inc.	483	-103	0	57	437
Circadian Zirclight LLC	824	0	0	95	919
	6,549	1,749	-6,503	81	1,876

Summary of financial information for associated companies

in thousands of EUR	2015					2014				
	NewScale Technolo- gies Inc.	FlipChip Hold- ings LLC	RF Micron, Inc.	Circadian Zirclight LLC	Total	NewScale Technolo- gies Inc.	FlipChip Hold- ings LLC	RF Micron, Inc.	Circadian Zirclight LLC	Total
Reporting date	Sep. 30, 2015	Dec. 31, 2015	Sep. 30, 2015	Sep. 30, 2015		Sep. 30, 2014	Sep. 30, 2014	Sep. 30, 2014	Sep. 30, 2014	
Ownership %	34.47%	33.50%	10.25%	7.80%		34.47%	33.50%	10.25%	7.80%	
Short term assets	1,907	14,474	1,413	0	17,795	947	13,276	2,018	0	16,241
Long term assets	698	14,308	125	2,296	17,426	617	13,717	109	2,059	16,503
Short term liabilities	1,874	14,993	147	14	17,028	320	13,543	67	2	13,932
Long term liabilities	357	4,392	1,312	0	6,060	404	4,128	1,116	0	5,649
Equity	374	9,397	80	2,283	12,133	839	9,322	944	2,057	13,163
Revenues	1,266	48,005	1,887	2	51,160	820	36,662	81	0	37,562
Result	-665	-599	-460	-11	-1,735	-744	245	-1,366	-1	-1,865
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	-665	-599	-460	-11	-1,735	-744	-245	-1,366	-1	-1,865
% Share of equity	129	3,148	8	178		289	3,123	97	160	
Goodwill / Impairment	-75	0	527	554		-155	889	482	572	
Currency translation differences	467	0	-98	186		660	436	-96	91	
Carrying amount	520	0	437	919		794	4,448	483	824	

The figures above are not adjusted for the percentage of ownership held by the group.

RF Micron (Austin, Texas, U.S.) is a developer of next generation RFID microchips and RFID platforms for itemized tracking applications and is an associated company of ams-TAOS USA, Inc. Due to contractual agreements ams-TAOS USA, Inc. exercises significant influence although it owns 10.25%.

Based on its patented Wafer-Level Packaging (WL-CSP) Technology, FlipChip Holdings LLC, Phoenix, Arizona (USA) and its subsidiaries, researches and produces high end packaging technologies and offers high quality packaging solutions. During 2015 the operative investment has been sold. The

pro rata result amounting to EUR 2,055 thousand has been recognized under result from investment in associates. Due to contingencies based on the sale a not yet recorded result of EUR 600 thousand might be realized in the future.

New Scale Technologies Inc., Victor, New York (USA) creates Piezo-based micro-motor technology and licenses products and technologies to industrial partners.

Circadian Zirclight LLC, Stoneham, Massachusetts (USA) is a developer of smart LED lighting systems, eyewear and systems for computer screen monitors that are spectrum specific and adopted to the circadian rhythm, to offer solutions for night working places. Circadian Zirclight LLC is an associated company. Due to contractual agreements it exerts significant influence although it owns 7.8%.

These investments are of strategic nature.

15. Deferred Tax Assets

Deferred tax assets are attributable to the following items (for assets and liabilities the difference between IFRS and tax carrying value).

in thousands of EUR	2015	2014
Intangible assets, property, plant and equipment	-2,410	-2,239
Other long-term assets	-755	-594
Trade receivables and other assets	-603	-234
Interest bearing borrowings	-108	1
Employee benefits	6,019	5,436
Liabilities	723	1,218
Provisions	160	-190
Tax value of loss carry-forwards	31,797	30,675
	34,824	34,075

Tax loss carry forwards mainly relates to Austria and do not expire. Tax losses carried forward can be offset with a maximum of 75% of the current taxable income.

Based on the business plan and the related tax planning of the Company it is probable that deferred tax assets recognized in the balance sheet are recovered within the next years.

16. Other Long-Term Assets

in thousands of EUR	2015	2014
Advance payments for licenses	5,144	4,942
Long-term loans	597	1,559
Other long-term financial assets	1,239	1,248
	6,979	7,749

17. Interest-Bearing Loans and Borrowings

in thousands of EUR	2015	2014
Non-current liabilities		
Bank loans	200,223	146,138
Current liabilities		
Current portion of bank loans	74,961	38,474

Terms and debt repayment schedule 2015

in thousands of EUR	Total	1 year or less	2-5 years	More than 5 years
R & D loans				
EUR – fixed rate loans	21,301	1,078	18,677	1,547
EUR – floating rate loans	383	383	0	0
Export loans				
EUR – floating rate loan	70,000	70,000	0	0
Unsecured bank facilities				
EUR – floating rate	103,500	3,500	100,000	0
EUR – floating rate	80,000	0	80,000	0
	275,184	74,961	198,677	1,547
Financial lease liabilities				
EUR – fixed rate	342	121	221	0
	275,526	75,082	198,897	1,547

Terms and debt repayment schedule 2014

in thousands of EUR	Total	1 year or less	2-5 years	More than 5 years
R & D loans				
EUR – fixed rate loans	23,462	7,707	12,005	3,750
EUR – floating rate loans	1,150	767	383	0
Export loans				
EUR – floating rate loan	0	0	0	0
Unsecured bank facilities				
EUR – floating rate	70,000	0	70,000	0
EUR – floating rate	90,000	30,000	60,000	0
	184,612	38,474	142,388	3,750
Financial lease liabilities				
USD – fixed rate	1,815	1,815	0	0
	186,427	40,289	142,388	3,750

18. Provisions

in thousands of EUR	Warranties	Onerous contracts	Other personnel provisions	other	Total
Balance at January 1, 2015	1,200	4,999	22,834	8,582	37,615
Additions due to business combinations	205	0	2,843	0	3,048
Provisions made during the year	250	5,053	24,266	1,695	31,264
Provisions used during the year	-100	-4,631	-22,880	-8,393	-36,005
Provisions reversed during the year	-455	-41	-651	-29	-1,175
Balance at December 31, 2015	1,100	5,380	26,411	1,856	34,747

Warranties

A provision for warranties is recognized when a warranty claim is received from a customer.

Onerous contracts

Provisions for onerous contracts are accrued when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Other personnel provisions

Provisions for other personnel costs include profit sharing and bonuses payable within twelve months after the respective balance sheet date and sales incentives for current employees.

Other provisions

Other provisions contain mainly and provisions for outstanding invoices amounting to EUR 1,423 thousand (2014: EUR 1,048 thousand).

19. Deferred Tax Liabilities

Deferred tax liabilities are attributable to the following items (for assets and liabilities the difference between IFRS and tax carrying value).

in thousands of EUR	2015	2014
Intangible assets, property, plant and equipment	57,776	20,836
Interest-bearing loans	19	9
Inventories	94	0
	57,890	20,846

20. Other Liabilities

in thousands of EUR	Current		Non-current	
	2015	2014	2015	2014
Finance lease liabilities	121	1,815	221	0
Employee related liabilities	3,815	2,543	0	0
Liabilities from license agreements	2,540	13,725	835	1,341
Derivative financial instruments	0	0	0	0
Other	0	0	4,132	7,500
Financial liabilities	6,477	18,082	5,188	8,841
Accrued vacation days	7,248	5,276	0	0
Deferred income	3,544	2,845	700	0
Liabilities against tax authorities	7,678	9,351	0	0
Accrued expenses	1,290	1,964	0	0
Other	4,735	4,577	120	18
Non-financial liabilities	24,495	24,014	820	18
Total other liabilities	30,972	42,096	6,008	8,858

21. Government Grants

As R&D premium EUR 9,221 thousand have been recognized in 2015 (2014: EUR 6,689 thousand), thereof EUR 2,699 thousand reduced acquisition costs of capitalized development costs. As R&D subsidies in total EUR 7,218 thousand have been

recognized (2014: EUR 7,169 thousand) thereof EUR 317 thousand reduced capitalized development costs.

22. Employee Benefits

Movements in the net liability recognized in the balance sheet

in thousands of EUR	2015		2014	
	Severance payments	Long-service benefits	Severance payments	Long-service benefits
Present value of obligation (DBO) January 1	24,191	2,824	21,294	2,282
Expense recognized in the income statement	2,743	768	1,507	605
Actuarial gains / losses recognized from financial assumptions	2,731	0	1,705	0
Payments during the year	-735	-73	-315	-63
Present value of obligation (DBO) December 31	28,930	3,519	24,191	2,824

The value of obligation is not financed by a fund. The accumulated actuarial gains and losses

amounted to EUR 9,691 thousand (2014: EUR 6,960 thousand) so far.

Expense recognized in the income statement

in thousands of EUR	2015		2014	
	Severance payments	Long-ser-vice benefits	Severance payments	Long-ser-vice benefits
Current service cost	2,304	706	954	532
Interest cost	439	61	553	73
	2,743	768	1,507	605

The expense is recognized in the following line items in the income statement:

in thousands of EUR	2015		2014	
	Severance payments	Long-ser-vice benefits	Severance payments	Long-ser-vice benefits
Cost of sales	768	215	467	187
Selling, general and administrative expenses	1,070	299	603	242
Research and development	905	253	437	175
	2,743	768	1,507	605

Principal actuarial assumptions at the balance sheet date:

	2015	2014
Discount rate at December 31	2.0%	2.2%
Future salary increases	2.7%	2.7%
Fluctuation < 40 years of age	7.7%	11.4%
Fluctuation > 40 years of age	4.9%	2.7%
Retirement age - women	56.5-60	56.5-60
Retirement age - men	61.5-65	61.5-65

The total personnel expense amounted to EUR 165,397 thousand in 2015 and EUR 131,006 thousand in 2014. In 2015 the amount shown includes EUR 3,048 thousand (2014: EUR 2,939 thousand) for the SOP 2005, SOP 2009, SOP 2011, SOP 2013 and LTIP 2014.

The average number of employees was 1,921 in 2015 and 1,636 in 2014. Thereof 1,538 employees (2014: 1,266) and 383 workers (2014: 370).

Expenses for the severance payment fund in the business year were EUR 645 thousand (2014: EUR 470 thousand).

The weighted average duration of severance payments is 13.9 years. Contributions amounting to EUR 495 thousand to the plan are expected for the year 2015.

Regarding a change of the interest rate, salary increase and fluctuation a sensitivity analysis has been performed. A change of the corresponding parameters on balance sheet date would have the following effect on the debt benefit obligation.

Effect on debt benefit obligation

in thousands of EUR	decrease	increase
Change in the interest rate (+/- 20bp)	533	-516
Change in the salary increases (+/- 100bp)	-2,390	2,758
Change in the fluctuation (+/- 100bp)	234	-233

23. Shareholders' Equity

Share capital and share premium

in thousands of EUR	2015	2014
Share capital	73,409	73,267
Additional paid-in capital	203,785	200,031
	277,194	273,298

Share capital comprises 73,408,545 bearer shares with a par value of EUR 1. The holders of ordinary shares are entitled to receive dividends based on the distributable net income ("Bilanzgewinn") presented in the separate financial statements of the parent company compiled in accordance with the Austrian Commercial Code (UGB) and as declared by shareholders' resolution and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In recent years the annual general meeting has regularly authorized the management board to issue a limited number of shares (contingent capital increase according to § 159 (2) AktG). The current authorization was given in June 2015 by the annual general meeting, which empowers the management board to increase the share capital in accordance to § 159 (2) Z3 AktG) by up to EUR 5,000,000.00 by issuing 5,000,000 new ordinary bearer and/or registered shares (no-par value shares). Purpose was to grant Stock Options in a timeframe of 5 years within the Performance Stock Unit Plan (PSP) 2014-2029 to selected employees, managing employees as well as members of the management board of the company and its subsidiaries.

During the course of the financial year 2015 the company issued 141,890 (2014: 468,240) shares in order to meet its obligations with respect to the execution of stock options regarding the stock option plans (SOP 2005).

The item Additional paid-in capital affects the difference between paid-in capital when the shares were issued and the par value.

The item Other reserves comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities and actuarial gains and losses from employee benefits.

Treasury Shares

In recent years the annual general meeting has authorized the management board to acquire treasury shares within the limits given in the statutory regulations. The current authorization was given in June 2015 (according to § 65/1/4 and 8 AktG) by the annual general meeting, empowering the management board to buy bearer shares of ams AG, whereby the percentage of shares which are to be acquired, which were already acquired and treasury shares held from ams AG by the company should not exceed 10%. This authorization is valid until December 9, 2017.

Furthermore the management board has been authorized:

- to use treasury shares to serve stock options granted to employees, officers and members of the board of the company or affiliated companies
- to use treasury shares to serve convertible bonds
- to use treasury shares as consideration for the acquisition of companies, business operations or parts thereof or shares of one or more companies at home or abroad.
- to reduce the nominal capital of the company by withdrawing of shares without par value and to reduce bearer shares without further resolution of the general meeting. The supervisory board is authorized to resolve all necessary changes of the articles of incorporation and by-laws which result from this reduction, and
- for a duration of 5 years – until June 9, 2020 – to sell treasury shares through a stock exchange or any other public offering or any other legally permitted manner, even over the counter, with authorization of the supervisory board. The management board may decide on the exclusion of the general purchase opportunity.

24. Cash Flow

The cash flow statement, which was prepared using the indirect method, shows the changes of cash and cash equivalents from operating activities, investing activities and financing activities. Cash and cash equivalents include cash on hand

Management of Equity

The economic equity matches equity as shown in the Company's balance sheet. The management board's policy is to maintain a strong capital base so as to maintain investor, creditor and customer confidence and to sustain future development of the business. Amongst other financial ratios the management board monitors equity ratio and return on equity. For establishing adequate capital resources, dividend payments and share buy-backs are considered appropriate.

These aims have not changed during the business year of 2015. None of the group companies are subject to certain capital requirements.

The management board's long-term aim is to maintain a balance between profitability and liquidity. For this purpose a yearly return on equity (Net result / Equity) of 25-30% (2015: 22%; 2014: 18%; 2013: 14%, 2012: 20%; 2011: 11%), a return on assets ((Net result + interest expenses) / Total liabilities and equity) of 15-20 % (2015: 12%; 2014: 10%; 2013: 10%, 2012: 14%; 2011: 8%) and an average net liquidity ((cash and cash equivalents + financial assets) / Revenues) of 0.3x – 0.5x revenues (2015: -0.21; 2014: 0.10; 2013: 0.12; 2012: 0.02; 2011: -0.19) should be achieved.

as well as bank deposits due at any time. Non-cash transaction are not shown. These mainly relate to not yet paid capital expenditures and valuation of financial liabilities.

25. Earnings per Share

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders.

Net profit attributable to ordinary shareholders

in EUR	2015	2014
Net profit for the year	148,666,824	97,539,731
Weighted average number of shares outstanding	68,873,498	68,078,096
Earnings per share (basic)	2.16	1.43
Weighted average number of shares diluted shares	71,604,447	71,010,830
Earnings per share (diluted)	2.08	1.37
Dividends per share (paid in the business year)	0.33	1.04

The options granted according to the SOP 2005, SOP 2009, SOP 2011 and SOP 2013 will dilute in general. The dilution only occurs if the strike price is below the average stock-exchange price.

Considering the requirements to be fulfilled by the employees during the vesting period of SOP 2005, SOP 2009 and SOP 2013 there will be a dilution for.

	2015	2014
Reconciliation of ordinary shares:		
Outstanding shares as of January 1	68,624,089	67,720,320
Purchase and sale of treasury shares	112,882	435,529
Capital increase regarding stock option plan 2005	141,890	468,240
Issue in connection with business combination	0	0
Outstanding shares as of December 31	68,878,861	68,624,089

	2015	2014
Reconciliation of number of diluted shares		
Weighted average number of shares outstanding	68,873,558	68,078,096
Dilution related to issue of stock options	2,730,886	2,932,734
Weighted average number of shares diluted shares	71,604,444	71,010,830

	2015	2014
Reconciliation of treasury shares:		
Treasury shares as per January, 1	4,642,566	5,078,095
Purchase of treasury shares	1,284,873	835,330
Sale of treasury shares	-460,147	0
Sale related to SOP	-937,608	-1,270,859
Treasury shares as per December, 31	4,529,684	4,642,566

26. Financial Instruments

Exposure to credit, interest rate and currency risks arise in the normal course of the Group's business.

All transactions related to financial instruments are carried out centrally by the Group's treasury department. In connection with these financial instruments, the Company utilizes advisory services from renowned national and international financial institutions.

Credit risk

According to the Management's credit policy the exposure to credit risk is continuously monitored. Credit evaluations are performed on all customers applying for a certain term of payment.

According to the Company's treasury and risk management policy, investments are allowed in liquid securities only, and solely with counter parties that have a credit rating equal to or better than the Group. Transactions involving derivative financial instruments are done with counter parties with high credit ratings and with whom the Group has a signed netting agreement.

To reduce credit risk ams AG limits its cooperation to financial partners with excellent credit ratings and limits the investment of cash and cash equivalents (as well as securities) to a common level.

Possible risks also exist for financial partners with excellent credit ratings, developments of financial markets are under continuous monitoring and investments of cash and cash equivalents as well as in securities are adjusted.

At the balance sheet date there were no concentrations of credit risk above average. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments in the balance sheet.

Interest rate risk

Interest rate risk – the possible fluctuations in value

of financial instruments and changes in future cash flows due to changes in market interest rates – arises in relation to medium and long-term receivables and payables (especially borrowings). ams' treasury policy ensures that part of the cash flow risk is reduced by fixed-interest borrowings. On the liability side, 45% (2014: 51%) of all amounts owed to financial institutions are at fixed rates. Of the remaining borrowings on a floating rate basis (55% (2014: 49%)) 67% (2014: 100%) will be repaid over the next two years. The remaining floating rate borrowings are reviewed on a continuing basis with regard to the interest rate risk. On the asset side, the interest rate risks are primarily with time deposits that are tied to the market interest rate.

Foreign currency risk

The group is exposed to currency risks arising from assets and liabilities of subsidiaries, which are denominated in a different currency than the functional currencies of the subsidiaries, as well as from net investments by the Group in subsidiaries and foreign entities in another currency than Group currency (Euro). The largest risk positions are receivables, liabilities and net investments in USD and CHF. The risk of these transactions and portfolios is being constantly evaluated and minimized if necessary. As per December 31, 2015 as well as December 31, 2014 ams holds no foreign currency forward contracts to minimize its foreign currency exposure.

Liquidity risk

Liquidity risk is the risk for the Company not to be able to fulfill its financial obligations on maturity. The management's approach is to ensure sufficient liquidity for the Company under ordinary and extraordinary conditions. The management monitors constantly the cash demand and optimizes the cash flow. Detailed planning occurs for a period of at least 12 months in which also due payables and extraordinary circumstances as far as foreseeable are considered. Additionally the company has unused credit lines available.

Summary of financial instruments recorded on the balance sheet: as of December 31, 2015

in thousands of EUR	Available for sale	Held for trading	Designated at fair value	Loans and liabilities	Cash	Carrying amount	Fair value
Short-term financial assets							
Cash and cash equivalents	0	0	0	0	103,579	103,579	103,579
Financial assets	40,061	261	0	0	0	40,321	40,321
Trade receivables	0	0	0	88,734	0	88,734	88,734
Other receivables and assets							
thereof financial assets	0	0	0	22,920	0	22,920	22,920
thereof non-financial assets	0	0	0	0	0	5,743	0
Long-term financial assets							
thereof financial assets	1	0	6,382	597	0	6,979	6,979
thereof non-financial assets	0	0	0	0	0	0	0
	40,061	261	6,382	112,251	103,579	268,277	262,534

in thousands of EUR	Fair Value through P/L	At amortized cost	Carrying amount	Fair value
Short-term financial liabilities				
Interest bearing loans and borrowings	0	74,961	74,961	74,910
Trade payables	0	58,590	58,590	58,590
Other liabilities				
thereof financial liabilities	1,640	6,627	6,477	8,267
thereof non-financial liabilities	0	0	24,495	0
Interest bearing loans and borrowings				
	0	200,223	200,223	200,086
Other long-term liabilities				
thereof financial liabilities	0	5,188	5,188	5,188
thereof non-financial liabilities	0	0	820	0
	1,640	345,589	370,754	347,041

Summary of financial instruments recorded on the balance sheet: as of December 31, 2014

in thousands of EUR	Available for sale	Held for trading	Designated at fair value	Loans and liabilities	Cash	Carrying amount	Fair value
Short-term financial assets							
Cash and cash equivalents	0	0	0	0	203,681	203,681	203,681
Financial assets	25,723	210	0	0	0	25,933	25,933
Trade receivables	0	0	0	78,992	0	78,992	78,992
Other receivables and assets							
thereof financial assets	0	0	0	14,741	0	14,741	14,741
thereof non-financial assets	0	0	0	0	0	3,545	0
Long-term financial assets							
thereof financial assets	1	0	6,189	1,559	0	7,749	7,749
thereof non-financial assets	0	0	0	0	0	0	0
	25,723	210	6,189	95,292	203,681	334,640	331,095

in thousands of EUR	Fair Value through P/L	At amortized cost	Carrying amount	Fair value
Short-term financial liabilities				
Interest bearing loans and borrowings	0	38,474	38,474	38,414
Trade payables	0	51,032	51,032	51,032
Other liabilities				
thereof financial liabilities	12,059	6,024	18,082	18,082
thereof non-financial liabilities			24,014	
Interest bearing loans and borrowings	0	146,138	146,138	145,909
Other long-term liabilities				
thereof financial liabilities	5,837	3,004	8,841	8,841
thereof non-financial liabilities			18	
	17,896	244,672	286,599	262,277

The fair value calculations are based on the respective cash flows discounted on the balance sheet date with interest rates applicable to similar

financial instruments. For all other financial instruments the present value is equal to the book value.

2015 in thousands of EUR	Level 1	Level 2	Level 3	Total
Short-term financial assets				
Financial assets	40,111	0	261	40,321
Other receivables and financial assets	0	0	0	0
Long-term financial assets				
Financial assets	0	6,979	0	6,979
Other receivables and financial assets	0	0	0	0
	40,111	6,979	261	47,300
Short-term financial liabilities				
Interest bearing loans	0	74,910	0	74,910
Other liabilities	0	0	1,640	1,640
Long-term financial liabilities				
Interest bearing loans	0	200,086	0	200,086
Other liabilities	0	0	0	0
	0	274,996	1,640	276,636
2014 in thousands of EUR				
	Level 1	Level 2	Level 3	Total
Short-term financial assets				
Financial assets	25,723	0	210	25,933
Other receivables and financial assets	0	0	0	0
Long-term financial assets				
Financial assets	0	7,748	0	7,748
Other receivables and financial assets	0	0	0	0
	25,722	7,748	210	33,681
Short-term financial liabilities				
Interest bearing loans	0	38,414	0	38,414
Other liabilities	0	0	12,059	12,059
Long-term financial liabilities				
Interest bearing loans	0	145,909	0	145,909
Other liabilities	0	0	5,837	5,837
	0	184,322	17,896	202,218

Current investments do also present the option value of a convertible loan granted by ams. The option entitles ams to require the conversion of the loan into shares of 25.01% of the borrower's company. This embedded derivative is measured at fair value

through profit or loss. The valuation is done based on Black Scholes model. Sole significant value-affecting parameter is the borrower's enterprise value. As of December 31, 2015 the option amounts to EUR 261 thousand (2014: EUR 210 thousand).

Contingent purchase price liabilities relate to the acquisition of IDS doo (to date ams R&D doo) in 2012. ams has committed to pay EUR 1,640 thousand (2014: EUR 7,996 thousand) of performance related compensation to the seller until December 31, 2018. The purchase price liabilities comprise royalty-earn-out payments until 2016. The seller will receive royalties for products which are built upon IDS intellectual property. The royalty-earn-out tranche is based on ams' long-term revenue projections and amounts to EUR 1,640 thousand until December 31, 2015 (2014: EUR 3,500 thousand). In 2014 EUR 4,496 thousand of the contingent liabilities account for call-options which were exercisable by December 31, 2018. These options entitle the seller to obtain a maximum of 325,000 ams' shares. The execution is tied up with yearly as well as cumulative revenue targets of those products that again rely on IDS intellectual property. The valuation of these call-options is based on the Black Scholes model. Material

value-affecting parameters are ams' long-term revenue plans as well as quotation and volatility of ams share at the valuation date. The options have been entirely exercised in 2015.

Additional contingent purchase price liabilities follow from the acam-messelectronic gmbh acquisition in 2014. ams has committed to pay EUR 9,900 thousand of performance related compensation to the seller. The purchase price liabilities comprise royalty-earn-out payments until 2018. Based on the long-term planning for a specific product the seller will receive royalties. The contingent purchase price liability was released entirely in 2015 now that no further relevant revenues are planned.

The valuation of financial instruments held for trading is based on valuations done by the external contractors.

Net gains and losses from financial instruments

2015 in thousands of EUR	Result from valuation	Impairment/ reversal of impairment	Foreign currency valuation	Result from divestment
Financial assets				
At fair value through profit & loss held for trading	51	0	0	0
Available for sale	0	0	0	0
Loans and receivables	0	0	-3,784	0
	51	0	-3,784	0
Financial liabilities				
At fair value through profit & loss held for trading	0	2,423	0	0
At amortized costs (other financial liabilities)	0	0	11,470	2,047
	0	2,423	11,470	2,047

2014 in thousands of EUR	Result from valuation	Foreign currency valuation	Result from divestment
Financial assets			
At fair value through profit & loss held for trading	0	0	0
Available for sale	474	0	-170
Loans and receivables	0	6,262	0
	474	6,262	-170
Financial liabilities			
At fair value through profit & loss held for trading	240	0	0
At amortized costs (other financial liabilities)	0	-7,263	30
	240	-7,263	30

Interest and dividends were not included in the tables above.

Interest income and interest expenses

Interest income and expenses from financial assets which are valued at fair value and are not affecting net income are as follows:

in thousands of EUR	2015	2014
Interest income	1,985	1,219
Interest expenses	-2,538	-1,565

Effective interest rates and liquidity analysis

In the following are the contractual maturities of financial liabilities including interest payments and the effective interest rates at the balance sheet date.

2015 in thousands of EUR	Effective interest rate	Carrying amount	Expected cash flow	0-1 year	2-5 years	More than 5 years
R & D loans						
EUR – Fixed rate loans	1.07%	21,301	21,985	1,281	19,147	1,557
EUR – Floating rate loans	0.86%	383	385	385	0	0
Export loans						
EUR – floating rate loans	0.76%	70,000	70,532	70,532	0	0
Unsecured bank facilities						
EUR – Fixed rate loan	0.98%	103,500	109,871	7,982	101,890	0
EUR – Floating rate loan	0.78%	80,000	81,525	647	80,878	0
		275,184	284,299	80,827	201,915	1,557
Liabilities from finance lease						
EUR – Fixed rate	1.69%	342	361	132	229	0
Contingent consideration						
EUR	-0.15%	1,640	1,637	1,278	359	0
Interest swaps						
EUR – Fixed rate		0	0	0	0	0
USD – Fixed rate		0	0	0	0	0
		277,166	286,297	82,237	202,503	1,557

2014 in thousands of EUR	Effective interest rate	Carrying amount	Expected cash flow	0-1 year	2-5 years	More than 5 years
R & D loans						
EUR – Fixed rate loans	1.19%	23,462	24,290	7,964	15,067	1,260
EUR – Floating rate loans	1.37%	1,150	1,166	780	386	0
Export loans						
EUR – floating rate loans	-	0	0	0	0	0
Unsecured bank facilities						
EUR – Fixed rate loan	1.01%	70,000	72,729	700	72,030	0
EUR – Floating rate loan	1.07%	90,000	91,330	30,969	60,361	0
		184,612	189,516	40,412	147,843	1,260
Liabilities from finance lease						
USD – Fixed rate	3.74%	1,815	1,865	1,865	0	0
Contingent consideration						
EUR	13.97%	17,896	21,920	8,140	13,780	0
Interest swaps						
EUR – Fixed rate		0	0	0	0	0
USD – Fixed rate		0	0	0	0	0
		204,323	213,301	50,417	161,623	1,260

Risk of change of interest rates

At the balance sheet date the interest bearing financial instruments carry the following values:

in thousands of EUR	2015	2014
Financial assets		
Fixed rate financial instruments	27,601	13,245
Floating rate financial instruments	12,460	12,477
Interest rate swaps	0	0
Financial liabilities		
Fixed rate loans	124,801	93,462
Floating rate loans	150,383	91,150
Fixed rate financial lease	342	1,815
Interest rate swaps	0	0

Fair value sensitivity analysis for fixed rate financial instruments

A change of +/- 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that

all other variables, in particular currency rates, remain constant. The analysis for the business year 2014 was performed on the same basis.

2015 in thousands of EUR	Profit & loss statement			Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	
Financial assets					
Fixed rate financial instruments	-873	926	-873	926	

2014 in thousands of EUR	Profit & loss statement			Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	
Financial assets					
Fixed rate financial instruments	-308	328	-308	328	

Cash flow sensitivity analysis for variable rate financial instruments

A change of +/- 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that

all other variables, in particular currency rates, remain constant. The analysis for the business year 2014 was performed on the same basis.

2015 in thousands of EUR	Profit & loss statement			Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	
Financial assets					
Variable rate financial instruments	-4	5	-4	5	
Financial liabilities					
Floating rate loans	-2,666	2,666	-2,666	2,666	

2014 in thousands of EUR	Profit & loss statement			Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	
Financial assets					
Variable rate financial instruments	-5	5	-5	5	
Financial liabilities					
Floating rate loans	-1,159	1,159	-1,159	1,159	

Foreign currency risk

The company's exposure to foreign currency risk at the balance sheet date was as follows based on notional amounts (without net investments in subsidiaries and investments in associated companies):

2015 in thousands of	USD	CHF	JPY
Trade receivables and other receivables	74,955	0	0
Trade liabilities and other liabilities	-33,612	-371	-141,032
Liabilities from finance lease	0	0	0
	41,343	-371	-141,032
Net foreign currency risk	41,343	-371	-141,032

2014 in thousands of	USD	CHF	JPY
Trade receivables and other receivables	75,525	37	0
Trade liabilities and other liabilities	-41,811	-3	-291,097
Liabilities from finance lease	-2,235	0	0
	31,479	35	-291,097
Net foreign currency risk	31,479	35	-291,097

Sensitivity analysis

A 10 percent strengthening/weakening of the EUR against the following currencies would have

increased (decreased) equity and profit loss by the amounts shown below.

2015 in thousands of EUR	Profit & loss statement		Equity	
	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	-3,466	4,237	-3,466	4,237
CHF	28	-35	31	28
JPY	98	-120	98	-120

2014 in thousands of EUR	Profit & loss statement		Equity	
	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	-2,357	2,881	-2,357	2,881
CHF	-3	3	-3	3
JPY	182	-223	182	-223

This analysis assumes that all other variables, in particular interest rates, remain constant. The

analysis for the business year 2014 was performed on the same basis.

The following FX exchange rates were used during the business year:

	Annual average exchange rate		Period end exchange rate	
	2015	2014	2015	2014
USD	1.1046	1.3211	1.0887	1.2141
CHF	1.0646	1.2127	1.0835	1.2024
JPY	133.63	140.50	131.07	145.23

27. Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of EUR	2015	2014
Less than one year	4,972	3,147
Between one and five years	11,209	3,954
More than five years	4,250	0
	20,431	7,101

Some of the Group's subsidiaries lease office space. In addition, the Group leases the "gas farm" as well as automobiles under operating leases. The lease agreements typically run for an initial period of four

to ten years, typically including an option for the lessee to renew the lease after that date. The expenses for operating lease amounted to EUR 4,366 thousand in 2015 (2014: EUR 2,863 thousand).

Finance lease

2015 In thousands of EUR	Future minimum lease payments	Interest cost	Present value of minimum lease payments
Less than a year	132	11	121
Between one and five years	229	8	221
More than five years	0	0	0
	361	19	342

2014 In thousands of EUR	Future minimum lease payments	Interest cost	Present value of minimum lease payments
Less than a year	1,865	50	1,815
Between one and five years	0	0	0
More than five years	0	0	0
	1,865	50	1,815

The lease contains property, plant & equipment with a carrying amount of EUR 364 thousand

(2014: EUR 1,063 thousand) completely and do not include conditional lease payments.

27. Contingencies

The preparation of the consolidated financial statements according to IFRS requires discretionary decisions in applying accounting rules and estimates regarding specifying business assumptions by management concerning future developments, thus materially determining the method and value of assets and liabilities, the disclosure of other obligations at the balance sheet date and the resulting earnings and expenditures within the year.

The main discretionary decisions are limited to classifying leasing relations.

Within the following assumptions there exist risks which could lead to changes in the value of assets or liabilities during the following fiscal year:

- the impairment test of the tangible fixed assets and immaterial assets is based on forecasted future cashflows in the years to come utilizing an industry and company related discount rate. (see item 11 and 12)
- The impairment test of goodwill is based on forecasted future cash flows utilizing a discount rate related to the cash-generating unit (see item 12)
- the application of deferred tax assets is under the assumption that taxable income will be available to take advantage of existing tax loss carry forwards in the future. (see item 6)
- the valuation of provisions for severance payments and long service benefits is made using assumptions concerning the discount rate, retirement age, fluctuations and future salary increases. (see item 22)

28. Related Parties

Identity of related parties

The Company has a related party relationship with:

- the Company's Executive Officers (CEO, CFO, COO)
- the members of the Company's Supervisory Board (Aufsichtsrat)
- persons related to the Management Board of the Company (CEO, CFO, COO)
- associated companies
- the not consolidated affiliated company Austria Mikro Systeme International Ltd.

As of December 31, 2015 and December 31, 2014 respectively, the remuneration for the Management board was as follows:

Remuneration (in thousands of EUR)	2015	2014
Salary		
Salary, not variable	1.159	678
Salary, variable	1.278	652
Options		
Options (Value at allocation)	1.023	242
Non cash benefit		
Car	14	6
Expense for precautionary measures		
Contribution to accident insurance	5	3

The Company recorded an amount of EUR 232 thousand in the profit and loss from accrual (2014: release) for severance payments for the Management board (2014: EUR 336 thousand recognized as income).

During the business year 102,270 call options (2014: 91,410) of LTIP 2014 for the Management board as a whole were allocated during the year. The strike price amounts to EUR 1.00 (2014: EUR 1.00).

For conditions and valuations of the call options for shares of ams AG based on the LTIP 2014 and SOP 2009 please refer to point (p) (iv).

Persons related to the management board held no shares and no options of ams AG as per December

31, 2015 and no shares and no options as per December 31, 2014, respectively.

The remuneration of the company's Supervisory Board amounted to EUR 394 thousand (2014: EUR 438 thousand). All remunerations were or are be paid directly by the Company. The Company has no consulting agreements with the Company's known shareholders. One member of the Supervisory Board has supplied consulting services amounting to EUR 14 thousand (2014: EUR 15 thousand).

The Company's Executive Officers hold 763,303 shares and call options for the purchase of 589,505 shares as of December 31, 2015 (785,623 shares and call options for the purchase of 701,410 shares as of December 31, 2014).

In thousands of EUR	2015	2014
Directors' gross remuneration fixed	320	347
Travel expenses	63	74
Attendance fees	11	17
	394	438
Number of		
Shares as per Dec, 31	218,306	235,512
Options as per Dec, 31	3,010	5,875

The shown remunerations show the amounts actually paid during the business year. The remuneration for the business year 2015 will be determined at the general meeting on June 2, 2016.

No person related to the Supervisory Board held shares or options of ams AG as of December 31, 2015 and as per December 31, 2014.

There are no open loans with members of the Supervisory Board.

Related party transactions

In thousands of EUR	Transaction value for the business year		Balance outstanding as at Dec. 31	
	2015	2014	2015	2014
New Scale Technologies Inc., Victor, New York (USA)				
Sale of goods and services	19	1	0	0
Purchased services	-150	-106	-7	-27

Identity of associated companies:

New Scale Technologies Inc., New York (USA):

Creates disruptively small motion systems. Based on its patented micro-motor technology, New Scale Technology Inc. invents, manufactures and sells miniature ultrasonic motors and integrated positioning systems.

Flip Chip Holdings LLC, Arizona (USA):

Based on its patented Wafer-Level Packaging (WL-CSP) Technology, FlipChip Holdings LLC, Arizona researches and produces high end packaging technologies.

RFMicron Inc., Texas (USA):

The company is a developer of next generation RFID Micro Chips and platforms for itemized tracking applications.

These investments are of strategic nature.

29. Contingencies

There are contingencies amounting to a total sum of EUR 600 thousand (see item 14).

Contingent liabilities amount to EUR 493 thousand (2014: EUR 313 thousand).

30. Remuneration for the Auditors

The expense for the auditor's remuneration for the audit of the financial statements and annual consolidated financial statements 2015 amounted to EUR 160,000.00. For other consultancy services EUR 28,412.50 have been expensed.

30. Group Enterprises

	Accounting method	Country of incorporation	Functional currency	Ownership interest	
				2014	2013
ams France S.à.r.l.	fully consolidated	France	EUR	100%	100%
ams Germany GmbH	fully consolidated	Germany	EUR	100%	100%
ams Italy S.r.l.	fully consolidated	Italy	EUR	100%	100%
ams International AG	fully consolidated	Switzerland	CHF	100%	100%
ams R&D Spain, S.L.	fully consolidated	Spain	EUR	100%	100%
ams R&D UK Ltd.	fully consolidated	U. K.	GBP	100%	100%
AMS USA Inc.	fully consolidated	USA	USD	100%	100%
ams Japan Co. Ltd.	fully consolidated	Japan	JPY	100%	100%
ams Semiconductors India Pvt Ltd.	fully consolidated	India	INR	100%	100%
ams China Co Ltd.	fully consolidated	China	RMB	100%	100%
ams Asia Inc.	fully consolidated	Philippines	PHP	100%	100%
Aspern Investment Inc.	fully consolidated	USA	USD	100%	100%
AMS-TAOS USA Inc.	fully consolidated	USA	USD	100%	100%
AMS-TAOS International	fully consolidated	Cayman Islands	USD	100%	100%
ams Korea Co. Ltd	fully consolidated	Korea	KRW	100%	100%
ams R&D doo	fully consolidated	Slovenia	EUR	100%	100%
AppliedSensor Holding AB	fully consolidated	Sweden	SEK	100%	100%
ams-Sensor Solutions Germany GmbH	fully consolidated	Germany	EUR	100%	100%
acam-messelectronic GmbH	fully consolidated	Germany	EUR	100%	100%
Applied Sensor USA Inc.	fully consolidated	USA	USD	100%	100%
ams Netherlands B.V.	fully consolidated	Netherlands	EUR	100%	-
ams Finland OY	fully consolidated	Finland	EUR	100%	-
Austria Mikro Systeme International Ltd.	at cost	China	n/a	100%	100%
CMOSIS BVBA	fully consolidated	Belgium	EUR	100%	-
CMOSIS International NV	fully consolidated	Belgium	EUR	100%	-
CMOSIS America LLC	fully consolidated	USA	USD	100%	-
AWAIBA Holding SA	fully consolidated	Switzerland	CHF	100%	-
AWAIBA Lda	fully consolidated	Portugal	EUR	100%	-
CMOSIS Germany GmbH	fully consolidated	Germany	EUR	100%	-

31. Events after the Balance Sheet Date

No transactions had significant effect on ams' financial position, assets or earnings after the closing of the fiscal year.

Unterpremstätten, February 12, 2016



Kirk S. Laney
CEO



Alexander Everke
CEO designate



Dr. Thomas Stockmeier
COO



Michael Wachsler-Markowitsch
CFO

Independent Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ams AG, Premstätten**, for the fiscal year from 1 January 2015 to 31 December 2015. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2015, the consolidated statement of

comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity for the fiscal year 2015 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB) and the

additional requirements pursuant to § 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with Inter-

national Standards on Auditing, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of express-

ing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and its financial performance and its cash flows for the

year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report

for the Group is consistent with the consolidated financial statements.

In our opinion, the management report for the Group is consistent with the consolidated financial statements.

Vienna, 12 February 2016

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Section 2 UGB (Austrian Commercial Code) applies.

Glossary

CMOS	Complementary metal-oxide-semiconductor; a widely used technology for constructing integrated circuits (ICs)
Industry 4.0	Collective term encompassing a range of contemporary automation, data exchange and manufacturing technologies including the Internet of Things
Internet of Things (IoT)	Network of physical objects fitted with electronics including sensors and network connections that enables these objects to collect and exchange data for remote sensing and control
MEMS microphone	Microphone based on a pressure-sensitive diaphragm etched into a silicon wafer as a microelectromechanical structure, also called silicon microphone
NFC	Near Field Communication; wireless technology for secure short-distance data transmission



Seoul

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