

CEMAT A/S
Interim report, Q2 2016
1 January–30 June 2016

FOCUS NOW ON OPTIMISING AND SELLING THE PROPERTY PORTFOLIO

“The sale of the silicon business to GlobalWafers was approved at the company’s extraordinary general meeting held on 17 June 2016 and completed as of 1 July 2016. The costs of the continuing operations have subsequently been adjusted. The company has excess liquidity which is expected to allow for DKK 120 million to be returned to the shareholders of Cemmat. Going forward, we will focus on optimisation and sale of our property portfolio in Poland.”

Kalle Hvidt Nielsen, CEO

HIGHLIGHTS OF THE QUARTER

- On 17 June, the sale of Topsil’s silicon business to GlobalWafers was approved at an extraordinary general meeting, and the listed company Topsil Semiconductor Materials A/S with the remaining activities changed its name to Cemmat A/S.
- The sale was completed as of 1 July, and in immediate continuation of the divestment, the costs of Cemmat were adjusted by measures including severance agreements with the members of the Management Board and by reducing the number of members of the Board of Directors.
- The consideration amounted to DKK 355 million on a debt-free basis, and after completion of the transaction, repayment of bank debt and the adjustment of the cost level, the company expects to have excess liquidity allowing for DKK 120 million to be returned to the shareholders of Cemmat.
- As the transaction was not completed until in Q3 2016, this H1 report must be divided into continuing and discontinued operations.
- EBITDA from the property business was DKK 1.9 million in Q2 2016 (Q2 2015: DKK 1.7 million).
- A profit of DKK 33.6 million was posted for Q2 2016 and a loss of DKK 58.8 million for H1 2016, of which DKK 33 million was attributable to release from a supplier contract and DKK 7.1 million to impairment of the assets of the silicon business.

OUTLOOK FOR 2016

- Revenue for Cemmat A/S is expected to amount to DKK 36 million in 2016, assuming that the Polish silicon business (Topsil GlobalWafers) stays on as a tenant throughout 2016 and purchases utilities (hydrogen, power, water, etc.) from Cemmat’70 at the same level as previously.
- EBITDA generated by the Polish property business (Cemmat’70) is expected to be around DKK 6 million. The costs of Cemmat A/S will be significantly higher than expected in the coming years as the restructuring took place in the middle of the year.
- For the year as a whole, EBITDA is expected to amount to a loss of DKK 15 million, impacted by restructuring costs of approximately DKK 12 million. In this estimate, the operating costs of Cemmat A/S before restructuring costs are expected to be DKK 9 million, which, as described in announcement 28/16 of 3 August 2016, is expected to be reduced to approximately DKK 2 million in the coming years.
- The guidance is based on an exchange rate of DKK 170/PLN 100.

FINANCIAL HIGHLIGHTS FOR THE GROUP (UNAUDITED)

DKK'000	Q2 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Income statement:					
Revenue	3,525	3,599	7,187	7,458	14,456
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(156)	(2,807)	(2,931)	(5,546)	(8,976)
Operating profit/(loss) (EBIT)	(1,282)	(4,024)	(5,258)	(7,944)	(13,711)
Net financials	(5,048)	(2,778)	(7,600)	(5,932)	(12,534)
Profit/(loss) for the period, continuing operations	(6,452)	(6,945)	(12,990)	(14,041)	(26,752)
Profit/(Loss) for the period, discontinuing operations	40,099	1,913	(45,832)	(4,739)	(63,313)
Profit/(loss) for the period	33,648	(5,032)	(58,822)	(18,779)	(90,065)
Of which attributable to parent shareholders	33,440	(5,156)	(59,114)	(18,911)	(90,298)
Cash flow statement:					
Cash flows from operating activities	(24,492)	(7,073)	(30,830)	(5,062)	(16,668)
Cash flows from investing activities	(364)	(324)	(667)	(774)	(1,473)
Investments in property, plant and equipment	(364)	(324)	(667)	(774)	(1,473)
Balance sheet:					
Share capital			132,029	132,029	132,029
Equity attributable to parent company shareholders			170,992	316,094	243,912
Equity attributable to non-controlling shareholders			15,652	16,658	16,782
Total consolidated equity			186,644	332,752	260,694
Total assets			524,150	647,235	556,092
Invested capital			446,015	513,412	440,069
Net interest-bearing debt			252,750	182,155	182,462
Net working capital (NWC)			112,151	114,474	117,643
Financial ratios:					
EBITDA margin (%)	(4.4)	(78.0)	(40.8)	(74.4)	(62.1)
EBIT-margin/profit margin (%)	(36.4)	(111.8)	(73.2)	(106.5)	(94.8)
Return on invested capital (%)	(0.3)	(0.8)	(1.2)	(1.5)	(2.8)
Equity ratio	35.6	51.4	35.6	51.4	46.9
Return on equity (%)	19.1	(1.5)	(26.3)	(5.5)	(29.8)
Current number of shares (thousands)	528,114	528,114	528,114	528,114	528,114
Earnings per share (DKK)	0.06	(0.01)	(0.11)	(0.04)	(0.17)
Price per share (DKK)	0.29	0.44	0.29	0.44	0.28
Average number of employees (FTE)	34	35	35	36	35

DIVESTMENT OF THE SILICON BUSINESS

The shareholders of Topsil approved the divestment of the silicon business to GlobalWafers at the extraordinary general meeting held on 17 June 2016. In continuation of this, the transaction was completed as of 1 July 2016, and the listed holding company has changed its name to Cemat A/S.

The consideration was DKK 355 million on a debt-free basis. After the completion of the transaction and the repayment of bank debt (DKK 191 million including interest of DKK 8 million), payment of transaction costs (DKK 17 million), management adjustments (DKK 12 million) and the holding company's operating costs, it is expected that the listed company will have excess liquidity allowing for DKK 120 million to be returned to Cemat's shareholders.

The schedule for the distribution of the excess liquidity to shareholders is as follows:

- September 2016: An extraordinary general meeting will be held to decide how the excess liquidity is to be paid out (by way of a share buyback programme or an extraordinary dividend).

If the shareholders resolve to pay an extraordinary dividend, the disbursement is expected to take place in October 2016, and if the shareholders adopt a share buyback programme, it will follow the schedule set out below:

- October 2016: Adoption of a resolution by the shareholders in general meeting to cancel shares that have been sold back to the company (if a share buyback programme is adopted).
- November 2016: Disbursement to shareholders.

Reference is made to announcement no. 28/16 of 3 August 2016 for a detailed account of the sales process and a description of the continuing property business.

As the divestment had not been finally completed by 30 June 2016, IFRS requires that Topsil's income statement, balance sheet and cash flow statement for the period ended on and as of 30 June 2016 must be divided into continuing and discontinued operations. The comparative figures in the income statement have consequently been restated to reflect the continuing operations. The comparative figures in the balance sheet have not been restated

and consequently show the business as at 31 December 2015 and 30 June 2015.

CONTINUING OPERATIONS

Cemat A/S' business operations comprise a listed holding company in Denmark for the property business in Poland, operated through the 77.66% owned subsidiary Cemat'70 S.A. There are no other business operations in the Danish listed company.

The ongoing efforts to divest the assets of the Polish property business will continue unabated.

Cemat'70 owns 133 thousand sqm of land and 41 thousand sqm of buildings on Wólczynska 133 in the Bielany district, which is located approximately 10 kilometres NW of the centre of Warsaw. Bielany has undergone significant development over the past years with a large number of housing units and new retail businesses being established in the area. The land held by Cemat'70 is currently classified for industrial purposes, but the company is working to reclassify the land to residential and services usage to include it in the ongoing development of the district.

Cemat'70 engages in the letting of premises and land and the provision of utilities to its tenants, including power, water, technical gases and facility services, etc. Cemat'70 has approximately 90 tenants and an occupancy rate of approximately 75%. Topsil GlobalWafers is the biggest tenant, and any major changes in the operations of Topsil GlobalWafers would affect Cemat'70 accordingly.

Revenue was DKK 3.5 million in Q2 2016 (Q2 2015: DKK 3.6 million).

Costs were DKK 3.7 million in Q2 2016 (Q2 2015: DKK 6.4 million) and DKK 10.1 million in H1 2016 (H1 2015: DKK 13.0 million). This line item includes operating costs in the Polish property company and administrative expenses of the holding company related to being a listed company, including remuneration to the Board of Directors and the Management Board.

EBITDA was a loss of DKK 0.2 million in Q2 2016 (Q2 2015: a loss of DKK 2.8 million).

EBITDA of the property business was a profit of DKK 1.9 million in Q2 2016 and DKK 3.5 million in H1 2016. In the same period of 2015,

EBITDA was DKK 1.7 million in Q2 and DKK 2.9 million in H1, respectively.

The operating profit has been calculated in accordance with IFRS and the accounting rules applicable to the transition period. This means that transactions with Topsil GlobalWafers continue to be eliminated. Moreover, the operating profit includes the full costs of the current management.

In early July, severance agreements were signed with the members of the Management Board, and in August it was decided to reduce the Board of Directors to three members. Michael Hedegaard Lyng and Jørgen Frost have stepped down, and Joanna Iwanowska-Nielsen has joined the Board of Directors, bringing strong skills and expertise in the Polish and international property markets. Severance costs in connection with the restructuring are expected to be around DKK 12 million. These costs were not recognised in Q2 as the restructuring did not take place until in early July.

Amortisation and depreciation for Q2 2016 was DKK 1.1 million, which was unchanged from the year-earlier period.

Net financials amounted to an expense of DKK 5.0 million in Q2 2016 (Q2 2015: an expense of DKK 2.8 million). The increase was the result of an increase of net interest-bearing debt and significantly higher interest rates following a re-negotiation of the company's credit facilities. There were no exchange rate effects of any significance in the continuing operations as they are mainly in Polish zloty.

A loss from continuing operations of DKK 6.5 million was posted for the period (Q2 2015: a loss of DKK 6.9 million).

The profit for the period from discontinued operations was DKK 40.1 million.

Cemat posted a total profit after tax of DKK 33.6 million in Q2 2016 and a loss of DKK 58.8 million in H1 2016, of which a loss of DKK 33 million was attributable to release of a supplier contract and DKK 7.1 million to impairment relating to the assets of the silicon business.

CASH FLOW STATEMENT AND BALANCE SHEET

Cash flows from operating activities were an outflow of DKK 24.5 million in Q2 2016, and

cash flows from investing activities were an inflow of DKK 0.4 million.

The Group's non-current assets totalled DKK 57.7 million at 30 June 2016, consisting of land and buildings, usufruct rights and production equipment in the property business.

The discontinued operations are stated in the balance sheet in two line items: Assets held for sale of DKK 459.5 million, and Liabilities relating to assets held for sale of DKK 69.5 million. The net value of discontinued operations is stated at DKK 390 million, including the agreed consideration of DKK 355 million, provisionally calculated compensation in respect of the silicon operations for H1 2016 of DKK 52 million deducted sales costs of DKK 17 million.

The divestment agreement with GlobalWafers is based on the balance sheet at 1 January 2016, and GlobalWafers consequently assumed the operating risk relating to the silicon business for H1 2016. Based on the agreed terms and the provisional statement for the silicon business for H1 2016, GlobalWafers must compensate Cemat an amount of around DKK 52 million in this respect, which is included in the DKK 120 million expected to be returned to the shareholders. GlobalWafers is currently in the process of validating the statement, and final acceptance of it and the transfer of the amount are expected to take place in the course of Q3 2016.

INTEREST-BEARING DEBT

At 30 June 2016, net interest-bearing debt stood at DKK 252.8 million, which was DKK 70.3 million higher than at 31 December 2015. The Group's interest-bearing debt was repaid in full in July 2016.

EQUITY

The Group's equity at 30 June 2016 stood at DKK 186.6 million, of which DKK 171 million was attributable to the shareholders of Topsil Semiconductor Materials A/S, and DKK 15.6 million was attributable to non-controlling interests in Cemat'70 S.A. The equity ratio was 35.6% at 30 June 2016.

DISCONTINUED OPERATIONS

The market situation in the silicon market continues to be affected by price pressure, which is also reflected in revenue for Q2 2016.

Revenue for Q2 2016 was DKK 64.3 million (Q2 2015: DKK 72.8 million).

Direct production costs were DKK 43.3 million in Q2 2016 (Q2 2015: 37.8 million), and the contribution margin was 32.6% against 48.1% in the year-earlier period. The contribution margin was, among other things, adversely affected by persistent price pressures, mix effects and sales of remelt worth DKK 3.8 million at a loss.

Renegotiations of raw materials contracts with the company's other raw materials supplier were finalised at end-June 2016. Under the agreement, a lump sum of USD 5 million (DKK 33 million) was paid to be released of the previous obligations. The lump sum is recognised in other external costs.

Other external costs and staff costs were DKK 60.4 million in Q2 2016 (Q2 2015: DKK 26.0 million). The increase was mainly due to the lump sum paid to be released from the said raw materials contract.

The average number of full-time employees of the discontinued operations was 290 in Q2 2016, representing a year-on-year reduction by 18.

The net assets have been written down to the expected sales value after costs etc. of DKK 390 million, which resulted in a write-down of the carrying amounts by DKK 7.1 million.

Cash flows from discontinued operations were an outflow of DKK 37.9 million in Q2 2016 (Q2 2015: an outflow of DKK 0.5 million). Q2 was adversely affected by the payment of a lump

sum to be released from a previous raw materials contract.

The cash flow from investing activities was an inflow of DKK 2.7 million in Q2 2016, bringing the net cash flow of the discontinued operations to an outflow of DKK 40.7 million.

OUTLOOK FOR 2016

Revenue for Cemat A/S is expected to amount to DKK 36 million in 2016, assuming that the Polish silicon business (Topsil GlobalWafers A/S) stays on as a tenant throughout 2016 and purchases utilities (hydrogen, power, water, etc.) from Cemat'70 at the same level as previously.

EBITDA generated by the Polish property business (Cemat'70) is expected to be around DKK 6 million. The costs of Cemat A/S will be significantly higher than expected in the coming years as the restructuring took place in the middle of the year.

For the year as a whole, EBITDA is expected to amount to a loss of DKK 15 million, impacted by restructuring costs of approximately DKK 12 million. In this estimate, the operating costs of Cemat A/S before restructuring cost are expected to be DKK 9 million, which, as described in announcement 28/16 of 3 August 2016, are expected to be reduced to approximately DKK 2 million in the coming years.

The guidance is based on an exchange rate of DKK 170/PLN 100.

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, general economic developments, the financial markets, changes in the silicon market, legislation, changes in demand for the company's products, and competition.

INVESTOR RELATIONS COMMUNICATION

Please direct any questions regarding this announcement to CEO Kalle Hvidt Nielsen or CFO Jesper Bodeholt through Susanne Hesselkjær, Executive Secretary, tel.: +45 2926 6752, sh@cemat.dk.

SHAREHOLDER PORTAL

At Cemat's shareholder portal at www.cemat.dk, shareholders can access information on their shareholdings and register their email addresses for electronic distribution of documents for general meetings and other material relevant to shareholders.

EMAIL SERVICE

Under "Contacts" on Cemat's website, it is possible to subscribe to and unsubscribe from Topsil's electronic email service to receive annual reports, quarterly reports and other company announcements.

Prior to the publication of an interim report, Topsil observes a four-week silent period.

ANNOUNCEMENTS 2016

29	05.08	Decisions of extraordinary general meeting
28	03.08	Information to the shareholders before the extraordinary general meeting
27	14.07	Revised notice to convene extraordinary general meeting
26	08.07	Waiver of obligation to proceed with takeover on shares in Cemat A/S
25	04.07	Entering severance agreements with the management board of Cemat A/S
24	01.07	Notice to convene extraordinary general meeting
23	01.07	Conclusion of the agreement with GlobalWafers
22	30.06	The Danish Business Authority has made a decision
21	23.06	New raw materials agreement
20	20.06	Receipt of request for convening an extraordinary general meeting
19	18.06	Updated Articles of Association

18	17.06	Decisions of extraordinary general meeting
17	17.06	Announcement of increased offer from GW and public offer from NSIG
17	17.06	Public offer from National Silicon Industry Group (in Danish)
16	17.06	The Board's assessment of the offer from National Silicon Industry Group
15	16.06	Announcement about offer for Topsil's silicon business
14	15.06	Proxies for extraordinary general meeting 17 June 2016
13	01.06	Major shareholder announcement (in Danish)
12	31.05	Interim report, Q1 2016
11	25.05	Notice to convene Extraordinary General Meeting
10	24.05	Major Shareholder Announcement
9	23.03	Warrant programme and updated Articles of Association
8	20.05	Postponement of Q1 2016 interim report
7	20.05	Agreement on sale of silicon business
6	04.05	Warrant programme for Management Board and executive officers
5	26.04	Updated Articles of Association
4	25.04	Decisions of the Annual General Meeting
3	20.04	Company announcement
2	01.04	Notice to convene Annual General Meeting
1	31.03	Annual Report 2015

FINANCIAL CALENDAR

The Board of Directors has decided no longer to prepare quarterly reports and will only prepare H1 and annual reports going forward. The financial calendar will be updated accordingly.

This announcement has been prepared in a Danish-language and an English-language version. In the event of any discrepancies, the Danish version shall prevail.

MANAGEMENT STATEMENT

The Board of Directors and the Management Board have today considered and adopted the interim report of Topsil Semiconductor Materials A/S for the six months ended 30 June 2016.

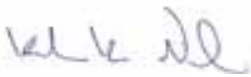
The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2016 and of the results of the Group's operations and cash flows for the three months ended 30 June 2016.

In our opinion, the management report includes a fair review of the development and performance of the business and financial position of the Group, the financial results for the period as well as the financial position in general of the consolidated companies, together with a description of the principal risks and uncertainties that the Group faces.

Frederikssund, 25 August 2016

MANAGEMENT BOARD



Kalle Hvidt Nielsen
CEO



Jesper Bodeholt
CFO



Michael Lisby Jensen
CSO

BOARD OF DIRECTORS:



Jens Borelli-Kjær
Chairman



Eivind Dam Jensen
Deputy Chairman

Joanna L. Iwanowska-Nielsen
Board member

INCOME STATEMENT

DKK'000	Q2 2016	Q2 2015	H1 2016	H1 2016	FY 2015
Revenue	3,525	3,599	7,187	7,458	14,456
Costs	(3,680)	(6,406)	(10,118)	(13,004)	(23,432)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(156)	(2,807)	(2,931)	(5,546)	(8,976)
Depreciation, amortisation and impairment	(1,127)	1,217	(2,327)	(2,398)	(4,735)
Operating profit/(loss) (EBIT)	(1,282)	(4,024)	(5,258)	(7,944)	(13,711)
Net financials	(5,048)	(2,778)	(7,600)	(5,932)	(12,534)
Profit/(loss) before tax	(6,330)	(6,802)	(12,858)	(13,876)	(26,245)
Tax on profit/(loss) for the period	(122)	(143)	(132)	(165)	(507)
Profit/(loss) for the period from continuing operations	(6,452)	(6,945)	(12,990)	(14,041)	(26,752)
Profit/(loss) for the period, discontinued operations	40,099	1,913	(45,832)	(4,739)	(63,313)
Profit/(loss) for the period, including discontinued operations	33,648	(5,032)	(58,822)	(18,779)	(90,065)
Appropriation of profit/(loss) for the period:					
Parent company shareholders	33,440	(5,156)	(159,114)	(18,911)	(90,298)
Non-controlling interests	208	124	292	132	233
	33,648	(5,032)	(58,822)	(18,779)	(90,065)
Earnings per share:					
Earnings per share (DKK)	0.06	(0.01)	(0.11)	(0.04)	(0.17)
Diluted earnings per share (DKK)	0.06	(0.01)	(0.10)	(0.03)	(0.16)

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Q2 2016	Q2 2015	H1 2016	H1 2016	FY 2015
Profit/(loss) for the period	33,648	(5,032)	(58,822)	(18,779)	(90,065)
Foreign exchange adjustment, foreign companies	(12,961)	(5,071)	(15,973)	6,336	4,904
Comprehensive income for the period	20,687	(10,103)	(74,795)	(12,444)	(85,161)
Parent company shareholders	21,156	(9,778)	(73,665)	(12,517)	(85,358)
Non-controlling interests	(469)	(325)	(1,130)	73	197
	20,687	(10,103)	(74,795)	(12,444)	(85,161)

CASH FLOW STATEMENT

DKK'000	Q2 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Operating profit/(loss) (EBIT)	(1,282)	(4,024)	(5,258)	(7,944)	(13,711)
Depreciation, amortisation and impairment	1,127	1,217	2,327	2,398	4,735
Share-based payment recognised in the income statement	376	450	746	852	1,511
Change in net working capital	(21,743)	(1,524)	(23,477)	9,126	7,066
Tax paid/received	(125)	(155)	(253)	(252)	(508)
Financial income received	3	1	6	8	28
Financial expenses paid	(2,847)	(3,038)	(4,921)	(9,250)	(15,789)
Cash flows from operating activities	(24,492)	(7,073)	(30,830)	(5,062)	(16,668)
Acquisition etc. of intangible assets	-	-	-	-	-
Acquisition etc. of property, plant and equipment	(364)	(324)	(667)	(774)	(1,473)
Cash flows from investing activities	(364)	(324)	(667)	(774)	(1,473)
Loans and credits raised	61,870	13,440	65,454	3,762	3,772
Cash flows from financing activities	61,870	13,440	65,454	3,762	3,772
Change in cash and cash equivalents, continuing operations	37,014	6,042	33,957	(2,074)	(14,369)
Change in cash and cash equivalents, discontinued operations	(40,653)	(2,378)	(38,580)	3,820	15,716
Change in cash and cash equivalents	(3,639)	3,664	(4,623)	1,746	1,347
Cash and cash equivalents at beginning of period	7,757	6,976	8,830	6,903	6,903
Market value adjustment of cash and cash equivalents	(123)	(1,515)	(212)	477	580
Cash and cash equivalents at end of period	3,995	9,126	3,995	9,126	8,830

BALANCE SHEET, ASSETS

DKK'000	30.06.2016	30.06.2015	FY 2015
Goodwill	-	17,593	-
Completed development projects	-	26,796	24,985
Development projects in progress	-	7,196	10,712
Rights of use	13,133	14,504	13,877
Intangible assets	13,133	66,089	49,575
Land and buildings	37,019	164,941	161,955
Plant and machinery	4,856	160,966	105,900
Other fixtures and fittings, tools and equipment	37	1,357	949
Property, plant and equipment under construction	2,636	5,584	4,049
Property, plant and equipment	44,548	332,848	272,854
Other non-current receivables	-	6,744	4,545
Financial assets	-	6,744	4,545
Deferred tax asset	-	24	7,553
Non-current assets	57,682	405,705	334,527
Inventories	570	167,251	163,384
Receivables	1,272	45,001	36,558
Other receivables	122	15,695	8,902
Income tax receivable	-	2,163	2,014
Prepayments	977	2,294	1,877
Receivables	2,371	65,153	49,351
Assets held for sale	459,531	-	-
Cash and cash equivalents	3,996	9,126	8,830
Current assets	466,468	241,529	221,565
Assets	524,150	647,235	556,092

BALANCE SHEET, EQUITY AND LIABILITIES

DKK'000	30.06.2016	30.06.2015	FY 2015
Share capital	132,029	132,029	132,029
Translation reserve	(34,050)	(18,044)	(19,499)
Reserve for share-based payment	5,189	3,784	4,443
Retained earnings	67,824	198,325	126,939
Equity attributable to parent company shareholders	170,992	316,094	243,912
Equity attributable to non-controlling interests	15,652	16,658	16,782
Equity	186,644	332,752	260,694
Due to credit institutions	-	-	6,812
Finance lease liabilities	288	538	419
Prepayments received from customers	-	17,279	-
Other non-current liabilities	465	2,362	2,579
Deferred tax liabilities	7,296	4,239	7,795
Non-current liabilities	8,049	24,418	17,605
Due to credit institutions	256,746	191,281	184,480
Finance lease liabilities	232	224	232
Trade payables	531	54,023	50,160
Prepayments received from customers	-	9,506	25,331
Income tax payable	44	72	-
Other payables	2,373	28,536	15,453
Deferred income	-	6,422	2,137
Liabilities relating to assets held for sale	69,531	-	-
Current liabilities	329,457	290,065	277,793
Total liabilities	335,462	314,483	295,398
Equity and liabilities	524,150	647,235	556,092

STATEMENT OF CHANGES IN EQUITY

DKK'000	Share capital	Translation reserve	Reserve for share-based payment	Retained earnings	Equity Attributable to parent company shareholders	Equity Attributable to non-controlling interests	Total equity
Equity at 01.01.2015	132,029	(24,439)	2,932	217,237	327,759	16,585	344,344
Profit/(loss) for the year	-	-	-	(18,912)	(18,912)	132	(18,780)
Other comprehensive income	-	6,395	-	-	6,395	(59)	6,336
Comprehensive income	132,029	(18,044)	2,932	198,325	315,242	16,658	331,900
Share-based payment	-	-	852	-	852	-	852
Equity at 30.06.2015	132,029	(18,044)	3,784	198,325	316,094	16,658	332,752
Equity at 01.01.2016	132,029	(19,499)	4,443	126,939	243,912	16,782	260,694
Profit/(loss) for the year	-	-	-	(59,115)	(59,115)	292	(58,823)
Other comprehensive income	-	(14,551)	-	-	(14,551)	(1,422)	(15,973)
Comprehensive income	132,029	(34,050)	4,443	67,824	170,246	15,652	185,898
Share-based payment	-	-	746	-	746	-	746
Equity at 30.06.2016	132,029	(34,050)	5,189	67,824	170,992	15,652	186,644

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, RISKS, ETC.

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. The interim report has been neither audited nor reviewed. The accounting policies are consistent with those of the Annual Report 2015, which includes a full description of the accounting policies.

For accounting estimates and judgments, see note 2, page 38 of the Annual Report 2015. For information on risks, see note 32, pages 56-58, and the section on risk management on pages 16-17 of the Annual Report 2015.

The sales process with a view to divesting the Group's silicon segment has had the effect that Cemate's income statement, balance sheet and cash flow statement for the period ended on and as at 30 June 2016 are divided into continuing operations (the property segment) and discontinued operations (the silicon segment). The comparative figures in the income statement have been restated to reflect the continuing operations. The comparative figures in the balance sheet have not been restated and consequently show the total business as at 31 December 2015 and 30 June 2015.

According to the accounting regulations, Management must consider whether the quarterly report can be prepared on a going concern basis. Based on the estimated outlook for the continuing operations, the management of Cemate believes that the existing cash reserves and expected future cash flows will be sufficient to maintain operations and fund any measures planned.

2 DISCONTINUED OPERATIONS

The comparative figures in the income statement and the cash flow statement have been restated to reflect the discontinued operations. In H1 2016, a pro rata impairment loss in an aggregate amount of DKK 7.1 million was recognised in respect of intangible assets and property, plant and equipment. This was done as a consequence of the takeover offer from GlobalWafers.

DKK'000					
Income statement, discontinued operations	Q2 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Revenue	64,306	72,842	119,978	129,101	272,846
Direct production costs	(43,325)	(37,826)	(74,229)	(66,050)	(150,457)
Other external expenses and staff costs	(60,424)	(25,981)	(84,323)	(51,557)	(95,781)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(39,442)	9,036	(38,573)	11,495	26,608
Depreciation, amortisation and impairment	80,920	(6,478)	(7,112)	(12,700)	(90,538)
Operating profit/(loss) (EBIT)	41,478	2,557	(45,686)	(1,205)	(63,930)
Net financials	(320)	(1,255)	(541)	(4,137)	(5,964)
Profit/(loss) before tax	41,157	1,302	(46,227)	(5,342)	(69,894)
Tax on profit/(loss) for the period	(1,058)	611	395	604	6,581
Profit/(loss) for the period	40,099	1,913	(45,832)	(4,739)	(63,313)
Financial ratios	32.6	48.1	38.1	48.8	44.9
Contribution ratio (%)	(61.3)	12.4	(32.2)	8.9	9.8
EBITDA margin (%)	64.5	3.5	(38.1)	(0.9)	(23.4)
EBIT margin/profit margin (%)	528,114	528,114	528,114	528,114	528,114
Earnings per share (DKK)	0.08	0.00	(0.09)	(0.01)	(0.12)
Average number of employees, (FTE)	290	308	293	313	307

DKK'000					
Cash flow statement statement, discontinued operations	Q2 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Operating profit/(loss) (EBIT)	41,478	2,557	(45,686)	(1,205)	(63,930)
Depreciation, amortisation and impairment	(80,920)	6,478	7,112	12,700	90,538
Change in net working capital	1,525	(9,567)	4,148	(3,762)	(4,987)
Tax paid/received	-	-	-	-	2,014
Financial income received	-	-	-	-	-
Financial expenses paid	-	-	-	-	-
Cash flows from operating activities	(37,917)	(531)	(34,425)	7,733	23,635
Acquisition of intangible assets	(2,578)	(1,413)	(3,866)	(2,140)	(5,961)
Acquisition of property, plant and equipment	(158)	(434)	(289)	(1,773)	(2,201)
Disposal of property, plant and equipment	-	-	-	-	243
Cash flows from investing activities	(2,736)	(1,847)	(4,155)	(3,913)	(7,919)
Loans and credits raised	-	-	-	-	-
Cash flows from financing activities	-	-	-	-	-
Change in cash and cash equivalents	(40,653)	(2,378)	(38,580)	3,820	15,716
Change in cash and cash equivalents, continuing operations (financial expenses)	40,653	2,378	38,580	(3,820)	(15,716)
Change in cash and cash equivalents, discontinued operations	-	-	-	-	-
Cash and cash equivalents at beginning of period	-	-	-	-	-
Market value adjustment of cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at end of period	-	-	-	-	-

DKK'000	H1 2016
Assets held for sale	
Completed development projects	27,992
Development projects in progress	11,108
Intangible assets	39,100
Land and buildings	120,447
Plant and machinery	94,935
Other fixtures and fittings, tools and equipment	698
Property, plant and equipment under construction	1,284
Property, plant and equipment	217,364
Other non-current receivables	6,632
Financial assets	6,632
Deferred tax asset	12,956
Non-current assets	276,051
Inventories	141,040
Receivables	32,032
Other receivables	5,132
Income tax receivable	1,970
Prepayments	3,306
Receivables	42,439
Cash and cash equivalents	-
Current assets	183,480
Assets	459,531

DKK'000	H1 2016
Liabilities relating to assets held for sale	
Prepayments received from customers	1,977
Other non-current liabilities	13,114
Deferred tax liabilities	15,091
Non-current liabilities	23,064
Trade payables	12,720
Prepayments received from customers	16,302
Other payables	2,355
Deferred income	54,440
Current liabilities	69,531

3 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the sale of the silicon business to GlobalWafers has been completed, severance agreements have been signed with members of the Management Board, and the Board of Directors has been reduced to three members.

Reference is made to the specific company announcements for additional details, and to the list of company announcements for the year under the IR communications section in this quarterly report.

4 FINANCIAL HIGHLIGHTS AND KEY RATIOS

The financial ratios have been calculated in accordance with "Recommendations and Financial Ratios 2015" issued by the Danish Finance Society. The individual calculation formulas are provided in note 1, page 37, of the Annual Report 2015.

Cemat at a glance

Cemat A/S (previously Topsil Semiconductor Materials A/S) is a listed holding company, whose activities are operation, development and sales of the Polish property company CeMat '70 S.A. in Warsaw. It is the objectives of CeMat '70 to prepare the company's assets for a divestment and sell them off.

CeMat '70 owns 133,000 sqm of land and 41,000 sqm buildings on the outskirts of Wasaw approximately 8 kilometres from the centre of a district called Bielany, which has undergone significant development over the past few years with a large number of housing units and new retail businesses being established. The land held by CeMat '70 is classified for industrial purposes.

CeMat '70 is working to reclassify the land to residential and retail land to include it in the ongoing development of the district. CeMat '70 has around 90 tenants. CeMat '70 engages in the letting of premises and land and the provision of utilities, including power, water and gas and facility services, etc. to its tenants.

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