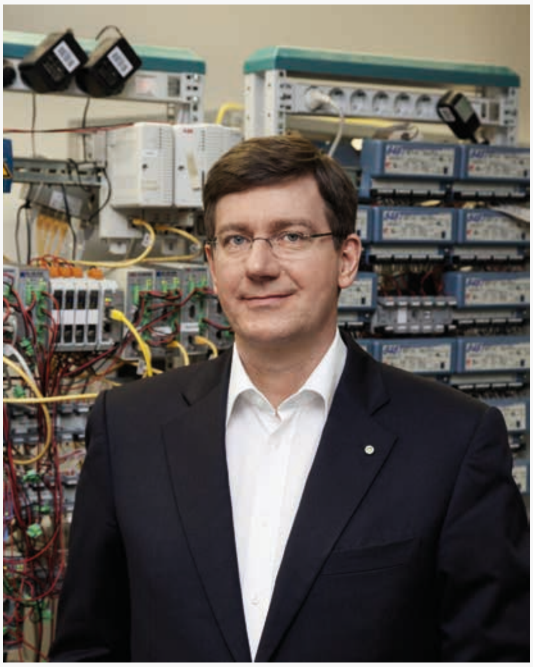
1/2015

Quarterly Financial Report

- Incoming orders up 34 % to EUR 22 million
- Revenue growth of 8 % to over EUR 17 million
- Earnings (EBIT) improved by 14 %, EBITDA at EUR 2.4 million

softing



Dear Shareholders, Employees, Partners and Friends of Softing AG,

It has been a good start into the year. Softing kicked off 2015 with renewed increases in incoming orders, revenue and EBIT. The growth achieved in the previous year continued unabated in the first three months of this year.

Expressed in figures, the quarter looks as follows: Incoming orders increased by more than 34 % to EUR 22.0 million (previous year: EUR 16.4 million) and revenue grew by as much as 8 % to EUR 17.3 million (previous year: EUR 16.1 million). EBIT improved to EUR 1.1 million (previous year: EUR 1.0 million) and EBITDA came in at EUR 2.4 million (previous year: EUR 2.4 million). EPS came to EUR 0.11 (previous year: EUR 0.10), despite a capital increase implemented in summer 2014. Particularly noteworthy is the fact that Softing's orders on hand were up 80 percent, amounting to a EUR 10.4 million (EUR 5.7 million as of December 31, 2014). This is an nice starting position for the upcoming months and a foundation for a successful 2015 financial year.

In the Industrial Automation segment, revenue rose by EUR 4.5 million to EUR 12.9 million, while EBIT grew to EUR 1.0 million (previous year: EUR 0.2 million). This positive trend is driven primarily by Softing's latest acquisitions. The Automotive Electronics segment had a somewhat weaker start to the year. Compared with the previous year, revenue was down. However, this year-on-year comparison is distorted by one-time demand for legacy products in the first quarter of 2014. Starting in the fourth quarter of 2015, newly developed successor products will drive revenue in this segment.

All figures in EUR million	Three-month report 2015	Three-month report 2014
Incoming orders	22.0	16.4
Revenue	17.3	16.1
Earnings (EBIT)	1.1	1.0
Net profit for the year	0.7	0.7
Earnings per share in EUR	0.11	0.10

Our profit remain below target, but we have seen first indications of the developments that will lead us back into our target corridor. For instance, we were able to make a strategic breakthrough with the Softing measurement technology in the Automotive Electronics segment: We were awarded business totaling a seven-digit revenue figure by a major new customer. The Industrial Automation segment's pipeline is also well-filled with a number of projects. In the third and fourth quarters, several new products will be launched, creating a source of income in the coming years.

The hallmarks of this year for Softing are integration, new product development and the optimization of our new sales channels. Much of this is thanks to our internationalization efforts with which we will generate half of our business outside of Germany in the medium term. The correctness of this strategic decision is unfortunately being more than emphatically confirmed in Germany. Although fewer than 16 % of German employees are members of unions (and this figure is steadily declining), the entire country is being held hostage by the unions' drive for power, first by pilots, train engineers, postal service employees and daycare centers, and now again the postal service. For months now, we have been on this merry-go-round, and the de facto ruling parties on the left (the Social Democrats, Greens, and successors to the former East German communist party) look favorably on class warfare. One looks with envy at the United Kingdom, where a determined government is laying the foundation for new growth and was reelected by a wide margin for this achievement.

This year's Softing Annual General Meeting took place on May 6. All of the proposed resolutions were passed by the shareholders. The Executive Board sees this as approval for the path we have taken. The Annual General Meeting resolved to distribute EUR 0.25 per no-par share carrying dividend rights. This underscores our aim to regularly pay a suitable dividend despite the pressure on our capital resources from acquisitions.

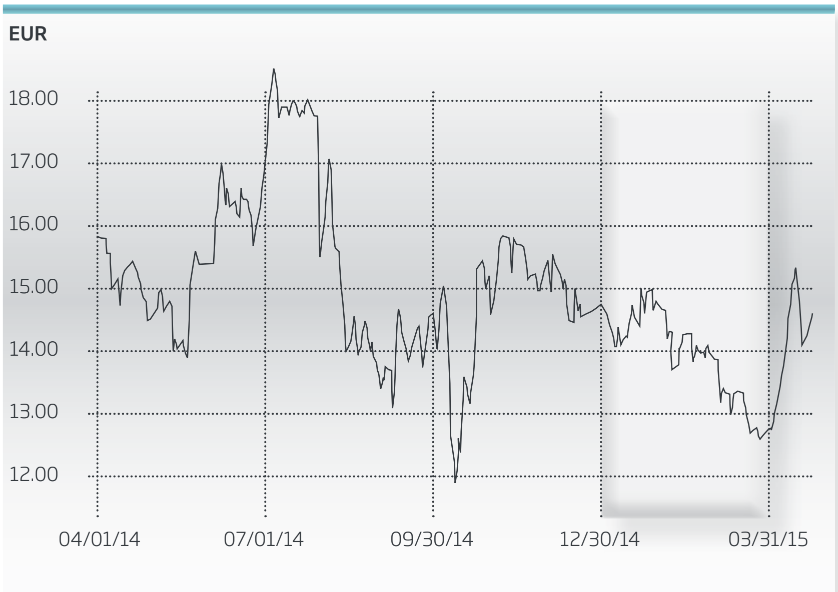
The trend in the initial months of the year makes us confident that we can reach our goals for 2015. We therefore confirm the guidance issued in the outlook for financial year 2015 projecting a moderate increase in revenue and EBIT / EBITDA at the same level as last year. Due to the dates scheduled for product release and delivery, the third and fourth quarters above all will contribute disproportionately to revenue and earnings.

We hope that you, Softing's shareholders and friends, will remain associated with us in the future and continue to profit from the Company's successful development.

With warm regards,

Dr. Wolfgang Trier
(Chief Executive Officer)

Stock Price – Directors' Holdings – Financial Calendar



CLOSING PRICE, XETRA

DIRECTORS' HOLDINGS AS OF MARCH 31, 2015

Boards	Shares		Options	
	03/31/2015 Number	12/31/2014 Number	03/31/2015 Number	12/31/2014 Number
Supervisory Board				
Dr. Horst Schiessl (chairman), attorney at law, Munich	–	–	–	–
Dr. Klaus Fuchs (member), graduate computer scientist / graduate engineer, Helfant	278,820	278,820	–	–
Andreas Kratzer (member), certified public accountant, Zurich, Switzerland	10,155	10,155	–	–
Chief Executive Officer				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	91,000	85,600	–	–

FINANCIAL CALENDAR

May 15, 2015	Quarterly Report 1/2015
August 14, 2015	Quarterly Report 2/2015
November 13, 2015	Quarterly Report 3/2015

Group Management Report for the 1/2015 Quarterly Financial Report

Economic Environment

According to the latest forecasts by leading German economic research institutes, the German economy will grow by 1.8 % in 2015 (projection in the previous quarter: 1.7 %). The forecasts for 2016 have been raised to 2.0 %. In the first quarter, the Industrial Automation segment was unable as yet to benefit from this trend in Europe but performed well in the United States and Asia. The Automotive Electronics segment underperformed the very good prior-year quarter. For 2015 as a whole, Softing estimates that the European Group companies in Industrial Automation will see a modest increase in revenue, motivated by the behavior of individual customers rather than the economy. On account of the robust economic development in the United States (3 % growth in 2015), the Group companies there report strong organic growth. Softing also expects Asia to maintain its good foundations for business.

Results of Operations

In the Automotive Electronics segment, revenue dropped by 42 % in the first three months of 2015 to EUR 4.4 million (previous year: EUR 7.6 million), while the Industrial Automation segment's revenue grew by 53 % to EUR 12.9 million (previous year: EUR 8.4 million). The decline in the Automotive segment stems from the fact that products that generated strong revenue in the first quarter of 2014 are at the end of their life cycle. Newly developed successor products will drive revenue starting in the fourth quarter of 2015. The very good performance by the companies acquired in 2014, boosted the Industrial Automation segment's revenue considerably in the first quarter.

At EUR 17.3 million, the revenue of the Softing Group in the first three months of 2015 thus was up EUR 1.2 million year on year (previous year: EUR 16.1 million). EBIT in the reporting period came in at EUR 1.1 million (previous year: EUR 1.0 million).

Earnings in the Industrial Automation segment in the first three months of the year amounted to EUR 1.0 million (previous year: EUR 0.2 million). The drop in revenue in the Automotive Electronics segment was balanced out only in part by cost savings. EBIT amounted to EUR 0.1 million in the first quarter. As of March 31, 2015, orders on hand in the Group totaled around EUR 10.4 million (previous year: EUR 9.8 million). The companies acquired in 2014 contribute little to orders on hand because they nearly always deliver their products shortly after an order is placed.

Net Assets and Financial Position

The equity ratio as of March 31, 2015 was 51 % (December 31, 2014: 48 %). The share capital of Softing AG as of March 31, 2015 was EUR 6,959,438 (previous year: EUR 6,442,512).

Cash and cash equivalents in the first quarter of 2015 increased from EUR 8.8 million as of December 31, 2014 to EUR 10.0 million. Investments in property, plant, and equipment were insignificant and comprised only replacements.

Research and Product Development

In the first three months of 2015, Softing capitalized a total of EUR 0.7 million (previous year: EUR 1.0 million) for the development of new products and the enhancement of existing ones. Other significant amounts were expensed.

Employees

As of March 31, 2015, the Softing Group had 427 employees (previous year: 352). During the reporting period, no stock options were issued to employees.

Opportunities for the Company's Future Development

As of the reporting date of March 31, 2015, the Company's risk structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2014. Material changes are also not expected for the remaining nine months of 2015. For more detailed information, we refer to our Group Management Report in the 2014 Annual Report, page 9 et seq.

Outlook

Softing confirms the guidance issued in the outlook for financial year 2015 projecting a moderate increase in revenue and EBIT / EBITDA at the same level as last year. Due to the dates scheduled for product release and delivery, the third and fourth quarters will contribute disproportionately to revenue and earnings.

Events after the Reporting Period

There were no events of special importance after the reporting date of March 31, 2015.

Consolidated Statement of Financial Position

as of March 31, 2015 and December 31, 2014

Assets	03/31/2015 EUR (in thsds)	12/31/2014 EUR (in thsds)
Non-current assets		
Goodwill	15,334	14,456
Intangible assets	28,357	26,510
	43,691	40,966
Property, plant and equipment	1,970	1,899
	45,661	**42,865**
Deferred tax assets	1,392	1,657
Non-current assets, total	**47,053**	**44,522**
Current assets		
Inventories	9,198	8,737
Trade receivables	10,895	14,086
Receivables from customer-specific construction contracts	522	164
	11,417	**14,249**
Other current assets	585	527
Current income tax assets	697	184
Cash and cash equivalents	10,014	8,750
Current assets, total	**31,911**	**32,447**
Total assets	**78,964**	**76,969**

Equity and liabilities	03/31/2015 EUR	12/31/2014 EUR
Equity		
Subscribed capital	6,959	6,959
Capital reserves	12,270	12,270
Treasury shares	-223	-223
Retained earnings	21,477	18,014
Equity (Group share)	**40,483**	**37,020**
Minority interests	-36	-32
Equity, total	**40,447**	**36,988**
Non-current liabilities		
Pensions and similar obligations	2,059	2,161
Long-term borrowings	9,104	8,959
Other non-current liabilities	9,500	8,887
Deferred taxes	3,125	3,104
Non-current liabilities, total	**23,788**	**23,110**
Current liabilities		
Trade payables	4,270	4,007
Payables from customer-specific construction contracts	133	185
Provisions and accrued liabilities	813	262
Income tax liabilities	1,502	1,449
Short-term borrowings	1,725	1,825
Current non-financial liabilities	2,791	3,967
Current financial liabilities	3,495	5,176
Current liabilities, total	**14,729**	**16,871**
Total equity and liabilities	**78,964**	**76,969**

Consolidated Income Statement
for the period from January 1 to March 31, 2015

	01/01/2015 - 03/31/2015 EUR (in thsds)	01/01/2014 - 03/31/2014 EUR (in thsds)
Revenue	17,324	16,067
Other own work capitalized	714	979
Other operating income	177	113
Operating income	**18,215**	**17,159**
Cost of materials	-6,576	-5,769
Staff costs	-7,725	-7,097
Depreciation, amortization and impairment losses	-1241	-1364
thereof depreciation / amortization due to purchase price allocation	-307	-183
Other operating expenses	-1,532	-1,928
Operating expenses	**-17,074**	**-16,158**
Profit / loss from operations (EBIT)	**1,141**	**1,001**
Interest expense	-61	-11
Earnings before income taxes	**1,080**	**990**
Income taxes	-340	-255
Consolidated profit	**740**	**735**
Attributable to:		
Owners of the parent	745	643
Minority interests	-5	92
Consolidated profit	**740**	**735**
Earnings per share (basic = diluted)	0.11	0.10
Average number of shares outstanding (basic)	6,870,384	6,328,160

Consolidated Statement of Comprehensive Income
for the period from January 1 to March 31, 2015

	01/01/2015 - 03/31/2015 EUR (in thsds)	01/01/2014 - 03/31/2015 EUR (in thsds)
Consolidated profit	**739**	**735**
Items that will be reclassified to consolidated total comprehensive income:		
Currency translation differences		
Changes in unrealized gains / losses	2,719	10
Other comprehensive income		
Consolidated total comprehensive income	2,719	10
Total comprehensive income for the period	3,458	745
Attributable to:		
Owners of the parent	3,463	653
Minority interests	-5	92
Total comprehensive income for the period	**3,458**	**745**

Consolidated Statement of Cash Flows

for the period from January 1 to March 31, 2015

	01/01/2015 – 03/31/2015 EUR (in thsds)	01/01/2014 – 03/31/2014 EUR (in thsds)
Cash flows from operating activities		
Profit (before tax)	1,079	990
Depreciation, amortization and impairment losses on fixed assets	1,241	1,364
Cash flows for the period	**2,320**	**2,354**
Interest expense	61	11
Change in other provisions and accrued liabilities	551	288
Change in inventories	–461	–1,351
Change in trade receivables	2,582	–526
Changes in financial receivables and other assets	–307	–205
Change in trade payables	263	1,368
Changes in financial and non-financial liabilities and other liabilities	–2,135	230
Income taxes paid	–549	–206
Cash flows from operating activities	**2,325**	**1,963**
Investments in fixed assets	–243	–112
Cash paid for investments in internally generated intangible assets	–724	–1,072
Repayment for investments in financial assets	0	200
Cash paid for the acquisition of subsidiaries	0	–5,399
Cash flows from investing activities	**-967**	**-6,383**
Repayment of bank loans	–189	0
Interest paid	–61	–11
Cash flows from financing activities	**-250**	**-11**
Net change in funds	1,108	–4,431
Effects of exchange rate changes on cash and cash equivalents	156	13
Cash and cash equivalents at the beginning of the period	8,750	12,116
Cash and cash equivalents at the end of the period	**10,014**	**7,698**

Consolidated Statement of Changes in Equity

for the period from January 1 to March 31, 2015

EUR thousand	Subscribed capital	Capital reserves	Treasury shares	Retained earnings					Attributable to shareholders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Available-for-sale financial assets	Remeasurements	Currency translation	Total			
As of January 1, 2015	**6,959**	**12,270**	**-223**	**17,092**	**0**	**-1,277**	**2,198**	**18,014**	**37,020**	**-32**	**36,988**
Currency translation							2,719	2,719	2,719		2,719
Net profit for 2015				744				744	744	-4	740
As of March 31, 2015	**6,959**	**12,270**	**-223**	**17,836**	**0**	**-1,277**	**4,917**	**21,477**	**40,483**	**-36**	**40,447**

EUR thousand	Subscribed capital	Capital reserves	Treasury shares	Retained earnings					Attributable to shareholders of Softing AG	Non-controlling interests	Total equity
				Net retained profits and other	Available-for-sale financial assets	Remeasurements	Currency translation	Total			
As of January 1, 2014	**6,443**	**4,396**	**-287**	**16,497**	**1**	**-759**	**-134**	**15,605**	**26,157**	**-26**	**26,131**
Measurement of financial instruments					-3			-3	-3		-3
Currency translation							13	13	13		13
Minority interests							0	0	0	1,010	1,010
Net profit for 2014				643				643	643	92	735
As of March 31, 2014	**6,443**	**4,396**	**-287**	**17,140**	**-2**	**-759**	**-121**	**16,258**	**26,810**	**1,076**	**27,886**

Consolidated Segment Reporting

for the period from January 1 to March 31, 2015 and 2014

EUR thousand	Quarterly report I/2015 01/01/2015 - 03/31/2015	Quarterly report I/2014 01/01/2014 - 03/31/2014
Automotive Electronics		
Revenue	4,416	7,637
Segment result (EBIT)	147	756
Depreciation / amortization	278	438
Segment assets	11,838	13,136
Segment liabilities	4,665	5,659
Capital expenditure (not including long-term investments)	464	240
Industrial Automation		
Revenue	12,908	8,430
Segment result (EBIT)	993	245
Depreciation / amortization	894	868
Segment assets	59,185	25,534
Segment liabilities	16,507	9,212
Capital expenditure (not including long-term investments)	361	6,309
Not allocated		
Revenue		
Segment result (EBIT)		
Depreciation / amortization	70	58
Segment assets	7,941	7,509
Segment liabilities	17,345	3,387
Capital expenditure (not including long-term investments)	143	34
Total		
Revenue	17,324	16,067
Segment result (EBIT)	1,140	1,001
Depreciation / amortization	1,241	1,365
Segment assets	78,964	46,179
Segment liabilities	38,518	18,258
Capital expenditure (not including long-term investments)	968	6,583

Selected Explanatory Notes to the Interim Report of Softing AG as of March 31, 2015

1. General Accounting Policies

The consolidated financial statements of Softing AG as of December 31, 2014 were prepared in accordance with the International Financial Reporting Standards (IFRSs) based on the guidance of the International Accounting Standards Board (IASB) applicable at the reporting date. The condensed interim consolidated financial statements as of March 31, 2015, which were prepared on the basis of International Accounting Standard (IAS) 34 „Interim Financial Reporting", do not contain all of the required information in accordance with the requirements for the presentation of the annual report and should be read in conjunction with the consolidated financial statements of Softing AG as of December 31, 2014. In general, the same accounting policies were applied in the interim financial statements as of March 31, 2015 as in the consolidated financial statements for the 2015 financial year.

2. Change in the Basis of Consolidation

There were no changes in the basis of consolidation of Softing AG as of March 31, 2015.

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