

First Quarter Report 2007

On track for full year growth

Ladies and Gentlemen

Our first quarter results support our strong positioning in the analog semiconductor market as we prepare for significant ramp-up activity with a number of high-volume products and customers in the second half of 2007.

The first quarter 2007 shows a positive development in revenues and good profitability while reflecting effects from seasonality and ongoing phase-out of a legacy communications customer. Consolidated group revenues grew slightly to EUR 39.4 million from EUR 38.8 million in the same quarter 2006. Gross margin for the first quarter remained strong at 49% compared to 45% in the same period last year. Due to anticipated higher R&D expenses for the development of future product platforms, the result from operations (EBIT) for the first quarter reached EUR 3.7 million, compared to EUR 4.3 million for the same quarter 2006. Net result for the first quarter was EUR 3.5 million, compared to EUR 3.9 million in the same period 2006. Earnings per share for the first quarter 2007 were CHF 0.53 / EUR 0.32. Total backlog (excluding consignment agreements) reached EUR 54.2 million on March 31, 2007 compared to EUR 58.3 million on March 31, 2006.

Our business units Communications, Industry & Medical, and Automotive continue to be successful in our target markets power management, sensors and sensor interfaces, mobile entertainment and car access, delivering high performance analog solutions to a growing worldwide customer base including major global OEMs. We see strong design activities particularly around our lighting management products which offer significant technological advantages over the competition. In the quarter, the first of a range of new handset models by SonyEricsson which are powered by our lighting technology became available in stores while a second model was announced to the public. In addition, we gained important design-wins at two major manufacturers of large-size PC / TV LCD displays for our industry-leading backlighting solutions with exciting end products expected this year. Our Industry & Medical and Automotive units also continue to see good demand for their products. As key element of our process roadmap, we recently announced a significant development and licensing partnership with IBM for a high-voltage 0.18µm process including licensing of our high-voltage process technology.

We expect our business to develop positively over the course of the current year with growth in revenues and earnings. Based on available information, we reiterate our anticipation of double-digit full year revenue growth for 2007 compared to last year, accompanied by substantial growth in earnings.

Key figures	EUR thousands (except earnings per share)	Q1 2007	Q1 2006	Q4 2006
Revenues		39,449	38,758	61,961
Gross margin in %		49%	45%	50%
Result from operations		3,692	4,258	14,829
Net income/loss		3,526	3,945	14,192
Basic = diluted earnings per share in CHF ¹⁾		0.53	0.56	2.09
Basic = diluted earnings per share in EUR ¹⁾		0.32	0.36	1.32
Total backlog		54,195	58,348	55,196

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

Consolidated Profit and Loss Statement (unaudited)

EUR thousands (except earnings per share)	Q1 2007	Q1 2006
Revenue Products	33,525	32,939
Revenue Foundry & Other	5,924	5,819
Total revenues	39,449	38,758
Cost of sales	- 20,193	- 21,271
Gross profit	19,256	17,487
Gross margin in %	49%	45%
Research and development expenses	- 9,469	- 7,881
Selling, general and administrative expenses	- 7,258	- 6,423
Other operating income	1,252	1,103
Other operating expenses	- 89	- 28
Result from operations	3,692	4,258
Net financing costs	- 37	- 313
Income/loss before tax	3,655	3,945
Income tax expense	- 129	- 1
Net income	3,526	3,945
Earnings per share in CHF ¹⁾	0.53	0.56
Earnings per share in EUR ¹⁾	0.32	0.36

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

Consolidated Balance Sheet (unaudited)

EUR thousands	as of	March 31, 2007	December 31, 2006
Assets			
Cash and cash equivalents		10,449	17,742
Short-term Investments		4,265	5,022
Trade receivables		46,771	52,886
Inventories		40,723	32,179
Other receivables and assets		7,795	5,199
Total current assets		110,003	113,028
Property, plant and equipment		137,157	135,825
Intangible assets		8,688	9,575
Investments and securities		1	1
Deferred tax assets		30,953	30,953
Total non-current assets		176,798	176,353
Total assets		286,802	289,381
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		25,525	25,826
Trade liabilities		34,878	42,137
Provisions		11,296	11,074
Other liabilities		16,161	14,020
Total current liabilities		87,860	93,056
Interest-bearing loans and borrowings		13,381	15,042
Employee benefits		8,891	8,707
Deferred government grants		3,903	4,128
Other long term liabilities		545	258
Total non-current liabilities		26,720	28,134
Shareholders' equity			
Issued capital		26,665	26,662
Share premium		93,515	93,080
Treasury shares		- 756	- 832
Translation adjustment		- 145	- 141
Retained earnings		52,944	49,421
Total shareholders' equity and reserves		172,222	168,191
Total liabilities and shareholders' equity		286,802	289,381

Consolidated Cashflow Statement (unaudited)

EUR thousands	Q1 2007	Q1 2006
Operating activities		
Income/loss before tax	3,655	3,945
Depreciation (net of government grants)	5,246	5,341
Changes in employee benefits	184	187
Expenses from stock-option program (acc. IFRS 2)	412	191
Changes in other long-term liabilities	62	- 303
Gain from sale of plant and equipment	- 14	- 109
Gain from sale of investments and securities	- 94	0
Net financing cost	131	313
Changes in current assets	- 5,362	1,597
Changes in short-term operating liabilities and provisions	964	- 2,652
Tax payments	- 9	- 7
Cash flows from operating activities	5,174	8,503
Investing activities		
Acquisition of intangibles, property, plant and equipment	- 11,730	- 3,219
Acquisition of short term investments	0	0
Government Grants received	0	0
Proceeds from sale of plant and equipment	14	834
Proceeds from sale of investments	870	0
Interest received	666	89
Cash flows from investing activities	- 10,180	- 2,295
Financing activities		
Proceeds from borrowings	520	0
Repayment of borrowings	- 2,244	- 4,024
Repayment of finance lease liabilities	- 223	- 219
Interest paid	- 366	- 396
Changes resulting from capital increase	25	0
Cash flows from financing activities	- 2,287	- 4,639
Net increase/decrease in cash and cash equivalents	- 7,293	1,568
Cash and cash equivalents at begin of period	17,742	21,271
Cash and cash equivalents at end of period	10,449	22,840

This report is also available in German. All figures are unaudited.

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