

# First Quarter Report 2009

## Weakness due to significantly lower demand in major markets, demand visibility shows slight improvement

Ladies and Gentlemen

Our first quarter results clearly reflect the global economic crisis and its negative effect on the demand for analog semiconductor devices worldwide. Overall, we are experiencing a very difficult market environment with weak demand for our analog semiconductor solutions in our target markets.

The first quarter 2009 shows a sharp decline in revenues compared to the first quarter last year due to the impact of the worldwide economic downturn. Consolidated group revenues reached EUR 25.4 million, 38% lower than the EUR 41.1 million in the same quarter 2008. On a constant currency basis, current revenues were 42% lower compared to the first quarter last year. Gross margin fell sharply to 31% due to the significantly reduced wafer fab load and associated unabsorbed costs, down from 51% in the same period 2008. The result from operations (EBIT) for the first quarter was, as expected, a loss. The loss amounted to EUR 8.5 million compared to a profit of EUR 3.7 million in the first quarter of 2008, clearly demonstrating the effect of the sluggish demand situation despite significant cost reductions. The first quarter net result was a loss of EUR 8.0 million compared to a profit of EUR 3.2 million in the same period of 2008. Basic and diluted earnings per share for the first quarter were identical at CHF -1.13 / EUR -0.75 (CHF 0.47 / EUR 0.30 in the first quarter 2008). Total backlog excluding consignment stock agreements stood at EUR 30.6 million on March 31, 2009 (EUR 48.2 million on March 31, 2008).

Our business showed a weak performance in the first quarter due to lower demand in the majority of our target markets. In Communications, we saw decreased shipment volumes for our lighting management, power management and audio solutions for handsets and other devices, driven by weaker order volumes from major OEM supply chains. In the industrial market, demand for our sensor and sensor interface products proved less resilient than in the last quarter while demand in medical applications remained relatively robust in comparison. The automotive market continued to be weak without showing signs of improvement. We nevertheless see a solid level of design and development activity continuing with a large number of customers across our end markets. We were also able to gain further design-wins and acquire new customers in the quarter. These will, however, not provide meaningful revenue contributions in the current year. Our wafer fab continues to run at a low utilization rate of less than 50% due to continuing weak order patterns in most of our markets.

Looking forward, the visibility regarding demand development in our end markets has shown a slight improvement yet remains very limited across markets and regions. We are therefore not in a position to provide revenue or earnings expectations for full year 2009. As stated earlier this year, we expect a negative revenue development in the first half of 2009 compared to last year's first half resulting in a negative first half year EBIT and net result.

| Key figures   | EUR thousands (except earnings per share) | Q1 2009         | Q1 2008     | Q4 2008         |
|---|---|-----------------|-------------|-----------------|
| Revenues  |   | 25,449          | 41,141      | 43,204          |
| Gross margin in %                                       |   | 31%             | 51%         | 49%             |
| Result from operations                                  |   | - 8,532         | 3,672       | 4,887           |
| Net income/loss   |   | - 8,049         | 3,248       | - 6,206         |
| Basic / diluted earnings per share in CHF <sup>1)</sup> |   | - 1.13 / - 1.13 | 0.47 / 0.47 | - 0.86 / - 0.87 |
| Basic / diluted earnings per share in EUR               |   | - 0.75 / - 0.75 | 0.30 / 0.30 | - 0.57 / - 0.58 |
| Total backlog (excluding consignment stock)             |   | 30,615          | 48,163      | 29,792          |

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

## Consolidated Income Statement (unaudited)

| EUR thousands (except earnings per share)                      | Q1 2009                | Q1 2008            |
|--|------------------------|--------------------|
| Revenue Products   | 20,768                 | 36,052             |
| Revenue Foundry & Other  | 4,680                  | 5,089              |
| <b>Total revenues</b>  | <b>25,449</b>          | <b>41,141</b>      |
| Cost of sales  | - 17,633               | - 20,347           |
| <b>Gross profit</b>  | <b>7,815</b>           | <b>20,794</b>      |
| Gross margin in %  | 31%                    | 51%                |
| Research and development                                       | - 9,537                | - 9,814            |
| Selling, general and administrative                            | - 7,100                | - 8,976            |
| Other operating income   | 1,139                  | 1,719              |
| Other operating expenses                                       | - 291                  | - 51               |
| Result from investments in associates                          | - 559                  | 0                  |
| <b>Result from operations</b>                                  | <b>- 8,532</b>         | <b>3,672</b>       |
| Net financing costs  | - 90                   | - 284              |
| <b>Income before tax</b>                                       | <b>- 8,622</b>         | <b>3,388</b>       |
| Income tax expense   | 573                    | - 140              |
| <b>Net income</b>  | <b>- 8,049</b>         | <b>3,248</b>       |
| <b>Basic / diluted earnings per share in CHF <sup>1)</sup></b> | <b>- 1.13 / - 1.13</b> | <b>0.47 / 0.47</b> |
| <b>Basic / diluted earnings per share in EUR</b>               | <b>- 0.75 / - 0.75</b> | <b>0.30 / 0.30</b> |

<sup>1)</sup> 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, 2009 | December 31, 2008 |
|---|----------------|-------------------|
| <b>Assets</b>                                       |                |                   |
| Cash and cash equivalents                           | 26,004         | 26,851            |
| Short-term investments                              | 19,325         | 3,810             |
| Trade receivables                                   | 26,620         | 37,049            |
| Inventories   | 65,565         | 63,043            |
| Other receivables and assets                        | 4,779          | 3,427             |
| <b>Total current assets</b>                         | <b>142,293</b> | <b>134,179</b>    |
| Property, plant and equipment                       | 128,485        | 128,570           |
| Intangible assets                                   | 6,577          | 6,983             |
| Investments in associates and financial investments | 3,513          | 3,866             |
| Deferred tax assets                                 | 30,863         | 30,863            |
| Other long-term assets                              | 2,931          | 2,931             |
| <b>Total non-current assets</b>                     | <b>172,368</b> | <b>173,213</b>    |
| <b>Total assets</b>                                 | <b>314,662</b> | <b>307,392</b>    |
| <b>Liabilities and shareholders' equity</b>         |                |                   |
| <b>Liabilities</b>                                  |                |                   |
| Interest-bearing loans and borrowings               | 13,343         | 25,823            |
| Trade liabilities                                   | 16,521         | 18,097            |
| Provisions  | 9,492          | 11,133            |
| Other liabilities                                   | 13,455         | 12,872            |
| <b>Total current liabilities</b>                    | <b>52,811</b>  | <b>67,925</b>     |
| Interest-bearing loans and borrowings               | 65,537         | 36,042            |
| Employee benefits                                   | 9,421          | 9,208             |
| Deferred government grants                          | 2,103          | 2,328             |
| Other long term liabilities                         | 858            | 812               |
| <b>Total non-current liabilities</b>                | <b>77,918</b>  | <b>48,391</b>     |
| <b>Shareholders' equity</b>                         |                |                   |
| Issued capital                                      | 26,698         | 26,698            |
| Share premium                                       | 98,966         | 98,292            |
| Treasury shares                                     | - 5,635        | - 5,635           |
| Translation adjustment                              | 372            | 141               |
| Retained earnings                                   | 63,531         | 71,580            |
| <b>Total shareholders' equity and reserves</b>      | <b>183,932</b> | <b>191,076</b>    |
| <b>Total liabilities and shareholders' equity</b>   | <b>314,662</b> | <b>307,392</b>    |

## Consolidated Statement of Cash Flows (unaudited)

| EUR thousands  | Q1 2009         | Q1 2008         |
|--|-----------------|-----------------|
| <b>Operating activities</b>                                |                 |                 |
| Income before tax  | - 8,622         | 3,388           |
| Depreciation (net of government grants)                    | 5,501           | 5,519           |
| Changes in employee benefits                               | 212             | 202             |
| Expense from stock option program (acc. IFRS 2)            | 673             | 686             |
| Changes in other long-term liabilities                     | - 179           | - 277           |
| Results from investments in associates                     | 559             | 0               |
| Net financing cost   | 90              | 284             |
| Changes in assets  | 6,798           | 7,036           |
| Changes in short-term operating liabilities and provisions | - 4,889         | - 2,889         |
| Tax payments   | - 10            | - 8             |
| <b>Cash flows from operating activities</b>                | <b>133</b>      | <b>13,941</b>   |
| <b>Investing activities</b>                                |                 |                 |
| Acquisition of intangibles, property, plant and equipment  | - 2,519         | - 6,744         |
| Acquisition of financial investments                       | - 15,436        | - 4,017         |
| Proceeds from sale of investments                          | 0               | 27              |
| Interest received  | 306             | 165             |
| <b>Cash flows from investing activities</b>                | <b>- 17,649</b> | <b>- 10,569</b> |
| <b>Financing activities</b>                                |                 |                 |
| Proceeds from borrowings                                   | 20,251          | 0               |
| Repayment of debt  | - 3,055         | - 8,012         |
| Repayment of finance lease liabilities                     | 0               | - 168           |
| Interest paid  | - 466           | - 544           |
| Expenses from financial instruments                        | - 60            | 0               |
| <b>Cash flows from financing activities</b>                | <b>16,669</b>   | <b>- 8,724</b>  |
| Net increase/decrease in cash and cash equivalents         | - 847           | - 5,352         |
| Cash and cash equivalents at begin of period               | 26,851          | 19,138          |
| <b>Cash and cash equivalents at end of period</b>          | <b>26,004</b>   | <b>13,786</b>   |

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

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