

# First Quarter Report 2010

## Strong demand recovery continues across markets, full year revenue growth guidance raised to around 35%

Ladies and Gentlemen,

austriamicrosystems' first quarter results reflect the ongoing recovery in the worldwide analog semiconductor market and new product ramp-ups driven by broad-based customer demand for our high performance analog ICs across application segments.

The first quarter 2010 showed strong revenue growth compared to the first quarter 2009 with group revenues of EUR 44.0 million, increasing 73% from EUR 25.4 million reported in the same quarter 2009. In contrast to previous years' quarter-on-quarter seasonality, first quarter revenues were slightly up on the previous quarter. In constant currency, current revenues were 78% higher compared to the first quarter 2009. Gross margin improved sharply to 44% from 31% in the same period 2009 given the return to high levels of capacity utilization. The result from operations (EBIT) for the first quarter was a profit of EUR 3.1 million compared to a loss of EUR 8.5 million in the first quarter of 2009. This significant increase demonstrates the leverage effect of high utilization levels and strong revenue growth. The first quarter net result was a profit of EUR 2.0 million compared to a loss of EUR 8.0 million in the same period 2009. Basic and diluted earnings per share were identical for the quarter at CHF 0.29 / EUR 0.20 (CHF -1.13 / EUR -0.75 in the first quarter 2009). Total backlog excluding consignment stock agreements grew sharply to EUR 65.5 million on March 31, 2010 (EUR 30.6 million on March 31, 2009).

Our business performed strongly in the first quarter as customer demand continues to recover and expand at an accelerated pace in the majority of our markets. In Consumer & Communications, we saw high and growing run rates for our lighting and power management products for handsets and other devices and are shipping increasing volumes of MEMS microphone and LCD backlighting ICs, which include recently launched products. In the industrial market, demand for our sensor and sensor interface products continued to improve significantly, with certain market segments already returning to pre-crisis shipment levels. The automotive market also showed further signs of returning to previous volume levels as shipment rates picked up considerably. We continued to register high design and development activity with our broad portfolio of products at customers in all regions and sales channels in the quarter. Despite evidence of tightening supply chains in the analog semiconductor market we are in a solid position to fulfill ongoing and expected customer demand benefitting from our in-house manufacturing capabilities and production partnerships.

Looking forward, demand visibility has continued to improve significantly as order patterns show ongoing strength in the majority of our target markets. Based on available information, we expect the current strong business environment to persist throughout 2010. Consequently, we now anticipate full year revenue growth for 2010 at around 35% with operating profitability growing strongly from 2009 levels.

Key figures	EUR thousands (except earnings per share)	Q1 2010	Q1 2009	Q4 2009
Revenues		44,026	25,449	43,887
Gross margin in %		44%	31%	42%
Result from operations		3,078	- 8,532	1,839
Net result		2,040	- 8,049	1,283
Basic / diluted earnings per share in CHF <sup>1)</sup>		0.29 / 0.29	- 1.13 / - 1.13	0.18 / 0.18
Basic / diluted earnings per share in EUR		0.20 / 0.20	- 0.75 / - 0.75	0.12 / 0.12
Total backlog (excluding consignment stock)		65,466	30,615	45,627

<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 2010	Q1 2009
Revenue Products	39,197	20,768
Revenue Foundry & Other	4,829	4,680
<b>Total revenues</b>	<b>44,026</b>	<b>25,449</b>
Cost of sales	- 24,807	- 17,633
<b>Gross profit</b>	<b>19,219</b>	<b>7,815</b>
Gross margin in %	44%	31%
Research and development	- 9,131	- 9,537
Selling, general and administrative	- 8,242	- 7,100
Other operating income	1,479	1,139
Other operating expenses	- 147	- 291
Result from investments in associates	- 99	- 559
<b>Result from operations</b>	<b>3,078</b>	<b>- 8,532</b>
Net financing result	- 981	- 90
<b>Result before tax</b>	<b>2,097</b>	<b>- 8,622</b>
Tax expense	- 56	573
<b>Net Result</b>	<b>2,040</b>	<b>- 8,049</b>
<b>Basic / diluted earnings per share in CHF <sup>1)</sup></b>	<b>0.29 / 0.29</b>	<b>- 1.13 / - 1.13</b>
<b>Basic / diluted earnings per share in EUR</b>	<b>0.20 / 0.20</b>	<b>- 0.75 / - 0.75</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, 2010	December 31, 2009
<b>Assets</b>		
Cash and cash equivalents	30,455	26,726
Short-term investments	10,316	15,486
Trade receivables	28,961	27,246
Inventories	49,685	48,417
Other receivables and assets	6,864	5,183
<b>Total current assets</b>	<b>126,280</b>	<b>123,057</b>
Property, plant and equipment	119,000	118,694
Intangible assets	5,104	5,550
Investments in associates	6,335	5,481
Deferred tax assets	31,191	31,191
Other long-term assets	4,264	4,264
<b>Total non-current assets</b>	<b>165,894</b>	<b>165,180</b>
<b>Total assets</b>	<b>292,174</b>	<b>288,237</b>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Interest-bearing loans and borrowings	16,948	14,946
Trade liabilities	18,135	14,270
Provisions	8,384	9,086
Other liabilities	14,536	10,405
<b>Total current liabilities</b>	<b>58,003</b>	<b>48,707</b>
Interest-bearing loans and borrowings	49,964	53,001
Employee benefits	11,042	10,854
Deferred government grants	1,203	1,428
Other long term liabilities	679	631
<b>Total non-current liabilities</b>	<b>62,888</b>	<b>65,915</b>
<b>Shareholders' equity</b>		
Issued capital	26,698	26,698
Additional paid-in capital	101,136	100,638
Treasury shares	- 12,609	- 7,339
Translation adjustment	441	41
Retained earnings	55,617	53,577
<b>Total shareholders' equity and reserves</b>	<b>171,284</b>	<b>173,615</b>
<b>Total liabilities and shareholders' equity</b>	<b>292,174</b>	<b>288,237</b>

## Consolidated Statement of Cash Flows (unaudited)

EUR thousands	Q1 2010	Q1 2009
<b>Operating activities</b>		
Result before tax	2,097	- 8,622
Depreciation (net of government grants)	5,612	5,501
Changes in employee benefits	188	212
Expense from stock option program (acc. IFRS 2)	498	673
Changes in other long-term liabilities	- 178	- 179
Results from investments in associates	99	559
Net financing result	981	90
Changes in assets	- 4,369	6,798
Changes in short-term operating liabilities and provisions	3,148	- 4,889
Tax payments	- 40	- 10
<b>Cash flows from operating activities</b>	<b>8,037</b>	<b>133</b>
<b>Investing activities</b>		
Acquisition of intangibles, property, plant and equipment	- 2,381	- 2,519
Acquisition of financial investments	- 573	- 15,436
Proceeds from sale of investments	5,229	0
Interest received	308	306
<b>Cash flows from investing activities</b>	<b>2,583</b>	<b>- 17,649</b>
<b>Financing activities</b>		
Proceeds from borrowings	187	20,251
Repayment of debt	- 1,256	- 3,055
Acquisition of treasury shares	- 5,288	0
Sale of treasury shares	18	0
Interest paid	- 213	- 466
Expenses from financial instruments	- 339	- 60
<b>Cash flows from financing activities</b>	<b>- 6,891</b>	<b>16,669</b>
Change in cash and cash equivalents	3,729	- 847
Cash and cash equivalents at begin of period	26,726	26,851
<b>Cash and cash equivalents at end of period</b>	<b>30,455</b>	<b>26,004</b>

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

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