

First Quarter Report 2008

Successful first quarter despite negative exchange rate development, further USD weakness remains key risk factor for 2008

Ladies and Gentlemen

Our first quarter results reflect our focus on advancing our business and market position through profitable growth with existing and newly introduced products and derivatives. Overall, we are experiencing good demand for our analog semiconductor solutions in our target markets across all regions.

The first quarter 2008 shows positive revenue development compared to the first quarter of 2007 despite a significant deterioration of the USD against the EUR compared to last year's first quarter. Consolidated group revenues grew by 4% to EUR 41.1 million from EUR 39.4 million in the same quarter 2007. On a constant currency basis, current revenues grew by 10% compared to the first quarter last year. Gross margin was strong at 51%, meaningfully up from 49% in the same period last year. Despite a significant negative impact from the worsening of the EUR/USD exchange rate, the result from operations (EBIT) for the first quarter was unchanged at EUR 3.7 million compared to the first quarter 2007. The first quarter net result reached EUR 3.2 million compared to EUR 3.5 million in the same period last year. Basic and diluted earnings per share for the first quarter were identical at CHF 0.47 / EUR 0.30 (CHF 0.53 / EUR 0.32 in the same period 2007). Total backlog which does not reflect high volume consignment stock agreements and is therefore not fully comparable to the previous year stood at EUR 48.2 million on March 31, 2008 (EUR 54.2 million on March 31, 2007).

Our business showed solid performance in the first quarter despite uncertainty in the macroeconomic and capital markets environment. In the industrial market, business was robust despite some weakness in the North American metering market. All other areas of the industrial market including industrial sensors, rotary encoders and sensor interfaces for medical and seismic applications continue to be strong building blocks for our business with attractive growth prospects for the future. In communications, we saw good volumes and high run rates for lighting management products at top tier handset manufacturers. We also recorded high shipment levels for the first power management products at Nokia where we see further strong potential from growing volumes and additional design-wins. In mobile entertainment, our newly introduced IC solutions are gaining traction among major market participants. Our automotive business performed well, mainly driven by sensor interfaces and car access products.

We anticipate continued positive development for our business over the course of this year. We retain our previous expectation of growth in revenue and earnings for 2008 based on our strong product and customer line-up. However, the recent further deterioration of the USD and the future development of the EUR/USD conversion rate are key risk factors influencing our revenue and earnings development for this year.

Key figures	EUR thousands (except earnings per share)	Q1 2008	Q1 2007	Q4 2007
Revenues		41,141	39,449	59,467
Gross margin in %		51%	49%	52%
Result from operations		3,672	3,692	10,888
Net income/loss		3,248	3,526	10,061
Basic / diluted earnings per share in CHF ¹⁾		0.47 / 0.47	0.53 / 0.53	1.55 / 1.53
Basic / diluted earnings per share in EUR		0.30 / 0.30	0.32 / 0.32	0.93 / 0.92
Total backlog (excluding consignment stock)		48,163	54,195	41,153

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 2008	Q1 2007
Revenue Products	36,052	33,525
Revenue Foundry & Other	5,089	5,924
Total revenues	41,141	39,449
Cost of sales	- 20,347	- 20,193
Gross profit	20,794	19,256
Gross margin in %	51%	49%
Research and development	- 9,814	- 9,469
Selling, general and administrative	- 8,976	- 7,258
Other operating income	1,719	1,252
Other operating expenses	- 51	- 89
Result from operations	3,672	3,692
Net financing costs	- 284	- 37
Income before tax	3,388	3,655
Income tax expense	- 140	- 129
Net income	3,248	3,526
Basic / diluted earnings per share in CHF ¹⁾	0.47 / 0.47	0.53 / 0.53
Basic / diluted earnings per share in EUR	0.30 / 0.30	0.32 / 0.32

¹⁾ 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, 2008	December 31, 2007
Assets			
Cash and cash equivalents		13,786	19,138
Short-term investments		3,968	3,968
Trade receivables		42,284	55,974
Inventories		57,375	49,087
Other receivables and assets		4,593	6,226
Total current assets		122,006	134,393
Property, plant and equipment		134,714	136,211
Intangible assets		7,918	8,640
Investments at equity and other investments		3,770	1
Deferred tax assets		30,953	30,953
Other long-term assets		1,239	1,170
Total non-current assets		178,593	176,975
Total assets		300,599	311,368
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		29,106	34,231
Trade liabilities		17,896	21,411
Provisions		12,480	13,900
Other liabilities		30,695	15,595
Total current liabilities		90,178	85,137
Interest-bearing loans and borrowings		12,884	15,940
Employee benefits		9,321	9,119
Deferred government grants		3,003	3,228
Other long term liabilities		768	820
Total non-current liabilities		25,976	29,107
Shareholders' equity			
Issued capital		26,697	26,697
Share premium		96,256	95,570
Treasury shares		- 676	- 703
Translation adjustment		- 382	- 104
Retained earnings		62,550	75,664
Total shareholders' equity and reserves		184,446	197,124
Total liabilities and shareholders' equity		300,599	311,368

Consolidated Cash Flow Statement (unaudited)

EUR thousands	Q1 2008	Q1 2007
Operating activities		
Income before tax	3,388	3,655
Depreciation (net of government grants)	5,519	5,246
Changes in employee benefits	202	184
Expense from stock option plan (acc. IFRS 2)	686	412
Changes in other long-term liabilities	- 277	62
Gain/Loss from sale of plant and equipment	0	-14
Gain/Loss from sale of investments and securities	0	-94
Net financing cost	284	131
Changes in current assets	7,036	- 5,362
Changes in short-term operating liabilities and provisions	- 2,889	964
Tax payments	- 8	- 9
Cash flows from operating activities	13,941	5,174
Investing activities		
Acquisition of intangibles, property, plant and equipment	- 6,744	- 11,730
Government grants received	0	0
Acquisition of investments	- 4,017	0
Proceeds from sale of plant and equipment	0	14
Proceeds from sale of investments	27	870
Interest received	165	666
Cash flows from investing activities	- 10,569	- 10,180
Financing activities		
Proceeds from borrowings	0	520
Repayment of borrowings	- 8,012	- 2,244
Repayment of finance lease liabilities	- 168	- 223
Interest paid	- 544	- 366
Changes resulting from capital increase	0	25
Cash flows from financing activities	- 8,724	- 2,287
Net increase/decrease in cash and cash equivalents	- 5,352	- 7,293
Cash and cash equivalents at begin of period	19,138	17,742
Cash and cash equivalents at end of period	13,786	10,449

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

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