

First Quarter Report 2011

Strong start into 2011, positive momentum continues, expected 2011 revenue growth of around 10% reiterated

Ladies and Gentlemen

Our first quarter results demonstrate the robustness of our business, the market success of our products, and the advantages of our production model.

First quarter group revenues were EUR 55.2 million, up 25% (25% in constant currency terms) compared to the same quarter 2010 and 5% lower quarter-on-quarter. Gross margin was 51%, up 7 percentage points from the first quarter 2010 and unchanged from the previous quarter. The result from operations (EBIT) for the first quarter grew to EUR 8.2 million, up 165% from EUR 3.1 million in the same period 2010, in spite of a negative EUR/USD exchange rate trend in the quarter. The first quarter net result was EUR 7.4 million (EUR 2.0 million in the same period 2010). Basic / diluted earnings per share for the quarter were CHF 0.94 / CHF 0.92 and EUR 0.73 / EUR 0.71, respectively (CHF 0.29 / CHF 0.29 and EUR 0.20 / EUR 0.20 in the same period 2010). Total backlog (excluding consignment stock agreements) was EUR 69.4 million on March 31, 2011 (EUR 65.5 million on March 31, 2010). Operating cash flow increased to EUR 14.6 million (EUR 8.0 million in the first quarter 2010) resulting in a net cash position of EUR 7.2 million at the end of the quarter.

Our business performed strongly in the first quarter with lower quarter-on-quarter revenue seasonality compared to historic results. This positive development was due to continuing healthy demand from all markets and geographies. High run rates for our Consumer & Communications product lines including MEMS microphone ICs, portable lighting and power management were again a key driver for our business in the first quarter. LED backlighting adoption in LCD TVs also continues its upward trend in the current year. Our Industry & Medical business recorded another strong quarter with shipment rates into the industrial market continuing at high levels, very solid order and design activity worldwide and excellent demand in sensor interfaces and medical imaging. The Automotive business continued its positive development based on attractive run rates in sensor products. Overall, we are successfully increasing our market presence and penetration through direct and distribution sales. Capacity utilization remains very high; in combination with product mix improvements this drove the gross margin expansion in the quarter. Together with the resources at our manufacturing partners our production model offers clear benefits in quality and delivery security to our customers. We have been deeply saddened by the toll on human life in Japan. While we do not have meaningful exposure to Japanese suppliers we nevertheless secured our supply chain, including our subcontractors and their suppliers, as a precautionary measure and are in the position to fully meet expected customer demand this year whereas capacity tightness in the global analog market will most likely continue in 2011.

We see our business continuing to develop positively in the coming quarters. Therefore we reiterate our guidance for 2011 and expect full year revenue growth of around 10% together with a faster increase in EBIT and net result, based on available information.

Key figures	EUR thousands (except earnings per share)	Q1 2011	Q1 2010	Q4 2010
Revenues		55,170	44,026	57,946
Gross margin in %		51%	44%	51%
Result from operations		8,152	3,078	9,500
Net result		7,430	2,040	9,404
Basic / diluted earnings per share in CHF ¹⁾		0.94 / 0.92	0.29 / 0.29	1.21 / 1.16
Basic / diluted earnings per share in EUR		0.73 / 0.71	0.20 / 0.20	0.92 / 0.89
Total backlog (excluding consignment stock)		69,423	65,466	66,415

¹⁾ 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 2011	Q1 2010
Revenue Products	48,076	39,197
Revenue Foundry & Other	7,094	4,829
Total revenues	55,170	44,026
Cost of sales	- 27,039	- 24,807
Gross profit	28,131	19,219
Gross margin in %	51%	44%
Research and development	- 11,428	- 9,131
Selling, general and administrative	- 10,015	- 8,242
Other operating income	1,796	1,479
Other operating expense	- 25	- 147
Result from investments in associates	- 307	- 99
Result from operations	8,152	3,078
Net financing result	- 253	- 981
Result before tax	7,899	2,097
Income tax result	- 470	- 56
Net result	7,430	2,040
Basic / diluted earnings per share in CHF ¹⁾	0.94 / 0.92	0.29 / 0.29
Basic / diluted earnings per share in EUR	0.73 / 0.71	0.20 / 0.20

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, 2011	December 31, 2010
Assets			
Cash and cash equivalents		38,916	23,042
Financial assets		13,850	21,198
Trade receivables		33,020	33,007
Inventories		47,854	46,740
Other receivables and assets		8,997	8,284
Total current assets		142,637	132,270
Property, plant and equipment		110,176	110,943
Intangible assets		4,049	4,432
Investments in associates		6,228	6,443
Deferred tax assets		31,768	31,768
Other long-term assets		5,153	5,928
Total non-current assets		157,374	159,514
Total assets		300,011	291,784
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		5,834	7,011
Trade liabilities		16,266	15,660
Provisions		13,954	11,707
Other liabilities		13,943	12,610
Total current liabilities		49,996	46,987
Interest-bearing loans and borrowings		39,683	40,766
Employee benefits		12,733	12,483
Deferred government grants		303	528
Total non-current liabilities		52,719	53,777
Shareholders' equity			
Issued capital		26,813	26,759
Additional paid-in capital		103,459	102,624
Treasury shares		- 16,799	- 15,276
Other reserves (translation adjustment)		154	672
Retained earnings		83,670	76,240
Total shareholders' equity and reserves		197,296	191,019
Total liabilities and shareholders' equity		300,011	291,784

Consolidated Statement of Cash Flows (unaudited)

EUR thousands	Q1 2011	Q1 2010
Operating activities		
Result before tax	7,899	2,097
Depreciation (net of government grants)	5,770	5,612
Changes in employee benefits	250	188
Expenses from stock option plan (acc. to IFRS 2)	400	498
Changes in other long-term liabilities	- 225	- 178
Result from sale of investments	86	0
Result from investments in associates	307	99
Net financing result	253	981
Changes in assets	- 1,858	- 4,369
Changes in short-term operating liabilities and provisions	1,769	3,148
Tax payments	- 29	- 40
Cash flows from operating activities	14,622	8,037
Investing activities		
Acquisition of intangibles, property, plant and equipment	- 3,748	- 2,381
Acquisition of financial investments	- 5,861	- 573
Proceeds from the sale of investments	13,047	5,229
Interest received	496	308
Cash flows from investing activities	3,934	2,583
Financing activities		
Proceeds from borrowings	672	187
Repayment of debt	- 2,005	- 1,256
Acquisition of treasury shares	- 1,763	- 5,288
Sale of treasury shares	240	18
Interest paid	- 264	- 213
Expenses from financial instruments	- 52	- 339
Changes resulting from capital increase	489	0
Cash flows from financing activities	- 2,682	- 6,891
Change in cash and cash equivalents	15,874	3,729
Cash and cash equivalents at begin of period	23,042	26,726
Cash and cash equivalents at end of period	38,916	30,455

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

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