

# First Quarter Report 2013

Key figures EUR thousands (except earnings per share)	Q1 2013	Q1 2012	Q4 2012		
Revenues	84,858	90,670	97,504		
Gross margin in % (excluding acquisition-related costs)	54%	53%	56%		
Result from operations	10,512	18,310	19,592		
Net result	9,920	19,246	18,454		
Basic / diluted earnings per share in CHF <sup>1)</sup>	0.91 / 0.87	1.81 / 1.75	1.69 / 1.60		
Basic / diluted earnings per share in EUR	0.74 / 0.70	1.50 / 1.46	1.40 / 1.32		
Total backlog (excluding consignment stocks)	77,388	100,486	90,926		

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

**Expected revenue seasonality but gross margin strength;  
expanded project pipeline into 2014; 2013 revenue growth  
expectation confirmed; CEO will not extend contract beyond  
current term ending February 2014**

**Ladies and Gentlemen**

Our first quarter results show the expected seasonal effects on our revenue development together with continued strong gross margins; demonstrating the strength of our technology portfolio for high performance sensor and analog solutions.

First quarter group revenues were EUR 84.9 million, 6% lower than in the same quarter 2012 (6% lower in constant currency terms) and 13% lower quarter-on-quarter. Gross margin increased to 54%, excluding acquisition-related amortization, and was unchanged at 51%, including acquisition-related amortization, compared to 53%, excluding acquisition-related amortization, and 51%, including acquisition-related amortization, in the first quarter 2012.

Our project pipeline into 2014 expanded significantly with major smartphone- and mobile device-related projects in the quarter. To pursue these opportunities, we have added engineers and resources in our development and field application support groups; these additions are reflected in our research & development and sales, general & administrative costs, respectively. The result from operations (EBIT) for the first quarter was EUR 10.5 million, 43% lower than in the same period 2012. The first quarter net result was EUR 9.9 million compared to EUR 19.2 million in the same period 2012 and basic / diluted earnings per share were CHF 0.91 / 0.87 or EUR 0.74 / 0.70 (CHF 1.81 / 1.75 or EUR 1.50 / 1.46 in the first quarter 2012). Total backlog, excluding consignment stock agreements, was EUR 77.4 million on March 31, 2013 showing the seasonal effects (EUR 90.9 million on December 31, 2012 and EUR 100.5 million on March 31, 2012). Operating cash flow was EUR 13.7 million compared to EUR 24.6 million in the first quarter 2012.

Our business saw a solid performance in the first quarter given our strong position in high performance analog and sensor products while reflecting expected seasonality in revenues.

In Consumer & Communications, the growth in smartphone and tablet PC applications remains a major driver for our business as we serve a growing number of leading mobile device OEMs. We continued to ship a broad portfolio of intelligent light sensor products to market-leading OEMs in high volumes. In mobile sensor interfaces, our MEMS microphone IC business had a positive start into the year. OEM activities involving our high performance power management solution for a leading graphics processor vendor remain at high levels while the increasing use of sensors in smartphones and mobile devices is resulting in new applications which we are supporting. Several of our major customers are in the midst of product refresh cycles which we expect will increase quarter-on-quarter revenue growth in subsequent quarters.

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In our wireless business for RFID and NFC, we see very strong development and design-in efforts for our NFC solutions including front ends, antenna boost and peer-to-peer capabilities, together with rising shipments of mass-production products. High sensitivity is a critical aspect of the performance of NFC systems; here we bring world-class technology to major vendors helping them create a seamless user experience around mobile devices with the highest performance and smallest form factor available in the market.

In our industrial and medical businesses we recorded positive results based on our broad range of end markets which we serve through high performance solutions for sensors and sensor interfaces. Several of our industrial end markets are beginning to show improvements in demand patterns supporting the positive development of our business going forward. At the same time, major medical device OEMs continue to build their success on our innovative medical sensor solutions. Our automotive business had a good start into the year with its focus on critical sensor applications, despite the ongoing demand challenges in the global automotive sector. We see strong design activities around our solutions across markets demonstrating the success of our products and creating a sound basis for further profitable growth in the future.

Our CEO John Heugle has informed the Supervisory Board of the company that he will not extend his contract beyond the current term ending February 2014. He will continue to serve with full commitment as CEO for the term of his current contract. The Supervisory Board will begin the search for a competent successor.

Based on currently available information, we reiterate our 2013 revenue guidance and expect full year revenue growth to exceed 10% compared to 2012 with stronger growth in profitability. This expectation requires ramp-ups of new programs in the second half of 2013 and is based on the continued success of ams' customer base of global OEMs and the company's expanding position in the growing markets for smartphones, tablet PCs, and other mobile devices.

## Consolidated Income Statement

(unaudited)

EUR thousands (except earnings per share)	Q1 2013	Q1 2012
Revenue Products	76,782	84,204
Revenue Foundry & Other	8,076	6,466
<b>Total revenues</b>	84,858	90,670
Cost of sales	- 41,434	- 44,773
<b>Gross profit</b>	43,424	45,897
Gross margin in % (excluding acquisition-related costs)	54%	53%
Gross margin in % (including acquisition-related costs)	51%	51%
Research and development	- 16,487	- 14,154
Selling, general and administrative	- 17,636	- 14,369
Other operating income	1,218	1,142
Other operating expense	-69	- 28
Result from investments in associates	62	- 178
<b>Result from operations</b>	10,512	18,310
Net financing result	- 174	956
<b>Result before tax</b>	10,337	19,266
Income tax result	- 417	- 20
<b>Net result</b>	9,920	19,246
Basic / diluted earnings per share in CHF <sup>1)</sup>	0.91 / 0.87	1.81 / 1.75
Basic / diluted earnings per share in EUR	0.74 / 0.70	1.50 / 1.46

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, 2013	December 31, 2012
<b>Assets</b>			
Cash and cash equivalents		73,984	67,916
Financial assets		20,772	18,931
Trade receivables		55,228	42,175
Inventories		50,619	56,186
Other receivables and assets		11,170	11,238
<b>Total current assets</b>		<b>211,773</b>	<b>196,447</b>
Property, plant and equipment		143,262	131,282
Intangible assets		265,319	259,966
Investments in associates		6,790	6,430
Deferred tax assets		33,119	32,876
Other long-term assets		7,371	6,991
<b>Total non-current assets</b>		<b>455,861</b>	<b>437,545</b>
<b>Total assets</b>		<b>667,634</b>	<b>633,992</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Interest-bearing loans and borrowings		2,755	9,428
Trade liabilities		30,875	26,392
Provisions		24,398	24,267
Other liabilities		22,246	20,789
<b>Total current liabilities</b>		<b>80,273</b>	<b>80,876</b>
Interest-bearing loans and borrowings		76,392	71,407
Employee benefits		19,713	19,159
Provisions		23,614	22,817
Deferred tax liabilities		16,861	17,165
Other long-term liabilities		14,096	13,053
<b>Total non-current liabilities</b>		<b>150,676</b>	<b>143,601</b>
<b>Shareholders' equity</b>			
Issued capital		35,098	34,658
Additional paid-in capital		222,845	214,763
Treasury shares		- 33,838	- 35,240
Other reserves (translation adjustment)		25,273	17,946
Retained earnings		187,307	177,387
<b>Total shareholders' equity and reserves</b>		<b>436,685</b>	<b>409,514</b>
<b>Total liabilities and shareholders' equity</b>		<b>667,634</b>	<b>633,992</b>

## Consolidated Statement of Cash Flows

(unaudited)

EUR thousands	Q1 2013	Q1 2012
<b>Operating activities</b>		
Result before tax	10,337	19,266
Depreciation (net of government grants)	8,967	8,672
Changes in employee benefits	554	285
Expenses from stock option plan (acc. to IFRS 2)	719	519
Changes in other long-term liabilities	1,536	- 2,241
Result from sale of plant and equipment	18	- 12
Result from investments in associates	- 62	178
Net financing result	174	- 956
Changes in assets	- 7,797	- 6,031
Changes in short-term operating liabilities and provisions	- 546	5,155
Tax payments	- 183	- 258
<b>Cash flows from operating activities</b>	<b>13,717</b>	<b>24,577</b>
<b>Investing activities</b>		
Acquisition of intangibles, property, plant and equipment	- 13,494	- 8,317
Acquisition of financial investments	- 2,000	0
Proceeds from sale of plant and equipment	593	0
Interest received	443	350
<b>Cash flows from investing activities</b>	<b>- 14,458</b>	<b>- 7,967</b>
<b>Financing activities</b>		
Proceeds from borrowings	265	431
Repayment of debt	- 1,947	- 1,756
Repayment of finance lease liabilities	- 267	- 268
Acquisition of treasury shares	- 224	- 5,461
Sale of treasury shares	1,626	836
Interest paid	- 445	- 548
Changes resulting from capital increase	7,803	567
<b>Cash flows from financing activities</b>	<b>6,809</b>	<b>- 6,199</b>
Change in cash and cash equivalents	6,068	10,411
Cash and cash equivalents at begin of period	67,916	51,735
<b>Cash and cash equivalents at end of period</b>	<b>73,984</b>	<b>62,146</b>

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**ams AG**

Tobelbader Strasse 30  
8141 Unterpemstaetten, Austria  
T +43 3136 500-0  
investor@ams.com  
www.ams.com

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