Melexis
Microelectronic Integrated Systems

Press release:
Melexis Q2 2011 results – Guidance Confirmed

Intermediate declaration by the Board of Directors.

Ieper, Belgium – July 28th, 2011, 07.00 hrs CET

Half-year sales were 116.6 million EUR, an increase of 14% compared to the first half year 2010.
Gross margin was 53.8 million EUR, an increase of 16% compared to the same period last year.
The operating result was at 27 million EUR, compared to 24.4 million EUR in the same half year of 2010.
Net income was 22.3 million EUR, compared to 20.2 million EUR in the first half year 2010.

Sales for the second quarter were 57.7 million EUR, an increase of 3% compared to the same quarter of the previous year and a decrease of 2% versus the previous quarter.
The EUR/USD exchange rate evolution had a negative impact of 3% compared to the previous quarter.
Gross margin was 26.7 million EUR, an increase of 3% compared to the same quarter last year and a decrease of 2% versus the previous quarter.
The operating result was at 12.8 million EUR, compared to 14.8 million EUR in the same quarter of 2010 and 14.2 million EUR in the previous quarter.
Net income was 10.7 million EUR, 25 cent per share, down from 28 cent per share in the second quarter of 2010 and 27 cent in the previous quarter.
R&D expenses were 16% of sales, Selling remains stable at 3% of sales and G&A was at 5% of sales.

Melexis purchased 373.159 own shares during the first half of 2011 at an average price of 12.56 EUR. As a result, the total number of treasury shares amounts 2.448.704 at the end of the first half of 2011, representing 5.66% of shares outstanding.

Françoise Chombar, CEO of Melexis comments:

“So far in 2011, Melexis launched 14 new ASSPs (Application-Specific Standard Products) and our plan is to continue at about the same pace the rest of this year, across business units. The investments we have been making into our development, sales and marketing capabilities thus start paying off. It equally validates the Melexis mission of bringing innovation to the heart of our customers' business.”

Dividend

The Board of Directors decided to pay out an interim dividend of 0,60 EUR gross per share. The Melexis shares will start trading ex coupon on October 24, 2011 (opening of the market). The record date is October 26, 2011 (closing of the market) and the dividend will be payable as from October 27, 2011.

Outlook

Melexis expects sales for the third quarter of 2011 to be at the same level as the second quarter.
For the full year, we expect high single digit growth in sales, our gross margin to solidify above 45% and operating margin to remain above 23%, taking into account a EUR/USD exchange rate of 1.40.

Financial Calendar

- Publication Q3 2011 Results: October 20, 2011
- Publication FY 2011 Results: February 9, 2012

The company's results will be discussed in a conference call on Thursday, July 28th, 2011 at 17 hrs CET. The conference call will be in English. You have **to register for this conference call in advance**. You can register by clicking on the following link and filling out the requested information:
https://eventreg1.conferencing.com/webportal3/reg.html?Acc=184341&Conf=179119

After registration, you will receive the conference call number, a participant user pin, conference pin and instructions on how to join the conference call. For security purposes all participants must register individually if they wish to join the call.

A replay number for this call is available for 7 days after the end of the conference call. The replay number for this call is +32 2 290 17 05, access code: 899464.

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About Melexis

Melexis Microelectronic Integrated Systems N.V. (Euronext Brussels: MELE) is a mixed signal semiconductor manufacturer. Melexis designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. Our core experience supplying ICs for automotive electronics sustains the expansion into Application Specific Standard Products for industrial and consumer product applications. Melexis enthusiastically pursues its role as a component supplier whose innovations, while physically small, are the essential element in nearly every one of our customers' extraordinary systems.
At Melexis we believe that "Small things make a big difference". Melexis' products include sensor, communication, actuator ICs and Application Specific Integrated Circuits (ASICs).
Further information about Melexis can be found at http://www.melexis.com.

Disclaimer

Except for those statements that report the Company's historical results, the statements being made are forward looking statements. Actual results could differ materially from those projected in the forward-looking statements.
Factors which could cause actual results to differ from expectations include the following: volatility in supply and demand affecting revenues and market prices, price and availability of silicon foundry, assembly and test prices, assembly and test subcontract capacity required to meet financial targets and/or meet backlog requirements, risks and delays associated with bringing up new production capabilities or with deliveries from subcontractors, timing and market acceptance of new products, increased expenses associated with new product acceptance of new products, increased expenses associated with new product introductions of process changes, delays in developing or achieving volume production of new products, which can result in delays or failure to contribute to revenues and profits, ability of the Company to maintain its customer and vendor base and delays in and/or inability in raising additional capital.

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Consolidated Profit & Loss

CONFORM IAS in k EUR	Quarter ended 30/06/2011	Quarter ended 30/06/2010	Half Year ended 30/06/2011	Half Year ended 30/06/2010	Year ended 31/12/2010 audited
Sales	**57,654**	**55,843**	**116,592**	**102,223**	**219,427**
Cost of sales	-30,995	-29,893	-62,832	-55,893	-117,176
Gross Margin	**26,659**	**25,950**	**53,760**	**46,331**	**102,251**
R&D	-9,009	-7,181	-17,139	-14,300	-29,701
G&A	-3,076	-2,449	-6,074	-4,874	-10,519
Selling	-1,772	-1,477	-3,538	-2,731	-5,741
Other operating result					
Operating result	**12,802**	**14,843**	**27,009**	**24,426**	**56,290**
Other expenses (net)	-289	-111	-1,170	-951	-2,126
Income before taxes	**12,513**	**14,732**	**25,839**	**23,476**	**54,163**
Income taxes	-1,794	-2,646	-3,544	-3,256	-5,551
Net income	**10,719**	**12,086**	**22,295**	**20,220**	**48,612**
Net income per share in EURO	**0.25**	**0.28**	**0.52**	**0.47**	**1.12**

Consolidated Balance Sheet

CONFORM IAS in k EUR	Half Year ended 30/06/2011	Half Year ended 30/06/2010	Year ended 31/12/2010 audited
Current Assets :			
Cash and cash equivalents	24,651	26,120	21,180
Current investments	5,925	4,112	5,729
A/R Trade	30,760	28,727	27,933
A/R from related parties	9,294	6,528	8,796
Advance related parties			
Other current assets	6,049	6,912	7,504
Inventories	36,139	32,938	39,217
Total current assets	***112,818***	***105,336***	***110,359***
Non current assets :			
Costs of incorporation			
Property, plant and equipment	52,014	45,064	48,760
Financial assets	30	30	30
Intangible fixed assets	1,676	1,761	1,750
A/R directors			
Other non-current assets	5,095	3,691	4,344
Deferred tax assets	15,418	14,754	15,235
Total non current assets	***74,233***	***65,300***	***70,120***
Total assets	**187,051**	**170,636**	**180,479**

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Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			
Derivative financial instruments	809	2,747	1,599
Current portion of LT debt	4,650	19,606	19,647
A/P trade	7,918	7,428	7,274
Affiliated companies	5,027	5,811	6,603
Accrued expenses, payroll and taxes	9,892	8,363	7,159
Other current liabilities	1,026	933	1,707
Provisions			
Deferred income	658	745	793
Total current liabilities	***29,980***	***45,632***	***44,782***
Non current liabilities :			
LT debt less current portion	40,030	41,844	37,115
Deferred tax liabilities	382	285	382
Other non-current liabilities	2,789	1,262	2,746
Total non current liabilities	**43,200**	**43,392**	**40,242**
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-26,489	-17,878	-21,886
Revaluation reserve Hedge	-438	-1,521	-896
Revaluation reserve Fair value	1,839	-99	1,378
Legal reserve	57	57	57
Retained earnings	116,535	80,310	67,923
Current period's profit	22,295	20,220	48,612
Cumulative translation adjustment	-503	-51	-308
Equity attributable to company owners	**113,861**	**81,602**	**95,445**
Non controlling interests	10	10	10
Total shareholders equity	***113,871***	***81,612***	***95,455***
Total liabilities, shareholders' equity and minority interests	**187,051**	**170,636**	**180,479**

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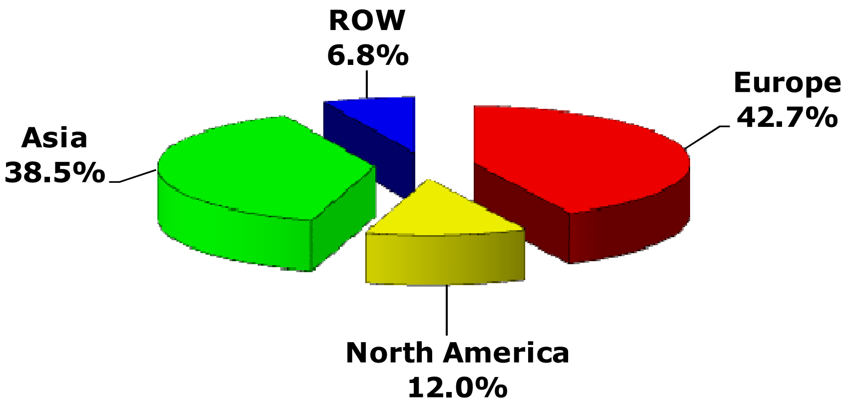
Consolidated Statements of Cash Flow

CONFORM IAS/IFRS (in k EUR)	Quarter ended 30/06/2011	Half Year ended 30/06/2011	Half Year ended 30/06/2010	Year ended 31/12/2010 audited
Cash flow from operating activities				
Net income	10,719	22,295	20,220	48,612
Adjustments for :				
Operating activities	**3,017**	**6,893**	**11,924**	**16,168**
- Deferred taxes	-428	-183	824	343
- Capital grants	58	681	466	955
- Minority interest				
- Depreciation and amortisation	3,068	6,251	7,766	11,510
- Unrealized exchange results	755	-170	1,274	1,159
- Financial result	-436	314	1,593	2,201
Operating profit before working capital changes :	**13,735**	**29,188**	**32,143**	**64,780**
- A/R, Trade	-714	-2,827	-8,045	-7,131
- A/R, affiliates	-1,245	-498	1,485	-783
- Other current assets	-322	1,694	1,264	2,285
- Other non current assets	-372	-750	-603	-1,256
- Inventories	1,330	2,572	-8,164	-14,063
- A/P	462	645	884	734
- A/P affiliates	-184	-1,576	878	1,670
- Accrued expenses	1,006	3,588	1,443	2,589
- Other current liabilities	-234	-681	-478	566
- Other non current liabilities	-58	-882		210
- Interest paid	-470	-1,250	-1,874	-3,417
- Income tax	-555	-854		-1,137
Cash flow from operating activities	**12,380**	**28,369**	**18,935**	**45,047**
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired				
Financial fixed assets			-6	
Purchase of PPE and intangible assets (netted)	-3,891	-8,927	-6,233	-15,377
Interest received	432	911	349	1,139
Investments/proceeds/ from current investments (incl. financial instruments)	895	-196	-122	-1,739
Cash provided from investing activities	**-2,563**	**-8,212**	**-6,013**	**-15,977**
Cash flows from financing activities				
Payment to acquire own shares	-1,723	-4,603	-9,050	-4,013
Proceeds/Repayment of long-and short-term debt	-2,003	-12,082		-13,739
Proceeds/Repayment of bank loans and overdrafts				
Proceeds from (repayment of) related party financing				
Proceeds from (repayment of) A/P to directors				
Interim dividend payment				-12,387
Capital Decrease				
Minority				
Cash provided from financing activities	**-3,726**	**-16,685**	**-9,050**	**-30,139**
CTA			1	3
Increase/decrease in cash and cash equivalents	6,091	3,471	3,873	-1,067
Cash at beginning of the period	**18,560**	**21,180**	**22,247**	**22,247**
Cash at the end of the period	**24,651**	**24,651**	**26,120**	**21,180**

Sales per Geography H1 2011



Turnover per Business Unit

(in k EUR)	Q2/11	Q2/10	% CHANGE (Y-O-Y)
Sensors	32,609	28,963	13%
Wireless	3,274	3,821	-14%
Actuators	16,318	16,300	0%
Opto	4,626	5,898	-22%
Other	828	860	-4%
TOTAL	**57,654**	**55,843**	**3%**

(in k EUR)	Q2/11	Q1/11	% CHANGE (Q-O-Q)
Sensors	32,609	33,484	-3%
Wireless	3,274	3,845	-15%
Actuators	16,318	16,305	0%
Opto	4,626	4,536	2%
Other	828	768	8%
TOTAL	**57,654**	**58,938**	**-2%**

The Statutory auditor of Melexis NV, BDO Bedrijfsrevisoren Burg. Ven. CVBA, has substantially completed his limited review procedures on the IFRS interim consolidated financial statements as at June 30th, 2011 with a balance sheet total of 187.051 KEUR and a benefit of the period of 22.295 KEUR which is included in the press release.

This examination has been conducted in accordance with the recommendation of the Institute of Company Auditors (Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Entreprises) with regards to limited review procedures. Therefore, this review consisted mainly of the examination, comparison and discussion of the financial information. As a consequence, this review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole.

The Statutory auditor has confirmed that his limited review procedures, have not revealed material adjustments, which would have to be made to the accounting information and management comments included in this press release with respect to the IFRS interim consolidated financial statements as at June 30th, 2011 of Melexis NV. The Statutory auditor is also of the opinion that with respect to the above IFRS interim consolidated financial statements there is no material omission of information in the press release.

Zaventem, July 27th, 2011

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by
Gert Claes