# Interim Financial report for the 6 months ended June 30th 2009

**Regulated Information**

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## Melexis interim financial report for the 6 months ended June 30th, 2009

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# 1. Obligation with regard to the periodical information following the transparency directive effective as of January 1st, 2009

The undersigned declare that the condensed interim consolidated financial information, that has been compiled in due compliance with the standards for the annual accounts and in due compliance with IFRS standards as adopted by the European Union, stand as a true and accurate reflection of the assets and liabilities, the financial position and the results of the issuer and the companies included as part of the consolidation. The condensed interim consolidated financial information provides a true and accurate reflection of the required information.

Rudi De Winter, CEO

Francoise Chombar, CEO

## 2. Condensed Consolidated Income statement

| | Half Year ended 30/06/2009 K EUR | Half Year ended 30/06/2008 K EUR | Year ended 31/12/2008 K EUR |
|---|---|---|---|
| Product sales | 49.558 | 102.078 | 183.915 |
| Revenues from Research and Development | 1.179 | 1.006 | 1.634 |
| Cost of sales | (33.294) | (60.656) | (109.632 |
| Gross margin | 17.443 | 42.428 | 75.917 |
| Research and development expenses | (12.905) | (15.147) | (29.525) |
| General and administrative expenses | (5.284) | (5.109) | (10.744) |
| Selling expenses | (2.395) | (2.785) | (5.255) |
| Other operating expenses (net) | | | (834) |
| Income from operations (EBIT) | (3.141) | 19.387 | 29.559 |
| Financial income | 1.393 | 4.564 | 7.203 |
| Financial charges | (12.814) | (4.873) | (13.892) |
| Other expenses (net) | | | |
| Income before taxes | (14.562) | 19.078 | 22.870 |
| Income taxes | 2.999 | (2.102) | (419) |
| Minority interest | | | |
| Net income of the period | (11.563) | 16.976 | 22.451 |
| Earnings per share non-diluted | (0,27) | 0,39 | 0,52 |
| Earnings per share diluted | (0,27) | 0,39 | 0,52 |

## 3. Condensed Statement of other comprehensive income

| | Half Year ended 30/06/2009 K EUR | Half Year ended 30/06/2008 K EUR | Year ended 31/12/2008 K EUR |
|---|---|---|---|
| Net income | (11.563) | 16.976 | 22.451 |
| Cumulative translation adjustment | (225) | 503 | 1.111 |
| Hedge reserves | (815) | 486 | (957) |
| Fair value adjustments through equity | 114 | (3.602) | (2.096) |
| Total comprehensive income for the period | (12.489) | 14.364 | 20.508 |
| Total comprehensive income attributable to: | | | |
| Attributable to owners of the parent | (12.489) | 14.364 | 20.508 |
| Non controlling interests | 0 | 0 | 0 |

# 4. Condensed Consolidated Statement of financial position

| | | Half Year ended 30/06/2009 K EUR | Half Year ended 30/06/2008 K EUR | Year ended 31/12/2008 K EUR |
|---|---|---|---|---|
| ASSETS | | | | |
| Current assets | | | | |
| | Cash, and cash equivalents | 11.227 | 10.123 | 8.129 |
| | Current investments | 2.290 | 17.675 | 2.145 |
| | Accounts receivable –trade | 19.924 | 32.946 | 28.112 |
| | Accounts receivable –Related companies | 5.646 | 5.160 | 7.086 |
| | Inventories | 28.423 | 34.121 | 34.371 |
| | Other current assets | 8.057 | 10.936 | 9.744 |
| Total current assets | | 75.568 | 110.961 | 89.586 |
| Non current assets | | | | |
| | Intangible assets | 1.756 | 659 | 466 |
| | Property, plant and equipment | 44.991 | 45.157 | 45.029 |
| | Financial assets | | | 10.750 |
| | Other non-current assets | 50 | 60 | 60 |
| | Deferred taxes | 15.404 | 9.450 | 11.550 |
| Total non current assets | | 62.201 | 55.326 | 67.854 |
| TOTAL ASSETS | | 137.769 | 166.286 | 157.441 |
| LIABILITIES | | | | |
| Current liabilities : | | | | |
| | Bank loans and overdrafts | | 7.510 | - |
| | Derivative financial instruments | 3.148 | | 2.483 |
| | Current portion of long-term debt | 15.119 | 15.148 | 15.152 |
| | Accounts payable – trade | 5.128 | 6.026 | 5.737 |
| | Accounts payable –related companies | 2.309 | 6.777 | 2.343 |
| | Accrued expenses, payroll and related taxes | 4.945 | 4.878 | 4.399 |
| | Provisions | | | 834 |
| | Deferred tax liabilities | 371 | 249 | 371 |
| | Other current liabilities | 748 | 1.060 | 1.024 |
| | Deferred income | 460 | 499 | 569 |
| Total current liabilities | | 32.227 | 42.147 | 32.913 |
| Non current liabilities | | | | |
| | Long-term debt less current portion | 55.419 | 40.506 | 62.990 |
| | Minority interests | 10 | 10 | 10 |
| Total non current liabilities | | 55.429 | 40.516 | 63.000 |
| Shareholders' capital | | 565 | 565 | 565 |
| Share premium | | | | - |
| Reserve treasury shares | | (17.878) | (14.475) | (17.757 |
| Revaluation reserve Hedge | | (1.772) | 736 | (957) |
| Revaluation reserve Fair value | | (3.411) | (5.280) | (3.525) |
| Legal reserve | | 57 | 57 | 57 |
| Retained earnings | | 84.299 | 86.804 | 61.847 |
| Current year's profit | | (11.563) | 16.976 | 22.451 |
| Cumulative translation adjustment | | (1.378) | (1.760) | (1.153) |
| Total shareholders' equity | | 48.917 | 83.622 | 61.527 |
| TOTAL LIABILITIES | | 137.769 | 166.286 | 157.441 |

# 5. Condensed Consolidated Statements of Changes in Equity

| | Number of Shares | Share capital K EUR | Share Premium K EUR | Legal reserve K EUR | Retained Earnings K EUR | Reserve treasury shares K EUR | Fair value adjustment Reserve K EUR | CTA K EUR | Total Equity K EUR |
|---|---|---|---|---|---|---|---|---|---|
| December 31, 2007 | 43.241.860 | 565 | - | 57 | 86.804 | (5.586) | (1.429) | (2.263) | 78.147 |
| Net income | | | | | 16.976 | | | | 16.976 |
| CTA movement | | | | | | | | 503 | 503 |
| Dividend | | | | | | | | | |
| Reserve treasury shares | | | | | | (8.889) | | | (8.889) |
| Hedge reserves | | | | | | | 736 | | 736 |
| Fair value adjustments Through equity | | | | | | | (3.852) | | (3.852) |
| June 30, 2008 | 43.241.860 | 565 | | 57 | 103.779 | (14.475) | (4.544) | (1.760) | 83.621 |
| June 30, 2008 | 43.241.860 | 565 | | 57 | 103.779 | (14.475) | (4.544) | (1.760) | 83.621 |
| Net income | | | | | 5.475 | | | | 5.475 |
| CTA movement | | | | | | | | 608 | 608 |
| Dividend | | | | | (24.956) | | | | (24.956) |
| Reserve treasury shares | | | | | | (3.282) | | | (3.282) |
| Hedge reserves | | | | | | | (1.693) | | (1.693) |
| Fair value adjustments Through equity | | | | | | | 1.756 | | 1.756 |
| December 31, 2008 | 43.241.860 | 565 | - | 57 | 84.299 | (17.757) | (4.483) | (1.153) | 61.527 |
| December 31, 2008 | 43.241.860 | 565 | - | 57 | 84.299 | (17.757) | (4.483) | (1.153) | 61.527 |
| Net income | | | | | (11.563) | | | | (11.563) |
| CTA movement | | | | | | | | (225) | (225) |
| Dividend | | | | | | | | | |
| Reserve treasury shares | | | | | | (121) | | | (121) |
| Hedge reserves | | | | | | | (815) | | (815) |
| Fair value adjustments Through equity | | | | | | | 114 | | 114 |
| June 30, 2009 | 43.241.860 | 565 | | 57 | 72.736 | (17.878) | (5.183) | (1.378) | 48.917 |

# 6. Condensed consolidated statements of cash flow

| (indirect method) | Half Year ended 30/06/2009 K EUR | Half Year ended 30/06/2008 K EUR | Year ended 31/12/2008 K EUR |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Net income | (11,563) | 16,976 | 22,451 |
| **Adjustments :** | | | |
| Depreciation | 5,347 | 5,887 | 11,781 |
| A/R, Trade | 8,187 | 1,477 | 6,938 |
| Due to affiliated companies | 1,405 | 71 | (3,659) |
| Inventories | 5,948 | 770 | (1,211) |
| A/P | (609) | (2,424) | (2,861) |
| Accrued expenses | -358 | 415 | 3,019 |
| Deferred taxes | (3,854) | | (3,244) |
| Provisions | 431 | | 3,209 |
| Other | 1,339 | (5,881) | (9,533) |
| **Net cash from operating activities** | **6,273** | **17,291** | **26,890** |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquisition of subsidiary, net of cash acquired | | | |
| Financial fixed assets (incl. own shares) | 10,629 | (8,889) | (12,171) |
| Purchase of PPE and intangible assets | (6,600) | (4,633) | (9,510) |
| Interest received | 455 | 788 | 1,471 |
| Proceeds from current investments | (32) | (1,953) | 3,846 |
| **Net cash provided from investing activities** | **4,452** | **(14,686)** | **(16,364)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds/Repayment of long-and short-term debt | (7,605) | (7,727) | 14,900 |
| Proceeds/Repayment from bank loans and overdrafts | | | (7,650) |
| Proceeds from (repayment of) related party financing | | | |
| Interim dividend payment | | | (24,956) |
| Capital Decrease | | | |
| Minority | | | |
| **Net cash provided from financing activities** | **(7,605)** | **(7,727)** | **(17,706)** |
| | | | |
| CTA | (23) | (22) | 44 |
| Increase/decrease in cash and cash equivalents | 3,098 | (5,143) | (7,136) |
| **Cash at beginning of the period** | **8,129** | **15,265** | **15,265** |
| **Cash at the end of the period** | **11,227** | **10,123** | **8,129** |

# 7. Notes to condensed consolidated interim financial statements

## 7.1 Summary of Significant Accounting Policies

The principal accounting policies adopted in preparing the consolidated financial statements of Melexis NV are as follows:

### Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year 2008 as published in the 2008 Annual Report. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 28 July 2009.

### Measurement currency

The measurement currency of Melexis NV has been determined to be the EURO. To consolidate the company and each of its subsidiaries financial statements of foreign consolidated subsidiaries, with a non EUR currency, are translated at year-end exchange rates with respect to the balance sheet and at the average exchange rate for the year with respect to the income statements. All resulting translation differences are included in a translation reserve in equity.

### Foreign currency

### Foreign currency transactions

Each entity within the group translates its foreign currency transactions and balances into its measurement currency by applying to the foreign currency amount the exchange rate between the measurement currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized in the income statement in the period in which they arise.

### Foreign currency translation

Since the introduction of the EURO on January 1st 1999, and in accordance with Belgian law, Melexis NV keeps its books and prepares its consolidated financial statements in EURO. The measurement currency of Melexis NV and of its subsidiaries Melexis Tessenderlo NV, Melexis GmbH and Melexis BV is the EURO. The measurement currency for Melexis Inc. is the United States Dollar (USD), for Melexis Ukraine the Ukrainian Hryvnia (UAH) and for Melexis Bulgaria Ltd. the Bulgarian Leva (Bgn). The measurement currency for Sentron AG and for Melexis Technologies SA is the Swiss Franc (CHF). For the Philippine branch of Melexis NV the measurement currency is the Philippinian Peso (PHP), for the Japanese entity the Japanese Yen (JPY) and for the Hong Kong branch the Hong Kong Dollar (HKD).

Assets and liabilities of Melexis Inc., Melexis Ukraine, Melexis Bulgaria Ltd, Sentron AG and Melexis Technologies SA, are translated at exchange rates in effect at the end of the reporting period, and revenues and expenses are translated at the average exchange rate during the period. Equity components have been translated at historical exchange rates. Gains or losses resulting from this translation are reflected in the component "cumulative translation adjustment" in the balance sheet.

### Principles of Consolidation

The consolidated financial statements of the Melexis group include Melexis NV and the companies that it controls. This control is normally evidenced when Melexis NV owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheets and income statements, respectively.

The purchase method of accounting is used for acquired businesses. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidation scope includes Melexis NV, its subsidiaries Melexis Ukraine, Melexis BV (incorporated respectively in 1999, 2000 and 2001), Melexis Inc. (formerly US MikroChips Inc), which was acquired in the last quarter of 1997, Melexis GmbH, previously known as Thesys Mikroelektronik Produkte GmbH, which was acquired in October 1999, Melexis Bulgaria Ltd., which was acquired in October 2000, and Sentron AG which was acquired in February 2004.

During the year 2005 a new subsidiary Melefin NV was constituted by means of a contribution in kind of the shares of Melexis Tessenderlo NV. As such Melexis Tessenderlo became a granddaughter of Melexis NV. On January 31st, 2006 Melexis GmbH acquired Melexis Tessenderlo NV from Melefin NV.

Also during 2006 the Swiss branch Office Bevaix of Melexis NV was transformed in a separate legal entity: Melexis Technologies SA.

During 2007 a branch has been set up in In Hong Kong and a separate legal entity has been incorporated in Japan.

## Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

## Receivables

Receivables are stated at the fair value of the consideration given and are carried at amortized cost, after provision for doubtful accounts.

## Hedging

The company applies hedge accounting for a part of its financial instruments as defined under IAS 39.
The hedges whereby hedge accounting is applied concern cash flow hedges. Provided the hedge is effective, changes in the fair value of the hedging instrument are initially recognized in a 'hedging reserve' in equity. At maturity they are transferred to the profit and loss statement. The ineffective portion of the change in the fair value of the hedging instrument (if any) is recognized directly in profit or loss.
The table with outstanding derivatives at half year-end is disclosed in note 7.6.

## Derivative financial instruments

Derivative financial instruments that are not designated as hedging instruments are classified as held-for-trading and carried at fair value, with changes in fair value included in net profit or loss. The table with outstanding derivatives at half-year-end is disclosed in note 7.6.

## Inventories

Inventories, including work-in-process are comprised of material, labor and manufacturing overheads and are valued at the lower of cost (determined on FIFO basis) or net realizable value after provision for obsolete items. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. For processed inventories, cost includes the applicable allocation of fixed and variable overhead costs. Unrealizable inventory has been fully written off.

## Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the following estimated useful lives.

| | |
|---|---|
| - Buildings | 20-33 years |
| - Machinery, equipment and installations | 5 years |
| - Furniture and vehicles | 5 years |
| - Computer equipment | 5 years |

Expenditures, incurred after the fixed assets have been placed in operation, such as repairs and maintenance and overhaul costs, are charged against income, in the period in which the costs are incurred.
The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

## Investments

The company adopted IAS 39, Financial Instruments: Recognition and Measurement on January 1st,2001.

The group classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### *(a) Financial assets at fair value through profit or loss*

This category comprises financial assets held for trading which have been acquired principally for the purpose of selling in the short term. Derivatives also fall within this category unless they are designated as hedges and the hedge is effective for accounting purposes. Assets in this category are classified as current.

### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

### *(c) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. They are included in non-current assets unless the investment is due to mature within 12 months of the balance sheet date or unless the investment is considered as very liquid.

### *(d) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in current or non-current assets. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

## Intangible Assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method are reviewed annually at each financial year-end. Amortization of intangible assets is shown as a separate line item in operating charges.

Amounts paid for licenses are capitalized and then amortized on a straight-line basis over the expected periods of benefit. The expected useful life of licenses is 5 years.

## Goodwill

The excess of the cost of an acquisition over the company's interest in the fair value of the net identifiable assets and liabilities acquired as at the date of the exchange transaction is recorded as goodwill and recognized as an asset in the balance sheet. The identifiable assets and liabilities recognized upon acquisition are measured at their fair values as at that date. Any minority interest is stated at the minority's proportion of the fair values. Any goodwill arising on the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign entity are treated as assets and liabilities of the company. Goodwill is carried at cost less accumulated impairment losses. Impairment of goodwill is included in operating profit.

## Research and Development Costs

According to IAS 38 Par. 54 all research costs must be charged to expense. Expenditure for development costs is also recognized as an expense when incurred and not capitalized, since not all criteria set forth by IAS 38 Par. 57 are met. Indeed as of today, the company has no analytical tools in place to distinguish on a reliable basis the research phase from the development phase.

## Equity

Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented as a change in equity. No gain or loss is recognized in the income statement on the sale, issuance, or cancellation of treasury shares. Consideration received is presented in the financial statements as a change in equity.

## Provisions

A provision is recognized when, and only when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

## Reserves

Capital reserves represent the legal reserve of the parent company and are in accordance with the Belgian law. The translation reserve is used for translation differences arising on consolidation of financial statements of foreign entities.

## Minority interests

Minority interests include the third party interests in the fair values of identifiable assets and liabilities recognized upon acquisition of a subsidiary as well as the minority share of the result of the year and retained earnings.

## Revenue recognition

The company recognizes revenue from sales of products upon shipment or delivery, depending on when title and risk of loss are transferred under the specific contractual terms of each sale, which may vary from customer to customer.
Revenue from research projects is recognized upon meeting of all contractual conditions.

## Borrowing costs

Borrowing costs are expensed as incurred.

## Government Grants

Government grants are deferred and amortized into income over the period necessary to match them with the related costs that they are intended to compensate. Grants received are treated as deferred income in the accompanying consolidated financial statements.

The company recognizes government grants if they have reasonable assurance that the grants will be received. They are recognized as income on a systematic and rational basis over the periods necessary to match them with the related costs. The grant related revenue is recorded net of the related expense in the income statement and as deferred income on the balance sheet.

## Income taxes

The income tax charge is based on profit for the year and considers deferred taxation. Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the balance sheet date.
The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the enterprise expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are recognized regardless of when the timing difference is likely to reverse. Deferred tax assets are not discounted and are classified as non current assets in the balance sheet.
Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each year end balance sheet date, the company reassesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The enterprise recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized.
A deferred tax liability is recognized for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortization is not deductible for tax purposes.

## Impairment of assets

Property, plant and equipment, intangible assets and goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income. The recoverable amount is the higher of an asset’s net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.
Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased.

## Segments

For management purposes Melexis is organized on a worldwide basis into two major operating businesses. The divisions are the basis upon which Melexis reports its primary segment information. Financial information on business and geographical segments is presented in Chapter 9.

## Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.
A contingent asset is not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable.

## Subsequent events

Post-year-end events that provide additional information about a company’s position at the balance sheet date, (adjusting events), are reflected in the financial statements.
Post-half year-end events that are not adjusting events are disclosed in the notes when material.

## Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

## 7.2 Changes in accounting policies and presentation rules

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statement for the year ended 31 December 2008, except for the impact of the adoption of the Standards and Interpretations described below.

IFRS 8 Operating Segments

IAS 1 Presentation of Financial Statements

The application of these International Standards and Interpretations did not have a significant impact on the statement of financial position or the results of the company and therefore has not lead to any changes in the valuation principles applied.

Furthermore the following International Standards became effective, which are not relevant for the company and therefore are not applicable:

IFRS 2 Share-based Payment

IAS 20 Government Grants and Disclosure of Government Assistance

IAS 23 Borrowing Costs

IAS 28 Investments in Associates

IAS 29 Financial Reporting in Hyperinflationary Economies

IAS 31 Interests in Joint Ventures

IAS 32 Financial Instruments: Presentation — Amendments relating to puttable instruments and obligations arising on liquidation

IAS 40 Investment Property

IAS 41 Agriculture

IFRIC 12 Service Concession Arrangements

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

**Early adoption of Standards and Interpretations**

The company decided to not early adopt any Standards or Interpretations.

**Issued, but not yet mandatory Standards and Interpretations.**

IFRS 3 Business Combinations

IAS 27 Consolidated and Separate Financial Statements

IAS 28 Investments in Associates

IFRS 7 Financial Instruments: Disclosures–Amendments enhancing disclosures about fair value and liquidity risk

IFRIC 15 Agreements for the Construction of Real Estate

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRIC 17 Distributions of Non-cash Assets to Owners

IFRIC 18 Transfers of Assets from Customers

IAS 7 Statement of Cash Flows

IAS 17 Leases

IFRS 2 Share-based Payment — Amendments relating to group cash-settled share-based payment transactions

## Revenues

The following table shows a break down of total revenues by division:

| (in k EUR) | 30/06/09 | 30/06/08 | % CHANGE (Y-O-Y) |
|---|---|---|---|
| Sensors | 19.438 | 43.314 | -55% |
| Wireless | 4.489 | 6.743 | -33% |
| Actuators | 18.625 | 33.722 | -45% |
| Opto | 6.460 | 17.837 | -64% |
| Other | 1.725 | 1.468 | 18% |
| **TOTAL** | **50.737** | **103.084** | **-51%** |

## Cost of Sales

Costs of sales consist of materials (raw material and semi finished parts), subcontracting, labor, depreciation and other direct production expenses. They decreased from, kEUR 60.656 in 2008 up to kEUR 33.294 in 2009. Expressed as a percentage of total revenues, the cost of sales increased in 2009 from 59 % to 66% mainly due to a lower utilization of manufacturing equipment.

## Gross margin

The gross margin, expressed as a percentage of total revenues, decreased from 41 % in 2008 to 34% in 2009 as a result of increased cost of sales.

## Research and Development expenses

Research and development expenses amounted to kEUR 12.905 in 2009, representing 23 % of total revenue. Research and development expenses decreased with 15% mainly as a result of decreased personnel expenses and external development services. The research and development activities concentrate further on the development of Hall Sensors, Integrated Pressure and Acceleration Sensors and Gyroscopes, 16 bit microcontrollers, Infrared and Opto Sensors, Bus ICs and RF components.

According to IAS 38 Par. 54 all research costs must be charged to expense. Expenditure for development costs is also recognized as an expense when incurred and not capitalized, since not all criteria set forth by IAS 38. Par. 57 are met. Indeed as of today, the company has no analytical tools in place to distinguish on a reliable basis the research phase from the development phase.

## General, administrative and selling expenses

General, administrative and selling expenses consist mainly of salaries and salary related expenses, office equipment and related expenses, commissions, travel and advertising expenses. The general, administrative and selling expenses increased to 13.5% of total revenue during the first half of 2009 in comparison with the same period in 2008.

## Financial results

The net financial results decreased from kEUR 309 loss in the first half of 2008 to kEUR 11.421 loss in the first half of 2009. The (net) interest result increased from a loss of EUR 972.530 in the first half of 2008 to a loss of EUR 869.944 in the first half of 2009. The net exchange gains (both realized and unrealized) in the first half of 2009 amounted to a gain of EUR 175.792, compared to a loss of EUR 522.896 during the first half of 2008. The net result from treasury operations (diverse financial products) amounted in the first half of 2009 to a gain of EUR 216.984 in comparison to a gain of EUR 1.309.998 in the first half of 2008.

The financial result was in 1H2009 affected by an extraordinary loss of EUR 10.750.000 due to fair value adjustments of the CDO portfolio, consequently the CDO portfolio has 0 value on the balance sheet as per June 30 2009.

**Net income**

The company recorded a net loss for the first half of 2009 of kEUR 11.563.

## 7.3 Borrowings

### 7.3.1 Bank loans and overdrafts

| | 30th June 2009 EUR | 30th June 2008 EUR |
|---|---|---|
| Secured | - | 7.510.000 |
| Unsecured | - | - |
| Total | - | 7.510.000 |

### 7.3.2 Long and short term debts

| | 30th June 2009 EUR | 30th June 2008 EUR |
|---|---|---|
| **Secured loans** | | |
| Bank loan (in CHF) at floating interest rate (1), maturing in 2019 | 327.439 | 342.444 |
| Bank loan (in EUR) at floating interest rate (2), maturing in 2033 | 2.559.992 | 2.666.660 |
| Bank Loan (in USD) at fixed rate of 6 % (3), maturing in 2018 | 150.360 | 145.450 |
| Bank loan in (EUR) at floating interest rate (4), maturing in 2011 | 30.000.000 | 45.000.000 |
| Total secured loans | 33.037.791 | 48.154.554 |
| **Unsecured loans** | | |
| Unsecured loans, maturing in 2013 | 37.500.000 | 7.500.000 |
| Total unsecured loans | 37.500.000 | 7.500.000 |
| Total debt | 70.537.791 | 55.654.554 |
| Current maturities | 15.119.115 | 15.148.158 |
| Long-term portion of debts | 55.418.636 | 40.506.396 |

(1) The loan is secured by a mortgage on the building of Bevaix, Switzerland.

(2) a secured loan was concluded for an amount of EUR 3.200.000 to finance the construction of an office building. A mortgage of EUR 3.200.000 is given on the building project.

(3) a secured loan was concluded for an amount of USD 300.000. This loan is secured by a mortgage on real estate from Melexis Inc.

(4) a secured loan was concluded for an amount of EUR 75.000.000. This loan is secured by the assets of Melexis GmbH.

As of Jun 30, 2009 there are engagements for the following financial covenants:
For Melexis NV:

- net debt/EBITDA ratio ≤ 2
- tangible net worth/total assets ≥ 35%
- available cash flow/debt service ratio ≥ 110%

For Melexis Tessenderlo NV and Melexis GmbH on a combined basis:

- net debt/EBITDA ≤ 3

As per June 30, 2009 the covenant net debt/EBITDA for Melexis NV is in breach. The company is in negotiations with its banks to adapt its financial covenants.

## 7.4 Components deferred tax assets and liabilities

Components of deferred tax assets are as follows:

| | 1 January 2009 | Charged to income statement | Charged to equity | Cumulative Translation Adjustments | 30 June 2009 |
|---|---|---|---|---|---|
| | K EUR | K EUR | K EUR | K EUR | K EUR |
| Tax amortization charges | 8.837 | | | | 8.837 |
| Fair value adjustments financial instruments | 351 | -193 | | | 158 |
| Fair value adjustments hedge accounting | 493 | | 419 | | 912 |
| Impairment CDO | 1.445 | 3.654 | | | 5.099 |
| Tax losses | 425 | -27 | | | 398 |
| Total | 11.550 | 3.434 | 419 | | 15.404 |

Components of deferred tax liabilities are as follows:

| | 1 January 2009 | Charged to income statement | Charged to equity | Cumulative Translation Adjustments | 30 June 2009 |
|---|---|---|---|---|---|
| | EUR | EUR | | EUR | EUR |
| Miscellaneous | 371 | | | | 371 |
| Total | 371 | | | | 371 |

## 7.5 Intangible assets

30th June 2009

| | Licenses & know how | Total |
|---|---|---|
| | K EUR | K EUR |
| Acquisition value | | |
| Balance end of previous period | 7.880 | 7.880 |
| Additions of the period | 1.354 | 1.354 |
| Retirements(-) | | |
| Transfers | | |
| CTA | | |
| TOTAL | 9.234 | 9.234 |
| | | |
| Depreciation | - | - |
| Balance end of previous period | 7.414 | 7.414 |
| Additions of the period | 64 | 64 |
| Retirements(-) | | |
| Transfers | | |
| TOTAL | 7.478 | 7.478 |
| | | |
| NET BOOK VALUE | 1.756 | 1.756 |

In the second quarter of 2009 Melexis acquired Sensata's Vision business (Chapter 13. Acquisitions)

## 7.6 Property, plant and equipment

| June 30th 2009 | Land and buildings K EUR | Machinery and equipment K EUR | Furniture and vehicles K EUR | Fixed assets under Construction K EUR | Total K EUR |
|---|---|---|---|---|---|
| Cost: | | | | | |
| Beginning of the period | 22.864 | 99.603 | 4.732 | 2.000 | 129.200 |
| Additions of the year | | | 244 | 3.475 | 3.719 |
| Retirements | | -1.146 | | | -1.146 |
| Transfers | | | | | |
| CTA | | | | | |
| End of the period | 22.864 | 98.457 | 4.976 | 5.475 | 131.772 |
| Accumulated depreciation: | | | | | |
| Beginning of the period | 4.591 | 76.335 | 3.245 | - | 84.171 |
| Additions of the period | 431 | 3.156 | 128 | | 3.715 |
| Retirements | | -1.105 | | | -1.105 |
| Transfers | | | | | |
| CTA | | | | | |
| End of the period | 5.022 | 78.386 | 3.373 | | 86.781 |
| NET BOOK VALUE | 17.842 | 20.071 | 1.603 | | 44.991 |

In Erfurt, Germany, a new facility is under construction. Obsolete test equipment has been retired in the first half of 2009.

## 7.7 Non current assets

| | Half Year ended 30/06/2009 K EUR | Half Year ended 30/06/2008 K EUR | Year ended 31/12/2008 K EUR |
|---|---|---|---|
| Non Current Financial Assets | 0 | 0 | 10.750 |

As of June 30, 2009 the total of non current financial assets amounts to 0 EUR (10.750.000 EUR as per December 31, 2008), being management's best estimate of the fair value of the portfolio of "Collateralized debt obligations" (CDO's), which was acquired in the course of 2006 (for a total value of 15.000.000 EUR).

In accordance with IAS 39, the above financial instruments are measured at fair value. Management has concluded that the market for the above financial instruments is non active since 2007. Following IAS 39, (including § 48-48A, AG 71-79 and the IASB Expert Advisory Panel paper on "measuring and disclosing the fair value of financial instruments in markets that are no longer active") the company has established fair value using a valuation technique.

In 2008 management has come to the conclusion that the use of a valuation technique, using only inputs from observable markets, whereby valuation is obtained based upon the comparison of credit spreads, does no longer meet the objective of fair value measurement, in accordance with the accounting guidance. The value, resulting from the application of such a valuation technique, using only data from observable markets, would have amounted to 562,763.95 EUR (871.409 EUR as per December 31, 2008). In management's opinion and in applying judgment, such valuation technique insufficiently reflects relevant inputs which are not based on observable market data, such as estimated expected cash flows.

Therefore, for the first time as per December 31, 2008, Melexis has valued the CDO portfolio based on a valuation technique using data and inputs from observable markets (based on the ratings of underlying assets), as well as inputs that are not based on observable market data, in order to arrive at fair value. This valuation technique, which includes the expected recoverability of the investment at expected maturity date, has been consistently applied as per June 30, 2009 and results in a fair value of 0 EUR per June 30, 2009 (10.750.000 EUR as per December 31, 2008).

The inputs from observable markets include the ratings of the underlying assets (bonds and asset backed securities) and known defaults. Inputs that are not based on observable markets include following assumptions:

- expected ABS losses
- expected corporate losses
- anticipated recovery rates

As the above financial instrument contains embedded derivatives which can not be separately valued, the total investment is classified as a "held for trading" instrument, and the fair value adjustment of 10.750.000 EUR has been taken in the income statement of 2009.

As per December 31, 2008 is was also decided to reclassify this instrument from current asset to non-current asset, since it is not probable that the market will again be active within the next twelve months.

## 7.8 Derivatives

**Fair value**

The fair value of derivatives is based upon market to market valuations.

The following table presents an overview of the fair value of outstanding derivatives per category per 30 June 2009:

| | 30th June 2009 |
|---|---|
| Fair value of instruments through profit & loss | Fair value KEUR |
| Outstanding FX swaps per 30th June | (104) |
| Outstanding Interest swaps per 30th June | (360) |
| Outstanding Inflation swaps per 30th June | 391 |
| Total | (73) |

| Fair value of instruments through equity (hedge accounting IAS 39) | Fair value KEUR |
|---|---|
| Outstanding FX swap (hedged) per 30th June | - |
| Outstanding Interest swap (hedged) per 30th June | (2,684) |
| Outstanding Inflation swap (hedged) per 30th June | - |
| Total | (2,684) |

# 8. Financial Calendar

- Release of Q3-results on October 22nd , 2009
- Release of annual results 2009 on February 11th , 2010

# 9. Segment Information

Segment information is prepared on the following basis:

### A. Business Segments

The Melexis group conducts the majority of its business activities in the following two areas:

a) Automotive
b) Non-automotive (other)

### B. Geographical Segments

### Business segment data

| All amounts in k EUR | Automotive | Other | Unallocated | Total |
|---|---|---|---|---|
| | | | 30th June 2009 | |
| Product sales | 33.380 | 16.178 | | 49.558 |
| Other revenues | 860 | 319 | | 1.179 |
| COS | 22.410 | 10.884 | | 33.294 |
| R&D expenses | 8.686 | 4.219 | | 12.905 |
| G&A expenses | 3.557 | 1.727 | | 5.284 |
| Selling expenses | 1.612 | 783 | | 2.395 |
| Other operating expenses | | | | |
| Income from operations | | | | -3.141 |
| Financial results | | | -11.421 | -11.421 |
| Taxes | | | 2.999 | 2.999 |
| Net profit | | | | -11.563 |
| Segment assets | 62.902 | 30.486 | 44.380 | 137.769 |
| Capital expenditures | 3.577 | 1.734 | | 5.311 |
| Depreciation | 3.603 | 1.746 | | 5.349 |

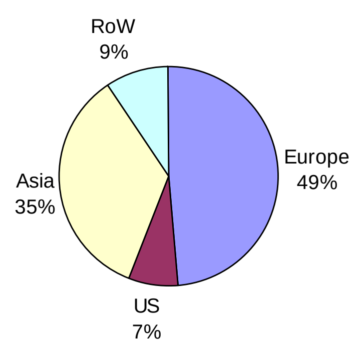
### Geographical segment data

| All amounts are in k EUR | Europe | US | Total |
|---|---|---|---|
| | | 30th June 2009 | |
| Revenue by origin | 50.730 | 7 | 50.737 |
| Segment assets | 136.937 | 832 | 137769 |

The following table summarizes sales by destination:

| | 30/06/09 K EUR | 30/06/08 K EUR | 31/12/08 K EUR |
|---|---|---|---|
| Europe | 24.719 | 43.832 | 77.992 |
| Germany | 10.769 | 20.276 | 34.980 |
| France | 1.928 | 6.010 | 10.425 |
| UK | 3.820 | 6.482 | 10.987 |
| Netherlands | 992 | 714 | 1.677 |
| Ireland | 1.573 | 2.134 | 4.028 |
| Poland | 1.345 | 1.971 | 3.794 |
| Switzerland | 794 | 1.765 | 3.113 |
| Czech Republic | 589 | 1.045 | 1.629 |
| Other | 2.909 | 3.434 | 7.359 |
| USA | 3.594 | 11.576 | 19.830 |
| Asia | 17.698 | 39.396 | 72.303 |
| Japan | 927 | 11.900 | 19.643 |
| China | 7.103 | 11.530 | 21.922 |
| Korea | 3.480 | 3.354 | 8.684 |
| Thailand | 2.617 | 6.277 | 12.904 |
| Philipinnes | 1.412 | 3.650 | 5.612 |
| Taiwan | 1.515 | 1.654 | 2.948 |
| Other | 645 | 1.031 | 590 |
| Rest of the world | 4.726 | 8.280 | 15.424 |
| Total | 50.737 | 103.084 | 185.549 |

## Sales per geography:



### Revenues by customer

The following table summarizes sales by customer for the 10 most important customers. It consists of the sales to the end customer and not to the subcontractors.

| | 30/06/09 % | 30/06/08 % | 31/12/08 % |
|---|---|---|---|
| Customer A | 11 | 14 | 15 |
| Customer B | 10 | 9 | 9 |
| Customer C | 10 | 6 | 7 |
| Customer D | 5 | 6 | 6 |
| Customer E | 4 | 5 | 4 |
| Customer F | 4 | 4 | 3 |
| Customer G | 4 | 3 | 3 |
| Customer H | 2 | 3 | 3 |
| Customer I | 2 | 2 | 3 |
| Customer J | 2 | 2 | 2 |
| TOTAL | 55 | 55 | 55 |

# 10. Seasonal effects

The operations and results of the group are not susceptible to seasonal effects

# 11. Related parties

## 11.1 Outstanding balances

### Receivables:

| | kEUR | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|---|
| Of | Elex | 17 | 4 | 9 |
| | XTRION | 122 | 103 | 117 |
| | Epiq group | 4.667 | 2.908 | 5.949 |
| | Xfab group | | 1.389 | 228 |
| | Xpeqt group | 805 | 739 | 731 |
| | Other | 35 | 15 | 52 |
| | Total | 5.646 | 5.160 | 7.086 |

**Payables:**

| To | KEUR | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|---|
| | Elex | 72 | 41 | 71 |
| | XTRION | 357 | 200 | 190 |
| | Epiq group | 318 | -13 | 220 |
| | Xfab group | 733 | 5.460 | 818 |
| | Xpeqt group | 829 | 1.081 | 1.036 |
| | Other | | 8 | 8 |
| | Total | 2.309 | 6.777 | 2.343 |

## 11.2 Sales/ purchases of goods and equipment

| Sales to (in KEUR) | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|
| Epiq group (mainly ICs) | 2.488 | 5.360 | 10.348 |
| Xpeqt group | | | 59 |
| Xfab group (mainly test & assembly services) | 366 | 305 | 1.174 |
| Elex | | | |

| Purchases from (in KEUR) | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|
| Xfab group (mainly wafers) | 12.735 | 33.435 | 59.133 |
| Epiq NV (mainly assembly) | 78 | 249 | 500 |
| Xpeqt group (mainly equipment and goods) | 229 | 2.069 | 2.699 |
| Xtrion (mainly IT infrastructure) | 62 | 168 | 238 |

## 11.3 Sales/purchases of services

| Sales to (in KEUR) | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|
| Elex (mainly R&D services and rent) | 9 | 9 | 18 |
| Xpeqt group (infrastructure office building) | 101 | 29 | 81 |
| X-Fab group (mainly R&D services) | | - | - |
| EPIQ group (infrastructure office building) | | - | 304 |

| Purchases from (in KEUR) | 30/06/09 | 30/06/08 | 31/12/08 |
|---|---|---|---|
| Xtrion N.V. (mainly IT and related support) | 428 | 415 | 888 |
| Elex N.V. (mainly IT and related support) | 19 | 21 | 30 |
| Epiq group | | - | 35 |
| Xpeqt group | 291 | 480 | 994 |
| Xfab group | 1.375 | 1.754 | 3.170 |

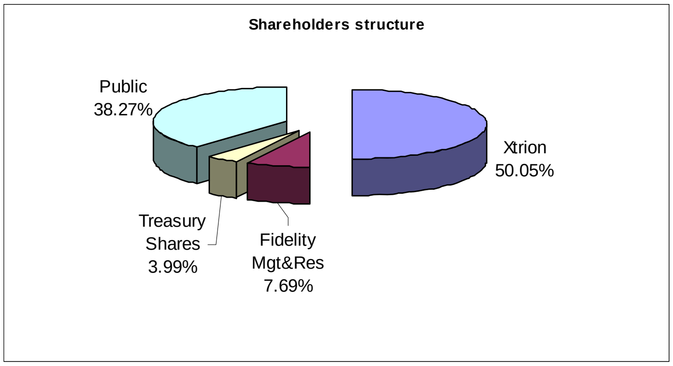
The Board of Directors and the Audit Committee have reviewed and analyzed the major transactions and concluded these transactions are within the normal course of business and therefore do not fall within the influence of art 523 and 524 of the Belgian Company Code and that there are sufficient elements to conclude that the remuneration is based on arm's length principles.

# 12. Shareholder Information

| | |
|---|---|
| Listing | **Euronext** |
| Reuters ticker | **MLXS.BR** |
| Bloomberg ticker | **MELE BB** |

## 12.1 Shareholder Structure

Situation on Jun 30, 2009




| Company | Number of Shares | Participation Rate |
|---|---|---|
| Xtrion | 21.644.399 | 50,05% |
| FMR Corp. | 3.325.000 | 7,69% |
| Treasury Shares | 1.725.943 | 3,99% |
| Public | 16.546.518 | 38,27% |
| Total | 43.241.860 | 100,00% |

## 12.2 Share Information

| | |
|---|---|
| First day of listing | 10 October 1997 |
| Number of shares outstanding on Jun 30, 2009 non-diluted | 43.241.860 |
| Weighted average number of shares on Jun 30, 2009 non-diluted | 41.516.928 |
| Number of shares outstanding on Jun 30, 2009 diluted | 43.241.860 |
| Weighted average number of shares on Jun 30, 2009 diluted | 41.516.928 |
| Market capitalization on Jun 30, 2009 | EUR 192.426.277 |

# 13. Acquisitions

Sensata Technologies and Melexis announced on April 2, 2009 the signing of an agreement to sell Sensata's Vision business to Melexis.

The Vision business already provides CMOS imagers and imaging modules to automotive advanced driver assistance systems for customers such as Bosch and Delphi.

Melexis strategic focus on automotive semiconductors and sensors renders this acquisition of immediate benefit to customers of its existing optoelectronic and imaging sensor products.

Melexis will pay a fixed amount per sold chip to Sensata for the next 5 years. The net present value of the expected future payments, based on expected sales, mainly relates to the acquired technology and has therefore been taken up as an intangible fixed asset.

# 14. Commitments and contingencies

Per June 30, 2009 Melexis is involved in 2 claims.

- Melexis is involved in a patent claim because another party was seeking compensation for IP related to a patent on magnetic angle sensing they acquired. As there is prior art on the domain, the Melexis technology was developed in house, the Melexis sensor is different in its functioning and protected by our own patents, Melexis saw no reason to entertain discussions on licensing with them. Therefore, Melexis is defending its position in court.
- Melexis Tessenderlo N.V. is involved in two related disputes with one and the same customer, one as claimant and one as defendant. The latter dispute, which has been rejected by Melexis, and the associated expenses of legal representation are covered by insurance. The legal expenses of the first are not of a magnitude that lies outside the ordinary.

The scope of neither of the two claims is of such a nature that they could jeopardize the Group's financial position.

# 15. Risk factors

Melexis is, as with any company, continuously confronted with – but not exclusively – a number of market and competition risks or more specific risks related to the company (eg. currency fluctuations, customer concentration, dependence on key personnel, product liability, IP or litigation). More information on risk factors can be found in the annual report 2008.

Melexis believes that the most noteworthy risks facing the company for the coming half year would be the general market conditions and the continued weakness of the financial sector.

# 16. Statutory Auditor's limited review opinion on the condensed consolidated interim financial information of Melexis NV for the six month period ending 30 June 2009

To the Board of Directors:

We have performed a limited review of the attached condensed consolidated interim financial information of the company MELEXIS NV and its subsidiaries, with total assets of 137.769 KEUR and a net loss of 11.563 KEUR for the six months ended 30 June 2009. The condensed consolidated interim financial information has been approved by the directors and has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU. The quarterly information included in the condensed consolidated interim financial information was not covered by our limited review.

The preparation of the condensed consolidated interim financial information and the assessment of its content, are within the responsibility of the Board of Directors. This responsibility includes amongst others: set up, implement and maintain appropriate internal controls over the preparation and the true and fair view of the condensed consolidated interim financial information, which does not contain material errors, as a result of fraud or errors; select and apply appropriate valuation rules for financial reporting and make accounting estimates which are reasonable in the given circumstances. Our responsibility is to issue a judgment on this interim financial information on the basis of our limited review.

Our limited review has been performed in accordance with the recommendations on limited review engagements as issued by the "Instituut der Bedrijfsrevisoren". A limited review consists mainly of making inquiries of management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the Auditing Standards on consolidated financial statements as issued by the "Instituut der Bedrijfsrevisoren" and accordingly we do not express an audit opinion.

On the basis of our review:

- we are of the opinion that the condensed consolidated interim financial information has been prepared in accordance with International Financial Reporting Principles as adopted in the EU; and

- we are not aware of any material modifications that should be made to the condensed consolidated interim financial information as of June 30th, 2009.

Zaventem, 29 July 2009
BDO Atrio Bedrijfsrevisoren Burg. CVBA (B023)
Statutory auditor
Represented by
Hans Wilmots and Gert Claes

# 17. Subsequent events

No subsequent events have occurred that would have a material impact on the condensed interim financial statements for the 6 months ended June 30, 2009.

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