



Melexis

Microelectronic Integrated Systems

HALF-YEAR REPORT 2013

www.melexis.com

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1

COMMENTS ON THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS PREPARED ACCORDING TO IFRS STANDARDS

1.1 Selected financial figures

The tables below set out the components of Melexis' operating income and operating expenses, as well as the key elements of the unaudited condensed consolidated interim statement of financial position.

Unaudited condensed consolidated interim statement of comprehensive income

In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 |
|---|----------------------------|----------------------------|
| Product sales | 127.768.580 | 120.244.878 |
| Revenues from research and development | 1.176.875 | 316.184 |
| Cost of sales | (69.673.531) | (64.219.798) |
| Gross margin | 59.271.924 | 56.341.264 |
| Research and development expenses | (20.437.671) | (18.929.479) |
| General and administrative expenses | (7.280.596) | (6.410.880) |
| Selling expenses | (3.479.376) | (3.932.196) |
| Other Operating Expenses (net) | - | - |
| Operating result (EBIT) | 28.074.280 | 27.068.709 |
| Financial results (net) | (675.212) | (561.222) |
| Result before Taxes | 27.399.068 | 26.507.487 |
| Income Taxes | (3.053.873) | (3.755.222) |
| Non-controlling interest | - | - |
| Net result of the period | 24.345.195 | 22.752.265 |
| Net profit of the group | 24.345.195 | 22.752.265 |
| Attributable to the owner of the parent | 24.345.195 | 22.752.265 |

Unaudited condensed consolidated interim statement of comprehensive income

In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 |
|-------------------------|----------------------------|----------------------------|
| Current Assets | 120.008.884 | 120.049.763 |
| Non current assets | 86.831.041 | 76.861.398 |
| Current liabilities | 32.346.268 | 64.305.676 |
| Non current liabilities | 19.812.064 | 5.282.788 |
| Equity | 154.681.592 | 127.322.697 |

1.2 Exchange rates

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 functional currency of Melexis NV and of its subsidiaries Melexis Technologies NV, Melefin NV, Melexis GmbH and Melexis BV is the Euro. The functional currency for Melexis Inc. is the United States Dollar (USD), for Melexis Ukraine the Ukrainian Hryvnia (UAH), for Melexis Bulgaria Ltd., the Bulgarian Leva (BGN), for Sentron AG and Melexis Technologies SA the Swiss franc (CHF), for the Philippine branch of Melexis NV the Philippine Peso (PHP), for the Chinese branch of Melexis NV in Hong Kong the Hong Kong Dollar and for Melexis Electronic Technology Co. Ltd

in Shanghai the Chinese Yuan, and for Melexis Japan the Japanese Yen is the measurement currency. Assets and liabilities of Melexis Inc., Melexis Technologies SA, Sentron AG, Melexis Ukraine, Melexis Bulgaria Ltd., Melexis Philippines, Melexis Electronic Technology (Shanghai) Co. Ltd, Melexis Hong Kong and Melexis Japan are translated at exchange rates at the end of the reporting period. 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' (CTA) in the statement of financial position.

1.3 Results of operations

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Company's financial statements of prior years.

Revenues

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

In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 | % Change (Y-0-Y) |
|--------------|----------------------------|----------------------------|------------------|
| Sensors | 74.236.340 | 70.421.144 | 5 |
| Wireless | 8.352.773 | 6.620.261 | 26 |
| Actuators | 38.611.892 | 34.616.671 | 12 |
| Opto | 6.505.052 | 7.459.911 | -13 |
| Other | 1.239.397 | 1.443.074 | -14 |
| TOTAL | 128.945.454 | 120.561.062 | 7 |

Cost of Sales

Costs of sales consist of materials (raw material and semi finished parts), subcontracting, labor, depreciation and other direct production expenses. They increased from EUR 64.219.798 in 2012 up to EUR 69.673.531 in 2013.

Expressed as a percentage of sales, the cost of sales was 54% in 2013 compared to 53% in 2012.

Gross margin

The gross margin, expressed as a percentage of sales, was 46% in 2013 compared to 47% in 2012.

Research and Development expenses

Research and Development expenses amounted to EUR 20.437.671 in 2013, representing 16% of sales. The research and development activities concentrate further on research and development of Hall Effect Sensors, MEMS Sensors and Signal Conditioning Interface Sensors, Motor Control IC's and LIN Slaves, Infrared and Opto Sensors, and Wireless IC's.

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 by 4% compared to 2012, mainly as a result of increased selling expenses and increased investment in general supporting activities.

Financial results

The net financial results decreased from EUR 561.222 loss in the first half of 2012 to EUR 675.212 loss in the first half of 2013. The (net) interest result increased from a loss of EUR 973.528 in 2012 to a loss of EUR 94.517. The net exchange gains (both realized and unrealized) in 2012 amounted to a gain of EUR 474.698, compared to a gain of EUR 141.054 during 2013.

Net income

The company recorded a net income for the first half of 2013 of EUR 24.345.195 compared to EUR 22.752.265 in the first half of 2012. This positive result is mainly caused by a sales increase of 6%.

1.4 Liquidity, Working Capital and Capital Resources

Cash and cash deposits amounted to EUR 16.425.803 as of June 30, 2013, in comparison to EUR 21.316.624 as of December 31, 2012.

In the first half year of 2013, operating cash flow before working capital changes amounted to EUR 32.820.155. Working capital changes in the first half year of 2013 resulted in a net operating cash flow of EUR 21.858.880.

The cash flow from investing activities was negative for an amount of EUR 12.143.423.

The cash flow from financing activities was negative for an amount of EUR 14.599.217.

1.5 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 2012.

Melexis believes that the most noteworthy risks facing the company for the coming half year would be the volatility in supply and demand, and fluctuations in the USD exchange rate.

1.6 Events after the balance sheet date

There are no events after the balance sheet date.

1.7 Statement of the Board of Directors

The board of directors of Melexis certifies, on behalf and for the account of the company, that, to their knowledge, (a) the unaudited condensed consolidated interim financial statements which have been prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole and (b) the comments on the consolidated accounts include a fair review of the development and performance of the business and the position of the company and the entities included in the consolidation as a whole, together with a description of the principal risks and uncertainties they face.

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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Unaudited condensed consolidated interim statement of financial position

In Euro

| | | | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---------------------------------|--|--------------|-------------------------------|--------------------------|
| ASSETS | | | | |
| Current assets | Cash and Cash equivalents | Note 3.6.5 A | 16.425.803 | 21.316.624 |
| | Current investments | Note 3.6.5 B | 4.697.679 | 3.927.971 |
| | Accounts receivable -trade | | 39.386.869 | 35.359.131 |
| | Accounts receivable -related companies | | 9.254.129 | 636.298 |
| | Assets for current tax | | 4.640.947 | 5.466.515 |
| | Inventories | | 38.625.231 | 38.358.513 |
| | Other current assets | | 6.978.225 | 8.002.030 |
| Total current assets | | | 120.008.884 | 113.067.082 |
| Non current assets | Intangible assets | | 1.691.470 | 2.113.452 |
| | Property, plant and equipment | Note 3.6.5 C | 65.540.250 | 60.003.867 |
| | Financial assets | | 30.100 | 30.100 |
| | Other non-current assets | | 5.336.056 | 5.550.948 |
| | Deferred tax assets | Note 3.6.5 D | 14.233.165 | 14.805.031 |
| Total non current assets | | | 86.831.041 | 82.503.399 |
| TOTAL ASSETS | | | 206.839.924 | 195.570.481 |

In Euro

| | | | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|--|---|--------------|-------------------------------|--------------------------|
| LIABILITIES | | | | |
| Current liabilities | Bank loans and overdrafts | | - | - |
| | Derivative financial instruments | Note 3.6.5 E | 868.779 | 1.103.278 |
| | Current portion of long-term debt | Note 3.6.5 F | 4.147.193 | 34.648.086 |
| | Accounts payable - trade | | 11.053.058 | 12.329.208 |
| | Accounts payable - related companies | | 6.630.012 | 4.680.441 |
| | Accrued expenses, payroll and related taxes | | 5.019.617 | 4.262.582 |
| | Accrued taxes | | 2.758.051 | 3.571.967 |
| | Provisions | | - | - |
| | Other current liabilities | Note 3.6.5 G | 1.120.100 | 1.374.241 |
| | Deferred income | | 749.459 | 580.617 |
| Total current liabilities | | | 32.346.268 | 62.550.420 |
| Non current liabilities | Long-term debt less current portion | Note 3.6.5 F | 18.229.171 | 2.328.387 |
| | Other non current liabilities | Note 3.6.5 H | 1.582.893 | 1.414.572 |
| | Deferred tax liabilities | Note 3.6.5 D | - | - |
| Total non current liabilities | | | 19.812.064 | 3.742.959 |
| Shareholders' capital | | | 564.814 | 564.814 |
| Share premium | | | - | - |
| Reserve treasury shares | | | (3.817.835) | (3.817.835) |
| Revaluation reserve hedge | | | (240.030) | (607.786) |
| Revaluation reserve fair value | | | 864.944 | 72.824 |
| Legal reserve | | | 56.520 | 56.520 |
| Retained earnings | | | 133.262.048 | 81.732.689 |
| Result of the period ended | | | 24.345.195 | 51.529.359 |
| Cumulative translation adjustment | | | (364.534) | (263.955) |
| Equity attributable to company owners | | | 154.671.121 | 129.266.629 |
| Non controlling interest | | | 10.471 | 10.471 |
| Total equity | | | 154.681.592 | 129.277.100 |
| TOTAL LIABILITIES | | | 206.839.924 | 195.570.481 |

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

2.2 Unaudited condensed consolidated interim statement of profit and loss

In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 |
|--|----------------------------|----------------------------|
| Product sales | 127.768.580 | 120.244.878 |
| Revenues from research and development | 1.176.875 | 316.184 |
| Cost of sales | (69.673.531) | (64.219.798) |
| Gross margin | 59.271.924 | 56.341.264 |
| Research and development expenses | (20.437.671) | (18.929.479) |
| General and administrative expenses | (7.280.596) | (6.410.880) |
| Selling expenses | (3.479.376) | (3.932.196) |
| Other Operating Expenses (net) | - | - |
| Result from operations (EBIT) | 28.074.280 | 27.068.709 |
| Financial income | 1.252.584 | 3.579.872 |
| Financial charges | (1.927.796) | (4.141.094) |
| Other expenses (net) | - | - |
| Result before Taxes | 27.399.068 | 26.507.487 |
| Income Taxes | (3.053.873) | (3.755.222) |
| Non controlling interest | - | - |
| Net result of the period | 24.345.195 | 22.752.265 |
| Earnings per share non-diluted | 0,60 | 0,54 |
| Earnings per share diluted | 0,60 | 0,54 |

The accompanying notes to this unaudited consolidated interim income statement form an integral part of these consolidated financial statements.

2.3 Unaudited condensed consolidated interim statement of comprehensive income

In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 |
|---|----------------------------|----------------------------|
| Net result | 24.345.195 | 22.752.265 |
| Cumulative translation adjustment | (100.580) | 54.245 |
| Hedge reserves | 367.757 | (1.626) |
| Fair value adjustments through equity | 792.120 | (797.546) |
| Total other comprehensive income | 1.059.296 | (744.927) |
| Total comprehensive income/ (loss) for the period | 25.404.491 | 22.007.338 |
| Total comprehensive income attributable to: Attributable to owners of the parent | 25.404.491 | 22.007.338 |
| Non controlling interest | - | - |

The unaudited consolidated interim statements were approved and authorized for issue by the Board of Directors on 29 July 2013 and were signed on its behalf by Françoise Chombar.



Françoise Chombar
Managing Director, Chief Executive Officer (CEO)

A handwritten signature in black ink, appearing to be 'F. Chombar', with a long horizontal stroke at the end.

2.4 Unaudited condensed consolidated interim statement of changes in equity

In Euro

| | Number of Shares | Share Capital | Share Premium | Legal Reserve |
|---------------------------------------|-------------------|----------------|---------------|---------------|
| December 31, 2011 | 43.241.860 | 564.814 | - | 56.520 |
| Net Result | | | | |
| CTA Movement | | | | |
| Hedge Reserves | | | | |
| Fair Value Adjustments Through Equity | | | | |
| Other comprehensive income | - | - | - | - |
| Dividend | | | | |
| Reserve Treasury Shares | | | | |
| Non Controlling Interest | | | | |
| Destruction own shares | (2.841.860) | | | |
| Transactions impacting shareholders | (2.841.860) | - | - | - |
| June 30, 2012 | 40.400.000 | 564.814 | - | 56.520 |
| Net Result | | | | |
| CTA movement | | | | |
| Hedge reserves | | | | |
| Fair Value Adjustments Through Equity | | | | |
| Other comprehensive income | - | - | - | - |
| Dividend | | | | |
| Reserve treasury shares | | | | |
| Non controlling interest | | | | |
| Destruction own shares | | | | |
| Transactions impacting shareholders | - | - | - | - |
| December 31, 2012 | 40.400.000 | 564.814 | - | 56.520 |
| Net Result | | | | |
| CTA Movement | | | | |
| Hedge Reserves | | | | |
| Fair Value Adjustments Through Equity | | | | |
| Other comprehensive income | - | - | - | - |
| Dividend | | | | |
| Reserve Treasury Shares | | | | |
| Non Controlling Interest | | | | |
| Destruction own shares | | | | |
| Transactions impacting shareholders | - | - | - | - |
| June 30, 2013 | 40.400.000 | 564.814 | - | 56.520 |

| Retained Earnings | Reserve Treasury Shares | Fair Value Adjustment Reserve | CTA | Non Controlling Interest | Total Equity |
|--------------------|-------------------------|-------------------------------|------------------|--------------------------|--------------------|
| 138.110.496 | (31.759.988) | 18.539 | 119.846 | 10.471 | 107.120.698 |
| 22.752.265 | | | | | 22.752.265 |
| | | | 54.245 | | 54.245 |
| | | (1.626) | | | (1.626) |
| | | (797.546) | | | (797.546) |
| - | - | (799.172) | 54.245 | - | (744.927) |
| | | | | | - |
| | 28.536.299 | | | | 28.536.299 |
| | | | | | - |
| (30.341.637) | | | | | (30.341.637) |
| (30.341.637) | 28.536.299 | - | - | - | (1.805.338) |
| 130.521.123 | (3.223.689) | (780.633) | 174.091 | 10.471 | 127.322.697 |
| 28.777.094 | | | | | 28.777.094 |
| | | | (438.045) | | (438.045) |
| | | (112.411) | | | (112.411) |
| | | 358.082 | | | 358.082 |
| - | - | 245.671 | (438.045) | - | (192.375) |
| (26.036.169) | | | | | (26.036.169) |
| | (594.146) | | | | (594.146) |
| | | | | | - |
| | | | | | - |
| (26.036.169) | (594.146) | - | - | - | (26.630.315) |
| 133.262.048 | (3.817.835) | (534.962) | (263.955) | 10.471 | 129.277.100 |
| 24.345.195 | | | | | 24.345.195 |
| | | | (100.580) | | (100.580) |
| | | 367.757 | | | 367.757 |
| | | 792.120 | | | 792.120 |
| - | - | 1.159.877 | (100.580) | - | 1.059.296 |
| | | | | | - |
| | - | | | | - |
| | | | | | - |
| | | | | | - |
| - | - | - | - | - | - |
| 157.607.243 | (3.817.835) | 624.914 | (364.535) | 10.471 | 154.681.592 |

Since November 2002, Melexis NV has given order to a bank to start a share buy back program.

In 2002 Melexis NV repurchased 530.000 shares and 428.482 in 2003 at an average price of EUR 5,73 in 2002 and EUR 5.43 in 2003. In 2004 Melexis NV repurchased 430.000 shares over-the-counter (OTC) at an average price of EUR 8,90, from which 310.000 shares were purchased from Elex NV. Melexis NV also repurchased 969.658 shares at an average price of EUR 8,89 on the regulatory stock market. The total own shares in 2004 amounted to 1.399.658 shares representing 3,14% of the total outstanding shares. In accordance with IFRS, the treasury shares are presented as a deduction from equity. During the Extraordinary Shareholders meeting of April 20th, 2004 it was decided to cancel 1.034.805 treasury shares, bringing the total outstanding shares to 44.565.195 at the end of 2004. Melexis NV Extraordinary Shareholders Meeting of October 4th, 2004 decided to increase the capital, bringing it from EUR 565.197 to EUR 32.821.102, by means of incorporation in the capital of the issue premiums for an amount of EUR 32.255.905. It was then decided to decrease the capital by an amount of EUR 32.256.288, by repayment to each existing share of an amount of EUR 0,72. It was also decided to pay an additional gross dividend to the shareholders of EUR 0,28 per share. During the extraordinary Shareholders Meeting of July 14th, 2005, it was decided to cancel 1.323.335 Treasury shares, bringing the total outstanding shares to 43.241.860 at the end of 2005. During the year 2006 Melexis NV repurchased 406.378 shares at an average price of EUR 12,48. No purchases of own shares were done during 2007. During the years 2006 and 2007 no own shares have been cancelled. As such, at the end of the year 2007 the total number of outstanding shares is still 43.241.860.

During the year 2008 Melexis NV and Melexis Tessenderlo NV repurchased 1.245.335 shares at an average price of EUR 9,78. In 2009 Melexis Tessenderlo NV repurchased 22.230 shares at an average price of EUR 4,98.

In 2010 Melexis Tessenderlo NV repurchased 349.602 shares at an average price of EUR 11,47.

Total own shares at the end of 2010 amount to 2.075.545 representing 4,80% of the total outstanding shares.

In 2011 Melexis Technologies NV repurchased 923.019 shares at an average price of EUR 10,92. Total own shares at the end of 2011 amount to 2.998.564 representing 6,93% of the total outstanding shares.

In 2012 Melexis Technologies NV sold all shares in it's possession to Melexis NV. During the extraordinary shareholder's meeting on April 20, 2012 it was decided to cancel 2.841.860 treasury shares, bringing the total outstanding shares to 40.400.000 shares. Melexis NV purchased an additional 189.437 shares at an average price of EUR 11,47. Total own shares at the end of 2012 amount to 346.141, representing 0,86% of the total outstanding shares.

During the first half of 2013 no purchases of own shares were done. Consequently the total own shares at the end of June 2013 is still 346.141, representing 0,86% of the total outstanding shares.

2.5 Unaudited condensed consolidated interim statement of cash flow

In Euro (indirect method)

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net result | 24.345.195 | 51.529.359 |
| Adjustments for operating activities: | - | - |
| Deferred taxes | 740.186 | 15.840 |
| Unrealized exchange results | (297.137) | 1.124.172 |
| Provisions | - | - |
| Government grants | 520.368 | 718.934 |
| Depreciations | 7.026.513 | 15.210.063 |
| Impairments | - | - |
| Financial results | 485.030 | (282.031) |
| Operating profit before working capital changes | 32.820.155 | 68.316.337 |
| Accounts receivable, net | (4.079.545) | 2.345.629 |
| Other current assets | 2.645.835 | (8.165.483) |
| Other non-current assets | 212.679 | (616.682) |
| Due to related companies | 1.949.571 | (436.147) |
| Due from related companies | (8.617.831) | 86.361 |
| Accounts payable | (1.273.206) | 4.173.435 |
| Accrued expenses | 1.811.205 | 2.903.887 |
| Other current liabilities | (249.677) | (1.690.430) |
| Other non-current liabilities | (65.657) | (1.351.234) |
| Inventories | (1.111.801) | (4.496.907) |
| Interest paid | (322.950) | (2.000.447) |
| Income tax paid | (1.859.898) | (3.612.411) |
| Net cash from operating activities | 21.858.880 | 55.455.908 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Financial fixed assets (incl. own shares) | | - |
| Purchase of property, plant and equipment and intangible assets | (11.522.150) | (20.749.184) |
| Interests received | 148.436 | 1.220.454 |
| Investments, proceeds from current investments | (769.709) | 677.339 |
| Acquisition of subsidiary | | - |
| Net cash used in investing activities | (12.143.423) | (18.851.391) |

Unaudited condensed consolidated interim statement of cash flow (continued)

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment to acquire own shares | | (2.399.485) |
| Repayment from long-term debts | (14.599.217) | (4.647.682) |
| Proceeds of long-term debts | | - |
| Repayment of bank loans and overdrafts | | - |
| Proceeds from (repayment of) related party financing | | - |
| Dividend payment | - | (26.036.169) |
| Capital decrease | | - |
| Minorities | | - |
| Destruction of shares | | - |
| Net cash used in financing activities | (14.599.217) | (33.083.336) |
| Effect of exchange rate changes on cash | (7.061) | (10.957) |
| (Decrease) increase in cash | (4.897.882) | 3.521.182 |
| Cash at beginning of the period | 21.316.624 | 17.806.399 |
| Cash at the end of the period | 16.425.803 | 21.316.624 |
| Cash at the end of the period minus cash at the beginning of the period | (4.890.821) | 3.510.225 |

The accompanying notes to this statement of cash flows form an integral part of the consolidated financial statements.

2.6 Notes to the unaudited condensed consolidated interim financial statements

2.6.1 General

Melexis NV is a limited liability company incorporated under Belgian law. The company has been operating since 1989. The company designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. The company sells its products to a wide customer base in the Automotive Industry in Europe, Asia and North America.

The Melexis group of companies employed, on average 822 people at the end of June in 2013 and 794 in 2012.

The registered office address of the Group is located at Rozendaalstraat 12, 8900 Ieper, Belgium.

The consolidated statements were authorized for issue by the Board of Directors subsequent to their meeting held on July 29th, 2013 in Tessenderlo.

2.6.2 Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the company as at and for the year ended

31 December 2012. Melexis has not applied early any new IFRS requirements that are not yet effective in 2013.

2.6.3 Summary of Significant Accounting Policies

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2012, except as described below.

Adoption of new and revised standards and interpretations

During the current financial year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are approved by the EU and relevant to its operations and effective for the accounting year starting on January 1, 2013. The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2013.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current period:

- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards (Amendment March 2012) — Amendments for government loan with a below-market rate of interest when transitioning to IFRSs
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Amendments related to the offsetting of assets and liabilities
- IFRS 13 - Fair Value Measurement - Original Issue May 2011
- IAS 1 Presentation of Financial Statements (Amendment June 2011) — Amendments to revise the way other comprehensive income is presented
- IAS 19 - Employee Benefits (Amendment June 2011) — Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects
- IAS 27 - Consolidated and Separate Financial Statements — Reissued as IAS 27 Separate Financial Statements (May 2011)
- IAS 28 - Investments in Associates — Reissued as IAS 28 Investments in Associates and Joint Ventures (May 2011)

- IFRIC 20 - Stripping Cost in the Production Phase of Surface Mine

The adoption of this amendment has not led to major changes in the Group's accounting policies.

Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per June 30, 2013.

- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 9 - Financial Instruments — Classification and Measurement (Original issue November 2009)
- IFRS 9 - Financial Instruments — Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (October 2010)
- IFRS 9 - Financial Instruments (Amendment December 2011) — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 10 - Consolidated Financial Statements – Original Issue May 2011
- IFRS 10 - Consolidated Financial Statements (Amendment June 2012) – Amendments to transitional guidance
- IFRS 10 - Consolidated Financial Statements (Amendment October 2012) – Amendments for investment entities
- IFRS 11 - Joint Arrangements - Original Issue May 2011
- IFRS 11 - Joint Arrangements (Amendment June 2012) – Amendments to transitional guidance
- IFRS 12 - Disclosure of Interests in Other Entities - Original Issue May 2011
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment June 2012) – Amendments to transitional guidance
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment October 2012) – Amendments for investment entities
- IAS 27 - Consolidated and Separate Financial Statements (Amendment October 2012) — Amendments for investment entities
- IAS 32 - Financial Instruments: Presentation (Amendment December 2011) — Amendments relating to the offsetting of assets and liabilities
- IAS 36 – Impairment of Assets (Amendment May 2013) — Recoverable Amounts Disclosures for Non-Financial Assets
- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment June 2013) — Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 – Levies (May 2013)

None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1st July 2013 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

2.6.4 Changes in Group's Organization

There have been no changes in the group structure during 2013.

2.6.5 Notes

A. CASH AND CASH EQUIVALENTS

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|--------------------------|----------------------------|-----------------------|
| Cash at bank and in hand | 16.425.803 | 21.316.624 |
| Cash equivalents | - | - |
| Total | 16.425.803 | 21.316.624 |

B. CURRENT INVESTMENTS

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---------------------|----------------------------|-----------------------|
| Current investments | 4.697.679 | 3.927.971 |

| June 30 th Detailed current investments | Cost | Fair value |
|---|------------------|------------------|
| Assets held to maturity | - | - |
| Assets available for sale | 3.806.394 | 4.671.338 |
| Derivatives (Note 3.6.5 E) | - | 26.341 |
| Total | 3.806.394 | 4.697.679 |

In principle, Melexis' current investments are classified as assets available for sale. According to IAS 39, the difference between the purchase price and the fair value of current investments classified as available for sale is recognized directly into equity under 'Revaluation reserve Fair value'. As of June 30, 2013 this fair value adjustment resulted in a profit (increase of equity) amounting to EUR 864.944. The fair value of these assets amounted to EUR 4.671.338.

Melexis' financial derivatives with a positive market value are classified as assets at fair value through profit and loss. The fair value changes for those derivatives where no hedge accounting is applicable are immediately recognized in the statement of comprehensive income. As of June 30, 2013 the fair value of the financial derivatives recognized as asset under current investments amounted to EUR 26.341.

A detailed overview of the outstanding derivatives, categorized under current investments, can be found in Note E.

As of June 30, 2013 Melexis had no assets in portfolio classified as investments held to maturity.

C. PROPERTY, PLANT AND EQUIPMENT

In Euro (30th June 2013)

| | Land & buildings | Machinery & equipment | Furniture & vehicles | Fixed assets under construction | Total |
|--|-------------------|-----------------------|----------------------|---------------------------------|--------------------|
| Cost: | | | | | |
| Balance end of previous period 31/12/2012 | 28.235.849 | 136.860.220 | 7.315.379 | 10.114.934 | 182.526.382 |
| Additions of the year | 269.992 | 5.713.289 | 884.629 | 4.957.308 | 11.825.218 |
| Retirements (-) | (47.553) | (997.397) | (610.942) | (121.780) | (1.777.672) |
| Transfers | 9.154.302 | 729.875 | - | (9.884.177) | - |
| CTA | (2.806) | 1.082 | 2.707 | - | 983 |
| Total as of June 30th 2013 | 37.609.784 | 142.307.069 | 7.591.773 | 5.066.285 | 192.574.911 |
| Accumulated depreciation: | | | | | |
| Balance end of previous period 31/12/2012 | 8.870.437 | 108.401.363 | 5.250.715 | - | 122.522.515 |
| Additions of the period | 607.312 | 4.814.205 | 431.755 | - | 5.853.272 |
| Retirements (-) | (23.094) | (756.604) | (556.791) | - | (1.336.489) |
| Transfers | - | - | - | - | - |
| CTA | (2.673) | (3.453) | 1.489 | - | (4.637) |
| Total as of June 30th 2013 | 9.451.982 | 112.455.511 | 5.127.168 | - | 127.034.661 |
| CARRYING AMOUNT AS OF JUNE 30TH 2013 | 28.157.802 | 29.851.558 | 2.464.605 | 5.066.285 | 65.540.250 |
| CARRYING AMOUNT AS OF DECEMBER 31ST 2012 | 19.365.412 | 28.458.857 | 2.064.664 | 10.114.934 | 60.003.867 |

Additions of the year mainly relate to test equipment.

Retirements: no material amount of compensation from third parties which have been included in the unaudited consolidated interim statement of comprehensive income.

D. COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets are as follows:

In Euro

| | 01/01/2013 | Charged To Income Statement | Charged To Equity | Other | Cumulative Translation Adjustments | 30/06/2013 |
|--|-------------------|-----------------------------|-------------------|----------|------------------------------------|-------------------|
| Tax amortization charges | 10.952.448 | (382.500) | | | | 10.569.948 |
| Fair value adjustments financial instruments | 45.471 | | | | | 45.471 |
| Fair value adjustments hedge accounting | 312.962 | | (189.366) | | | 123.596 |
| Tax losses and tax off-sets carried forward | 3.438.387 | | | | | 3.438.387 |
| Other | 55.763 | | | | | 55.763 |
| Total | 14.805.031 | (382.500) | (189.366) | - | - | 14.233.165 |

E. DERIVATIVES

Notional amounts

The following table presents the evolution of the aggregate notional amounts of the group's outstanding derivative financial instruments:

| | | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|-----|----------------------------|-----------------------|
| Outstanding FX hedge contracts, not exceeding 1 year | USD | 16.000.000 | 15.000.000 |
| | CHF | 10.420.000 | 10.420.000 |
| Outstanding Interest hedge contracts, exceeding 1 year | EUR | 15.000.000 | 15.000.000 |
| Outstanding Interest hedge contracts, not exceeding 1 year | EUR | - | 30.000.000 |
| Outstanding Inflation hedge contracts, exceeding 1 year | EUR | 15.000.000 | 15.000.000 |
| Outstanding Inflation hedge contracts, not exceeding 1 year | EUR | - | 8.400.000 |

FX hedge contracts are entered into in order to hedge (part of) the outstanding balance sheet exposure in foreign currency (USD/CHF).

Interest hedge contracts are entered into in order to hedge (part of) the group's borrowings at floating interest rate.

Inflation hedge contracts are entered into in order to hedge (part of) the salary inflation risk of the group.

Fair value

The fair value of derivatives is based upon mark to market valuations (input received from bank).

The following table presents an overview of the fair value of outstanding derivatives, classified as an asset under Current Investment, Derivates:

Fair Value in Euro

| Assets | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| Outstanding FX hedge contracts - in accordance with IFRS 7 - level 2 | 26.341 | - |
| Outstanding Inflation hedge contracts - in accordance with IFRS 7 - level 2 | - | 48.752 |
| Total, classified under Current investment (see also Note 3.6.5.B) | 26.341 | 48.752 |

These financial instruments are classified as financial assets at fair value through profit or loss.

The following table presents an overview of the fair value of outstanding derivatives, classified as a liability under Derivative financial instruments:

Fair Value in Euro

| Liabilities | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|-----------------------------------|------------------------------|
| Outstanding FX hedge contracts - in accordance with IFRS 7 - level 2 | - | (18.665) |
| Outstanding Interest hedge contracts - in accordance with IFRS 7 - level 2 | - | (60.859) |
| Outstanding Interest hedge contracts (hedge acc.) - in accordance with IFRS 7 - level 1 | (363.626) | (920.748) |
| Outstanding Inflation hedge contracts - in accordance with IFRS 7 - level 2 | (505.153) | (103.006) |
| Total, classified under derivative financial instruments | (868.779) | (1.103.278) |

The following table presents an overview of the fair value of outstanding derivatives, for which hedge accounting is applied as defined under IAS 39. Changes in the fair value of the hedging instrument are recognized in a hedging reserve, classified as 'Revaluation reserve Hedge'.

Fair Value in Euro

| Fair value of instruments through equity (hedge accounting IAS 39) | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|-----------------------------------|------------------------------|
| Outstanding FX hedge contracts | - | - |
| Outstanding Interest hedge contracts | (363.626) | (920.748) |
| Outstanding Inflation hedge contracts | - | - |
| Subtotal | (363.626) | (920.748) |
| Deferred tax asset | 123.596 | 312.962 |
| Total, classified under Revaluation reserve Hedge | (240.030) | (607.786) |

F. LONG AND SHORT TERM DEBTS

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| Secured Loans | | |
| Bank Loan (in CHF) at floating interest rate, average rate for 1H13 was 2.50% (1); maturing in 2019 | 243.044 | 289.820 |
| Bank Loan (in EUR) at floating interest rate, average rate for 1H13 was 1.55% (2); maturing in 2033 | 2.133.320 | 2.186.654 |
| Total secured loans | 2.376.364 | 2.476.474 |
| Unsecured Loans | | |
| Unsecured loans (in EUR) at floating interest rate, average rate for 1H13 was 1.55%, maturing in 2018 | 20.000.000 | 34.500.000 |
| Total unsecured loans | 20.000.000 | 34.500.000 |
| Total debt | 22.376.364 | 36.976.474 |
| Current maturities | 4.147.193 | 34.648.086 |
| Long-term portion of debts | 18.229.171 | 2.328.387 |

(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.

As per June 30, 2013 there are engagements for the following financial covenants:

For Melexis NV:

Net debt/EBITDA ratio $\leq 2,5$

Tangible net worth/total assets $\geq 35\%$

As per June 30, 2013 Melexis is respecting all its financial covenants.

G. OTHER CURRENT LIABILITIES

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|-------------------------------------|----------------------------|-----------------------|
| Accrued real estate withholding tax | 67.750 | 25.000 |
| Accrued financial services | 184.381 | 114.155 |
| Accrued design services | 326.214 | 768.120 |
| Accrued management services | 217.062 | 95.100 |
| Accrued interests | 12.125 | 42.282 |
| Accrued insurances | 129.878 | 4.000 |
| Other | 182.690 | 325.584 |
| Total | 1.120.100 | 1.374.241 |

The other current liabilities relates to services rendered by both third party suppliers and affiliated companies for which we did not receive an invoice yet. EUR 989.860 refers to

third party supplier services and EUR 130.240 refers to rendered services from affiliated companies.

H. OTHER NON CURRENT LIABILITIES

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|-----------------------------|----------------------------|-----------------------|
| Other non current Liability | 1.582.893 | 1.414.572 |
| Total | 1.582.893 | 1.414.572 |

The other non current liability relates to an obligation of repayment for subsidies. Melexis Erfurt received an investment grant for a planned investment project which ended at year end 2009. The allocation of subsidies is based on 'Joint agreement for the improvement of regional economic structures (GA)' and according 'European fund for regional development (EFRE)'. Since not all agreed criteria were met at the end of the investment period, there is a risk that Melexis Erfurt needs to repay the grant. The repayment of the investment grant threatens at the earliest in the financial year 2017. Because of the long-term character of the provision, a non current liability has been booked for the amount of KEUR 1.583.

I. OPERATING SEGMENTS

Business Segments

Operating segments are presented by business segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker. Melexis conducts the majority of its business activities in the following two areas:

- Automotive
- Non-automotive (other)

Operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, Melexis' management uses performance indicators such as Income from operations (EBIT) and Net result as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled to segment profit in the tables presented. The tables below provide the segment information per business segment in the format that is used by management to monitor performance.

Business segment data

In Euro

| Half Year Ended 30/06/2013 | Automotive | Other | Unallocated | Total |
|----------------------------|-------------------|----------------|--------------------|-------------------|
| Product Sales | 110.539.039 | 17.229.541 | - | 127.768.580 |
| Other revenues | 1.123.749 | 53.126 | - | 1.176.875 |
| COS | 57.841.324 | 11.832.207 | - | 69.673.531 |
| R&D expenses | 16.966.873 | 3.470.798 | - | 20.437.671 |
| G&A expenses | 6.044.179 | 1.236.417 | - | 7.280.596 |
| Selling expenses | 2.888.496 | 590.880 | - | 3.479.376 |
| Other operating expenses | - | - | - | - |
| Operational result | | | | 28.074.280 |
| Financial results | - | - | (675.212) | (675.212) |
| Taxes | - | - | (3.053.873) | (3.053.873) |
| Net result | 27.921.916 | 152.364 | (3.729.085) | 24.345.195 |
| Segment assets | 128.835.758 | 20.082.747 | 57.921.419 | 206.839.924 |
| Segment liabilities | 160.718.147 | 25.052.532 | 21.069.245 | 206.839.924 |
| Capital expenditures | 10.230.501 | 1.594.717 | - | 11.825.218 |
| Depreciations | 5.063.916 | 789.356 | - | 5.853.272 |

| Half Year Ended 30/06/2012 | Automotive | Other | Unallocated | Total |
|----------------------------|-------------------|------------------|--------------------|-------------------|
| Product Sales | 101.032.533 | 19.212.345 | - | 120.244.878 |
| Other revenues | 291.167 | 25.017 | - | 316.184 |
| COS | 52.283.029 | 11.936.769 | - | 64.219.798 |
| R&D expenses | 15.751.432 | 3.178.047 | - | 18.929.479 |
| G&A expenses | 5.334.566 | 1.076.315 | - | 6.410.880 |
| Selling expenses | 3.272.024 | 660.171 | - | 3.932.196 |
| Other operating expenses | - | - | - | - |
| Operational result | | | | 27.068.709 |
| Financial results | - | - | (561.222) | (561.222) |
| Taxes | - | - | (3.755.222) | (3.755.222) |
| Net result | 24.682.649 | 2.386.060 | (4.316.444) | 22.752.265 |
| Segment assets | 111.565.536 | 21.215.300 | 64.130.325 | 196.911.161 |
| Segment liabilities | 135.400.808 | 25.747.815 | 35.762.537 | 196.911.161 |
| Capital expenditures | 7.302.285 | 1.388.602 | - | 8.690.887 |
| Depreciations | 6.241.999 | 1.186.978 | - | 7.428.977 |
| Year ended 31/12/2012 | Automotive | Other | Unallocated | Total |
| Product Sales | 207.128.553 | 37.901.898 | - | 245.030.451 |
| Other revenues | 1.392.947 | 617.365 | - | 2.010.312 |
| COS | 108.431.180 | 23.133.403 | - | 131.564.583 |
| R&D expenses | 32.034.375 | 6.834.419 | - | 38.868.794 |
| G&A expenses | 10.837.285 | 2.312.096 | - | 13.149.381 |
| Selling expenses | 6.265.474 | 1.336.716 | - | 7.602.190 |
| Other operating expenses | - | - | - | - |
| Operational result | | | | 55.855.815 |
| Financial results | - | - | (924.672) | (924.672) |
| Taxes | - | - | (3.401.784) | (3.401.784) |
| Net result | 50.953.186 | 4.902.629 | (4.326.456) | 51.529.359 |
| Segment assets | 118.292.780 | 21.646.078 | 55.631.622 | 195.570.481 |
| Segment liabilities | 136.007.425 | 24.887.634 | 34.675.422 | 195.570.481 |
| Capital expenditures | 17.539.650 | 3.209.534 | - | 20.749.184 |
| Depreciations | 12.857.335 | 2.352.729 | - | 15.210.064 |

Information about transactions with major customers

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.

In%

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 | Year ended 31/12/2012 |
|--------------|----------------------------|----------------------------|-----------------------|
| Customer A | 16 | 17 | 17 |
| Customer B | 6 | 7 | 6 |
| Customer C | 5 | 5 | 5 |
| Customer D | 5 | 4 | 4 |
| Customer E | 4 | 4 | 4 |
| Customer F | 4 | 4 | 4 |
| Customer G | 3 | 3 | 3 |
| Customer H | 3 | 3 | 3 |
| Customer I | 2 | 3 | 3 |
| Customer J | 2 | 3 | 2 |
| TOTAL | 50 | 51 | 51 |

Information about geographical areas

The Melexis group's activities are conducted predominantly in Western Europe, Eastern Europe, Asia and the United States.

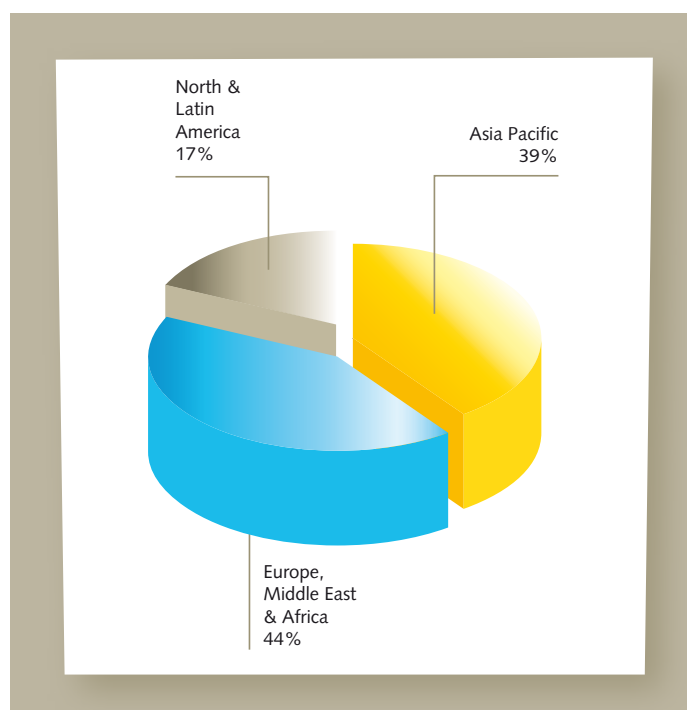
The table below shows the revenue by origin, this refers to the geographical area in which the entity, which has made the invoice towards the customer, is located.

In Euro

| Half Year Ended 30/06/2013 | Europe, Middle East and Africa | North and Latin America | Asia Pacific | Total |
|----------------------------|--------------------------------|-------------------------|--------------|-------------|
| Revenue by origin | 128.945.455 | - | - | 128.945.455 |
| Non current assets | 85.073.688 | 287.309 | 1.470.045 | 86.831.041 |
| Half Year Ended 30/06/2012 | Europe, Middle East and Africa | North and Latin America | Asia Pacific | Total |
| Revenue by origin | 120.561.062 | - | - | 120.561.062 |
| Non current assets | 75.144.190 | 292.931 | 1.467.624 | 76.904.745 |
| Year ended 31/12/2012 | Europe, Middle East and Africa | North and Latin America | Asia Pacific | Total |
| Revenue by origin | 247.040.763 | - | - | 247.040.763 |
| Non current assets | 80.780.687 | 303.349 | 1.419.363 | 82.503.399 |

Due to the fact that the production sites are mainly located in Europe, the assets are also centralized in Europe (see table above). In the other geographical areas outside Europe, mainly sales offices are located and therefore less assets are present.

The following table summarizes sales by destination (this refers to the geographical area in which the customer is located. Also equal to bill to address):



In Euro

| | Half Year Ended 30/06/2013 | Half Year Ended 30/06/2012 |
|---------------------------------------|----------------------------|----------------------------|
| Europe, Middle East and Africa | 57.363.554 | 53.702.193 |
| Germany | 26.160.593 | 25.300.077 |
| France | 3.150.300 | 2.834.283 |
| United Kingdom | 4.995.000 | 4.937.814 |
| Poland | 3.355.400 | 2.839.805 |
| Switzerland | 1.642.900 | 1.581.491 |
| Ireland | 2.290.300 | 1.879.801 |
| Czech Republic | 830.700 | 902.590 |
| Austria | 5.539.500 | 4.095.415 |
| Netherlands | 735.500 | 1.676.080 |
| Romania | 3.953.000 | 3.436.516 |
| Bulgaria | 595.200 | 313.725 |
| Spain | 914.500 | 729.561 |
| South Africa | 1.380.700 | 1.042.123 |
| Hungary | 280.000 | 711.338 |
| Italy | 553.900 | 493.400 |
| Other | 986.061 | 928.174 |
| North and Latin America | 21.796.600 | 22.383.333 |
| United States | 13.883.700 | 10.909.248 |
| Canada | 597.400 | 4.552.331 |
| Mexico | 6.418.800 | 5.626.932 |
| Brazil | 32.800 | 231.188 |
| Bermuda | 863.900 | 1.063.634 |
| Asia Pacific | 49.785.300 | 44.475.536 |
| Japan | 9.552.000 | 9.559.364 |
| China | 9.853.100 | 7.886.233 |
| Hong Kong | 4.503.100 | 4.646.189 |
| Thailand | 12.286.400 | 10.590.111 |
| Korea | 6.988.300 | 6.175.017 |
| Philippines | 841.600 | 598.141 |
| Taiwan | 2.534.800 | 2.159.610 |
| India | 1.377.400 | 1.052.284 |
| Singapore | 664.900 | 1.153.349 |
| Other | 1.183.700 | 655.238 |
| Total | 128.945.454 | 120.561.062 |

J. RELATED PARTIES

1. Shareholders' structure and identification of major related parties

Melexis NV is the parent company of the Melexis group that includes following entities which have been consolidated:

| | |
|---------------------------------------|-------------------|
| Melexis Inc | US entity |
| Melexis GmbH | German entity |
| Melexis Bulgaria Ltd. | Bulgarian entity |
| Melexis BV | Dutch entity |
| Melexis Ukraine | Ukraine entity |
| Melexis Technologies SA | Swiss entity |
| Melexis French branch | French branch |
| Sentron AG | Swiss entity |
| Melefin NV | Belgian entity |
| Melexis Technologies NV | Belgian entity |
| Melexis Philippine branch | Philippine branch |
| Melexis Japan | Japanese Entity |
| Melexis Hong Kong | Chinese branch |
| Melexis Electronic Technology Co. Ltd | Chinese entity |

The shareholders of Melexis NV are as follows:

Since January 1st, 2006, Xtrion NV is the main shareholder of Melexis NV, as a result of the partial split of Elex NV into Elex NV and Xtrion NV. Xtrion NV owns 53,58% of the outstanding Melexis shares. The shares of Xtrion are held directly and/or indirectly by Mr. Roland Duchâtelet, Mr. Rudi De Winter and Mrs. Françoise Chombar who are all directors at Melexis NV.

Elex NV is 99,9% owned by Roland Duchâtelet. One share is held by Mr. Roderick Duchâtelet.

Xtrion NV owns 59% of the outstanding shares of X-FAB Silicon Foundries SE, producer of wafers, which are the main raw materials for the Melexis products. X-FAB Silicon Foundries SE sells the majority of its products also to third parties.

Melexis, as in prior years, purchases part of its test equipment from the XPEQT Group. XPEQT Group develops, produces and sells test systems for the semiconductor industry. XPEQT Group is owned by Mr. Roland Duchâtelet (60%) and Mrs. Françoise Chombar (40%), CEO of Melexis NV.

During the half year 2013 no transactions took place which can create a potential conflict.

2. Outstanding balances at 30th June 2013

The following balances were outstanding:

Receivables of:

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|----------------|----------------------------|-----------------------|
| Elex | 1.991 | 2.726 |
| Xtrion | 9.196 | 9.196 |
| Fremach Dieppe | 143.070 | 135.975 |
| X-fab group | 9.069.423 | 476.663 |
| Xpeq group | 30.449 | 11.738 |
| Other | - | - |
| Total | 9.254.129 | 636.298 |

Payables to:

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|--------------|----------------------------|-----------------------|
| Elex | 63.491 | 61 |
| Xtrion | 96.947 | 80.699 |
| Epiq NV | (4) | (4) |
| X-fab group | 5.681.974 | 4.245.240 |
| Xpeq group | 787.604 | 354.446 |
| Other | - | - |
| Total | 6.630.012 | 4.680.441 |

Long term receivable:

In Euro

| | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|-------------|----------------------------|-----------------------|
| X-fab group | 208.226 | 298.904 |

3. Transactions during the year

In the course of the year, following transactions have taken place:

Sales/ purchases of goods and equipment

In Euro

| Sales to | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| Fremach Dieppe (mainly ICs) | 602.550 | 872.703 |
| Xpeq group | 821 | 1.040 |
| X-fab group (mainly test & assembly services) | - | 6.732 |

In Euro

| Purchases from | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| X-fab group (mainly wafers) | 39.082.698 | 71.220.552 |
| Fremach Dieppe | - | - |
| Xpeq group (mainly equipment and goods) | 2.629.109 | 3.937.611 |
| Xtrion (mainly IT infrastructure) | 226.884 | 209.014 |

Sales/purchases of services

In Euro

| Sales to | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| Elex (mainly R&D services and rent) | 10.390 | 18.785 |
| Xpeq group (infrastructure office building) | 55.719 | 124.314 |
| Epiq NV (infrastructure office building) | 9.000 | 18.000 |
| Xtrion (infrastructure office building) | 22.800 | 45.644 |
| X-fab group | 204.463 | 493.262 |

In Euro

| Purchases from | Half Year Ended 30/06/2013 | Year ended 31/12/2012 |
|---|----------------------------|-----------------------|
| Xtrion NV (mainly IT and related support) | 730.532 | 1.001.594 |
| Elex (mainly IT and related support) | 53.128 | 40.859 |
| Epiq NV | - | - |
| Xpeq group | 884.896 | 1.086.597 |
| X-fab group | 1.093.029 | 1.594.354 |

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 that there are sufficient elements to conclude that the remuneration is based on arm's length principles.

K. COMMITMENTS & ESTIMATED LIABILITIES

Purchase commitments

The group had commitments for a total of 2.660.864 EUR at June 30, 2013.

Estimated liability

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

Melexis agreed to purchase inventory and IP related to the Vision business. First a fixed amount of USD 372.000 has been paid in 2009 for the acquired assets (inventory); secondly, Melexis is bound to pay a fixed amount per sold Image sensor over a period of 5 years, started September 30, 2009 and ending at December 31, 2013. The latter estimated liability is accounted for as 'Accounts payable - trade' in the unaudited condensed consolidated interim statement of financial position. The liability at June 30, 2013, amounting to EUR 773.079, represents the net present value of the expected future payments towards Sensata, based on expected sales of the Image Sensor over the next 0.5 year.

L. BUSINESS COMBINATIONS

No business combinations occurred in the first half year of 2013, up to the date of publication of these interim financial statements.

M. LITIGATION

(1) 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 is defending its position in court. On December 9, 2010, the Federal Patent Court in Munich, the only competent German court for judging patent validity, rendered its verdict on the patent nullity case initiated by Melexis in March 2009 against the austriamicrosystems patent claim. In 1st instance, the Court declared all attacked patent claims (1-3 and 5-14) as null and invalid based on the prior art submitted by Melexis. This decision has been appealed at the Federal Supreme Court (Karlsruhe). The invalidation of all relevant claims of the austriamicrosystems patent takes away the basis for the earlier judgment in the parallel patent infringement case judged in Düsseldorf on May 10, 2010 (1st instance) and against which Melexis has lodged an appeal with the Higher Regional Court of Düsseldorf.

(2) Melefin NV (a daughter company of Melexis NV) has taken KBC Bank to court in relation with a dispute regarding an investment by Melexis in CDO's issued by KBC Bank. Melexis invested in 2006 15 million euro in these CDO's. By 2009, Melexis had to write off the full investment as the underlying assets had no more value. Melexis requests the full repayment of the initial investment and the lost interest income. The case was judged in the court of Hasselt on 14 November 2012 in favour of KBC bank, against which Melexis has appealed with the Supreme Court of Antwerp.

3

SHAREHOLDER INFORMATION

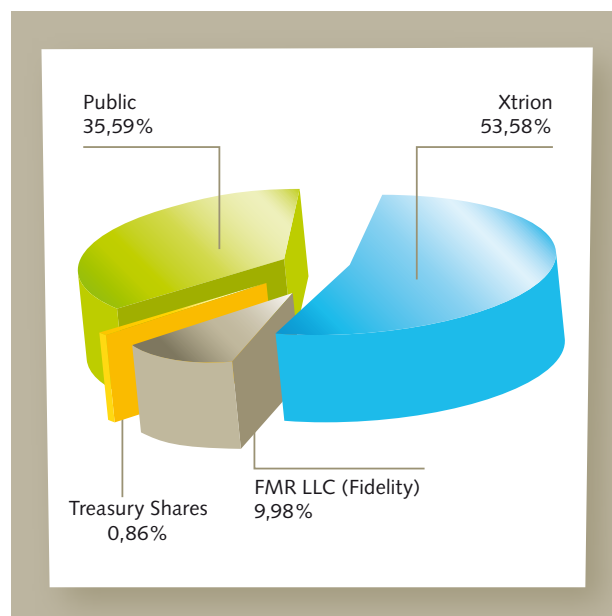
- Listing
- Reuters ticker
- Bloomberg ticker

Euronext
MLXS.BR
MELE BB

3.1 Shareholder structure

Situation on June 30, 2013.

| Company | Number of Shares | Participation Rate |
|--------------------|-------------------|--------------------|
| Xtrion | 21.644.399 | 53,58% |
| FMR LLC (Fidelity) | 4.032.132 | 9,98% |
| Treasury Shares | 346.141 | 0,86% |
| Public | 14.377.328 | 35,58% |
| Total | 40.400.000 | 100,00% |



3.2 Shareholder contact info

Investor Relations

Phone: +32 13 67 07 79

Fax: +32 13 67 21 34

Rozendaalstraat 12, B-8900 Ieper, Belgium

www.melexis.com/investor.asp

3.3 Financial calendar 2013

Announcement of Q3 results October 16th, 2013

Announcement of Full Year Results February 5th, 2014

3.4 Dividend

Gross (interim-) dividend paid out per share in

1999: EUR 0,30 interim dividend

2002: EUR 0,50 interim dividend

2003: EUR 0,50 interim dividend

2004: EUR 0,2762 dividend and EUR 0,7238 capital decrease

2005: EUR 0,50 interim dividend

2006: EUR 0,50 interim dividend

2007: EUR 0,60 interim dividend

2008: EUR 0,60 interim dividend

2010: EUR 0,30 interim dividend

2011: EUR 0.60 interim dividend

2012: EUR 0.65 interim dividend

The Board of Directors decided to pay out an interim dividend of 0,70 EUR gross per share, payable as from October 24, 2013.

4

STATUTORY AUDITOR'S LIMITED REVIEW OPINION ON THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF MELEXIS NV FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2013

Statutory auditor's report to the Board of Directors of Melexis NV on the review of consolidated interim financial information for the six-month period ended 30 June 2013

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Melexis NV as of 30 June 2013 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.


Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 28 August 2013



BDO Bedrijfsrevisoren Burg. Ven. CBVA
Statutory auditor
Represented by Veerle Catry

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GLOSSARY

Earnings per share

Profit attributable to equity holders of Melexis divided by the weighted average number of ordinary shares.

Earnings per share diluted

Profit attributable to equity holders of Melexis divided by the fully diluted weighted average number of ordinary shares.

Revenue

Product sales + Revenues from Research and Development

EBIT (Earnings Before Interests and Taxes)

Turnover/Sales – Cost of sales – Research and development expenses – General and administrative expenses – Selling expenses – Other operating expenses

EBITDA (Earnings Before Interests and Taxes + Depreciation, amortization and impairment)

EBIT + depreciation, amortization and impairment.

Shareholders' equity

Shareholders' capital + retained earnings (inclusive current year's result) +/- reserves (reserve treasury shares, revaluation reserve hedge, revaluation reserve fair value, legal reserve) +/- Cumulative translation adjustment.

Net Indebtedness

Current portion of long-term debt + long-term debt less current portion + bank loans and overdrafts – current investments - cash and cash equivalents

Working capital

(Total current assets – Cash and cash equivalents - current investments) – (current liabilities – bank loans and overdrafts – current portion of long-term debt – derivative financial instruments)

Net cash from operating activities

Net Result +/- adjustments for operating activities +/- changes in working capital

Capital expenditure

Investments in Property, Plant and Equipment

ROE (Return On Equity)

Net Income/Shareholders' equity

Liquidity

Current assets/current liabilities

Solvency

Shareholders' equity/total assets

