



## **Melexis reports results for the first quarter 2006.**

leper, Belgium - May 3rd 2006

Revenues for the first quarter were 51.2 million EUR, an increase of 28 % compared to the same quarter of the previous year.

Gross margin was 21.5 million EUR , an increase of 29 % compared to the same quarter last year.

The operating result was at 11.3 million EUR, an increase of 43% compared to the same quarter the previous year.

Net profit was 8.7 million EUR, 20 cent per share, an increase of 28 % over the same quarter in 2005.

R&D expenses were at 13.3 % of sales, Selling and G&A were stable at 7 % of sales.

At the end of January 2006, Melefin NV, a daughter company of Melexis NV, sold Melexis Tessenderlo NV to Melexis GmbH. This purchase is financed by a long term bank loan for an amount of 75 million EUR.

For the second quarter 2006, we expect sales to be stable compared to the first quarter.

Rudi De Winter comments : "I am very glad with this exceptional growth of 7% sequentially and 28% year on year. We realized growth in all business divisions and Melexis is growing both in the automotive and non-automotive segment. Melexis will continue its strategy to invest in automotive innovative products such as contactless sensing technologies. We want to further increase market share with high added value products that have long product cycles."

The company's results will be discussed in a conference call on Wednesday 3th of May at 17h CET. You can call in at the following number: +32 (0)2 290 1407 and quote 'Melexis'. A replay number for this call is available for 5 days after the end of the meeting. The replay number for this call is: +32 (0)2 290 1705 access code: 702009.

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Prices, price and availability of silicon foundry, assembly and test subcontract capacity required to meet financial targets and/or meet backlog requirements, risks and delays associated with bringing up new production capabilities or with deliveries from subcontractors, timing and market acceptance of new products, increased expenses associated with new product acceptance of new products, increased expenses associated with new product introductions of process changes, delays indeveloping or achieving volume production of new products, which can result in delays or failure to contribute to revenues and profits, ability of the Company to maintain its customer and vendor base and delays in and/or inability in raising additional capital.

## About Melexis

Melexis Microelectronic Integrated Systems N.V. (Euronext Brussels: MELE) designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry.

The company sells its products to a wide customer base of Original Equipment Manufacturers (OEM's) of automotive equipment in Europe and North America.

Melexis' main products are automotive microcontrollers, Hall (magnetic) sensor ICs, interface ICs for pressure and acceleration sensors, integrated silicon pressure sensor chips, application specific integrated circuits (ASICs) and contactless identification Ics (known as tags), in each case principally for automotive applications.

Melexis is a technological leader in the design and development of Hall sensor Ics. A wide range of magnetic sensor Ics is offered by the company for applications such as position sensing, dented wheel position sensing, electronic motor speed regulation and antilock braking system (ABS). Ics for automotive sensors form the largest part of Melexis' sales.

Further information about Melexis can be found on the web-site at <http://www.melexis.com>.

CONFORM IAS		Quarter ended	Quarter ended	Quarter ended	Year ended
in 1.000 EURO		31/03/06	31/03/05	31/12/05	31/12/05
		Unaudited	Unaudited	Unaudited	Audited
Sales		51,221	40,150	47,861	173,674
	Cost of sales	-29,729	-23,539	-28,005	-101,393
Gross Margin		21,492	16,611	19,856	72,281
	Goodwill amortization				
	R&D	-6,794	-5,888	-6,518	-24,988
	G&A	-2,308	-1,713	-2,308	-7,898
	Selling	-1,093	-1,100	-1,312	-4,599
Income from operations		11,297	7,910	9,718	34,796
	Other income & expenses (net)	-651	285	-43	-721
Income before taxes		10,646	8,195	9,675	34,075
	Income taxes	-1,945	-1,178	-1,851	-5,918
Net income		8,701	7,017	7,824	28,157
Net income per share in EURO		0.20	0.16	0.18	0.65

Sales per Division	Quarter ended	Quarter ended	Evolution	Share
	31/03/06	31/03/05	in %	in %
	in 1.000 EURO	in 1.000 EURO		
Sensors	22,078	18,135	22%	43%
Actuators	16,579	13,296	25%	32%
Opto	7,769	5,231	49%	15%
Wireless	4,092	2,680	53%	8%
Other	704	808	-13%	1%
<b>Total</b>	<b>51,221</b>	<b>40,150</b>	<b>28%</b>	<b>100%</b>

Consolidated Balance Sheets

CONFORM IAS in 1.000 EURO	Quarter ended 31/03/06 Unaudited	Quarter ended 31/03/05 Unaudited	Year ended 31/12/05 Audited
Current Assets :			
Cash and cash equivalents	87,755	7,698	11,376
Current investments		0	
A/R Trade	28,736	19,970	25,439
A/R from related parties	9,127	11,519	2,526
Advance related parties		0	
Other current assets	5,438	6,347	5,635
Inventories	29,046	28,583	28,245
<b>Total current assets</b>	<b>160,102</b>	<b>74,117</b>	<b>73,220</b>
Non current assets :			
Costs of incorporation		0	0
Property, plant and equipment	35,520	36,598	35,901
Financial fixed assets		0	0
Intangible fixed assets	3,287	4,672	3,587
A/R directors		0	0
Other non-current assets	83	104	83
Goodwill		0	0
Deferred tax assets	6,152	6,388	6,154
<b>Total non current assets</b>	<b>45,042</b>	<b>47,762</b>	<b>45,726</b>
<b>Total assets</b>	<b>205,144</b>	<b>121,879</b>	<b>118,946</b>
<b>Liabilities and shareholders Equity</b>			
Current liabilities :			
Bank loans and overdrafts		0	0
Current portion of LT debt	31,875	11,410	16,796
A/P trade	7,749	5,695	7,128
Affiliated companies	7,680	2,968	5,784
Accrued expenses, payroll and taxes	8,386	6,465	5,441
Other current liabilities	102	-21	145
Deferred income	931	1,188	1,034
<b>Total current liabilities</b>	<b>56,723</b>	<b>27,705</b>	<b>36,328</b>
Non current liabilities :			
LT debt less current portion	77,910	31,906	20,829
Deferred tax liabilities			
Minority interests	10	1	10
<b>Total non current liabilities</b>	<b>77,920</b>	<b>31,907</b>	<b>20,839</b>
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			
Treasury shares	-514	-10,826	-514
Legal reserve	57	57	57
Retained earnings	62,245	66,531	34,088
Current period's profit	8,701	7,017	28,157
Dividend paid			
Cumulative translation adjustment	-552	-1,077	-574
<b>Total shareholders equity</b>	<b>70,501</b>	<b>62,267</b>	<b>61,778</b>
<b>Total liabilities, shareholders' equity and minority interests</b>	<b>205,144</b>	<b>121,879</b>	<b>118,946</b>

**Consolidated Statements of cash flow**

CONFORM IAS (in 1,000 EURO)	Quarter ended 31/03/06 Unaudited	Quarter ended 31/03/05 Unaudited	Year ended 31/12/05 Audited
<b>Cash flow from operating activities</b>			
Net income	8,701	7,017	28,157
<b>Adjustments for :</b>			
<b>Operating activities</b>			
- Depreciation	2,734	2,785	11,372
<b>Operating profit before working capital changes :</b>			
- A/R, Trade	-3,297	-1,107	-6,265
- Due to affiliated companies	271	-83	1,865
- Inventories	-801	-3,204	-2,382
- A/P	621	716	2,105
- Accrued expenses	2,945	240	2,576
- Other	-78	-183	-3,673
<b>Net cash from operating activities</b>	<b>11,096</b>	<b>6,181</b>	<b>33,755</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiary, net of cash acquired	0		0
Financial fixed assets (incl. own shares)	0		-514
Purchase of PPE and intangible assets	-2,053	-2,739	-9,333
Interest received	130	89	396
<b>Net cash provided from investing activities</b>	<b>-1,923</b>	<b>-2,650</b>	<b>-9,451</b>
<b>Cash flows from financing activities</b>			
Proceeds from (repayment of) long-term debt	72,160	-6,075	-11,767
Repayment of bank loans and overdrafts			
Proceeds from (repayment of) related party financing	-4,976	-5,980	3,886
Interim dividend payment	0	0	-21,621
Minority	0	0	9
<b>Net cash provided from financing activities</b>	<b>67,184</b>	<b>-12,055</b>	<b>-29,492</b>
CTA	22	-75	267
Increase/decrease in cash and cash equivalents	76,379	-8,599	-4,921
<b>Cash at beginning of the period</b>	<b>11,376</b>	<b>16,297</b>	<b>16,297</b>
<b>Cash at the end of the period</b>	<b>87,755</b>	<b>7,698</b>	<b>11,376</b>