



Press release: Record Results for Melexis in the second quarter of 2010. Intermediate declaration by the Board of Directors.

Leper, Belgium – July 29th, 2010 at 07.00 hrs CET

Revenues for the second quarter were 55.8 million EUR, an increase of 98% compared to the same quarter of the previous year and an increase of 20% versus the previous quarter. The EUR/USD exchange rate evolution had a positive impact of 2% compared to the previous quarter.

Gross margin was 26 million EUR, an increase of 168% compared to the same quarter last year and an increase of 27% compared to the previous quarter.

The operating result was at 14.9 million EUR, compared to a loss of 0.6 million EUR in the same quarter the previous year and a profit of 9.6 million EUR in the previous quarter. This represents an increase of 55% compared to the previous quarter.

Net profit was 12.1 million EUR, 28 cent per share, up from 18 cent loss per share in the second quarter of 2009. Net profit increased by 49% compared to the previous quarter.

R&D expenses were 13% of sales, Selling was 3% of sales and G&A was at 4% of sales.

Melexis broke a number of historic records in the second quarter of 2010, resp. HY1/10:

- highest ever quarterly sales
- highest ever gross profit margin at 46.5%
- highest ever operating margin at 26.6%
- highest ever quarterly operating result and net profit in absolute figures
- peak automotive sales percentage at 77% of total sales.
- first time for Business Unit Sensors to contribute over half of the Melexis semi-annual sales, confirming Melexis' position as a genuine automotive sensor supplier with magnetic sensors in pole position.
- sales in Asia is, in absolute figures, at an all time high with 23.5 million EUR in the **second quarter of 2010**, herewith fortifying Melexis as an established semiconductor vendor in a major growth market.

Rudi De Winter, CEO of Melexis comments:

"Melexis automotive sales in the second quarter 2010 came out 17% above our previous high in 2007, while the global automotive semiconductor as such has not reached its historic peak yet. Melexis thus gained market share in its core market thanks to the innovations we introduced in the past years."

Françoise Chombar, CEO of Melexis comments:

"Ramping up production output so much faster than anticipated was a substantial challenge. Our team members deserve a lot of credit for accomplishing this fine result. They herewith demonstrated their sincere commitment to our customers and to continuous improvement, values which are inseparably connected to Melexis."

Dividend

The Board of Directors decided to pay out an interim dividend of 0.3 EUR gross per share (0.225 EUR net per share). The Melexis shares will start trading ex coupon on October 25, 2010 (opening of the market). The record date is October 27, 2010 (closing of the market) and the dividend will be payable as from October 28, 2010.

Outlook 2010

Revenue for the full year 2010 is expected to increase by minimum 60% versus the previous year, considering a EUR/USD exchange rate of 1.3 for the remainder of the year. Operating result for the full year is expected to be around 23% of sales.





The half-year report 2010 will be available on our website www.melexis.com as of August 31st, 2010.

Financial Calendar

- October 21, 2010 : Publication of Q3 2010 results
- February 10, 2011: Publication of FY 2010 results

The company's results will be discussed in a conference call on Thursday July 29th, 2010 at 17 hrs CET. The conference call will be in English. You have **to register for this conference call in advance**. You can register by clicking on the following link and filling in the requested information: <https://eventreg1.conferencing.com/webportal3/reg.html?Acc=184341&Conf=173212>

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

A replay number for this call is available for 7 days after the end of the conference call. The replay number for this call is +32 (0) 22901705, access code: 867447.

For further information, please contact:

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About Melexis

Melexis Microelectronic Integrated Systems N.V. (Euronext Brussels:MELE) imagines, creates and delivers innovative mixed signal integrated circuits. Melexis ICs are driving green solutions that enable our customers to bring more energy efficient automotive systems to market. Melexis product portfolio addresses 4 classes of ICs; Sensor, Optoelectronic, Wireless and Actuators. Sensors include magnetic, MEMs, and sensor interface ICs. Optoelectronic products encompass linear arrays, single point sensors, infrared thermometers and CMOS wide dynamic range and night vision cameras. Wireless ICs focus on RKE, TPMS, ISM band applications, NFC, RFID reader and smart tag solutions. Actuator ICs cover LIN and CAN bus networking ICs and advanced BLDC motor driver technology. Melexis is proud of its participation toward reducing the human race's global environmental footprint. For more information visit <http://www.melexis.com>.

Disclaimer

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





Consolidated Profit & Loss

CONFORM IAS in k EUR	Quarter ended 30/06/2010	Quarter ended 30/06/2009	Half Year ended 30/06/2010	Half Year ended 30/06/2009	Year ended 31/12/2009 audited
Sales	55.843	28.191	102.223	50.737	128.890
Cost of sales	-29.893	-18.534	-55.893	-33.294	-80.675
Gross Margin	25.950	9.657	46.331	17.443	48.215
R&D	-7.181	-6.431	-14.300	-12.905	-26.122
G&A	-2.449	-2.643	-4.874	-5.284	-9.790
Selling	-1.477	-1.151	-2.731	-2.395	-4.717
Other operating result	0	0	0	0	-600
Operating result	14.843	-568	24.426	-3.141	6.986
Other expenses (net)	-111	-10.650	-951	-11.421	-13.651
Income before taxes	14.732	-11.218	23.476	-14.562	-6.665
Income taxes	-2.646	3.293	-3.256	2.999	2.676
Net income	12.086	-7.925	20.220	-11.563	-3.989
Net income per share in EURO	0,28	-0,18	0,47	-0,27	-0,09

Consolidated Balance Sheet

CONFORM IAS in k EUR	Half Year ended 30/06/2010	Half Year ended 30/06/2009	Year ended 31/12/2009 audited
Current Assets :			
Cash and cash equivalents	26.120	11.227	22.247
Current investments	4.112	2.290	3.990
A/R Trade	28.727	19.924	20.733
A/R from related parties	6.528	5.646	8.012
Advance related parties	0	0	0
Other current assets	6.911	8.057	8.443
Inventories	32.938	28.423	26.395
Total current assets	105.336	75.568	89.820
Non current assets :			
Costs of incorporation	0	0	0
Property, plant and equipment	45.064	44.991	43.918
Financial assets	30		24
Intangible fixed assets	1.761	1.756	1.823
A/R directors	0	0	0
Other non-current assets	3.691	50	3.089
Deferred tax assets	14.754	15.404	15.578
Total non current assets	65.300	62.201	64.432
Total assets	170.636	137.769	154.252





Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts	0	0	0
Derivative financial instruments	2.747	3.148	2.856
Current portion of LT debt	19.606	15.119	15.168
A/P trade	7.428	5.128	6.528
Affiliated companies	5.811	2.309	4.931
Accrued expenses, payroll and taxes	8.363	4.945	5.989
Other current liabilities	933	748	1.141
Deferred income	745	460	905
Total current liabilities	45.632	31.856	37.518
Non current liabilities :			
LT debt less current portion	41.844	55.419	55.332
Deferred tax liabilities	285	371	285
Other non-current liabilities	1.262	1.195	1.262
Total non current liabilities	43.392	56.985	56.880
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium	0	0	0
Treasury shares	-17.878	-17.878	-17.878
Revaluation reserve Hedge	-1.521	-1.772	-1.636
Revaluation reserve Fair value	-99	-3.411	-183
Legal reserve	57	57	57
Retained earnings	80.310	84.299	84.299
Current period's profit	20.220	-11.563	-3.989
Cumulative translation adjustment	-51	-1.378	-1.390
Equity attributable to company owners	81.602	48.917	59.844
Non controlling interests	10	10	10
Total shareholders equity	81.612	48.928	59.854
Total liabilities, shareholders' equity and minority interests	170.636	137.769	154.252





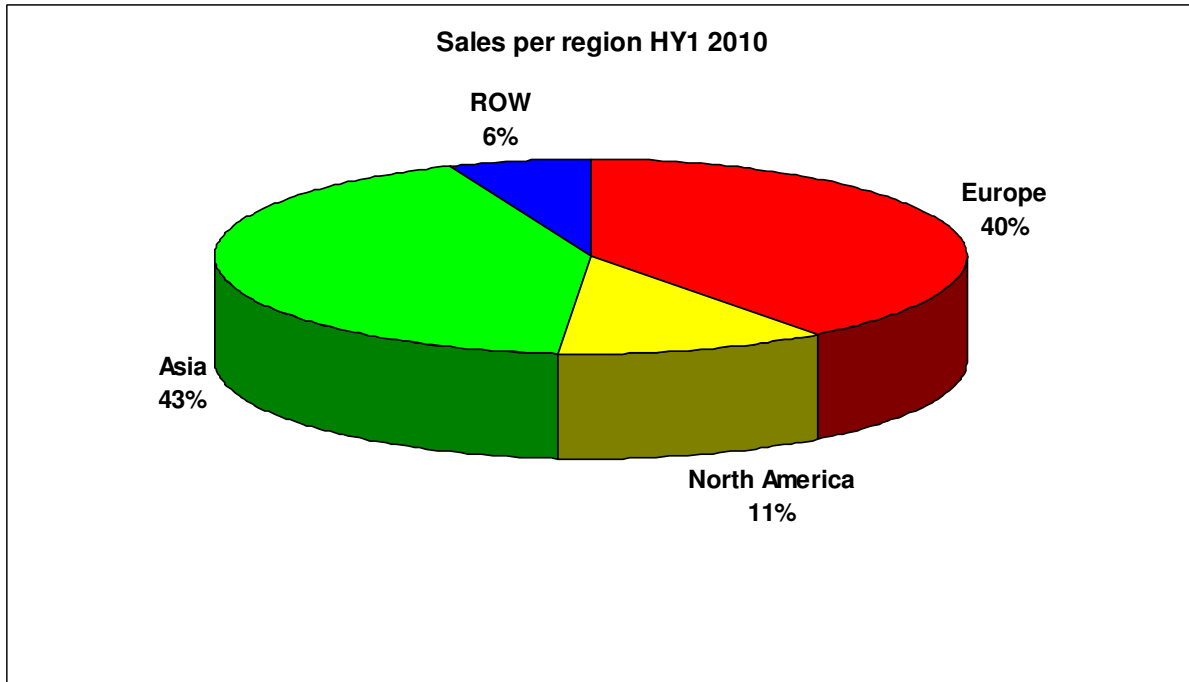
Consolidated statements of cash flow

CONFORM IAS/IFRS in k EUR	Quarter ended 30/06/2010	Half Year ended 30/06/2010	Half Year ended 30/06/2009	Year ended 31/12/2009 audited
Cash flow from operating activities				
Net income	12.086	20.220	-11.563	-3.989
Adjustments for :				
Operating activities	8.201	11.924	2.997	12.596
- Deferred taxes	868	824	-3.854	-4.114
- Provisions	2.156	2.616	431	1.071
- Capital grants	393	466	285	2.520
- Depreciation	2.609	5.150	5.347	10.725
- Unrealized exchange results	1.367	1.274	-208	-635
- Financial result	808	1.593	996	3.028
Operating profit before working capital changes :	20.287	32.143	-8.566	8.607
- A/R, Trade	-3.360	-8.045	8.187	7.309
- A/R, affiliates	981	1.485	1.440	-927
- Other current assets	555	1.264	1.076	-1.189
- Other non current assets	-5	-603	10	-3.029
- Inventories	-2.287	-8.164	5.948	7.749
- A/P	-516	884	-609	-34
- A/P affiliates	-3.102	878	-34	2.457
- Accrued expenses	-114	1.443	358	1.675
- Other current liabilities	-313	-478	-180	-255
- Other non current liabilities	0	0	89	1.262
- Interest paid	-973	-1.874	-1.445	-3.263
- Income tax	0	0	0	-660
Net cash from operating activities	11.153	18.935	6.273	19.702
Cash flow from investing activities				
Acquisition of subsidiary, net of cash acquired				
Financial fixed assets (incl. own shares)	-6	-6	10.629	10.629
Purchase of PPE and intangible assets (netted)	-3.173	-6.233	-6.600	-10.972
Interest received	142	349	455	870
Investments/proceeds/ from current investments (incl. financial instruments)	56	-122	-32	1.473
Net cash provided from investing activities	-2.981	-6.013	4.453	2.000
Cash flows from financing activities				
Proceeds/Repayment of long-and short-term debt	-1.489	-9.050	-7.605	-7.642
Proceeds/Repayment of bank loans and overdrafts				
Proceeds from (repayment of) related party financing				
Proceeds from (repayment of) A/P to directors				
Interim dividend payment				
Capital Decrease				
Minority				
Net cash provided from financing activities	-1.489	-9.050	-7.605	-7.642
CTA	88	1	-23	57
Increase/decrease in cash and cash equivalents	6.771	3.873	3.098	14.117
Cash at beginning of the period	19.349	22.247	8.129	8.129
Cash at the end of the period	26.120	26.120	11.227	22.247





Sales per geography:



Sales per Division:

(in k EUR)	Q2/10	Q2/09	% CHANGE (Y-O-Y)
Sensors	28.963	10.650	172%
Wireless	3.821	2.009	90%
Actuators	16.300	10.722	52%
Opto	5.898	3.878	52%
Other	861	933	-8%
TOTAL	55.843	28.191	98%

(in k EUR)	Q2/10	Q1/10	% CHANGE (Q-O-Q)
Sensors	28.963	25.174	15%
Wireless	3.821	2.443	56%
Actuators	16.300	13.822	18%
Opto	5.898	4.197	41%
Other	861	746	15%
TOTAL	55.843	46.381	20%





The Statutory auditor of Melexis NV, BDO Bedrijfsrevisoren Burg. Ven. CVBA, has substantially completed his limited review procedures on the IFRS interim consolidated financial statements as at June 30th, 2010 with a balance sheet total of 170.636 KEUR and a benefit of the period of 20.220 KEUR which is included in the press release.

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

The Statutory auditor has confirmed that his limited review procedures, have not revealed material adjustments, which would have to be made to the accounting information and management comments included in this press release with respect to the IFRS interim consolidated financial statements as at June 30th, 2010 of Melexis NV. The Statutory auditor is also of the opinion that with respect to the above IFRS interim consolidated financial statements there is no material omission of information in the press release.

Zaventem, July 29th, 2009

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

