



Press release:

Melexis stacks up records again in the third quarter of 2010

Intermediate declaration by the Board of Directors.

leper, Belgium – October 21st, 2010 at 07.00 hrs CET

Revenues for the third quarter were 59.1 million EUR, an increase of 65% compared to the same quarter of the previous year and an increase of 6% versus the previous quarter. The EUR/USD exchange rate evolution had a positive impact of 2% compared to the previous quarter.

Gross margin was 28.5 million EUR, an increase of 106% compared to the same quarter last year and an increase of 10% compared to the previous quarter.

The operating result was at 17 million EUR, compared to 3.4 million EUR in the same quarter the previous year and 14.8 million EUR in the previous quarter. This represents an increase of 14% compared to the previous quarter.

Net profit was 15.2 million EUR, 35 cent per share, up from 3 cent per share in the third quarter of 2009. Net profit increased by 26% compared to the previous quarter.

R&D expenses were 12,5% of sales, Selling was 3% of sales and G&A was at 5% of sales.

For the 2nd quarter in a row, Melexis is breaking a number of historic records:

- highest ever quarterly sales;
- highest ever gross profit margin at 48.3%;
- highest ever operating margin at 28.7%;
- highest ever quarterly operating result and net profit in absolute figures;
- highest ever ASSP (application specific standard products) sales at 54.6%;
- sales in Asia continues to grow and, in absolute figures, ended up in the third quarter at an all time high with 25.6 million EUR.

Melexis purchased 129.000 shares during the third quarter at an average price of 10,24 EUR. As a result, the total amount of treasury shares was 1.854.943 at the end of the third quarter.

Rudi De Winter, CEO of Melexis comments:

“The Melexis Shanghai office is now fully deployed to serve the local market. We were extremely pleased by the high customer presence and interest at the Melexis technology days both in Shanghai and Shenzhen last September. China is clearly eager to adopt the newest automotive technologies.”

Françoise Chombar, CEO of Melexis comments:

“Melexis products are now anchoring on a broader customer base. The excellent growth path is being enabled mainly by Melexis own IP (ASSPs), profoundly fostered by our people’s innovative spirit.”

Outlook Q4 2010

We expect sales in the fourth quarter of 2010 to be at about the same level as the current quarter despite the weaker EUR/USD exchange rate.

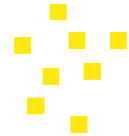
Outlook 2011

For 2011, we expect high single digit growth in sales, our gross profit margin to solidify above 45% and operating margin to remain above 23% taking into account a EUR/USD exchange rate of 1.40.

Financial Calendar

- ✚ February 10, 2011: Publication of FY 2010 results





The company's results will be discussed in a conference call on Thursday October 21st, 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=175021>

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 +44 20 7031 4064, access code: 877935.

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		Quarter ended	Quarter ended	Nine months	Nine months	Year ended
in k EUR		30/09/2010	30/09/2009	30/09/2010	30/09/2009	31/12/2009 audited
Sales		59.091	35.861	161.315	86.598	128.890
	Cost of sales	-30.560	-21.975	-86.453	-55.269	-80.675
Gross Margin		28.531	13.886	74.862	31.329	48.215
	R&D	-7.371	-6.594	-21.671	-19.498	-26.122
	G&A	-2.699	-2.227	-7.573	-7.511	-9.790
	Selling	-1.516	-1.092	-4.246	-3.487	-4.717
	Other operating result	0	-600	0	-600	-600
Operating result		16.946	3.373	41.372	233	6.986
	Other expenses (net)	-831	-1.626	-1.781	-13.047	-13.651
Income before taxes		16.115	1.747	39.591	-12.814	-6.665
	Income taxes	-879	-304	-4.134	2.695	2.676
Net income		15.236	1.443	35.456	-10.119	-3.989
Net income per share in EURO		0,35	0,03	0,82	-0,23	-0,09

Consolidated Balance Sheet

CONFORM IAS		Nine months	Nine months	Year ended
in k EUR		30/09/2010	30/09/2009	31/12/2009 audited
Current Assets :				
	Cash and cash equivalents	32.153	20.498	22.247
	Current investments	4.688	3.250	3.990
	A/R Trade	28.756	22.203	20.733
	A/R from related parties	7.237	6.049	8.012
	Advance related parties			0
	Other current assets	6.767	6.802	8.443
	Inventories	34.557	27.133	26.395
Total current assets		114.159	85.935	89.820
Non current assets :				
	Costs of incorporation			0
	Property, plant and equipment	46.388	44.798	43.918
	Financial assets	30	24	24
	Intangible fixed assets	1.773	1.800	1.823
	A/R directors			0
	Other non-current assets	4.229	45	3.089
	Deferred tax assets	14.566	15.372	15.578
Total non current assets		66.985	62.039	64.432
Total assets		181.144	147.975	154.252





Liabilities and shareholders Equity			
Current liabilities :			
Bank loans and overdrafts			0
Derivative financial instruments	2.218	3.015	2.856
Current portion of LT debt	19.578	15.152	15.168
A/P trade	7.843	5.582	6.528
Affiliated companies	5.733	8.431	4.931
Accrued expenses, payroll and taxes	9.364	6.118	5.989
Other current liabilities	944	1.269	1.141
Provisions		600	
Deferred income	665	379	905
Total current liabilities	46.344	40.546	37.518
Non current liabilities :			
LT debt less current portion	37.327	55.355	55.332
Deferred tax liabilities	285		285
Other non-current liabilities	1.263		1.262
Total non current liabilities	38.875	55.355	56.880
Shareholders' equity :			
Shareholders' capital	565	565	565
Share premium			0
Treasury shares	-19.010	-17.877	-17.878
Revaluation reserve Hedge	-1.202	-1.726	-1.636
Revaluation reserve Fair value	432	-1.567	-183
Legal reserve	57	57	57
Retained earnings	80.310	84.299	84.299
Current period's profit	35.456	-10.119	-3.989
Cumulative translation adjustment	-692	-1.568	-1.390
Equity attributable to company owners	95.915	52.064	59.844
Non controlling interests	10	10	10
Total shareholders equity	95.925	52.074	59.854
Total liabilities, shareholders' equity and minority interests	181.144	147.975	154.252





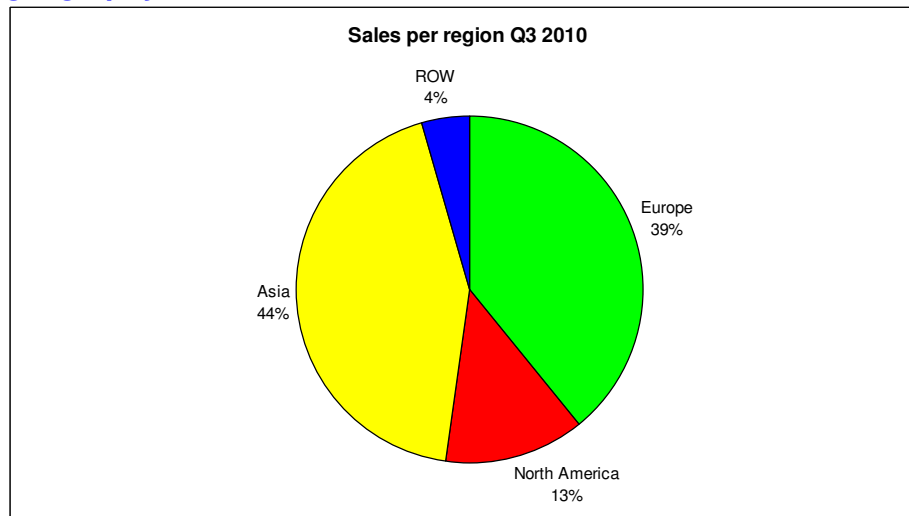
Consolidated statements of cash flow

CONFORM IAS/IFRS in k EUR	Quarter ended 30/09/2010	Quarter ended 30/09/2009	Nine months 30/09/2010
Cash flow from operating activities			
Net income	15.236	1.443	35.456
Adjustments for :			
Operating activities	3.045	4.310	14.968
- Deferred taxes	189	32	1.013
- Provisions	112	971	2.728
- Capital grants	225	160	691
- Depreciation	2.669	2.645	7.819
- Unrealized exchange results	-1.218	-87	56
- Financial result	1.069	589	2.662
Operating profit before working capital changes :	18.281	5.753	50.424
- A/R, Trade	99	-2.394	-7.946
- A/R, affiliates	-709	-404	776
- Other current assets	770		2.034
- Other non current assets	-537	5	-1.140
- Inventories	-1.867	1.197	-10.031
- A/P	422	475	1.306
- A/P affiliates	-77	6.123	802
- Accrued expenses	1.002	1.246	2.445
- Other current liabilities	-598	-491	-1.076
- Other non current liabilities			
- Interest paid	-878	-772	-2.752
- Income tax			
Net cash from operating activities	15.910	10.738	34.843
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired			
Financial fixed assets (incl. own shares)	-1.132	-24	-1.138
Purchase of PPE and intangible assets (netted)	-4.005	-2.496	-10.238
Interest received	383	205	732
Investments/proceeds/ from current investments (incl. financial instruments)	-576	884	-698
Net cash provided from investing activities	-5.330	-1.431	-11.342
Cash flows from financing activities			
Proceeds/Repayment of long-and short-term debt	-4.546	-31	-13.596
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	-4.546	-31	-13.596
CTA	0	-6	1
Increase/decrease in cash and cash equivalents	6.033	9.271	9.906
Cash at beginning of the period	26.120	11.227	22.247
Cash at the end of the period	32.153	20.498	32.153





Sales per geography



Sales per Division

(in k EUR)	Q3/10	Q3/09	% CHANGE (Y-O-Y)
Sensors	32.791	16.691	96%
Wireless	3.565	1.692	111%
Actuators	16.831	11.901	41%
Opto	5.144	4.763	8%
Other	761	814	-7%
TOTAL	59.091	35.861	65%

(in k EUR)	Nine months/10	Nine months/09	% CHANGE (Y-O-Y)
Sensors	87.135	36.298	140%
Wireless	9.828	6.189	59%
Actuators	46.803	30.259	55%
Opto	15.239	11.147	37%
Other	2.310	2.705	-15%
TOTAL	161.315	86.598	86%

(in k EUR)	Q3/10	Q2/10	% CHANGE (Q-O-Q)
Sensors	32.791	28.963	13%
Wireless	3.565	3.821	-7%
Actuators	16.831	16.300	3%
Opto	5.144	5.898	-13%
Other	761	860	-11%
TOTAL	59.091	55.843	6%

