

Financial results for fiscal year 2010

Key figures	2010	2009	Q4 2010	Q4 2009	Q3 2010
EUR thousands (except earnings per share) Full years audited, quarters unaudited					
Revenues	209,419	137,166	57,946	43,887	55,729
Gross margin in %	48%	35%	51%	43%	49%
Result from operations	27,085³⁾⁴⁾	- 19,044 ³⁾⁴⁾	9,500	2,108	9,177
Net result	23,107	- 16,665	9,404	2,622	8,016
Basic earnings per share in CHF ¹⁾	3.08	- 2.36 ²⁾	1.21	0.37 ²⁾	1.04
Diluted earnings per share in CHF ¹⁾	3.03	- 2.36 ²⁾	1.16	0.37 ²⁾	1.02
Basic earnings per share in EUR	2.25	- 1.57 ²⁾	0.92	0.25 ²⁾	0.78
Diluted earnings per share in EUR	2.21	- 1.57 ²⁾	0.89	0.25 ²⁾	0.77
Total backlog	66,415	45,627	66,415	45,627	75,553

¹⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

²⁾ Basic = diluted.

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

Consolidated Profit and Loss Statement (full years audited / quarters unaudited)

EUR thousands (except earnings per share)	2010	Q4 2010	2009 adjusted ³⁾⁴⁾	Q4 2009 adjusted ³⁾⁴⁾
Revenue Products	179,810	48,853	113,574	36,569
Revenue Foundry & Other	29,609	9,093	23,592	7,318
Total revenues	209,419	57,946	137,166	43,887
Cost of sales	- 109,158	- 28,423	- 89,799	- 24,966
Gross profit	100,261	29,523	47,367	18,921
Gross margin in %	48%	51%	35%	43%
Research and development	- 42,363	- 11,969	- 40,096	- 10,858
Selling, general and administrative	- 37,640	- 9,964	- 32,141	- 7,908
Other operating income	7,962	2,354	7,452	2,077
Other operating expenses	- 1,001	- 507	- 891	-25
Result from investments in associates	- 134	64	- 735	-100
Result from operations	27,085	9,500	- 19,044	2,108
Net financing result	- 3,679	- 324	1,143	300
Income before tax	23,406	9,176	- 17,901	2,408
Income tax result	- 299	228	1,236	214
Net result	23,107	9,404	- 16,665	2,622
Basic earnings per share in CHF ¹⁾	3.08	1.21	- 2.36	0.37
Diluted earnings per share in CHF ¹⁾	3.03	1.16	- 2.36	0.37
Basic earnings per share in EUR	2.25	0.92	- 1.57	0.25
Diluted earnings per share in EUR	2.21	0.89	- 1.57	0.25

¹⁾ Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

Statement of comprehensive income (full years audited / quarters unaudited)

EUR thousands	2010	Q4 2010	2009 adjusted ³⁾⁴⁾	Q4 2009 adjusted ³⁾⁴⁾
Net income	23,107	9,404	- 16,665	2,622
Actuarial gains / loss	- 443	- 443	- 1,339	- 1,339
Translation adjustment	631	258	- 100	-136
Other comprehensive income	188	- 185	- 1,438	- 1,475
Total comprehensive income	23,295	9,219	- 18,103	- 1,147

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

Consolidated Balance Sheet (audited)

EUR thousands	as of	December 31, 2010	December 31, 2009 adjusted ³⁾⁴⁾
Assets			
Cash and cash equivalents		23,042	26,726
Short-term investments		21,198	15,486
Trade receivables		33,007	27,246
Inventories		46,740	48,417
Other receivables and assets		8,284	5,183
Total current assets		132,270	123,057
Property, plant and equipment		110,943	118,694
Intangible assets		4,432	5,550
Investments in associates and financial investments		6,443	5,481
Deferred tax assets		31,768	31,191
Other long term assets		5,928	4,264
Total non-current assets		159,514	165,180
Total assets		291,784	288,237
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		7,011	14,946
Trade liabilities		15,660	14,270
Provisions		11,707	9,086
Other liabilities		12,610	10,405
Total current liabilities		46,987	48,707
Interest-bearing loans and borrowings		40,766	53,001
Employee benefits		12,483	10,854
Deferred government grants		528	1,428
Other long term liabilities		0	631
Total non-current liabilities		53,777	65,915
Shareholders' equity			
Issued capital		26,759	26,698
Share premium		102,624	100,638
Treasury shares		-15,276	- 7,339
Other reserves (translation adjustment)		672	41
Retained earnings		76,240	53,577
Total shareholders' equity and reserves		191,019	173,615
Total liabilities and shareholders' equity		291,784	288,237

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

Consolidated Cash Flow Statement (full years audited / quarters unaudited)

EUR thousands	2010	Q4 2010	2009 adjusted ³⁾⁴⁾	Q4 2009 adjusted ³⁾⁴⁾
Operating activities				
Result before tax	23,406	9,176	-17,901	2,408
Depreciation (net of government grants)	22,872	5,855	22,273	5,583
Changes in employee benefits	1,629	1,053	2,090	738
Expense from stock option program (acc. IFRS 2)	1,801	402	2,346	502
Changes in other long-term liabilities	- 1,531	- 671	- 1,080	- 400
Gain from sale of plant and equipment	-341	- 350	- 8	- 8
Result from investments in associates	134	- 64	735	100
Net financing cost	3,679	324	-1,143	-300
Changes in assets	- 9,251	830	18,482	7,908
Changes in short-term operating liabilities and provisions	3,474	- 4,306	- 5,289	- 965
Tax payments	- 184	- 60	- 231	- 174
Cash flows from operating activities	45,688	12,188	20,274	15,391
Investing activities				
Acquisition of intangibles, property, plant and equipment	- 13,169	- 1,629	- 10,305	- 1,500
Acquisition of financial investments	- 14,663	- 3,006	- 17,877	0
Proceeds from sale of plant and equipment	365	350	166	8
Proceeds from sale of investments and securities	8,229	3,000	4,000	0
Interest received	845	383	1,145	465
Cash flows from investing activities	- 18,393	- 903	- 22,871	- 1,028
Financing activities				
Proceeds from borrowings	13,582	964	31,401	999
Repayment of debt	- 34,635	- 10,925	- 25,273	- 15,844
Acquisition of treasury shares	- 8,522	- 1,360	- 3,057	- 1,568
Sale of treasury shares	525	373	1,353	1,353
Interest paid	- 1,369	- 439	- 1,513	- 461
Expenses from financial instruments	-803	0	- 438	- 177
Changes resulting from capital increase	245	95	0	0
Cash flows from financing activities	- 30,979	- 11,292	2,472	- 15,699
Change in cash and cash equivalents	- 3,684	- 7	- 125	- 1,355
Cash and cash equivalents at the beginning of the period	26,726	23,048	26,851	28,061
Cash and cash equivalents at the end of the period	23,042	23,042	26,726	26,726

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

Changes in Equity (audited)

EUR thousands	Issued capital	Additional paid-in capital	Treasury shares	Translation adjustment	Retained earnings ⁴⁾	Total shareholders' equity
Total equity as of January 1, 2009	26,698	98,292	- 5,635	141	71,580	191,076
Net result re-presented ⁴⁾	0	0	0	0	-16,665	-16,665
Actuarial gains / losses re-presented ⁴⁾	0	0	0	0	-1,339	-1,339
Translation adjustment	0	0	0	-100	0	-100
Comprehensive income	0	0	0	-100	-18,004	-18,103
Share based payments	0	2,346	0	0	0	2,346
Capital Increase	0	0	0	0	0	0
Purchase of treasury shares	0	0	-3,057	0	0	-3,057
Sale of treasures shares	0	0	1,353	0	0	1,353
Total equity as of December 31, 2009	26,698	100,638	-7,339	41	53,577	173,616
Net result	0	0	0	0	23,107	23,107
Actuarial gains / losses re-presented ⁴⁾	0	0	0	0	-443	-443
Translation adjustment	0	0	0	631	0	631
Comprehensive income	0	0	0	631	22,664	23,295
Share based payments	0	1,986	0	0	0	1,986
Capital increase	60	0	0	0	0	60
Purchase of treasury shares	0	0	-8,522	0	0	-8,522
Sale of treasures shares	0	0	585	0	0	585
Total equity as of December 31, 2010	26,759	102,624	-15,276	672	76,240	191,019

⁴⁾ The accounting principles for presenting actuarial gains / losses from employee benefits have been changed – please refer to pt. 1) Accounting principles

1. Accounting principles

The consolidated financial statements of austriamicrosystems Group are based on the accounts of the individual group companies at December 31, 2010. This full year report is consistent with IAS 34. The accounting principles applied in this full year report basically correspond with the reporting policies in the Full Year Consolidated Financial Statements dated December 31, 2009 except for the following accounting policies:

austriamicrosystems uses derivative financial instruments to hedge negative effects from currency fluctuations. The criteria for the application of IAS 39 are not fulfilled. The presentation of results from currency fluctuations of the fair value of such derivative financial instruments is not stipulated under IFRS. Until the business year 2009 such results were presented as part of the result from operations.

The management of austriamicrosystems has decided in 2010 to present the results from changes of the fair value of foreign currency hedging instruments as part of the net financing cost. Management is convinced that this presentation shows the effect of currency fluctuations more clearly, because the hedging instruments cannot be designated to a specific transaction. Moreover, currency fluctuations are also hedged by means of foreign currency debt and the results from currency fluctuations of foreign currency debt have already been presented as part of the financing cost. As required by IAS 8 the prior year comparative information has been adjusted accordingly. The described change in accounting policy results in the following changes in the profit and loss statement:

EUR thousands	2010	Q4 2010	2009	Q4 2009
Selling, general and administrative	- 462	- 259	- 1,782	- 1,070
Result from operations	- 462	- 259	- 1,782	- 1,070
Finance income	462	259	1,782	1,070
Net financial result	462	259	1,782	1,070
Total	0	0	0	0

In addition the management decided to recognize actuarial gains and losses from employee benefits in equity acc. to IAS 19.93A. The described change in accounting policy results in the following changes in the profit and loss statement:

EUR thousands	2010	Q4 2010	2009	Q4 2009
Income statement				
Cost of sales	216	216	455	455
Selling, general and administrative	203	203	469	469
Research and development	172	172	415	415
Result from operations	591	591	1,339	1,339
Balance sheet				
Retained earnings	0	0	0	0

2. Segment Reporting (audited)

EUR thousands	2010			2009		
Business Segments	Products	Foundry	Total	Products	Foundry	Total
Revenues from external customers	179,810	29,609	209,419	113,574	23,592	137,166
Result from operations	25,253	6,248	31,501	-1,252	4,780	3,528
Segment assets	32,351	4,449	36,799	27,831	4,536	32,367

Reconciliation of segment results to income statement

EUR thousands	2010	2009 ³⁾
Result from operations per segment reporting	31,501	3,528
Result from investments in associates	-134	-735
Subsidies for research and development	4,880	5,014
Unallocated corporate costs	-9,162	-26,851
Result from operations	27,085	-19,044
Financial result	-3,679	1,143
Income before tax	23,406	-17,901

³⁾ The accounting principles for presenting foreign currency transactions have been changed – please refer to pt. 1) Accounting principles

Reconciliation of segment assets to total assets

EUR thousands	2010	2009
Assets per segment reporting	36,799	32,367
Property, plant & equipment	107,893	115,368
Inventories	46,740	48,417
Cash, cash equivalents and short-term investments	44,240	42,211
Deferred tax asset	31,768	31,191
Intangible assets	3,232	3,780
Investments in associates	6,443	5,481
Other assets	14,670	9,422
Total assets	291,784	288,237

Revenues per geographical segments

EUR thousands	2010	2009
EMEA ⁵⁾	101,256	75,500
North and South America	27,993	19,036
Asia / Pacific	80,170	42,631
Total	209,419	137,166

⁵⁾ Europe, Middle East, Africa

Segment information is presented on the basis of the internal reporting structure for the segments "Products" and "Foundry" and determined according to the valuation and accounting regulations of IFRS. The Segment "Products" is comprised of the development and distribution of analog Integrated Circuits ("ICs"). The segment's customers are mainly in the Consumer, Communications, Industrial, Medical and Automotive markets. In the "Foundry" segment we report the contract manufacturing of analog/mixed signal ICs based on our customers' designs.

The geographic segments are structured by the three regions in which sales occur: "EMEA" (Europe, Middle East and Africa), "North and South America", and "Asia/Pacific". In presenting information on the basis of geographical segments, segment revenue is based on the geographical billing location of customers.

The segment measure "Result from operations" consists of gross profit, expenses for research and development, expenses for selling, general & administrative as well as other operating income and expenses.

The segment assets generally comprise of the allocatable assets, i.e. customer receivables as well as segment specific tangible and intangible assets. The reconciliation of segment measures includes items which by definition are not part of the segments.

Segment capital expenditure is the total cost incurred (net of government grants) during the period, to acquire segment assets that are expected to be used for more than one period.