

Third Quarter Report 2012

Key figures EUR thousands (except earnings per share)	Q3 2012	Q3 2011	Q2 2012	9 months 2012	9 months 2011
Revenues	103,341	81,665	96,121	290,132	194,686
Gross margin in % (excluding acquisition-related costs)	56%	53%	54%	54%	52%
Result from operations	25,542	13,026	21,329	65,181	28,801
Net result	24,513	9,522	19,691	63,450	23,523
Basic / diluted earnings per share in CHF ¹⁾	2.30 / 2.17	0.87 / 0.86	1.87 / 1.77	5.99 / 5.70	2.62 / 2.56
Basic / diluted earnings per share in EUR	1.91 / 1.81	0.74 / 0.73	1.56 / 1.48	4.98 / 4.74	2.12 / 2.07
Total backlog (excluding consignment stocks)	90,560	89,088	106,788	90,560	89,088

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



Continued growth and strong profitability; 2012 revenue growth expectation of 40% year-on-year confirmed; agreement to acquire private RFID design center

Ladies and Gentlemen

Our third quarter results show continued revenue growth and a significant increase in profitability as we expand our market position in high performance sensor and analog applications for customers worldwide.

Third quarter group revenues grew to EUR 103.3 million, up 27% compared to the same quarter 2011 (16% in constant currency terms) and 8% quarter-on-quarter. Gross margin was 56%, excluding acquisition-related amortization, and 53%, including acquisition-related amortization, compared to 53%, excluding acquisition-related amortization, and 50%, including acquisition-related amortization, in the third quarter 2011. The result from operations (EBIT) for the third quarter increased to EUR 25.5 million, up 96% from EUR 13.0 million in the same period 2011. The third quarter net result was EUR 24.5 million compared to EUR 9.5 million in the same period 2011 and basic / diluted earnings per share were CHF 2.30 / 2.17 or EUR 1.91 / 1.81 (CHF 0.87 / 0.86 and EUR 0.74 / 0.73 in the third quarter 2011). Total backlog, excluding consignment stock agreements, was EUR 90.6 million on September 30, 2012 (EUR 106.8 million on June 30, 2012 and EUR 89.1 million on September 30, 2011). Operating cash flow increased to EUR 36.1 million compared to EUR 20.9 million in the third quarter 2011.

Our business saw a strong performance in the third quarter driven by our differentiated portfolio of high performance analog products and growing OEM and distribution demand in key markets.

In Consumer & Communications, strong growth in smartphone and tablet PC applications continued as a result of our customers' market success. Our light sensor products are shipping in very high volumes to market-leading OEMs for major global platforms and models. Our MEMS microphone IC business also continued to expand in the quarter. OEM interest for our high performance power management solution for a leading graphics processor vendor and new sensor technologies for mobile devices remains at high levels creating new opportunities in future designs. Our wireless business for RFID and NFC shows dynamic growth in emerging applications as we are continuing volume shipments of our innovative antenna booster solution for NFC mobile payment and winning new designs.

To further enhance our successful NFC offering and technology leadership in this exciting market we have entered into an agreement to acquire 100% of the shares in IDS, a global design leader for highly-integrated low-power RFID IC solutions and IP for HF and UHF applications. The IDS group, comprising IDS d.o.o. (Slovenia) and IDS IP Holding AG with its 100% subsidiary IDS Microchip AG (both in Switzerland), has approximately 20 employees. The parties to the transaction which is expected to close within the next twelve weeks, subject to certain approvals and conditions, have agreed to keep the consideration confidential. We have worked closely with IDS over the last several years and plan to fully integrate its activities into our existing wireless business following the closing.

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The addition of IDS solidifies ams' strong R&D and IP position in the authentication and payment markets where we offer the smallest form factors, the lowest power consumption and the highest sensitivity.

In our industrial and medical businesses we recorded positive results based on our broad portfolio of advanced sensor and sensor interface solutions and wide variety of end markets. The industrial sector remains influenced by inconsistent demand patterns in some markets while our innovative medical imaging sensor solutions continue to drive our customers' market success. Our automotive business performed well driven by our growing presence in critical sensor applications, despite a more challenging environment in the global automotive sector.

Based on currently available information, we fully confirm our 2012 revenue guidance and expect full year revenue growth of 40% compared to 2011 with EBIT margins exceeding 20% for the full year 2012. This positive development is particularly driven by our expanding business in the fast-growing markets for smartphones, tablet PCs, and other mobile devices. Design activities across markets remain at record levels as a growing number of OEMs rely on our high performance products to solve their analog challenges. Providing a first indication for the coming year, we expect further double-digit revenue growth in 2013 compared to the current year.

Consolidated Income Statement

(unaudited)

EUR thousands (except earnings per share)	Q3 2012	9 months 2012	Q3 2011	9 months 2011
Revenue Products	96,758	270,818	74,407	172,308
Revenue Foundry & Other	6,583	19,314	7,257	22,378
Total revenues	103,341	290,132	81,665	194,686
Cost of sales	- 48,242	- 139,323	- 40,528	- 95,855
Gross profit	55,099	150,809	41,136	98,832
Gross margin in % (excluding acquisition-related costs)	56%	54%	53%	52%
Gross margin in % (including acquisition-related costs)	53%	52%	50%	51%
Research and development	- 14,544	- 43,677	- 14,420	- 37,415
Selling, general and administrative	- 16,517	- 46,093	- 14,328	- 36,583
Other operating income	1,501	4,075	1,717	5,513
Other operating expense	- 168	- 221	- 91	- 140
Result from investments in associates	172	288	- 988	- 1,406
Result from operations	25,542	65,181	13,026	28,801
Net financing result	- 366	- 1,177	- 3,567	- 4,426
Result before tax	25,177	64,004	9,459	24,375
Income tax result	- 663	- 554	64	- 852
Net result	24,513	63,450	9,522	23,523
Basic / diluted earnings per share in CHF ¹⁾	2.30 / 2.17	5.99 / 5.70	0.87 / 0.86	2.62 / 2.56
Basic / diluted earnings per share in EUR	1.91 / 1.81	4.98 / 4.74	0.74 / 0.73	2.12 / 2.07

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

Consolidated Balance Sheet

(unaudited)

EUR thousands	as of	September 30, 2012	December 31, 2011
Assets			
Cash and cash equivalents		56,241	51,735
Financial assets		18,838	13,229
Trade receivables		51,879	39,734
Inventories		61,080	58,777
Other receivables and assets		10,908	7,823
Total current assets		198,945	171,297
Property, plant and equipment		121,653	117,196
Intangible assets		219,377	224,310
Investments in associates		6,648	6,295
Deferred tax assets		32,219	32,219
Other long-term assets		7,437	7,241
Total non-current assets		387,334	387,262
Total assets		586,278	558,559
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		9,847	9,435
Trade liabilities		26,242	17,069
Provisions		21,341	15,578
Other liabilities		21,948	16,262
Total current liabilities		79,377	58,344
Interest-bearing loans and borrowings		55,269	108,090
Employee benefits		15,367	14,455
Provisions		21,974	21,284
Deferred tax liabilities		17,203	19,423
Other long-term liabilities		3,510	4,792
Total non-current liabilities		113,322	168,045
Shareholders' equity			
Issued capital		34,414	33,425
Additional paid-in capital		210,338	193,581
Treasury shares		- 35,041	- 23,545
Other reserves (translation adjustment)		22,847	23,044
Retained earnings		161,021	105,665
Total shareholders' equity and reserves		393,579	332,170
Total liabilities and shareholders' equity		586,278	558,559

Consolidated Statement of Cash Flows

(unaudited)

EUR thousands	Q3 2012	9 months 2012	Q3 2011	9 months 2011
Operating activities				
Result before tax	25,177	64,004	9,459	24,375
Depreciation (net of government grants)	8,104	24,862	8,234	19,880
Changes in employee benefits	278	912	348	861
Expenses from stock option plan (acc. to IFRS 2)	725	1,763	523	1,322
Changes in other long-term liabilities	- 1,444	- 2,469	134	- 316
Result from sale of plant and equipment	-82	-94	0	0
Result from sale of investments	0	0	0	86
Result from investments in associates	- 172	- 288	988	1,406
Net financing result	366	1,177	3,567	4,426
Changes in assets	4,910	- 17,729	- 4,145	- 7,262
Changes in short-term operating liabilities and provisions	- 1,534	14,536	1,837	7,102
Tax payments	- 239	- 1,165	- 40	- 46
Cash flows from operating activities	36,088	85,508	20,905	51,835
Investing activities				
Acquisition of intangibles, property, plant and equipment	- 8,168	- 20,963	- 4,365	- 12,103
Acquisition of financial investments	0	- 5,000	- 85,591	- 91,983
Proceeds from sale of plant and equipment	526	526	0	0
Proceeds from the sale of investments	0	0	0	13,047
Interest received	369	982	284	963
Cash flows from investing activities	- 7,273	- 24,455	- 89,672	- 90,075
Financing activities				
Proceeds from borrowings	6,147	7,748	116,585	127,979
Repayment of debt	- 32,730	- 58,088	- 45,739	- 48,597
Repayment of finance lease liabilities	- 283	- 825	0	0
Acquisition of treasury shares	- 946	- 15,871	- 3,232	- 7,633
Sale of treasury shares	3,616	5,740	270	577
Interest paid	- 380	- 1,773	- 962	- 1,673
Expenses from financial instruments	0	0	0	- 52
Dividends paid	0	- 8,095	0	- 5,287
Changes resulting from capital increase	11,993	14,618	823	1,296
Cash flows from financing activities	- 12,583	- 56,546	67,745	66,611
Change in cash and cash equivalents	16,232	4,506	- 1,022	28,371
Cash and cash equivalents at begin of period	40,008	51,735	52,435	23,042
Cash and cash equivalents at end of period	56,241	56,241	51,413	51,413

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This report is also available in German. All figures are unaudited.