

Third Quarter Report 2013

Key figures EUR thousands (except earnings per share)	Q3 2013	Q3 2012	Q2 2013	9 months 2013	9 months 2012
Revenues	98,234	103,341	91,238	274,330	290,132
Gross margin in % (excluding acquisition-related costs)	55%	56%	54%	54%	54%
Result from operations	20,041	25,542	9,095	39,648	65,181
Net result	18,614	24,513	8,958	37,492	63,450
Basic / diluted earnings per share in CHF ¹⁾	1.71 / 1.66	2.30 / 2.17	0.83 / 0.79	3.44 / 3.32	5.99 / 5.70
Basic / diluted earnings per share in EUR	1.38 / 1.35	1.91 / 1.81	0.67 / 0.64	2.80 / 2.69	4.98 / 4.74
Total backlog (excluding consignment stocks)	91,246	90,560	82,435	91,246	90,560

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



**Third quarter ahead of guidance on revenues and EBIT margin;
fourth quarter revenues expected to reach EUR 108-114 million
despite currency headwinds; confident about future growth**

Ladies and Gentlemen

Our third quarter results demonstrate the strength of our product portfolio, the profitability of our business model, and the attractive positioning of ams in major areas of the global analog market.

Third quarter group revenues were EUR 98.2 million, 5% lower than in the same quarter 2012 (1% lower in constant currency terms), and 8% higher quarter-on-quarter. Gross margin was 55%, excluding acquisition-related amortization, and 53%, including acquisition-related amortization, compared to 56%, excluding acquisition-related amortization, and 53%, including acquisition-related amortization, in the third quarter 2012.

The result from operations (EBIT) for the third quarter was EUR 20.0 million or 20% of revenues, compared to EUR 25.5 million in the same period 2012. The third quarter net result was EUR 18.6 million compared to EUR 24.5 million in the same period 2012 and basic / diluted earnings per share were CHF 1.71 / 1.66 or EUR 1.38 / 1.35 based on 13,444,033 / 13,836,323 shares (basic/diluted; weighted average) compared to CHF 2.30 / 2.17 or EUR 1.91 / 1.81 based on 12,827,218 / 13,571,970 shares (basic/diluted; weighted average) in the third quarter 2012. Total backlog, excluding consignment stock agreements, was EUR 91.2 million on September 30, 2013 (EUR 82.4 million on June 30, 2013 and EUR 90.6 million on September 30, 2012). Operating cash flow for the third quarter was EUR 34.0 million compared to EUR 36.1 million in the third quarter 2012.

Our business showed a solid performance in the third quarter given positive momentum in key end markets and our strong position in high performance sensor and analog solutions.

In Consumer & Communications, we continued high volume shipments of our broad portfolio of intelligent light sensors to major smartphone and device OEMs. This included expected ramp-up activities driven by new global platforms. Our MEMS microphone driver business for a wide range of consumer devices continued to grow at attractive margins in the quarter.

Our wireless business remained focused on significant development and design-in activities for our NFC solutions, including antenna boost, while released products recorded positive volume trends. We enable seamless transactions through high sensitivity performance in the smallest form factors available. Given strong OEM engagements and commitments we feel confident about our position in the NFC market and profitable growth for ams from high volume NFC applications. At the same time, we are developing the next generation of NFC products to support future devices and technologies.

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Our industrial and medical business once more showed positive results in the third quarter. Industrial end-market demand remained attractive, supporting the momentum of our industrial business in the second half of the year. ams high performance sensors and sensor interfaces are enabling a broad range of industrial applications for leading OEMs worldwide. Our sensor solutions for digital imaging, which includes leading edge computed tomography (CT), mammography and ultrasound, continue to be key drivers for our medical business.

In our automotive business, we are seeing ongoing healthy demand for our sensor and sensor interface solutions across major OEM platforms. Critical in-vehicle systems incorporate ams' sensor expertise to provide higher levels of safety and reliability for drivers worldwide. Based on a full pipeline of automotive design-ins, for which we have added further resources in the quarter, our automotive business is expected to show attractive growth in the years to come.

For the fourth quarter 2013, we expect meaningful sequential and year-on-year revenue growth with revenues of EUR 108-114 million despite currency headwinds. Further product ramp-ups, particularly in Consumer & Communications, are expected to drive this growth. We see profitability continuing to increase in the fourth quarter and expect EBIT margin to expand further by more than 100 bps quarter-on-quarter.

Given our extensive product and design-in pipeline for smartphones, mobile devices, industrial, medical, and automotive systems we are confident about the positive development of ams' business in the future. We therefore confirm our strong longer term outlook for meaningful growth in revenues and further growth in profitability in the coming years.

Consolidated Income Statement

(unaudited)

EUR thousands (except earnings per share)	Q3 2013	9 months 2013	Q3 2012	9 months 2012
Revenue Products	89,685	247,938	96,758	270,818
Revenue Foundry & Other	8,549	26,392	6,583	19,314
Total revenues	98,234	274,330	103,341	290,132
Cost of sales	- 45,989	- 131,837	- 48,242	- 139,323
Gross profit	52,245	142,493	55,099	150,809
Gross margin in % (excluding acquisition-related costs)	55%	54%	56%	54%
Gross margin in % (including acquisition-related costs)	53%	52%	53%	52%
Research and development	- 16,833	- 51,215	- 14,544	- 43,677
Selling, general and administrative	- 16,665	- 53,114	- 16,517	- 46,093
Other operating income	1,252	3,670	1,501	4,075
Other operating expense	- 285	- 678	- 168	- 221
Result from investments in associates	326	- 1,509	172	288
Result from operations	20,041	39,648	25,542	65,181
Net financing result	- 458	- 594	- 366	- 1,177
Result before tax	19,584	39,053	25,177	64,004
Income tax result	- 970	- 1,561	- 663	- 554
Net result	18,614	37,492	24,513	63,450
Basic / diluted earnings per share in CHF ¹⁾	1.71 / 1.66	3.44 / 3.32	2.30 / 2.17	5.99 / 5.70
Basic / diluted earnings per share in EUR	1.38 / 1.35	2.80 / 2.69	1.91 / 1.81	4.98 / 4.74

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, 2013	December 31, 2012
Assets			
Cash and cash equivalents		71,085	67,916
Financial assets		20,987	18,931
Trade receivables		56,973	42,175
Inventories		42,604	56,186
Other receivables and assets		11,073	11,238
Total current assets		202,722	196,447
Property, plant and equipment		142,233	131,282
Intangible assets		249,674	259,966
Investments in associates		4,870	6,430
Deferred tax assets		32,832	32,876
Other long-term assets		8,246	6,991
Total non-current assets		437,855	437,545
Total assets		640,577	633,992
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		10,759	9,428
Trade liabilities		20,416	26,392
Provisions		24,872	24,267
Other liabilities		26,625	20,789
Total current liabilities		82,672	80,876
Interest-bearing loans and borrowings		62,595	71,407
Employee benefits		19,824	19,159
Provisions		23,034	22,817
Deferred tax liabilities		14,536	17,165
Other long-term liabilities		13,424	13,053
Total non-current liabilities		133,413	143,601
Shareholders' equity			
Issued capital		35,147	34,658
Additional paid-in capital		225,427	214,763
Treasury shares		- 43,088	- 35,240
Other reserves (translation adjustment)		11,497	17,946
Retained earnings		195,508	177,387
Total shareholders' equity and reserves		424,492	409,514
Total liabilities and shareholders' equity		640,577	633,992

Consolidated Statement of Cash Flows

(unaudited)

EUR thousands	Q3 2013	9 months 2013	Q3 2012	9 months 2012
Operating activities				
Result before tax	19,584	39,053	25,177	64,004
Depreciation (net of government grants)	8,739	26,724	8,104	24,862
Changes in employee benefits	- 1,170	665	278	912
Expenses from stock option plan (acc. to IFRS 2)	760	2,198	725	1,763
Changes in other long-term liabilities	- 1,836	- 2,041	- 1,444	- 2,469
Result from sale of plant and equipment	-8	7	-82	-94
Result from investments in associates	- 326	1,509	- 172	- 288
Net financing result	458	594	366	1,177
Changes in assets	567	- 2,306	4,910	- 17,729
Changes in short-term operating liabilities and provisions	7,764	7,059	- 1,534	14,536
Tax payments	- 565	- 2,596	- 239	- 1,165
Cash flows from operating activities	33,967	70,865	36,088	85,508
Investing activities				
Acquisition of intangibles, property, plant and equipment	- 7,489	- 40,331	- 8,168	- 20,963
Acquisition of financial investments	0	- 2,000	0	- 5,000
Proceeds from sale of plant and equipment	8	604	526	526
Interest received	467	1,309	369	982
Cash flows from investing activities	- 7,015	- 40,418	- 7,273	- 24,455
Financing activities				
Proceeds from borrowings	11,459	11,859	6,147	7,748
Repayment of debt	- 15,595	- 18,213	- 32,730	- 58,088
Repayment of finance lease liabilities	- 269	- 808	- 283	- 825
Acquisition of treasury shares	- 8,327	- 10,844	- 946	- 15,871
Sale of treasury shares	1,105	2,996	3,616	5,740
Interest paid	-534	- 1,853	- 380	- 1,773
Dividends paid	0	- 19,371	0	- 8,095
Changes resulting from capital increase	1,072	8,956	11,993	14,618
Cash flows from financing activities	- 11,089	- 27,279	- 12,583	- 56,546
Change in cash and cash equivalents	15,863	3,169	16,232	4,506
Cash and cash equivalents at begin of period	55,222	67,916	40,008	51,735
Cash and cash equivalents at end of period	71,085	71,085	56,241	56,241

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