

Press release

Micronas achieves excellent margin despite Japan crisis and euro weakness

- **EBIT margin matches previous year's despite Japan crisis, weakness of euro and additional R&D investments**
- **Turnover in core Hall sensors business rises after currency adjustments**
- **Cooperation with X-FAB gives Micronas access to future manufacturing technologies**
- **Distribution of CHF 0.05 per registered share proposed**
- **Sales of CHF 80 to 82 million and an EBIT margin of around 13 percent expected for first half of 2012**

Zurich, February 23, 2012 – Micronas can look back on a successful 2011 financial year. “Although the crisis in Japan hit the Company hard owing to the high proportion of sales Micronas generates in this region, and despite the negative impact on sales due to the euro’s weakness, we are proud to have once again – like last year – achieved a double-digit EBIT margin”, says Micronas CEO Matthias Bopp.

Consolidated net sales for the Micronas Group (Automotive and Consumer) in 2011 came to CHF 158.8 million. This is 17 percent down on the previous year, which is in line with expectations. The fall is mainly due to the weakness of the euro and the planned phasing out of sales of Consumer products and dashboard controllers. The Automotive division achieved sales of CHF 151.8 million, which is 7 percent lower than in 2010; after adjusting for currency movements (euros), Automotive sales were 3 percent higher than in the previous year. Consumer sales were down, as expected, from CHF 26.6 million in the previous year to CHF 7.0 million in 2011; in the final quarter they came to CHF 1.2 million. Despite a strategic increase in investment in research and development, the Micronas Group recorded an operating profit (EBIT) of CHF 20.6 million, which gives an EBIT margin of 13 percent of sales (2010: 13.7 percent).

Owing to the steep fall in the value of the Trident shares that the Company acquired in 2009 when it sold some of its Consumer product lines, Micronas had to make a value adjustment on this

shareholding, which it then sold in its entirety in the fourth quarter. This reduced the financial result by a net CHF 9.3 million. After taking financial income and expenses into account, as well as income from deferred taxes of CHF 8.5 million, Micronas reported a profit of CHF 11.5 million for 2011 (2010: CHF 6.7 million). Earnings per share for 2011 came to CHF 0.39 (CHF 0.23). The Board of Directors proposes to the annual Shareholders' Meeting of Micronas Semiconductor Holding AG of March 23, 2012 to distribute to the shareholders CHF 0.05 per registered share from the capital contribution reserve. At the end of 2011, Micronas held cash and cash equivalents of CHF 156.2 million (CHF 165.4 million). Equity capital stood at CHF 129.2 million (CHF 122.7 million). The Company's equity ratio rose to 46 percent (2010: 44 percent).

The Automotive division was hit especially hard in the second and third quarter by the effects of the earthquake in Japan. The Japanese car industry managed to stage a recovery by the end of the third quarter, and Micronas achieved significantly higher sales in the fourth quarter. The floods in Thailand had no significant effect on Micronas.

Automotive sales came to CHF 151.8 million in 2011, compared to CHF 163.7 million in 2010. This was exclusively due to the weakening of the euro against the Swiss franc and reduced sales of dashboard controllers. After adjusting for currency movements (euros), Automotive sales actually increased 3 percent on the previous year, with sales of Hall sensors rising 7 percent. The gross margin improved from 37 percent in 2010 to 38 percent in 2011. In order to further strengthen research and development activities, R&D spending was raised during the period under review to more than 17 percent of sales. Operating profit (EBIT) came to CHF 16.3 million (2010: CHF 21.9 million).

Its further development of Hall sensors puts Micronas in an excellent position. The Company's positive experience at trade fairs during the year confirmed the great interest in its new products based on 3D HAL technology. The main attractions were the HAL 3625 angle sensor, which can determine angles up to 360 degrees with extreme precision, and the HAL 3855 Hall sensor, which accurately measures positions over distances of up to 40 millimeters.

A new and optimized system solution devised by Micronas for the fast-growing market for brushless DC (BLDC) motors was launched in 2011. The embedded HVC 2480B microcontroller controls actuators in combination with an intelligent Hall sensor, for example in motor control applications. An increasing number of DC and stepper motor applications will in future use brushless motors because of their superiority to traditional motors in terms of energy efficiency, space required, weight, reliability and noise emission.

A major milestone was achieved in the Industrial division with the partnership agreement on gas sensors between Siemens and Micronas. The aim of this cooperation is to develop and launch new types of Siemens fire detection products based on Micronas mySENS technology. This has given Micronas another important key client. The mySENS evaluation platform has also been supplied to other companies working on fire detection technology, as well as to numerous potential clients in the climate control technology and gas sensor sectors.

With an investment of EUR 10 million in, and the related cooperation with, X-FAB Silicon Foundries Group, a leading international foundry group based in Erfurt that specializes in analog and mixed analog-digital semiconductor applications, Micronas has secured access to next generation technologies. Micronas will use X-FAB as a manufacturing partner, support it as a technology partner and retains the option to move over to its own manufacturing in future, thus offering dual sourcing.

The expansion of marketing and sales activities was continued in 2011 and structured along clear lines of responsibility. The positions of Vice President Sales and Chief Technology Officer (CTO), newly created in 2011, were both filled with internationally experienced industry professionals.

In line with expectations, Consumer sales came to CHF 7.0 million (2010: CHF 26.6 million). Operating profit (EBIT) stood at CHF 4.3 million (CHF 4.2 million). Micronas expects to phase out sales of Consumer products completely in 2012.

Owing to the crisis in Japan, capacity utilization at the Freiburg manufacturing facilities went down to 70 percent in the first half-year. During the second six months, capacity then rose continuously to reach around 80 percent. Manufacturing includes the front-end wafer fab and the back-end assembly and testing areas. Short-time work was suspended intermittently in the second half of the year, and by the end of 2011 was being used very little.

In April 2011, Micronas acquired some of the land and buildings it had previously leased in Freiburg. This has helped to permanently reduce costs and improve operating results. In December 2011, a 2000 m² photovoltaic system was erected on the purchased buildings. With this project Micronas is making a substantial contribution to protecting the environment.

The Board of Directors and the Management expect sales of CHF 80 to 82 million in the first half of 2012, and an EBIT margin of around 13 percent.

About Micronas

Micronas (SIX Swiss Exchange: MASN) is known and recognized in the automotive and industrial business as a reliable global acting partner for intelligent, sensor-based system solutions. Micronas offers a variety of Hall sensors and embedded controllers for smart actuators for automotive and industrial applications, such as drive trains, chassis frames, engine management and convenience functions.

For further information

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Detailed financial information as well as the Annual Report 2011 is available at: www.micronas.com

Note for financial analysts and journalists

The analysts' and press conference in GERMAN will take place on Thursday, **February 23, 2012**, at **10 a.m.** Venue: **Hotel Savoy**, Paradeplatz, Zurich.

A telephone conference call in ENGLISH will take place on Thursday, **February 23, 2012**, at **1 p.m.** CET. Dial in on: **+41 44 580 00 74**.

A recording of the conference call will be available at: www.micronas.com.

Disclaimer

This press release contains forward-looking statements, such as projections, forecasts and estimates. Such forward-looking statements are dependent on certain risks and uncertainties which may cause actual results, performance or events to differ materially from those anticipated in this press release. The forward-looking statements contained in this press release are based on Micronas' views and assumptions as of this date and Micronas does not assume any obligation to update or revise this press release. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Micronas Group – Key data for fourth quarter and business year 2011

Consolidated profit and loss statement	Q4/2011 CHF 1 000	Q3/2011 CHF 1 000	12 months 2011 CHF 1 000	12 months 2010 CHF 1 000
Net sales	43 573	35 537	158 799	190 268
Margin	17 998	13 515	59 187	64 200
Operating profit (EBIT)	7 145	5 242	20 622	26 127
EBITDA	9 678	8 735	35 253	51 417
Profit/loss for the period	12 639	-2 432	11 508	6 697
Earnings per share in CHF	0.43	-0.08	0.39	0.23

Segment reporting	Q4/2011 CHF 1 000	Q3/2011 CHF 1 000	12 months 2011 CHF 1 000	12 months 2010 CHF 1 000
Automotive				
Net sales	42 405	32 981	151 846	163 682
Operating profit (EBIT)	6 210	3 547	16 317	21 922
Book-to-bill	1.03	1.12	0.91	1.15
Consumer				
Net sales	1 168	2 556	6 953	26 586
Operating profit (EBIT)	935	1 695	4 305	4 205

Consolidated balance sheet	31.12.2011 CHF 1 000	23.9.2011 CHF 1 000	31.12.2010 CHF 1 000
Non-current assets	80 964	73 456	70 169
Other current assets	43 870	54 780	43 896
Cash, cash equivalents and short-term financial investments	156 166	145 620	166 244
Total assets	281 000	273 856	280 309
Equity	129 233	115 799	122 670
Long-term liabilities	123 115	124 849	129 269
Current liabilities	28 652	33 208	28 370
Total shareholders' equity and liabilities	281 000	273 856	280 309
Net cash	156 166	145 620	166 244

Consolidated cash flow statement	Q4/2011 CHF 1 000	Q3/2011 CHF 1 000	12 months 2011 CHF 1 000	12 months 2010 CHF 1 000
Cash flow from operating activities	14 980	4 912	26 108	4 505
Cash flow from investing activities	-2 499	-10 790	-26 946	-2 486
Cash flow from financing activities	-1 569	-1 617	-6 214	-6 512
Change in cash and cash equivalents	10 597	-5 052	-9 275	-23 005

Orders on hand book-to-bill	Q4/2011 CHF 1 000	Q3/2011 CHF 1 000	12 months 2011 CHF 1 000	12 months 2010 CHF 1 000
Orders on hand, beginning of period	46 635	42 858	62 651	55 776
Net sales	43 573	35 537	158 799	190 268
Order intake	44 700	38 605	144 883	207 981
Translation adjustment	-218	709	-1 191	-10 838
Orders on hand, end of period	47 544	46 635	47 544	62 651
Book-to-bill	1.03	1.09	0.91	1.09