

Press release

Positive performance of Micronas in 2012 financial year

- 6 percent year-on-year rise in sales
- Gross margin up to 40 percent
- Operating profit improves by 17 percent
- EBIT margin rises to 14 percent
- Proposal to distribute CHF 0.05 per registered share
- Gloomy outlook for this year

Zurich, February 21, 2013 – Micronas saw its positive performance continue in the 2012 financial year, with sales and earnings both up on 2011, especially in the Automotive division. The global automotive market stayed on a growth trajectory for the first part of 2012, though with regional variations. Despite the difficult situation in Western Europe, lively activity in North America and Asia resulted in a worldwide increase in car sales. Japan even reported the best level of new registrations since 2006. But in the fourth quarter the worldwide automotive business slowed significantly.

In 2012, consolidated sales increased 6.1 percent on the previous year to CHF 168.5 million, which means that the fall in sales of dashboard controllers and the phasing out of consumer products were more than offset. After adjusting for currency movements (in euros), sales rose by 8.9 percent. Growth was driven mainly by automotive customers in Asia. Micronas benefited from its excellent product portfolio and from the recovery of the Japanese car industry, which is catching up fast after the setbacks caused by the earthquake. Meanwhile, the strength of the Japanese yen against the euro had a positive effect on sales in the first nine months. The weakening of the car industry in the final three months of the year also led to a drop in sales at Micronas compared with the third quarter. The gross margin rose to 40.1 percent of sales in the year under review, up from 37.3 percent in the prior year. Research and development expenses came to CHF 28.9 million, or 17.2 percent of sales. The Micronas Group's operating profit (EBIT) went up 17.5 percent to CHF 24.2 million. Micronas saw its EBIT margin for the 2012 financial year rise to 14.4 percent of sales, compared with 13.0 percent in the prior year.

Including the financial result and a tax income of CHF 6.2 million, Micronas showed a profit for 2012 of CHF 19.3 million, compared with CHF 11.5 million for the prior year. Earnings per share went up accordingly to CHF 0.66. At December 31, 2012, Micronas held net cash of CHF 169.9 million, compared with CHF 156.2 million at end-2011. With shareholders' equity up by CHF 22.8 million to CHF 152.0 million, the equity ratio improved to 51.6 percent.

The positive performance in 2012 has prompted the Board of Directors to propose to the upcoming Shareholders' Meeting that it once again distributes some of the profit generated – CHF 0.05 per registered share – to shareholders.

In the automotive segment in 2012 sales were up by 8.4 percent on the prior year at CHF 157.0 million. After adjusting for currency movements (in euros), the rise was 11.3 percent. Operating profit (EBIT) came to CHF 25.5 million, compared with CHF 20.4 million in the prior year. The EBIT margin rose from 14.1 to 16.3 percent. Demand for our Hall sensors also increased in the first nine months of 2012, and Micronas was able to build up its leading position. The weakening of the car industry in the final three months of the year also led to a drop in Automotive sales compared with the third quarter.

Micronas is the world market leader for Hall sensors, providing solutions for numerous automotive applications, particularly throttle and accelerator pedal position measurement and control of exhaust gas recirculation. One of the main focuses of product development is the expansion of the family of sensors that determine angles of rotation and measure linear movements using 3D HAL technology. During the year under review, volume production of these product families was started successfully, and deliveries were made to key clients. Micronas Hall sensors are being used increasingly to measure electric currents. The output is ratiometric, with results delivered without voltage drop. In the second half of the year Micronas added the CUR 3115 to its family of current sensors. Alongside its Hall sensors, Micronas is expanding a second product line: embedded high voltage controllers (HVCs) for intelligent actuators in automotive and industrial applications. Production of the first HVCs was started in 2012 for our lead customer PMDM Minebea.

Industrial products and the remaining consumer products, which are reported together under "Others," achieved sales of CHF 11.5 million in 2012. Our industrial business performed in accordance with expectations. We continued to market Micronas products in the industrial sector and achieved significant initial successes with new customers in all regions.

Micronas presented its latest generation of gas sensors based on mySENS technology at key trade fairs around the world. As well as their smaller size and reliable fire detection capabilities, the resistance of our gas sensors to interference from such things as steam was a key factor. This is a major improvement on currently available fire detectors, which often produce false alarms because of

an inability to distinguish between smoke and steam or dust. Some key clients of Micronas presented prototype fire alarms based on mySENS technology at their main trade fair "Security Essen" in September. We began to provide customers with samples of the new gas sensors in 2012. This work is being further intensified and is likely to give way to volume production at the end of 2013.

Consumer products, which have been phased out, made their last contribution to sales during the year under review. Production and deliveries were stopped at the end of 2012.

In 2012 the Company's production facilities operated at slightly below 80 percent capacity. The fall in sales of the products that were phased out (consumer products and dashboard controllers) was more than offset by the continuous rise in sales of products (HAL and HVC) for the automotive and industrial market. The worldwide weakening of the car industry in the final three months of the year caused capacity utilization at production plants to fall to 73 percent in the fourth quarter.

"Within our markets, the long-term trend toward increased efficiency and environmental protection continues unabated, leading to rising demand for our sensors and embedded controllers," says Micronas CEO Matthias Bopp. "However, our business is currently influenced by two major factors. Firstly, the Japanese yen has become even weaker against the euro since the fourth quarter of last year, which because of our high market share in Japan has a considerable influence on sales, margins and operating profit. Secondly, the gloomier outlook for the automotive industry apparent since the third quarter of 2012 is set to continue in the first half of 2013 owing to the unclear economic signals around the world."

In order to reduce susceptibility to changes in the yen exchange rate, Micronas started already in 2012 to invoice more of its Japanese customers in euros. This trend will intensify over the course of the current financial year. Micronas is also responding to the current situation with a cost-saving program. This includes short-time work in some parts of the Freiburg manufacturing plant, and a temporary suspension of operations in Scotland. Expenses for external services have been reduced by focusing on strategically important development projects, and investments have been trimmed down to those required to ensure ongoing manufacturing and new product ramps.

Assuming a yen-euro exchange rate of between 120 and 125, the Board of Directors and Management expect sales of around CHF 70 million for the first half of 2013. The EBIT margin is expected to be in the lower single-digit percentage range: the weakness of the Japanese yen is reducing it by 6 to 8 percentage points.

About Micronas

Micronas (SIX Swiss Exchange: MASN) is known and recognized in the automotive and industrial business as a reliable global 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 and the Annual Report 2012 are available at: www.micronas.com

Note for financial analysts and journalists

The analysts' and press conference in GERMANY will take place on Thursday, **February 21, 2013**, at **10 a.m.** Venue: **Hotel Savoy**, Paradeplatz, Zurich

An English translation of the Management presentation delivered at the analysts' and press conference is 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 financial year 2012

Consolidated profit and loss statement	Q4/2012 CHF 1 000	Q3/2012 CHF 1 000	12 months 2012 CHF 1 000	12 months 2011 CHF 1 000
Net sales	38 120	43 484	168 465	158 799
Margin	14 209	18 922	67 502	59 187
Operating profit (EBIT)	4 512	6 576	24 229	20 622
EBITDA	7 182	9 497	35 478	35 253
Profit for the period	2 655	9 676	19 294	11 508
Earnings per share in CHF	0.10	0.33	0.66	0.39

Segment reporting	Q4/2012 CHF 1 000	Q3/2012 CHF 1 000	12 months 2012 CHF 1 000	12 months 2011 CHF 1 000
Automotive				
Net sales	35 566	40 426	156 993	144 778
Operating profit (EBIT)	4 250	7 335	25 520	20 360
Others				
Net sales	2 554	3 058	11 472	14 021
Operating profit/loss (EBIT)	262	-759	-1 291	262

Consolidated balance sheet	31.12.2012 CHF 1 000	28.9.2012 CHF 1 000	31.12.2011 CHF 1 000
Non-current assets	82 397	83 029	80 964
Other current assets	42 376	43 012	43 870
Cash, cash equivalents and s-t financial investments	169 897	167 938	156 166
Total assets	294 670	293 979	281 000
Equity	152 019	147 658	129 233
Long-term liabilities	118 466	119 688	123 115
Current liabilities	24 185	26 633	28 652
Total shareholders' equity and liabilities	294 670	293 979	281 000
Net cash	169 897	167 938	156 166

Consolidated cash flow statement	Q4/2012 CHF 1 000	Q3/2012 CHF 1 000	12 months 2012 CHF 1 000	12 months 2011 CHF 1 000
Cash flow from operating activities	4 690	9 777	23 594	19 888
Cash flow from investing activities	-2 211	-2 112	-7 637	-26 946
Cash flow from financing activities	-13	0	-1 484	6
Change in cash, cash equivalents and short-term cash deposits	2 060	8 385	13 731	-9 275

Orders on hand Book-to-bill	Q4/2012 CHF 1 000	Q3/2012 CHF 1 000	12 months 2012 CHF 1 000	12 months 2011 CHF 1 000
Orders on hand, beginning of period	48 928	57 398	47 544	62 651
Net sales	38 120	43 484	168 465	158 799
Order intake	32 709	34 695	164 690	144 883
Translation adjustment	-66	319	-318	-1 191
Orders on hand, end of period	43 451	48 928	43 451	47 544
Book-to-bill	0.86	0.80	0.98	0.91