

## **Corporate presentation – Second Quarter 2010**

Conference Call  
July 20, 2010, at 11.00 a.m. (CE time)

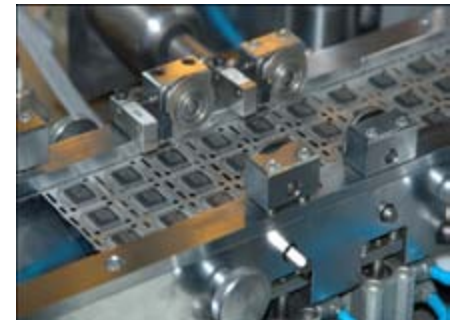
The following documentation contains forward-looking statements that are subject to certain risks and uncertainties. Actual results may differ materially from those anticipated in this presentation.

## Agenda

- ◆ **Overview**
- ◆ Automotive markets
- ◆ Customers
- ◆ Products
- ◆ Financials
- ◆ Summary

## Micronas – second quarter and first half of 2010

- ◆ Micronas continued to consolidate its position in the core segment Automotive
- ◆ Micronas is already benefiting from measures initiated by the Board of Directors and Management at the start of the year
- ◆ Automotive sales were up 5.7 percent, while consumer sales remained at the previous quarter's level
- ◆ With total sales growth of 4 percent and a CHF 5.3 million rise in EBIT compared with the previous quarter, management expectations have been exceeded
- ◆ The outflow of cash in operating areas was stopped in the first half of 2010

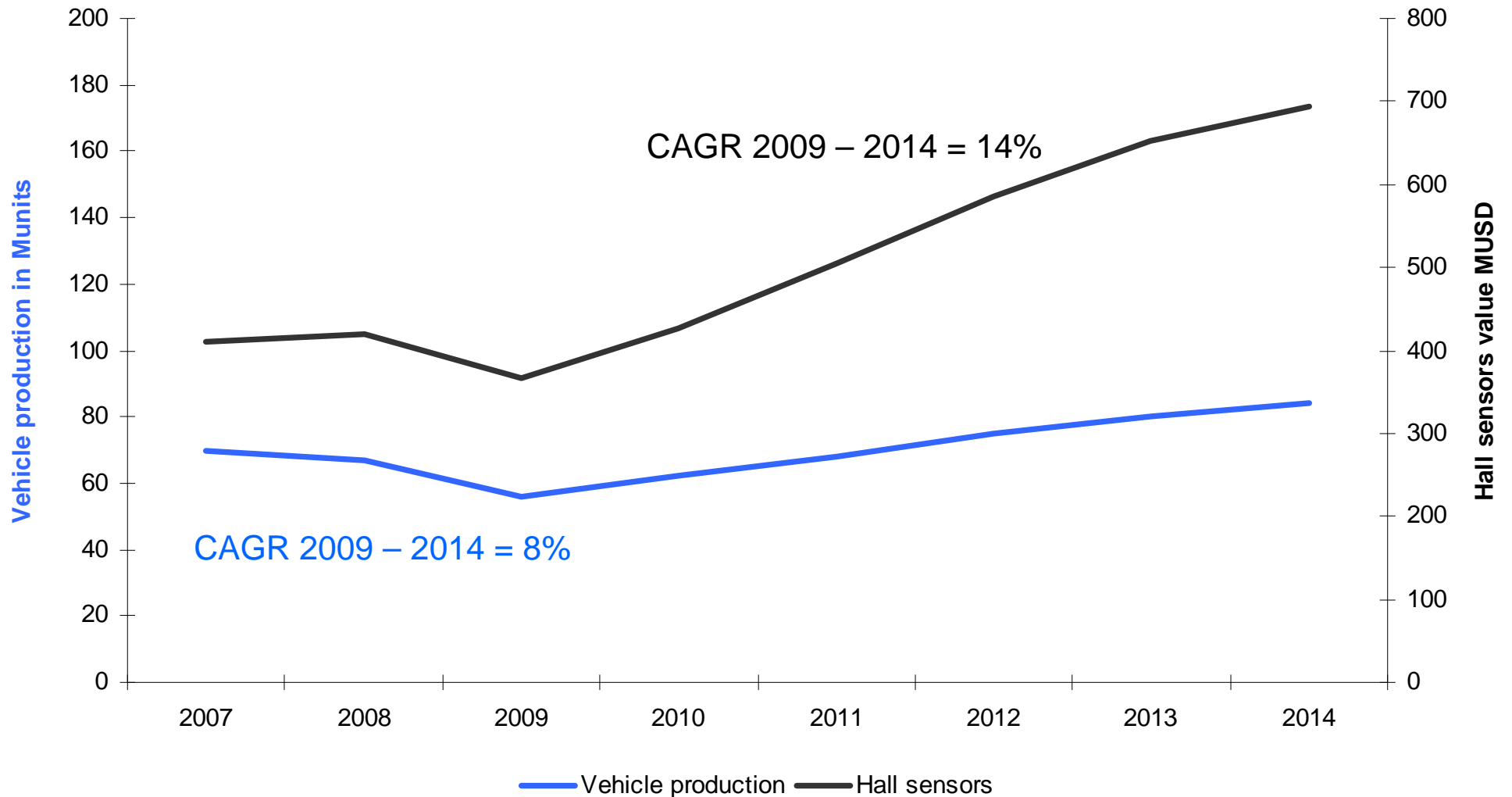


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# Automotive and hall sensor markets



## Update on Automotive industry

### ◆ New car registration

- ◆ Car registration January to June 2010 compared to the same period 2009:

- ◆ **Western-EU:\* + 2% to a total of 7.3 mil. units**

- ◆ France: + 5% (1.2 mil.)\*                      Italy: + 3% (1.2 mil.)\*
- ◆ UK:    + 20% (1.1 mil.)\*                      Spain: + 40% (0.6 mil.)\*
- ◆ Germany: - 29% (1.5 mil.)\*

- ◆ **USA:\*\*            + 17% to a total of 5.6 mil. units**

- ◆ **Japan:\*\*        + 23% to a total of 2.3 mil. units**

- ◆ **China:\*\*        + 49% to a total of 5.4 mil. units**

### ◆ Outlook:

- ◆ Ongoing positive trend in USA, Japan and China
- ◆ Demand for new cars in Western Europe was stable compared to first quarter 2010

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## Customer and distributor base

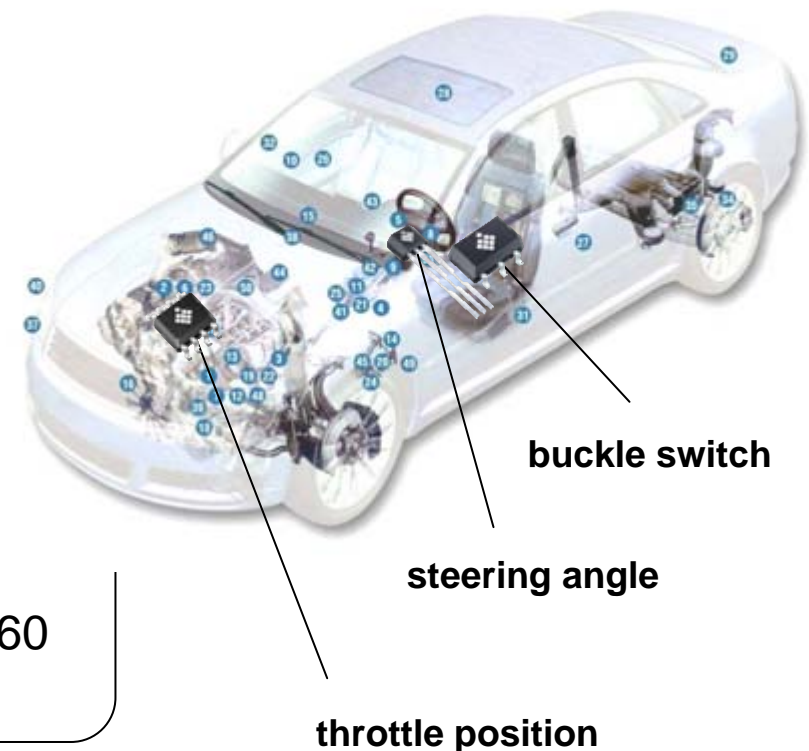
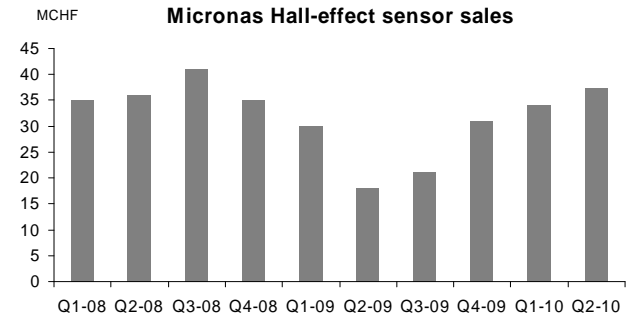


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## Hall-effect sensors for automotive

- ◆ Hall-effect sensors are highly reliable contactless magnetic sensors for position, speed, motion and angles
- ◆ Integrating the sensor and signal processing electronics monolithically allows to provide:
  - ◆ Flexible and customizable solutions via programmability using the integrated EEPROM
  - ◆ Various analog and digital interfaces
  - ◆ Ideal network system solutions through **easyLIN** functionality also in combination with our embedded controller family
  - ◆ High-durability through multiple device protection functions
  - ◆ Extended temperature range ( $T_j = -40^{\circ}\dots+170^{\circ}\text{C}$ )
- ◆ Multi-purpose Hall sensor families for more than 60 applications in the car



# Hall-effect sensor product lines

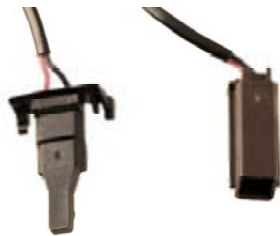
## Switches

### Pre-configured

- HAL1xy (white goods and industrial)
- HAL2xy (Automotive in-cabin)
- HAL3xy (differential)
- HAL5xy (Automotive extended)
- HAL7xy (dual plate)

### Programmable

- HAL1000 (programmable)



buckle switch

## Linear

### Pre-configured

- HAL4xy (standard)
- HAL1821/2/3 (analog, mid-range)

### Programmable

- HAL8xy (analog, high-end)
- HAL85x (32 set points)
- HAL1820 (analog, mid-range)
- HAL2810 (LIN)
- HAL2830 (SENT)
- HAL2850 (PWM)



throttle position

varioHAL<sup>®</sup>  
by Micronas

## Angular

### Programmable

- HAL3625 – 3D-HAL (vertical Hall technology for 360° angular measurements)

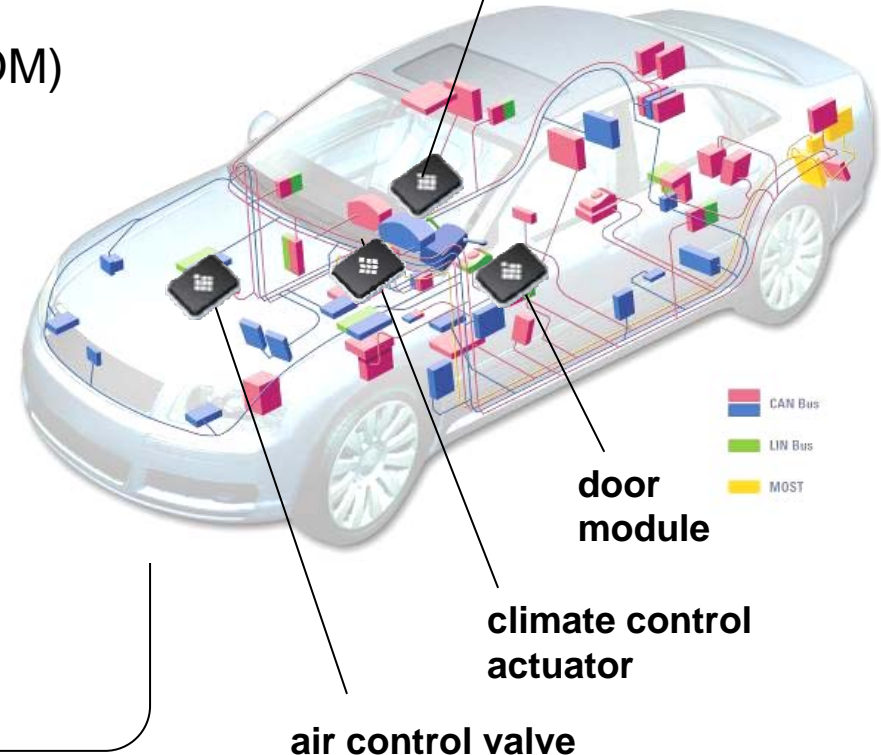
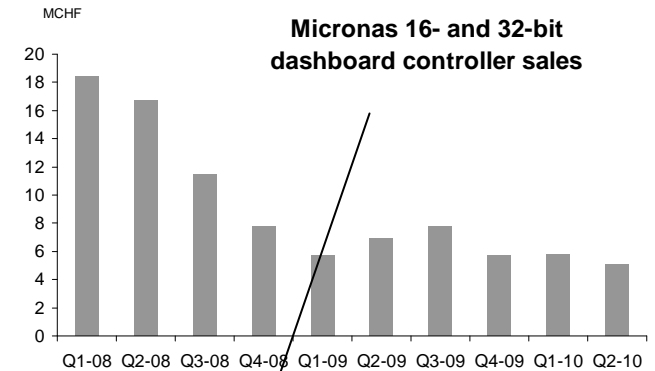
3D|HAL<sup>®</sup>  
by Micronas



steering angle

# Embedded controllers for automotive

- ◆ High-performance CPU core provides system cost advantages through integrated application specific features
  - ◆ On-chip power management supports direct 12V battery operation
  - ◆ Embedded non-volatile memory (EEPROM)
  - ◆ Integrated LIN transceiver **easyLIN** provides ideal network system solution in combination with our hall sensors
  - ◆ High-current output drivers for actuators like Brushless DC motors
  - ◆ High-durability through multiple device protection functions
  - ◆ Extended temperature range ( $T_j = -40^{\circ}\text{C} \dots +170^{\circ}\text{C}$ )



## Products for industrial and white goods

- ◆ Industrial market widely adopting contact-less technologies for sensor solutions
- ◆ Emerging mechatronic applications need system solutions comprised of a sensing and an actuator control function
- ◆ Leverage of existing sensor and controller portfolio and alignment of future product roadmap to the industrial and white goods market
  - ◆ Industrial (motors, fans, building technology)
  - ◆ White goods (washing machine, dish washer)
  - ◆ Vending machines





## Product news

- ◆ **Hall-effect current transducer for contactless ACDC measurement in automotive and industrial applications**
  - ◆ The CUR 3105 can be perfectly adapted to contactless current sensing applications by selecting the magnetic field range, by programming the required output characteristics and by choosing the suitable package
- ◆ **mySENS® – Micronas presents system solution with CMOS-based gas sensor technology at the Sensor+Test 2010**
  - ◆ The GAS85xyB system solution detects ammonia and flammable gases such as hydrogen in the ambient atmosphere and also measures temperature and relative humidity
- ◆ **Micronas supplying the 500 millionth linear Hall-effect sensor**
  - ◆ The programmable HAL 8xy family has been a resounding success in the automobile industry and in general industrial use



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## Micronas Group – income statement

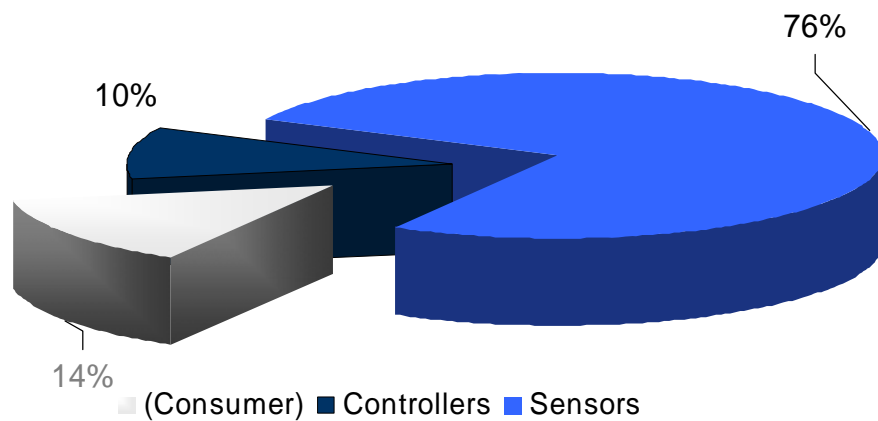
| in CHF Mil.                                                                             | Q2/2010           |              | Q1/2010           |        | 1st half 2010     |              | 1st half 2009     |         |
|-----------------------------------------------------------------------------------------|-------------------|--------------|-------------------|--------|-------------------|--------------|-------------------|---------|
|                                                                                         | in % of net sales |              | in % of net sales |        | in % of net sales |              | in % of net sales |         |
| <b>Net sales</b>                                                                        | <b>49.3</b>       |              | 47.3              |        | <b>96.6</b>       |              | 144.5             |         |
| <b>Margin</b>                                                                           | <b>14.5</b>       | <b>29.4%</b> | 11.7              | 24.8%  | <b>26.2</b>       | 27.2%        | 13.3              | 9.2%    |
| R & D                                                                                   | -6.3              | -12.8%       | -5.9              | -12.5% | -12.2             | -12.6%       | -39.1             | -27.1%  |
| SG & A                                                                                  | -4.5              | -9.1%        | -4.6              | -9.7%  | -9.1              | -9.4%        | -26.0             | -18.0%  |
| Other operating inc./exp.                                                               | 0.8               | 1.6%         | 0.6               | 1.3%   | 1.4               | 1.4%         | -0.2              | -0.1%   |
| <b>Operating profit/loss before restructuring and partial sale of Consumer division</b> | <b>4.5</b>        |              | 1.8               |        | <b>6.3</b>        |              | -52.0             |         |
| Restructuring                                                                           | 1.6               |              | -1.0              |        | 0.6               |              | -113.6            |         |
| Net gain from partial sale of Consumer division                                         | 0.0               |              | 0.0               |        | <b>0.0</b>        |              | 8.7               |         |
| <b>EBIT</b>                                                                             | <b>6.1</b>        | <b>12.5%</b> | 0.8               | 1.7%   | <b>6.9</b>        | 7.1%         | -156.9            | -108.5% |
| Financial income/expense, net                                                           | -6.3              |              | -4.6              |        | -10.9             |              | -0.7              |         |
| <b>Pretax profit/loss</b>                                                               | <b>-0.2</b>       | <b>-0.4%</b> | -3.8              | -8.0%  | <b>-4.0</b>       | -4.1%        | -157.6            | -109.1% |
| Income taxes                                                                            | -0.2              |              | -0.1              |        | -0.3              |              | -0.4              |         |
| <b>Loss for the period</b>                                                              | <b>-0.4</b>       | <b>-0.8%</b> | -3.9              | -8.2%  | <b>-4.3</b>       | -4.4%        | -158.0            | -109.3% |
| <b>EBITDA</b>                                                                           | <b>13.1</b>       | <b>26.6%</b> | 8.2               | 17.3%  | <b>21.3</b>       | <b>22.0%</b> | -134.9            | -93.4%  |
| <b>Earnings per share in CHF</b>                                                        | <b>-0.01</b>      |              | -0.13             |        | <b>-0.14</b>      |              | -5.37             |         |

## Micronas Group – segment information

| in CHF Mil.                                                                      | Q2/2010 | Q1/2010 | 1st half 2010 | 1st half 2009 |
|----------------------------------------------------------------------------------|---------|---------|---------------|---------------|
| <b>Automotive</b>                                                                |         |         |               |               |
| Net sales                                                                        | 42.4    | 40.1    | 82.5          | 61.0          |
| Manufacturing margin                                                             | 17.2    | 14.7    | 31.9          | 24.4          |
| in % of sales                                                                    | 40.5%   | 36.6%   | 38.6%         | 40.1%         |
| Margin                                                                           | 14.2    | 10.9    | 25.1          | 9.6           |
| in % of sales                                                                    | 33.6%   | 27.2%   | 30.4%         | 15.8%         |
| Operating profit/loss                                                            | 4.3     | 0.9     | 5.2           | -5.6          |
| in % of sales                                                                    | 10.1%   | 2.3%    | 6.3%          | -9.1%         |
| <b>Consumer</b>                                                                  |         |         |               |               |
| Net sales                                                                        | 6.9     | 7.2     | 14.1          | 83.5          |
| Manufacturing margin                                                             | 0.2     | 1.0     | 1.2           | 31.6          |
| in % of sales                                                                    | 3.6%    | 13.9%   | 8.4%          | 37.8%         |
| Margin                                                                           | 0.2     | 1.0     | 1.2           | 3.7           |
| in % of sales                                                                    | 3.6%    | 13.9%   | 8.4%          | 4.5%          |
| Operating profit/loss before restructuring and partial sale of Consumer division | 0.2     | 0.9     | 1.1           | -46.4         |
| Restructuring                                                                    | 1.6     | -1.0    | 0.6           | -113.6        |
| Net gain for partial sale of Consumer division                                   | 0.0     | 0.0     | 0.0           | 8.7           |
| Operating profit/loss                                                            | 1.8     | -0.1    | 1.7           | -151.3        |
| in % of sales                                                                    | 26.9%   | -1.4%   | 11.8%         | -181.1%       |

## Automotive – product lines and regional information

Q2 sales by product lines



| in CHF Mil.  | Q2/2010     | Q1/2010     | 1st half 2010 | 1st half 2009 |
|--------------|-------------|-------------|---------------|---------------|
| Europe       | 14.6        | 16.2        | 30.8          | 20.8          |
| Asia         | 23.0        | 19.4        | 42.4          | 34.8          |
| America      | 4.7         | 4.2         | 8.9           | 5.3           |
| Other        | 0.1         | 0.3         | 0.4           | 0.1           |
| <b>Total</b> | <b>42.4</b> | <b>40.1</b> | <b>82.5</b>   | <b>61.0</b>   |

## Automotive – order book

| in CHF Mil.                         | <b>Q2/2010</b> | Q1/2010 | <b>1st half 2010</b> | 1st half 2009 |
|-------------------------------------|----------------|---------|----------------------|---------------|
| Orders on hand, beginning of period | <b>52.8</b>    | 47.0    | <b>47.0</b>          | 44.4          |
| Net sales                           | <b>42.4</b>    | 40.1    | <b>82.5</b>          | 61.0          |
| Order intake                        | <b>54.5</b>    | 47.9    | <b>102.4</b>         | 46.1          |
| Translation adjustments             | <b>-3.4</b>    | -2.0    | <b>-5.4</b>          | 0.8           |
| Orders on hand, end of period       | <b>61.5</b>    | 52.8    | <b>61.5</b>          | 30.3          |
| Book-to-bill                        | <b>1.29</b>    | 1.19    | <b>1.24</b>          | 0.76          |

## Micronas Group – balance sheet

| in CHF Mil.                                       | <b>25.6.2010</b> | 26.3.2010 |
|---------------------------------------------------|------------------|-----------|
| Total non-current assets                          | 83.4             | 95.5      |
| Total current assets                              | 218.4            | 231.9     |
| <b>Total assets</b>                               | <b>301.8</b>     | 327.4     |
| Total shareholders' equity                        | 117.8            | 121.6     |
| <b>in % of total assets</b>                       | <b>39.0%</b>     | 37.1%     |
| Total long-term liabilities                       | 139.9            | 148.5     |
| Total current liabilities                         | 44.1             | 57.3      |
| <b>Total liabilities</b>                          | <b>184.0</b>     | 205.8     |
| <b>Total shareholders' equity and liabilities</b> | <b>301.8</b>     | 327.4     |

## Micronas Group – trade net working capital

| in CHF Mil.                      | <b>25.6.2010</b> | 26.3.2010 |
|----------------------------------|------------------|-----------|
| Inventories                      | 22.7             | 23.6      |
| Accounts receivable              | 20.0             | 20.7      |
|                                  | <b>42.7</b>      | 44.3      |
| Accounts payable                 | 9.2              | 10.1      |
|                                  | <b>9.2</b>       | 10.1      |
| <b>Trade net working capital</b> | <b>33.5</b>      | 34.2      |

## Micronas Group – cash flow statement

| in CHF Mil.                                | Q2/2010      | Q1/2010 | 1st half 2010 | 1st half 2009 |
|--------------------------------------------|--------------|---------|---------------|---------------|
| <b>Cash at the beginning of the period</b> | <b>179.1</b> | 188.4   | <b>188.4</b>  | 303.1         |
| <b>Cash flow from operating activities</b> | <b>-5.4</b>  | -3.1    | <b>-8.5</b>   | -92.8         |
| <b>Cash flow from investing activities</b> | <b>1.0</b>   | -0.4    | <b>0.6</b>    | -4.6          |
| - CAPEX                                    | -0.9         | -1.6    | -2.5          | -7.8          |
| - interest received/disposal of assets     | 1.6          | 0.5     | 2.1           | 4.1           |
| <b>Cash flow from financing activities</b> | <b>-1.7</b>  | -1.7    | <b>-3.4</b>   | -3.6          |
| - repayment of lt. liabilities             | -1.7         | -1.7    | -3.4          | -3.6          |
| <b>Exchange effect on cash</b>             | <b>-5.1</b>  | -4.1    | <b>-9.2</b>   | 4.2           |
| <b>Change in cash</b>                      | <b>-11.2</b> | -9.3    | <b>-20.5</b>  | -96.8         |
| <b>Cash at the end of the period</b>       | <b>167.9</b> | 179.1   | <b>167.9</b>  | 206.3         |

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## Summary

- ◆ Sales growth restarted in the second half of 2009 and this trend continued in the first half year 2010
- ◆ Introduced strong measures to improve P&L and to stop further reduction of liquidity already had a positive impact in the first half year
- ◆ Continuous investment in our strong product portfolio
- ◆ Solid balance sheet, cash and equity
- ◆ International customer base with full confidence in our company, products and quality commitment
- ◆ For 2010 as a whole, the Board of Directors and Management expect the Company to break even, with an EBIT margin of between 5 and 7 percent

