

The background of the entire page is a detailed, high-magnification photograph of a microchip. The chip's surface is a complex network of green and yellow circuitry, with various rectangular and circular components, pads, and intricate patterns of lines. The colors are vibrant, with the green being a bright, almost neon shade, and the yellow being a golden-yellow. The overall appearance is that of a highly sophisticated and densely packed integrated circuit.

HALF-YEAR REPORT 2012

www.melexis.com

The Melexis logo consists of the word "Melexis" in a white, sans-serif font, set against a dark blue rectangular background. Above the letter "i" in "Melexis", there are four small yellow squares arranged in a 2x2 grid. Below the word "Melexis", the tagline "Microelectronic Integrated Systems" is written in a smaller, white, sans-serif font.

Melexis
Microelectronic Integrated Systems



TABLE OF CONTENTS

1. Comments on the condensed consolidated interim accounts prepared according to IFRS standards	4
1.1 Selected financial figures	4
1.2 Exchange rates	5
1.3 Results of operations	5
1.4 Liquidity, Working Capital and Capital Resources	6
1.5 Risk Factors	6
1.6 Events after the balance sheet date	6
1.7 Statement of the Board of Directors	7
2. Unaudited condensed consolidated interim financial statements	8
2.1 Unaudited condensed consolidated interim statement of financial position	8
2.2 Unaudited condensed consolidated interim income statement	10
2.3 Unaudited condensed consolidated interim statement of comprehensive income	11
2.4 Unaudited condensed consolidated interim statement of changes in equity	12
2.5 Unaudited condensed consolidated interim statement of cash flow	15
2.6 Notes to the unaudited condensed consolidated interim financial statements	17
2.6.1 <i>General</i>	17
2.6.2 <i>Statement of compliance</i>	17
2.6.3 <i>Summary of Significant Accounting Policies</i>	17
2.6.4 <i>Changes in Group's Organization</i>	18
2.6.5 <i>Notes</i>	19
3. Shareholder information	36
3.1 Shareholder structure	36
3.2 Shareholder contact info	36
3.3 Financial calendar 2012	36
3.4 Dividend Policy	36
4. Statutory Auditor's limited review opinion on the unaudited condensed consolidated interim financial statements of Melexis NV for the six month period ending 30 June 2012	38
5. Glossary	40



COMMENTS ON THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS PREPARED ACCORDING TO IFRS STANDARDS

1.1 Selected financial figures

The tables below set out the components of Melexis' operating income and operating expenses, as well as the key elements of the unaudited condensed consolidated interim statement of financial position.

Unaudited condensed consolidated interim statement of comprehensive income

In Euro

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011
Product sales	120.244.878	115.831.526
Revenues from research and development	316.184	760.363
Cost of sales	-64.219.798	-62.831.778
Gross margin	56.341.264	53.760.111
Research and development expenses	-18.929.479	-17.139.477
General and administrative expenses	-6.410.880	-6.073.683
Selling expenses	-3.932.196	-3.537.741
Other Operating Expenses (net)	-	-
Operating result (EBIT)	27.068.709	27.009.210
Financial results (net)	-561.222	-1.170.404
Result before Taxes	26.507.487	25.838.806
Income Taxes	-3.755.222	-3.544.064
Minority Interest	-	-
Net result of the period	22.752.265	22.294.742
Net profit of the group	22.752.265	22.294.742
Attributable to the shareholders	22.752.265	22.294.742

Unaudited condensed consolidated interim statement of comprehensive income

In Euro

	Half Year Ended 30/06/2012	Year ended 31/12/2011
Current Assets	120.049.763	105.022.275
Non current assets	76.861.398	73.080.914
Current liabilities	64.305.676	31.145.550
Non current liabilities	5.282.788	39.836.942
Equity	127.322.697	107.120.697

1.2 Exchange rates

Since the introduction of the Euro on January 1st, 1999, and in accordance with Belgian law, Melexis NV keeps its books and prepares its consolidated financial statements in Euro. The functional currency of Melexis NV and of its subsidiaries Melexis Technologies NV, Melefin NV, Melexis GmbH and Melexis BV is the Euro. The functional currency for Melexis Inc. is the United States Dollar (USD), for Melexis Ukraine the Ukrainian Hryvnia (UAH), for Melexis Bulgaria Ltd., the Bulgarian Leva (BGN), for Sentron AG and Melexis Technologies SA the Swiss franc (CHF), for the Philippine branch of Melexis NV the Philippine Peso (PHP), for the Chinese branch of Melexis NV in Hong Kong the Hong Kong Dollar and for Melexis Electronic Technology

Co. Ltd in Shanghai the Chinese Yuan, and for Melexis Japan the Japanese Yen is the measurement currency. Assets and liabilities of Melexis Inc., Melexis Technologies SA, Sentron AG, Melexis Ukraine, Melexis Bulgaria Ltd., Melexis Philippines, Melexis Electronic Technology (Shanghai) Co. Ltd, Melexis Hong Kong and Melexis Japan are translated at exchange rates at the end of the reporting period. Revenues and expenses are translated at the average exchange rate during the period. Equity components have been translated at historical exchange rates. Gains or losses resulting from this translation are reflected in the component 'cumulative translation adjustment' (CTA) in the statement of financial position.

1.3 Results of operations

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Company's financial statements of prior years.

Revenues

The following table shows a break down of total revenues by division:

In Euro

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011	% Change (Y-0-Y)
Sensors	70.421.144	66.093.503	7
Wireless	6.620.261	7.118.101	-7
Actuators	34.616.671	32.622.767	6
Opto	7.459.911	9.162.240	-19
Other	1.443.074	1.595.278	-10
TOTAL	120.561.062	116.591.889	3

Cost of Sales

Costs of sales consist of materials (raw material and semi finished parts), subcontracting, labor, depreciation and other direct production expenses. They increased from EUR 62.831.778 in 2011 up to EUR 64.219.798 in 2012.

Expressed as a percentage of sales, the cost of sales was 53% in 2012 compared to 54% in 2011.

Gross margin

The gross margin, expressed as a percentage of sales, was 47% in 2012 compared to 46% in 2011.

Research and Development expenses

Research and Development expenses amounted to EUR 18.929.479 in 2012, representing 16% of sales. The research and development activities concentrate further on research and development of Hall Effect Sensors, MEMS Sensors and Signal Conditioning Interface Sensors, Motor Control IC's and LIN Slaves, Infrared and Opto Sensors, and Wireless IC's.

General, administrative and selling expenses

General, administrative and selling expenses consist mainly of salaries and salary related expenses, office equipment and related expenses, commissions, travel and advertising expenses. The general, administrative and selling expenses increased by 6% compared to 2011, mainly as a result of increased selling expenses and increased investment in general supporting activities.

Financial results

The net financial results increased from EUR 1.170.404 loss in the first half of 2011 to EUR 561.202 loss in the first half of 2012. The (net) interest result decreased from a loss of EUR 339.375 in 2011 to a loss of EUR 973.528 in 2012. The net exchange gains (both realized and unrealized) in 2012 amounted to a gain of EUR 474.698, compared to a loss of EUR 691.519 during 2011.

Net income

The company recorded a net income for the first half of 2012 of EUR 22.752.265 compared to EUR 22.294.742 in the first half of 2011. This positive result is mainly caused by a sales increase of 3%.

1.4 Liquidity, Working Capital and Capital Resources

Cash and cash deposits amounted to EUR 25.137.449 as of June 30, 2012, in comparison to EUR 17.806.399 as of December 31, 2011.

In the first half year of 2012, operating cash flow before working capital changes amounted to EUR 31.123.361. Working capital changes in the first half year of 2012 resulted in a net operating cash flow of EUR 20.881.518.

The cash flow from investing activities was negative for an amount of EUR 7.167.026.

The cash flow from financing activities was negative for an amount of EUR 6.398.713.

1.5 Risk Factors

Melexis is, as with any company, continuously confronted with – but not exclusively – a number of market and competition risks or more specific risks related to the company (eg. currency fluctuations, customer concentration, dependence on key personnel, product liability, IP or litigation). More information on risk factors can be found in the annual report 2011.

Melexis believes that the most noteworthy risks facing the company for the coming half year would be the volatility in supply and demand, and fluctuations in the USD exchange rate.

1.6 Events after the balance sheet date

There are no events after the balance sheet date.

1.7 Statement of the Board of Directors

The board of directors of Melexis certifies, on behalf and for the account of the company, that, to their knowledge, (a) the unaudited condensed consolidated interim financial statements which have been prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the entities included in the consolidation as a whole and (b) the comments on the consolidated accounts include a fair review of the development and performance of the business and the position of the company and the entities included in the consolidation as a whole, together with a description of the principal risks and uncertainties they face.

2

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Unaudited condensed consolidated interim statement of financial position

In Euro

			Half Year Ended 30/06/2012	Year ended 31/12/2011
ASSETS				
Current assets	Cash and Cash equivalents	Note 3.6.5 A	25.137.449	17.806.399
	Current investments	Note 3.6.5 B	3.521.137	4.605.309
	Accounts receivable -trade		38.380.515	37.801.683
	Accounts receivable -related companies		7.486.843	722.660
	Inventories		34.404.604	36.943.445
	Other current assets		11.119.215	7.142.779
Total current assets			120.049.763	105.022.275
Non current assets	Intangible assets		1.872.546	1.942.760
	Property, plant and equipment	Note 3.6.5 C	54.287.242	51.353.800
	Financial assets		30.100	30.100
	Other non-current assets		5.678.374	4.933.383
	Deferred tax assets	Note 3.6.5 D	14.993.136	14.820.871
Total non current assets			76.861.398	73.080.914
TOTAL ASSETS			196.911.161	178.103.189

In Euro

			Half Year Ended 30/06/2012	Year ended 31/12/2011
LIABILITIES				
Current liabilities	Bank loans and overdrafts		-	-
	Derivative financial instruments	Note 3.6.5 E	1.400.937	964.218
	Current portion of long-term debt	Note 3.6.5 F	34.648.231	4.647.913
	Accounts payable - trade		8.851.538	8.162.940
	Accounts payable - related companies		4.563.741	5.116.589
	Accrued expenses, payroll and related taxes		11.383.353	8.566.438
	Provisions		-	-
	Other current liabilities	Note 3.6.5 G	2.929.670	3.062.953
	Deferred income		528.206	624.498
Total current liabilities			64.305.676	31.145.550
Non current liabilities	Long-term debt less current portion	Note 3.6.5 F	2.382.589	36.975.956
	Other non current liabilities	Note 3.6.5 H	2.900.199	2.860.986
	Deferred tax liabilities	Note 3.6.5 D	-	-
Total non current liabilities			5.282.788	39.836.942
Shareholders' capital			564.814	564.814
Share premium			-	-
Reserve treasury shares			-3.223.689	-31.759.988
Revaluation reserve hedge			-495.375	-493.749
Revaluation reserve fair value			-285.258	512.288
Legal reserve			56.520	56.520
Retained earnings			107.768.858	92.216.871
Result of the period ended			22.752.265	45.893.624
Cumulative translation adjustment			174.091	119.846
Equity attributable to company owners			127.312.226	107.110.226
Non controlling interest			10.471	10.471
Total equity			127.322.697	107.120.697
TOTAL LIABILITIES			196.911.161	178.103.189

The accompanying notes to this statement of financial position form an integral part of these consolidated financial statements.

2.2 Unaudited condensed consolidated interim income statement

In Euro

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011
Product sales	120.244.878	115.831.526
Revenues from research and development	316.184	760.363
Cost of sales	-64.219.798	-62.831.778
Gross margin	56.341.264	53.760.111
Research and development expenses	-18.929.479	-17.139.477
General and administrative expenses	-6.410.880	-6.073.683
Selling expenses	-3.932.196	-3.537.741
Other Operating Expenses (net)	-	-
Result from operations (EBIT)	27.068.709	27.009.210
Financial income	3.579.872	1.982.116
Financial charges	-4.141.094	-3.152.520
Other expenses (net)	-	-
Result before Taxes	26.507.487	25.838.806
Income Taxes	-3.755.222	-3.544.064
Minority Interest	-	-
Net result of the period	22.752.265	22.294.742
Earnings per share non-diluted	0,54	0,52
Earnings per share diluted	0,54	0,52

The accompanying notes to this unaudited consolidated interim income statement form an integral part of these consolidated financial statements.

2.3 Unaudited condensed consolidated interim statement of comprehensive income

In Euro

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011
Net result	22.752.265	22.294.742
Cumulative translation adjustment	54.245	-194.804
Hedge reserves	-1.626	458.847
Fair value adjustments through equity	-797.546	460.571
Total comprehensive income/ (loss) for the period	22.007.338	23.019.356
Total comprehensive income attributable to:		
Attributable to owners of the parent	22.007.338	23.019.356
Non controlling interest	-	-

The unaudited consolidated interim statements were approved and authorized for issue by the Board of Directors on 30 July 2012 and were signed on its behalf by Françoise Chombar.



Françoise Chombar
Managing Director, Chief Executive Officer (CEO)

A handwritten signature in black ink, appearing to be 'F. Chombar', written over a horizontal line.

2.4 Unaudited condensed consolidated interim statement of changes in equity

In Euro

	Number of Shares	Share Capital	Share Premium	Legal Reserve
December 31, 2008	43.241.860	564.814	0	56.520
Net Result				
CTA Movement				
Dividend				
Reserve Treasury Shares				
Hedge Reserves				
Fair Value Adjustments Through Equity				
Non Controlling Interest				
December 31, 2009	43.241.860	564.814	0	56.520
Net Result				
CTA Movement				
Dividend				
Reserve Treasury Shares				
Hedge Reserves				
Fair Value Adjustments Through Equity				
Non Controlling Interest				
December 31, 2010	43.241.860	564.814	0	56.520
Net Result				
CTA Movement				
Dividend				
Reserve Treasury Shares				
Hedge Reserves				
Fair Value Adjustments Through Equity				
Non Controlling Interest				
June 30, 2011	43.241.860	564.814	0	56.520
Net Result				
CTA Movement				
Dividend				
Reserve Treasury Shares				
Hedge Reserves				
Fair Value Adjustments Through Equity				
Non Controlling Interest				
Destruction own shares	-2.841.860			
June 30, 2012	40.400.000	564.814	0	56.520

Retained Earnings	Reserve Treasury Shares	Fair Value Adjustment Reserve	CTA	Non Controlling Interest	Total Equity
84.298.683	-17.757.338	-4.482.704	-1.152.861	10.471	61.537.585
-3.989.054					-3.989.054
			-236.760		-236.760
					0
	-120.975				-120.975
		-679.078			-679.078
		3.342.448			3.342.448
					0
80.309.629	-17.878.313	-1.819.334	-1.389.621	10.471	59.854.166
48.612.137					48.612.137
			1.081.909		1.081.909
-12.386.906					-12.386.906
	-4.007.297				-4.007.297
		739.970			739.970
		1.561.242			1.561.242
					0
116.534.860	-21.885.610	481.878	-307.712	10.471	95.455.221
22.294.742					22.294.742
			-194.804		-194.804
					0
	-4.603.359				-4.603.359
		458.847			458.847
		460.571			460.571
					0
138.829.602	-26.488.969	1.401.296	-502.516	10.471	113.871.218
22.752.265					22.752.265
			54.245		54.245
					0
	28.536.299				28.536.299
		-1.626			-1.626
		-797.546			-797.546
					0
-30.341.637					-30.341.637
130.521.123	-3.223.689	-780.633	174.091	10.471	127.322.697

Since November 2002, Melexis NV has given order to a bank to start a share buy back program.

In 2002 Melexis NV repurchased 530.000 shares and 428.482 in 2003 at an average price of EUR 5,73 in 2002 and EUR 5,43 in 2003. In 2004 Melexis NV repurchased 430.000 shares over-the-counter (OTC) at an average price of EUR 8,90, from which 310.000 shares were purchased from Elex NV. Melexis NV also repurchased 969.658 shares at an average price of EUR 8,89 on the regulatory stock market. The total own shares in 2004 amounted to 1.399.658 shares representing 3,14% of the total outstanding shares. In accordance with IFRS, the treasury shares are presented as a deduction from equity. During the Extraordinary Shareholders meeting of April 20th, 2004 it was decided to cancel 1.034.805 treasury shares, bringing the total outstanding shares to 44.565.195 at the end of 2004. Melexis NV Extraordinary Shareholders Meeting of October 4th, 2004 decided to increase the capital, bringing it from EUR 565.197 to EUR 32.821.102, by means of incorporation in the capital of the issue premiums for an amount of EUR 32.255.905. It was then decided to decrease the capital by an amount of EUR 32.256.288, by repayment to each existing share of an amount of EUR 0,72. It was also decided to pay an additional gross dividend to the shareholders of EUR 0,28 per share. During the extraordinary Shareholders Meeting of July 14th, 2005, it was decided to cancel 1.323.335 Treasury shares, bringing the total outstanding shares to 43.241.860 at the end of 2005. During the year 2006 Melexis NV repurchased 406.378 shares at an average price of EUR 12,48. No purchases of own shares were done during 2007. During the years 2006 and 2007 no own shares have been cancelled. As such, at the end of the year 2007 the total number of outstanding shares is still 43.241.860.

During the year 2008 Melexis NV and Melexis Tessenderlo NV repurchased 1.245.335 shares at an average price of EUR 9,78. In 2009 Melexis Tessenderlo NV repurchased 22.230 shares at an average price of EUR 4,98.

In 2010 Melexis Tessenderlo NV repurchased 349.602 shares at an average price of EUR 11,47. Total own shares at the end of 2010 amount to 2.075.545 representing 4,80% of the total outstanding shares.

In 2011 Melexis Technologies NV repurchased 923.019 shares at an average price of EUR 10,92. Total own shares at the end of 2011 amount to 2.998.564 representing 6,93% of the total outstanding shares.

On April 19th 2012, Melexis NV purchased 1.180.134 own shares outside the Central Order book from its sub-subsidiary Melexis Technologies NV. The transaction was settled at the Euronext Brussel closing price on Thursday April 19th, of EUR 13,39.

The extraordinary general meeting of Melexis NV then decided on 20 April 2012 to proceed with the cancellation of 2.841.860 of its own shares. As per 20 April 2012, the number of shares outstanding amounts to 40.400.000 shares.

During the first half year of 2012 Melexis Technologies NV repurchased 149.301 shares at an average price of EUR 11,39.

After the completion of above transactions, total own shares at the end of June 2012 amounts to 306.005 representing 0,76% of the total shares outstanding.

2.5 Unaudited condensed consolidated interim statement of cash flow

In Euro (indirect method)

	Half Year Ended 30/06/2012	Year ended 31/12/2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net result	22.752.265	45.893.624
Adjustments for operating activities:	-	-
Deferred taxes	-172.265	414.281
Unrealized exchange results	1.034.869	560.174
Provisions	-	-
Government grants	171.941	1.342.215
Depreciations	7.428.977	11.948.210
Impairments	-	-
Financial results	-92.426	835.562
Operating profit before working capital changes	31.123.361	60.994.066
Accounts receivable, net	-7.346.973	-9.847.612
Other current assets	-5.310.219	-1.331.187
Other non-current assets	-744.538	-588.544
Due to related companies	-	-1.486.634
Due from related companies	-	8.073.276
Accounts payable	89.076	854.695
Accrued expenses	4.789.132	5.549.259
Other current liabilities	-134.383	1.347.004
Other non-current liabilities	379.639	-1.069.314
Inventories	1.088.993	2.340.324
Interest paid	-1.098.508	-2.428.476
Income tax paid	-1.954.062	-4.194.688
Net cash from operating activities	20.881.518	58.212.169
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial fixed assets (incl. own shares)	-	-
Purchase of property, plant and equipment and intangible assets	-8.690.887	-14.612.606
Interests received	439.688	1.188.567
Investments, proceeds from current investments	1.084.173	1.123.786
Acquisition of subsidiary	-	-
Net cash used in investing activities	-7.167.026	-12.300.253

Unaudited condensed consolidated interim statement of cash flow (continued)

	Half Year Ended 30/06/2012	Year ended 31/12/2011
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to acquire own shares	-1.805.338	-9.874.378
Repayment from long-term debts	-4.593.375	-15.138.642
Proceeds of long-term debts	-	-
Repayment of bank loans and overdrafts	-	-
Proceeds from (repayment of) related party financing	-	-
Dividend payment	-	-24.317.990
Capital decrease	-	-
Minorities	-	-
Destruction of shares	-	-
Net cash used in financing activities	-6.398.713	-49.331.010
Effect of exchange rate changes on cash	15.271	45.599
(Decrease) increase in cash	7.331.050	-3.373.492
Cash at beginning of the period	17.806.399	21.179.891
Cash at the end of the period	25.137.449	17.806.399
Cash at the end of the period minus cash at the beginning of the period	7.331.050	-3.373.492

The accompanying notes to this statement of cash flows form an integral part of the consolidated financial statements.

2.6 Notes to the unaudited condensed consolidated interim financial statements

2.6.1 General

Melexis NV is a limited liability company incorporated under Belgian law. The company has been operating since 1989. The company designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. The company sells its products to a wide customer base in the Automotive Industry in Europe, Asia and North America.

The Melexis group of companies employed, on average 785 at the end of June in 2012 and 710 in 2011.

The registered office address of the Group is located at Rozendaalstraat 12, 8900 Ieper, Belgium.

The consolidated statements were authorized for issue by the Board of Directors subsequent to their meeting held on July 30th, 2012 in Antwerp.

2.6.2 Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the company as at and for the year ended

31 December 2011. Melexis has not applied early any new IFRS requirements that are not yet effective in 2012.

2.6.3 Summary of Significant Accounting Policies

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended 31 December 2011, except as described below.

New Standards, Interpretations and Amendments adopted by the Group

During the current financial year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the accounting period starting on January 1, 2012.

The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2012.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current period:

- IFRS 7 Financial Instruments: Disclosures (as amended in October 2010) – Amendments enhancing disclosures about transfers of financial assets.

The adoption of this amendment has not led to major changes in the Group's accounting policies.

Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per June 30, 2012.

Standards

- Annual improvements to IFRSs 2009-2011 (issued in May 2012);
- IFRS 1 First-time Adoption of International Financial Reporting Standards (as amended in December 2010) - Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs';

- IFRS 1 First-time Adoption of International Financial Reporting Standards (as amended in December 2010) - Additional exemption for entities ceasing to suffer from severe hyperinflation;
- IFRS 1 First-time Adoption of International Financial Standards (as amended in March 2012): Government loans;
- IFRS 7 Financial Instruments: Disclosures (as amended in December 2011): Offsetting Financial Assets and Financial liabilities;
- IFRS 9 Financial instruments (issued in November 2009) and subsequent amendments (issued in October 2010 and December 2011): classification and measurement of financial assets, as the first part of its project to replace IAS 39;
- IFRS 10 Consolidated Financial Statements (issued in May 2011 and subsequently amended in June 2012): presentation and preparation of consolidated financial statements when an entity controls one or more other entities;
- IFRS 11 Joint Arrangements (issued in May 2011 and subsequently amended in June 2012): arrangement of which two or more parties have joint control;
- IFRS 12 Disclosures of Interest in Other Entities (issued in May 2011 and subsequently amended in June 2012): disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities;
- IFRS 13 Fair Value Measurement (issued in May 2011): defines fair value and sets out in a single IFRS a framework for measuring fair value;
- IAS 1 Presentation Financial Statement (as amended in June 2011) – Amendments to Presentation of Items of Other Comprehensive Income;
- IAS 12 Income taxes (as amended in December 2010) - Limited scope amendment (recovery of underlying assets);
- IAS 19 Employee benefits (as amended in June 2011) – measurement of pension and all other long term benefits + presentation changes in respect of pensions;
- IAS 27 Separate Financial Statements (issued in May 2011): Consolidation requirements previously forming part of IAS 27 have been revised and are now contained in IFRS 10;
- IAS 28 Investments in associated and Joint Ventures (issued in May 2011): accounting methods for investments in associates;
- IAS 32 Financial instruments (as amended in December 2011): Offsetting Financial Assets and Financial liabilities.

Interpretations

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1st July 2012 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

2.6.4 Changes in Group's Organization

Melexis Technologies NV was partially transferred by Melexis Technologies SA to Melexis NV on June 30th, 2012. As a consequence, Melexis NV holds 15% of the shares of Melexis Technologies NV, while the participation of Melexis Technologies SA reduced from 75% to 60%.

2.6.5 Notes

A. CASH AND CASH EQUIVALENTS

In Euro

	Half Year Ended 30/06/2012	Year ended 31/12/2011
Cash at bank and in hand	25.137.449	17.806.399
Cash equivalents	-	-
Total	25.137.449	17.806.399

B. CURRENT INVESTMENTS

In Euro

	Half Year Ended 30/06/2012	Year ended 31/12/2011
Current investments	3.521.136	4.605.309

June 30 th Detailed current investments	Cost	Fair value
Assets held to maturity	-	-
Assets available for sale	3.806.394	3.311.275
Derivatives (Note 3.6.5 E)	-	209.861
Total	3.806.394	3.521.136

In principle, Melexis' current investments are classified as assets available for sale. According to IAS 39, the difference between the purchase price and the fair value of current investments classified as available for sale is recognized directly into equity under 'Revaluation reserve Fair value'. As of June 30, 2012 this fair value adjustment resulted in a loss (decrease of equity) amounting to EUR 495.119. The fair value of these assets amounted to EUR 3.311.275.

Melexis' financial derivatives with a positive market value are classified as assets held for trading. The fair value changes for those derivatives where no hedge accounting is applicable are immediately recognized in the statement of comprehensive income. As of June 30, 2012 the fair value of the financial derivatives recognized as asset under current investments amounted to EUR 209.861.

A detailed overview of the outstanding derivatives, categorized under current investments, can be found in Note E.

As of June 30, 2012 Melexis had no assets in portfolio classified as investments held to maturity.

C. PROPERTY, PLANT AND EQUIPMENT

In Euro (30th June 2012)

	Land & buildings	Machinery & equipment	Furniture & vehicles	Fixed assets under construction	Total
Cost:					
Balance end of previous period 31/12/2011	27.945.036	125.534.997	6.475.948	2.976.977	162.932.958
Additions of the year	283.451	5.176.716	702.265	5.095.557	11.257.989
Retirements (-)	-3.501	-381.042	-53.121	-1.428.492	-1.866.156
Transfers	-	-	-	-	0
CTA	-121.712	-527.689	-34.319	-	-683.720
Total as of june 30th 2012	28.103.274	129.802.982	7.090.773	6.644.042	171.641.071
Accumulated depreciation:					
Balance end of previous period 31/12/2011	7.723.499	99.443.611	4.412.048	0	111.579.158
Additions of the period	519.484	4.876.173	381.865	-	5.777.522
Retirements (-)	-20	-300.793	-19.606	-	-320.419
Transfers	2.579	-145.078	142.499	-	0
CTA	77.546	223.075	16.947	-	317.568
Total as of june 30th 2012	8.323.088	104.096.988	4.933.753	0	117.353.829
CARRYING AMOUNT AS OF JUNE 30TH 2012	19.780.186	25.705.994	2.157.020	6.644.042	54.287.242
CARRYING AMOUNT AS OF DECEMBER 31ST 2011	20.221.537	26.091.386	2.063.900	2.976.977	51.353.800

Additions of the year mainly relate to test equipment.

Retirements: no material amount of compensation from third parties which have been concluded in the unaudited consolidated interim statement of comprehensive income.

D. COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets are as follows:

	01/01/2012	Charged To Income Statement	Charged To Equity	Other	Cumulative Translation Adjustments	30/06/2012
Tax amortization charges	10.028.448	462.000	-	-	-	10.490.448
Fair value adjustments financial instruments	75.368	-	-	-	-	75.368
Fair value adjustments hedge accounting	254.242	-	837	-	-	255.079
Impairment CDO	1.019.700	-	-	-	-	1.019.700
Tax losses and tax off-sets carried forward	3.455.025	-246.500	-	-	-	3.208.525
Other	-11.912	-44.072	-	-	-	-55.984
Total	14.820.871	171.428	837	0	0	14.993.136

E. DERIVATIVES

Notional amounts

The following table presents the evolution of the aggregate notional amounts of the group's outstanding derivative financial instruments:

		Half Year Ended 30/06/2012	Year Ended 31/12/2011
Outstanding FX hedge contracts, not exceeding 1 year	USD	15.000.000	15.000.000
	CHF	-	19.200.000
Outstanding Interest hedge contracts, exceeding 1 year	EUR	15.000.000	30.000.000
Outstanding Interest hedge contracts, not exceeding 1 year	EUR	30.000.000	-
Outstanding Inflation hedge contracts, exceeding 1 year	EUR	15.000.000	8.400.000
Outstanding Inflation hedge contracts, not exceeding 1 year	EUR	8.400.000	-

FX hedge contracts are entered into in order to hedge (part of) the outstanding balance sheet exposure in foreign currency (USD/CHF).

Interest hedge contracts are entered into in order to hedge (part of) the group's borrowings at floating interest rate. Inflation hedge contracts are entered into in order to hedge (part of) the salary inflation risk of the group.

Fair value

The fair value of derivatives is based upon mark to market valuations (input received from bank).

The following table presents an overview of the fair value of outstanding derivatives, classified as an asset under Current Investment, Derivatives:

Fair Value in Euro

Assets	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Outstanding FX hedge contracts - conform IFRS 7 - level 2	15.287	-
Outstanding Inflation hedge contracts - conform IFRS 7 - level 2	194.574	286.627
Total, classified under Current investment (see also Note 3.6.5.B)	209.861	286.627

These financial instruments are classified as financial assets at fair value through profit or loss.

The following table presents an overview of the fair value of outstanding derivatives, classified as a liability under Derivative financial instruments:

Fair Value in Euro

Liabilities	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Outstanding FX hedge contracts - conform IFRS 7 - level 2	-	5.507
Outstanding Interest hedge contracts - conform IFRS 7 - level 2	-162.790	-221.734
Outstanding Interest hedge contracts (hedge acc.) - conform IFRS 7 - level 1	-750.454	-747.991
Outstanding Inflation hedge contracts - conform IFRS 7 - level 2	-487.693	-
Total, classified under derivative financial instruments	-1.400.937	-964.218

These financial instruments are classified as financial liabilities at fair value through profit or loss.

The following table presents an overview of the fair value of outstanding derivatives, for which hedge accounting is applied as defined under IAS 39. Changes in the fair value of the hedging instrument are recognized in a hedging reserve, classified as 'Revaluation reserve Hedge'.

Fair Value in Euro

Fair value of instruments through equity (hedge accounting IAS 39)	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Outstanding FX hedge contracts	-	-
Outstanding Interest hedge contracts	-750.454	-747.991
Outstanding Inflation hedge contracts	-	-
Subtotal	-750.454	-747.991
Deferred tax asset	255.079	254.242
Total, classified under Revaluation reserve Hedge	-495.375	-493.749

F. LONG AND SHORT TERM DEBTS

In Euro

	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Secured Loans		
Bank Loan (in CHF) at floating interest rate, average rate for 1H12 was 2.50% (1); maturing in 2019	290.832	330.547
Bank Loan (in EUR) at floating interest rate, average rate for 1H12 was 2.22% (2); maturing in 2033	2.239.988	2.293.322
Total secured loans	2.530.820	2.623.869
Unsecured Loans		
Unsecured loans (in EUR) at floating interest rate, average rate for 1H12 was 2.13%, maturing in 2013	34.500.000	39.000.000
Total unsecured loans	34.500.000	39.000.000
Total debt	37.030.820	41.623.869
Current maturities	34.648.231	4.647.913
Long-term portion of debts	2.382.589	36.975.956

(1) The loan is secured by a mortgage on the building of Bevaix, Switzerland.

(2) A secured loan was concluded for an amount of EUR 3.200.000 to finance the construction of an office building. A mortgage of EUR 3.200.000 is given on the building project.

As per June 30, 2012 there are engagements for the following financial covenants:

For Melexis NV:

Net debt/EBITDA ratio $\leq 2,5$

Tangible net worth/total assets $\geq 35\%$

For Melefin NV:

Tangible net worth > EUR 75 mln.

As per June 30, 2012 Melexis is respecting all its financial covenants.

G. OTHER CURRENT LIABILITIES

In Euro

	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Accrued real estate withholding tax	62.500	70.000
Accrued financial services	145.507	119.415
Accrued design services	755.507	858.493
Accrued management services	373.226	194.260
Accrued interests	111.791	237.498
Accrued insurances	201.380	42.900
Product liability	-	500.000
Other	1.279.759	1.040.387
Total	2.929.670	3.062.953

The other current liabilities relates to services rendered by both third party suppliers and affiliated companies for which we did not receive an invoice yet. EUR 2.764.447 refers to

third party supplier services and EUR 165.223 refers to rendered services from affiliated companies.

H. OTHER NON CURRENT LIABILITIES

In Euro

	Half Year Ended 30/06/2011	Year Ended 31/12/2011
Liability to Sensata	1.598.725	1.598.725
Investment grant	1.301.473	1.262.261
Total	2.900.199	2.860.986

The other non current liability relates to an obligation of repayment for subsidies. Melexis Erfurt received an investment grant for a planned investment project which ended at year end 2009. The allocation of subsidies is based on 'Joint agreement for the improvement of regional economic structures (GA)' and according 'European fund for regional development (EFRE)'.

Since not all agreed criteria were met at the end of the investment period, there is a risk that Melexis Erfurt needs to repay the grant. The repayment of the investment grant threatens at the earliest in the financial year 2017. Because of the long-term character of the provision, a non current liability has been booked for the amount of KEUR 1.301.

The other part of the non current liability relates to the liability to Sensata. (Note K)

I. OPERATING SEGMENTS

Business Segments

Operating segments are presented by business segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker. Melexis conducts the majority of its business activities in the following two areas:

- Automotive
- Non-automotive (other)

Operating company management is responsible for managing performance, underlying risks, and effectiveness of operations. Internally, Melexis' management uses performance indicators such as Income from operations (EBIT) and Net result as measures of segment performance and to make decisions regarding allocation of resources. These measures are reconciled to segment profit in the tables presented. The tables below provide the segment information per business segment in the format that is used by management to monitor performance

Business segment data

In Euro

Half Year Ended 30/06/2012	Automotive	Other	Unallocated	Total
Product Sales	101.032.533	19.212.345		120.244.878
Other revenues	291.167	25.017		316.184
COS	52.283.029	11.936.769		64.219.798
R&D expenses	15.751.432	3.178.047		18.929.479
G&A expenses	5.334.566	1.076.315		6.410.880
Selling expenses	3.272.024	660.171		3.932.196
Other operating expenses				
Operational result				27.068.709
Financial results			-561.222	-561.222
Taxes			-3.755.222	-3.755.222
Net result				22.752.265
Segment assets	111.565.536	21.215.300	64.130.325	196.911.161
Segment liabilities	135.400.808	25.747.815	35.762.537	196.911.161
Capital expenditures	7.302.285	1.388.602		8.690.887
Depreciations	6.241.999	1.186.978		7.428.977

Half Year Ended 30/06/2011	Automotive	Other	Unallocated	Total
Product Sales	94.483.394	21.348.132		115.831.526
Other revenues	563.377	196.986		760.363
COS	48.854.040	13.977.738		62.831.778
R&D expenses	13.326.580	3.812.897		17.139.477
G&A expenses	4.722.514	1.351.169		6.073.683
Selling expenses	2.750.725	787.016		3.537.741
Other operating expenses				
Operational result				27.009.210
Financial results			-1.170.404	-1.170.404
Taxes			-3.544.064	-3.544.064
Net result				22.294.742
Segment assets	101.176.935	22.860.510	63.013.632	187.051.077
Segment liabilities	134.981.618	30.498.538	21.570.921	187.051.077
Capital expenditures	7.281.733	1.645.278		8.927.011
Depreciations	5.099.091	1.152.119		6.251.210
Year Ended 31/12/2011	Automotive	Other	Unallocated	Total
Product Sales	185.102.806	43.751.541		228.854.346
Other revenues	1.212.618	594.533		1.807.151
COS	95.766.128	26.685.372		122.451.500
R&D expenses	26.857.982	7.484.016		34.341.998
G&A expenses	9.806.906	2.732.709		12.539.615
Selling expenses	5.382.469	1.499.833		6.882.302
Other operating expenses				
Operational result				54.446.083
Financial results			-1.166.189	-1.166.189
Taxes			-7.386.270	-7.386.270
Net result				45.893.624
Segment assets	106.006.376	25.056.034	47.040.778	178.103.189
Segment liabilities	134.167.991	31.712.411	12.222.787	178.103.189
Capital expenditures	11.819.021	2.793.585		14.612.606
Depreciations	9.663.995	2.284.215		11.948.210

Information about transactions with major customers

The following table summarizes sales by customer for the 10 most important customers. It consists of the sales to the end customer and not to the subcontractors.

In%

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011	Year Ended 31/12/2011
Customer A	17	16	17
Customer B	7	6	6
Customer C	5	4	5
Customer D	4	4	4
Customer E	4	4	4
Customer F	4	3	3
Customer G	3	3	3
Customer H	3	3	3
Customer I	3	3	3
Customer J	3	3	3
TOTAL	51	49	50

51% of total sales for the first half year of 2012, generated by 10 most important customers, relates to automotive.

Information about geographical areas

The Melexis group's activities are conducted predominantly in Western Europe, Eastern Europe, Asia and the United States.

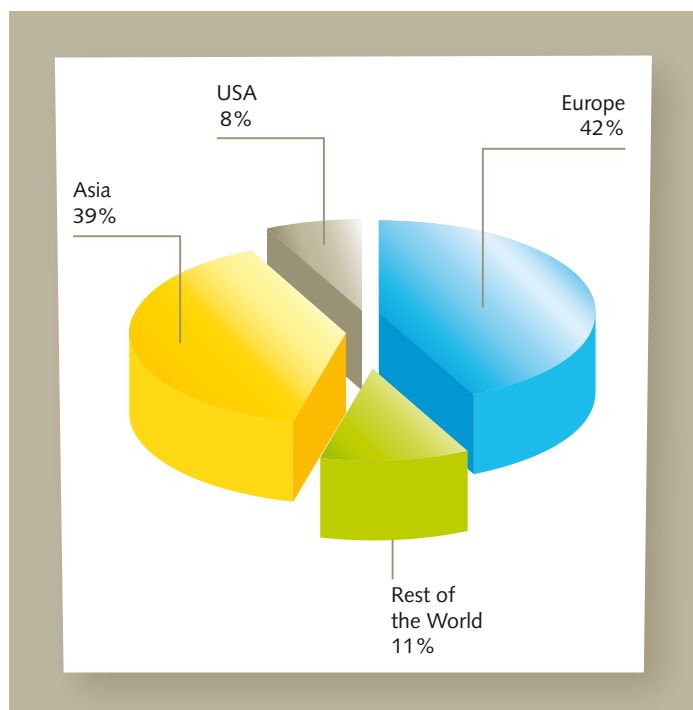
The table below shows the revenue by origin, this refers to the geographical area in which the entity, which has made the invoice towards the customer, is located.

In Euro

Half Year Ended 30/06/2012	Europe	US	Total
Revenue by origin	120.561.062	-	120.561.062
Segment assets	196.378.975	532.186	196.911.161
Half Year Ended 30/06/2011	Europe	US	Total
Revenue by origin	116.591.889	-	116.591.889
Segment assets	186.337.702	713.375	187.051.077
Year Ended 31/12/2011	Europe	US	Total
Revenue by origin	230.661.498	-	230.661.498
Segment assets	177.490.327	612.862	178.103.189

Due to the fact that the production sites are mainly located in Europe, the assets are also centralized in Europe (see table above). In the other geographical areas outside Europe, mainly sales offices are located and therefore less assets are present.

The following table summarizes sales by destination (this refers to the geographical area in which the customer is located. Also equal to bill to address):



In Euro

	Half Year Ended 30/06/2012	Half Year Ended 30/06/2011	Year Ended 31/12/2011
Europe	52.237.766	49.789.318	99.526.374
Germany	25.300.077	22.930.222	47.696.569
France	2.834.283	3.350.788	6.302.665
United Kingdom	4.937.814	5.059.310	9.777.420
Netherlands	1.676.080	1.586.271	3.153.790
Ireland	1.879.801	2.606.368	4.607.426
Poland	2.839.805	3.058.105	6.263.252
Switzerland	1.581.491	2.121.610	3.552.999
Czech Republic	902.590	810.625	1.796.821
Austria	4.095.415	2.655.376	5.344.512
Romania	3.436.516	3.138.277	5.728.276
Bulgaria	313.725	634.548	1.203.583
Spain	729.561	514.279	1.022.053
Other	1.710.607	1.323.539	3.077.007
United States of America	10.909.248	9.606.145	16.534.442
Asia	44.456.330	44.917.330	89.610.723
Japan	9.559.364	8.341.384	16.741.735
China	12.532.421	14.339.037	28.444.095
Korea	6.175.017	6.512.178	12.625.053
Thailand	10.590.111	8.654.763	18.237.275
Philippines	598.141	929.461	1.439.270
Taiwan	2.159.610	3.135.235	6.182.450
India	1.052.284	697.577	1.909.260
Singapore	1.153.349	1.593.647	2.729.812
Other	636.032	714.048	1.301.774
Rest of the world	12.957.718	12.279.096	24.989.958
Total	120.561.062	116.591.889	230.661.498

J. RELATED PARTIES

1. Shareholders' structure and identification of major related parties

Melexis NV is the parent company of the Melexis group that includes following entities which have been consolidated:

Melexis Inc	US entity
Melexis GmbH	German entity
Melexis Bulgaria Ltd.	Bulgarian entity
Melexis BV	Dutch entity
Melexis Ukraine	Ukraine entity
Melexis Technologies SA	Swiss entity
Melexis French branch	French branch
Sentron AG	Swiss entity
Melefin NV	Belgian entity
Melexis Technologies NV	Belgian entity
Melexis Philippine branch	Philippine branch
Melexis Japan	Japanese Entity
Melexis Hong Kong	Chinese branch
Melexis Electronic Technology Co. Ltd	Chinese entity

The shareholders of Melexis NV are as follows:

Since January 1st, 2006, Xtrion NV is the main shareholder of Melexis NV, as a result of the partial split of Elex NV into Elex NV and Xtrion NV. Xtrion NV owns 53,58% of the outstanding Melexis shares. The shares of Xtrion NV are held directly and/or indirectly by Mr. Roland Duchâtelet, Mrs. Françoise Chombar and Mr. Rudi De Winter. Elex NV is 99,9% owned by Mr. Roland Duchâtelet. One share is held by Mr. Roderick Duchâtelet.

Xtrion NV owns 59% of the outstanding shares of X-FAB Silicon Foundries SE, producer of wafers, which are the main raw materials for the Melexis products. X-FAB -Silicon Foundries SE sells the majority of its products also to third parties.

Per 4 May 2011 Epiq NV sold its subsidiaries in Bulgaria, Mexico and Czech Republic to the Philipinian company IMI. As a result of this transaction these companies are no longer affiliated companies. Epiq NV, 100% owned by Elex NV, has one subsidiary left in France.

Melexis, as in prior years, purchases part of its test equipment from the XPEQT Group. XPEQT Group develops, produces and sells test systems for the semiconductor industry. XPEQT Group is owned by Mr. Roland -Duchâtelet (60%) and Mrs. Françoise Chombar (40%), CEO of Melexis NV.

During the year 2012 no transactions took place which can create a potential conflict.

2. Outstanding balances at 30th June 2012

The following balances were outstanding:

Receivables of:

In Euro

	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Elex	5.945	4.130
Xtrion	13.794	-1.375
Epiq group	236.903	69.096
X-fab group	6.963.021	379.211
Xpeq group	267.181	271.597
Other	-	-
Total	7.486.843	722.660

Payables to:

In Euro

	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Elex	57	-
Xtrion	85.915	36.793
Epiq group	-	-
X-fab group	3.869.370	4.487.492
Xpeq group	608.399	592.304
Other	-	-
Total	4.563.741	5.116.589

Long term receivable:

In Euro

	Half Year Ended 30/06/2012	Year Ended 31/12/2011
X-fab group	520.000	520.000

3. Transactions during the year

In the course of the year, following transactions have taken place:

Sales/ purchases of goods and equipment

In Euro

Sales to	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Epiq group (mainly ICs)	389.850	4.418.130
Xpeq group	25.788	5.255
X-fab group (mainly test & assembly services)	217.295	259.925

In Euro

Purchases from	Half Year Ended 30/06/2012	Year Ended 31/12/2011
X-fab group (mainly wafers)	32.529.767	62.946.078
Epiq group (mainly assembly)	-	-
Xpeq group (mainly equipment and goods)	2.101.912	3.942.063
Xtrion (mainly IT infrastructure)	170.767	399.917

Sales/purchases of services

In Euro

Sales to	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Elex (mainly R&D services and rent)	9.000	37.704
Xpeq group (infrastructure office building)	44.813	290.148
Epiq group (infrastructure office building)	9.000	37.923
Xtrion (infrastructure office building)	22.800	97.383
X-fab group	2.400	945.859

In Euro

Purchases from	Half Year Ended 30/06/2012	Year Ended 31/12/2011
Xtrion NV (mainly IT and related support)	479.407	1.434.603
Elex (mainly IT and related support)	115.850	158.606
Epiq group	-	-
Xpeq group	582.722	1.046.281
X-fab group	581.406	1.506.372

The Board of Directors and the Audit Committee have reviewed and analyzed the major transactions and concluded these transactions are within the normal course of business

and that there are sufficient elements to conclude that the remuneration is based on arm's length principles.

K. COMMITMENTS & ESTIMATED LIABILITIES

Purchase commitments

The group had commitments for a total of EUR 4.795.282 as per June 30, 2012. This consists mainly of infrastructure investments for the new building in Ieper.

Estimated liability

Sensata Technologies and Melexis announced on April 2, 2009 the signing of an agreement to sell Sensata's Vision business to Melexis.

Melexis agreed to purchase inventory and IP related to the Vision business. First a fixed amount of USD 372.000 has been paid in 2009 for the acquired assets (inventory); secondly, Melexis is bound to pay a fixed amount per sold Image sensor over a period of 5 years, started September 30, 2009 and ending at December 31, 2013. The latter estimated liability is accounted for as 'Other non current liabilities' in the unaudited condensed consolidated interim statement of financial position. The long term liability at June 30, 2012, amounting to EUR 1.598.725 (Note I), represents the net present value of the expected future payments towards Sensata, based on expected sales of the Image Sensor over the next 1,5 years.

L. BUSINESS COMBINATIONS

No business combinations in first half year of 2012.

M. LITIGATION

(1) Melexis Technologies NV was involved in two related disputes with one and the same customer, one as claimant and one as defendant. As a mutual agreement was reached, both court cases were closed in 2010. The outstanding long-term receivable of EUR 2,5 million is no longer under dispute with this customer. The receivable is accounted for in the consolidated statement of financial position as other non current asset as it will be fully repaid by the end of 2014.

(2) Melexis is involved in a patent claim because another party was seeking compensation for IP related to a patent on magnetic angle sensing they acquired. As there is prior art on the domain, the Melexis technology was developed in house, the Melexis sensor is different in its functioning and protected by our own patents, Melexis is defending its position in court. On December 9, 2010, the Federal Patent Court in Munich, the only competent German court for judging patent validity, rendered its verdict on the patent nullity case initiated by Melexis in March 2009 against the austriamicrosystems patent claim. In 1st instance, the Court declared all attacked patent claims (1-3 and 5-14) as null and invalid based on the prior art submitted by Melexis. This decision has been appealed at the Federal Supreme Court (Karlsruhe). The invalidation of all relevant claims of the austriamicrosystems patent takes away the basis for the earlier judgment in the parallel patent infringement case judged in Düsseldorf on May 10, 2010 (1st instance) and against which Melexis has lodged an appeal with the Higher Regional Court of Düsseldorf.

(3) Melefin NV (a daughter company of Melexis NV) has taken KBC Bank to court in relation with a dispute regarding an investment by Melexis in CDO's issued by KBC Bank. Melexis invested in 2006 15 million euro in these CDO's. By 2009, Melexis had to write off the full investment as the underlying assets had no more value. Melexis requests the full repayment of the initial investment and the lost interest income.

3

SHAREHOLDER INFORMATION

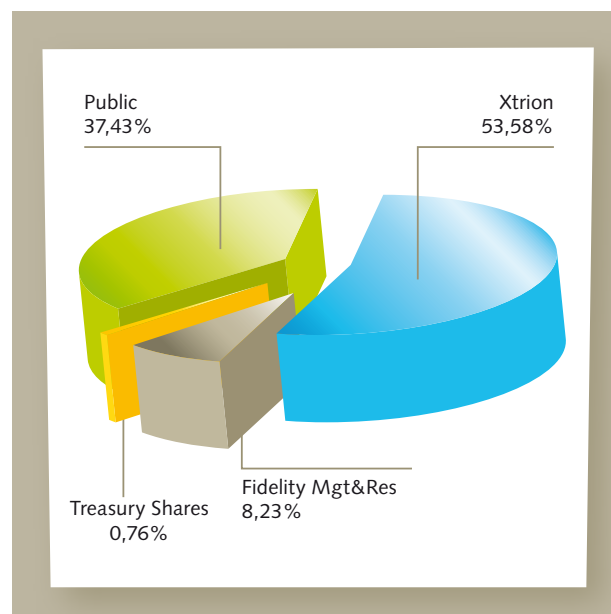
- Listing
- Reuters ticker
- Bloomberg ticker

Euronext
MLXS.BR
MELE BB

3.1 Shareholder structure

Situation on June 30, 2012.

Company	Number of Shares	Participation Rate
Xtrion	21.644.399	53,58%
Fidelity Mgt&Res	3.325.000	8,23%
Treasury Shares	306.005	0,76%
Public	15.124.596	37,43%
Total	40.400.000	100,00%



3.2 Shareholder contact info

Investor Relations

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Fax: +32 13 67 21 34

Rozendaalstraat 12, B-8900 Ieper, Belgium

www.melexis.com/investor.asp

3.3 Financial calendar 2012

Announcement of Q3 results October 17th, 2012

Announcement of Full Year Results February 6th, 2013

3.4 Dividend Policy

Taking into account the current and future cash flow situation and if no rewarding investment opportunities can be found, Melexis NV intends to pay out regular (interim-)

dividends, in order to maximize the return on equity for its shareholders.

Gross (interim-) dividend paid out per share in

1999: EUR 0,30 interim dividend

2002: EUR 0,50 interim dividend

2003: EUR 0,50 interim dividend

2004: EUR 0,2762 dividend and EUR 0,7238 capital decrease

2005: EUR 0,50 interim dividend

2006: EUR 0,50 interim dividend

2007: EUR 0,60 interim dividend

2008: EUR 0,60 interim dividend

2009: no dividend

2010: EUR 0,30 interim dividend

2011: EUR 0,60 interim dividend

The Board of Directors decided to pay out an interim dividend of EUR 0,65 gross per share, payable as from October 25, 2012.

4

**STATUTORY AUDITOR'S LIMITED
REVIEW OPINION ON THE UNAUDITED
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS OF MELEXIS NV
FOR THE SIX MONTH PERIOD ENDING
30 JUNE 2012**

Statutory auditor's report to the Board of Directors of Melexis NV on the review of consolidated interim financial information for the six-month period ended 30 June 2012

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Melexis NV as of 30 June 2012 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 24 August, 2012



BDO Bedrijfsrevisoren Burg. Ven. CVBA
Statutory auditor
Represented by Gert Claes

5

GLOSSARY

Earnings per share

Profit attributable to equity holders of Melexis divided by the weighted average number of ordinary shares.

Earnings per share diluted

Profit attributable to equity holders of Melexis divided by the fully diluted weighted average number of ordinary shares.

Revenue

Product sales + Revenues from Research and Development

EBIT (Earnings Before Interests and Taxes)

Turnover/Sales – Cost of sales – Research and development expenses – General and administrative expenses – Selling expenses – Other operating expenses

EBITDA (Earnings Before Interests and Taxes + Depreciation, amortization and impairment)

EBIT + depreciation, amortization and impairment.

Shareholders' equity

Shareholders' capital + retained earnings (inclusive current year's result) +/- reserves (reserve treasury shares, revaluation reserve hedge, revaluation reserve fair value, legal reserve) +/- Cumulative translation adjustment.

Net Indebtedness

Current portion of long-term debt + long-term debt less current portion + bank loans and overdrafts – current investments - cash and cash equivalents

Working capital

(Total current assets – Cash and cash equivalents - current investments) – (current liabilities – bank loans and overdrafts – current portion of long-term debt – derivative financial instruments)

Net cash from operating activities

Net Result +/- adjustments for operating activities +/- changes in working capital

Capital expenditure

Investments in Property, Plant and Equipment

ROE (Return On Equity)

Net Income/Shareholders' equity

Liquidity

Current assets/current liabilities

Solvency

Shareholders' equity/total assets

