



HALF-YEAR REPORT

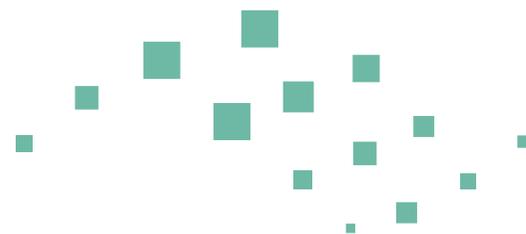
2016

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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 income statement

In Euro

	Half year ended 30/06/2016	Half year ended 30/06/2015
Product sales	221,568,990	195,953,393
Revenues from research and development	177,651	223,644
Total sales	221,746,641	196,177,037
Cost of sales	(121,551,115)	(99,366,794)
Gross margin	100,195,526	96,810,243
Research and development expenses	(30,963,153)	(26,811,596)
General and administrative expenses	(9,876,931)	(9,163,210)
Selling expenses	(4,432,393)	(4,362,531)
Other operating result (net)	310,581	-
Operating result (EBIT)	55,233,629	56,472,905
Financial results (net)	(1,132,279)	1,934,914
Result before Taxes	54,101,351	58,407,819
Income Taxes	(8,130,199)	(6,378,911)
Net result of the period	45,971,152	52,028,908
Net profit of the group	45,971,152	52,028,908
Attributable to owners of the parent	45,971,152	52,028,908

Unaudited condensed consolidated interim statement of financial position

In Euro

	Half year ended 30/06/2016	Half year ended 30/06/2015
Current Assets	231,555,012	198,139,609
Non current assets	111,895,044	108,630,469
Current liabilities	65,515,692	54,005,199
Non current liabilities	13,282,629	10,254,048
Equity	264,651,735	242,510,832

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, Melexis Switzerland SA 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 (HKD) and for Melexis Electronic Technology Co. Ltd in Shanghai the Chinese Yuan (CNY), for Melexis (Malaysia) Sdn. Bhd. and the Malaysian branch of Melexis Technologies NV

the Malaysian Ringgit (MYR), and for Melexis Japan the Japanese Yen (JPY) is the functional currency. Assets and liabilities of Melexis Inc., Melexis Technologies SA, Sentron AG, Melexis Switzerland SA, Melexis Ukraine, Melexis Bulgaria Ltd., Melexis Philippines, Melexis Electronic Technology (Shanghai) Co. Ltd, Melexis Hong Kong, Melexis Technologies NV Malaysian branch, Melexis (Malaysia) Sdn. Bhd. 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 Result 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 total sales amounted to EUR 221,746,641, an increase of 13% compared to the first half year of 2015. Specific research and development activities are performed under contract for customers. For the first half year of 2016, the company invoiced EUR 177,651 research and development costs to its customers, compared to EUR 223,644 in the first half year of 2015.

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 99,366,794 in the first half year of 2015 up to EUR 121,551,115 in the first half year of 2016. Expressed as a percentage of sales, the cost of sales was 55% in the first half year of 2016 compared to 51% in the first half year of 2015.

Gross margin

The gross margin, expressed as a percentage of sales, was 45% in the first half year of 2016 compared to 49% in the first half year of 2015. This decrease in gross margin is mainly due to increased cost of yield in 2016 and the absence of the positive impact of the USD exchange rate fluctuation in 2015.

Research and development expenses

Research and development expenses amounted to EUR 30,963,153 in the first half year of 2016, representing 14%

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 the first half year of 2015, mainly as a result of increased investment in general supporting activities.

Other operating results

Other operating results amounted to EUR 310,581 in the first half year of 2016, as a result of the sale of a building.

Financial results

The net financial results decreased from EUR 1,934,914 income in the first half of 2015 to EUR 1,132,279 loss in the first half year of 2016. The (net) interest result increased from a loss of EUR 77,418 in the first half year of 2015 to a loss of EUR 57,122 in the first half year of 2016. The net exchange gains (both realized and unrealized) in the first half year of 2016 amounted to a loss of EUR 751,705, compared to a gain of EUR 2,065,814 during the first half year of 2015.

Net income

The company recorded a net income for the first half of 2016 of EUR 45,971,152 compared to EUR 52,028,908 in the first half of 2015.

1.4 Liquidity, working capital and capital resources

Cash and cash deposits amounted to EUR 95,320,517 as of June 30, 2016, in comparison to EUR 73,837,757 as of December 31, 2015.

In the first half year of 2016, operating cash flow before working capital changes amounted to EUR 60,300,241. Working capital changes in the first half year of 2016 resulted in a net operating cash flow of EUR 61,473,052.

The cash flow from investing activities was negative for an amount of EUR 16,225,762.

The cash flow from financing activities was negative for an amount of EUR 23,750,438.

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 2015.

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

In the beginning of July Melexis established Melexis Dresden GmbH in Dresden Germany. This new company will primarily focus on research and development activities. There are no events after the balance sheet date that have a material impact on the unaudited condensed consolidated interim financial statements.

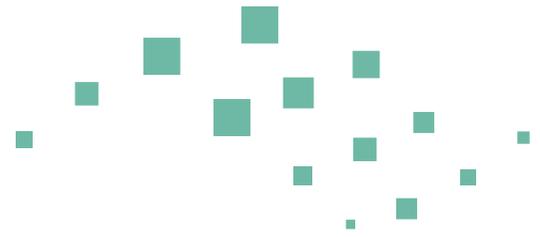
1.7 Statement of the Board of Directors

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 30/06/2016	Year ended 31/12/2015
ASSETS				
Current assets	Cash and Cash equivalents	Note 2.6.5 A	95,320,517	73,837,757
	Current investments		-	49,451
	Accounts receivable - trade		54,168,857	51,243,338
	Accounts receivable - related companies	Note 2.6.5 J	7,111,490	1,999,238
	Assets for current tax		664,437	1,384,340
	Assets held for sale		-	289,419
	Inventories		65,797,453	64,098,815
	Other current assets	Note 2.6.5 B	8,492,258	5,237,251
Total current assets			231,555,012	198,139,609
Non current assets	Intangible assets		6,943,951	7,440,360
	Property, plant and equipment	Note 2.6.5 C	96,453,942	90,299,601
	Financial assets		6,100	6,100
	Other non-current assets		7,000	7,830
	Deferred tax assets	Note 2.6.5 D	8,484,051	10,876,579
Total non current assets			111,895,044	108,630,469
TOTAL ASSETS			343,450,057	306,770,078

In Euro

			Half year ended 30/06/2016	Year ended 31/12/2015
LIABILITIES				
Current liabilities	Derivative financial instruments	Note 2.6.5 E	1,188,832	1,626,571
	Current portion of long-term debt	Note 2.6.5 F	4,046,011	7,046,147
	Accounts payable - trade		21,679,727	15,247,382
	Accounts payable - related companies	Note 2.6.5 J	20,397,197	10,790,802
	Accrued expenses, payroll and related taxes		6,713,362	7,134,597
	Accrued taxes		8,305,953	6,542,984
	Other current liabilities	Note 2.6.5 G	1,853,707	3,258,489
	Deferred income		1,330,903	2,358,226
Total current liabilities			65,515,692	54,005,199
Non current liabilities	Long-term debt less current portion	Note 2.6.5 F	11,092,022	8,138,440
	Other non current liabilities	Note 2.6.5 H	2,190,608	2,115,608
Total non current liabilities			13,282,629	10,254,048
Shareholders' capital			564,814	564,814
Reserve treasury shares			(3,817,835)	(3,817,835)
Revaluation reserve hedge			(326,021)	(371,919)
Legal reserve			56,520	56,520
Retained earnings			274,313,045	252,379,719
Cumulative translation adjustment			(6,149,259)	(6,310,937)
Equity attributable to company owners			264,641,264	242,500,360
Non controlling interest			10,471	10,471
Total equity			264,651,735	242,510,832
TOTAL LIABILITIES			343,450,057	306,770,078

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

2.2 Unaudited condensed consolidated interim statement of profit and loss

In Euro

	Half year ended 30/06/2016	Half year ended 30/06/2015
Product sales	221,568,990	195,953,393
Revenues from research and development	177,651	223,644
Total sales	221,746,641	196,177,037
Cost of sales	(121,551,115)	(99,366,794)
Gross margin	100,195,526	96,810,243
Research and development expenses	(30,963,153)	(26,811,596)
General and administrative expenses	(9,876,931)	(9,163,210)
Selling expenses	(4,432,393)	(4,362,531)
Other operating result (net)	310,581	-
Result from operations (EBIT)	55,233,629	56,472,905
Financial income	3,053,061	6,414,226
Financial charges	(4,185,340)	(4,479,312)
Result before Taxes	54,101,351	58,407,819
Income Taxes	(8,130,199)	(6,378,911)
Net result of the period	45,971,152	52,028,908
Earnings per share non-diluted	1.14	1.29
Earnings per share diluted	1.14	1.29

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

2.3 Unaudited condensed consolidated interim statement of comprehensive income

In Euro

	Half year ended 30/06/2016	Half year ended 30/06/2015
Net result	45,971,152	52,028,908
Other comprehensive income		
Recyclable components		
Fair value adjustments cash flow hedges, net of related tax effects	45,898	63,712
Non recyclable components		
Cumulative translation adjustment	161,678	(8,877,277)
Total other comprehensive income/ (loss) for the period, net of related tax effects	207,576	(8,813,566)
Total comprehensive income/ (loss) for the period	46,178,728	43,215,342
Total comprehensive income attributable to attributable to owners of the parent	46,178,728	43,215,342

2.4 Unaudited condensed consolidated interim statement of changes in equity

In Euro

	Number of shares	Share capital	Legal reserve	Retained earnings
December 31st, 2014	40,400,000	564,814	56,520	205,378,254
Net result	-	-	-	52,028,908
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
Other comprehensive income	-	-	-	-
Transactions with owners of the parent	-	-	-	-
June 30th, 2015	40,400,000	564,814	56,520	257,407,161
Net result	-	-	-	47,042,574
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
Other comprehensive income	-	-	-	-
Dividend	-	-	-	(52,070,017)
Transactions with owners of the parent	-	-	-	(52,070,017)
December 31st, 2015	40,400,000	564,814	56,520	252,379,719
Net result	-	-	-	45,971,152
CTA movement	-	-	-	-
Hedge reserves	-	-	-	-
Other comprehensive income	-	-	-	-
Dividend	-	-	-	(24,037,825)
Transactions with owners of the parent	-	-	-	(24,037,825)
June 30th, 2016	40,400,000	564,814	56,520	274,313,045

Melexis NV holds 1.785 own shares and Melexis Technologies NV holds 344.356 shares of Melexis NV, in total representing 0.86% of shares outstanding. During 2015 and 2016 no additional purchase of own shares was done, therefore the amount of own shares held by Melexis NV and Melexis Technologies NV remains the same.

Reserve treasury shares	Hedge reserve	CTA	Non controlling interest	Total equity
(3,817,835)	(452,551)	(378,573)	10,471	201,361,099
-	-	-	-	52,028,908
-	-	(8,877,277)	-	(8,877,277)
-	63,712	-	-	63,712
-	63,712	(8,877,277)	-	(8,813,566)
-	-	-	-	-
(3,817,835)	(388,839)	(9,255,851)	10,471	244,576,441
-	-	-	-	47,042,574
-	-	2,944,913	-	2,944,913
-	16,920	-	-	16,920
-	16,920	2,944,913	-	2,961,834
-	-	-	-	(52,070,017)
-	-	-	-	(52,070,017)
(3,817,835)	(371,919)	(6,310,937)	10,471	242,510,832
-	-	-	-	45,971,152
-	-	161,678	-	161,678
-	45,898	-	-	45,898
-	45,898	161,678	-	207,576
-	-	-	-	(24,037,825)
-	-	-	-	(24,037,825)
(3,817,835)	(326,021)	(6,149,259)	10,471	264,651,735

2.5 Unaudited condensed consolidated interim statement of cash flow

In Euro (indirect method)

		Half Year Ended 30/06/2016	Half Year Ended 30/06/2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result		45,971,152	52,028,908
Adjustments for operating activities:			
Deferred taxes	Note 2.6.5 D	2,392,528	1,632,807
Unrealized exchange results		448,100	(387,765)
Government grants		290,328	209,159
Depreciations		11,765,849	11,443,383
Financial results		(567,716)	(381,052)
Operating cash flow before working capital changes		60,300,241	64,545,440
Accounts receivable, net		(2,882,135)	(10,564,462)
Other current assets		(2,786,097)	(1,821,534)
Other non-current assets		830	4,571
Due to related companies	Note 2.6.5 J	9,606,395	2,711,788
Due from related companies	Note 2.6.5 J	(5,112,252)	(5,531,321)
Accounts payable		6,457,452	1,549,389
Accrued expenses		3,909,573	2,068,464
Other current liabilities		(1,404,875)	510,117
Deferred income and derivative financial instruments		(1,390,063)	(558,365)
Inventories		(2,530,039)	(7,821,977)
Interest paid		(128,139)	(188,448)
Income tax paid		(2,567,840)	(1,977,799)
Net cash from operating activities		61,473,052	42,925,862
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	Note 2.6.5 C	(16,346,230)	(18,162,633)
Interests received		71,017	138,966
Investments, proceeds from current investments		49,451	(334,651)
Net cash used in investing activities		(16,225,762)	(18,358,318)

Unaudited condensed consolidated interim statement of cash flow (continued)

CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment from long-term debts	Note 2.6.5 F	(7,046,016)	(4,088,484)
Proceeds of long-term debts		7,000,000	9,000,000
Impact of exchange results on financing items		333,403	(8,162,210)
Dividend payment		(24,037,825)	
Net cash used in financing activities		(23,750,438)	(3,250,694)
Effect of exchange rate changes on cash		(14,093)	4,259
(Decrease) increase in cash		21,482,760	21,321,110
Cash at beginning of the period		73,837,757	59,610,361
Cash at the end of the period	Note 2.6.5 A	95,320,517	80,931,470

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

2.6 Notes to the unaudited condensed consolidated interim financial statements

2.6.1 Company information

Melexis NV is a mixed signal semiconductor manufacturer. Melexis designs, develops, tests and markets advanced integrated semiconductor devices for the automotive industry. Our core experience supplying ICs for automotive electronics sustains the expansion into Application Specific Standard Products for industrial and consumer product applications. Melexis enthusiastically pursues its role as a component supplier whose innovations are the essential element in nearly every one of our customers' extraordinary systems. Melexis' products include sensor, communication, actuator ICs and Application Specific Integrated Circuits (ASICs).

The Melexis group of companies employed, on average 1,145 people at the end of June in 2016 and 1,013 at the end of June in 2015.

The registered office address of the company 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 25th, 2016 in Tessenderlo.

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 for the year ended December 31st, 2015. Melexis has not applied early any new IFRS requirements that are not yet effective in 2016.

2.6.3 Summary of significant accounting policies

The accounting policies applied are consistent with those applied in the annual consolidated financial statements ended December 31st, 2015, except as described below.

Adoption of new and revised standards and interpretations

During the current financial year, the company 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 year starting on January 1st, 2016. The Group has not applied any new IFRS requirements that are not yet effective as per June 30th, 2016.

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

- Annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013)
- Annual Improvements to IFRSs 2012-2014 Cycle (issued by the IASB in September 2014)
- IFRS 11 Joint Arrangements – Amendments regarding the accounting for acquisitions of an interest in a joint operation (May 2014)
- IAS 1 Presentation of Financial Statements – Amendments resulting from the disclosure initiative (December 2014)
- IAS 16 Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)
- IAS 16 Property, Plant and Equipment – Amendments bringing bearer plants into the scope of IAS 16 (June 2014)
- IAS 19 Employee Benefits – Amendments relating to Defined Benefit Plans: Employee Contributions (November 2013)
- IAS 27 Consolidated and Separate Financial Statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (August 2014)

- IAS 38 Intangible Assets – Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)
- IAS 41 Agriculture – Amendments bringing bearer plants into the scope of IAS 16 (June 2014)

The adoption of these amendments has not led to major changes in the companies accounting policies.

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

The company elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per June 30th, 2016.

- IFRS 2 Share-based Payment – Amendments to clarify the classification and measurement of share-based payment transactions (June 2016)*
- IFRS 7 Financial Instruments: Disclosures (Amendments December 2011) – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures*
- IFRS 7 Financial Instruments: Disclosures (Amendment November 2013) – Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9*
- IFRS 9 Financial Instruments – Classification and Measurement (Original issue July 2014, and subsequent amendments)*
- IFRS 10 Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (September 2014)*
- IFRS 10 Consolidated Financial Statements – Amendments regarding the application of the consolidation exception (December 2014)*
- IFRS 12 Disclosure of Interests in Other Entities – Amendments regarding the application of the consolidation exception (December 2014)*
- IFRS 14 Regulatory Deferral Accounts (Original issue January 2014)*

- IFRS 15 Revenue from Contracts with Customers (Original issue May 2014)*
- IFRS 16 Leases (Original issue January 2016)*
- IAS 7 Cash flow statement – Amendments as result of the Disclosure initiative (January 2016)*
- IAS 12 Income taxes – Amendments regarding the recognition of deferred tax assets for unrealized losses (January 2016)*
- IAS 28 Investments in Associates and Joint Ventures – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (September 2014)*
- IAS 28 Investments in Associates and Joint Ventures – Amendments regarding the application of the consolidation exception (December 2014)*
- IAS 39 Financial Instruments: Recognition and Measurement – Amendments for continuation of hedge accounting (fair value hedge of interest rate exposure) when IFRS 9 is applied (November 2013)*.

* Not yet endorsed by the EU as of June 30th, 2016

None of the other new standards, interpretations and amendments, which are effective for periods beginning after July 1st, 2016 and which have not been adopted early, are expected to have a material effect on the companies future financial statements. The possible impact of IFRS 16 has not yet been evaluated by the company.

2.6.4 Changes in group's organization

In the beginning of July Melexis established Melexis Dresden GmbH in Dresden Germany. This new company will primarily focus on research and development activities.

2.6.5 Notes

A. CASH AND CASH EQUIVALENTS

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Cash at bank and in hand	95,320,517	73,837,757
Total	95,320,517	73,837,757

B. OTHER CURRENT ASSETS

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Other receivables	6,198,750	3,561,600
Prepaid expenses	2,293,508	1,675,651
Total	8,492,258	5,237,251

The other receivables mainly relate to VAT.

C. PROPERTY, PLANT AND EQUIPMENT

In Euro (June 30th, 2016)

	Land & buildings	Machinery & equipment	Furniture & vehicles	Fixed assets under construction	Total
Cost:					
Balance year ended December 31st, 2015	39,514,500	188,750,731	10,939,635	6,258,149	245,463,016
Additions of the year	1,522,946	7,771,178	1,151,619	6,134,460	16,580,203
Retirements (-)	-	(968,140)	(143,244)	-	(1,111,384)
Transfers	-	6,254,450	-	(6,254,450)	-
CTA	15,898	14,587	(87,682)	(419)	(57,616)
Total half year ended June 30th, 2016	41,053,344	201,822,806	11,860,328	6,137,740	260,874,219
Accumulated depreciation:					
Balance year ended December 31st, 2015	11,971,793	136,075,025	7,116,597	-	155,163,415
Additions of the period	880,764	8,576,437	765,014	-	10,222,215
Retirements (-)	-	(509,075)	(102,506)	-	(611,581)
Transfers	-	-	-	-	-
CTA	(10,475)	(256,772)	(86,525)	-	(353,772)
Total half year ended June 30th, 2016	12,842,082	143,885,615	7,692,580	-	164,420,277
Carrying amount half year ended June 30th, 2016	28,211,262	57,937,191	4,167,748	6,137,740	96,453,942
Carrying amount year ended December 31st, 2015	27,542,707	52,675,706	3,823,038	6,258,149	90,299,601

Additions of the year mainly relate to test equipment.
Retirements: no material amount of compensation from third

parties which have been included 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:

In Euro

	01/01/2016	Charged to income statement	Charged to equity	30/06/2016
Tax amortization charges	9,470,000	(2,368,894)		7,101,107
Fair value adjustments financial instruments	344,554			344,554
Tax losses carried forward	650,000			650,000
Fair value adjustments hedge accounting	191,509		(23,634)	167,875
Other	220,516			220,516
Total	10,876,579	(2,368,894)	(23,634)	8,484,051

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 30/06/2016	Year ended 31/12/2015
Outstanding FX hedge contracts, not exceeding 1 year	USD	19,000,000	19,000,000
Outstanding FX hedge contracts, not exceeding 1 year	CHF	55,000,000	60,000,000
Outstanding Interest hedge contracts, exceeding 1 year	EUR	15,000,000	15,000,000
Outstanding Inflation hedge contracts, exceeding 1 year	EUR	15,000,000	15,000,000

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 30/06/2016	Year ended 31/12/2015
Outstanding FX hedge contracts - in accordance with IFRS 7 - level 2	-	49,451
Total, classified under Current investment	-	49,451

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 30/06/2016	Year ended 31/12/2015
Outstanding FX hedge contracts - in accordance with IFRS 7 - level 2	(14,118)	(185,088)
Outstanding Interest hedge contracts (hedge acc.) - in accordance with IFRS 7 - level 2	(493,896)	(563,429)
Outstanding Inflation hedge contracts - in accordance with IFRS 7 - level 2	(680,818)	(878,054)
Total, classified under derivative financial instruments	(1,188,832)	(1,626,571)

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 30/06/2016	Year ended 31/12/2015
Outstanding Interest hedge contracts	(493,896)	(563,429)
Subtotal	(493,896)	(563,429)
Deferred tax asset	167,875	191,510
Total, classified under Revaluation reserve Hedge	(326,021)	(371,919)

F. LONG AND SHORT TERM DEBTS

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Secured loans		
Bank Loan (in CHF) at floating interest rate, average rate for 1H16 was 2.50% (1); maturing in 2019	138,033	184,587
Total secured loans	138,033	184,587
Unsecured loans		
Unsecured loans (in EUR) at floating interest rate; maturing in 2016	-	3,000,000
Unsecured loans (in EUR) at floating interest rate, average rate for 1H16 was 1.13%, maturing in 2018	8,000,000	12,000,000
Unsecured loans (in EUR) at floating interest rate, average rate for 1H16 was 0.63%, maturing in 2022	7,000,000	-
Total unsecured loans	15,000,000	15,000,000
Total debt	15,138,033	15,184,587
Current maturities	4,046,011	7,046,147
Long-term portion of debts	11,092,022	8,138,440

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

As per June 30th, 2016 there are engagements for the following financial covenants:

For Melexis NV:

- Net debt/EBITDA ratio $\leq 2,5$
- Tangible net worth/total assets $\geq 35\%$

As per June 30th, 2016 Melexis is respecting all its financial covenants.

G. OTHER CURRENT LIABILITIES

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Accrued real estate withholding tax	98,106	50,606
Accrued financial services	311,627	348,653
Accrued design services	185,400	515,640
Accrued management services	346,007	323,110
Accrued HR services	163,175	118,364
Accrued transport services	124,000	138,000
Accrued insurances	84,500	4,000
Accrued IT services	45,000	84,000
Accrued licenses and royalties	346,667	1,182,139
Other	149,226	493,977
Total	1,853,707	3,258,489

The other current liabilities relate to services rendered by both third party suppliers and affiliated companies for which we did not receive an invoice yet. EUR 1,727,957 refers to

third party supplier services and EUR 125,750 refers to rendered services from affiliated companies.

H. OTHER NON CURRENT LIABILITIES

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Other non current liability	2,190,608	2,115,608
Total	2,190,608	2,115,608

The other non current liability mainly 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 EUR 1,996,214.

I. OPERATING SEGMENTS

Operating segments

Melexis products and production processes that are regularly evaluated by the chief operating decision maker have only one operating segment. Operating decisions are taken for each individual product during a committee lead by the CEO, based on performance assessments.

Information about transactions with major customers

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

In%

	Half year ended 30/06/2016	Half year ended 30/06/2015	Year ended 31/12/2015
Customer A	18	19	18
Customer B	7	6	7
Customer C	6	6	6
Customer D	5	4	4
Customer E	4	4	4
Customer F	3	4	3
Customer G	3	4	3
Customer H	3	3	3
Customer I	2	2	2
Customer J	2	2	2
Total	54	54	53

Information about geographical areas

The Melexis group's activities are conducted predominantly in EMEA (Europe, Middle-East and Africa), APAC (Asia Pacific) and NALA (North and Latin America).

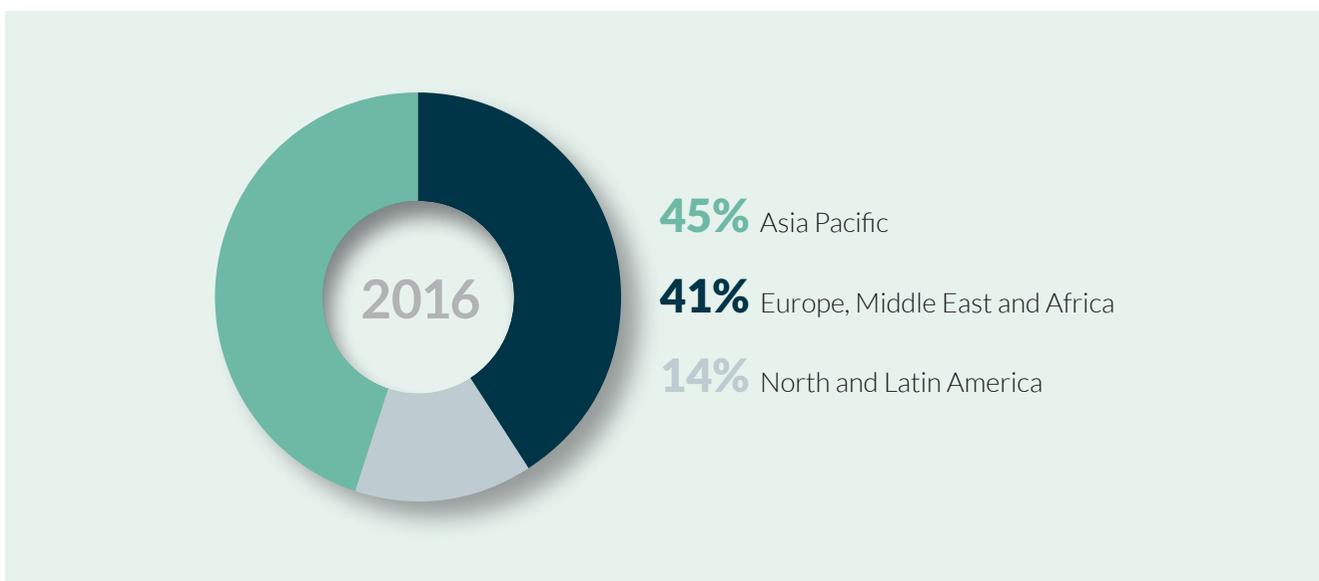
The origin of all revenue is in Belgium, as the invoicing entity is located in Belgium.

In Euro

	Europe, Middle East and Africa	North and Latin America	Asia Pacific	Total
Half year ended 30/06/2016				
Non current assets	102,601,635	302,369	8,991,040	111,895,044
Half year ended 30/06/2015				
Non current assets	93,725,752	323,826	3,966,870	98,016,448
Year ended 31/12/2015				
Non current assets	101,688,723	311,939	6,629,808	108,630,469

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. Which is determined by the customer's billing address:



In Euro

	Half year ended 30/06/2016	Half year ended 30/06/2015
Europe, Middle East and Africa	91,208,127	77,413,735
Germany	41,364,665	33,724,860
France	6,391,949	5,338,918
United Kingdom	6,383,965	5,757,431
Poland	5,464,158	4,953,866
Switzerland	4,613,791	3,036,190
Ireland	2,257,783	2,239,766
Czech Republic	2,351,425	1,278,980
Austria	6,997,618	8,271,670
Netherlands	1,133,854	477,575
Romania	4,991,712	4,427,578
Bulgaria	1,583,355	1,307,431
Spain	322,222	648,663
South Africa	851,364	1,368,170
Hungary	2,967,858	2,321,669
Italy	2,007,162	1,173,982
Other	1,525,247	1,086,986
North and Latin America	31,295,578	28,453,339
United States	22,608,073	18,622,863
Canada	1,467,369	1,784,003
Mexico	7,161,829	7,398,584
Brazil	58,307	63,404
Bermuda		584,486
Asia Pacific	99,242,937	90,309,963
Japan	15,946,478	16,500,239
China	21,467,223	18,305,087
Hong Kong	10,998,195	10,226,616
Thailand	29,622,723	26,315,595
Korea	12,690,663	10,741,472
Philippines	2,336,659	1,997,307
Taiwan	3,224,079	3,585,370
India	596,106	788,560
Singapore	1,929,203	746,992
Other	431,606	1,102,725
Total	221,746,641	196,177,037

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
Melexis Switzerland SA	Swiss entity
Melexis Technologies NV Malaysian branch	Malaysian branch
Melexis (Malaysia) Sdn. Bhd.	Malaysian entity

The shareholders of Melexis NV and related parties are as follows:

Xtrion NV owns 53.58% of the outstanding Melexis shares. The shares of Xtrion are controlled directly and/or indirectly by Mr. Roland Duchâtelet, Mr. Rudi De Winter and Mrs. Françoise Chombar who are all directors at Melexis NV.

Elex NV is 99.9% owned by Mr. Roland Duchâtelet. One share is held by Mr. Roderick Duchâtelet.

Xtrion NV owns 61.43% 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.

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 Xtrion NV for 99.99%. One share is held by Mrs Françoise Chombar and one share is held by Mr Roland Duchâtelet.

Xtrion NV owns 90% of the outstanding shares of X-CelePrint Ltd.

2. Outstanding balances at June 30th, 2016

The following balances were outstanding:

Receivables of

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Elex	4,162	3,630
Xtrion	4,598	4,598
Fremach Dieppe	27,410	16,380
X-fab group	6,732,799	1,578,427
Xpeq group	20,802	30,305
Anvo-Systems	321,719	365,898
Total	7,111,490	1,999,238

Payables to

In Euro

	Half year ended 30/06/2016	Year ended 31/12/2015
Elex	62	41,794
Xtrion	49,513	65,665
Epiq NV	(4)	(4)
X-fab group	19,353,408	8,640,193
Xpeq group	995,738	1,958,423
Anvo-Systems	(1,552)	33,536
Other	32	51,196
Total	20,397,197	10,790,802

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 30/06/2016	Half year ended 30/06/2015
Fremach Dieppe	81,730	386,421
Xpeq group	1,040	-

In Euro

Purchases from	Half year ended 30/06/2016	Half year ended 30/06/2015
X-fab group (mainly wafers)	72,350,956	59,063,947
Xpeq group (mainly equipment and goods)	8,390,562	4,318,491
Xceleprint	-	1,800,000
Xtrion (mainly IT infrastructure)	88,158	238,625
Other	9,690	40,945

Sales/purchases of services

In Euro

Sales to	Half year ended 30/06/2016	Half year ended 30/06/2015
Elex (mainly R&D services and rent)	19,211	1,209
Xpeq group (infrastructure office building)	76,256	25,595
Xtrion (infrastructure office building)	22,800	1,965
X-fab group	172,266	191,294
Anvo-Systems (mainly test services)	17,076	77,810

In Euro

Purchases from	Half year ended 30/06/2016	Half year ended 30/06/2015
Xtrion NV (mainly IT and related support)	506,175	533,025
Elex (mainly IT and related support)	69,655	78,560
Xceleprint	105,000	105,000
Xpeq group	1,069,091	734,375
X-fab group	918,143	1,133,693
Anvo-Systems (mainly R&D services)	320,857	215,823
Other	138,239	5,100

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. As a result

there was no need to apply articles 523 and 524 of the Belgian Company Code dealing with conflicts of interest between related parties.

K. COMMITMENTS & ESTIMATED LIABILITIES

Purchase commitments

The group had purchase commitments for a total of EUR 1,963,963 at June 30th, 2016.

L. LITIGATION

Melexis is involved in a patent claim because AustriaMicroSystems is seeking compensation for IP related to a patent on magnetic angle sensing they acquired. The court in Düsseldorf (1st instance) has judged in favour of AustriaMicroSystems against which Melexis has lodged an appeal with the Higher Regional Court of Düsseldorf. Moreover, Melexis initiated in March 2010 on the basis of prior art, a claim against the AustriaMicroSystems patent with the Federal Patent Court in Munich, the only competent German court for judging patent validity. As a consequence, the appeal with the Higher Regional Court of Düsseldorf was postponed. On December 9, 2010 the Court rendered its verdict on this patent nullity case. In 1st instance, the Court declared all attacked patent claims as null and invalid based on the prior art submitted by Melexis. 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. However, in May 2014, the patent nullity claim, against which AustriaMicroSystems lodged an appeal in the Federal Supreme Court of Karlsruhe was judged against Melexis. As a result, the claim in appeal with the Higher Regional Court of Düsseldorf has been reopened. A hearing and verdict is expected in 2017.

M. FINANCIAL INSTRUMENTS

Financial risk management

Melexis operates internationally, which could give an exposure to market risks from changes in interest and foreign exchange rates. Melexis uses derivative financial instruments to manage the foreign exchange risks, interest risks and inflation risks.

Risk management policies have been defined on group level, and are carried out by the local companies of the group..

(1) Credit risks

The group has no significant concentration of credit risk with any single counterparty or group of counterparties having similar characteristics. The group has a policy to ensure that sales are only made to new and existing customers with an appropriate credit history.

(2) Interest rate risk

The group does use derivatives to manage interest rate risks of the outstanding bank debt.

The schedule of long-term-debt repayments is disclosed in Note 2.6.5.F.

The table with outstanding derivatives is disclosed in Note 2.6.5.E.

(3) Liquidity risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the company within the normal terms of trade. To manage the risk the company periodically assesses the financial viability of customers.

(4) Foreign exchange risk

The currency risk of the group mainly occurs due to the fact that the group operates and has sales in USD. The group uses derivative contracts to manage foreign exchange risks. The table with outstanding derivatives is taken up in Note 2.6.5.E.

Fair value of financial assets and liabilities

The fair value of foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. For all of these instruments, the fair values are confirmed to the group by the financial institutions through which the group has entered into these contracts.

The group's principal financial instruments not carried at fair value are cash and cash equivalents, trade receivables, other current assets, other non current assets, trade and other payables, bank overdrafts and long term borrowings.

The carrying amount of cash and cash equivalents and of bank overdrafts approximates their fair value due to the short-term maturity of these financial instruments.

The fair value of the long-term loans is based on the current rates available for debt with the same maturity profile and approximates their carrying amounts.

Management believes that the exposure to interest rate risk of financial assets and liabilities as of June 30th, 2016 was minimal since their deviation from their respective fair values was not significant.

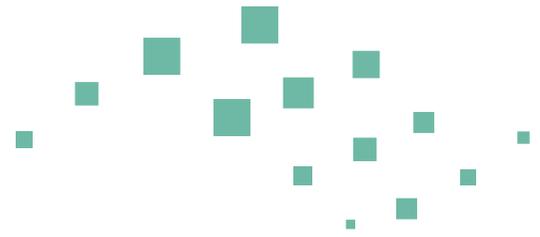


The unaudited consolidated interim financial statements were approved and authorized for issue by the Board of Directors on August 22nd, 2016 and were signed on its behalf by Françoise Chombar.

Françoise Chombar
Managing Director, Chief Executive Officer (CEO)

A handwritten signature in black ink, consisting of a stylized 'F' followed by a horizontal line and a flourish.

3



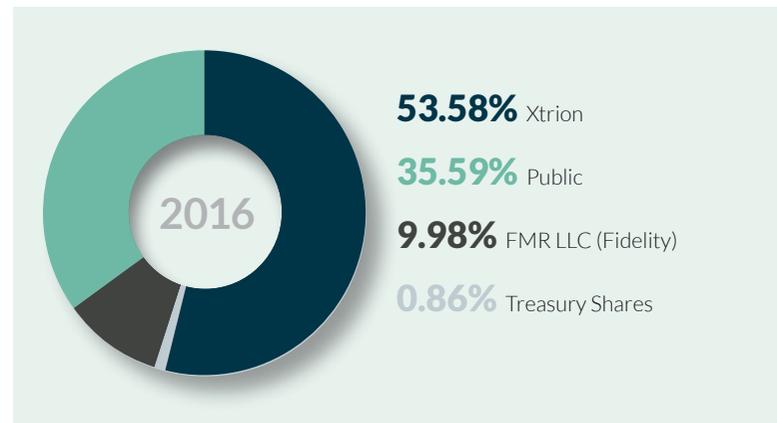
SHAREHOLDER INFORMATION

- Listing Euronext
- Reuters ticker MLXS.BR
- Bloomberg ticker MELE BB

3.1 Shareholder structure

Situation on June 30th, 2016.

Company	Number of shares	Participation rate
Xtrion	21,644,399	53.58%
FMR LLC (Fidelity)	4,032,132	9.98%
Treasury shares	346,141	0.86%
Public	14,377,328	35.58%
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 2016

Announcement of Q3 results October 26th, 2016

Announcement of Full Year Results February 8th, 2017

The Board of Directors decided to pay out an interim dividend of 1.30 EUR gross per share, payable as from October 27th, 2016.

3.4 Dividend

Gross (interim-) dividend per share for accounting year

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

2010: EUR 0.30 interim dividend

2011: EUR 0.60 interim dividend

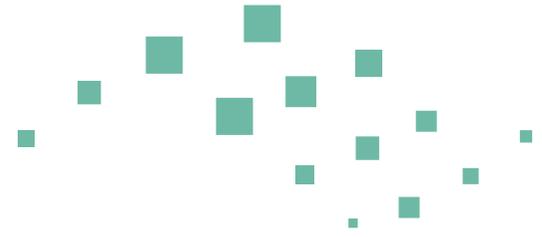
2012: EUR 0.65 interim dividend

2013: EUR 0.70 interim dividend

2014: EUR 1.00 interim dividend

2015: EUR 1.30 interim dividend and EUR 0.60 final dividend

4



STATUTORY AUDITOR'S REVIEW OPINION ON THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF MELEXIS NV FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2016

Statutory auditor's report to the Board of Directors of Melexis NV on the review of condensed consolidated interim financial statements for the six-month period ended 30 June 2016

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Melexis NV as of 30 June 2016 and the related condensed consolidated interim statements of profit and loss, 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 condensed 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 condensed consolidated interim financial statements 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 statements 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 statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, August 23, 2016

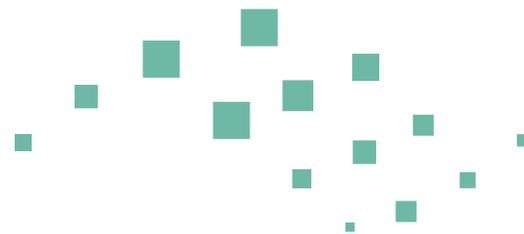


BDO Bedrijfsrevisoren Burg. Ven. CBVA
Statutory auditor
Represented by Veerle Catry

BDO Bedrijfsrevisoren Burg. Ven. CVBA / BTW BE 0431 088 289 RPR Brussel
BDO Réviseurs d'Entreprises Soc. Civ. SCRL / TVA BE 0431 088 289 RPM Bruxelles

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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

