



Alpha and Omega Semiconductor Announces Financial Results for the Third Quarter of Fiscal Year 2011

SUNNYVALE, Calif., April 26, 2011 (GLOBE NEWSWIRE) -- Alpha and Omega Semiconductor Limited ("AOS") (Nasdaq:AOSL), a designer, developer and global supplier of a broad range of power semiconductors, today announced financial results that are prepared in accordance with International Financial Reporting Standards ("IFRS") for the fiscal third quarter ended March 31, 2011.

The results for the fiscal third quarter ended March 31, 2011 are as follows:

- Revenue was \$91.1 million, a sequential increase of 8.4% from \$84.0 million for the prior quarter, and an increase of 17.3% from \$77.7 million for the same quarter in the prior fiscal year.
- Gross margin was 30.8%, compared to 28.6% for the prior quarter and 26.8% for the same quarter in the prior fiscal year.
- Operating expenses was \$17.2 million, compared to \$15.7 million for the prior quarter and \$11.5 million for the same quarter in the prior fiscal year.
- Operating profit was \$10.9 million, compared to \$8.3 million for the prior quarter and \$9.3 million for the same quarter in the prior fiscal year.
- Net profit was \$10.0 million, or \$0.39 per diluted share, compared to \$9.9 million, or \$0.41 per diluted share, for the prior quarter and \$9.6 million, or \$0.47 per diluted share, for the same quarter in the prior fiscal year.
- Net profit on a non-IFRS basis, or non-GAAP net profit, was \$11.5 million, or \$0.44 per diluted share, compared to \$10.2 million, or \$0.42 per diluted share, for the prior quarter and \$10.3 million, or \$0.50 per diluted share, for the same quarter in the prior fiscal year. Non-GAAP net profit excluded share-based compensation expenses of \$1.4 million, \$1.3 million and \$0.7 million for this quarter, the prior quarter and the same quarter in the prior fiscal year, respectively. In addition, our non-GAAP net profit for the prior quarter excluded \$1.0 million one-time gain on equity interest arising from our APM acquisition. A reconciliation of this non-GAAP financial measure to the net profit is set forth in the attached schedule.

"We are very pleased with this quarter's results that marked record high in revenue, gross margin and net profit. These accomplishments reflect the successful execution of our business model of growth with profitability," said Dr. Mike Chang, Chief Executive Officer and Chairman of AOS. "During the quarter, we launched our high-voltage MOSFET product line with the introduction of AlphaMOS technology platform, while continued to add new low-voltage MOSFET and PowerIC products. We expect revenue from the high-voltage product line to ramp up slowly as we gradually gain design wins, and we anticipate this new product line will start contributing meaningfully to our revenue beginning late calendar year 2012. In addition, as we strive to become a total power solution provider, we intend to invest in research and development in accordance to our strategic roadmap, which we believe will further strengthen and diversify our product offerings and drive future growth."

Business Outlook

The following statements are based upon management's current expectations. These statements are forward-looking, and actual results may differ materially. AOS undertakes no obligation to update these statements.

Revenue for the quarter ending June 30, 2011 is expected to be in the range of \$95 million to \$100 million. Gross margin is expected to be in the range of 29.5% to 31.5%, with operating profit expected to be in the range of 10.5% to 11.5%, which includes an estimated \$1.5 million of share-based compensation expense.

As disclosed previously, we will be required to report our financial statements under the U.S. GAAP and file our annual report for fiscal year ending June 30, 2011 on a Form 10-K, as well as to comply with additional SEC reporting obligations as a U.S. issuer beginning on July 1, 2011. Accordingly, we expect to incur incremental general and administrative expenses in the upcoming two quarters, including costs associated with converting our existing financial statements under IFRS to the U.S. GAAP financial statements.

Conference Call and Webcast

AOS plans to conduct an investor teleconference and live webcast to discuss the financial results for the third quarter of fiscal year 2011 today, April 26, 2011 at 2:00 p.m. PDT / 5:00 p.m. EDT. To participate in the live call, analysts and investors should dial 877-312-8797 (or 253-237-1194 if outside the U.S.). To access the live webcast and the subsequent replay of the conference call, which will be available for seven days after the live call, go to the "Events & Presentations" section of the company's investor relations website, <http://investor.aosmd.com>.

Forward Looking Statements

This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management's judgment, beliefs, current trends, and anticipated product performance. These forward-looking statements include, without limitation, projected amount of revenues, gross margin, and operating profit, expectation with respect to investment in research and development, expectation with respect to high-voltage product lines, and other statements under the section entitled "Business Outlook". Forward looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, but are not limited to, our ability to introduce or develop new and enhanced products that achieve market acceptance; the actual product performance in volume production; the quality and reliability of our product, our ability to achieve design wins, the general business and economic conditions, our ability to identify and consummate strategic transactions; the state of semiconductor industry and seasonality of our markets, and other risks as described in our SEC filings, including our annual report on Form 20-F and interim financial reports on Forms 6-K. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Although we believe that the expectations reflected in the forward looking statements are reasonable, it cannot guarantee future results, level of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements. All information provided in this press release is as of today's date, unless otherwise stated, and AOS undertakes no duty to update such information, except as required under applicable law.

Use of Non-GAAP Financial Measures

To supplement our unaudited consolidated financial statements presented on a basis consistent with IFRS, we disclose certain non-IFRS, or non-GAAP, financial measures, including non-GAAP net profit and earnings per share. These supplemental measures exclude share-based compensation expenses that are non-cash charges and a one-time gain on equity interest arising from our APM acquisition. We believe that non-GAAP financial measures can provide useful information to both management and investors by excluding certain non-cash expenses that are not indicative of our core operating results. In addition, our management uses non-GAAP measures to compare our performance relative to forecasts and to benchmark our performance externally against competitors. Our use of non-GAAP financial measures has certain limitations in that the non-GAAP financial measures we use may not be directly comparable to those reported by other companies. For example, the term used in this press release, non-GAAP net profit, does not have a standardized meaning. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. We seek to compensate for this limitation by providing a detailed reconciliation of the non-GAAP financial measures to the most directly comparable IFRS measures in the tables attached to this press release. Investors are encouraged to review the related IFRS financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable IFRS financial measure.

About Alpha and Omega Semiconductor

Alpha and Omega Semiconductor Limited, or AOS, is a designer, developer and global supplier of a broad range of power semiconductors, including a wide portfolio of Power MOSFET and Power IC products. AOS seeks to differentiate itself by integrating its expertise in device physics, process technology, design and advanced packaging to optimize product performance and cost, and its product portfolio is designed to meet the ever increasing power efficiency requirements in high volume applications, including portable computers, smart phones, flat panel TVs, battery packs, portable media players, UPS, motor control and power supplies. For more information, please visit <http://www.aosmd.com>.

For investor relations, please contact Hao Guan at investors@aosmd.com.

The following consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Boards.

Alpha and Omega Semiconductor Limited

Consolidated Balance Sheets

IFRS

(in thousands)

(unaudited)

| | <u>March 31,</u> | <u>June 30,</u> |
|---|-------------------|-------------------|
| | <u>2011</u> | <u>2010</u> |
| ASSETS | | |
| Noncurrent assets: | | |
| Property, plant and equipment | \$ 115,896 | \$ 44,163 |
| Intangible assets | 4,069 | 3,820 |
| Investment in an associate | -- | 25,693 |
| Deferred income tax assets | 10,866 | 2,296 |
| Other noncurrent assets | <u>5,474</u> | <u>458</u> |
| Total noncurrent assets | 136,305 | 76,430 |
| Current assets: | | |
| Inventories | 53,652 | 28,315 |
| Trade receivables | 39,647 | 30,639 |
| Other current assets | 3,898 | 3,075 |
| Restricted cash | 79 | 707 |
| Cash and cash equivalents | <u>112,253</u> | <u>119,001</u> |
| Total current assets | <u>209,529</u> | <u>181,737</u> |
| | | |
| Total assets | <u>\$ 345,834</u> | <u>\$ 258,167</u> |
| EQUITY | | |
| Capital and reserves | | |
| Common shares | \$ 49 | \$ 44 |
| Share premium | 129,512 | 103,803 |
| Other reserves | 22,537 | 17,946 |
| Retained earnings | <u>96,453</u> | <u>67,603</u> |
| Total equity | <u>248,551</u> | <u>189,396</u> |
| LIABILITIES | | |
| Noncurrent liabilities: | | |
| Deferred income tax liabilities | 35 | 25 |
| Deferred rent | 901 | 670 |
| Finance lease | <u>130</u> | <u>436</u> |
| Total noncurrent liabilities | 1,066 | 1,131 |
| Current liabilities: | | |
| Trade and other payables | 73,421 | 47,584 |
| Current income tax liabilities | 6,522 | 3,917 |
| Borrowings | 13,245 | 3,680 |
| Trade and other payable to an associate | -- | 10,100 |
| Finance lease | 449 | 571 |
| Provisions | <u>2,580</u> | <u>1,788</u> |
| Total current liabilities | <u>96,217</u> | <u>67,640</u> |
| | | |
| Total liabilities | <u>97,283</u> | <u>68,771</u> |
| | | |
| Total equity and liabilities | <u>\$ 345,834</u> | <u>\$ 258,167</u> |

Alpha and Omega Semiconductor Limited
Consolidated Statements of Income
IFRS
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | | | Nine Months Ended | |
|--|--------------------|--------------|-----------|-------------------|------------|
| | March 31, | December 31, | March 31, | March 31, | |
| | 2011 | 2010 | 2010 | 2011 | 2010 |
| Revenue | \$ 91,074 | \$ 83,982 | \$ 77,672 | \$ 264,473 | \$ 216,371 |
| Cost of goods sold | 63,029 | 59,961 | 56,845 | 188,159 | 158,730 |
| Gross profit | 28,045 | 24,021 | 20,827 | 76,314 | 57,641 |
| Operating expenses: | | | | | |
| Research and development | 7,609 | 6,638 | 5,447 | 20,541 | 15,040 |
| Selling, general and administrative | 9,556 | 9,078 | 6,093 | 27,892 | 17,597 |
| Total operating expenses | 17,165 | 15,716 | 11,540 | 48,433 | 32,637 |
| Operating profit | 10,880 | 8,305 | 9,287 | 27,881 | 25,004 |
| Finance income (costs), net | (18) | (10) | (20) | (46) | (132) |
| Gain on equity interest | -- | 998 | -- | 998 | -- |
| Share of profit of an associate | -- | 1,161 | 815 | 1,984 | 4,914 |
| Profit before income tax | 10,862 | 10,454 | 10,082 | 30,817 | 29,786 |
| Income tax expenses | 839 | 522 | 494 | 1,967 | 1,140 |
| Net profit | \$ 10,023 | \$ 9,932 | \$ 9,588 | \$ 28,850 | \$ 28,646 |
| Earnings per share | | | | | |
| Basic per share | \$ 0.41 | \$ 0.43 | \$ 1.20 | \$ 1.25 | \$ 3.60 |
| Diluted per share | \$ 0.39 | \$ 0.41 | \$ 0.47 | \$ 1.17 | \$ 1.42 |
| Weighted-average number of shares used in computing earnings per share | | | | | |
| Basic shares | 24,372 | 22,977 | 7,970 | 23,155 | 7,949 |
| Diluted shares | 25,887 | 24,425 | 20,601 | 24,673 | 20,180 |

Alpha and Omega Semiconductor Limited
Reconciliation of Net Profit to non-GAAP Net Profit
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | | | Nine Months Ended | |
|-----------------|--------------------|--------------|-----------|-------------------|-----------|
| | March 31, | December 31, | March 31, | March 31, | |
| | 2011 | 2010 | 2010 | 2011 | 2010 |
| IFRS net profit | \$ 10,023 | \$ 9,932 | \$ 9,588 | \$ 28,850 | \$ 28,646 |

Share-based compensation:

| | | | | | |
|--------------------|-----|-----|----|-----|-----|
| Cost of goods sold | 126 | 138 | 81 | 399 | 133 |
|--------------------|-----|-----|----|-----|-----|

| | | | | | |
|-------------------------------------|------------|------------|------------|--------------|--------------|
| Research and development | 420 | 359 | 193 | 1,202 | 596 |
| Selling, general and administrative | <u>897</u> | <u>771</u> | <u>400</u> | <u>2,750</u> | <u>1,169</u> |
| Total share-based compensation | 1,443 | 1,268 | 674 | 4,351 | 1,898 |

One-time item:

| | | | | | |
|-------------------------|------------------|------------------|------------------|------------------|------------------|
| Gain on equity interest | <u>--</u> | <u>(998)</u> | <u>--</u> | <u>(998)</u> | <u>--</u> |
| Non-GAAP net profit | <u>\$ 11,466</u> | <u>\$ 10,202</u> | <u>\$ 10,262</u> | <u>\$ 32,203</u> | <u>\$ 30,544</u> |

| | | | | | |
|----------------------|---------|---------|---------|---------|---------|
| Non-GAAP diluted EPS | \$ 0.44 | \$ 0.42 | \$ 0.50 | \$ 1.31 | \$ 1.51 |
|----------------------|---------|---------|---------|---------|---------|

Weighted-average number of shares used in computing non-GAAP earnings per share

| | | | | | |
|----------------|--------|--------|--------|--------|--------|
| Diluted shares | 25,887 | 24,425 | 20,601 | 24,673 | 20,180 |
|----------------|--------|--------|--------|--------|--------|

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