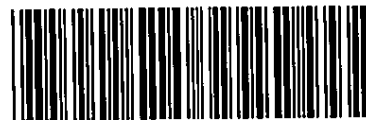


Company Registration No. 2337754 (England and Wales)

**ATMEL U.K., LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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# ATMEL U.K., LTD

## COMPANY INFORMATION

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<b>Directors</b>	S Cumming S Laub T Wu
<b>Company number</b>	2337754
<b>Registered office</b>	Floor 2 42-47 Minories London EC3N 1DX
<b>Auditors</b>	Eacotts Limited Grenville Court Britwell Road Burnham Buckinghamshire SL1 8DF
<b>Business address</b>	The Braccans London Road Bracknell Berkshire RG12 2XH
<b>Bankers</b>	Bank of America 2 King Edwards street London EC1A 1HQ

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# **ATMEL U.K., LTD**

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# **ATMEL U.K., LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and financial statements for the year ended 31 December 2010

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of marketing and selling semiconductors supplied by its ultimate parent company

#### **Results and dividends**

The results for the year are set out on page 5

The directors declared and paid dividends of £7,317,906 during the year

#### **Directors**

The following directors have held office since 1 January 2010

S Cumming

S Laub

T Wu

#### **Auditors**

Eacotts Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# ATMEL U.K., LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### Statement of disclosure to auditors-

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board



S Cumming

Director

9/28/2011

# **ATMEL U.K., LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATMEL U.K., LTD**

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We have audited the financial statements of Atmel U.K., Ltd for the year ended 31 December 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

the information given in the directors' report is consistent with the financial statements

# ATMEL U.K., LTD

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ATMEL U.K., LTD

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



Mr Martin Gatehouse ACA (Senior Statutory Auditor)  
for and on behalf of Eacotts Limited

29/9/11

Chartered Accountants  
Statutory Auditor

Grenville Court  
Britwell Road  
Burnham  
Buckinghamshire  
SL1 8DF

# ATMEL U.K., LTD

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	-2010 - £	2009 £
Turnover	2	1,735,556	1,758,484
Administrative expenses		(1,475,324)	(2,344,794)
Operating profit/(loss)	3	260,232	(586,310)
Intercompany loan written off		-	2,868,022
Profit on ordinary activities before interest		260,232	2,281,712
Investment income	4	250,583	104,367
Other interest receivable and similar income	4	64,503	-
Interest payable and similar charges	5	-	(933)
Profit on ordinary activities before taxation		575,318	2,385,146
Tax on profit on ordinary activities	6	-	-
Profit for the year	12	575,318	2,385,146

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account.



# ATMEL U.K., LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
<b>Current assets</b>					
Debtors	8	418,285		7,520,716	
Cash at bank and in hand		1,686,345		66,998	
		<u>2,104,630</u>		<u>7,587,714</u>	
<b>Creditors, amounts falling due within one year</b>	9	<u>(1,508,647)</u>		<u>(249,143)</u>	
<b>Total assets less current liabilities</b>		<u>595,983</u>		<u>7,338,571</u>	
<b>Capital and reserves</b>					
Called up share capital	11	100,000		100,000	
Profit and loss account	12	<u>495,983</u>		<u>7,238,571</u>	
<b>Shareholders' funds</b>	13	<u>595,983</u>		<u>7,338,571</u>	

Approved by the Board and authorised for issue on 9/28/2011



S Cumming  
Director

Company Registration No. 2337754

# ATMEL U.K., LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of Atmel Corporation and its results are included in the consolidated financial statements of that company

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts Turnover is recognised when the services are provided to the extent that there is a right to consideration and is recorded at the value of the consideration due

#### 1.4 Pensions

The company operates a defined contribution scheme for the benefit of its employees Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes The deferred tax balance has not been discounted

#### 1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit/(loss)	2010 £	2009 £
Operating profit/(loss) is stated after charging		
Loss on foreign exchange transactions	-	691,695
Fees payable to the company's auditor for the audit of the company's annual accounts	10,145	13,455
and after crediting		
Profit on foreign exchange transactions	<u>(165,855)</u>	<u>-</u>

# ATMEL U.K., LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

<b>4</b>	<b>Investment Income</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Interest from group undertakings	250,583	104,367
	Bank interest	64,503	-
		<u>315,086</u>	<u>104,367</u>
<b>5</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	-	933
<b>6</b>	<b>Taxation</b>	<b>2010</b>	<b>2009</b>
	<b>Total current tax</b>	<b>-</b>	<b>-</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>575,318</u>	<u>2,385,146</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2009 - 28 00%)	<u>161,089</u>	<u>667,841</u>
	Effects of		
	Permanent differences	(3,640)	-
	Group relief (claimed)/surrendered for nil payment	(157,449)	122,394
	Other tax adjustments	-	(790,235)
		<u>(161,089)</u>	<u>(667,841)</u>
	<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Dividends</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Ordinary final paid	<u>7,317,906</u>	<u>-</u>

# ATMEL U.K., LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

8	Debtors	2010 £	2009 £
	Amounts owed by parent and fellow subsidiary undertakings	289,557	7,493,445
	Corporation tax	22,000	-
	Other debtors	813	9,319
	Prepayments and accrued income	105,915	17,952
		<u>418,285</u>	<u>7,520,716</u>
9	Creditors: amounts falling due within one year	2010 £	2009 £
	Bank loans and overdrafts	-	4,081
	Trade creditors	17,778	5,449
	Amounts owed to parent and fellow subsidiary undertakings	1,285,981	60,677
	Taxes and social security costs	52,442	35,726
	Other creditors	13,232	6,378
	Accruals and deferred income	139,214	136,832
		<u>1,508,647</u>	<u>249,143</u>
10	Pension and other post-retirement benefit commitments		
	Defined contribution		
		2010 £	2009 £
	Contributions payable by the company for the year	<u>36,511</u>	<u>41,210</u>
11	Share capital	2010 £	2009 £
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

# ATMEL U.K., LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 12 Statement of movements on profit and loss account -

	Profit and loss account £
Balance at 1 January 2010	7,238,571
Profit for the year	575,318
Dividends paid	(7,317,906)
Balance at 31 December 2010	<u>495,983</u>

### 13 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	575,318	2,385,146
Dividends	(7,317,906)	-
Net (depletion in)/addition to shareholders' funds	<u>(6,742,588)</u>	<u>2,385,146</u>
Opening shareholders' funds	7,338,571	4,953,425
Closing shareholders' funds	<u>595,983</u>	<u>7,338,571</u>

# ATMEL U.K., LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

### 14 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Technical	1	2
Selling and distribution	13	13
Marketing and administration	4	4
	<u>18</u>	<u>19</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	966,772	961,018
Social security costs	126,616	128,709
Other pension costs	36,511	41,210
	<u>1,129,899</u>	<u>1,130,937</u>

### 15 Control

The immediate parent company is Atmel Corporation, a company incorporated in the United States of America which is the only company to consolidate these financial statements. Copies of the parent company's consolidated financial statements may be obtained from the Secretary, Atmel Corporation, 2325 Orchard Parkway, San Jose, CA95131, United States of America.

There is no ultimate controlling party of the company.

### 16 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.