



Amerigon Reports Record Results for 2006 Second Quarter, First Six Months

July 26, 2006

Year Over Year Revenues Increase 45% and 30%, Respectively,
Net Income Up 80% and 73%

NORTHVILLE, Mich., July 26 /PRNewswire-FirstCall/ -- Amerigon Incorporated (Nasdaq: ARGN), a leader in developing products based on advanced thermoelectric (TE) technologies for a wide range of global markets and applications, today reported record results for its second quarter and six months ended June 30, 2006. Revenue for this year's second quarter and first six months was up 45 percent and 30 percent, respectively, over the same periods in 2005, and net income rose 80 percent and 73 percent, respectively.

The Company's BSST subsidiary also continued to make important progress and has shifted from a solely research position to the development phase of several prototypes for commercial and government partners that could ultimately lead to product applications in a variety of automotive and non-automotive markets. BSST is focused on expanding the use of Amerigon's proprietary thermoelectric technologies.

"The first six months of 2006 have been exceptional for Amerigon in all aspects of our business," said President and Chief Executive Officer Daniel R. Coker. "The record first quarter of this year got us off to a rousing start and we were able to follow that solid performance with record results in this year's second quarter. New model introductions are generating significant increases in revenue, and consumer acceptance for our Climate Control Seat(TM) (CCS(TM)) system remains strong. We are also very encouraged by the continued progress at our BSST subsidiary in the advanced development of our thermoelectric technology. We are more confident than ever that the benefits and comforts of our heating and cooling technology have a variety of applications in a number of very large global markets."

Revenues for this year's second quarter and first six months were \$12.4 million and \$22.9 million, respectively, compared with revenues of \$8.6 million and \$17.5 million for the comparable prior year periods. The higher revenues were primarily the result of the addition of volume shipments of the CCS system in the most recent vehicles equipped with CCS, which are the Lincoln Zephyr, Buick Lucerne and the redesigned Cadillac Escalade, Cadillac Escalade EXT and Escalade ESV. Average selling prices increased as Amerigon continued to demonstrate its ability to deliver reliable and value-enhancing CCS systems, and its customers responded by purchasing CCS systems with more component content. Gross profit as a percentage of revenue for this year's second quarter and first six months rose to 31.3 percent and 31.5 percent, respectively, up from 28.7 percent and 28.1 percent in the prior year comparable periods.

Net income before taxes for this year's second quarter and first six months was \$1.3 million and \$2.6 million, respectively, compared with \$454,000 and \$916,000 for the prior year periods. Net income for the second quarter and first six months of 2006 was \$816,000, or \$0.04 per share and \$1.6 million, or \$0.07 per share, respectively. This compares with net income in the second quarter and first six months of last year of \$454,000, or \$0.02 per share and \$916,000, or \$0.04 per share, respectively. This year's net income included income taxes of \$498,000 in the second quarter and \$969,000 for the first six months. No income taxes were recorded in the 2005 periods.

The fully diluted weighted average shares outstanding for the second quarter and first six months of 2006 were 20,114,000 and 19,219,000 compared with 16,132,000 and 15,865,000 in the prior year periods.

As previously announced, on June 12 of this year Amerigon's Preferred Stockholders completed a voluntary conversion of the remaining 4,500 shares of Series A Convertible Preferred Stock by converting those shares into 2,686,566 shares of the Company's Common Stock. Following those transactions, Amerigon had 21,251,541 shares of Common Stock outstanding.

The conversion of the remaining Preferred Stock was a key step in completing Amerigon's transition from a start-up development stage venture to a growing business with solid future prospects and a stronger, more rational capital structure. "The conversion of the Series A Preferred improves our capital structure, increases the public float and should help enhance our trading liquidity," Coker said.

Unit shipments of CCS systems increased to 171,000 for the 2006 second quarter and 315,000 for the first six months of this year, compared with 125,000 and 255,000 for the respective year earlier periods.

The Company's balance sheet as of June 30, 2006 remained strong with cash, cash equivalents and short-term investments of \$10.5 million, total assets of \$39.2 million, no bank debt and shareholders' equity of \$30.5 million.

Coker noted that the outlook for the introduction of vehicles with CCS remains strong for the balance of 2006. "We are confident that a variety of additional vehicle models, from new and existing customers in North America, Asia and Europe, will soon be carrying our proprietary CCS system," Coker said. "On the BSST side, we are still forecasting revenue starting in late 2008."

Selling, general and administrative (SG&A) expense in this year's second quarter and six months was \$1.8 million and \$3.4 million, respectively, compared with \$1.5 million and \$2.9 million in the prior year periods reflecting costs associated with stock option compensation and the Company's compliance with certain provisions of the Sarbanes-Oxley Act of 2002.

Research and development expenses for the second quarter and first six months of 2006 increased to \$890,000 and \$1.5 million, respectively, from \$656,000 and \$1.3 million in the prior year periods, reflecting costs associated with increased research activities related to BSST and the advanced thermoelectric technology program. Coker added that he expects the net research and development expenses will increase in the remainder of 2006 as the Company continues to increase these development activities.

Guidance for 2006

The Company reconfirmed its earlier guidance for the year ending December 31, 2006, with revenue expected to be up 25 to 30 percent over 2005 and a year-over-year increase in net income. In addition to typical uncertainties that might affect the Company's future results, there are a number of macro economic and geopolitical issues outside Amerigon's control worth noting, such as the effects of recent increases in gas prices and the current uncertainty in the automotive industry. These items could each negatively impact the overall economy and the Company's ability to achieve its expected results. The Company's guidance assumes that vehicle sales for its North American customers do not deteriorate and that currently scheduled product launches occur on time and at expected volumes.

Conference Call

As previously announced, Amerigon is conducting a conference call today to be broadcast live over the Internet at 11:30 AM EDT (Eastern) to review the financial results for the first quarter ended June 30, 2006. The dial-in number for the call is 1-800-936-9754. The live webcast and archived replay of the call can be accessed in the Events page of the Investor section of Amerigon's website at www.amerigon.com.

About Amerigon

Amerigon (Nasdaq: ARGN) develops products based on its advanced, proprietary, efficient thermoelectric (TE) technologies for a wide range of global markets and heating and cooling applications. The Company's current principal product is its proprietary Climate Control Seat(TM) (CCS(TM)) system, a solid-state, TE-based system that permits drivers and passengers of vehicles to individually and actively control the heating and cooling of their respective seats to ensure maximum year-round comfort. CCS, which is the only system of its type on the market today, uses no CFCs or other environmentally sensitive coolants. Amerigon maintains sales and technical support centers in Los Angeles, Detroit, Japan, Germany and England.

Certain matters discussed in this release are forward-looking statements that involve risks and uncertainties, and actual results may be different. Important factors that could cause the Company's actual results to differ materially from its expectations in this release are risks that sales may not significantly increase, additional financing, if necessary, may not be available, new competitors may arise and adverse conditions in the automotive industry may negatively affect its results. The liquidity and trading price of its common stock may be negatively affected by these and other factors. Please also refer to Amerigon's Securities and Exchange Commission filings and reports, including but not limited to its Form 10-Q for the period ended March 31, 2006 and its Form 10-K for the year ended December 31, 2005.

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TABLES FOLLOW

AMERIGON INCORPORATED
 CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
 (In thousands, except per share data)
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Product revenues	\$12,409	\$8,562	\$22,850	\$17,519
Cost of sales	8,526	6,104	15,659	12,597
Gross margin	3,883	2,458	7,191	4,922
Operating costs and expenses:				
Research and development	1,823	1,529	3,162	3,012
Research and development reimbursements	(933)	(873)	(1,636)	(1,725)
Net research and development expenses	890	656	1,526	1,287
Selling, general and administrative	1,848	1,464	3,442	2,930
Total operating costs and expenses	2,738	2,120	4,968	4,217
Operating income	1,145	338	2,223	705
Interest income	119	66	230	111
Other income	50	50	100	100
Earnings before income tax	1,314	454	2,553	916
Income tax expense	498	--	969	--

Net income	\$816	\$454	\$1,584	\$916
Basic earnings per share:				
Common Stock	\$0.04	\$0.02	\$0.07	\$0.04
Convertible Preferred Stock	\$0.04	\$0.02	\$0.07	\$0.04
Diluted earnings per common share	\$0.04	\$0.02	\$0.07	\$0.04
Weighted average number of shares - basic				
Common Stock	19,202	15,516	18,423	15,214
Convertible Preferred Stock (as converted)	2,052	5,373	2,828	5,373
Weighted average number of shares - diluted	20,114	16,132	19,219	15,865

AMERIGON INCORPORATED
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands, except share data)

ASSETS	June 30, 2006 (unaudited)	December 31, 2005
Current Assets:		
Cash & cash equivalents	\$2,076	\$1,364
Short-term investments	8,425	9,975
Accounts receivable, less allowance of \$325 and \$295, respectively	10,130	7,891
Inventory:		
Raw materials	1,209	1,894
Finished goods	1,923	818
Inventory	3,132	2,712
Deferred income tax assets	2,285	1,447
Prepaid expenses and other assets	492	7
Total current assets	26,540	23,396
Property and equipment, net	1,606	1,177
Deferred financing costs	14	16
Patent costs, net of accumulated amortization of \$14 and \$11, respectively	638	533
Deferred income tax assets	10,376	12,131
Total assets	\$39,174	\$37,253
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$5,854	\$5,323
Accrued liabilities	1,888	2,227
Deferred manufacturing agreement - current portion	200	200
Total current liabilities	7,942	7,750
Deferred manufacturing agreement - long term portion	750	850
Total liabilities	8,692	8,600
Shareholders' equity:		
Convertible Preferred Stock:		
Series A - no par value; convertible; 9,000 shares authorized, 4,500 and 9,000 issued and outstanding at December 31, 2005; liquidation preference of \$11,520 at December 31, 2005	--	8,267

Common Stock:

No par value; 30,000,000 shares authorized, 21,276,541 and 15,874,557 issued and outstanding at June 30, 2006 and December 31, 2005, respectively	61,457	53,142
Paid-in capital	20,414	20,202
Accumulated other comprehensive income - foreign currency	(15)	--
Accumulated deficit	(51,374)	(52,958)
Total shareholders' equity	30,482	28,653
Total liabilities and shareholders' equity	\$39,174	\$37,253

SOURCE Amerigon Incorporated

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