



Amerigon Reports 2010 Second Quarter, Six-Month Results

August 4, 2010

Record Revenues, Operating Income

NORTHVILLE, Mich., Aug 04, 2010 /PRNewswire via COMTEX/ --

Amerigon Incorporated (Nasdaq: ARGN), a leader in developing and marketing products based on advanced thermoelectric (TE) technologies, today announced record revenues and operating income for the second quarter and six months ended June 30, 2010. This year's second quarter marks the Company's fourth consecutive quarter of record revenues.

Product revenues for this year's second quarter increased to \$28.8 million, up 169 percent from \$10.7 million in last year's second quarter, and up 19 percent sequentially from \$24.2 million in the 2010 first quarter. The increase in revenues primarily resulted from a much improved automotive marketplace which resulted in higher vehicle production levels on existing vehicles offering the Company's Climate Control Seat(R) (CCS(R)) systems. New model introductions, especially in the Asian markets, and the addition of a rear seat option on several vehicles also contributed to higher revenues. CCS systems include both TE-based heated and cooled systems and heated and ventilated seat systems.

Amerigon President and Chief Executive Officer Daniel R. Coker said, "The slow, steady recovery of the global automotive market that began a year ago remains in effect. Improved vehicle production levels along with continued adoption of our seat systems in new vehicle lines by automotive manufacturers, and by consumers purchasing vehicles with our technology have led to the significant year-over-year and sequential improvements in revenues. With four consecutive quarters of record revenues, we believe we are gaining momentum and expect additional vehicle line introductions in the coming months to contribute to further increases in revenue. We are also looking forward to introducing other advanced products such as the heated and cooled bed and heated and cooled cup holder later this year."

In North America, one of the Company's most important markets, the Seasonally Adjusted Annual Rate (SAAR) for vehicles sales was 11.3 million, up 18 percent, from 9.6 million during the second quarter of 2009. Vehicle production levels, which had been reduced below the SAAR rate during the second quarter of 2009 to reduce OEM inventory levels, were more in line with the current selling pace during the second quarter of 2010. Production of light vehicles in North America increased by 73 percent to 3.1 million during this year's second quarter from 1.8 million during the prior year period.

Gross margin as a percentage of revenue for the 2010 second quarter was 30 percent compared with 24 percent in the second quarter of 2009 and 27 percent in this year's first quarter. The year-over-year and sequential increase was primarily attributable to a favorable shift in the mix of products sold, lower raw material costs and higher coverage of fixed cost at the higher volume levels. Net income attributable to Amerigon Incorporated for this year's second quarter was \$2.3 million, or \$0.11 per basic and \$0.10 per diluted share, compared with net loss attributable to Amerigon Incorporated in the prior year second quarter of \$869,000, or \$0.04 loss per basic and diluted share.

For the first six months of 2010, product revenues increased to \$53.0 million, up 154 percent from \$20.9 million in the prior year period. Gross margin as a percentage of revenue for this year's first six months was 29 percent compared with 24 percent in the first six months of 2009. Net income attributable to Amerigon Incorporated for this year's first six months was \$4.0 million, or \$0.18 per share, compared with a net loss attributable to Amerigon Incorporated in the prior year period of \$1.8 million, or \$0.08 loss per share.

Coker added that the Company continues to work towards expanding its TE technology beyond automotive seating into the next major market arenas. The Company's objective is for its unique technology to occupy an important place in the value chain of a new class of solid state energy conversion systems that replace existing electromechanical devices in the various potential large market sectors, including other automotive applications, stationary temperature management, aerospace and defense, individual comfort, waste heat harvesting and primary power generation.

The Company's balance sheet as of June 30, 2010, strengthened with cash, cash equivalents and short-term investments totaling \$30.0 million, total assets of \$70.4 million, no bank debt and shareholders' equity of \$52.6 million.

CCS systems are currently offered as an optional or standard feature on 49 automobile models produced by Ford, General Motors, Toyota, Nissan, Honda, Hyundai, KIA and Jaguar/Land Rover. New vehicles equipped with CCS systems and launched since the second quarter of 2009 included the Ford Taurus, Ford F-250, Nissan 370Z Roadster, Nissan Patrol, Infiniti QX56, Infiniti G Convertible, KIA Mohave, KIA Borrego, KIA Sportage, Hyundai Tucson and two other programs that the Company has not yet announced. Two existing programs, the Jaguar XJ and Land Rover Range Rover, began offering CCS in the rear seating position for the first time during the 2009 third quarter.

Unit shipments of CCS systems for the 2010 second quarter and first six months were 407,000 and 756,000, respectively, compared with 154,000 and 297,000 units for the year-earlier periods. As of June 30, 2010, the Company had shipped nearly 6.1 million CCS units to customers since 2000.

The 2010 second quarter and six-month results include a year-over-year increase in net research and development expenses of \$1.3 million for both periods, primarily due to the advanced TE materials program at ZT Plus. The Company is also developing new products, such as a heated and cooled bed, a heated and cooled cup holder and a cold storage box, and improving the current CCS system. The costs associated with these projects increased during this year's second quarter as several of the projects near the commercial launch phase of development. The bed and cup holder are expected to be launched in the fall of 2010.

Selling, general and administrative expenses for this year's second quarter and first six months increased \$325,000 and \$636,000, respectively, due primarily to an increase in the number of sales and marketing employees. The Company increased its marketing resources in order to support increased activities in South Korea, Europe and China. In addition, the increase for the six-month period included higher stock option expense.

Guidance

The Company expects product revenues in the 2010 third quarter to be up slightly compared with the 2010 second quarter, representing a more than

50 percent increase from the 2009 third quarter product revenue of \$18.4 million. Although the automotive market appears to be stabilizing, there continues to be significant market risk which makes it difficult for Amerigon to provide meaningful full-year 2010 guidance.

Conference Call

As previously announced, Amerigon is conducting a conference call today to be broadcast live over the Internet at 11:30 AM Eastern Time to review these financial results. The dial-in number for the call is 1-877-941-8418. 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-GS: 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(R) (CCS(R)) 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 Southern California, Southeast Michigan, Japan, Germany, England and Korea. For more information, visit the Company's website at www.amerigon.com.

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 June 30, 2010, and its Form 10-K for the year ended December 31, 2009.

Contact: Allen & Caron Inc
 Jill Bertotti (investors)
 jill@allencaron.com
 Len Hall (media)
 len@allencaron.com
 (949) 474-4300

TABLES FOLLOW

AMERIGON INCORPORATED

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended June 30, -----		Six Months Ended June 30, -----	
	2010	2009	2010	2009
	----	----	----	----
Product revenues	\$28,812	\$10,715	\$53,000	\$20,885
Cost of sales	20,108	8,184	37,653	15,936
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Gross margin	8,704	2,531	15,347	4,949
Operating expenses:				
Research and development	3,390	1,919	6,369	4,338
Research and development reimbursements	(528)	(345)	(1,703)	(1,018)
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Net research and development expenses	2,862	1,574	4,666	3,320
Selling, general and administrative	2,491	2,166	4,951	4,315
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Total operating expenses	5,353	3,740	9,617	7,635
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Operating income (loss)	3,351	(1,209)	5,730	(2,686)
Interest income	3	4	-	26

Loss from equity investment	-	-	(22)	-
Other income	7	45	72	97
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Earnings (loss) before income tax	3,361	(1,160)	5,780	(2,563)
Income tax expense (benefit)	1,244	(291)	2,120	(758)
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Net income (loss)	2,117	(869)	3,660	(1,805)
Plus: Loss attributable to non-controlling interest	190	-	297	-
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Net income (loss) attributable to Amerigon, Inc.	\$2,307	\$(869)	\$3,957	\$(1,805)
	=====	=====	=====	=====
Basic earnings (loss) per share	\$0.11	\$(0.04)	\$0.18	\$(0.08)
	=====	=====	=====	=====
Diluted earnings (loss) per share	\$0.10	\$(0.04)	\$0.18	\$(0.08)
	=====	=====	=====	=====
Weighted average number of shares - basic	21,621	21,420	21,577	21,327
	=====	=====	=====	=====
Weighted average number of shares - diluted	22,381	21,420	22,363	21,327
	=====	=====	=====	=====

AMERIGON INCORPORATED

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

	June 30,	December
	2010	31,
	----	2009
	----	----
	(unaudited)	
ASSETS		
Current Assets:		
Cash & cash equivalents	\$20,449	\$21,677
Short-term investments	9,589	6,704
Accounts receivable, less allowance of \$735 and \$292, respectively	20,915	15,073
Inventory	2,907	2,541
Deferred income tax assets	2,762	927
Prepaid expenses and other assets	1,181	780
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Total current assets	57,803	47,702
Equity Investment	-	22
Property and equipment, net	4,419	3,271
Patent costs, net of accumulated amortization of \$640 and \$490, respectively	4,319	3,727
Deferred income tax assets	3,273	7,133
Other non-current assets	541	527
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Total assets	\$70,355	\$62,382
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	\$12,872	\$10,222
Accrued liabilities	4,224	3,738
Deferred manufacturing agreement - current portion	150	200
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Total current liabilities	17,246	14,160
Pension Benefit Obligation	502	377
Deferred manufacturing agreement - long-term portion	-	50
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Total liabilities	17,748	14,587
Shareholders' equity:		
Common Stock:		
No par value; 30,000,000 shares authorized, 21,635,807 and 21,486,309 issued and outstanding at June 30, 2010 and December 31, 2009, respectively	62,537	61,971
Paid-in capital	24,545	23,986
Accumulated other comprehensive income	86	59
Accumulated deficit	(33,825)	(37,782)
	-----	-----
Total Amerigon, Inc. shareholders' equity	53,343	48,234
Non-controlling interest	(736)	(439)
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Total shareholders' equity	52,607	47,795
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Total liabilities and shareholders' equity	\$70,355	\$62,382
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AMERIGON INCORPORATED

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Six Months Ended	
	June 30,	

	2010	2009
	----	----
Operating Activities:		
Net income (loss)	\$3,660	\$(1,805)
Adjustments to reconcile net income (loss) to cash		
provided by operating activities:		
Depreciation and amortization	675	704
Deferred tax provision (benefit)	2,024	(777)
Stock option compensation	641	607
Defined benefit plan expense	124	95
Loss from equity investment	22	-
Changes in operating assets and liabilities:		
Accounts receivable	(6,338)	1,485
Inventory	(366)	(836)
Prepaid expenses and other assets	52	(94)
Accounts payable	2,650	1,508
Accrued liabilities	432	37

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Net cash provided by (used in) operating activities	3,576	924
Investing Activities:		
Purchases of short-term investments	(7,127)	-
Maturities of short-term investments	4,242	-
Purchase of ZT Plus assets, net of cash acquired	(1,500)	-
Purchase of property and equipment	(498)	(369)
Patent costs	(415)	(459)
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Net cash used in investing activities	(5,298)	(828)
Financing Activities:		
Proceeds from the exercise of Common Stock options	467	796
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Net cash provided by financing activities	467	796
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Foreign currency effect	27	(28)
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Net decrease in cash and cash equivalents	(1,228)	864
Cash and cash equivalents at beginning of period	21,677	25,303
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Cash and cash equivalents at end of period	\$20,449	\$26,167
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid for taxes	\$305	\$298
	=====	=====
Supplemental disclosure of non-cash transactions:		
Issuance of Common Stock under the 2006 Equity Incentive Plan	\$17	\$299
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SOURCE Amerigon Incorporated