UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2005

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________.

Commission File Number: 0 - 21810

AMERIGON INCORPORATED

(Exact name of registrant as specified in its charter)

Michigan **(State or other jurisdiction of incorporation or organization)**	**95-4318554** **(I.R.S. Employer Identification No.)**
500 Town Center Dr., Ste. 200, Dearborn, MI **(Address of principal executive offices)**	**48126-2716** **(Zip Code)**

Registrant's telephone number, including area code: (313) 336-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

At August 10, 2005, the registrant had 15,516,020 shares of Common Stock, no par value, issued and outstanding.

AMERIGON INCORPORATED

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AMERIGON INCORPORATED

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

	June 30, 2005 (Unaudited)	December 31, 2004
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 1,547	$ 1,078
Short-term investments	8,425	6,525
Accounts receivable, less allowance of $257 and $59, respectively	5,258	4,763
Inventory:		
Raw materials	1,610	1,622
Finished Goods	121	279
Total Inventory	1,731	1,901
Prepaid expenses and other assets	411	308
Total current assets	17,372	14,575
Property and equipment, net	1,233	1,385
Patent costs, net of accumulated amortization of $4 and $4, respectively	492	333
Total assets	$ 19,097	$ 16,293
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 3,529	$ 3,199
Accrued liabilities	1,843	1,605
Deferred manufacturing agreement – current portion	200	200
Total current liabilities	5,572	5,004
Deferred manufacturing agreement – long term portion	950	1,050
Total liabilities	6,522	6,054
Shareholders' equity:		
Preferred Stock:		
Series A – no par value; convertible; 9,000 shares authorized, 9,000 issued and outstanding at June 30, 2005 and December 31, 2004; liquidation preference of $11,520 June 30, 2005 and December 31, 2004	8,267	8,267
Common Stock:		
No par value; 30,000,000 shares authorized, 15,516,020 and 14,693,251 issued and outstanding at June 30, 2005 and December 31, 2004, respectively	52,697	51,277
Paid-in capital	20,202	20,202
Accumulated deficit	(68,591)	(69,507)
Total shareholders' equity	12,575	10,239
Total liabilities and shareholders' equity	$ 19,097	$ 16,293

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Product revenues	$ 8,562	$ 8,630	$17,519	$17,591
Cost of sales	6,104	6,394	12,597	13,267
Gross margin	2,458	2,236	4,922	4,324
Operating costs and expenses:				
Research and development	656	561	1,287	1,183
Selling, general and administrative	1,464	1,436	2,930	2,652
Total operating costs and expenses	2,120	1,997	4,217	3,835
Operating income	338	239	705	489
Interest income	66	6	111	7
Other income	50	50	100	100
Net income	$ 454	$ 295	$ 916	$ 596
Basic earnings per share:				
Common Stock	$ 0.02	$ 0.02	$ 0.04	$ 0.03
Convertible Preferred Stock	$ 0.02	$ 0.02	$ 0.04	$ 0.03
Diluted earnings per share	$ 0.02	$ 0.01	$ 0.04	$ 0.03
Weighted average number of shares – basic				
Common Stock	15,516	12,689	15,214	12,554
Convertible Preferred Stock (as converted)	5,373	5,373	5,373	5,373
Weighted average number of shares – diluted	16,132	15,191	15,865	14,970

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Operating Activities:		
Net income	$ 916	$ 596
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	211	369
Compensation from grant of non-employee stock options	—	22
Changes in operating assets and liabilities:		
Accounts receivable	(488)	1,140
Inventory	169	187
Prepaid expenses and other assets	(109)	(111)
Accounts payable	329	(230)
Accrued liabilities	239	256
Net cash provided by operating activities	1,267	2,229
Investing Activities:		
Purchases of short-term investments	(11,150)	(15,450)
Sales of short-term investments	9,250	13,450
Purchase of property and equipment	(159)	(253)
Patent costs	(159)	—
Net cash used in investing activities	(2,218)	(2,253)
Financing Activities:		
Proceeds from the exercise of warrants and options, net of cash expenses	1,420	1,153
Net cash provided by financing activities	1,420	1,153
Net (decrease) increase in cash and cash equivalents	469	1,129
Cash and cash equivalents at beginning of period	1,078	844
Cash and cash equivalents at end of period	$ 1,547	$ 1,973

See accompanying notes to condensed consolidated financial statements.

Table of Contents

AMERIGON INCORPORATED

CONSOLIDATED CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Preferred Stock	Common Stock Shares	Common Stock Amount	Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2004	$ 8,267	14,693	$ 51,277	$ 20,202	$ (69,507)	$ 10,239
Exercise of warrants to purchase Common Stock for cash, net of cash expenses	—	818	1,412	—	—	1,412
Exercise of Common Stock options for cash	—	5	8	—	—	8
Net Income	—	—	—	—	916	916
Balance at June 30, 2005	$ 8,267	15,516	$ 52,697	$ 20,202	$ (68,591)	$ 12,575

See accompanying notes to condensed consolidated financial statements.

AMERIGON INCORPORATED

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 – The Company

Amerigon Incorporated (the "Company") designs, develops and markets proprietary, high- technology electronic components and systems for sale to car and truck original equipment manufacturers ("OEMs"). The Company is currently in its sixth consecutive year of producing and selling its Climate Control Seat™ ("CCS™"), which provides year-round comfort by providing both heating and cooling to seat occupants. The Company has shipped more than 1,620,000 units of its CCS product through June 2005 to seven customers: Johnson Controls, Inc.; Lear Corporation; Bridgewater Interiors, LLC; NHK Spring Company, Ltd.; Marubeni Vehicle Corporation; Intier Automotive and Hyundai Motor Company.

In 2003, the Company launched a newly designed and more efficient version of its CCS that incorporates its new Micro Thermal Module™ technology. This new generation CCS system, which is based on the Company's proprietary thermoelectric technology device, is smaller, lighter, quieter and more versatile than its predecessor.

The Company has an 85% interest in BSST LLC ("BSST"). BSST is engaged in a program to improve the efficiency of thermoelectric devices and to develop, market and distribute new products based on this technology.

Note 2 – Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair presentation have been included. Operating results for the fiscal quarter ended June 30, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 2004 included in our Form 10-K.

Note 3 – Revision in the Classification of Short-Term Investments

The Company's short-term investments consist of Auction Rate Securities ("ARS") which represent funds available for current operations. ARS are debt instruments with a long-term nominal maturity for which the interest rate is reset through a "Dutch auction" process. The Company invests in ARS that have auctions held every seven days. The Company has determined that investments in ARS should be classified as short-term investments. For periods ending prior to June 30, 2005, ARS were included as part of "Cash & cash equivalents" and the Company reported no short-term investments. The classification for prior periods has been revised and ARS are now classified as short-term investments, and purchases and sales of these securities have been reflected as investing activities in the consolidated condensed statements of cash flows. As of December 31, 2004, the classification of $6,525,000 of ARS, previously included in cash and cash equivalents, has been revised and classified as short-term investments.

Note 4 –Earnings per Share

Basic earnings per share are computed in accordance with Statement of Financial Accounting Standard No. 128, "Earnings Per Share", and Emerging Issues Task Force ("EITF") Issue 03-06, by dividing income available to Common Stock by the weighted average number of shares of Common Stock outstanding. The income available to Common Stock is derived as follows:

	Three Months Ended June 30, (in Thousands)		Six Months Ended June 30, (in Thousands)	
	2005	2004	2005	2004
Net income	$ 454	$ 295	$ 916	$ 596
Amount allocated to participating Convertible Preferred Stock	117	88	239	179
Income available to Common Stock	$ 337	$ 207	$ 677	$ 417

The Company's diluted earnings per share give effect to all potential shares of Common Stock outstanding during a period. In computing the diluted earnings per share, the treasury stock method is used in determining the number of shares assumed to be purchased from the conversion of Common Stock equivalents. The following summarizes the shares included in the dilutive shares as disclosed on the face of the consolidated condensed statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Weighted average number of shares for calculation of basic EPS – Common Stock	15,516,020	12,688,677	15,214,235	12,554,279
Stock options outstanding for the 1993 and 1997 Stock Option Plans	355,045	573,968	381,996	540,956
Shares of Common Stock issuable upon the exercise of warrants	261,417	1,928,340	268,913	1,874,852
Weighted average number of shares for calculation of diluted EPS	16,132,481	15,190,985	15,865,144	14,970,087

The accompanying table represents Common Stock issuable upon the exercise of certain stock options and warrants, and the Common Stock issuable upon the conversion of Series A Convertible Preferred Stock that have been excluded from the diluted earnings calculation because the effect of their inclusion would be anti-dilutive.

Table of Contents

Note 4 –Earnings per Share (Continued)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Stock options outstanding for the 1993 and 1997 Stock Option Plans	415,131	21,500	408,750	21,500
Shares of Common Stock issuable upon the exercise of warrants	404,690	216,690	404,690	216,690
Shares of Common Stock issuable upon the conversion of Series A Convertible Preferred Stock	5,373,134	5,373,134	5,373,134	5,373,134
Total	6,192,955	5,611,324	6,186,574	5,611,324

The Company's Series A Convertible Preferred Stock is a participating security, but it does not participate in a net loss.

Note 5 – Segment Reporting

The tables below present segment information about the reported product revenues and operating income of the Company for the three and six months ended June 30, 2005 and June 2004. Asset information by reportable segment is not reported since management does not produce such information.

Three Months Ended June, 30	CCS	BSST [1]	Reconciling Items	CCS
		(in Thousands)		
2005				
Product revenues	$8,562	$ —	$ — [2]	$8,562
Operating income	1,841	(40)	(1,463)	338
2004				
Product revenues	$8,630	$ —	$ — [2]	$8,630
Operating income	1,744	(69)	(1,436)	239

(1) BSST's operating loss for the three months ended June 30, 2005 and 2004, is net of $873,000 and $359,000, respectively, of reimbursable developmental funding.

(2) Represents selling, general and administrative costs of $1,413,000 and $1,424,000, respectively, and depreciation expense of $50,000 and $12,000 respectively, for the three months ended June 30, 2005 and 2004.

Table of Contents

Note 5 – Segment Reporting (Continued)

Six Months Ended June, 30	CCS	BSST (1)	Reconciling Items	CCS
		(in Thousands)		
2005				
Product revenues	$17,519	$ —	$ — (2)	$17,519
Operating income	3,316	(48)	(2,930)	338
2004				
Product revenues	$17,591	$ —	$ — (2)	$17,591
Operating income	3,277	(136)	(2,652)	489

(1) BSST's operating loss for the six months ended June 30, 2005 and 2004, is net of $1,725,000 and $635,000, respectively, of reimbursable developmental funding.

(2) Represents selling, general and administrative costs of $2,859,000 and $2,628,000, respectively, and depreciation expense of $71,000 and $24,000, respectively, for the six months ended June 30, 2005 and 2004.

Product revenues information by geographic area:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(in Thousands)		(in Thousands)	
North America	$ 4,964	$ 6,264	$10,648	$13,183
Asia	3,598	2,366	6,871	4,408
Total product revenues	$ 8,562	$ 8,630	$17,519	$17,591

Product revenues information by geographic area, as a percent of total product revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
North America	58%	73%	61%	75%
Asia	42%	27%	39%	25%
Total product revenues	100%	100%	100%	100%

Table of Contents

Note 6 – Accounting for Stock-Based Compensation

The Company issues stock options to key employees under its 1993 and 1997 Stock Option Plans. The Company accounts for these plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. The Company has not recognized any expense related to employee stock options, as all options granted under the plans had an exercise price equal to the market value of the underlying Common Stock on the date of grant. The following table illustrates the effect on net income and earnings per share for the three and six months ended June 30, 2005 and 2004, if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(in Thousands)		(in Thousands)	
Net income, as reported	$ 454	$ 295	$ 916	$ 596
Value of stock-based compensation expense determined under fair value-based method for all awards, net of related tax effects	(94)	(247)	(260)	(452)
Pro forma net income	$ 360	$ 48	$ 656	$ 144
Earnings per share:				
Basic – Common Stock – as reported	$0.02	$0.02	$0.04	$0.03
Basic – Common Stock – pro forma	$0.02	$0.00	$0.03	$0.01
Basic – Convertible Preferred Stock – as reported	$0.02	$0.02	$0.04	$0.03
Basic – Convertible Preferred Stock – pro forma	$0.02	$0.00	$0.03	$0.01
Diluted – as reported	$0.02	$0.01	$0.04	$0.03
Diluted – pro forma	$0.02	$0.00	$0.03	$0.01

Note 7 – Related Party Transactions

The Company has outsourced production of the CCS product for its North American and Asian customers to Millennium Plastics Technologies, LLC ("Millennium") in Chihuahua, Mexico. Millennium is controlled by TMW Enterprises, Inc., an affiliate of the managing member of Big Beaver Investments LLC (one of the Company's major shareholders). In addition to the assembly labor operation, the Company purchases various components from Millennium. As of June 30, 2005, the components held at this supplier's plant are reported as raw material inventory. Completed CCS systems held at the supplier's plant before shipment to the customer are reported as finished goods inventory. For the three and six months ended June 30, 2005, purchases from this supplier totaled $964,000 and $2,050,000, respectively, with an accounts payable balance of $611,000 as of such date.

In June 2003, the Company began shipping a new generation of the CCS product from a second contract manufacturer, Ferrotec Corporation ("Ferrotec") located in Hangzhou, China. In addition, the Company purchases thermoelectric devices from Ferrotec. For the three and six months ended June 30, 2005, purchases from this supplier totaled $2,217,000 and $3,941,000, respectively, with an accounts payable balance of $1,149,000 as of such date. Ferrotec owns 1,200,000 shares of the Company's Common Stock as of June 30, 2005.

Note 8 – Recent Accounting Pronouncements

In December 2004 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 123 (revised 2004) – Share-Based Payment ("SFAS 123R"). This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. The statement focuses primarily on accounting for transactions when an entity obtains employee services in share-based payment transactions such as the options issued under the 1993 and 1997 Stock Option Plans. The statement provides for a prospective application of the new standard under which compensation cost will be recognized on or after the required effective date for all future share based award grants and the portion of outstanding awards for which the requisite service has not been rendered, based on the grant-date fair value of those awards calculated under SFAS 123R for pro forma disclosures. For periods before the required effective date, we may elect to apply a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by SFAS 123R. We have not yet determined whether we will elect to adopt the modified version of retrospective application.

On April 14, 2005 the Securities and Exchange Commission ("SEC") approved a new rule that delays the effective date of SFAS 123R. Under the SEC's rule, FAS 123R is now effective for Amerigon beginning January 1, 2006.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We design, develop and market proprietary, high-technology electronic components and systems for sale to car and truck original equipment manufacturers ("OEMs"). We are currently in our sixth consecutive year of producing and selling our Climate Control Seat™ ("CCS™"), which provides year-round comfort by providing both heating and cooling to seat occupants. We have shipped more than 1,620,000 units of our CCS product through June 2005 to seven customers: Johnson Controls, Inc.; Lear Corporation; Bridgewater Interiors, LLC; NHK Spring Company, Ltd.; Marubeni Vehicle Corporation; Intier Automotive and Hyundai Motor Company.

We operate as a Tier II supplier to the auto industry. Inherent in this market are up front development, engineering and production costs and expenses that arise well in advance of the receipt of orders (and resulting revenues) from customers. This is due in part to automotive manufacturers requiring the coordination and testing of proposed new components and sub-systems. Revenues from these expenditures may not be realized for two to three years as the manufacturers tend to group new components and enhancements into annual new model introductions.

Results of Operations

Second Quarter 2005 Compared with Second Quarter 2004

Product Revenues. Product revenues for the three months ended June 30, 2005 ("Second Quarter 2005"), were $8,562,000 compared with revenues of $8,630,000 for the three months ended June 30, 2004 ("Second Quarter 2004") representing a decrease of $68,000, or 1%. Higher average unit prices and higher sales on Asian programs were offset by soft sales to our North American based customers. Higher average prices per unit were the result of a change in the mix of products sold being weighted more to CCS systems having higher Amerigon content during the Second Quarter 2005 compared with that of the Second Quarter 2004. Asian sales benefited by the addition of our CCS product as an option on the Infiniti M45 during the fourth quarter of 2004. During the Second Quarter 2005, North American car manufacturers significantly reduced their production schedules for new vehicles, including some vehicles equipped with the CCS System, in response to overall lower market demand for new vehicles in 2005. Unit shipments decreased to 125,000 units for the Second Quarter 2005 compared with 135,000 units for the Second Quarter 2004. Content varies between programs based upon each of our customers' desire to source certain components that complement the CCS system through Amerigon versus directly from other suppliers.

Cost of Sales. Cost of sales decreased to $6,104,000 in the Second Quarter 2005 (71%, as a percentage of sales) from $6,394,000 in the Second Quarter 2004 (74%, as a percentage of sales). This decrease of $290,000, or 5%, is attributable to lower production volumes, a favorable change in the mix of products sold and by our continued cost reduction efforts.

Research and Development Expenses. Research and development expenses increased to $656,000 in the Second Quarter 2005 from $561,000 in the Second Quarter 2004. This $95,000, or 17%, increase was due primarily to higher costs associated with product development activities and higher prototype costs associated with our next generation of CCS design. These higher costs were partially offset by an increase in reimbursement for development efforts of our BSST LLC ("BSST") subsidiary.

We classify development and prototype costs and related reimbursements in research and development. This is consistent with accounting standards applied in the automotive industry. Costs for tooling, net of related reimbursements, are included in cost of sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $1,464,000 in the Second Quarter 2005 compared with $1,436,000 in the Second Quarter 2004. This $28,000, or 2%, increase is associated with a proposed change in our State of Incorporation and costs associated with our efforts to comply with certain provisions of the Sarbanes-Oxley Act of 2002. These increased costs were partially offset by the elimination of $73,000 in amortization relating to the Value Participation Agreement ("VPA") with the Ford Motor Company warrant valuation which became fully amortized on December 31, 2004 when the agreement expired.

Interest Income. We had interest income of $66,000 for the Second Quarter 2005 compared with $6,000 for the First Quarter 2004. The increase of $60,000 resulted from having higher cash reserves during the Second Quarter 2005 as compared with the Second Quarter 2004 and due to higher average yields on our cash investments (see "Liquidity and Capital Resources").

First Half 2005 Compared with First Half 2004

Product Revenues. Product revenues for the six months ended June 30, 2005 ("First Half 2005"), were $17,519,000 compared with revenues of $17,591,000 for the six months ended June 30, 2004 ("First Half 2004") representing a decrease of $72,000. Higher average unit prices and higher sales on Asian programs were offset by soft sales to our North American based customers. Higher average prices per unit were the result of a change in the mix of products sold being weighted more to CCS systems having higher Amerigon content during the First Half 2005 compared with that of the First Half 2004. Asian sales benefited by the addition of our CCS product as an option on the Nissan Fuga (previously referred to as the Gloria) during the second quarter of 2004 and on the Infiniti M45 during the fourth quarter of 2004. During the First Half 2005, North American car manufacturers significantly reduced their production schedules for new vehicles, including some vehicles equipped with the CCS System, in order to adjust their inventory levels to match overall lower market demand for new vehicles in 2005. Unit shipments decreased to 255,000 units for the First Half 2005 compared with 274,000 units for the First Half 2004. Content varies between programs based upon each of our customers' desire to source certain components that complement the CCS system through Amerigon versus directly from other suppliers. Notwithstanding the decrease in unit sales, we believe that annual product revenues of our CCS system will be up by 10% in calendar 2005, compared to calendar 2004 provided that North American vehicle sales do not deteriorate further and that currently scheduled product launches arrive at current expectations for timing and volume. During the First Quarter 2005 we announced two new vehicle lines that will offer our CCS system which will be introduced to the North American automotive market during the third quarter of 2005 including the 2006 Buick Lucerne and the 2006 Lincoln Zephyr. Currently, 15 vehicle lines from five major automotive manufacturers offer our CCS product compared with 14 vehicle models and five manufacturers in the First Half 2004.

Cost of Sales. Cost of sales decreased to $12,597,000 in the First Half 2005 (72%, as a percentage of sales) from $13,267,000 in the First Half 2004 (75%, as a percentage of sales). This decrease of $670,000, or 5%, is attributable to lower production volumes, a favorable change in the mix of products sold and by our continued cost reduction efforts.

Research and Development Expenses. Research and development expenses increased to $1,287,000 in the First Half 2005 from $1,183,000 in the First Half 2004. This $104,000, or 9%, increase was due primarily to higher costs associated with product development activities and lower prototype costs associated with our next generation of CCS design. These higher costs were partially offset by an increase in reimbursement for development efforts of our BSST subsidiary.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $2,930,000 in the First half 2005 compared with $2,652,000 in the First Half 2004. This $278,000, or 10%, increase was primarily due to the commencement of cash compensation to the Board of Directors during the second quarter of 2004, costs associated with a proposed change in our State of Incorporation and costs associated with our efforts to comply with certain provisions of the Sarbanes-Oxley Act of 2002. These increased costs were partially offset by the elimination of $146,000 in amortization relating to the VPA with the Ford Motor Company warrant valuation which became fully amortized on December 31, 2004 when the agreement expired.

Interest Income. We had interest income of $111,000 for the First Half 2005 compared with $7,000 for the First Half 2004. The increase of $104,000 resulted from having higher cash reserves during the First Half 2005 as compared with the First Half 2004 and due to higher average yields on our cash investments (see “Liquidity and Capital Resources”).

Liquidity and Capital Resources

The following table represents our cash and cash equivalents and short-term investments:

	June 30, 2005	December 31, 2004
Cash and cash equivalents	$1,547	$ 1,078
Short-term investments	8,425	6,525
	$9,972	$ 7,603

We manage our cash, cash equivalents and short-term investments in order to fund operating requirements. Cash and cash equivalents increased by $469,000 to $1,547,000 in the First Half 2005. Short-term investments increased $1,900,000 to $8,425,000 during the same period. In 2005, we determined that investments in Auction Rate Securities (“ARS”) should be classified as short-term investments. Previously such investments had been classified as cash and cash equivalents. ARS generally have long-term maturities; however, these investments have characteristics similar to short-term investments because at predetermined intervals, generally every seven days, there is a new auction process. We recorded investments in ARS as of June 30, 2005 as short-term investments and reclassified ARS as of December 31, 2004 that were previously included in cash and cash equivalents to short-term investments.

Cash provided by operating activities during the First Half 2005 was $1,267,000 and was attributable to net income, net of depreciation and amortization of $211,000, and a decrease in net operating assets and liabilities of $140,000. The lower operating assets and liabilities were primarily due to lower inventory and higher accounts payable and accrued liabilities balances partially offset by higher accounts receivable at June 30, 2005, compared with December 31, 2004. Cash provided by operations during the First Half 2004 was $2,229,000. The lower operating cash flows for the First Half 2005 as compared with the First Half 2004 is due primarily to a smaller decrease in operating assets and liabilities during the First Half 2005 as compared with the First Half 2004, particularly in accounts receivable. This change is attributable to a higher increase in business activity from the fourth quarter of 2004 to the First Quarter 2005 as compared to the increase in business activity from the fourth quarter of 2003 to the First Quarter 2004. Product revenues increased in the First Quarter 2005 as compared with the fourth quarter of 2004 by $1,169,000 while product revenues increased during the First Quarter of 2004 by $19,000 as compared with the fourth quarter of 2003.

Cash used in investing activities amounted to $2,218,000 during the First Half 2005, reflecting the purchase of short-term investments of $11,00,000 offset by sales of short-term investments of $9,250,000, purchase of tooling and equipment and cost of new patent application filings. Financing activities for the First Half 2005 provided $1,420,000 from the exercise of warrants and stock options, net of expenses.

For the Second Quarter 2005, we posted our seventh consecutive quarterly profit. We expect to continue to operate at a profit at average sales volumes comparable to or better than that of the Second Quarter 2005. We are working with many automobile manufacturers for future introduction of our CCS technology, but there is no guarantee these manufacturers will introduce our products.

Until recently, we funded our financial needs primarily through net proceeds received through our initial public offering, as well as other equity and debt financings. We did not begin to generate cash from operating activities until 2004.

Related Party Transactions

We have outsourced production of our CCS product for our North American and Asian customers to Millennium Plastics Technologies, LLC (“Millennium”) in Chihuahua, Mexico. Millennium is controlled by TMW Enterprises, Inc., an affiliate of the managing member of Big Beaver Investments LLC (one of our major shareholders). In addition to the assembly labor operation, we purchase various injection molded components from Millennium. Purchases of labor services and components were $2,050,000 for the First Half 2005 and $1,097,000 for the First Half 2004.

We purchase thermoelectric devices from and have outsourced a portion of our production to Ferrotec Corporation (“Ferrotec”). Ferrotec owns 1,200,000 shares of our Common Stock as of June 30, 2005. Purchases of labor and services and components from Ferrotec were $2,217,000 for the First Half 2005 and $2,286,000 for the First Half 2004.

Recent Accounting Pronouncements

In December 2004 the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard No. 123 (revised 2004) – Share-Based Payment (“SFAS 123R”). This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. The statement focuses primarily on accounting for transactions when an entity obtains employee services in share-based payment transactions such as the options issued under the 1993 and 1997 Stock Option Plans. The statement provides for a prospective application of the new standard under which compensation cost will be recognized on or after the required effective date for all future share based award grants and the portion of outstanding awards for which the requisite service has not been rendered, based on the grant-date fair value of those awards calculated under SFAS 123R for pro forma disclosures. For periods before the required effective date, we may elect to apply a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by SFAS 123R. We have not yet determined whether we will elect to adopt the modified version of retrospective application.

On April 14, 2005 the Securities and Exchange Commission (“SEC”) approved a new rule that delays the effective date of SFAS 123R. Under the SEC’s rule, FAS 123R is now effective for Amerigon beginning January 1, 2006.

FORWARD LOOKING STATEMENTS

Certain matters discussed or referenced in this report, including expectations of increased revenues and continuing losses, our financing requirements, our capital expenditures and our prospects for the development of platforms with major automotive manufacturers, are forward-looking statements. Other forward-looking statements may be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “anticipate”, “intend”, “continue”, or similar terms, variations of such terms or the negative of such terms. All forward-looking statements speak only as of the date of this report, and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this report to reflect any change in our expectations with regard to such statements or any change in events, conditions or circumstances on which any such statement is based. Although such statements are based upon our current expectations, and we believe such expectations are reasonable, such expectations, and the forward-looking statements based on them, are subject to a number of factors, risks and uncertainties that could cause our actual results to differ materially from those described in the forward-looking statements, including those described below and in our other filings with the Securities and Exchange Commission.

RISK FACTORS

Risks Relating to our Business

We are only in the early stage of commercialization and marketing of our products and our sales may not significantly increase

Although we began operations in 1991, we have only engaged in the commercial manufacturing and marketing of our products since 1999. In December 1997, we received our first production orders for our CCS product, but shipments of production units in 1998 were very small. We had product revenues of $32,710,000 in 2004, $29,042,000 in 2003, $15,271,000 in 2002, and $6,447,000 in 2001. In 1998, we were selected by Ford to supply our CCS product to Johnson Controls for installation in the 2000 model year Lincoln Navigator and our CCS product was selected by the Toyota Motor Corporation to supply NHK Spring Company, Ltd. for installation in the 2001 model year Lexus LS 430 and Toyota Celsior luxury automobiles. In 2002 we added the Ford Expedition SUV, Lincoln Aviator SUV and LS luxury automobile and Infiniti Q45 and M45 luxury automobiles. In 2003, we added the Mercury Monterey mini van, the Cadillac XLR luxury roadster, the Cadillac DeVille luxury sedan, the Cadillac Escalade ESV SUV, the Hyundai Equus luxury sedan and the Nissan Cima luxury sedan. Currently, our CCS product is currently being offered as an optional feature on these vehicles. There can be no assurance that additional vehicle platforms will use our CCS product, that sales will significantly increase or that we will remain profitable.

We have incurred substantial operating losses since our inception

Although we have reported net income for the past seven consecutive quarters, we had operating losses of $1,554,000 in 2003, $6,168,000 in 2002, and $7,537,000 in 2001. As of June 30, 2005, we had accumulated deficits since inception of $68,591,000. Our accumulated deficits are attributable to the historical costs of developmental and other start-up activities, including the industrial design, development and marketing of discontinued products and a significant loss incurred on a major electric vehicle development contract. Approximately $33,000,000 of our accumulated deficit arose from past efforts in electric vehicles, integrated voice technology or radar, all discontinued products as of December 31, 2000.

Until 2004, we funded our financial needs primarily through net proceeds received through our initial public offering as well as other equity and debt financing. At June 30, 2005, we had cash and cash equivalents of $1,547,000, short-term investments of $8,425,000 and net working capital of $11,800,000. Based on our current operating plan, we believe cash and cash equivilents and short-term investments at June 30, 2005, along with the proceeds from future revenues and borrowings from our $3,000,000 accounts receivable-based financing, will be sufficient to meet operating needs for the foreseeable future.

Our ability to market our products successfully depends on acceptance of our product by automotive manufacturers and consumers

We have engaged in a lengthy development process on our CCS product which involved developing a prototype for proof of concept and then adapting the basic system to actual seats provided by various automotive manufacturers and their seat suppliers. In the past four years, we have supplied prototype seats containing our CCS product to virtually every major automobile manufacturer and seat supplier. As a result of this process, we have been selected by a number of automotive manufacturers to supply a number of current vehicles.

We are working with many other automotive manufacturers and their seat suppliers in an effort to have the CCS product included in other models commencing with the 2006 model year and beyond. We currently have active development programs on many vehicle platforms, but no assurance can be given that our CCS product will be implemented in any of these vehicles. While we have the only actively-cooled seat available, competitors are introducing ventilated seats, which provide some of the cooled-seat attributes and are very price competitive with our CCS product. Additionally, heat only devices are readily available from our competitors.

We have experienced negative cash flows from operations until just recently

We had experienced negative cash flow from operations since our inception through the third quarter of 2003 and have expended, and expect to continue to expend, substantial funds to continue our development and marketing efforts. We have generated positive cash flows from operations of $3,033,000 for the year ended December 31, 2004, however, we had negative cash flows from operations of $1,867,000 in 2003, $6,942,000 in 2002, and $6,696,000 in 2001.

Based on our current operating plans, we believe that cash at June 30, 2005, along with proceeds from future revenues and borrowings from our $3,000,000 accounts receivable-based financing will be sufficient to meet operating needs for the foreseeable future. Although the actual funds that we will need to operate during this period will be determined by many factors, some of which are beyond our control, we do not anticipate the need for additional financing.

The disruption or loss of relationships with vendors and suppliers for the components for our products could materially adversely affect our business

Our ability to market and manufacture our products successfully is dependent on relationships with both third party vendors and suppliers. We rely on various vendors and suppliers for the components of our products and procure these components through purchase orders, with no guaranteed supply arrangements. Certain components, including thermoelectric devices, are only available from a limited number of suppliers. The loss of any significant supplier, in the absence of a timely and satisfactory alternative arrangement, or an inability to obtain essential components on reasonable terms or at all, could materially adversely affect our business, operations and cash flows. Our business and operations could also be materially adversely affected by delays in deliveries from suppliers.

The outsourcing of production to other countries entails risks of production interruption and unexpected costs

Through 2002, we had been engaged in manufacturing in California for three years, producing moderate quantities of product. We have completed the outsourcing of production to lower cost countries in order to be price competitive and expand our market beyond the luxury vehicle segment. The shift of the 1st generation production for North American and Asian platforms to a supplier plant in Chihuahua, Mexico and the 2nd generation of production to Hangzhou, China, entails risk of production interruption and unexpected costs due to the extended logistics.

Automobile manufacturers demand on-time delivery of quality products, and some have required the payment of substantial financial penalties for failure to deliver components to their plants on a timely basis. Such penalties, as well as costs to avoid them, such as overtime costs and overnight air freighting of parts that normally are shipped by other less expensive means of transportation, could have a material adverse effect on our business and financial condition. Moreover, the inability to meet demand for our products on a timely basis would materially adversely affect our reputation and prospects.

We may not be able to persuade potential customers of the merits of our products and justify their costs to increase our sales

Because of the sophisticated nature and early stage of development of our products, we will be required to educate potential customers and demonstrate that the merits of our products justify the costs associated with such products. We have relied on, and will continue to rely on, automobile manufacturers and their dealer networks to market our products. The success of any such relationship will depend in part on the other party's own competitive, marketing and strategic considerations, including the relative advantages of alternative products being developed and/or marketed by any such party. There can be no assurance that we will be able to continue to market our products successfully so as to generate meaningful product sales increases.

The sales cycle for our products is lengthy and the lengthy cycle impedes growth in our sales

The sales cycle in the automotive components industry is lengthy and can be as long as four years or more for products that must be designed into a vehicle, because some companies take that long to design and develop a vehicle. Even when selling parts that are neither safety-critical nor highly integrated into the vehicle, there are still many stages that an automotive supply company must go through before achieving commercial sales. The sales cycle is lengthy because an automobile manufacturer must develop a high degree of assurance that the products it buys will meet customer needs, interface as easily as possible with the other parts of a vehicle and with the automobile manufacturer's production and assembly process, and have minimal warranty, safety and service problems. As a result, from the time that a manufacturer develops a strong interest in our CCS product, it normally will take several years before our CCS product is available to consumers in that manufacturer's vehicles.

In the automotive components industry, products typically proceed through five stages of research and development. Initial research on the product concept comes first, to assess its technical feasibility and economic costs and benefits. This stage often includes development of an internal prototype for the component supplier's own evaluation. If the product appears feasible, the component supplier manufactures a functioning prototype to demonstrate and test the product's features. These prototypes are then marketed and sold to automotive companies for testing and evaluation. If an automobile manufacturer shows interest in the product, it typically works with the component supplier to refine the product, then purchases second and subsequent generation engineering prototypes for further evaluation. Finally, the automobile manufacturer either decides to purchase the component for a production vehicle or terminates the program.

The time required to progress through these five stages to commercialization varies widely. Generally, the more a component must be integrated with other vehicle systems, the longer the process takes. Further, products that are installed by the factory usually require extra time for evaluation because other vehicle systems are affected, and a decision to introduce the product into the vehicle is not easily reversed. Because our CCS product affects other vehicle systems and is a factory-installed item, the process takes a significant amount of time to commercialization.

Our industry is subject to intense competition and our products may be rendered obsolete by future technological developments in the industry

The automotive component industry is subject to intense competition. Virtually all of our competitors are substantially larger in size, have substantially greater financial, marketing and other resources, and have more extensive experience and records of successful operations than we do. Several competitors have introduced ventilated seats in an effort to respond to our proprietary cooled seat technology. Competition extends to attracting and retaining qualified technical and marketing personnel. There can be no assurance that we will successfully differentiate our products from those of our competitors, that the marketplace will consider our current or proposed products to be superior or even comparable to those of our competitors, or that we can succeed in establishing relationships with automobile manufacturers. Furthermore, no assurance can be given that competitive pressures we face will not adversely affect our financial performance.

Due to the rapid pace of technological change, as with any technology-based product, our products may even be rendered obsolete by future developments in the industry. Our competitive position would be adversely affected if we were unable to anticipate such future developments and obtain access to the new technology.

Any failure to protect our intellectual property could harm our business and competitive position

As of June 30, 2005, we owned twelve U.S. patents and had seven U.S. patents pending and our subsidiary BSST owned six U.S. patents, and had seven U.S. patents pending and twenty seven foreign patents pending. We were also licensees of three patents and joint owners with Honda Motor Co. of three U.S. patents and four Japanese patent applications. We also owned thirty one foreign patents and had ten foreign patent applications pending. We believe that patents and proprietary rights have been and will continue to be very important in enabling us to compete. There can be no assurance that any new patents will be granted or that our or our licensors' patents and proprietary rights will not be challenged or circumvented or will provide us with meaningful competitive advantages or that pending patent applications will issue. Furthermore, there can be no assurance that others will not independently develop similar products or will not design around any patents that have been or may be issued to our licensors or us. Failure to obtain patents in certain foreign countries may materially adversely affect our ability to compete effectively in those international markets. We are aware that an unrelated party filed a patent application in Japan on March 30, 1992, with respect to technology similar to our CCS technology. We hold current and future rights to licensed technology through licensing agreements requiring the payment of minimum royalties totaling $100,000 annually, and must continue to comply with those licensing agreements. Failure to do so or loss of such agreements could materially and adversely affect our business.

Because of rapid technological developments in the automotive industry and the competitive nature of the market, the patent position of any component manufacturer is subject to uncertainties and may involve complex legal and factual issues. Consequently, although we either own or have licenses to certain patents, and are currently processing several additional patent applications, it is possible that no patents will issue from any pending applications or that claims allowed in any existing or future patents issued or licensed to us will be challenged, invalidated, or circumvented, or that any rights granted thereunder will not provide us adequate protection. There is an additional risk that we may be required to participate in interference proceedings to determine the priority of inventions or may be required to commence litigation to protect our rights, which could result in substantial costs.

Our products may conflict with patents that have been or may be granted to competitors or others

Other persons could bring legal actions against us claiming damages and seeking to enjoin manufacturing and marketing of our products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to us and diversion of effort by our management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, we could be required to obtain a license in order to continue to manufacture or market the affected products. There can be no assurance that we would prevail in any such action or that any license required under any such patent would be made available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have a material adverse effect on our business. In addition, if we become involved in litigation, it could consume a substantial portion of our time and resources. We have not, however, received any notice that our products infringe on the proprietary rights of third parties.

We rely on trade secret protection through confidentiality agreements and the agreements could be breached

We also rely on trade secrets that we seek to protect, in part, through confidentiality and non-disclosure agreements with employees, customers and other parties. There can be no assurance that these agreements will not be breached, that we would have adequate remedies for any such breach or that our trade secrets will not otherwise become known to or independently developed by competitors. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed projects, disputes may arise as to the proprietary rights to such information that may not be resolved in our favor. We may be involved from time to time in litigation to determine the enforceability, scope and validity of proprietary rights. Any such litigation could result in substantial cost and diversion of effort by our management and technical personnel. Additionally, with respect to licensed technology, there can be no assurance that the licensor of the technology will have the resources, financial or otherwise, or desire to defend against any challenges to the rights of such licensor to its patents.

Our customers typically reserve the right unilaterally to cancel contracts or reduce prices, and the exercise of such right could reduce or eliminate any financial benefit to us anticipated from such contract

Automotive customers typically reserve the right unilaterally to cancel contracts completely or to require price reductions. Although they generally reimburse companies for actual out-of-pocket costs incurred with respect to the particular contract up to the point of cancellation, these reimbursements typically do not cover costs associated with acquiring general purpose assets such as facilities and capital equipment, and may be subject to negotiation and substantial delays in receipt by us. Any unilateral cancellation of, or price reduction with respect to, any contract that we may obtain could reduce or eliminate any financial benefits anticipated from such contract and could have a material adverse effect on our financial condition and results of operations. To date, no such costs have been reimbursed.

Our success will depend in large part on retaining key personnel, which may be affected by the relocation of our corporate offices

Our success will depend to a large extent upon the continued contributions of key personnel in Amerigon and our research and development subsidiary, BSST. The loss of the services of Dr. Lon E. Bell, the head of BSST, would have a material adverse effect on the success of BSST.

Our success will also depend, in part, upon our ability to retain qualified engineering and other technical and marketing personnel. There is significant competition for technologically qualified personnel in our business and we may not be successful in recruiting or retaining sufficient qualified personnel.

Our reliance on outside major contractors may impair our ability to complete certain projects and manufacture products on a timely basis

In the past we have engaged certain outside contractors to perform product assembly and other production functions for us. We believe that there are a number of outside contractors that provide services of the kind that are used by us and that we may desire to use in the future. However, no assurance can be given that any such contractors would agree to work for us on terms acceptable to us or at all. Our inability to engage outside contractors on acceptable terms or at all would impair our ability to complete any development and/or manufacturing contracts for which outside contractors' services may be needed. Moreover, our reliance upon third party contractors for certain production functions reduces our control over the manufacture of our products and makes us dependent in part upon such third parties to deliver our products in a timely manner, with satisfactory quality controls and on a competitive basis.

Our business exposes us to potential product liability risks

Our business exposes us to potential product liability risks which are inherent in the manufacturing, marketing and sale of automotive components. In particular, there are substantial warranty and liability risks associated with our products. If available, product liability insurance generally is expensive. While we presently have product liability coverage and product recall coverage at amounts we currently consider adequate, there can be no assurance that we will be able to obtain or maintain such insurance on acceptable terms with respect to other products we may develop, or that any insurance obtained will provide adequate protection against any potential liabilities. In the event of a successful claim against us, a lack or insufficiency of insurance coverage could have a material adverse effect on our business and operations.

Because many of the largest automotive manufacturers are located in foreign countries, our business is subject to the risks associated with foreign sales

Many of the world's largest automotive manufacturers are located in foreign countries. Accordingly, our business is subject to many of the risks of international operations, including governmental controls, tariff restrictions, foreign currency fluctuations and currency control regulations. However, historically, substantially all of our sales to foreign countries have been denominated in U.S. dollars. As such, our historical net exposure to foreign currency fluctuations has not been material. No assurance can be given that future contracts will be denominated in U.S. dollars or that existing contracts will be honored.

Our use of contractors located in foreign countries will subject us to the risks of international operations

We engage contractors located in foreign countries. Accordingly, we will be subject to all of the risks inherent in international operations, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, economic disruptions, the imposition of tariffs and import and export controls, changes in governmental policies and other factors which could have an adverse effect on our business.

Risks Relating to Share Ownership

Our significant shareholders control the company

Big Beaver Investments LLC and Westar Capital II LLC each own 4,500 shares of Convertible Preferred Stock, which are convertible into 5,373,134 shares of Common Stock. Combined, Big Beaver and Westar have the right to elect a majority of our directors. Big Beaver and Westar each has preemptive rights on future financings, so as to maintain their percentage ownership. Based upon the terms of the Convertible Preferred Stock, Big Beaver and Westar together in the aggregate held approximately 38% of our common equity (on an as-converted basis, excluding options and warrants), as of June 30, 2005.

Our quarterly results may fluctuate significantly, and our small public "float" adversely affects liquidity of our Common Stock and stock price

Our quarterly operating results may fluctuate significantly in the future due to such factors as acceptance of our product by automotive manufacturers and consumers, timing of our product introductions, availability and pricing of components from third parties, competition, timing of orders, foreign currency exchange rates, technological changes and economic conditions generally. Broad market fluctuations in the stock markets can adversely affect the market price of our Common Stock. In addition, failure to meet or exceed analysts' expectations of financial performance may result in immediate and significant price and volume fluctuations in our Common Stock.

Without a significantly larger number of shares available for trading by the public, or public "float," our Common Stock is less liquid than stocks with broader public ownership, and as a result, trading prices of the Common Stock may significantly fluctuate and certain institutional investors may be unwilling to invest in such a thinly traded security.

We have anti-takeover defenses that could make it more difficult for a third party to acquire a majority of our outstanding voting stock.

The Convertible Preferred Stock of the Company, which is outstanding, confers upon its holders the right to elect five members of the Board of Directors while the holders of Common Stock have the right to elect two members of the Board of Directors. In addition, the Convertible Preferred Stock will vote together with the shares of Common Stock on most matters submitted to shareholders. As of June 30, 2005, the holders of the Convertible Preferred Stock had approximately 38% of our voting shares and, as a result of such ownership and right to elect five members of the board of directors, are likely to have the ability to approve or prevent any subsequent change of control.

In addition, our Board of Directors has the authority to issue up to 4,991,000 shares of preferred stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by the shareholders. The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any shares of preferred stock that may be issued in the future. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

We do not anticipate paying dividends on our Common Stock

We have never paid any cash dividends on our Common Stock and do not anticipate paying dividends in the near future.

Delisting from an active trading market may adversely affect the liquidity and trading price of our Common Stock

Although our Common Stock is quoted on The Nasdaq SmallCap Market, there can be no assurance that we now, or in the future will be able to, meet all requirements for continued quotation thereon. One Nasdaq requirement is that we maintain a minimum stockholders' equity of $2,500,000, or a market capitalization of $35,000,000 of listed shares, or have had net income from continuing operations of at least $500,000 in the last fiscal year (or two of the three most recently completed fiscal years).

If we fail to meet Nasdaq's requirements on an ongoing basis, our Common Stock would likely be delisted from The Nasdaq SmallCap Market. In the absence of an active trading market or if our Common Stock cannot be traded on The Nasdaq SmallCap Market, our Common Stock could instead be traded on secondary markets, such as the OTC Bulletin Board. In such event, the liquidity and trading price of our Common Stock in the secondary market may be adversely affected. In addition, if our Common Stock is delisted, broker-dealers have certain regulatory burdens imposed on them which may discourage broker-dealers from effecting transactions in our Common Stock, further limiting the liquidity thereof.

Table of Contents

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and our debt obligations under our revolving line of credit.

We place our investments in debt instruments of the U.S. government and in high-quality corporate issuers or ARS that have hold these types of investments. As stated in our policy, we seek to ensure the safety and preservation of our invested funds by limiting default risk and market risk. We have no investments denominated in foreign country currencies and therefore are not presently subject to foreign exchange risk.

Our borrowings under our revolving line of credit bear interest at Comerica Bank's prime rate (6.25% at June 30, 2005). As of June 30, 2005, there were no borrowings outstanding under our line of credit.

The table below presents the carrying value and related weighted average interest rates for our investment portfolio. The Company considers all highly liquid investments purchased with original maturities of less than 90 days to be cash equivalents; consequently, all of the cash equivalents shown in below are expected to mature during the next 12 months. Our short-term investments consist of ARS which have stated maturities beyond three months but are priced and traded as short-term instruments due to the liquidity provided through the auction mechanism of seven days. The carrying value approximates fair value at June 30, 2005.

Marketable Securities	Carrying Value (in thousands)	Average Rate of Return at June 30, 2005 (Annualized)
Cash equivalents	$ 1,245,000	2.65%
Short-term investments	$ 8,425,000	3.54%

ITEM 4. CONTROLS AND PROCEDURES

Management, including the Company's President & Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the period ended June 30, 2005. Based upon, and as of the date of that evaluation, the President & Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective at June 30, 2005.

There was no change in our internal control over financial reporting during our fiscal quarter ended June 30, 2005 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Our Annual Meeting of Shareholders was held on May 19, 2005. In addition to the election of directors, the following matters were considered and acted upon, with the results indicated below.

	Shares Voted For	Shares Voted Against	Shares Abstaining	Broker Non-Vote
Proposal to change the state of the Company's incorporation from California to Michigan by merger into a wholly owned subsidiary	7,625,732	1,614,870	2,205	4,156,375
Proposal to amend the Company's Amended and Restated 1997 Stock Incentive Plan to (a) increase the number of options automatically granted to non-employee directors upon initial election to the Board of Directors and each year thereafter, and (b) eliminate the limitation on the number of shares that may be delivered pursuant to options granted under the plan that qualify as incentive stock options	9,121,644	116,708	4,455	4,156,375

ITEM 6. EXHIBITS

Exhibits to this Report are as follows:

Exhibit Number	Description
3.1.1	Articles of Incorporation (1)
3.1.2	Plan of Merger dated March 23, 2005 by which the Articles of Incorporation were amended effective as of May 20, 2005(1)
3.2	Bylaws of the Company(1)
4.1.1	First Warrant issued to Ford Motor Company as of March 27, 2000 pursuant to the Value Participation Agreement dated March 27, 2000(2)
4.1.2	Second Warrant issued to Ford Motor Company as of March 27, 2000 pursuant to the Value Participation Agreement dated March 27, 2000 (10)
4.1.3	Third Warrant issued to Ford Motor Company as of February 4, 2004 pursuant to the Value Participation Agreement dated March 27, 2000 (10)
4.2.1	Second Amended and Restated Bridge Loan Warrant issued to Big Beaver Investments LLC dated February 12, 2002(3)
4.2.2	Amendment to Second Amended and Restated Bridge Loan Warrant issued to Big Beaver Investments LLC dated March 3, 2005 (10)
4.3	Placement Agent Warrant issued to Roth Capital Partners LLC on February 25, 2002(3)
10.1 *	1993 Stock Option Plan(4)
10.2.1 *	Amended and Restated 1997 Stock Incentive Plan(5)
10.2.2 *	First Amendment to Amended and Restated 1997 Stock Incentive Plan(1)

10.2.3 *	Second Amendment to Amended and Restated 1997 Stock Incentive Plan(1)
10.3.1	Option and License Agreement dated as of November 2, 1992 between the Company and Feher Design, Inc.(4)
10.3.2	Amendment to Option and License Agreement between the Company and Feher Design dated September 1, 1997(6)
10.4	Manufacturing and Supply Agreement between the Company and Ferrotec Corporation dated March 28, 2001(7)
10.5	Purchase Agreement dated February 12, 2002 between the Company and Special Situation Funds (includes preemption rights in favor of Special Situation Funds)(3)
10.6	Purchase Agreement dated February 12, 2002 between the Company and MicroCapital Funds (includes preemption rights in favor of MicroCapital Funds)(3)
10.7	Exchange Agreement between the Company and Big Beaver Investments LLC dated February 12, 2002 (includes preemption rights in favor of Big Beaver Investments LLC)(3)
10.8.1	Investors Rights among the Company, Big Beaver Investments LLC and Westar Capital II LLC dated June 8, 1999(8)
10.8.2	First Amendment to Investors Rights Agreement among the Company, Big Beaver Investments LLC and Westar Capital II LLC dated March 16, 2000(3)
10.9	Value Participation Agreement between the Company and Ford Motor Company dated March 27, 2000(2)
10.10.1 *	Assignment and Subscription Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(9)
10.10.2 *	First Amendment to Assignment and Subscription Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(11)
10.11	Employment Agreement between Dr. Lon E. Bell and BSST LLC dated May 30, 2001(9)
10.12	Revenue Sharing Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(9)
10.13.1	Amended and Restated Operating Agreement of BSST LLC dated May 30, 2001(8)
10.13.2	First Amendment dated November 13, 2001 to Amended and Restated Operating Agreement of BSST LLC (11)
10.13.3	Second Amendment dated June 1, 2005 to Amended and Restated Operating Agreement of BSST LLC (11)
10.14	Cross License Agreement between the Company and BSST LLC dated November 19, 2002 (10)
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a)/15d-14(a)
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a)/15d-14(a)
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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* Indicates management contract or compensatory plan or arrangement.

(1) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed May 25, 2005 and incorporated herein by reference.

(2) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2000 and incorporated herein by reference.

(3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2001 and incorporated herein by reference.

(4) Previously filed as an exhibit to the Company's Registration Statement on Form SB-2, as amended, File No. 33-61702-LA, and incorporated by reference.

(5) Previously filed as an exhibit to the Company's Definitive Proxy Schedule on Schedule 14A with respect to the Company's 2001 Annual Meeting of Stockholders, File No. 000-21810, and incorporated herein by reference.

Table of Contents

(6) Previously filed as an exhibit to the Company’s Annual Report on Form 10-K for the period ended December 31, 1997 and incorporated herein by reference.

(7) Previously filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2001 and incorporated herein by reference.

(8) Previously filed as an exhibit to the Company’s Current Report on Form 8-K filed June 18, 1999 and incorporated herein by reference.

(9) Previously filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2001 and incorporated herein by reference.

(10) Previously filed as an exhibit to the Company’s Annual Report on Form 10-K for the period ended December 31, 2004 and incorporated herein by reference.

(11) Previously filed as an exhibit to the Company’s Current Report on Form 8-K filed June 6, 2005 and incorporated herein by reference.

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Amerigon Incorporated
(Registrant)

/s/ DANIAL R. COKER
Daniel R. Coker
Chief Executive Officer
(Duly Authorized Officer)

Date: August 10, 2005

/s/ BARRY G. STEELE
Barry G. Steele
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 10, 2005

Exhibit 31.1

CHIEF EXECUTIVE OFFICER'S CERTIFICATION

I, Daniel R. Coker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2005

/s/ Daniel R. Coker

Daniel R. Coker
President & Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER'S CERTIFICATION

I, Barry G. Steele, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2005

/s/ Barry G. Steele

Barry G. Steele
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerigon Incorporated (the “Company”) on Form 10-Q for the period ended June 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel R. Coker, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Daniel R. Coker

Daniel R. Coker
President and Chief Executive Officer
August 10, 2005

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerigon Incorporated (the “Company”) on Form 10-Q for the period ended June 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Barry G. Steele, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Barry G. Steele

Barry G. Steele
Chief Financial Officer
August 10, 2005