



Integrated Microelectronics, Inc.

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November 11, 2010

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: Ms. Justina F. Callangan
Director, Corporation & Finance Department

Philippine Stock Exchange
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: **IMI Revenues Up 4% in First 9 Months of 2010**

Integrated Micro-Electronics, Inc. (IMI) announced today that it posted US\$293.1 million in consolidated revenues for the nine months ended September 30, 2010, a 4 percent increase year-on-year due to the sustained strong performance of its China operations.

Attached are IMI's unaudited consolidated financial statements and press release for your reference.

The above information is being submitted in compliance with the disclosure rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Thank you.

Very truly yours,


ANTHONY RAYMOND P. RODRIGUEZ
AVP, Head – Treasury and Credit

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET****AS OF SEPTEMBER 30, 2010****(With Comparative Audited Figures as of December 31, 2009)****(In thousand dollars)**

	(Unaudited) Sept 30, 2010	(Audited) Dec 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	\$40,075	\$53,932
Derivative assets (Note 13)	1,257	—
Loans and receivables - net (Note 5)	93,325	95,968
Inventories (Note 6)	39,148	31,875
Other current assets	4,742	1,421
Total Current Assets	178,547	183,196
Noncurrent Assets		
Noncurrent receivables	—	381
Property, plant and equipment - net (Note 7)	65,672	63,128
Goodwill	46,226	46,226
Intangible assets (Note 8)	1,108	2,803
Net pension asset	2,866	2,866
Available-for-sale financial assets	347	309
Deferred income tax assets	109	109
Other noncurrent assets	1,180	3,064
Total Noncurrent Assets	117,508	118,886
	\$296,055	\$302,082
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 9)	\$76,512	\$83,177
Income tax payable	2,928	3,262
Provisions	—	44
Loans Payable (Note 10)	6,262	2,302
Current portion of long-term debt (Note 11)	8,000	8,000
Total Current Liabilities	93,702	96,785
Noncurrent Liabilities		
Long-term debt (Note 11)	34,000	38,000
Obligation under finance lease	168	315
Total Noncurrent Liabilities	34,168	38,315
Total Liabilities	127,870	135,100

(Forward)

	(Unaudited) Sept 30, 2010	(Audited) Dec 31, 2009
Equity		
Equity attributable to equity holders of the		
Parent Company		
Capital stock - common	\$24,385	\$20,268
Capital stock - preferred	26,601	26,601
Subscribed capital stock	2,539	2,168
Additional paid-in capital	33,172	30,482
Subscriptions receivable	(11,766)	(10,153)
Retained earnings:	—	—
Appropriated for expansion	60,661	60,661
Unappropriated	33,086	37,458
Treasury stock	(1,013)	(1,013)
Reserve for fluctuation on available-for-sale financial assets	77	57
Other reserves	161	161
	167,903	166,690
Minority interests in a consolidated subsidiary	282	292
Total Equity	168,185	166,982
	\$296,055	\$302,082

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
(In thousand dollars, except Earnings per Share)**

	Unaudited 2010		Unaudited 2009	
	Jul to Sept	Jan to Sept	Jul to Sept	Jan to Sept
REVENUES FROM SALES AND SERVICES	\$104,271	\$293,082	\$112,374	\$281,744
COST OF GOODS SOLD AND SERVICES	96,499	263,473	101,749	253,310
GROSS PROFIT	7,772	29,609	10,625	28,434
OPERATING EXPENSES	(8,408)	(25,898)	(8,110)	(25,489)
OTHERS - Net				
Interest and bank charges	(225)	(627)	(364)	(1,484)
Interest income	78	290	138	520
Foreign exchange gains (losses)	689	3,616	61	227
Miscellaneous	1,162	914	1,370	8,888
INCOME BEFORE INCOME TAX	1,068	7,904	3,720	11,096
PROVISION FOR INCOME TAX	(811)	(2,944)	(1,154)	(2,512)
NET INCOME	\$257	\$4,960	\$2,566	\$8,584
OTHER COMPREHENSIVE INCOME				
Fair value changes on available-for-sale financial assets	(4)	20	23	28
TOTAL COMPREHENSIVE INCOME	\$253	\$4,980	\$2,589	\$8,612
Net Income Attributable to:				
Equity holders of the Parent Company	\$254	\$4,930	\$2,546	\$8,532
Minority interests	3	30	20	52
	\$257	\$4,960	\$2,566	\$8,584
Total Comprehensive Income Attributable to:				
Equity holders of the Parent Company	\$250	\$4,950	\$2,569	\$8,560
Minority interests	3	30	20	52
	\$253	\$4,980	\$2,589	\$8,612
Earnings Per Share:				
Basic and Diluted		\$0.0025		\$0.0056

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

(In thousand dollars)

	Attributable to Equity Holders of the Parent Company											
	Capital Stock - Common	Capital Stock - Preferred	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings Appropriated for Expansion	Retained Earnings Unappropriated	Treasury Stock	Reserve for Fluctuation on Available-for-Sale Financial Assets	Other Reserves	Attributable to Minority Interest	Total
Balances at January 1, 2010	\$20,268	\$26,601	\$2,168	\$30,482	(\$10,153)	\$60,661	\$37,458	(\$1,013)	\$57	\$161	\$292	\$166,982
Subscriptions during the period	-	-	371	1,135	(1,506)	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	513	-	-	-	-	-	-	-	513
Collection on subscriptions	-	-	-	-	935	-	-	-	-	-	-	935
Accretion of subscription receivable	-	-	-	1,042	(1,042)	-	-	-	-	-	-	-
Dividends	4,117	-	-	-	-	-	(9,302)	-	-	-	(40)	(5,225)
	24,385	26,601	2,539	33,172	(11,766)	60,661	28,156	(1,013)	57	161	252	163,205
Net income	-	-	-	-	-	-	4,930	-	-	-	30	4,960
Other comprehensive income	-	-	-	-	-	-	-	-	20	-	-	20
Total comprehensive income	-	-	-	-	-	-	4,930	-	-	-	30	4,980
Balances at September 30, 2010	\$24,385	\$26,601	\$2,539	\$33,172	(\$11,766)	\$60,661	\$33,086	(\$1,013)	\$77	\$161	\$282	\$168,185

	Attributable to Equity Holders of the Parent Company											
	Capital Stock - Common	Capital Stock - Preferred	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings Appropriated for Expansion	Retained Earnings Unappropriated	Treasury Stock	Reserve for Fluctuation on Available-for-Sale Financial Assets	Other Reserves	Attributable to Minority Interest	Total
Balances at January 1, 2009	\$20,253	\$26,601	\$2,182	\$30,214	(\$10,439)	\$60,661	\$31,092	(\$1,013)	\$24	\$56	\$416	\$160,047
Shares issued during the period	7	-	(7)	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	452	-	-	-	-	-	-	-	452
Collection on subscriptions	-	-	-	-	96	-	-	-	-	-	-	96
Net reversal of accretion of subscription receivable	-	-	-	(330)	330	-	-	-	-	-	-	-
Dilution of minority	-	-	-	-	-	-	-	-	-	9	(9)	-
Dividends	-	-	-	-	-	-	(3,124)	-	-	-	-	(3,124)
	20,260	26,601	2,175	30,336	(10,013)	60,661	27,968	(1,013)	24	65	407	157,471
Net income	-	-	-	-	-	-	8,532	-	-	-	52	8,584
Other comprehensive income	-	-	-	-	-	-	-	-	28	-	-	28
Total comprehensive income	-	-	-	-	-	-	8,532	-	28	-	52	8,612
Balances at September 30, 2009	\$20,260	\$26,601	\$2,175	\$30,336	(\$10,013)	\$60,661	\$36,500	(\$1,013)	\$52	\$65	\$459	\$166,083

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
(In thousand dollars)

	Unaudited	
	Sept 30, 2010	Sept 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$7,904	\$11,096
Adjustments for:		
Depreciation of property, plant and equipment (Note 7)	13,764	13,670
Amortization of intangible assets (Note 8)	2,137	2,030
Mark-to-market loss (gain) on derivative assets (Note 13)	(1,896)	79
Provision for restructuring	450	929
Provision for inventory obsolescence - net of reversal	469	1,120
Provision for doubtful accounts (Note 5)	657	36
Cost of share-based payments	513	452
Unrealized foreign exchange gain (loss)	717	96
Interest and bank charges	627	1,484
Interest income	(290)	(520)
Gain on sale of property, plant and equipment	(167)	(67)
Gain on fire insurance claim	—	(6,951)
Loss on retirement of property, plant and equipment	17	—
Net benefit expense (gain)	—	(52)
Reversal of provision for warranty	(18)	(7)
Reversal of provision for restructuring	—	(1,818)
Provision for warranty	—	12
Loss on fire	—	512
Operating income before working capital changes	24,884	22,101
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	1,786	(19,302)
Inventories	(7,743)	5,385
Other current assets	(3,159)	2,006
Noncurrent receivables	381	1,928
Decrease in:		
Accounts payable and accrued expenses	(9,078)	16,809
Provisions	(475)	(5,046)
Net cash generated from operations	6,596	23,882
Interest received	272	483
Interest paid	(615)	(2,029)
Income tax paid	(3,278)	(1,549)
Net cash provided by operating activities	2,975	20,786

(Forward)

	Unaudited	
	Sept 30, 2010	Sept 30, 2009
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	\$938	\$2,019
Acquisition of:		
Property, plant and equipment (Note 7)	(15,121)	(3,300)
Intangible assets (Note 8)	(442)	(406)
Decrease in other noncurrent assets	1,923	(849)
Settlement of derivatives	639	(122)
Net cash used in investing activities	(12,063)	(2,658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to Parent Company	(4,618)	(3,109)
Collections of subscriptions receivable	934	96
Dividends paid to Minority	(41)	—
Availments of loans	5,000	—
Payments of:		
Obligation under finance lease	(1,169)	—
Loans payable	(1,040)	(3,699)
Long-term debt	(4,000)	(4,000)
Net cash used in financing activities	(4,934)	(10,712)
NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS	165	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	(13,857)	7,416
CASH AND CASH EQUIVALENTS AT JANUARY 1	53,932	57,605
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30 (Note 4)	\$40,075	\$65,021

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.



IMI Revenues Up 4% in First 9 Months of 2010

November 11, 2010, Laguna, Philippines – Integrated Micro-Electronics Inc. (IMI), a leading electronics manufacturing services (EMS) provider to the world's key original equipment manufacturers (OEMs) and a member of the Ayala group of companies, posted US\$293.1 million in consolidated revenues for the nine months ended September 30, 2010, a 4 percent increase year-on-year due to the sustained strong performance of its China operations.

Its net income after tax of US\$5 million for the nine-month period represents an improvement of 22 percent from the same period of last year without the US\$4.5 million one-time gain from insurance recovery reported in 2009.

Arthur Tan, IMI president and chief executive officer, said, "Despite unusual levels of uncertainty in the electronics industry, we managed to grow our revenues and bottom line in the first nine months of the year. Diversification across regions and market segments has shielded us from the impact of isolated business downturns."

The company's operations in China and Singapore posted US\$184.7 million in revenues in the nine-month period, a 22 percent year-on-year growth. They accounted for 63 percent of IMI's total revenues and compensated for the 17 percent decline in revenues posted by the Philippine operations.

Sequentially, IMI's third quarter 2010 revenues of US\$104.3 million grew 6 percent from US\$98.2 million in the second quarter.

Tan added, "IMI continues to be in a robust financial position, ending the nine-month period with a cash balance of US\$40 million. Our current ratio and debt-to-equity ratio have remained at healthy levels of 1.91:1 and 0.29:1, respectively. Further, we have adequate credit facilities to support funding requirements of our expansion program."

About IMI

Integrated Micro-Electronics Inc. (IMI) is a vertically integrated electronics manufacturing services (EMS) provider to leading global original equipment manufacturers (OEMs) in diversified markets that include those in the automotive, industrial, medical, solar energy, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost-effective and top-quality customized solutions, IMI's comprehensive EMS capabilities, broad geographic reach, and strong Asian manufacturing presence allow it to take on specific outsourcing needs. IMI's flexible solutions encompass design and product development, manufacturing, and order fulfillment. IMI is consistently ranked among the top 30 EMS providers in the world. For more information, visit www.global-imi.com.

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