

## INTERNATIONAL RECTIFIER REPORTS JUNE QUARTER RESULTS

EL SEGUNDO, CA. - July 25, 2002 - International Rectifier Corporation (IRF/NYSE) today reported strong top-line growth, with June-quarter revenues up 13 percent compared to the March quarter. The company reported net income of \$16.1 million (or \$0.25 per share) on revenues of \$201.0 million for the quarter ended June, compared to net income of \$12.2 million (or \$0.19 per share) on revenues of \$178.6 million in the March quarter. During the quarter, IR completed the acquisition of TechnoFusion GmbH, a leading maker of power generation systems for the automotive industry, which added about \$5 million to the company's revenues in the quarter but did not contribute to earnings.

The company also reported year-over-year growth, with revenues up nine percent compared to the quarter ended June 2001. In the year-earlier quarter, IR reported revenues of \$185.1 million with net income of \$15.1 million (\$0.23 per share) before a pre-tax impairment and restructuring charge of \$86.4 million. Including the charge, the company reported a net loss of \$48.8 million (or \$0.78 per share) in the earlier period.

June-quarter gross margins were 36.7 percent, compared to 35.1 percent in the preceding quarter. Excluding royalties, gross margins expanded sequentially by about 240 basis points, reflecting continued growth in proprietary products and cost efficiencies. In the year-ago quarter, gross margins were 38.8 percent before and 18.1 percent after the charge.

June-quarter orders grew 13 percent quarter-to-quarter including TechnoFusion bookings, which contributed about five percentage points of the increase. OEM orders grew sequentially by 17 percent, while orders from distributors grew by 7 percent. Orders for proprietary products (analog ICs, advanced-circuit devices, and power systems) represented more than half of total bookings.

Chief Executive Officer Alex Lidow noted, "Leadership in power management technology and execution of a tightly-focused business model have positioned IR to grow with greater inherent profitability. Revenues from proprietary products were up 15 percent over the prior quarter, and we continue to capture more value at the system level and extend our competitive lead. We believe that our technology and design wins position IR to capitalize on the best opportunities in the field of power management."

Revenues from proprietary products comprised more than half of June-quarter revenues, compared to 43 percent in the prior-year quarter. Shipments to "smart" home appliances, space and defense programs, and automotive electronics led revenue growth in the quarter. Distributors' sell-through of IR products to end customers rose by eight percent, while their IR inventories remained relatively flat. Prices declined by less than two percent sequentially. Royalties contributed \$11.0 million to revenues, compared to \$11.5 million in the March quarter and \$13.5 million in the year-earlier quarter.

The company generated \$47 million in cash from operations in the quarter and closed the fiscal year with approximately \$670 million of cash and cash investments. IR continued to strengthen its leadership in target markets with significant new business that demonstrates the value of its proprietary technology:

- IR secured 12 new sole-source multi-year designs from top defense and aerospace suppliers including Lockheed Martin and Boeing. These design wins incorporate IR power systems and advanced-circuit devices in new satellite, aircraft, and defense programs.
- Leading automotive suppliers including Bosch and TRW selected analog ICs and power systems from IR for new sole-source, multi-year motion control and fuel injection programs on leading European vehicles.
- IR's analog ICs, proprietary iPOWIR integrated modules, and other advanced-circuit devices continued to win key new designs in leading Information Technology brands including Intel-powered servers, Pentium 4 desktops, graphics cards, and the newest Sony PlayStation.

IR's June-quarter shipments into consumer electronics sector were up nearly 10 percent sequentially and almost 25 percent year-over-year. Revenues from defense and aerospace grew more than 10 percent sequentially. Business in the automotive sector was up nearly 20 percent sequentially and almost 40 percent year-to-year. The company expects continued strong growth in these target markets in fiscal 2003.

Alex Lidow noted, "Overall, our business outlook is strong, but Information Technology remains uncertain, and we believe that a sustainable upturn in IT spending will be pushed out into calendar 2003.

Consequently, we are now targeting 25-30 percent revenue growth in fiscal 2003."

In the process of integrating its recent acquisitions, the company identified several opportunities to achieve greater operating efficiencies. Accordingly, IR is consolidating a number of positions and will incur \$4 million of severance costs in the current quarter.

In the quarter ending September, IR expects to grow revenues sequentially by five percent, plus or minus a couple of points. Severance costs will be expensed in the quarter, and the company expects September-quarter gross margins to remain at approximately the June level, plus or minus a point or so. For the remainder of fiscal 2003, the company is targeting gross margins of 45-50 percent on incremental revenues.

For the year ended June, net income was \$48.7 million (or \$0.75 per share) on revenues of \$720.2 million, compared to prior-year net income of \$87.6 million (or \$1.35 per share) on revenues of \$978.6 million. Excluding the pre-tax impairment and restructuring charge taken in the quarter ended June 2001, IR reported net income of \$151.6 million (or \$2.34 per share) for the prior fiscal year.

#### Unaudited Consolidated Statement of Income

#### Consolidated Balance Sheet

International Rectifier is a world leader in power management technology that improves functionality, speed, compactness, and portability in information technology and other end products. IR's analog ICs, advanced-circuit devices, power systems, and components enable Internet hardware to gain speed and reliability, allow portable electronics to run longer off a single charge, improve automotive fuel efficiency, and cut energy consumption in home appliances and industrial motors. The company is the pioneer and market leader in the \$4 billion power MOSFET industry, and over 20 companies are licensed under its power MOSFET patents. IR serves market leaders around the world, and more than half its revenue comes from outside the United States.

The foregoing material includes some forward-looking statements made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We caution that such statements are subject to a number of uncertainties, and actual results may differ materially. Factors that could affect the company's actual results include the failure of market demand to materialize as anticipated; weakness or program or order postponements in the information technology sector of our business; the effectiveness of cost controls and cost reductions; litigation and other unexpected costs associated with cost-reduction efforts, including reductions in force and the transfer and consolidation of product lines and equipment; the effectiveness of integration of acquisitions into our operations; the ability or the timing of the company to achieve strategic acquisitions and the effect of associated costs; the availability of government incentives; the accuracy of customers' forecasts; product claims, returns and recalls; market and sector conditions that affect our customers, licensees, and suppliers; introduction, acceptance, availability, and continued demand and growth of new and high-performance products; delays in transferring and ramping production lines or completing customer qualifications; company and market impact due to the cancellation or delays in customer and/or industry programs and/or orders; the company's mix of product shipments; availability of adequate capacity and unanticipated costs of refurbishment or replacement of equipment; pricing pressures; the success of working capital management programs; failure of suppliers and subcontractors to meet their delivery commitments; unfavorable changes in industry and competitive conditions; impact of any disruption in, or increased cost of, electricity and/or other critical supplies; economic conditions in the company's markets around the world and the timing of changes in market conditions; changes in interest and investment rates; impacts on our business or financial condition due to changes in currency valuation or to the euro conversion; impact of changes in accounting methods; the impact of changes in laws and regulations, including tax, trade, and export regulations and policies; the actual results of any outstanding patent and other litigation; and other uncertainties disclosed in the company's reports filed with the Securities and Exchange Commission, including its most recent report on form 10-K. To the foregoing factors should be added the financial and other disruptive effects of terrorist actions.