



Cirrus Logic Reports Fiscal Q2 2010 Financial Results

Forecasts Year-Over-Year Revenue Growth in the Third Quarter of 30-40 Percent

AUSTIN, Texas – October 20, 2009 – Cirrus Logic, Inc. (Nasdaq: CRUS), a leader in high-precision analog and digital signal processing components, today announced financial results for the second quarter of fiscal year 2010, which ended Sept. 26, 2009.

[Summary financial data appears [below](#).]

Revenue for the quarter was \$55.7 million compared to \$53.3 million during the second quarter of fiscal year 2009 and \$37.5 million in the previous quarter. Gross margin for the quarter was 52 percent, down from 56 percent in the quarter a year ago and flat compared to 52 percent reported for the previous quarter.

Total GAAP operating expenses for the quarter were approximately \$22.5 million, up from \$19.8 million in the previous quarter. GAAP operating expenses in the second quarter included a net benefit of approximately \$1.4 million related to the sale of certain patents as well as an additional \$165,000 in facilities restructuring credits. GAAP operating expenses also include charges of \$1.3 million for stock-based compensation and \$400,000 in acquisition-related amortization of intangibles. Non-GAAP operating expenses for the quarter were approximately \$22.4 million, compared to \$20.9 million for the June quarter.

Income from operations on a GAAP basis was approximately \$6.4 million. Excluding the items noted above, non-GAAP income from operations was \$6.7 million.

Cirrus Logic reported second quarter GAAP net income of approximately \$6.8 million, or \$0.10 per share based on 65.5 million average diluted shares outstanding. Excluding the items noted above, on a non-GAAP basis the company reported net income of \$7.0 million, or \$0.11 per share.

"We are extremely pleased with our Q2 results, as revenue and gross margin exceeded our expectations, driven by both new audio product ramps as well as a modest recovery across our other product lines," said Jason Rhode, president and chief executive officer, Cirrus Logic. "We expect further revenue growth in Q3, coupled with gross margin improvements due to a higher mix of Energy revenue as well as continued improvements to our product cost structures."

Outlook for Third Quarter FY 2010 (ending December 26, 2009):

- Revenue is expected to range between \$58 million and \$62 million;
- Gross margin is expected to be between 52 percent and 54 percent; and
- Combined R&D and SG&A expenses are expected to range between \$23 million and \$25 million, which include approximately \$2 million in share-based compensation and amortization of acquisition-related intangibles expenses.

Conference Call

Cirrus Logic management will hold a conference call to discuss the company's results for the second quarter of fiscal year 2010, on Oct. 20, 2009 at 10:30 a.m. EDT. Those wishing to join should call (480) 629-9820, or (877) 941-8631 (Conference ID: 4165423) at approximately 10:20 a.m. EDT. A replay of the conference call will also be available beginning one hour after the completion of the call, until Oct. 27, 2009. To access the recording, dial (303) 590-3030, or toll-free at (800) 406-7325 (Conference ID: 4165423). A live and an archived webcast of the conference call will also be available.

Cirrus Logic Inc.

Celebrating its 25th year as a leading fabless semiconductor company in 2009, Cirrus Logic develops high-precision, analog and mixed-signal integrated circuits for a broad range of innovative customers. Building on its diverse analog and signal-processing patent portfolio, Cirrus Logic delivers highly optimized products for a variety of audio and energy-related applications. The company operates from headquarters in Austin, Texas, with offices in Tucson, Ariz., Europe, Japan and Asia.

Use of Non-GAAP Financial Information

To supplement Cirrus Logic's financial statements presented on a GAAP basis, Cirrus has provided non-GAAP financial information, including non-GAAP operating expenses, non-GAAP net income, non-GAAP net income from operations, and non-GAAP diluted earnings per share. A reconciliation of the adjustments to GAAP results is included in the tables below. Non-GAAP financial information is not meant as a substitute for GAAP results, but is included because management believes such information is useful to our investors for informational and comparative purposes. In addition, certain non-GAAP financial information is used internally by management to evaluate and manage the company. As a note, the non-GAAP financial information used by Cirrus Logic may differ from that used by other companies. These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP.

Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this news release contain forward-looking statements, including our estimates of third quarter fiscal year 2010 revenue, gross margin, combined research and development and selling, general and administrative expense levels, share-based compensation expense, and amortization of acquired intangible expenses. In some cases, forward-looking statements are identified by words such as "expect," "anticipate," "target," "project," "believe," "goals," "opportunity," "estimates," and "intend," variations of these types of words and similar expressions are intended to identify these forward-looking statements. In addition, any statements that refer to our plans, expectations, strategies or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include, but are not limited to, the following: overall economic pressures and general market and economic conditions; overall conditions in the semiconductor market; the level of orders and shipments during the third quarter of fiscal year 2010, as well as customer cancellations of orders, or the failure to place orders consistent with forecasts; the loss of a key customer; pricing pressures; and the risk factors listed in our Form 10-K for the year ended March 28, 2009, and in our other filings with the Securities and Exchange Commission, which are available at www.sec.gov. The foregoing information concerning our business outlook represents our outlook as of the date of this news release, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

Cirrus Logic and Cirrus are trademarks of Cirrus Logic Inc.

Summary financial data follows:

- [View Consolidated Condensed Statement of Operations](#)
- [View Reconciliation between GAAP and Non-GAAP Financial Information](#)
- [View Consolidated Condensed Balance Sheet](#)

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Media Contacts
Thurman Case
Chief Financial Officer
(512) 851-4125
investor.relations@cirrus.com