



October 31, 2012

Cirrus Logic Reports September Quarter Revenue Up 91 Percent Year-Over-Year to \$194 Million

Company Guides December Quarter Revenue Up More than 120 Percent Year-Over-Year

AUSTIN, Texas--(BUSINESS WIRE)-- Cirrus Logic, Inc. (Nasdaq: CRUS), a leader in high-precision analog and digital signal processing components, today posted on its investor relations website at <http://investor.cirrus.com> the quarterly Shareholder Letter that contains the complete financial results for the second quarter of fiscal year 2013, which ended Sept. 29, as well as the company's current business outlook.

"Our outstanding revenue and earnings growth demonstrate that Cirrus Logic is targeting the right opportunities and our product development efforts remain on track," said Jason Rhode, president and chief executive officer. "The new product ramps driving this growth have required extraordinary efforts from Cirrus Logic employees as well as from our external partners. We are very thankful for their support."

Reported Financial Results — Second Quarter FY2013

- Revenue of \$194 million;
- Gross margin of 52 percent;
- GAAP operating expenses of \$50 million and non-GAAP operating expenses of \$44 million;
- GAAP diluted earnings per share of \$0.51 and non-GAAP diluted earnings per share of \$0.79.

A reconciliation of the non-GAAP charges is included in the tables accompanying this press release.

Business Outlook — Third Quarter FY2013

- Revenue is expected to range between \$270 million and \$300 million;
- Gross margin is expected to be between 50 percent and 52 percent;
- Combined R&D and SG&A expenses are expected to range between \$49 million and \$53 million, which includes approximately \$6 million in share-based compensation.

Cirrus Logic will host a live Q&A session at 5 p.m. EDT on Wednesday, October 31, 2012, to answer questions related to its financial results and business outlook. Shareholders who would like to submit a question to be addressed during the call are requested to email investor_relations@cirrus.com. A live webcast of the Q&A session can be accessed on the [Cirrus Logic website](http://www.cirrus.com), and a replay will be available approximately two hours after the completion of the call, or by dialing (404) 537-3406, or toll-free at (855) 859-2056 (Access Code: 35941792).

Cirrus Logic, Inc.

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. More information about Cirrus Logic is available at www.cirrus.com.

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 operating expenses, net income, operating margin and 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. 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 2013 revenue, gross margin, combined research and development and selling, general and administrative expense levels, and share-based compensation expense. In some cases, forward-looking statements are identified by words such as "expect," "anticipate," "target," "project," "believe," "goals," "opportunity," "estimates," "intend," and variations of these types of words and similar expressions. 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: the level of orders and shipments during the third quarter and complete fiscal year 2013, as well as customer cancellations of orders, or the failure to place orders consistent with forecasts; our ability to introduce and ramp production of new products in a timely manner; and the risk factors listed in our Form 10-K for the year ended March 31, 2012, 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.

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Summary financial data follows:

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(unaudited)
(in thousands, except per share data)

| | Three Months Ended | | | Six Months Ended | |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Sep. 29, 2012 Q2'13 | Jun. 30, 2012 Q1'13 | Sep. 24, 2011 Q2'12 | Sep. 29, 2012 Q2'13 | Sep. 24, 2011 Q2'12 |
| Audio products | \$177,915 | \$80,747 | \$ 83,683 | \$258,662 | \$154,802 |
| Energy products | 15,859 | 18,259 | 17,919 | 34,118 | 39,042 |
| Net revenue | 193,774 | 99,006 | 101,602 | 292,780 | 193,844 |
| Cost of sales | 93,687 | 45,566 | 47,247 | 139,253 | 91,780 |
| Gross Profit | 100,087 | 53,440 | 54,355 | 153,527 | 102,064 |
| Research and development | 29,468 | 24,910 | 19,682 | 54,378 | 38,449 |
| Selling, general and administrative | 20,194 | 18,059 | 16,760 | 38,253 | 31,366 |
| Total operating expenses | 49,662 | 42,969 | 36,442 | 92,631 | 69,815 |
| Operating income | 50,425 | 10,471 | 17,913 | 60,896 | 32,249 |
| Interest income, net | 131 | 127 | 112 | 258 | 266 |
| Other income (expense), net | (40) | (23) | (27) | (63) | (44) |
| Income before income taxes | 50,516 | 10,575 | 17,998 | 61,091 | 32,471 |
| Provision (benefit) for income taxes | 15,067 | 3,648 | 6,751 | 18,715 | 12,046 |
| Net income | \$ 35,449 | \$ 6,927 | \$ 11,247 | \$ 42,376 | \$ 20,425 |
| Basic earnings per share: | \$ 0.55 | \$ 0.11 | \$ 0.17 | \$ 0.65 | \$ 0.31 |
| Diluted earnings per share: | \$ 0.51 | \$ 0.10 | \$ 0.17 | \$ 0.61 | \$ 0.30 |
| Weighted average number of shares: | | | | | |
| Basic | 64,924 | 64,470 | 64,426 | 64,697 | 65,763 |
| Diluted | 69,207 | 68,529 | 67,265 | 68,920 | 68,657 |

See notes to Consolidated Condensed Statement of Operations
Prepared in accordance with Generally Accepted Accounting Principles

CIRRUS LOGIC, INC.
RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION
(unaudited, in thousands, except per share data)
(not prepared in accordance with GAAP)

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.

| | Three Months Ended | | | Six Months Ended | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Sep. 29, 2012 Q2'13 | Jun. 30, 2012 Q1'13 | Sep. 24, 2011 Q2'12 | Sep. 29, 2012 Q2'13 | Sep. 24, 2011 Q2'12 |
| <i>Net Income Reconciliation</i> | | | | | |
| GAAP Net Income | \$ 35,449 | \$ 6,927 | \$ 11,247 | \$ 42,376 | \$ 20,425 |
| Amortization of acquisition intangibles | 251 | 353 | 353 | 604 | 706 |
| Stock based compensation expense | 5,563 | 4,173 | 3,517 | 9,736 | 5,959 |
| Other expenses ** | - | - | 622 | - | 622 |
| Provision (benefit) for income taxes | 13,580 | 3,355 | 6,163 | 16,935 | 11,147 |
| Non-GAAP Net Income | \$ 54,843 | \$ 14,808 | \$ 21,902 | \$ 69,651 | \$ 38,859 |
| <i>Earnings Per Share Reconciliation *</i> | | | | | |
| GAAP Diluted earnings per share | \$ 0.51 | \$ 0.10 | \$ 0.17 | \$ 0.61 | \$ 0.30 |
| Effect of Amortization of acquisition intangibles | - | 0.01 | 0.01 | 0.01 | 0.01 |
| Effect of Stock based compensation expense | 0.08 | 0.06 | 0.05 | 0.14 | 0.09 |
| Effect of Other expenses ** | - | - | 0.01 | - | 0.01 |
| Effect of Provision (benefit) for income taxes | 0.20 | 0.05 | 0.09 | 0.25 | 0.16 |
| Non-GAAP Diluted earnings per share | \$ 0.79 | \$ 0.22 | \$ 0.33 | \$ 1.01 | \$ 0.57 |
| <i>Operating Income Reconciliation</i> | | | | | |
| GAAP Operating Income | \$ 50,425 | \$ 10,471 | \$ 17,913 | \$ 60,896 | \$ 32,249 |
| <i>GAAP Operating Margin</i> | 26% | 11% | 18% | 21% | 17% |
| Amortization of acquisition intangibles | 251 | 353 | 353 | 604 | 706 |
| Stock compensation expense - COGS | 119 | 118 | 104 | 237 | 193 |
| Stock compensation expense - R&D | 2,097 | 2,243 | 1,181 | 4,340 | 2,224 |
| Stock compensation expense - SG&A | 3,347 | 1,812 | 2,232 | 5,159 | 3,542 |
| Other expenses ** | - | - | 622 | - | 622 |
| Non-GAAP Operating Income | \$ 56,239 | \$ 14,997 | \$ 22,405 | \$ 71,236 | \$ 39,536 |
| <i>Non-GAAP Operating Margin</i> | 29% | 15% | 22% | 24% | 20% |
| <i>Operating Expense Reconciliation</i> | | | | | |
| GAAP Operating Expenses | \$ 49,662 | \$ 42,969 | \$ 36,442 | \$ 92,631 | \$ 69,815 |
| Amortization of acquisition intangibles | (251) | (353) | (353) | (604) | (706) |
| Stock compensation expense - R&D | (2,097) | (2,243) | (1,181) | (4,340) | (2,224) |
| Stock compensation expense - SG&A | (3,347) | (1,812) | (2,232) | (5,159) | (3,542) |
| Other expenses ** | - | - | (622) | - | (622) |
| Non-GAAP Operating Expenses | \$ 43,967 | \$ 38,561 | \$ 32,054 | \$ 82,528 | \$ 62,721 |

* Certain YTD numbers may not tie to individual quarter presentation due to YTD share count dilution

** Other expenses (proceeds) may contain certain items such as litigation expenses , proceeds from a patent agreement,

restructuring items, and impairments of non-marketable securities.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED BALANCE SHEET
unaudited; in thousands

| | <u>Sep. 29, 2012</u> | <u>Jun. 30, 2012</u> | <u>Sep. 24, 2011</u> |
|--|--------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 67,846 | \$ 84,312 | \$ 39,268 |
| Restricted investments | - | - | 2,898 |
| Marketable securities | 66,731 | 82,359 | 100,130 |
| Accounts receivable, net | 130,870 | 49,262 | 44,898 |
| Inventories | 144,881 | 96,790 | 49,552 |
| Deferred tax asset | 53,144 | 53,139 | 30,803 |
| Other current assets | 19,845 | 14,574 | 10,865 |
| Total Current Assets | <u>483,317</u> | <u>380,436</u> | <u>278,414</u> |
| Long-term marketable securities | - | - | 8,703 |
| Property and equipment, net | 86,992 | 85,337 | 50,102 |
| Intangibles, net | 5,208 | 18,457 | 18,905 |
| Goodwill | 6,027 | 6,027 | 6,027 |
| Deferred tax asset | 72,150 | 85,721 | 90,995 |
| Other assets | 21,402 | 9,300 | 7,517 |
| Total Assets | <u>\$ 675,096</u> | <u>\$ 585,278</u> | <u>\$ 460,663</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable | \$ 103,366 | \$ 75,507 | \$ 35,256 |
| Accrued salaries and benefits | 15,594 | 10,956 | 10,942 |
| Other accrued liabilities | 14,218 | 9,498 | 10,105 |
| Deferred income on shipments to distributors | 6,580 | 7,158 | 9,334 |
| Total Current Liabilities | <u>139,758</u> | <u>103,119</u> | <u>65,637</u> |
| Other long-term obligations | 10,042 | 4,159 | 6,505 |
| Stockholders' equity: | | | |
| Capital stock | 1,025,272 | 1,013,442 | 998,572 |
| Accumulated deficit | (499,233) | (534,682) | (609,167) |
| Accumulated other comprehensive loss | (743) | (760) | (884) |
| Total Stockholders' Equity | <u>525,296</u> | <u>478,000</u> | <u>388,521</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 675,096</u> | <u>\$ 585,278</u> | <u>\$ 460,663</u> |

Prepared in accordance with Generally Accepted Accounting Principles

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