

— PARTICIPANTS**Corporate Participants**

Thurman K. Case – CFO, Treasurer, CAO & Head-Investor Relations, Cirrus Logic, Inc.

Jason P. Rhode – President, Chief Executive Officer & Director, Cirrus Logic, Inc.

Chelsea Heffernan – Senior Investor Relations Analyst, Cirrus Logic, Inc.

Other Participants

Tore E. Svanberg – Analyst, Stifel, Nicolaus & Co., Inc.

Vernon P. Essi – Analyst, Needham & Company, LLC

Chris J. Longiaru – Analyst, Sidoti & Co. LLC

— MANAGEMENT DISCUSSION SECTION

Operator: Welcome to the Cirrus Logic Fourth Quarter and Full Fiscal Year 2013 Financial Results Q&A Session. [Operator Instructions] As a reminder, this conference call is being recorded for replay purposes. I would now like to turn the conference call over to Mr. Thurman Case, Chief Financial Officer. Mr. Case, you may begin.

Thurman K. Case, CFO, Treasurer, CAO & Head-Investor Relations

Thank you and good afternoon. Joining me on today's call is Jason Rhode, Cirrus Logic's President and Chief Executive Officer; and Chelsea Heffernan, from our Investor Relations department. Today, we announced our financial results for the Fourth Quarter and Full Fiscal Year 2013 at approximately 4:00 p.m. Eastern. The shareholder letter discussing our financial results, the earnings press release, including a reconciliation of non-GAAP financial information to the most directly comparable GAAP information, along with the webcast of this Q&A session are all available at the company's investor relations website at investor.cirrus.com.

This call will feature questions from the analysts covering our company, as well as questions submitted to us via e-mail at investor.relations@cirrus.com. Please note that during this session, we may make projections and other forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from projections. By providing this information, the company undertakes no obligation to update or revise any projections or forward-looking statements, whether as a result of new developments or otherwise.

Please refer to the press release issued today, which is available on the Cirrus Logic website, the latest Form 10-K and 10-Q, as well as other corporate filings made with the Security and Exchange Commission for additional discussions of risk factors that could cause actual results to differ materially from current expectations.

I'd like to turn the call over to Jason Rhode, our President and Chief Executive Officer.

Jason P. Rhode, President, Chief Executive Officer & Director

Thank you, Thurman. Before we begin taking questions, I'd like to highlight a few of the things we discussed in our shareholder letter. Q4 revenue increased 87% year-over-year and declined 33% sequentially. Although gross margins for the quarter were roughly 10 percentage points below our

expectations due to the previously announced \$20.7 million inventory reserve, we maintained GAAP and non-GAAP operating profit of 16% and 19%, respectively. While it is unfortunate to close the year with an inventory reserve, this should not overshadow the significant progress the company has made throughout the past fiscal year.

On a year-over-year basis, FY 2013 revenue grew 90%. Our GAAP operating profit increased 153% and earnings per share were up 55%. Non-GAAP operating profit increased 141% year-over-year, and non-GAAP earnings per share were up 138%. We believe the significant increase in both revenue and operating profit positions us at the high end of our peers, validating our business model and highlighting our ability to drive profitability.

FY 2013 was a year focused on ramping new custom products and introducing general market portable audio and energy products that we expect to fuel revenue growth and customer diversification longer term. With one- to two-year design cycles, we are working on projects today that are expected to contribute to growth over the next few years. We remain excited about the opportunities to increase content and add additional features for both custom and general market products in the audio and energy markets.

Also, I'd just like to note: while we understand there is intense market interest related to our largest customer, in accordance with our policy we do not discuss specifics about our business relationships. We also understand that there are questions with regard to the shareholder lawsuits; and while we are unable to discuss pending litigation, we believe the allegations are without merit and we intend to vigorously defend ourselves.

Operator, we are now ready to take questions.

QUESTION AND ANSWER SECTION

Operator: Certainly. [Operator Instructions] Our first question comes from the line of Tore Svanberg from Stifel. You may begin.

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: Yes. Thank you. A few questions. First of all, maybe I just missed this in the shareholder letter, but what percentage was your largest customer in the quarter?

<A – Jason Rhode – Cirrus Logic, Inc.>: 85%.

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: 85%. Very good. And just looking at your guidance for the June quarter, can you talk about the relative visibility you have towards that number, I don't know, either by backlog or the actual order book?

<A – Jason Rhode – Cirrus Logic, Inc.>: Are you referring to the guidance or referring to the percentage?

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: The guidance. The \$150 million to \$170 million, the relative visibility you have towards that number.

<A – Jason Rhode – Cirrus Logic, Inc.>: I would say the same visibility we typically have. We don't give a backlog percentage or any of that sort of thing, but it's, typically we go into the quarter with quite a bit of our business booked. So, really, the volatility that comes in for us in the business model we're in today, the beginning backlog is not the largest indicator of where we're going to end up, because things are fairly volatile; they move in and out at the end of the last – at the very end of the quarter. So we have to take a lot of things into account and try to be conservative with respect to that. But I would say relative to the guidance and our outlook, I would say it's quite typical of our quarters.

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: That's fair. And you mentioned in your letter that your Automotive business contributed to strong growth in the Other Audio business. Can you quantify that at this point, how big Automotive is?

<A – Jason Rhode – Cirrus Logic, Inc.>: We don't break it out. It's an area that we are investing in, though. It's an area that we see as a potential for significant growth over the long term because entertainment systems in cars that used to be kind of relegated to the very high-end models have migrated their way down to more entry-level models, which is actually – interestingly enough – where the demographics of the consumers of those automobiles are actually going to use them, pair them with their phones and other things. So it's an area that we think benefits not only from our traditional things like audio converters and potentially DSPs, et cetera, but also longer term from some of the more voice-interactive kind of experience-related features that we'd like to add over the long term.

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: So the last question, I think your cash balance is probably highest in the company's history, and you said in your shareholder letter that you're evaluating alternative uses of cash that could enhance your market opportunities. I mean, should we view this as a – you're now actively more looking at some M&A and acquiring some additional IP?

<A – Jason Rhode – Cirrus Logic, Inc.>: Well, we've always tried to keep an eye on what our alternatives are. We discuss that actively as a board and as a management team, but certainly we do have a good war chest; but that said, we're very, very cautious with respect to acquisitions. We have a very good thing going, a very solid, healthy business. We have a great strategy that we believe in over the long term. If we could find the right acquisition that would help us accelerate

toward that strategy but also was a quality property and fit in with our culture and et cetera, we would love to act on that. So we maintain an active dialogue with various factors out there that have got good ideas and then come up with quite a few ideas of our own that we're going to chase down. But like I say, you have to be – as anybody in the industry knows – acquisitions are very, very difficult, so we're very conservative as we approach them. But you're right. We certainly are looking for opportunities if we can find one.

<Q – Tore Svanberg – Stifel, Nicolaus & Co., Inc.>: Sounds good. Thank you. I'll go back in queue. Thanks.

Operator: Thank you. Our next question comes from the line of Vernon Essi from Needham & Co. Your line is now open. You may proceed with your question.

<Q – Vernon Essi – Needham & Company, LLC>: Thank you very much. Thanks for taking my question. I was wondering, Jason, could you give us an update on some product initiatives, specifically the ADC product? It sounds like you've been getting the attention of some Tier 1 suppliers out there in the handset industry. Any developments there? I guess this just started shipping recently and what should we be looking for that, sort of, as we get to the exit of 2013. Would it be a reasonable proportion of audio or is it still going to be relatively minor?

<A – Jason Rhode – Cirrus Logic, Inc.>: Well, overall in total, I don't think it's going to be a huge needle mover for the company within this year, but it certainly can be a reasonable percentage of our general market audio and, frankly, that's before we've even publicly launched the product with data sheets, et cetera on the website.

So this particular device is a multi-channel A/D converter that targets things like beam forming and other multi-microphone applications – primarily in the mobile space, but it's applicable to other areas as well. And it's a real good general market product in that it's applicable across a broad range of applications and that gets our foot in the door and the discussions happening with a whole host of folks that we might not otherwise be able to have anything relevant for currently.

<Q – Vernon Essi – Needham & Company, LLC>: And I know you – I mean, it's kind of a difficult question, I guess, for you to answer without breaking across any NDAs that you may be engaged but are there opportunities that go beyond sort of this portable audio ecosystem that you see perhaps coming to fruition in the next couple of quarters, or is this just sort of a – like the model you've had, say, a couple years ago in audio where you're just out sort of showcasing this technology and kind of fishing for an opportunity. Are there any customers that you feel like you're engaged beyond that aspect or getting past that point where you feel there's going to be some unit volumes that are pretty considerable for 2014?

<A – Jason Rhode – Cirrus Logic, Inc.>: Yeah. And also to be clear, we have backlog for that device today in reasonable volume as well. I think the bulk of the opportunities for it are in the mobile space, but, as I said, there's opportunities for it as well, and it's just kind of the tip of the iceberg, we think, in terms of enabling a voice interaction experience with all sorts of things, if you will. In this case the product is really pretty simple and more typical of our historical catalog was. It's basically an array of A/D converters but that also can bolt up to our DSPs and enable us to add additional features later. So it's an area, this whole voice interaction experience, being able to do intelligent things with someone who's speaking in a room, separate out the noise from the speaker in various, different ways, it's just a real rich field for the kind of capabilities that we have in audio.

<Q – Vernon Essi – Needham & Company, LLC>: Okay. And then to switch gears on the LED front. Obviously, here in the U.S. a major manufacturer launched a huge branding initiative, a lower cost bulb at the end market level for incandescent; a lot of noise at Light Fair this week, in fact, around that product. I guess from your perspective, what are you seeing and how is it impacting the folks you're talking to in the marketplace? And since it's sort of – we're rolling over a new fiscal

year, any thoughts on what the sizing might be in terms of your growth rate relative to fiscal 2014 versus 2013 given that, I think, some of this stuff's starting to get stocked at the retail level that has your [indiscernible] (12:37) solution in it? You might have an idea of the sizing year to year.

<A – Jason Rhode – Cirrus Logic, Inc.>: Yeah. We don't have a specific target for you for the year, but our revenue has grown. We expect it to continue to grow this year in LED. We're still targeting making a light bulb that is something that we would ever want to buy, meaning: it is a suitable incandescent replacement; it doesn't flicker; it dims well across the full range; works with every dimmer that you're likely to ever encounter. And those are things that differentiate us significantly from the competition.

Now, I've seen a lot of market forecasts. They all seem to point to a number that's in the billions of units over the next handful of years – four, five, six years depending on which set of research you look at. I don't think anybody knows what percentage of that market is going to be dimmer compatible, but it seems by the feedback we're getting that there's a lot of interest in making that percentage large just because things like retail returns are a significant issue both for retailers and manufacturers and it has remained elusive to come up with a real good way to spec out which light bulbs are going to work in your house. So it seems like an easier solution to the problem for everybody involved to just make the things work with everybody's dimmers. So for manufacturers that are going that route, our solution seems to be really compelling.

And you saw another product released this week from us, and with that growing portfolio of devices we're getting solutions from more and more of the different form factors that are out there. But it is a different market for us than portable audio. It is a very fragmented market in terms of SKUs.

It's not so many customers that are shipping all these devices but each of those customers has a very large number of SKUs to cover the whole space. So having a solution that works and is optimal for an A19 type bulb might be different than, say, a PAR and is definitely different than, for example, an MR16, all of which we think we've got significant advantages that we bring to the table and all of which will help us continue to add to that pile of design wins. But it will be much more of a large number of base hits kind of a business than our portable audio.

<Q – Vernon Essi – Needham & Company, LLC>: Sure. Okay. Thank you.

Operator: Thank you, ladies and gentlemen. [Operator Instructions] Our next question comes from the line of Christopher Longiaru from Sidoti. Your line is now open and you may proceed with your question.

<Q – Chris Longiaru – Sidoti & Co. LLC>: Hey, guys. I'm going to piggyback on Vern's question just with the LED market. Do you have any commentary or anything on how that pricing is progressing and what your expectations for – I know it's a huge market over the next couple of years – but how that ramps, especially considering you're already shipping?

<A – Jason Rhode – Cirrus Logic, Inc.>: Yeah. We've said that historically our ASPs have been in the roughly \$0.50 range for higher value products where we're able to add multi-string drive capability, et cetera. We're hoping to do a little better than that. But you touched on a good point, that this is a market that's going to grow very, very rapidly and certainly one of the risks there is of commoditization and of ASPs shrinking; and the goal for us, of course, is to do the same thing we've done in portable audio, which is continue to add features and try to add an ability for our customers to decrease the overall bill of materials that doesn't necessarily come at the expense of our ASPs.

So for example, the device that we released earlier this week significantly reduces the amount of passive components and the particular magnetics around our existing device and that – so hopefully, it makes our solution more competitive and helps preserve our ASPs. But it is – it's

definitely an area that we have to keep an eye on that business and make sure that there's enough value for us to continue to add.

Now longer term, the really interesting thing for us to think about, and it's something that our marketing folks and engineering guys are spending a lot of time talking with each other about, as well as customers and partners, these features that we've talked about in Audio, such as voice interaction and other kinds of audio signal processing, beam forming, and having an ability to interact with your thing – with your stuff.

Certainly having the ability to interact with your network of lighting throughout your house, voice is a pretty convenient interaction ability there. And it's something that's nascent. We don't want to reinvent the clapper, but we think there's opportunity there as we move towards an era where our houses start to look more like the Jetsons or Star Trek, where our voice interaction capabilities that we think we can bring to bear have an opportunity in more than just portable audio and start to get lodged in more appliance or media devices or, potentially, lighting. So it's kind of a nascent area. It's not something that we would – that is in the near-term but it's certainly something that we're interested in as an ability to really drive up our overall content over the long-term.

<Q – Chris Longiaru – Sidoti & Co. LLC>: And just in terms of the LED market, obviously you're already shipping to one customer. But are you working with, or at this point trying to design in to several customers or is it similar where you're sending out the part to see if they're comfortable with it? Or are you, at this point, working with engineers at other companies at this point, and is your expectation that you will eventually launch with other providers?

<A – Jason Rhode – Cirrus Logic, Inc.>: Yeah. We're shipping today with multiple...

<Q – Chris Longiaru – Sidoti & Co. LLC>: With two, right?

<A – Jason Rhode – Cirrus Logic, Inc.>: Right. With two that we categorize as Tier 1's but at least one other company, as well, and there might be some other smaller guys in there. But no, we see a very broad opportunity with, really, the whole range of customers that are in that space. So no, this is much more – we think, for the most part, this will be much more of a catalogue component business.

<Q – Chris Longiaru – Sidoti & Co. LLC>: Got it. All right. Thanks. I'll jump out.

<A – Jason Rhode – Cirrus Logic, Inc.>: Thanks, Chris.

Operator: Thank you. And at this time I'm not showing any further questions and I would now like to turn the call back over to Chelsea Heffernan for closing remarks.

<A – Chelsea Heffernan – Cirrus Logic, Inc.>: Hello?

Operator: You may go ahead, Chelsea.

<A – Chelsea Heffernan – Cirrus Logic, Inc.>: Thank you, Operator. We will conclude the call with questions that we've received via e-mail this afternoon. Most of the questions were answered. However, we did have one that has not been addressed: how do you see revenue trending in fiscal 2014?

<A – Jason Rhode – Cirrus Logic, Inc.>: So, certainly, we don't give guidance for anything other than the current quarter. Following the really remarkable growth rate that we had last year, we would certainly expect a more moderate year this year. Our current projections are in the flat to moderate growth, so we'll take that – take it as it comes. It's difficult when you start looking more than the current quarter out to really know exactly where we're going to be in terms of growth.

We certainly see some good things coming over the course of the year. We recognize that this particular quarter's a little lower than what people were expecting from us a few weeks ago but it's worth recognizing we're in a very product cycle driven business, product cycle and seasonal business. Certainly the second and third quarters are typically significantly larger than, say, the January and April quarters.

So again, none of that's intended to be long-term guidance. As I say, it's quite difficult to look further out than the current quarter, but we certainly expect this year to be a little more moderate – a lot more moderate than last year. And frankly, if you look at the history that we have, a few years ago we had a really remarkable growth year and then followed by a little more moderate growth. For those of us who actually work here, it's in a lot of ways fairly fortunate because we've got a lot of work to do to catch up in terms of staffing and in terms of getting, really, our feet under us as a much larger company.

We're trying to build a great company for the long term and that requires us to build a real solid foundation under it as we grow, and if every year grew like last year, frankly, I think that would be a little bit difficult to keep up with.

Chelsea Heffernan, Senior Investor Relations Analyst, Cirrus Logic, Inc.

Okay. Great. That's all the questions we have, so, Jason, if you want to make some comments?

Jason P. Rhode, President, Chief Executive Officer & Director

Yeah. Let me close by saying that FY 2013 was a tremendous year for Cirrus Logic. We experienced substantial growth in our revenue and operating profit, significantly expanded our footprint in portable audio and launched our new LED lighting products. We believe our financial results are directly attributable to our business model and long-term focus on pursuing our vision to be the first choice in high-performance analog and mixed-signal processing. If you have any questions that were not addressed, you can submit them to us via the Ask The CEO section of our Investor website. I'd like to thank everyone for participating today. Goodbye.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program and you may all disconnect. Everyone, have a great day.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2013. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.