

**— PARTICIPANTS****Corporate Participants**

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

**Other Participants**

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

**— MANAGEMENT DISCUSSION SECTION****Tore E. Svanberg, Analyst, Stifel, Nicolaus & Co., Inc.**

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The last session of the day, I'm sure everyone's getting thirsty for a cocktail. Welcome to the Cirrus Logic session here at the Stifel Technology Conference 2013. My name is Tore Svanberg and I am a Senior Semiconductor Analyst covering the analog mixed signal sector. It's my pleasure to introduce Cirrus Logic.

With us from the company we have Jason Rhode who is the company's Chief Executive Officer; and also, I think Jeremy Allen is somewhere. Where is Jeremy? Maybe he stepped out. Anyway, he's here and he's Director of Investor Relations. The format for this session is basically Q&A, so we're just going to get started. Thank you.

So thank you, Jason, for coming.

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

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Sure, thanks.

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

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And – well, what we'd like to do in this Q&A, we'd like to give you the opportunity to at least give a very general introduction of Cirrus Logic and maybe emphasize whatever makes Cirrus Logic so different from everybody else out there.

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

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Sure. So one thing, we've been around for about 27 years, one of the pioneers of the fabless model back in the day. We weren't the first at it, but we were probably the first that was actually successful at it. The company has been a lot of things over many years. I've been with the company for 17-plus years, only job I've ever had. I got to make the transition to CEO about five years ago, coming up on six years ago, I guess. And one of the things we did at that time was really stop and go take a hard look at everything we were doing and really try and define what are the areas where we're being successful, what are the areas that are not so much.

And what we realized was the key differentiator for us, our hedgehog principle, if you will, was really signal processing, whether it's analog or digital, but the differentiation we typically bring to bear is

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all embedded in the signal processing. And it tends to be centered around that analog to digital boundary in some way or another, either in doing something interesting with signals after we've converted them, or getting them ready to convert, or power amplification that is in some way enhanced by signal processing.

But the thing that really marked the turning point for us as a company at the time was in that realization and then the recognition that we needed to say no to a lot more things that were outside of that space. At the time the company had a lot of interesting things going but it just ended up being noise. And if you're a company our size, one of our – obviously, one of our biggest competitors, everybody's biggest competitor is TI.

Competing with TI by trying to do more and more and more broad range things is kind of a silly strategy. We need to pick the small number of things and focus our resources on them very heavily and make certain that we do it in a way that really helps our customers differentiate on exactly what we do. So, and that in a nutshell, whether it's energy or audio, is really our focus.

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

That's a great introduction. And can you also just give us a recap of what you recently reported, both Q4 and also what you see for the March quarter?

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

Sure. So we – I mean we reported a pretty remarkable revenue growth for the December quarter, came in at, what, \$310 million? Some of that we had originally modeled a little bit of that revenue, \$25 million or so of that revenue as being in the January quarter and just due to shipping windows and everything else it ended up at the end of December.

So that's kind of exacerbated this typical seasonality from December to January which is one of those funny things that if you owned a business and this is what you were doing, whether you ship it one week or another makes nothing to do with anything, but it's something the investment community gets all anxious about, which is totally understandable. But in any event, the sky is certainly not falling in that regard. We've got as much opportunity as we've ever had for everything we're kicking off, there's multiple other things we wish we could staff.

So it's a fine situation to be in, even though just the nature of the business that we're in is going to have an element of seasonality to it and an element of a product cycle to it, and that product cycle is obviously tied to the seasonality as well. So viewed in the aggregate over the course of the year, the way you would do if it was your business, it's a beautiful situation and a lot of fine problems to have viewed from the outside world looking in on a microscope of – that we get looked at under, sometimes it causes people to get all anxious though.

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

Very good. Now on your earnings calls, you talked a little bit about some diversification efforts on the portable side. I was hoping you can elaborate a little bit more on that and what that really means at least for the foreseeable future about diversification.

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

Sure. So what we've traditionally provided in the mobile space is really more targeted differentiating around audio performance. And the challenge with that is, since there's not that many handset suppliers that are really differentiating on audio. For the most part, most of them, it's a checkbox, and there's not a lot of margin and a lot of success for us in checkbox functionality.

For a lot of suppliers of mobile phones, which are – have – they may have great success with them, but their real value-add from their perspective is having all the features ticked off whether they do any one of them especially well or not is a different question. So again, we target people that are going to meaningfully differentiate on what we do, which has historically been audio performance.

The neat thing that has come about over the last year or so is we've been able to find ways to differentiate on things that enhance the voice experience as well. So obviously, we're shipping in a pretty major way acoustic noise cancellation, which is one of the most enduringly hard signal processing problems that's ever existed. There will be people getting PhD dissertations approved when I'm long gone in that topic.

So there's a lot of work to still do there. There's a lot of improvement that can still be had. But it's just – it's kind of the tip of the iceberg around a bunch of applications that are all centered around this voice experience. And it ranges from a wide range of things that can simply mean more input channels from more microphones that somebody else is going to do some interesting signal processing around. For example, we've got a catalogue product now that is – on the scale of -some of what we do in portable audio is a relatively simple device. It's a multiple channel A/D converter with microphone preamp and a lot of support for putting multiple microphones in a phone.

And a customer – new mobile customer for us is using that in a beamforming application. So beamforming is kind of this tricky witchcraft where you use multiple different microphones and intelligently use some signal processing to effectively steer the microphones directionality towards whoever is speaking. So it helps emphasize the speaker and de-emphasize the noise in the background.

So things like beamforming, things like noise cancellation all center around this voice experience. And it's – whether it's voice recognition or a variety of technologies around that, I think we're just really scratching the surface even in mobile of what could be done. I think we're seeing a lot of progress in mobile because it's a self-contained system to some degree. But as these technologies become more mature, there's ways to deploy them in very Jetsons-like applications as we move towards this era of the Internet of things people keep talking about. Well, there's a lot of other things for which voice is a really efficient user interface. So capitalizing on our position in mobile where we can develop some of these technologies in an environment where the R&D cost per unit is really sensible, some of these things can get to a mature enough point that they can transition into other applications, whether it's TVs or lamps or toasters or [ph] what – (08:16) will be interesting to see.

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

I'll ask you a question that I ask every year and I think I know the answer, but I'm still going to ask it this year. And what's always been surprising for me is how poor the audio quality is in a TV set and you always tell me that, well, when you buy a TV or you go into a store and it hangs on the wall, the audio's not on and you bring it home and the audio quality is bad, so you don't even know what you're getting. From your perspective and maybe talking to some potential TV customers, has that changed at all? I mean are they finally starting to look at audio as a differentiator?

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

Generally, no. Though it is a good application for some of these technologies I was just talking about. Everywhere you see a remote control with a bunch of rubber buttons on it is voice control that's waiting to be happening, so that I see as an opportunity. The other challenge with TVs is it's getting more difficult just as they get thinner and the cavity that's available for the speakers gets smaller and smaller. Certainly, there's been an element of people putting out soundbars, which is actually a pretty good opportunity for us, just not as high a volume obviously as TVs. But that is a good way to solve that problem.

But it's an area that screams for innovation from somebody that's in the category of one of our customers. It is – the situation between set-top boxes and TVs and A/V receivers, you can't imagine a more dinosaur application than an A/V receiver where people are still competing on the number of holes at the back of the box. I don't know what customers are waiting. Well, it's a small market. Yeah, you're making it small. You're not targeting consumers that actually exist. I think it just begs for somebody to really innovate and put out a neat product that solves a lot of these problems. And we've got a very good product line for that.

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

Shifting gears, moving over to your industrial or your LED lighting business, you said on your earnings call that you expect some pretty nice things from that business this year. You ramped one customer last year, it looks like you may ramp for the second one this year. Could you maybe elaborate a little bit more on that?

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

Well, we certainly expect it to be more than one additional in this year. So we got started a number years ago in LED lighting. It's surprising how long it takes to build a new business in semiconductors, especially if it's a new technology for a new market. But at some point in the past, we partnered with Philips, we developed a device in – to some degree in partnership with them in exchange for some exclusivity that we gave them. That exclusivity period ran out last January, so they're shipping the device. But as of January of 2012, we were able to shop the product line around everybody else. And the reception's been fantastic. There's not even a debate about whether our product is better. It's just, hands down, not even close.

So the device we build is a chip that goes in the light bulb itself and the intent is to make the light bulb compatible with existing infrastructure, meaning that the dimmers that may or may not be in your wall.

So we've got a collection of 200-plus different dimmers from around the world, they all operate very differently. They evolved over decades in a market where there were no standards or requirements for how you operate it. And the only metric for whether they were successful or not was whether the incandescent light bulb functioned right. Well, an incandescent light bulb, you put in more power and you get more light, it's pretty much that simple.

But if you fast forward to now and try to make that work with the solid-state light bulb, it's actually a remarkably complicated problem because you need to, first, generate ground stable DC power supply from this very, very ugly waveform that not only varies from dimmer to dimmer, but as you move the slider, the button or whatever it is around on the dimmer, the waveform changes shape completely. It does all sorts of strange and unusual things. And you need to not flicker, you need to

have the stable DC power supply. And you also need to then measure that waveform and to determine somehow how bright is it telling me it wants me to be.

So you can imagine with 200 different varieties of these dimmers that are all very non-linear and all very much misbehave in various different ways, it's hard to handle all the corner cases of which one am I connected to, what's it trying to tell me. So most of the people that have gone after this market have really come at it from a very analog-centric point of view. It's a lot of passive components, Rs and Cs that set time constants.

And you can imagine making that work really well if the universe is 5 or 10 dimmers. And actually, that's what we thought it was when we started. It's a really good thing we had no idea how hard LED lighting was going to be. But as it turns out, there are several hundred of them and at some point, you just run out of gas and [ph] ways to (13:13) you can only squeeze the balloon in so many different ways. The closest competitor, which is really a variety of them are all kind of tied in there at about 65% working really well with about 65% of the dimmers that are out there.

And what that's resulted in is in most hardware chains, LED light bulbs are the most returned product on the shelf. And when you're in a retail setting, you get a lot of returns, it's just bad. It slows the adoption of the market. It screws up the financials.

And so – whereas two years ago, there was a pretty good smattering of customers that were like, well, we're not sure about dimmer compatibility, maybe everything's going to go like CFLs. Now, even customers that were saying that are literally now talking about, you know what, we just want it to be 100% dimmer compatible so we don't have these returns anymore.

We typically don't spend a lot of time lobbying the retail sector, but in this case, a couple years ago, what we saw didn't make sense so we thought, well, we better go talk to these guys and figure it out. And it turns out we were right. They were very frustrated by the whole situation as well and multiple of them, now that they've been able to see what we can do, they have taken us back to their contract manufacturers and said, here, you need to talk because we want this, which is – it's kind of a cool position.

In a lot of the applications we serve, portable being one of them, we're a peripheral in a pretty complicated system. In an LED light bulb, we are the system. We're the only chip in the device. There's passives and some other things, but it's a very different position. There's good things and bad things about that, but it's interesting. It's been a lot of fun.

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

I know your CFO's not here, but I'll ask sort of a CFO-related question.

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

Uh oh.

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

Last year, you pretty much doubled your revenues within the year. I just want to try and understand what that meant from an operations, inventory management perspective because, I mean it's some pretty big numbers and big...

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

[indiscernible] (15:12)

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

Things we're talking about and...

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

Challenge.

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

Not only that, but you're targeting more of a consumer market where you get certain forecasts but who knows if those [ph] hold enough (15:20). So can you talk a little about what you put in place in order to manage that process?

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

Well, we're fortunate that, for the most part, along with our – a kind of a side benefit of our strategy of targeting tier one customers that really are kind of market leaders, you get people that have a pretty mature handle on their business and a pretty good ability to forecast or at least a desire to do so. I honestly have no earthly idea if you were a consumer device manufacturer how you would guess how many of this SKU or that SKU to build, it's kind of remarkable to me. But our job is not to second guess too much the forecast we're getting. We know they're high-volume devices. We know whether we're in them or not. There really is not a lot of channel inventory between us and, for example, a contract manufacturer. Those systems are really pretty lean.

So certainly one of our customers can get upside down with inventory, but it's not really our lot in life to try to call that. So we try to build what they ask for. We – our lead times are on the order, realistically, in high volume of – on the order of a quarter. In particular, in the case of wafer level chip scale devices which adds a number of weeks to the backend.

And thus far, we've been fairly fortunate. Where it gets challenging is if you know the end of life of a particular device is coming and where you can't just say, you know what, build a few extra and they'll buy them eventually, you really need to get a kind of a soft landing negotiated. But again, that's a big benefit of working with quality customers is that they pay a lot of attention to those problems. It doesn't do anybody any good if your suppliers get stuck with a lot of extra inventory.

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

The other financial question is on gross margin. And I know last year, you basically – I mean gross margin went down I think it was 150 basis points. In return, you got obviously and significantly more revenues...

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

Yes.

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

So all in all, I mean your earnings were significantly higher and I think it's a decision that any CEO would have made.

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

Yes, I would take that trade-off at least two more times.

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

That's right. What can you tell us about gross margin going forward? [ph] Onward, do you (17:38) expect it to be fairly stable?

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

Yeah, I mean our expectation is that the range 50% to 52% is perfectly reasonable for where we are today. Our margins can move around a point or two quarter-on-quarter just on mix and volume and a variety of things that really have almost nothing to do with the underlying health of the business, which is yet another of these things that there's more focus from the investment community than I think it's worth. People read a lot into that. What does that mean? In this case, it means that we doubled our business and usually much like any customer, you do way higher volume, you'd expect a little [ph] loan (18:18) for that.

So the sky is certainly not falling. It feels – as you pointed out, we grew operating profit massively. In fact, we're now under-spending R&D pretty significantly. So probably our biggest challenge at the moment is that we're effectively a small company with a lot of revenue and we need to grow into that. It's not the same things that make you a great \$200 million or \$300 million company as make you a sustainable billion-dollar company.

So we need to – we've got a pretty heavy focus on improving some areas of infrastructure. Quality for example, you've got more liability when you're shipping a lot higher volume. We need to do more work to derisk things in the earlier phases of when the product first comes back from the fab before it ramps to high volume. We've done – we hired a new VP of Quality pretty recently, a lady from Infineon who's just been amazing. She's been on board for a couple months and really has been transformative in that regard as we're stepping up to these higher volumes.

And it's a tricky tightrope to walk because we care a lot about being a company that people love to work at and a more quality department is not usually on a lot of people's radar of what they want to see in a company they work for. But the neat thing about Elvira is that she's a very warm and engaging person and has a very good sense of achieving these quality objectives without turning the company into a morass of red tape and bureaucracy. So this is kind of our goal.

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

Very good. With that, I'm going to turn it over to you in the audience if you have any questions. All right, I'll keep asking questions. If you do have one, raise your hand.

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

Raise one of our own hands, [ph] right? (20:05)

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

Yeah. I was hoping you could talk a little about the competitive landscape. You mentioned TI, but from an audio perspective, who are some of the other players out there and now that there is a bit more focus on audio and voice, are you starting to see some other competitors emerging?

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

Yes and no. Not so much from voice. Traditional audio competitors, of course, TI, one of our fiercest competitors is a company in Japan called Asahi Kasei Microsystems, AKM, they do very well in Japan, not as well elsewhere, in audio. Wolfson, of course. It's probably the company that does the most things in a similar way to us in audio. Maxim certainly has a very compelling amplifier product line. They have aspirations to do other things as well but I would say their amplifiers are their most competitive product line in the audio space at the moment.

So there's good competitors, good companies on that list of peers. And our – one of the most – it's not even necessarily so much about technology although that obviously plays a big role. One of the biggest things that I think has differentiated us is just our approach to the business. We do value having a catalog product line that obviously we love it when customers just buy stuff we've got on the shelf, that's fantastic. But moreover, it gives our sales force the tools to engage and to make certain that we're hearing about every opportunity out there, whether we choose to engage in it or go after it or not is kind of secondary, but it's important to stay relevant in the market and make certain that we know what everybody's working on.

And so devices like this multi-channel A/D that you can use for beamforming, the boosted speaker amplifier that we've talked about, the little DSP, those are great door openers if you're sales and marketing folks, and that gives us a lot more discussions to have and opportunities we can pry open so that we can pick our opportunities very carefully.

We really preferentially like to have the opportunity to develop custom business. It's great if people are buying the catalog product, but the very first thing that we want to do once that starts happening is start looking around the system for other things we can incorporate and ways we can really make ourselves sticky in their system.

And in general, the kind of products we develop are the stickiest of the sticky in the semiconductor space. But when you layer on top of that an element of a custom component, then the switching task becomes really, really prohibitive. It become much more of a situation that we need to screw something up first.

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

And how about on the LED lighting side, I'm sure it's a different cast of characters.

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

It is. I would say, probably the guys that are in the next tier in terms of performance will be companies like POWI, iWatt, Marvell, and then there's some folks that are kind of a distant ways behind them in terms of – at least in terms of dimmer compatibility. There's certainly cheaper solutions out there that's rarely heard at all is to be the lowest cost solution.

So there's some good competitors there. The difference is really the approach that we've taken at solving the problem. So we came at LED lighting from a very signal processing-centric point of view. The entire algorithm is embedded effectively in DSP with some analog peripherals around that to interface to the real world. Everyone else has come at that from a very analog-centric market – or from a very analog-centric solution. And I think, like I said earlier, makes it very difficult to adapt to new [ph] core interfaces (23:54).

And then, two, again on the kind of the Buck Rogers ramp, there's an element that's having a digital beach hole – beachhead in a light bulb that is kind of fascinating to me. I don't know what to do with it. We keep talking about it and we kind of roll around ideas for what you could do once you've got a little bit of an intelligence inside of a light bulb. So far, all of our ideas degenerate to the Clapper, but it seems like there's something there.

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

Yeah.

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

And it's another one of the things in the Internet of things that seems like voice should be involved in it in a way.

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

So you can talk to the dimmer?

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

No, just tell your lights to turn off.

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

Sure. Back to a financial question. As you've grown as much as you have, obviously, you expect to generate quite a bit of cash. And historically, the company hasn't paid a dividend, you do buybacks from time to time. So as far as capital allocation, what's the plan going forward?

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

Well, number one, I think for anybody in our business that your preferred place to deploy capital would obviously be a successful acquisition. The trick is that most of them aren't. But if we ever find the opportunity where we can combine what we're doing with what somebody else is doing and have it be truly a new value proposition where – and it's especially important at the engineering levels. If the engineers can see, wow, okay, this make sense. We want to do this. Because analog companies in particular have a methodology that's close to a religion, and people don't like to change their religion so much.

So if you're going to ask people to do that, they need to be – it's not – they can't be for financial, okay, you got this synergy or that synergy. Nobody cares about that stuff – people care about that stuff, but the engineers that have to make it work don't.

So if there's a clear value proposition where we can do something neat together, then people are willing to make compromises and make it work. And then you layer on top of that that life's too short to fix other people's messes, and I'd rather a pay a premium for a quality company than buy a disaster at a yard sale. It needs to be a good geographic fit and a good culture fit, that tends to be a pretty short list. So we'd loved to find that opportunity. We lived through a lot of bad acquisitions in the bad old days, so we're very, very leery of going down that path, especially as I think it could potentially jeopardize the successful business that we do have. So very careful on that front but that would be the best use.

Barring that, dividends feel a little bit weird for a company that's been growing and is kind of our size. As an individual person who is somewhat mystified by the stock market, I like dividends because they make everything make sense to me. But the general consensus that I can gather back is it's not quite that time yet.

Given as volatile as we are, a buyback actually feels like a very efficient way, especially if it's implemented in a opportunistic fashion. Since 2008, we've taken more than a third of the shares of the company off the table. I think when I got the job, we had 90-some-odd million shares outstanding. So that's been pretty good progress and has been done to great effect, I think.

So we announced another one in November, authorized another \$200 million. We executed about \$47 million or \$48 million of that last quarter.

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

Very good. Question, [ph] Eric (27:26)?

**QUESTION AND ANSWER SECTION**

**<Q>**: You talked about [inaudible] (27:29) resource constrained and obviously [inaudible] (27:32) quarter and [ph] get yourself to chase all these (27:37) opportunities. What are you doing to attract talent? Obviously you mentioned culture's very important, [ph] so anything about that (27:45)?

**<A – Jason Rhode – Cirrus Logic, Inc.>**: Well, one, being successful has helped a lot. I mean it was hard back in the bad old days, it was hard to recruit people. Now lots of people have heard of us. It's funny when you watch, which I try to avoid all these – the talking heads kind of shows on CNBC or whatever, it's remarkable that it'll be like Caterpillar and IBM, and Cirrus Logic today, [ph] and we're – I'll be like (28:09), really? Did we just get mentioned in the context of those companies?

So there's a lot more visibility around us because of the success we've had. That's helped a lot. The culture, the Best Places to Work thing, we're number nine in the country for mid-sized companies this last year. We get about a third of our employees through employee referrals. We get about a third from new college grads, masters, PhD students mostly.

We put a huge focus on an intern program starting a couple years ago, which is really fantastic because while it is an investment upfront, the fact is there's not enough kids getting master's degrees in electrical engineering in this country and what we realized is there actually are quite a few getting bachelor's degrees and some of them are unbelievably smart.

If you look at the University of Texas' incoming undergrad class, it's almost all American and it's all top 10% of their graduating class; the kids are bloody smart. But a lot of them having put in from kindergarten through your last year of your bachelor's degree don't realize that 1.5 more years and you're going to completely transform your career.

So if we get them in as interns in the undergrad and we get them to imprint on the design community, then they go, oh, okay, I have to be a designer. Okay, I have to get a master's degree. We'll even pay for it. In a number of cases, we do it like the Army. We'll pay for your master's degree and you owe us two years if they've done a successful internship.

But the neat thing about it is that, one, they can actually do useful work; and two, we get them all. I mean when – if somebody comes in and does an internship for us, almost every single one of those people turns out to be a long-term Cirrus employee when they're done graduating. So versus paying a recruiter, it's a really nice program. And then, so, and then the other third is random website referrals or your neighbor – my neighbor's son made a resume today.

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

Very good. Well, we've run out of time. That concludes the Cirrus Logic session and also concludes day 2. We look forward to seeing you again tomorrow for day 3. Thank you very much and have a good night.

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

Thanks.

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