DIALOG SEMICONDUCTOR ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2012

Company reports a record first quarter revenue of $166.3 million, achieving strong year-on-year revenue growth of 69%

Kirchheim/Teck, Germany, 2 May 2012 – Dialog Semiconductor plc (FWB: DLG), a provider of highly integrated innovative power management, audio and low energy short range wireless technologies, today reports results for the first quarter ended 30 March 2012.

Q1 2012 Financial Highlights (*)

- Revenue for Q1 2012 of $166.3 million, representing an increase of 68.9% over the corresponding quarter of 2011
- Q1 2012 IFRS operating profit (EBIT) was $12.3 million or 7.4% of revenue with underlying(*) operating profit of $21.5 million or 13.0% of revenue
- Q1 2012 underlying(*) EBITDA(**) of $27.1 million or 16.3% of revenue, compared to $17.2 million or 17.5% of revenue in Q1 2011
- Q1 2012 underlying(*) diluted earnings per share of 27 cents, an increase of 7 cents over Q1 2011
- Cash and cash equivalents balance of $136.3 million, an increase of $22.8 million over the prior quarter
- Launch of $201 million Convertible Bond Offering during the quarter, which successfully closed on April 12th post period end
- Remain on track to deliver a successful result for 2012

Q1 2012 Operational Highlights

- Record first quarter revenue performance driven by sustained strong demand for Smartphone and Tablet PC PMIC products, supporting new product launches at our leading customers
- Announced co-operation with TSMC for a new 130 nm BCD process platform
- Pioneering 32-bit ARM processor integration in mixed signal PMICs, adding intelligence and digital power control for quad-core handsets
- Extension of the Green VOIP IC family with the launch of the new SC14453, incorporating leading audio, security and graphics functionality
- Opening of new Asian headquarters in Taipei to service the increasing demand for our products in Asia

Commenting on the results Dialog Chief Executive, Dr Jalal Bagherli, said:

"We have seen a very strong start to 2012 experiencing a lesser first quarter seasonal decline than normal due to the continued success of our trend setting Smartphone and Tablet customers. I am particularly pleased that we have achieved incremental gross margin improvement one quarter earlier than projected and believe that this gradual improvement will continue as the year progresses. During the quarter we also launched a successful $201 million convertible bond offering, strengthening our already robust cash balance, and ability to capitalise on potential acquisition opportunities going forward."

FINANCIAL OVERVIEW

Revenue in Q1 2012 was $166.3 million, representing an increase of 68.9% over the $98.5 million delivered in the first quarter of 2011 and a sequential decrease of 3.3% on the $172.1 million of revenue delivered in the prior quarter.

This first quarter is typically the lowest quarter of our financial year. This year, however, we experienced a lesser seasonal decline than usual and delivered a very strong Q1 revenue performance. Two key factors contributed to this strong result. First, we experienced particularly strong demand from our leading customers in support of new Smartphone and Tablet PC products launched by them in Q1. Secondly, some products in contract manufacturer hubs were pulled for customer production in the last week of Q1, earlier than originally scheduled, leading to a stronger than anticipated close to the quarter.

Gross margin in Q1 2012 was 36.9% of revenue. This represents an increase of 0.4 percentage points over that 36.5% achieved in the prior quarter and a decrease of 4.3 percentage points over the 41.2% achieved in Q1 2011. Q1 2012 underlying(*) gross margin was 37.3% compared to 37.1% in Q4 2011. This incremental improvement to gross margin expansion has begun one quarter earlier than projected, having stabilised earlier in the first quarter.

R&D and SG&A in Q1 2012 stood at 17.2% and 12.3% of revenue respectively, compared to 19.4% and 13.7% in Q1 2011 and 14.5% and 9.4% in the prior quarter. This represented an increase in absolute terms of $7.9 million over the prior quarter to $49.1 million. Q1 2012 SG&A included $3.4 million of one-off costs associated with the Convertible Bond Offering. Underlying(*) R&D and SG&A in Q1 2012 stood at 16.3% and 7.9% of revenue respectively, compared to 17.9% and 9.7% in Q1 2011.

Operating profit on an IFRS basis in Q1 2012 was $12.3 million or 7.4% of revenue. This compares to the $8.0 million or 8.1% of revenue achieved in Q1 2011 and 12.5% of revenue achieved in the prior quarter. The underlying(*) operating profit achieved in Q1 2012 was $21.5 million or 13.0% of revenue, compared with the underlying(*) operating profit of $13.8 million or 14.0% of revenue in Q1 2011 and $26.1 million or 15.2 % in the prior quarter. In Q1 2012 **underlying(*) EBITDA(**)** was $27.1 million or 16.3% of revenue compared to $17.2 million or 17.5% in Q1 2011 and $33.3 million or 19.4% in the prior quarter.

In total a net **tax charge** of $3.4 million was recorded in Q1 2012. Consequently, the overall effective tax rate for Q1 2012 was 27.0%.

In Q1 2012, on an IFRS basis, **net profit** was $9.1 million or 14 cents per basic share and 13 cents per diluted share. This compares to a net profit of $7.7 million or 12 cents per basic and diluted share delivered in Q1 2011 and a net profit of $19.1 million or 30 cents per basic and 28 cents per diluted share in the prior quarter. The underlying(*) **earnings per share** (diluted) in Q1 2012 was 27 cents. This compares to 20 cents in Q1 2011 and 35 cents in the prior quarter.

At the end of Q1 2012, our total **inventory** level was $80.7 million (or ~69 days), an increase of $18.1 million over the prior quarter and at a level which we feel is appropriate in order to service the accelerating demand expected of the business during the second half of 2012.

Cash generated from operations was $35.8 million. At the end of Q1 2012, we had a **cash and cash equivalents** of $136.3 million. This represents an increase of $22.8 million over the cash and cash equivalents over the prior quarter and demonstrates the strong cash generating ability of Dialog's operating model.

During Q1 2012, we launched a 5 year Convertible Bond Offering yielding gross proceeds of $201 million. The offering closed successfully on April 12th subsequent to the period end. The bonds, which are listed on the Luxembourg Stock Exchange's Euro MTF market, will be convertible into ordinary shares of Dialog Semiconductor, listed on the Regulated Market of the Frankfurt Stock Exchange. The Bonds were issued at 100% of their principal amount with a coupon of 1.0% per-annum payable semi-annually in arrear. The conversion price is $29.5717 (€22.367), representing a premium of 35 percent above the volume-weighted average price on XETRA of Dialog Semiconductor's ordinary shares to the time of pricing on 8 March.

(*) Underlying results are based on IFRS, adjusted to exclude share-based compensation charges and related charges for National Insurance (Q1 2012: $3.7 million), excluding one-time costs associated with the offering of a convertible bond (please refer to note 8 to the interim consolidated financial statements) (Q1 2012: $3.4 million), excluding amortisation of intangibles associated with the acquisition of SiTel Semiconductor ("SiTel") (Q1 2012: $1.5 million) and excluding amortisation expenses in relation to previously capitalised R&D expenses for close to end of life products from SiTel (Q1 2012: $0.6 million). The term "underlying" is not defined in IFRS and therefore may not be comparable with similarly titled measures reported by other companies. Underlying measures are not intended as a substitute for, or a superior measure to, IFRS measures.)

(**) EBITDA is defined as operating profit excluding depreciation for property, plant and equipment (Q1 2012: $2.7 million), amortisation for intangible assets (Q1 2012: $4.7 million) and losses on disposals and impairment of fixed assets (Q1 2012: 0.2 million).

OPERATIONAL OVERVIEW

Within the Mobile Systems group, our portable device design win momentum continued to accelerate during the first quarter, including additional platform design in success at a tier 1 Smartphone OEM in Asia, for our power management and audio technology. We continue to view both the Smartphone and Tablet PC markets, which emerged strongly in 2011 and underpinned our own strong revenue growth, as significant markets capable of supporting Dialog's on-going growth plans.

During the quarter we licensed the ARM® Cortex™ M0 processor for use in future generations of our power management ICs (PMICs). This will be the first time a standard 32-bit processor will be integrated into mixed signal PMICs. The combination will deliver superior digital processing capabilities, enabling Dialog system-level PMICs to provide extensive digital power control and precision battery management functions for portable devices. These PMICs are aimed at high-end multicore application processor-based platforms and deliver industry leading performance and efficiency, significantly increasing battery life.

We continue to strengthen our strategic alliance with TSMC and announced during the quarter that we were co-operating on a new 130 nm bipolar-CMOS-DMOS (BCD) technology, specifically tailored to high performance PMICs for portable devices. This will enable Dialog to create even more highly integrated, smaller form factor single chip devices optimised for portable products such as Tablet PCs, Ultrabooks and Smartphones as the industry moves towards 300 mm wafer adoption for mixed signal IC's. TSMC was also awarded the Dialog 2011 Supplier of the Year Award at our office opening event in Taipei during the quarter.

Within our Connectivity group, in Q1 2012, we launched the latest member of our Green VOIP family - SC14453 - targeting high end phones. The single chip processor enters Dialog's VoIP portfolio as its flagship product and integrates hardware blocks for best-in-class audio, security and graphics functionality. Our SmartPulse™ smart wireless sensor technology based on ultra-low power DECT technology continues to see increased design wins for adoption in home automation control over the internet and personal medical pendant devices.

To capitalise on the opportunity in Asia, particularly for the increasing demand we see for the adoption of integrated PMICs in Ultrabooks, Smartphones and Tablets, we opened during the first quarter a new Asian headquarters in Taipei, Taiwan.

OUTLOOK

In Q2 2012, we expect to deliver revenue for the quarter in the range of $158 to $168 million, representing further significant year on year growth. We are now increasingly confident in our ability to meet current market revenue expectations for the full year, driven by a stronger seasonal second half and anticipated new product launches from our customers.

We continue to believe that the positive trend of gradual incremental gross margin improvement achieved in Q1, will continue through 2012, supported by our increasing supply chain visibility.

Dialog Semiconductor invites you today at 09:00 London / 10:00 Frankfurt time to listen to and participate in a live conference call including a management discussion of Q1 2012 performance. To access the call please use the following dial-in numbers: Germany: 0800 101 4960, UK: 0800 694 0257, US: US 1866 966 9439, Rest of World: +44 (0)1452 555 566 with no access code required. An instant replay facility will be available for 30 days after the call and can be accessed at on +44 (0)1452 550 000 with access code 66707114#. An audio replay of the conference call will also be posted soon thereafter on the company's website at:

http://www.diasemi.com/investor_relations.php

Additional information to this release including the company's consolidated income statement, consolidated balance sheet and consolidated statements of cash flows for the period ending 30 March 2012 is available under the investor relations section of the Company's web site.

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Note to Editors:

Dialog Semiconductor creates, highly integrated, mixed-signal integrated circuits (ICs) optimised for personal portable, low energy short-range wireless, lighting, display and automotive applications. The company provides flexible and dynamic support, world-class innovation and the assurance of dealing with an established business partner.

With its focus and expertise in energy efficient system power management, and now with the recent addition of low energy short range wireless and VoIP technology to the portfolio, Dialog brings decades of experience to the rapid development of ICs for personal portable applications including smartphones, tablet PCs, digital cordless phones and gaming applications.

Dialog's power management processor companion chips are essential for enhancing both the performance in terms of extended battery lifetime and the consumers' multimedia experience. With world-class manufacturing partners, Dialog operates a fabless business model.

Dialog Semiconductor plc is headquartered near Stuttgart with a global sales, R&D and marketing organisation. In 2011, it had approximately $527 million in revenue and was one of the fastest growing European public semiconductor companies. It currently has approximately 675 employees. The company is listed on the Frankfurt (FWB: DLG) stock exchange and is a member of the German TecDax index.

Forward Looking Statements:

This press release contains “forward-looking statements” that reflect management’s current views with respect to future events. The words “anticipate,” “believe,” “estimate, “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in the semiconductor and telecommunications markets; changes in currency exchange rates and interest rates, the timing of customer orders and manufacturing lead times, insufficient, excess or obsolete inventory, the impact of competing products and their pricing, political risks in the countries in which we operate or sale and supply constraints. If any of these or other risks and uncertainties occur (some of which are described under the heading “Risks and their management” in Dialog Semiconductor’s most recent Annual Report) or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement which speaks only as of the date on which it is made, however, any subsequent statement will supersede any previous statement.