Press release – 9 May 2018

DIALOG SEMICONDUCTOR REPORTS RESULTS FOR THE FIRST QUARTER ENDED 30 MARCH 2018

Record first quarter revenue up 23% year-on-year to US$332 million and increased operating profit

London, UK, 9 May 2018 – Dialog Semiconductor Plc (XETRA: DLG), a provider of highly integrated power management, AC/DC, solid state lighting and Bluetooth® low energy wireless technology, today reports unaudited results for the first quarter ended 30 March 2018.

Q1 2018 financial highlights

- Revenue of US$332 million, up 23% year-on-year and in line with the February guidance.
- Revenue includes the contribution from Silego Technology Inc. ("Silego") and all operational segments delivered year-on-year revenue growth.
- Gross margin at 46.3% and underlying[1] gross margin at 47.2%, both below Q1 2017 and in line with the February guidance.
- Operating profit of US$32.9 million, up 13% year-on-year. Underlying[1] operating profit of US$52.5 million, up 21% year-on-year.
- All operational business segments delivered operating profit on an underlying[1] basis. Advanced Mixed Signal was not profitable on IFRS basis.
- Diluted EPS of US$0.22 (Q1 2017: US$0.29) and underlying[1] diluted EPS of US$0.53 (Q1 2017: US$0.43).
- Cash flow from operating activities of US$50 million (Q1 2017: US$101 million). US$32 million of free cash flow[1] generated in Q1 2018 (Q1 2017: US$86 million). US$501 million of cash and cash equivalents, US$222 million below 31 March 2017, following the acquisition of Silego.

Q1 2018 operational highlights

- Design engagement momentum for custom Power Management ICs (PMICs) at leading smartphone OEM.
- Integration of Silego progressing according to plan.
- Launched the first Configurable Mixed-signal ICs (CMICs) that can be programmed in-system, strengthening Dialog's presence in consumer and industrial applications.
- Maintained a commanding market share in the smartphone rapid charge segment.
- USBPD chipset was adopted by Hosiden to support the requirements of their leading Telco provider customers.
- Built a solid presence in the Bluetooth® low energy market, delivering 45% year-on-year revenue growth, with our SmartBond™ SoCs.
- Design-win momentum for SmartBeat™, our wireless audio IC targeting the consumer headset market.
- Accelerated a complete wireless charging IC roadmap following FCC approval of Energous, Mid-Field WattUp® transmitter reference design.
- Subsequent to quarter end, the CMIC reached a significant milestone with over 3.5 billion units shipped to date.

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

"We started 2018 with a record first quarter revenue and I am pleased to report robust year-on-year revenue growth in line with our guidance, with all business segments contributing to the solid underlying financial performance. The integration of Silego has progressed well and the launch of the first CMIC which can be programmed in-system is an exciting step.

As we look ahead into 2018, our competitive positioning in mobility and IoT remains strong. We are investing in the development of differentiated technology and partnerships to generate future revenue growth opportunities. This, combined with a strong pipeline of new products and customer design-ins, gives me confidence about our good prospects for the coming year."

1 Underlying measures and free cash flow quoted in this Press Release are non-IFRS measures (see page 5).

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Outlook

Based on our current visibility and typical seasonal trends, we anticipate revenue for Q2 2018 to be in the range of US$275-US$305 million.

Good business momentum and a pipeline of key product launches, give us confidence 2018 will be a year of good revenue growth. As in previous years, revenue performance will be strongly weighted towards the second half of the year.

In line with the anticipated revenue performance, we expect gross margin for Q2 2018 to be slightly above Q1 2018 and FY 2018 to be broadly in line with FY 2017.

Financial overview

IFRS basis

US$ millions unless stated otherwise	**Q1 2018**	Q1 2017	Change
Revenue	**332.2**	271.0	+23%
Gross margin[2]	**46.3%**	47.6%	-130bps
R&D %[2,3]	**24.4%**	24.8%	-40bps
SG&A %[3]	**12.1%**	12.0%	+10bps
Operating profit	**32.9**	29.1	+13%
Operating margin	**9.9%**	10.7%	-80bps
Net income	**17.4**	23.1	-25%
Basic EPS $	**0.24**	0.31	-23%
Diluted EPS $	**0.22**	0.29	-24%
Cash flow from operating activities	**49.6**	100.7	-51%

Underlying

US$ millions unless stated otherwise	**Q1 2018**	Q1 2017	Change
Revenue	**332.2**	271.0	+23%
Gross margin[2]	**47.2%**	47.8%	-60bps
R&D %[2,3]	**22.1%**	22.4%	-30bps
SG&A %[3]	**9.4%**	9.4%	0bps
EBITDA	**66.5**	57.4	+16%
EBITDA %	**20.0%**	21.2%	-120bps
Operating profit	**52.5**	43.2	+21%
Operating margin	**15.8%**	15.9%	-10bps
Net income	**40.9**	34.4	+19%
Basic EPS $	**0.56**	0.46	+22%
Diluted EPS $	**0.53**	0.43	+23%

2 2017 Gross margin and R&D % are presented on a consistent basis. Further information regarding the reclassification of certain product development costs is presented on page 6 and in note 1 to the interim financial statements.

3 R&D and SG&A as a percentage of revenue.

Revenue in Q1 2018 was up 23% year-on-year to US$332 million. Excluding the contribution of the acquisition of Silego (Q1 2018: US$ 22.3 million), revenue was up 14% year-on-year due to the solid performance of the Mobile Systems, Connectivity and Automotive & Industrial segments. In Q1 2018 we adopted IFRS 15 and applied the modified retrospective approach (see note 14 of the Q1 2018 interim report). Mobile Systems was up 17% year-on-year. The strong year-on-year performance was driven by the increased value of our latest generation of highly-integrated power management solutions. In Q1 2018, Advanced Mixed Signal was up 73% year-on-year. Excluding revenue from Silego Advanced Mixed Signal was down 3% year-on-year, as a result of the soft demand for traditional AC/DC converters offseting growth in rapid charge adapters. Connectivity was up 21% year-on-year. The year-on-year increase was driven by 45% revenue growth in Bluetooth® low energy products alongside healthy revenue growth in our DECT based products. Automotive & Industrial was up 18% year-on-year, due to higher volumes in the automotive segment.

In Q1 2018 we changed the classification of the amortisation of capitalised product development costs, the amortisation of acquired developed technology and royalties. These costs were previously included in cost of sales and they are now included in R&D expenses (see table on page 6 for full details). This change had no impact on operating profit and we made it to improve the comparability of our results with our industry peers. Q1 2018 gross margin was 46.3%, 130bps below Q1 2017 due to the US$2.4 million consumption of the fair value uplift on inventory acquired with Silego and product mix. Q1 2018 underlying[1] gross margin was 47.2%, 60bps below Q1 2017 mainly as a result of product mix.

Operating expenses (OPEX) comprising SG&A and R&D expenses, in Q1 2018 was up 21% year-on-year to US$121.0 million, or 36.5% of revenue (Q1 2017: 36.8%). Underlying[1] OPEX in Q1 2018 was also up 21% year-on-year to US$104.7 million, or 31.5% of revenue (Q1 2017: 31.8%). The year-on-year increase in OPEX and underlying OPEX was mainly due to higher R&D expense and the consolidation of Silego into the Group.

R&D expense in Q1 2018 was up 20% from Q1 2017 to US$80.9 million. The year-on-year increase in R&D expense was the result of the consolidation of Silego into the Group alongside the ongoing investment in application-specific customer opportunities and programmes supporting the diversification of the business. In Q1 2018 we incurred US$0.2 million of costs relating to the integration of Silego. As a percentage of revenue, R&D in Q1 2018 was down 40bps year-on-year to 24.4%. On an underlying[1] basis, R&D expense was up 21% from Q1 2017 to US$73.3 million. As a percentage of revenue, underlying R&D in Q1 2018 was 30bps below Q1 2017 at 22.1%.

SG&A expense in Q1 2018 was up 23% from Q1 2017 to US$40.1 million. This increase was largely due to the consolidation of Silego into the Group. In Q1 2018, we incurred US$0.5 million of integration costs relating to the acquisition of Silego. As a percentage of revenue, SG&A in Q1 2018 was broadly in line with Q1 2017 at 12.1% (Q1 2017: 12.0%). Underlying[1] SG&A in Q1 2018 was also up 23% over Q1 2017 to US$31.4 million. The increase in underlying SG&A was driven by the same reason mentioned above. As a percentage of revenue, underlying SG&A was in line with Q1 2017 at 9.4% (Q1 2017: 9.4%).

Operating profit in Q1 2018 was US$32.9 million, up 13% year-on-year reflecting the increased revenue partially offset by higher cost of sales and OPEX. Operating profit margin in the quarter was 9.9%, 80bps below Q1 2017, mainly due to the lower gross margin and the purchase price accounting adjustments related to the acquisition of Silego. Underlying[1] operating profit was US$52.5 million, up 21% year-on-year mainly driven by the revenue growth partially offset by lower gross margin. Underlying operating margin in the quarter was 15.8%, broadly in line with Q1 2017.

The effective tax rate in Q1 2018 was 37.4% (Q1 2017: 21.2%). Our high effective tax rate for Q1 2018 is principally due to the distorting effect on our income tax expense of the tax and accounting treatments of share-based compensation, business combinations and certain of our strategic investments. The underlying effective tax rate in Q1 2018 was 21.0%, down 170bps on the Q1 2017 underlying effective tax rate of 22.7%.

In Q1 2018, net income was down 25% year-on-year due to a net loss of US$5.1 million, resulting from currency translation and the fair valuation of the Energous warrants, and the higher income tax expense. Underlying[1] net income was up 19% year-on-year. The year-on-year increase in underlying net income was mainly driven by the operating profit movement. Diluted EPS in Q1 2018 was down 24% year-on-year. Underlying diluted EPS in Q1 2018 was up 23% year-on-year.

At the end of Q1 2018, our total inventory level was US$138 million, 18% below the previous quarter (or ~70 days), representing a 9-day increase in our days of inventory from the previous quarter. During Q2 2018, we expect inventory value and days of inventory to increase from Q1 2018 ahead of the ramp of new products in H2 2018.

At the end of Q1 2018, we had a cash and cash equivalents balance of US$501 million. Cash flow from operating activities in Q1 2018 was US$50 million, 51% below Q1 2017 (Q1 2017: US$101 million) mainly as a result of working capital movements and the timing of income tax payments. Free cash flow in Q1 2018 was US$32 million, 63% below Q1 2017 (Q1 2017: US$86 million) mostly due to the lower cash flow from operating activities.

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Operational overview

Dialog is a fabless semiconductor company primarily focused on the development of highly-integrated mixed-signal products for consumer electronics. Our highly-skilled engineers, partnership approach, operational flexibility and the quality of our products are sources of competitive advantage.
Our primary end markets are consumer markets such as mobility and the Internet of Things (IoT). The increasing adoption of standard technologies, such as Bluetooth® low energy or LED lighting, and the expansion of high-performance processors into infotainment systems, has contributed to the expansion of our presence in the automotive segment. In line with our strategic goals, during 2018 we will continue with the expansion of our product portfolio through a combination of organic and inorganic initiatives.

Mobile Systems
During Q1 2018, the Mobile Systems business segment delivered 17% year-on-year growth.

Mobile Systems is gradually expanding its product portfolio of Application Specific Standard Products (ASSP) with next generation Charger ICs and nanopower PMICs. The ultra-compact nanopower PMICs provide high efficiency and flexibility for wearables, smart home applications and many other connected devices.

In Q1 2018, we also added new custom PMIC design wins for next generation models at our largest customer. These opportunities and all other opportunities from our largest customer are made available to us on a product by product basis and depend on our ability to work to the highest technical standards, develop leading-edge technology and a commitment to provide high-quality products at appropriate prices and volumes. We recognize that Apple has the resources and capability to design a PMIC of its own. We will continue to support our largest customer as this relationship evolves and develops over time.

In parallel, we continued to leverage our power management technology into new markets and geographies through the expansion of our platform reference designs. Our partnership with Spreadtrum provides Dialog with an opportunity to expand market share in mobility in China and Southeast Asia, and the collaborations with Renesas and Xilinx strengthen Dialog's presence in the automotive segment.

Advanced Mixed Signal
In Q4 2017 we created the Advanced Mixed Signal segment, grouping the Power Conversion segment and the business from the acquisition of Silego. During Q1 2018, Advanced Mixed Signal was up 73% year-on-year. Excluding revenue from Silego, Advanced Mixed Signal was down 3% year-on-year as a result of soft demand for traditional AC/DC converters offsetting growth in rapid charge adapters.

In Q1 2018, Hosiden selected Dialog's USBPD Type-C chipset for one of Japan's leading Telco providers. During 2018 we expect market adoption of new charging technologies, like USBPD Type-C, to become more prevalent from the second half of this year. Dialog has successfully maintained a commanding market share in the rapid charge market through a combination of differentiated technology, speed of execution and wide support of rapid charge protocols. Our RapidCharge™ solutions for power adapters had approximately 60% share[4] of the rapid charge adapter market for smartphones at the end of 2017.

Our broad product portfolio in Solid-State Lighting (SSL) LED driver ICs and exclusive digital conversion technologies enable high quality solutions at a low cost. During Q1 2018 our SSL LED business grew at a solid pace and the acquisition of the LED backlighting technology from ams AG in November 2017 has enabled us to expand our customer base, grow our share of the high-end TV market, and target the mobile and automotive display markets over the medium term.

The acquisition of Silego in November 2017 contributed to the expansion of our product portfolio. In Q1 2018 we launched the first Configurable Mixed-signal ICs (CMICs) that can be programmed in-system, the GreenPAK™ SLG46824 and SLG46826. The ultra-low power consumption and in-system programming, enables customers to rapidly customise and integrate multiple analog, logic and discrete components into a single chip.

This technology will contribute to the expansion of our customer base and strengthen our presence in IoT, mobile computing and automotive. During the quarter we entered the mobile market in Asia with a CMIC design win in China.

Connectivity
During Q1 2018, the Connectivity Segment delivered 21% year-on-year revenue growth.

Revenue from SmartBond™ System-on-Chip (SoC) was up 45% year-on-year, a strong indication of the value we bring to customers and the continuing adoption of the technology across a wide range of applications. The Bluetooth® low energy market is estimated to grow 26% CAGR over the 2016-2020 period[5]. Our strategy remains focused on targeted verticals, like wearables, proximity tags, smart home, or gaming accessories. The latest additions to our portfolio enable increased security for IoT devices and new use cases such as Bluetooth® mesh.

Our portfolio of DECT products performed well during the quarter, delivering 8% year-on-year revenue growth with solid performance from customers such as Plantronics and Panasonic.

The Connectivity Segment is targeting the consumer headset market with SmartBeat™ wireless Audio IC. This technology enables a new immersive headset experience and supports both wired USB 3.0 Type-C™ and Bluetooth® based consumer headsets. The DA14195 is currently being evaluated by a number of leading consumer brands for gaming and USB Type-C™ headsets.

Automotive and Industrial
Automotive & Industrial delivered 18% year-on-year revenue growth in Q1 2018. This solid result was driven by higher year-on-year volumes in the automotive segment.

4 Dialog own estimates.
5 Source: IHS Technology Q3 2017 Report, 26 October 2017.

Other business initiatives

Our strategic partnership with Energous Corporation continued to develop, aiming to drive market adoption of true over the air wireless charging by combining Energous' uncoupled wireless charging technology and Dialog's power saving technologies. In Q1 2018, we announced the acceleration of a complete product roadmap. This announcement was possible after the Federal Communications Commission (FCC) certification of the Mid Field WattUp® transmitter reference design.

Non-IFRS measures

Underlying measures of performance and free cash flow quoted in this press release are non-IFRS measures. Our use of underlying measures and reconciliations of the underlying measures to the nearest equivalent IFRS measures are presented in Section 3 of the Q1 2018 Interim report. For ease of reference, we present below reconciliations for the non-IFRS measures quoted in this press release:

Q1 2018

US$000 unless stated otherwise	IFRS basis	Share-based compensation and related payroll taxes	Accounting for business combinations	Integration costs	Effective interest	Strategic investments	Underlying basis
Revenue	332,155	–	–	–	–	–	332,155
Gross profit	153,768	642	2,388	13	–	–	156,811
SG&A expenses	(40,115)	4,638	3,671	448	–	–	(31,358)
R&D expenses	(80,905)	5,068	2,313	228	–	–	(73,296)
Other operating income	135	–	158	–	–	–	293
Operating profit	32,883	10,348	8,530	689	–	–	52,450
Other finance expense	(4,438)	–	711	–	33	3,536	(158)
Profit before income taxes	28,445	10,348	9,241	689	33	3,536	52,292
Income tax expense	(10,637)	761	(1,202)	(145)	(6)	233	(10,996)
Profit after income taxes	17,808	11,109	8,039	544	27	3,769	41,296
Share of loss of associate	(372)	–	–	–	–	–	(372)
Net income	17,436	11,109	8,039	544	27	3,769	40,924

Q1 2017

US$000 unless stated otherwise	IFRS basis	Share-based compensation and related payroll taxes	Accounting for business combinations	Effective interest	Strategic investments	Underlying basis
Revenue	270,974	–	–	–	–	270,974
Gross profit	128,955	536	–	–	–	129,491
SG&A expenses	(32,602)	5,243	1,824	–	–	(25,535)
R&D expenses	(67,260)	4,737	1,768	–	–	(60,755)
Operating profit	29,093	10,516	3,592	–	–	43,201
Other finance income	246	–	–	95	973	1,314
Profit before income taxes	29,339	10,516	3,592	95	973	44,515
Income tax expense	(6,220)	(3,355)	(209)	(18)	(318)	(10,120)
Net income	23,119	7,161	3,383	77	655	34,395

Accounting for business combinations

US$000	Q1 2018	Q1 2017
Amortisation of acquired intangible assets	5,657	3,592
Fair value uplift of acquired inventory	2,388	–
Consideration accounted for as compensation expense	454	–
Forfeiture of deferred consideration	(127)	–
Remeasurement of contingent consideration	869	–
Increase in profit before income taxes	9,241	3,592
Income tax credit	(1,202)	(209)
Increase in net income	8,039	3,383

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EBITDA

US$000	**Q1 2018**	Q1 2017
Net income	**17,436**	23,119
Net finance expense/(income)	**4,438**	(246)
Income tax expense	**10,637**	6,220
Depreciation expense	**7,893**	7,414
Amortisation expense	**11,786**	10,419
Share of loss of associate	**372**	–
EBITDA	**52,562**	46,926
Share-based compensation and related payroll taxes	**10,348**	10,516
Fair value uplift of acquired inventory	**2,388**	–
Consideration accounted for as compensation expense	**454**	–
Forfeiture of deferred consideration	**(127)**	–
Change in estimate of contingent consideration	**158**	–
Integration costs	**689**	–
Underlying EBITDA	**66,472**	57,442

Free cash flow

US$000	**Q1 2018**	Q1 2017
Cash flow from operating activities	**49,649**	100,653
Purchase of property, plant and equipment	**(9,054)**	(6,176)
Purchase of intangible assets	**(1,776)**	(935)
Payments for capitalised development costs	**(6,119)**	(6,212)
Capital element of finance lease and hire purchase payments	**(818)**	(1,478)
Free cash flow	**31,882**	85,852

Impact of reclassification of certain R&D expenses

US$ millions unless stated otherwise	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Gross margin IFRS	230bps	200bps	160bps	140bps	180bps	160bps	110bps	130bps	130bps
Gross margin Underlying	170bps	130bps	120bps	100bps	120bps	110bps	50bps	50bps	80bps
R&D % IFRS	-230bps	-210bps	-160bps	-150bps	-180bps	-160bps	-110bps	-130bps	-130bps
R&D % Underlying	-170bps	-140bps	-120bps	-100bps	-120bps	-110bps	-50bps	-50bps	-80bps
Gross profit									
IFRS reported	122.6	118.6	170.1	209.3	620.7	546.7	624.8	514.8	351.8
IFRS new	129.0	123.8	176.2	216.0	644.9	566.7	639.2	529.0	363.6
Underlying reported	124.9	120.8	172.3	213.7	631.7	554.9	632.3	523.4	367.5
Underlying new	129.5	124.2	176.6	218.2	648.4	567.8	640.1	529.9	374.4
Gross margin									
IFRS reported	45.3%	46.4%	46.9%	45.2%	45.9%	45.7%	46.1%	44.5%	39.0%
IFRS new	47.6%	48.4%	48.5%	46.6%	47.7%	47.3%	47.2%	45.8%	40.3%
Underlying reported	46.1%	47.3%	47.5%	46.1%	46.7%	46.3%	46.7%	45.3%	40.5%
Underlying new	47.8%	48.6%	48.7%	47.1%	47.9%	47.4%	47.2%	45.8%	41.3%
R&D									
IFRS reported	61.0	67.3	72.1	78.5	278.8	241.3	223.2	213.8	159.3
IFRS new	67.3	72.5	78.2	85.1	303.0	261.4	237.6	228.0	171.1
Underlying reported	56.2	63.4	68.0	71.5	259.1	227.8	211.9	202.2	154.4
Underlying new	60.8	66.8	72.3	75.9	275.8	240.7	219.7	208.7	161.2
R&D %									
IFRS reported	22.5%	26.3%	19.9%	16.9%	20.6%	20.2%	16.5%	18.5%	17.7%
IFRS new	24.8%	28.4%	21.5%	18.4%	22.4%	21.8%	17.5%	19.7%	19.0%
Underlying reported	20.7%	24.8%	18.7%	15.4%	19.2%	19.0%	15.6%	17.5%	17.0%
Underlying new	22.4%	26.2%	19.9%	16.4%	20.4%	20.1%	16.2%	18.1%	17.8%

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Dialog Semiconductor invites you today at 09.30 am (London) / 10.30 am (Frankfurt) to take part in a live conference call and to listen to management's discussion of the Company's Q1 2018 performance, as well as guidance for Q2 2018. Participants will need to register using the link below labelled 'Online Registration'. A full list of dial in numbers will also be available. To register for the webcast and receive dial in numbers, the conference PIN and a unique User ID please click on the link below:

http://members.meetingzone.com/selfregistration/registration.aspx?booking=5zxNCwActR0ddOIuXcl9xSOFtptAE3HTn7kQSNVUPnI=&b=d58ae4ab-80e5-47f2-8295-e04d92bbba83

In parallel to the call, the presentation will be available at:

http://webcast.openbriefing.com/semiconductor_q1_results_09052018/

A replay will be posted on the Dialog website four hours after the conclusion of the presentation and will be available at:

http://www.dialog-semiconductor.com/investor-relations

The full release including the Company's condensed consolidated income statement, consolidated balance sheet, consolidated statements of cash flows and financial notes for the quarter ended 30 March 2018 is available under the investor relations section of the Company's website at:

https://www.dialog-semiconductor.com/investor-relations/results-center

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Note to editors

Dialog Semiconductor provides highly integrated standard (ASSP) and custom (ASIC) mixed-signal integrated circuits (ICs), optimised for smartphone, tablet, IoT, LED Solid-State Lighting (SSL), and Smart Home applications. Dialog brings decades of experience to the rapid development of ICs while providing flexible and dynamic support, world-class innovation and the assurance of dealing with an established business partner. With world-class manufacturing partners, Dialog operates a fabless business model and is a socially responsible employer pursuing many programs to benefit the employees, community, other stakeholders and the environment we operate in.

Dialog's power saving technologies including DC-DC configurable system power management deliver high efficiency and enhance the consumer's user experience by extending battery lifetime and enabling faster charging of their portable devices. Its technology portfolio also includes audio, Bluetooth® Low Energy, Rapid Charge™ AC/DC power conversion and multi-touch.

Dialog Semiconductor plc is headquartered in London with a global sales, R&D and marketing organisation. In 2017, it had US$1.4 billion in revenue and approximately 2,070 employees worldwide. The company is listed on the Frankfurt (XETRA: DLG) stock exchange (Regulated Market, Prime Standard, ISIN GB0059822006) 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 "Managing risk and uncertainty" 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.