

# **Dialog Semiconductor Financial Year 2007**

Additional information to the adhoc release as of March 04, 2008

# Dialog Semiconductor Plc

## Consolidated Income Statement

	2007	2006
(in thousands, except per share data)	\$	\$
Revenues	86,773	93,938
Cost of sales	(57,812)	(76,435)
<b>Gross profit</b>	<b>28,961</b>	<b>17,503</b>
Selling and marketing expenses	(7,253)	(7,190)
General and administrative expenses	(7,945)	(17,644)
Research and development expenses	(31,105)	(27,529)
Other operating income	1,190	-
Net restructuring and related impairment charges	(1,120)	(6,115)
<b>Operating loss</b>	<b>(17,272)</b>	<b>(40,975)</b>
Impairment of investments	(2,662)	-
Interest income	1,053	1,356
Interest expense	(84)	(204)
Foreign currency exchange gains and losses	519	(2,084)
Other financial income	44	-
Other financial expenses	(447)	-
<b>Result before income taxes</b>	<b>(18,849)</b>	<b>(41,907)</b>
Income tax benefit (expense)	(136)	158
<b>Net loss from continuing operations</b>	<b>(18,985)</b>	<b>(41,749)</b>
Loss from discontinued operations	-	(2,267)
<b>Net loss</b>	<b>(18,985)</b>	<b>(44,016)</b>
<b>Net loss per share</b>		
Basic and diluted	(0.42)	(0.99)
<b>Net loss per share from continuing operations</b>		
Basic and diluted	(0.42)	(0.94)
<b>Weighted average number of shares (in thousands)</b>		
Basic and diluted	44,938	44,549

# Dialog Semiconductor Plc

## Consolidated Balance Sheet

(in thousands)	At 31 December 2007	At 31 December 2006
	\$	\$
<b>ASSETS</b>		
Cash and cash equivalents	15,923	32,032
Available-for-sale financial assets	15,921	19,351
Trade accounts receivable and other receivables	2,569	4,666
Inventories	17,051	7,459
Other financial assets	336	-
Other current assets	1,866	1,938
	<b>53,666</b>	<b>65,446</b>
Non current assets classified as held for sale	-	1,393
<b>Total current assets</b>	<b>53,666</b>	<b>66,839</b>
Property, plant and equipment, net	10,452	12,417
Intangible assets	2,443	1,579
Held to maturity securities	4,000	-
Investments	-	1,620
Deposits	209	231
Assets for current tax	453	443
<b>Total non-current assets</b>	<b>17,557</b>	<b>16,290</b>
<b>TOTAL ASSETS</b>	<b>71,223</b>	<b>83,129</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Trade and other payables	14,735	9,109
Provisions	978	1,430
Income taxes payable	40	28
Other current liabilities	1,778	1,893
<b>Total current liabilities</b>	<b>17,531</b>	<b>12,460</b>
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
Ordinary Shares	9,328	9,328
Additional paid-in capital	222,914	222,781
Accumulated deficit	(177,844)	(159,764)
Other reserves	(501)	(1,444)
Employee stock purchase plan shares	(205)	(232)
<b>Net Shareholders' equity</b>	<b>53,692</b>	<b>70,669</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>71,223</b>	<b>83,129</b>

# Dialog Semiconductor Plc

## Consolidated Statements of Cash Flows

	2007	2006
(in thousands)	\$	\$
<b>Cash flows from operating activities:</b>		
Net loss	(18,985)	(44,015)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Interest income, net	(969)	(1,152)
Other income tax expense	136	(158)
Impairment of inventories	937	7,899
Impairment of trade accounts receivable	-	2,644
Impairment of investment	2,662	-
Depreciation of property, plant and equipment	5,486	7,087
Amortization of intangible assets	900	3,883
Losses on disposals of fixed assets and Impairment of fixed and financial assets	743	1,472
Expense related to share-based payments	905	1,157
Restructuring and related impairment charges	332	5,473
<b>Changes in working capital:</b>		
Trade accounts receivable and other receivables	(6,816)	30,042
Factoring	8,913	-
Inventories	(10,529)	7,254
Prepaid expenses	(321)	154
Trade accounts payable	6,290	(5,814)
Provisions	(461)	(175)
Other assets and liabilities	(496)	(874)
<b>Cash generated from (used for) operations</b>	<b>(11,273)</b>	<b>14,877</b>
Interest paid	(76)	(8)
Interest received	1,153	1,410
Income taxes paid	(53)	(48)
<b>Cash flow from (used for) operating activities</b>	<b>(10,249)</b>	<b>16,231</b>
<b>Cash flows from investing activities:</b>		
Sale of property, plant and equipment	1,081	-
Purchases of property, plant and equipment	(4,146)	(3,733)
Purchases of intangible assets	(1,100)	(1,333)
Payments for capitalized development costs	(724)	-
Investments and deposits made	(1,021)	(1,564)
Purchase of securities	(26,621)	-
Sale of Securities	26,471	-
<b>Cash used for investing activities</b>	<b>(6,060)</b>	<b>(6,630)</b>
<b>Cash flows from financing activities:</b>		
Sale of employee stock purchase plan shares	159	279
<b>Cash flow from financing activities</b>	<b>159</b>	<b>279</b>
<b>Cash flow from (used for) operating, investing and financing activities</b>	<b>(16,150)</b>	<b>9,880</b>
Effect of foreign exchange rate changes on cash and cash equivalents	41	(150)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16,109)</b>	<b>9,730</b>
Cash and cash equivalents at beginning of period	32,032	22,302
Cash and cash equivalents at end of period	15,923	32,032