



July 31, 2002

Skyworks Announces Third Quarter Fiscal 2002 Results

Combined Business Delivers 7 Percent Sequential Revenue Increase; Up 65 Percent on a Year-Over-Year Basis; Expects 10 Percent Growth to \$150 Million in September-Ending Quarter

WOBURN, Mass., Jul 31, 2002 (BUSINESS WIRE) -- Skyworks Solutions Inc. (Nasdaq:SWKS), the industry's leading wireless semiconductor company focused on radio frequency (RF) and complete semiconductor system solutions for mobile communications applications, today announced revenues of \$113 million, and a net loss of \$182 million for the third quarter of fiscal 2002, which ended on June 28, 2002.

In connection with the consummation of the merger between Alpha Industries Inc. and Conexant Systems Inc.'s wireless communications business, the results for the third quarter reflect the application of reverse merger accounting principles under GAAP which provide that the historical results of Conexant's wireless business be treated as the historical results of the combined entity.

Accordingly, the third quarter results reflect three months of Conexant's wireless business together with three days of Alpha's operations, which occurred after the merger closed on June 25, 2002. Also, the net loss contains a number of one-time items associated with the merger transaction and the implementation of cost-reduction initiatives.

"On a pro forma basis, assuming Alpha and Conexant's wireless business were together throughout the entire quarter, revenues would have been \$137 million, up 7 percent sequentially, with a \$19 million operating loss, excluding one-time items, in line with the guidance that both businesses established at the beginning of the quarter," said David J. Aldrich, Skyworks' president and chief executive officer.

"Overall I am extremely pleased with the performance of our newly combined business over the past few months, particularly given that we successfully completed the many merger-related tasks within the aggressive timetable set forth back in December," Aldrich added. "With the merger complete, we have intensified focus on our core strategic objectives of leveraging our product depth and breadth across our diversified customer base, growing significantly faster than the overall market, returning to operating profitability this year and steadily marching towards our target model of a 15 percent operating margin."

Business Accomplishments

- Launched Skyworks on schedule and began trading under new "SWKS" ticker symbol
- Integrated engineering, marketing and sales teams, support infrastructures and IT systems
- Rationalized portfolio to focus on products with the highest growth potential and margin contribution
- Streamlined organizational structure for better business agility
- Implemented a set of cost reduction initiatives to return to profitability
- Secured a \$100 million line of credit

Product Highlights

Front-End Modules

- Leveraged portfolio of multi-throw switches and currently participate in virtually every Motorola CDMA and GSM platform
- Commenced initial switch volume shipments to Samsung, the first customer synergy resulting from the merger
- Ramped the industry's smallest 4 x 4 mm CDMA power amplifier (PA) module across half a dozen OEMs

RF Subsystems

- Extended GSM/GPRS direct conversion transceiver customer list to 20 and increased total design win tally to 35
- Grew direct conversion transceiver unit volume by more than 125 percent sequentially
- Launched development of next generation RF system -- integrating a direct conversion transceiver, PA module, switch and filter in a single package radio

Cellular Systems

- Introduced AirForce -- a next generation GPRS system solution integrating all front-end, direct conversion transceiver and baseband processing functions as well as a software protocol stack approved on more than 60 networks in approximately 30 countries
- Expanded Asia Pacific, European and Japanese OEM and ODM customer base with three additional customers
- Reached a key milestone with shipment of 10 millionth chipset, marking initial success of the company's comprehensive design approach

Cost-Reduction Initiatives

During the quarter, Skyworks implemented a series of initiatives to take advantage of merger-related operational and product synergies. Previously announced actions include:

- Closing an assembly and test facility in Haverhill, Mass. to take advantage of economies of scale at the company's Mexicali, Mexico operation
- Consolidating a Frederick, Md. Trans-Tech Inc. subsidiary into the company's nearby Adamstown, Md. location
- Combining numerous Newport Beach, Calif. facilities into one location in Irvine, Calif.

Subsequently, the company has taken the additional step of transferring its InGaP process technology, equipment and key personnel from its Sunnyvale, Calif. site to its Newbury Park, Calif. fabrication facility. When complete, the combination of these actions will reduce worldwide headcount by 11 percent, from approximately 4,200 employees at the time of the merger closing to 3,750, which includes 1,900 located at the company's assembly and test operation in Mexicali.

Fourth Quarter Fiscal 2002 Outlook

"Based on our current book-to-bill of 1.14, we expect sequential revenue growth of approximately 10 percent to \$150 million in the September-ending quarter," Aldrich said. "Operationally, we anticipate that our gross margin will improve significantly and expand to the 35 to 37 percent range as a result of the initiatives we introduced last month.

"At the same time, we are projecting operating expenses of \$60 million in the quarter. In turn, we expect to approach operating break-even this quarter. Further, we anticipate continued growth and operational improvements in the December quarter, enabling us to achieve operating profitability by year-end," Aldrich concluded.

Skyworks' Third Quarter Conference Call

Skyworks will host a conference call at 5 p.m. ET (2 p.m. PT) today to discuss its third quarter fiscal 2002 financial results. To listen to the conference call via telephone, call 866/710-0179 (domestic) or 334/323-9871 (international), security code: Skyworks.

To listen via the Internet, visit the investor relations section of Skyworks' Web site at www.skyworksinc.com. Playback of the conference call will begin at 9 p.m. ET on Wednesday, July 31, and end at 9 p.m. ET on Wednesday, Aug. 7, 2002.

The replay will be available on Skyworks' Web site or by calling 800/858-5309 (domestic) or 334/323-7226 (international); access code: 40784, pass code: 54932.

About Skyworks

Skyworks Solutions is the industry's leading wireless semiconductor company focused on RF and complete semiconductor system solutions for mobile communications applications. The company began operations in June 2002, following the completion of the merger between Alpha Industries and Conexant Systems' wireless communications business. Skyworks is focused on providing front-end modules, RF subsystems and cellular systems to wireless handset and infrastructure customers worldwide.

Skyworks has headquarters in Woburn with executive offices in Newport Beach. The company has design, engineering, manufacturing, marketing, sales and service facilities throughout North America, Europe, Japan and Asia Pacific. For more information visit www.skyworksinc.com.

Safe Harbor Statement

This news release includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include information relating to future results of Skyworks (including certain projections and business trends). All such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, and may affect the company's future operating results, financial position and cash flows.

These risks and uncertainties include, but are not limited to: maintaining a consistent and reliable source of energy; global economic and market conditions, such as the cyclical nature of the semiconductor industry and the markets addressed by the company's and its customers' products; demand for and market acceptance of new and existing products; the ability to develop, manufacture and market innovative products in a rapidly changing technological environment; the ability to compete with products and prices in an intensely competitive industry; product obsolescence; losses or curtailments of purchases from key customers or the timing of customer inventory adjustments; the timing of new product introductions; the availability and extent of utilization of raw materials, critical manufacturing equipment and manufacturing capacity; pricing pressures and other competitive factors; changes in product mix; fluctuations in manufacturing yields; the ability to continue to grow and maintain an intellectual property portfolio and obtain needed licenses from third parties; the ability to attract and retain qualified personnel; labor relations of the company, its customers and suppliers; economic, social and political conditions in the countries in which Skyworks, its customers or its suppliers operate, including security risks, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates; and the uncertainties of litigation, as well as other risks and uncertainties, including but not limited to those detailed from time to time in the company's Securities and Exchange Commission filings.

These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Note to Editors:

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SKYWORKS SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Pro Forma June 28, 2002	Three Months Ended		
		Pro Forma Adjustments	June 28, 2002	June 29, 2001
Net sales	\$ 112,980	\$ --	\$ 112,980	\$ 51,045
Cost of sales	79,584	--	79,584	63,459
Research and development expenses	31,653	--	31,653	26,571
Selling and administrative expenses	11,678	--	11,678	12,681
Amortization of intangible assets	--	3,579	3,579	3,808
Purchased in- process research and development	--	65,500	65,500	--
Impairment and restructuring	--	126,872 (a)	126,872	86,627
Operating income (loss)	(9,935)	(195,951)	(205,886)	(142,101)
Interest expense	(125)	--	(125)	--
Interest income and other, net	8	--	8	23
Income (loss) before income taxes	(10,052)	(195,951)	(206,003)	(142,078)
Provision (credit) for income taxes	(964)	(23,094) (b)	(24,058)	347
Net income (loss)	\$(9,088)	\$(172,857)	\$(181,945)	\$(142,425)
Net income (loss) per share, basic and diluted	\$ (0.10)		\$ (1.92)	\$ (1.64)
Weighted average shares, basic and diluted (c)	94,519		94,519	86,619
Basis of presentation -- The above operating results were derived				

from three months of Conexant's wireless business plus three days of Alpha's operations at the end of the quarter as the merger closed on June 25, 2002. These results include allocations of certain Conexant operating expenses. Assuming Alpha and Conexant's wireless business had been combined throughout the entire quarter, revenue would have been \$137 million with a \$19 million operating loss, excluding one-time items.

(a) Impairment and restructuring charges consist primarily of a write-down of goodwill associated with the acquisition of the Philsar Bluetooth business, a write-down of assembly and test capacity, and restructuring charges related to a reduction in force and consolidation of facilities.

(b) Represents a deferred tax benefit related to the write-down of assembly and test capacity.

(c) The weighted average shares for the three months ended June 28, 2002 include the weighted average shares of Conexant's wireless business for three months and the weighted average of Alpha's shares for three days at the end of the quarter as the merger closed on June 25, 2002. Assuming Alpha and Conexant's wireless business had been combined throughout the entire quarter, the weighted average shares would have been approximately 137 million.

(d) The company will adopt SFAS No. 142, "Goodwill and Other Intangible Assets," at the beginning of fiscal 2003. Upon adoption, the company will be required to evaluate for impairment goodwill and intangible assets that have indefinite lives. This impairment review may result in non-cash charges to earnings in fiscal 2003.

The pro forma presentation is not intended to present results of operations in accordance with generally accepted accounting principles. However, the company believes this information is useful in understanding the results of operations.

Supplemental information -- The following table sets forth revenue for the five most recent fiscal quarters, assuming Alpha and Conexant's wireless business had been combined for all periods presented:

(unaudited)

(in thousands)

	June 28, 2002	March 29, 2002	Dec. 28, 2001	Sept. 28, 2001	June 29, 2001
	\$137,022	\$128,546	\$126,850	\$99,408	\$83,266

SKYWORKS SOLUTIONS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share data)

	Nine Months Ended			
	Pro Forma June 28, 2002	Pro Forma Adjustments	June 28, 2002	June 29, 2001
Net sales	\$ 307,096	\$ --	\$ 307,096	\$ 194,044
Cost of sales	228,313	--	228,313	259,904
Research and development expenses	95,454	--	95,454	82,954
Selling and administrative expenses	33,680	--	33,680	46,769
Amortization of intangible assets	--	11,523	11,523	11,352
Purchased in- process research and development	--	65,500	65,500	--
Impairment and restructuring	--	126,937 (a)	126,937	88,473
Operating income (loss)	(50,351)	(203,960)	(254,311)	(295,408)
Interest expense	(125)	--	(125)	--

Interest income and other, net	67	--	67	75
Income (loss) before income taxes	(50,409)	(203,960)	(254,369)	(295,333)
Provision (credit) for income taxes	3,306	(23,094) (b)	(19,788)	1,216
Net income (loss)	\$(53,715)	\$(180,866)	\$(234,581)	\$(296,549)
Net income (loss) per share, basic and diluted	\$ (0.57)		\$ (2.51)	\$ (3.49)
Weighted average shares, basic and	002		2001	
Assets				
Current assets:				
Cash, cash equivalents and short-term investments		\$ 90,698		\$ 1,998
Accounts receivable, net		26,450		40,754
Inventories		59,503		37,383
Prepaid expenses and other current assets		17,438		3,225
Property, plant and equipment, net		148,328		169,547
Goodwill and intangible assets, net (d)		957,376		57,606
Other assets		32,213		3,774
Total assets		\$ 1,332,006		\$ 314,287
Liabilities and Equity				
Current liabilities:				
Current portion of long-term debt		\$ 129		\$ --
Short-term note payable		150,000		--
Accounts payable		16,573		2,653
Accrued liabilities and other current liabilities		119,781		20,167
Long-term debt		73		--
Other long-term liabilities		4,472		3,806
Stockholders' equity		1,040,978		287,661
Total liabilities and equity		\$ 1,332,006		\$ 314,287

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