



October 29, 2002

Skyworks Achieves Operating Profitability; Delivers Fourth Quarter FY02 Revenues of \$151 Million, Up More Than 50 Percent Year-Over-Year

WOBURN, Mass., Oct 29, 2002 (BUSINESS WIRE) -- Skyworks Solutions Inc. (Nasdaq:SWKS), the industry's leading wireless semiconductor company focused on radio frequency (RF) and complete cellular system solutions for mobile communications applications, today announced revenues of \$150.7 million for the fourth fiscal quarter ended Sept. 27, 2002, up 52 percent as compared with combined company revenues of \$99.4 million in the same period last year.

Revenues were up 10 percent on a sequential basis from third quarter combined company revenues of \$137 million. For the fiscal year, combined company revenues for 2002 were \$543.1 million as compared with 2001 revenues of \$458.3 million.

Operating income for the fourth fiscal quarter was \$2.9 million. Excluding one-time items, pro forma operating income was \$0.5 million versus combined company losses of \$23.1 million in the same period last year and \$19 million last quarter. The fourth fiscal quarter net loss was \$1.5 million, or \$0.01 per share, while the pro forma net loss was \$3.9 million, or \$0.03 per share, well exceeding bottom line expectations.

Skyworks was formed on June 25, 2002 through the merger of Alpha Industries Inc. and Conexant Systems Inc.'s wireless communications business. The results for the fourth quarter and fiscal year 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. To offer more relevant comparisons, the company has provided a supplemental table which assumes the two businesses were previously together.

"Back in December of last year, when we announced our merger plans, we pledged creation of a profitable \$150 million business in the September 2002 quarter," said David J. Aldrich, Skyworks' president and chief executive officer. "Since that time, we've grown sequentially in each and every quarter through share gains and capture of an increasing amount of semiconductor content within the cellular handset. In parallel, we successfully implemented a set of cost reduction actions aimed at streamlining the organization, rationalizing our product portfolio and shortening our manufacturing cycle time.

"As a result, we have reduced our quarterly break-even by \$30 million with consolidation activities proceeding ahead of plan and under budget. Most importantly, today I am extremely pleased to report that in our first full quarter we have delivered on our goal of achieving operating profitability," Aldrich concluded.

Business Accomplishments

- Expanded gross margin to 41 percent, excluding Mexicali assembly and test service revenues -- Decreased operating expenses to \$55 million, 8 percent better than the company's prior guidance -- Reduced inventories by 6 percent sequentially and improved turns to almost seven times -- Qualified Advanced Wireless Semiconductor Company (AWSC) as a second source to provide Gallium Arsenide (GaAs) heterojunction bipolar transistor (HBT) foundry processing services

Product Highlights

Front-End Modules

- Introduced two new low temperature co-fired ceramic (LTCC) switch modules, reducing handset system complexity and increasing user talk time
- Unveiled a quad-band GSM/GPRS power amplifier (PA) module that integrates the power control function into a smaller, single-chip package
- Delivered record PA modules -- up more than 125 percent on a year-over-year basis, bringing cumulative shipments to more than 200 million units

RF Subsystems

- Grew portfolio of single-chip direct conversion transceivers by more than 500 percent sequentially to nearly 2 million units
- Ramped the company's next generation direct conversion transceiver integrating crystal oscillator circuitry and PA controller functionality in a smaller 8mm x 8mm package

Cellular Systems

- Supported Samsung's highly successful SGH-T208 launch in China incorporating Skyworks' complete cellular system solution
- Expanded customer base with the recent addition of three new high-volume ODMs plus a leading contract manufacturer
- Sampled next-generation GSM/GPRS chipset integrating all front-end, direct conversion transceiver and baseband processing functions as well as a software protocol stack

First Quarter Fiscal 2003 Outlook

"Based on strong design activity and order trends across the business, we expect to deliver at least 5 percent sequential revenue growth in the December quarter," said Paul E. Vincent, Skyworks' chief financial officer. "Operationally, we anticipate that our gross margin will further expand by 100 basis points as a result of the initiatives we implemented earlier this year and higher factory utilization. At the same time, we are projecting operating expenses to remain flat as a percent of sales. As a result, we intend to demonstrate our business model's leverage with a significant improvement in our degree of operating profitability.

"Looking forward to the March quarter, traditionally a seasonally weak period, we anticipate continued top-line growth and further gross margin expansion, driven by improving visibility and the ramp of our next-generation GSM/GPRS system solution, enabling us to achieve even higher levels of operating profitability.

"In addition to significant progress on the operational side of the business, we are actively pursuing multiple paths to improve our capital structure including the restructuring of our debt, replacing the existing credit facility with a longer-term and more flexible instrument as well as executing on the sale of real estate assets. We will look forward to providing updates when we reach definitive agreements," Vincent concluded.

Skyworks' Fourth Quarter Conference Call

Skyworks will host a conference call at 5 p.m. ET (2 p.m. PT) today to discuss its fourth quarter and fiscal year 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 Tuesday, Oct. 29, and end at 9 p.m. ET on Tuesday, Nov. 5, 2002. The replay will be available on Skyworks' Web site at www.skyworksinc.com 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 cellular system solutions for mobile communications applications. The company began operations in June 2002, following the completion of the merger between Alpha Industries Inc. and Conexant Systems Inc.'s 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 and has executive offices in Newport Beach, Calif. 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 ability to finance outstanding indebtedness.

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: Skyworks and Skyworks Solutions are trademarks or registered trademarks of Skyworks Solutions Inc. or its subsidiaries in the United States and in other countries. All other brands and names listed are trademarks of their respective companies.

SKYWORKS SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited) (in thousands, except per share data)	Three Months Ended			
	Sept. 27, 2002	Pro Forma Adjustments	Pro Forma Sept. 27, 2002	Sept. 28, 2001
Net sales	\$150,673	\$--	\$150,673	\$66,407
Cost of sales	89,962	(5,000) (a)	94,962	51,599
Research and development expenses	37,149	--	37,149	28,099
Selling and administrative expenses	18,075		18,075	4,498
Amortization of intangible assets	1,127	1,127	--	3,915
Impairment and restructuring	1,419	1,419 (b)	--	403
Operating income (loss)	2,941	2,454	487	(22,107)
Interest expense	4,102	--	4,102	--
Other income (expense), net	(123)	--	(123)	135
Income (loss) before income taxes	(1,284)	2,454	(3,738)	(21,972)
Provision (credit) for income taxes	199		199	403
Net income (loss)	\$(1,483)	\$2,454	\$(3,937)	\$(22,375)
Net income (loss) per share, basic and diluted	\$(0.01)		\$(0.03)	\$(0.25)
Weighted average shares,				

basic and diluted	137,464	137,464	88,602
-------------------	---------	---------	--------

(a) Represents a change in the estimate of certain merger-related reserves and the recording of additional merger-related expenses.

(b) Represents a change in the estimate of the restructuring reserves.

The pro forma presentation above and Supplemental Information below are 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 and operating results for the five previous fiscal quarters, excluding one-time items, assuming Alpha and Conexant's wireless business had been combined for all periods presented:

(unaudited)
(in millions)

	Sept. 27, 2002	June 28, 2002	March 29, 2002	Dec. 28, 2001	Sept. 28, 2001
Revenue	\$150.7	\$137.0	\$128.5	\$126.9	\$99.4
Operating income (loss)	\$0.5	(\$19.0)	(\$22.7)	(\$30.8)	(\$23.1)

SKYWORKS SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)
(in thousands, except
per share data)

Twelve Months Ended

	Sept. 27, 2002	Pro Forma Adjustments	Pro Forma Sept. 27, 2002	Sept. 28, 2001
Net sales	\$457,769	\$--	\$457,769	\$260,451
Cost of sales	331,608	8,333(a)	323,275	311,503
Research and development expenses	132,603	--	132,603	111,053
Selling and administrative expenses	50,178	(1,577)(a)	51,755	51,267
Amortization of intangible assets	12,929	12,929	--	15,267
Purchased in-process research and development	65,500	65,500	--	--
Impairment and restructuring	116,321	116,321(c)	--	88,876
Operating income (loss)	(251,370)	(201,506)	(49,864)	(317,515)
Interest expense	4,227	--	4,227	--
Other income (expense), net	(56)	--	(56)	210
Income (loss) before income taxes	(255,653)	(201,506)	(54,147)	(317,305)
Provision (credit) for				

income taxes	(19,589)	(23,094)(d)	3,505	1,619
Net income (loss)	\$(236,064)	\$(178,412)	\$(57,652)	\$(318,924)
Net income (loss) per share, basic and diluted	\$(2.26)		\$(0.55)	\$(3.71)
Weighted average shares, basic and diluted (e)	104,517		104,517	85,894

Basis of presentation -- The above operating results were derived from 12 months of Conexant's wireless business plus Alpha's operations from June 26, 2002 through Sept. 27, 2002 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 year, revenue would have been \$543 million.

(c) 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.

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

(e) The weighted average shares for the 12 months ended Sept. 27, 2002 include the weighted average shares of Conexant's wireless business for 12 months and the weighted average of Alpha's shares from June 26, 2002 through Sept. 27, 2002 as the merger closed on June 25, 2002. Assuming Alpha and Conexant's wireless business had been combined throughout the entire fiscal year, the weighted average shares would have been approximately 137 million.

SKYWORKS SOLUTIONS INC.
CONSOLIDATED BALANCE SHEETS

(unaudited)	Sept. 27,	Sept. 28,
(in thousands)	2002	2001

Assets

Current assets:

Cash, cash equivalents and short-term investments	\$53,358	\$1,998
Accounts receivable, net	94,425	40,754
Inventories	55,643	37,383
Prepaid expenses and other current assets	23,970	3,225
Property, plant and equipment, net	143,773	169,547
Goodwill and intangible assets, net (f)	940,686	57,606
Other assets	35,057	3,774
Total assets	\$1,346,912	\$314,287

Liabilities and Equity

Current liabilities:

Current portion of long-term debt	\$129	\$--
Short-term note payable	180,000	--
Accounts payable	44,159	2,653
Accrued liabilities and other current liabilities	103,339	20,167
Long-term debt	39	--

Other long-term liabilities	4,270	3,806
Stockholders' equity	1,014,976	287,661
Total liabilities and equity	\$1,346,912	\$314,287

(f) 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.

Skyworks Solutions Inc.

CONTACT:

Skyworks Solutions Inc.

Lisa Briggs, (Media), 949/231-4553

or

Thomas Schiller, (Investors), 949/231-4700