January 20, 2010

Skyworks Posts Record Revenue of $245.1 Million and Non-GAAP Operating Margin of 21.3 Percent in Q1 FY10

Produces Record Non-GAAP Diluted EPS of $0.27Expands Gross Margin to 42.2 Percent on a Non-GAAP BasisDelivers 17 Percent Revenue Growth and Improves Non-GAAP Operating Income 83 Percent on a Year-Over-Year BasisGenerates $53 Million of Cash Flow from OperationsGuides to 30 Percent Year-Over-Year Revenue Growth for Q2 FY10

WOBURN, Mass., Jan 20, 2010 (BUSINESS WIRE) -- Skyworks Solutions, Inc. (NASDAQ: SWKS), an innovator of high reliability analog and mixed signal semiconductors enabling a broad range of end markets, today reported first fiscal quarter 2010 results. Revenue for the quarter was $245.1 million, representing a 17 percent year-over-year increase when compared to $210.2 million in the first fiscal quarter of 2009, and exceeding the Company's guidance range of $238 million to $242 million.

On a non-GAAP basis, operating income for the first fiscal quarter was $52.3 million, up from $28.6 million in the prior-year period, representing an 83 percent increase and a 21.3 percent operating margin. Non-GAAP diluted earnings per share for the quarter was a record $0.27, $0.02 better than guidance and a 59 percent improvement when compared to $0.17 for the first fiscal quarter of 2009. On a GAAP basis, operating income for the first fiscal quarter was $42.5 million versus $21.0 million in the first fiscal quarter of 2009. GAAP diluted earnings per share for the quarter was $0.16 versus $0.14 in the prior year period.

"Skyworks' strong performance is being driven by several key trends including the exploding demand for mobile Internet applications, increasingly diversified linear products and the rapid adoption of smart grid technologies," said David J. Aldrich, president and chief executive officer of Skyworks. "More importantly, as our improving gross and operating margins demonstrate, our innovative solutions are allowing us to further differentiate Skyworks, positioning us to create even greater competitive advantages and shareholder value."

Business Highlights

- Increased non-GAAP gross and operating margins to 42.2 percent and 21.3 percent, respectively (41.8 percent and 17.4 percent on a GAAP basis)
- Exited the quarter with $402 million of cash and equivalents
- Supported launch of Google's Nexus One Android-based smart phone
- Commenced volume production of custom solutions supporting Itron's OpenWay® energy management module
- Introduced a family of highly integrated CMOS switches with high isolation capability for the direct broadcast satellite TV market
- Launched the industry's broadest frequency range voltage control oscillator for 3G and 4G base station infrastructure applications
- Successfully ramped analog control devices for Intel's wireless local area networking applications
- Extended key ISO/TS 16949 automotive certification to Mexicali manufacturing facility, allowing further penetration into new markets

Second Fiscal Quarter 2010 Outlook

"2010 is off to a solid start for Skyworks. Based on broad-based business strength and new applications, we anticipate 30 percent year-over-year revenue growth in the second fiscal quarter of 2010," said Donald W. Palette, vice president and chief financial officer of Skyworks. "Specifically, we expect approximately $225 million in revenue, significantly better than normal seasonality for the March quarter, with non-GAAP diluted earnings per share of $0.21---representing a 75 percent year-over-year improvement in bottom line profitability."

For further information regarding use of non-GAAP measures in this press release, please refer to the Discussion Regarding the Use of Non-GAAP Financial Measures set forth below.

Skyworks' First Fiscal Quarter 2010 Conference Call

Skyworks will host a conference call with analysts to discuss its first fiscal quarter 2010 results and business outlook today at

5:00 p.m. Eastern Time (ET). To listen to the conference call via the Internet, please visit the investor relations section of Skyworks' Web site. To listen to the conference call via telephone, please call 877-208-2391 (domestic) or 913-312-0391 (international), confirmation code: 6415309.

Playback of the conference call will begin at 9:00 p.m. ET on January 20, and end at 9:00 p.m. ET on January 27. The replay will be available on Skyworks' Web site or by calling 888-203-1112 (domestic) or 719-457-0820 (international), pass code: 6415309.

About Skyworks

Skyworks Solutions, Inc. is an innovator of high reliability analog and mixed signal semiconductors. Leveraging core technologies, Skyworks offers diverse standard and custom linear products supporting automotive, broadband, cellular infrastructure, energy management, industrial, medical, military and mobile handset applications. The Company's portfolio includes amplifiers, attenuators, detectors, diodes, directional couplers, front-end modules, hybrids, infrastructure RF subsystems, mixers/demodulators, phase shifters, PLLs/synthesizers/VCOs, power dividers/combiners, receivers, switches and technical ceramics.

Headquartered in Woburn, Mass., Skyworks is worldwide with engineering, manufacturing, sales and service facilities throughout Asia, Europe and North America. For more information, please visit Skyworks' Web site at: 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 without limitation information relating to future results and expectations of Skyworks (including without limitation certain projections and business trends). Forward-looking statements can often be identified by words such as "anticipates," "expects," "forecasts," "intends," "believes," "plans," "may," "will," or "continue," and similar expressions and variations or negatives of these words. All such statements are subject to certain risks, uncertainties and other important factors that could cause actual results to differ materially and adversely from those projected, and may affect our future operating results, financial position and cash flows.

These risks, uncertainties and other important factors include, but are not limited to: uncertainty regarding global economic and financial market conditions; the susceptibility of the wireless semiconductor industry and the markets addressed by our, and our customers', products to economic downturns; the timing, rescheduling or cancellation of significant customer orders and our ability, as well as the ability of our customers, to manage inventory; losses or curtailments of purchases or payments from key customers, or the timing of customer inventory adjustments; changes in laws, regulations and/or policies in the United States that could adversely affect financial markets and our ability to raise capital; our ability to develop, manufacture and market innovative products in a highly price competitive and rapidly changing technological environment; economic, social and political conditions in the countries in which we, our customers or our suppliers operate, including security and health risks, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates; fluctuations in our manufacturing yields due to our complex and specialized manufacturing processes; delays or disruptions in production due to equipment maintenance, repairs and/or upgrades; our reliance on several key customers for a large percentage of our sales; fluctuations in the manufacturing yields of our third party semiconductor foundries and other problems or delays in the fabrication, assembly, testing or delivery of our products; the availability and pricing of third party semiconductor foundry, assembly and test capacity and raw materials; our ability to timely and accurately predict market requirements and evolving industry standards, and to identify opportunities in new markets; uncertainties of litigation, including potential disputes over intellectual property infringement and rights, as well as payments related to the licensing and/or sale of such rights; our ability to rapidly develop new products and avoid product obsolescence; our ability to retain, recruit and hire key executives, technical personnel and other employees in the positions and numbers, with the experience and capabilities, and at the compensation levels needed to implement our business and product plans; lengthy product development cycles that impact the timing of new product introductions; unfavorable changes in product mix; the quality of our products and any remediation costs; shorter than expected product life cycles; problems or delays that we may face in shifting our products to smaller geometry process technologies and in achieving higher levels of design integration; and our ability to continue to grow and maintain an intellectual property portfolio and obtain needed licenses from third parties, as well as other risks and uncertainties, including but not limited to those detailed from time to time in our filings with the Securities and Exchange Commission.

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

SKYWORKS SOLUTIONS, INC.
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)	Quarter Ended Jan. 1, 2010	Jan. 2, 2009 (1)
Net revenues	$ 245,138	$ 210,228
Cost of goods sold	142,584	126,361
Gross profit	102,554	83,867
Operating expenses:		
Research and development	31,789	34,644
Selling, general and administrative	26,731	27,101
Amortization of intangible assets	1,501	1,149
Total operating expenses	60,021	62,894
Operating income	42,533	20,973
Interest expense	(1,569)	(2,456)
(Loss) gain on early retirement of convertible debt	(51)	4,913
Other (loss) income, net	(111)	1,402
Income before income taxes	40,802	24,832
Provision for income taxes	12,792	1,247
Net income	$ 28,010	$ 23,585
Earnings per share:		
Basic	$ 0.16	$ 0.14
Diluted	$ 0.16	$ 0.14
Weighted average shares:		
Basic	172,717	164,855
Diluted	179,404	165,188

(1) Effective October 3, 2009, we adopted ASC 470-20 - *Debt, Debt with Conversions and Other Options* ("ASC 470-20") in accordance with GAAP. Our financial statements for the three months ended January 2, 2009 have been adjusted to reflect the retrospective adoption of this new accounting principle. Further details about the impact of ASC 470-20 on our financial statements will be set forth in our Form 10-Q to be filed with the SEC on or before February 10, 2010.

SKYWORKS SOLUTIONS, INC.

UNAUDITED RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands)	Quarter Ended Jan. 1, 2010	Jan. 2, 2009
GAAP gross profit	$ 102,554	$ 83,867
Share-based compensation expense [a]	987	909
Non-GAAP gross profit	$ 103,541	$ 84,776
Non-GAAP gross margin %	42.2 %	40.3 %

(in thousands)	Quarter Ended Jan. 1, 2010	Jan. 2, 2009
GAAP operating income	$ 42,533	$ 20,973
Share-based compensation expense [a]	8,084	6,589
Selling, general and administrative adjustments [b]	-	(249)
Amortization of intangible assets	1,501	1,149
Deferred executive compensation	173	163
Non-GAAP operating income	$ 52,291	$ 28,625
Non-GAAP operating margin %	21.3 %	13.6 %

(in thousands)	Quarter Ended Jan. 1, 2010	Jan. 2, 2009 (1)
GAAP net income	$ 28,010	$ 23,585
Share-based compensation expense [a]	8,084	6,589
Selling, general and administrative adjustments [b]	-	(249)
Amortization of intangible assets	1,501	1,149
Deferred executive compensation	173	163
Loss (gain) on early retirement of convertible debt [c]	51	(4,913)
Amortization of discount on convertible debt [d]	989	1,317
Tax adjustments [e]	8,922	-

Non-GAAP net income	$ 47,730	$ 27,641
	Quarter Ended	
	Jan. 1, 2010	Jan. 2, 2009 (1)
GAAP net income per share, diluted	$ 0.16	$ 0.14
Share-based compensation expense [a]	0.04	0.04
Amortization of intangible assets	0.01	0.01
Loss (gain) on early retirement of convertible debt [c]	-	(0.03)
Amortization of discount on convertible debt [d]	0.01	0.01
Tax adjustments [e]	0.05	-
Non-GAAP net income per share, diluted	$ 0.27	$ 0.17

(1) Effective October 3, 2009, we adopted ASC 470-20 - *Debt, Debt with Conversions and Other Options* ("ASC 470-20") in accordance with GAAP. Our financial statements for the three months ended January 2, 2009 have been adjusted to reflect the retrospective adoption of this new accounting principle. Further details about the impact of ASC 470-20 on our financial statements will be set forth in our Form 10-Q to be filed with the SEC on or before February 10, 2010.

SKYWORKS SOLUTIONS, INC.

DISCUSSION REGARDING THE USE OF NON-GAAP FINANCIAL MEASURES

Our earnings release contains the following financial measures which have not been calculated in accordance with United States Generally Accepted Accounting Principles (GAAP): (i) non-GAAP gross profit and gross margin, (ii) non-GAAP operating income and operating margin, (iii) non-GAAP net income, and (iv) non-GAAP net income per share (diluted). As set forth in the "Unaudited Reconciliation of Non-GAAP Financial Measures" table found above, we derive such non-GAAP financial measure by excluding certain expenses and other items from the respective GAAP financial measure that is most directly comparable to each non-GAAP financial measure. Management uses these non-GAAP financial measures to evaluate our operating performance and compare it against past periods, make operating decisions, forecast for future periods, compare operating performance against peer companies and determine payments under certain compensation programs. These non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-recurring expenses (which may not occur in each period presented) and other items that management believes might otherwise make comparisons of our ongoing business with prior periods more difficult, obscure trends in ongoing operations or reduce management's ability to make useful forecasts.

We provide investors with non-GAAP gross profit and gross margin, non-GAAP operating income and operating margin and non-GAAP net income because we believe it is important for investors to be able to closely monitor and understand changes in our ability to generate income from ongoing business operations. We believe these non-GAAP financial measures give investors a more effective method to evaluate historical operating performance and identify trends, additional means of evaluating period-over-period operating performance and a method to facilitate certain comparisons of operating results to peer companies. We also believe that providing non-GAAP operating income and operating margin allows investors to better assess the extent to which ongoing operations impact our overall financial performance. We further believe that providing non-GAAP net income and non-GAAP net income per share (diluted) allows investors to better assess the overall financial performance of ongoing operations by eliminating the impact of certain financing decisions related to our convertible debt and certain tax items which may not occur in each period for which financial information is presented and which represent gains or losses unrelated to our ongoing operations. We believe that disclosing these non-GAAP financial measures contributes to enhanced financial reporting transparency and provides investors with added clarity about complex financial performance measures.

We calculate non-GAAP gross profit by excluding from GAAP gross profit, stock compensation expense, restructuring-related charges and acquisition-related expenses. We calculate non-GAAP operating income by excluding from GAAP operating income, stock compensation expense, restructuring-related charges, acquisition-related expenses and certain deferred executive compensation. We calculate non-GAAP operating margin by dividing non-GAAP operating income by GAAP revenue. We calculate non-GAAP net income by excluding from GAAP net income, stock compensation expense, restructuring-related charges, acquisition-related expenses, amortization of discount on convertible debt, and certain deferred executive compensation, as well as certain items related to the retirement of convertible debt, and certain tax items, which may not occur in all periods for which financial information is presented. We also present non-GAAP net income per share on a fully diluted basis. We exclude the items identified above from the respective non-GAAP financial measure referenced above for the reasons set forth with respect to each such excluded item below:

Stock Compensation - because (1) the total amount of expense is partially outside of our control because it is based on factors such as stock price volatility and interest rates, which may be unrelated to our performance during the period in which the expense is incurred, (2) it is an expense based upon a valuation methodology premised on assumptions that vary over time, and (3) the amount of the expense can vary significantly between companies due to factors that can be outside of the control of such companies.

Restructuring-Related Charges - because, to the extent such charges impact a period presented, we believe that they have no direct correlation to future business operations and including such charges does not accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Acquisition-Related Expenses - including, when applicable, amortization of acquired intangible assets, because they are not considered by management in making operating decisions and we believe that such expenses do not have a direct correlation to future business operations and thereby including such charges does not accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Amortization of Discount on Convertible Debt - comprised of the amortization of the debt discount recorded at inception of the convertible debt borrowing related to the adoption of ASC 470-20, because the expense is dependent on fair value assessments and is not considered by management when making operating or financing decisions.

Deferred Executive Compensation - including charges related to any contingent obligation pursuant to an executive severance agreement because we believe the period over which the obligation is amortized may not reflect the period of benefit and that such expense has no direct correlation with our recurring business operations and including such expenses does not accurately reflect the compensation expense for the period in which incurred.

Gains and Losses on Retirement of Convertible Debt - because, to the extent that gains or losses from such repurchases impact a period presented, we do not believe that they reflect the underlying performance of ongoing business operations for such period.

Certain Income Tax Items - including certain deferred tax charges and benefits which do not result in a current tax payment or tax refund and other adjustments which are not indicative of ongoing business operations.

The non-GAAP financial measures presented in the table above should not be considered in isolation and are not an alternative for, the respective GAAP financial measure that is most directly comparable to each such non-GAAP financial measure. Investors are cautioned against placing undue reliance on these non-GAAP financial measures and are urged to review and consider carefully the adjustments made by management to the most directly comparable GAAP financial measures to arrive at these non-GAAP financial measures. Non-GAAP financial measures may have limited value as analytical tools because they may exclude certain expenses that some investors consider important in evaluating operating performance or ongoing business. Further, non-GAAP financial measures are likely to have limited value for purposes of drawing comparisons between companies because different companies may calculate similarly titled non-GAAP financial measures in different ways because non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Our earnings release contains forward looking estimates of non-GAAP diluted earnings per share for the second quarter of our 2010 fiscal year, or Q2 2010. We provide this non-GAAP measure to investors on a prospective basis for the same reasons (set forth above) that we provide them to investors on a historical basis. We are unable to provide a reconciliation of our forward looking estimate of Q2 2010 non-GAAP diluted earnings per share to a forward looking estimate of Q2 2010 GAAP diluted earnings per share because certain information needed to make a reasonable forward looking estimate of GAAP diluted earnings per share for Q2 2010 (other than estimated stock compensation expense of $0.05 per diluted share, certain tax items of $0.04 per diluted share, estimated acquisition related expense of $0.01 per diluted share and estimated deferred executive compensation expense with a de minimis impact per diluted share) is difficult to predict and estimate and is often dependent on future events which may be uncertain or outside of our control (e.g. gains and losses on retirement of convertible debt). Our forward looking estimates of both GAAP and non-GAAP measures of our financial performance may differ materially from our actual results and should not be relied upon as statements of fact.

[a] These charges represent expense recognized in accordance with ASC 718 - *Compensation, Stock Compensation.* Approximately $1.0 million, $1.8 million and $5.3 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively, for the three months ended January 1, 2010.

For the three months ended January 2, 2009, approximately $0.9 million, $1.7 million and $4.0 million were included in costs of goods sold, research and development expense and selling, general and administrative expense, respectively.

[b] On October 2, 2006, the Company announced it was exiting its baseband product area. For the three months ended January 2, 2009, selling, general and administrative adjustments of $0.2 million represents a recovery of bad debt expense on specific accounts receivable associated with baseband product.

[c] The loss recorded during the three months ended January 1, 2010 relates to the early retirement of $5.0 million of the Company's 1.25% convertible subordinated notes due in 2010.

The gain recorded during the three months ended January 2, 2009 relates to the early retirement of $40.5 million of the Company's 1.50% convertible subordinated notes. The notes were retired at a gain of $5.8 million offset by a $0.9 million write-off of deferred financing costs. Please note that this amount has been adjusted to reflect the retrospective adoption of ASC 470-20. Further details about the impact of ASC 470-20 on our financial statements will be set forth in our Form 10-Q to be filed with the SEC on or before February 10, 2010.

[d] These charges represent the amortization expense recognized in accordance with ASC 470-20 which was adopted in Q1 2010. Approximately $1.0 million of amortization expense was recognized during the three month period ended January 1, 2010.

Our financial statements for the three months ended January 2, 2009 have been adjusted to reflect the retrospective adoption of ASC 470-20. For the three months ended January 2, 2009, approximately $1.3 million of amortization expense was recognized.

[e] During the three months ended January 1, 2010, these amounts primarily represent the utilization of net operating loss carryforwards.

SKYWORKS SOLUTIONS, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands)	Jan. 1, 2010	Oct. 2, 2009 (1)

Assets		
Current assets:		
Cash and cash equivalents	$ 402,454	$ 370,084
Accounts receivable, net	119,220	115,034
Inventories	97,940	86,097
Prepaid expenses and other current assets	16,239	18,912
Property, plant and equipment, net	166,035	162,299
Goodwill and intangible assets, net	499,637	501,138
Other assets	90,879	99,027
Total assets	$ 1,392,404	$ 1,352,591
Liabilities and Equity		
Current liabilities:		
Credit facility	$ 50,000	$ 50,000
Convertible notes	27,360	31,865
Accounts payable	76,946	69,098
Accrued liabilities and other current liabilities	42,490	45,280
Long-term debt	42,023	41,483
Other long-term liabilities	6,689	6,086
Stockholders' equity	1,146,896	1,108,779
Total liabilities and equity	$ 1,392,404	$ 1,352,591

(1) Effective October 3, 2009, we adopted ASC 470-20 - *Debt, Debt with Conversions and Other Options* ("ASC 470-20") in accordance with GAAP. Our financial statements at October 2, 2009 have been adjusted to reflect the retrospective adoption of this new accounting principle. Further details will be published in our Form 10-Q to be filed with the SEC on or before February 10, 2010.

SOURCE: Skyworks Solutions, Inc.

Skyworks Solutions, Inc.
Media Relations:
Pilar Barrigas, 949-231-3061
or
Investor Relations:
Thomas Schiller, 949-231-4700