



July 18, 2012

Skyworks Exceeds Q3 FY12 Revenue and EPS Estimates

- **Generates Revenue of \$389 Million, Up 7 Percent Sequentially and 9 Percent Year-over-Year**
- **Posts Non-GAAP Diluted EPS of \$0.45 (\$0.26 GAAP)**
- **Guides for Accelerating Revenue Growth in Q4 FY12**
- **Targets \$0.50 to \$0.51 of Diluted Non-GAAP EPS in Q4 FY12, Up More than 10 Percent Sequentially**

WOBURN, Mass.--(BUSINESS WIRE)--Jul. 18, 2012-- Skyworks Solutions, Inc. (NASDAQ: SWKS), an innovator of high performance analog semiconductors enabling a broad range of end markets, today reported third fiscal quarter 2012 results. Revenue for the quarter ending June 29, 2012, was \$389.0 million, up 7 percent sequentially and 9 percent when compared to revenue of \$356.1 million in the third fiscal quarter of 2011 and exceeding the Company's previous guidance for the quarter of \$383.0 million.

On a non-GAAP basis, operating income for the third fiscal quarter was \$91.7 million and diluted earnings per share was \$0.45, \$0.01 better than prior guidance. On a GAAP basis, operating income for the third fiscal quarter of 2012 was \$62.0 million and diluted earnings per share was \$0.26.

"Skyworks outperformed our addressable markets last quarter and the stage is set for a strong back half of 2012," said David J. Aldrich, president and chief executive officer of Skyworks. "Our strategic diversification across OEMs and chipset partners is enabling us to produce consistently strong operating results despite the macro economy. Specifically, we are gaining share within adjacent vertical markets including automotive, medical, avionics, military, location services and broadband communications. At the same time, our innovative solutions are powering the world's most popular smartphones, tablets, home automation platforms and network infrastructure systems. In short, we have created a differentiated business model that is delivering demonstrable, best in class mobile internet growth with analog semiconductor shareholder returns."

Q3 Business Highlights

- Unveiled SkyOne™ a breakthrough front-end system for mobile platforms integrating all RF and analog content between the transceiver and antenna
- Commenced volume production of wireless networking solutions in support of Broadcom's 802.11ac platforms
- Expanded portfolio of ultra low noise amplifiers for smart energy, public safety radio, cellular infrastructure and other ISM band applications
- Ramped nine connectivity devices within a recently introduced ultra thin notebook
- Captured a receiver protection design win with Medtronic for heart monitor applications
- Secured initial power management design wins at three new OEM customers with suite of LED drivers
- Deployed analog solutions for low-noise receivers being used in automotive toll tag transponder systems
- Introduced high power linear control ICs for TD-LTE base stations, repeaters and low frequency military/microwave UHF and VHF radios

Fourth Fiscal Quarter 2012 Outlook

"Based on new program ramps and the depth of our product pipeline, we expect to outpace market growth in the second half of 2012," said Donald W. Palette, vice president and chief financial officer of Skyworks. "For the fourth fiscal quarter we expect record revenue in the range of \$415 to \$420 million with diluted non-GAAP earnings per share of \$0.50 to \$0.51, up more than 10 percent sequentially."

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

Skyworks' Third Fiscal Quarter 2012 Conference Call

Skyworks will host a conference call with analysts to discuss its third fiscal quarter 2012 results and business outlook today at 5:00 p.m. Eastern time. 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 800-230-1059 (domestic) or 612-234-9959 (international), confirmation code: 253196.

Playback of the conference call will begin at 9:00 p.m. Eastern time on July 18, and end at 9:00 p.m. Eastern time on July 25. The replay will be available on Skyworks' Web site or by calling 800-475-6701 (domestic) or 320-365-3844 (international), access code: 253196.

About Skyworks

Skyworks Solutions, Inc. is an innovator of high performance analog semiconductors. Leveraging core technologies, Skyworks supports automotive, broadband, cellular infrastructure, energy management, GPS, industrial, medical, military, wireless networking, smartphone and tablet applications. The Company's portfolio includes amplifiers, attenuators, circulators, detectors, diodes, directional couplers, front-end modules, hybrids, infrastructure RF subsystems, isolators, lighting and display solutions, mixers/demodulators, optocouplers, optoisolators, phase shifters, PLLs/synthesizers/VCOs, power dividers/combiners, power management devices, 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; the availability and pricing of third party semiconductor foundry, assembly and test capacity, raw materials and supplier components; 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; whether we are able to successfully integrate Advanced Analogic Technologies' operations; 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; 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.

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. UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

Three Months Ended Nine Months Ended

(in thousands, except per share amounts)	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
Net revenue	\$389,038	\$356,075	\$1,147,468	\$1,016,606
Cost of goods sold	223,736	199,850	658,044	570,862
Gross profit	165,302	156,225	489,424	445,744
Operating expenses:				
Research and development	56,050	43,067	155,977	121,228
Selling, general and administrative	37,463	35,451	120,609	98,167
Amortization of intangibles	8,608	4,006	24,260	7,246
Restructuring and other charges	1,137	1,475	7,752	1,475
Total operating expenses	103,258	83,999	308,598	228,116
Operating income	62,044	72,226	180,826	217,628
Interest expense	(10)	(465)	(598)	(1,463)
Gain on early retirement of convertible debt	-	-	139	-
Other income (loss), net	96	(2)	(115)	(185)
Income before income taxes	62,130	71,759	180,252	215,980
Provision for income taxes	12,813	20,211	39,776	53,604
Net income	\$49,317	\$51,548	\$140,476	\$162,376
Earnings per share:				
Basic	\$0.26	\$0.28	\$0.76	\$0.89
Diluted	\$0.26	\$0.27	\$0.74	\$0.85
Weighted average shares:				
Basic	186,269	183,750	185,144	182,642
Diluted	192,457	191,380	191,051	190,628

SKYWORKS SOLUTIONS, INC.
UNAUDITED RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands)	Three Months Ended		Nine Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
GAAP gross profit	\$165,302	\$156,225	\$489,424	\$445,744
Share-based compensation expense [a]	2,111	2,178	7,030	5,397
Acquisition-related expenses [b]	652	1,617	3,574	1,617
Non-GAAP gross profit	\$168,065	\$160,020	\$500,028	\$452,758
Non-GAAP gross margin %	43.2 %	44.9 %	43.6 %	44.5 %
(in thousands)	Three Months Ended		Nine Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
GAAP operating income	\$62,044	\$72,226	\$180,826	\$217,628
Share-based compensation expense [a]	18,569	14,543	53,653	42,688
Acquisition-related (credits) expenses [b]	(4,040)	2,857	8,056	3,505
Amortization of intangible assets	8,608	4,006	24,260	7,246
Restructuring & other charges [c]	1,137	1,475	7,752	1,475
Litigation settlement gains and losses [d]	5,261	2,300	5,778	2,300
Deferred executive compensation	143	143	429	451
Non-GAAP operating income	\$91,722	\$97,550	\$280,754	\$275,293

Non-GAAP operating margin % 23.6 % 27.4 % 24.5 % 27.1 %

(in thousands)	Three Months Ended		Nine Months Ended	
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Amortization of intangible assets	8,608	4,006	24,260	7,246
Restructuring & other charges [c]	1,137	1,475	7,752	1,475
Litigation settlement gains and losses [d]	5,261	2,300	5,778	2,300
Deferred executive compensation	143	143	429	451
Gain on early retirement of convertible debt [e]	-	-	(139)	-
Amortization of discount on convertible debt [f]	-	339	428	1,000
Tax adjustments [g]	7,083	15,827	21,388	35,423
Non-GAAP net income	\$86,078	\$93,038	\$262,081	\$256,464

	Three Months Ended		Nine Months Ended	
	June 29, 2012	July 1, 2011	June 29, 2012	July 1, 2011
GAAP net income per share, diluted	\$0.26	\$0.27	\$0.74	\$0.85
Share-based compensation expense [a]	0.10	0.08	0.28	0.22
Acquisition-related (credits) expenses [b]	(0.02)	0.02	0.04	0.02
Amortization of intangible assets	0.04	0.02	0.13	0.04
Restructuring & other charges [c]	-	0.01	0.04	0.01
Litigation settlement gains and losses [d]	0.03	0.01	0.03	0.01
Amortization of discount on convertible debt [f]	-	-	-	0.01
Tax adjustments [g]	0.04	0.08	0.11	0.19
Non-GAAP net income per share, diluted	\$0.45	\$0.49	\$1.37	\$1.35

SKYWORKS SOLUTIONS, INC.

DISCUSSION REGARDING THE USE OF NON-GAAP FINANCIAL MEASURES

Our earnings release contains some or all of 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 measures 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 and competitors 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 an additional 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 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 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 presented and which may represent non-cash items or 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 (credits) expenses. We calculate non-GAAP operating income by excluding from GAAP operating income, stock compensation expense, restructuring-related charges, acquisition-related (credits) expenses, litigation settlement gains and losses and certain deferred executive compensation. We calculate non-GAAP net income and net income per share (diluted) by excluding from GAAP net income and net income per share (diluted), stock compensation expense, restructuring-related charges, acquisition-related (credits) expenses, litigation settlement gains and losses, 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 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.

Acquisition-Related (Credits) Expenses - including such items as, when applicable, amortization of acquired intangible assets, fair value adjustments to contingent consideration, fair value charges incurred upon the sale of acquired inventory, acquisition-related professional fees and deemed compensation expenses, 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.

Litigation Settlement Gains and Losses - including gains and losses related to the resolution of other than ordinary course threatened and actually filed lawsuits and other than ordinary course contractual disputes, because (1) they are not considered by management in making operating decisions, (2) such gains and losses tend to be infrequent in nature, (3) such gains and losses are generally not directly controlled by management, (4) we believe such gains and losses do not necessarily reflect the performance of our ongoing operations for the period in which such charges are recognized and (5) the amount of such gains or losses can vary significantly between companies and make comparisons difficult.

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 necessarily reflect the performance of our ongoing operations for the period in which such charges are incurred.

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.

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 decisions.

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 a forward looking estimate of non-GAAP diluted earnings per share for the fourth quarter of our 2012 fiscal year ("Q4 2012"). 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 Q4 2012 non-GAAP diluted earnings per share to a forward looking estimate of Q4 2012 GAAP diluted earnings per share because certain information needed to make a reasonable forward looking estimate of GAAP diluted earnings per share for Q4 2012 (other than estimated stock compensation expense of \$0.10 per diluted share, certain tax items of \$0.07 per diluted share, estimated acquisition related expense of \$0.05 per diluted share and estimated deferred executive compensation expense and restructuring and other charges 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. Such events may include unanticipated one time charges related to asset impairments (fixed assets, intangibles or goodwill), unanticipated acquisition related costs, unanticipated litigation settlement gains and losses and other unanticipated non-recurring items not reflective of ongoing operations. We believe the probable significance of these unknown items, in aggregate, to be in the range of \$0.00 to \$0.10 in quarterly earnings per diluted share on a GAAP basis. 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.

These charges represent expense recognized in accordance with ASC 718 - *Compensation, Stock Compensation*.

- Approximately \$2.1 million, \$7.5 million and \$9.0 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively, for the three months ended June 29, 2012. [a] Approximately \$7.0 million, \$20.6 million and \$26.0 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively, for the nine months ended June 29, 2012.

For the three months ended July 1, 2011, approximately \$2.2 million, \$4.2 million and \$8.1 million were included in costs of goods sold, research and development expense and selling, general and administrative expense, respectively. For the nine months ended July 1, 2011 approximately \$5.4 million, \$13.1 million and \$24.2 million were included in costs of goods sold, research and development expense and selling, general and administrative expense, respectively.

- The acquisition-related expense recognized during the three months and nine months ended June 29, 2012 includes a \$0.7 million and \$3.6 million charge to cost of sales related to the sale of acquired inventory and \$0.7 million and \$9.9 million in transaction costs included in general and administrative expenses associated with acquisitions, and an arbitration, completed or contemplated during the three months and nine months ended June 29, 2012, respectively. Also included in general and administrative expenses for the three months and nine months ended June 29, 2012 is a \$5.4 million credit due to a reduction in the estimated fair value of contingent consideration liabilities associated with acquisitions. [b]

The acquisition-related expense recognized during the three months and nine months ended July 1, 2011 includes a \$1.6 million charge to cost of sales related to the sale of acquired inventory. Also included in acquisition-related expense is \$1.2 million and \$1.9 million in transaction costs associated with acquisitions completed or contemplated during the three months and nine months ended July 1, 2011, respectively.

- During the nine months ended June 29, 2012, the Company implemented a restructuring plan to reduce the headcount associated with its acquisition of Advanced Analogic Technologies, Inc. For the three months and nine months ended June 29, 2012, the Company recorded \$1.1 million and \$7.8 million, respectively, primarily related to this restructuring plan. [c]

During the three months ended July 1, 2011, the Company implemented a restructuring plan to reduce the headcount associated with its acquisition of SiGe Semiconductor, Inc.

- During the three months and nine months ended June 29, 2012, the Company recognized a \$5.3 million and \$5.8 million charge, respectively, related to the resolution of contractual disputes. [d]

During the three months and nine months ended July 1, 2011, the Company recognized a \$2.3 million charge related to the resolution of a contractual dispute.

- The gain recorded during the nine months ended June 29, 2012 relates to the retirement of the Company's 1.50% convertible subordinated notes due on March 1, 2012. [e]

- These charges represent the amortization expense recognized in accordance with ASC 470-20. Approximately \$0.4 million of amortization expense was recognized during the nine months ended June 29, 2012. [f]

Approximately \$0.3 and \$1.0 million, respectively, of amortization expense was recognized during the three months and nine months ended July 1, 2011.

For the three months and nine months ended June 29, 2012, these amounts primarily represent the utilization of net [g] operating loss and research and development tax credit carryforwards and non-cash expense related to uncertain tax positions.

During the three months and nine months ended July 1, 2011, these amounts primarily represent the utilization of net operating loss and research and development credit carryforwards.

SKYWORKS SOLUTIONS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands)	June 29, 2012	Sept. 30, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 327,915	\$ 410,799
Accounts receivable, net	246,894	177,940
Inventory	209,947	198,183
Prepaid expenses and other current assets	44,734	29,412
Property, plant and equipment, net	266,039	251,365
Goodwill and intangible assets, net	907,907	749,849
Other assets	86,457	72,841
Total assets	\$ 2,089,893	\$ 1,890,389

Liabilities and Equity

Current liabilities:		
Convertible notes	-	26,089
Accounts payable	135,597	115,290
Accrued liabilities and other current liabilities	103,974	105,717
Other long-term liabilities	48,657	34,198
Stockholders' equity	1,801,665	1,609,095
Total liabilities and equity	\$ 2,089,893	\$ 1,890,389

Source: Skyworks Solutions, Inc.

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