



Trading Update

Dialog Semiconductor achieves substantial growth with record revenue for both Q4 2011 and full year 2011

Company expects to report 2011 revenue of approximately \$527 million, achieving approximately 78% growth over 2010

Kirchheim/Teck, Germany, 9 January 2012 – Dialog Semiconductor plc (FWB: DLG), a provider of highly integrated innovative power management, audio and short range wireless technologies announces that it has achieved year-on-year growth in revenue of approximately 78% for the year ended 31 December 2011.

Due to a very strong end to the final quarter of 2011, Dialog now expects to report record revenue of \$527 million for full year 2011 and \$172 million for Q4 2011, exceeding the upper limit of the \$150 –157 million outlook range for Q4 2011 given on 25 October 2011.

As expected, Dialog has achieved this record performance while gross margins remain under pressure due to the product mix increasingly reflecting the higher volume customer contracts together with higher material costs. Whilst these conditions currently remain, we continue to believe that gross margin will begin to stabilise in the coming months and begin to gradually improve in the second half of 2012 as the supply chain environment starts to ease.

Dialog's cash and cash equivalents balances have increased in Q4 2011 by \$19 million to stand at an estimated \$114 million at 31 December 2011.

The Company is currently finalising its Q4 2011 results and will publish full and audited results for the year ended 31 December 2011 on Wednesday, 22 February 2012.

Dialog Semiconductor will hold a conference call on 22 February 2012 at 09.00 UK /10.00 CET. Dialog Semiconductor invites you to take part in this results call and to listen to management's discussion of the Company's Q4 and full year 2011 performance.

To access the call please use the following dial-in numbers: Germany 0800 101 4960, UK 0800 694 0257, USA 1866 966 9439 and Rest of World +44 (0) 1452 555 566, with no access code required. An instant replay facility will be available for 30 days after the call and can be accessed at +44 (0) 1452 550000 with access code 41219463#. An audio replay of the conference call will also be posted soon thereafter on the company's website at:

http://www.diasemi.com/investor_relations.php2

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Note to editors

Dialog Semiconductor creates highly integrated, mixed-signal integrated circuits (ICs) optimised for personal portable, low energy short-range wireless, lighting, display and automotive applications. The company provides flexible and dynamic support, world-class innovation and the assurance of dealing with an established business partner.

With its unique focus and expertise in energy efficient system power management, and now with the recent addition of low energy short range wireless and VoIP technology to the portfolio, Dialog brings decades of experience to the rapid development of ICs for personal portable applications including Smartphones, Tablet PCs, digital cordless phones and gaming applications.

Dialog's power management processor companion chips are essential for enhancing both the performance in terms of extended battery lifetime and the consumers' multimedia experience. With world-class manufacturing partners, Dialog operates a fabless business model.

Dialog Semiconductor plc is headquartered near Stuttgart with a global sales, R&D and marketing organisation. In 2011, it had approximately \$527 million in revenue and was one of the fastest growing European public semiconductor companies. It currently has approximately 650 employees. The company is listed on the Frankfurt (FWB: DLG) stock exchange and is a member of the German TecDax index

Forward Looking Statements

This press release contains "forward-looking statements" that reflect management's current views with respect to future events. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" and "should" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in the semiconductor and telecommunications markets; changes in currency exchange rates and interest rates, the timing of customer orders and manufacturing lead times, insufficient, excess or obsolete inventory, the impact of competing products and their pricing, political risks in the countries in which we operate or sale and supply constraints. If any of these or other risks and uncertainties occur (some of which are described under the heading "Risks and their management" in Dialog Semiconductor's most recent Annual Report) or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement which speaks only as of the date on which it is made, however, any subsequent statement will supersede any previous statement