



Trading update

Dialog Semiconductor achieves substantial growth with record revenue for both Q4 2010 and full year 2010

Company expects to report 2010 revenue of approximately \$296.6 million, achieving approximately 36% growth over 2009

Kirchheim/Teck, Germany, 17 January 2011 – Dialog Semiconductor plc (FWB: DLG), a leading provider of power management semiconductor solutions announces that it has achieved year-on-year growth in revenue of approximately 36% for the year ended 31 December 2010. It expects to report record revenue of \$296.6 million for full year 2010 and \$87.5 million for Q4 2010, exceeding the upper limit of the \$290-295 million outlook range for 2010 given on 26 October 2010.

Dialog's cash, cash equivalents and restricted cash balances have increased in Q4 2010 by \$12.6 million to stand at an estimated \$158 million at 31 December 2010.

Associated with the 42% increase in share price during Q4 2010, an additional non operating charge of approximately \$3.0 million related to share based compensation charges was incurred.

The Company is currently finalising its Q4 2010 results and will publish full and audited results for the year ended 31 December 2010 on Thursday, 10 February 2011.

Dialog Semiconductor will hold a conference call on 10 February 2011 at 09:30 CET / 08:30 UK. 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 2010 performance.

To access the call please use the following dial-in numbers: Germany +49 (0) 6103 485 3000, UK +44 (0) 207 153 2027, USA +1 480 629 9725, with no access code required. An instant replay facility will be available for 30 days after the call and can be accessed at +49 (0) 69 589 990 568 with access code 4402293#. 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.php

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Note to editors:

Dialog Semiconductor creates energy-efficient, highly integrated, mixed-signal circuits optimised for personal mobile, 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 system power management, Dialog brings decades of experience to the rapid development of integrated circuits for power management, audio, display processing and motor control. Dialog's processor companion chips are essential for enhancing both the performance of hand-held products 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 2010, it had approximately \$296.6 million in revenue and was again one of the fastest growing European public semiconductor companies. It currently has approximately 400 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 supercede any previous statement.