DIALOG SEMICONDUCTOR RAISES Q3 2011 GUIDANCE

Company expects to exceed original Q3 2011 guidance and to report record quarterly revenue in the range of $137 to $140 million

Kirchheim/Teck, Germany, 28 September 2011 – Dialog Semiconductor plc (FWB: DLG), a provider of highly integrated innovative power management, audio and short range wireless technologies, is pleased to announce that it has experienced demand above expectation for its products, which has translated into increased sales for the third quarter of 2011.

With three trading days still remaining in the quarter, Dialog now expects to achieve record revenue in the range of $137.0 to $140.0 million for Q3 2011.

During the quarter, Dialog also received a net cash settlement of approximately $2.0 million mainly against revenues that had not been recognised in 2006 as a result of the insolvency of BenQ Mobile. This will have a positive effect of approximately 1 percentage point on the quarterly gross margin for Q3 2011.

A full update on the Q3 2011 trading performance will be provided within Dialog's Q3 2011 results announcement on 25 October 2011.

Tomorrow, Thursday 29 September, Dialog will hold an analyst and investor day in London. The presentations from that day will be posted soon thereafter on the company's website at:

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

For further information please contact:

Dialog Semiconductor
Neue Strasse
D-73230 Kirchheim/Teck
Germany
T: +49 7021 805 412
dialog@fticonsulting.com
www.dialog-semiconductor.com

FTI Consulting London
Matt Dixon
T +44 20 7269 7214
matt.dixon@fticonsulting.com

FTI Consulting Frankfurt
Thomas Krammer
T +49 69 920 37 183
thomas.krammer@fticonsulting.com

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 2010, it had $296.6 million in revenue and was one of the fastest growing European public semiconductor companies. It currently has approximately 550 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.