This presentation 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.
Agenda

Dialog Executive Overview

Q1 2012 Financial Overview

Strategic Direction

Outlook and Summary
Executive Overview
Our Impressive Growth Continues

- **Fabless provider** of mixed signal Integrated Circuits (ICs). Listed on Frankfurt Stock Exchange (FWB:DLG)
  - High Integrated Power Management
  - Low Energy Short Range Wireless

- Successful today with leading OEMs in **high volume, high growth** portable devices
  - Smartphones & Tablet PCs
  - Portable Media devices including digital cordless

- **Record Q1 2012 revenue of** $166.3 million
  - 69% increase over Q1 2011

- **Increasing EPS** - underlying(*) EPS of 27 cents, increase of 7 cents over Q1 2011

- **Strengthening of Balance sheet** with recent $201 million (gross proceeds) convertible bond offering

- Expecting stronger seasonal demand in **H2 2012**

![Graph showing revenue growth from 2007 to 2012](image)

(*) Definition of underlying provided on slide 8
Q1 2012 Summary
Operational Highlights

► Additional **new platform design-in success** at tier 1 Asian Smartphone OEM

► Pioneering integration of **32 bit ARM® Cortex™ M0** into future PMICs, adding intelligence and digital power control

► Announced **co-operation with TSMC for 130 nm BCD process development**, step in transition towards 300 mm wafers for PMIC

► Extension of the **Green VOIP IC family** with latest SC14453, incorporating leading security, graphic and audio capability

► Continued adoption of **SmartPulse™ smart sensor wireless technology** in home automation and medical pendant applications

► Opening of **new Asian Headquarters** in Taipei, to service increasing demand for Ultrabooks, Tablet PCs and Smartphones
Summary and Investment Highlights
Continuing to outpace the industry through 2012

Dialog Growth:
- 2010: +78%
- 2011: <1%

Semiconductor Industry:
- 2010: ≈1.5%
- 2011: +69%

Mixed Signal Peers(*):
- 2010: ≈1.5%
- 2011: +69%

Source: Barclays Capital February 2012


Source SIA data May 2012
Q1 2012
Key Financial Metrics

Revenue
- $166.3 million Revenue
  - +68.9% over Q1 2011
  - -3.3% over prior quarter
  - Driven by new customer product launches
  - Strong finish to the quarter

Cash & Cash Equivalents
- $136.8 million at Q1 quarter end
  - $35.8m of cash generated from operations
  - $17.0m of free cashflow during quarter
  - $197m net proceeds of Convertible Bond closed on 12 April 2012 not included

Gross Margin
- Gross Margin of 36.9% of Revenue
  - +0.4% points up on prior quarter
  - -4.3% points down on Q1 2011

Earnings per Share ($)
- Underlying(*) EPS (diluted) 27 cents
  - compared to 20 cents in Q1 2011
- IFRS basic and diluted EPS of 14 and 13 cents
  - compared to 12 and 12 cents in Q1 2011
Q1 2012 Financial Overview

Note:

(*) Underlying results are based on IFRS, adjusted to exclude share-based compensation charges and related charges for National Insurance (Q1 2012: $3.7 million), excluding one-time costs associated with the offering of a convertible bond (please refer to note 8 to the interim consolidated financial statements) (Q1 2012: $3.4 million), excluding amortisation of intangibles associated with the acquisition of SiTel Semiconductor ("SiTel") (Q1 2012: $1.5 million) and excluding amortisation expenses in relation to previously capitalised R&D expenses for close to end of life products from SiTel (Q1 2012: $0.6 million). The term “underlying” is not defined in IFRS and therefore may not be comparable with similarly titled measures reported by other companies. Underlying measures are not intended as a substitute for, or a superior measure to, IFRS measures.

(**) EBITDA is defined as operating profit excluding depreciation for property, plant and equipment (Q1 2012: $2.7 million), amortisation for intangible assets (Q1 2012: $4.7 million) and losses on disposals and impairment of fixed assets (Q1 2012: 0.2 million).
Revenue Growth Continues
Into 6th Year of YoY quarterly growth

$166.3 million revenue in Q1 2012
- 68.9% growth over Q1 2011
- Only -3.3% QoQ revenue seasonal decline

YoY Revenue ($ million)

- 2007
- 2008
- 2009
- 2010
- 2011
- 2012

Q1: 13.6, Q2: 31.5, Q3: 98.5, Q4: 166.3
Q1: 61.1, Q2: 69.0, Q3: 80.0, Q4: 88.8
Q1 2012 IFRS Gross Margin of 36.9%
- Increase of 0.4% from 36.5% achieved in Q4 2011
- Incremental recovery one quarter earlier than projected, gradual improvement expected through 2012

IFRS Gross Margin %

- 2008: 38.7%
- 2009: 44.9%
- 2010: 46.3%
- 2011: 39.5%
- 2012 YTD: 36.9%

Underlying(*) 37.3%
Q1 2012 Underlying Gross Margin

- Underlying(*) Gross Margin of 37.3% compared to 37.1% in the prior quarter

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Will go away post Q1 2012
To stay until Feb-2014
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Increasing YoY EBIT in Q1 2012 & Tax

- **Q1 2012 Underlying(*) Operating Profit or EBIT(*)** of $21.5 million (13.0% of revenue)
  - compares with $13.8 million (14.0% of revenue) in Q1 2011
  - compares with $26.1 million (15.2% of revenue) in Q4 2011

- **Q1 2012 IFRS EBIT** of $12.3 million (7.4% of revenue)
  - compares with $8.0 million (8.1% of revenue) in Q1 2011

- **Q4 Underlying (*) EBITDA (**)** of $27.1 million (16.3% of revenue)
  - compares with $17.2 million (17.5% of revenue) in Q1 2011

Note: $3.4 million one time costs associated with the Convertible Bond offering included in SG&A in Q1 2012

- **Q1 2012 Net Tax Charge** of $3.4 million, consequently overall tax rate of 27.0% in Q1 2012
Increasing Profitability & EPS in Q1 2012

- Underlying(*) Net Income of $18.4 million or 11.1% of revenue
  - an increase of $4.8 million over Q1 2011

- IFRS Net Income of $9.1 million or 5.5% of revenue
  - an increase of $1.2 million over Q1 2011

![Earnings Per Share (Diluted) graph](image)
Increasing Annual and Quarterly EPS (IFRS – Basic)

Q1 Year over Year EPS (Basic) Development (2008-2012)

$ cents

0.0  2.0  8.0  12.0  14.0
2008  2009  2010  2011  2012

Annual EPS (Basic) Development

$ cents

15.0  67.0  70.0  89.0
2008  2009  2010  2011
$136.3 million cash & cash equivalents balance at Q1 2012 quarter end
(excl. approx. $197 million net proceeds from Convertible Bond which closed April 12th 2012)

Increase of $22.8 million from prior quarter
- $35.8 million of cash generated from operations during the quarter

Cash & Cash Equivalents ($million) at Q1 quarter end

- Q1’10: $138.2
- Q2’10: $131.9
- Q3’10: $145.6
- Q4’10: $158.0
- Q1’11: $94.3
- Q2’11: $80.5
- Q3’11: $94.4
- Q4’11: $114.0
- Q1’12: $136.3
Convertible Bond Overview

- 8 March 2012 - Launch of Convertible Bond and priced same day
  - Closed on April 12th 2012

- Approximately **10x over-subscribed** with total offering of $201 million

- Main Terms:
  - Bond maturity 5 year, unsecured convertible bond
  - Associated **coupon 1%**
  - Conversion price €22.367 (35% above VWAP on 8 March)
  - Company call option after 3 years if share price exceeds 130%
  - Shares issued represented approximately **10% of Dialog’s Share Capital**
  - Bonds listed on Luxembourg stock exchange on **12 April 2012**

- Intended use of proceeds for general corporate purposes including ability to capitalise on **potential acquisition opportunities** going forward
Inventory Analysis
Building Inventory - Preparing for accelerated H2 2012 demand

Inventory and Inventory Days Outstanding (IDO) Analysis

- Inventory DAYS Outstanding (IDO) up 17 days from Q4 2011 to 69 days (or 5.2 turns/year) but down 22 days compared to Q1 2011.
Continuing to Win - The Dialog Equation

Low power portable device technologies + Continuous innovation + In high growth markets with trend setting customers = Maintaining our high growth of recent years

1. Power Management
2. Ultra Low Power Audio
3. Low Power Displays
4. Short Range Wireless
5. PMIC Integration
6. Advanced Packaging

Management aspiration of reaching $1 Billion
1. **Extending our Portfolio of Products for Portable Platforms**
   - Adding ultra-low power audio, unique display products and new power management functionality

2. **Broader and Deeper at our Customer Base**
   - Developing companion PMICs with leading and emerging application processor vendors to address broader customer base through their sales eco system
   - Diversifying across more platforms for custom PMIC at larger accounts

3. **Continuous Innovation**
   - Innovation on low power differentiating power-saving technologies together with advanced packaging development

4. **Selected Acquisitions**
Audio & Power: More Functionality - More Value
Gradual Increase in ASP

► Smartphone to Tablet PC
► Shift to BCD
► 130 nm
► Integrated FETS
► Integrated fuel gauge
► Faster battery charging
► Hi-Fi audio CODEC and amplifier
► Multi-core digital power control
► Advanced packaging

2007
< 10 mm²
Typical PMIC
2007

2012
> 40 mm²
Typical PMIC
2012

ASP of core PMIC business of ≈ $1.70 in 2011 (20% increase over 2010)
Huge Opportunity for our Technology
Converting discrete power management to PMICs

► Dialog value proposition

1. > 30% power saving
2. > 30% cost saving
3. Typically 40% board saving
4. Ability to integrate digital control
5. Accelerate time to market for our customers

ALL ANALOG ICs
(Discrete & Integrated)

Power Management

Power Management Portable Devices

Integrated Power Management -Portable

$42.5bn

$31.8bn

$14.5bn

Data Source: Venture Q September 2011, IHS iSuppli Research, Dialog.
A Focus on the Highest Growth Markets

**Smartphone**

Source: Gartner/Dialog 2012

- 2011: 445
- 2012: 620
- 2013: 830
- 2014: 1080
- 2015: 1220

**Tablet PC**

Source: Arete/Dialog February 2012

- 2011: 55
- 2012: 96
- 2013: 155
- 2014: 190
- 2015: 215

**Ultrabook**

Million Units

Source: Gartner/Dialog 2012
In Q2 2012, we expect to deliver revenue for the quarter in the range of $158 to $168 million, representing further significant year on year growth. We are now increasingly confident in our ability to meet current market revenue expectations for the full year, driven by a stronger seasonal second half and anticipated new product launches from our customers.

We continue to believe that the positive trend of gradual incremental gross margin improvement achieved in Q1, will continue through 2012, supported by our increasing supply chain visibility.
Summary and Investment Highlights

1. Positioned for Market share gain in Smartphones, Tablets and Ultrabooks
2. Strong Revenue Momentum
3. Strong Relationship with Brand-Name, Innovative and Trend Setting Customers
4. Powerful Customer Power and Board Space Saving Value Proposition
5. Gross Margin Expansion expected through 2012
6. Robust Financial Position currently > $300 million on balance sheet
- Powering Ahead -