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 supercede any previous statement.
Q2 2012 Executive Overview
Our 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 Q2 revenue of $159.5 million**
  - 37.4% increase over Q1 2011
  - 51.9% increase H1 2012 over H1 2011

- **Continued Profitability**
  - Underlying(*) EBITDA of $24.4 million (15.3% of Revenue)
  - 20 cents underlying diluted EPS
  - 0.6% Incremental Gross Margin improvement in quarter

- **Strong Balance Sheet**
  - $304 million in cash

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

(*) Definition of underlying provided on slide 8
Continued engagement with leading Application Processor vendors with companion PMICs targeting next generation processors for:
- Smartphone
- Tablet PCs
- Ultrabooks

Announced new Smartphone platform design-in success at Samsung
- Galaxy Pocket S5300 ramp during quarter
- For monolithic power management and audio IC

Announced audio IC design win for S-Pebble (YP-W1) MP3 accessory player for Galaxy SIII (S3)

Continued adoption of SmartPulse™ smart sensor wireless
- Home Power Plug latest application to adopt technology

Short Range Wireless Audio success
- Strong engagement in microphone, professional headset and gaming market
Growth track record
Continuing to outpace the industry through 2012

Dialog Growth
2010: +78%
2011: +78%
Q2 2011: +37%
Q2 2012: +37%

Semiconductor Industry
2010: < 1%
2011: < 1%
May 2012: -3.9% (typical + 3.5% m/m for May)

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

Source: Barclays Capital February 2012
Source SIA data July 2012

**Q2 2012**

**Key Financial Metrics**

**Revenue**
- $159.5 million Revenue
  - within revenue guidance range
  - +37.4% over Q2 2011
  - -4.1% on prior quarter

**Cash and Cash Equivalents**
- $304.0 million at Q2 quarter end
  - -$9.0 million of cash outflow from operations
  - -$32.8 million of negative FCF in Q2
  - $197 million proceeds from Convertible Bond settled on 12 April 2012 included

**Gross Margin**
- Gross Margin of 37.5% of Revenue
  - +0.6% points up on prior quarter
  - -3.4% points down on Q2 2011

**Earnings per Share ($)**
- Underlying(*) EPS (diluted) 20 cents
  - compared to 24 cents in Q2 2011
- IFRS basic and diluted EPS of 13 and 12 cents
  - compared to 20 and 18 cents in Q2 2011
Q2 2012 Financial Overview

Note:

(*) Underlying results in Q2 2012 are based on IFRS, adjusted to exclude share-based compensation charges and related charges for National Insurance of $1.9 million, excluding $1.6 million of amortisation of intangibles associated with the acquisition of SiTel and excluding $1.7 million interest and financial expense in connection with the convertible bond. The term “underlying” is not defined in IFRS and therefore may not be comparable with similarly titled measure 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 (Q2 2012: $3.0 million), amortisation for intangible assets (Q2 2012: $4.3 million) and losses on disposals and impairment of fixed assets (Q2 2012: $0.1 million).
Revenue Growth Continues
Into 6th Year of YoY Quarterly Growth

► $159.5 million Revenue in Q2 2012
  - 37.4% Growth over Q2 2011
  - -4.1% QoQ revenue decline

► $325.9 million Revenue in H1 2012
  - +51.9% Growth over H1 2011

$0
$20
$40
$60
$80
$100
$120
$140
$160
$180

Q1 2010
Q2 2010
Q3 2010
Q4 2010
Q1 2011
Q2 2011
Q3 2011
Q4 2011
Q1 2012
Q2 2012

YoY Revenue ($ million)
Gross Margin
2nd Quarter of Incremental Gross Margin Improvement

Q2 2012 IFRS Gross Margin of 37.5%
- Increase of 0.6% over prior quarter
- Continued gradual improvement expected through 2012

IFRS Gross Margin %

Incremental Gross Margin Improvement

<table>
<thead>
<tr>
<th></th>
<th>Q3 2011</th>
<th>Q4 2011</th>
<th>Q1 2012</th>
<th>Q2 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>% IFRS Gross Margin</td>
<td>40.9</td>
<td>36.5</td>
<td>36.9</td>
<td>37.5</td>
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</table>
During Q1 2012, the Company launched a 5 year Convertible Bond Offering yielding gross proceeds of **US$201 million**.

The offering closed on 12 April 2012. The Bonds, which are listed on the Luxembourg Stock Exchange’s Euro MTF market, will be convertible into ordinary shares of Dialog Semiconductor Plc listed on the Regulated Market of the Frankfurt Stock Exchange.

The net proceeds received in the second quarter 2012 were **US$196.8 million** after transaction costs in the amount of **US$4.3 million** were deducted.

In accordance with IAS 32 of the US$201 million, an amount of **US$37.4 million (19%)** was allocated to equity and an amount of **US$163.6 million (81%)** was allocated to financial liabilities.

In Q2 and H1 2012 the potential ordinary shares of the convertible CB increase earnings per share. For the calculation of diluted EPS a conversion was therefore not assumed in accordance to IAS 33.43. Consequently, the **Convertible Bond currently has no impact on diluted EPS** and will remain as such until the quarterly PBT reaches a level high enough to absorb the dilutive effect of these 6.8 million ordinary shares.
We are now recognising that the **US$3.4 million transactions cost relating to the liability portion (81%)** should be offset against the liability in accordance to IAS 32 and 39 rather than as expense in the income statement as previously reported in Q1 2012. This adjustment, posted retrospectively in line with IAS8, results in the following changes in the profit and loss statement and the statement of financial position:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended 30 March 2012 as previously reported</th>
<th>adjustment</th>
<th>Three months ended 30 March 2012 adjusted</th>
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<tbody>
<tr>
<td></td>
<td>US$000</td>
<td>US$000</td>
<td>US$000</td>
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<tr>
<td>General and administrative expenses</td>
<td>(11,215)</td>
<td>3,418</td>
<td>(7,797)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>12,303</td>
<td>3,418</td>
<td>15,721</td>
</tr>
<tr>
<td>Result before income taxes</td>
<td>12,518</td>
<td>3,418</td>
<td>15,936</td>
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<tr>
<td>Income tax expense</td>
<td>(3,380)</td>
<td>(921)</td>
<td>(4,301)</td>
</tr>
<tr>
<td>Net profit</td>
<td>9,138</td>
<td>2,497</td>
<td>11,635</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Three months ended 30 March 2012 as previously reported</th>
<th>Three months ended 30 March 2012 adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (in US$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>0.14</td>
<td>0.18</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.13</td>
<td>0.17</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>At 30 March 2012 as previously reported</th>
<th>adjustment</th>
<th>At 30 March 2012 adjusted</th>
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<tbody>
<tr>
<td></td>
<td>US$000</td>
<td>US$000</td>
<td>US$000</td>
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<tr>
<td>Other current assets</td>
<td>8,860</td>
<td>3,418</td>
<td>12,278</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>16,692</td>
<td>(921)</td>
<td>15,771</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>68,885</td>
<td>2,497</td>
<td>71,382</td>
</tr>
</tbody>
</table>
**Convertible Bond**

**Accounting Summary**

<table>
<thead>
<tr>
<th>Proceeds (m$)</th>
<th>IAS 32 (201m$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transaction Costs</strong></td>
<td><strong>Net Proceeds</strong></td>
</tr>
<tr>
<td>4.2</td>
<td>196.8</td>
</tr>
<tr>
<td><strong>Net Proceeds</strong></td>
<td><strong>Transaction Costs</strong></td>
</tr>
<tr>
<td>196.8</td>
<td>4.2</td>
</tr>
</tbody>
</table>

- **163.6** Non-Current Financial Liability as of 12 April '12
- **-3.4** Portion of Transaction Cost to offset against Non-Current Financial Liability
  - **A** 1.4 Financial expense for the measurement of the financial liability from the bond using the effective interest method
  - **161.6** Non-Current Financial Liability as of 29 June '12 to cover the Convertible Bond
  - **B** 0.4 accrual for 1% coupon payable on a semi-annual basis (against current Financial Liability)

**A + B = $1.8M hit to P&L (Interest Expenses & Other Financial Exp.)**

- **A** = $1.4M against Non-Current Liability
- **B** = $0.4M against Current Liability
Profitability: Q2 2012 Overview

► Q2 2012 IFRS EBIT of $13.4 million (8.4% of revenue)
  ▪ compares with $13.1 million (11.2% of revenue) in Q2 2011

► Q2 2012 Underlying(*) Operating Profit or EBIT(*) of $16.9 million (10.6% of revenue)
  ▪ compares with $17.1 million (14.7% of revenue) in Q2 2011
  ▪ compares with $21.5 million (13.0% of revenue) in the prior quarter

► Q2 2012 Underlying (*) EBITDA (**) of $24.4 million (15.3% of revenue)
  ▪ compares with $20.4 million (17.6% of revenue) in Q2 2011

► Q2 2012 Net Tax Charge of $3.2 million, consequently overall tax rate of 27.0% in Q2 2012
Underlying(*) Net Income of $13.7 million
- a decrease of $2.6 million compared to Q2 2011

IFRS Net Income of $8.5 million
- a decrease of $3.8 million compared to Q2 2011

Q2 2011 to Q2 2012 Comparison
- Effective tax rate in Q2 2011 was 4.4% versus 27.0% in Q2 2012 ($2.9 million incremental tax charge)

Applying 27.0% tax to Q2 2011
- Diluted EPS would have been 14 cents (4 cents lower)
- Underlying diluted EPS would have been 18 cents (6 cents lower)
**Profitability: H1 2012 Overview**

- **Underlying(*) Net Income of $31.2 million**
  - an increase of $1.4 million over H1 2011

- **IFRS Net Income of $20.2 million**
  - an increase of $0.2 million over H1 2011

- **H1 2011 to H1 2012 Comparison**
  - Effective tax rate in H1 2011 was 6.9% versus 27.0% in H1 2012 ($4.3 million incremental tax charge)

### Applying 27.0% tax to H1 2011

<table>
<thead>
<tr>
<th>Diluted EPS</th>
<th>Underlying (*) Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Cents</td>
<td>34 Cents</td>
</tr>
<tr>
<td>45 Cents</td>
<td>46 Cents</td>
</tr>
</tbody>
</table>

Diluted EPS would have been 23 cents (7 cents lower)
Underlying diluted EPS would have been 34 cents (11 cents lower)
$304.0 million cash & cash equivalents balance at Q2 2012 quarter end

Increase of $167.7 million from prior quarter
- $9.0 million of cash outflow from operations
- $32.8 million of negative free cashflow during quarter

(inventory build for H2 2012 and supply chain investment with offshore partners)
Inventory Analysis
Building Inventory - Preparing for Accelerated H2 2012 Demand

Inventory and Inventory Days Outstanding (IDO) Analysis

- IDO up 23 days from Q1 2012 to 92 days in Q2 2012
- Still ramping up finished goods to service anticipated strong second half demand
Agenda

Strategic Direction

Outlook and Summary
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**
Short Range Wireless
Executing to our strategy

► New products already introduced
  ▪ Smartpulse™ - low power wireless sensor
  ▪ Green VOIP

► Addressing new markets
  ▪ wireless audio
  ▪ home automation
  ▪ sports
  ▪ medical

► R&D investment in a new low power short range wireless technology
  ▪ utilising power management synergies from legacy business

► Targeting higher margin legacy digital cordless business

► Prior R&D accounting issue now gone
  ▪ Purchase Price Intangible (PPA accounting) of ___ for next 3 years
Outlook and Summary
In Q3 2012, we expect our revenue momentum to continue to build and deliver revenue for the quarter in the range of $170 to $180 million, representing further significant year on year growth.

We remain confident in our ability to meet current market revenue expectations for the full year, driven by a stronger seasonal second half and through anticipated new product launches from our customers.

We continue to believe that the positive trend of gradual incremental gross margin improvement achieved in the first half 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. Continuing 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 to continue through 2012
6. Robust Financial Position currently >$300 million on balance sheet
# Dialog Semiconductor underlying financial performance
## Q2 2012 and Q2 2011

<table>
<thead>
<tr>
<th>US$000</th>
<th>Three months ended 29 June 2012</th>
<th>Three months ended 1 July 2011 ***</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>IFRS Adjustments</td>
<td>Underlying*</td>
<td>IFRS Adjustments</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>159,525</td>
<td>116,090</td>
<td>116,090</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(99,781) (4)</td>
<td>(99,777)</td>
<td>(68,617) (810)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>59,744 (4)</td>
<td>59,748</td>
<td>47,473 (810)</td>
</tr>
<tr>
<td><strong>Selling and marketing expenses</strong></td>
<td>(9,494) (1,801)</td>
<td>(7,693)</td>
<td>(8,128) (1,532)</td>
</tr>
<tr>
<td><strong>General and administrative expenses</strong></td>
<td>(6,453) (993)</td>
<td>(5,460)</td>
<td>(5,171) (1,020)</td>
</tr>
<tr>
<td><strong>Research and development expenses</strong></td>
<td>(30,397) (710)</td>
<td>(29,687)</td>
<td>(21,125) (651)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>13,400 (3,508)</td>
<td>16,908</td>
<td>13,049 (4,013)</td>
</tr>
<tr>
<td><strong>Interest income and other financial income</strong></td>
<td>496</td>
<td>496</td>
<td>67</td>
</tr>
<tr>
<td><strong>Interest expense and other financial expense</strong></td>
<td>(1,725) (1,685)</td>
<td>(40)</td>
<td>(101)</td>
</tr>
<tr>
<td><strong>Foreign currency exchange gains and losses, net</strong></td>
<td>(471)</td>
<td>(471)</td>
<td>(181)</td>
</tr>
<tr>
<td><strong>Result before income taxes</strong></td>
<td>11,700 (5,193)</td>
<td>16,893</td>
<td>12,834 (4,013)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(3,159)</td>
<td>(3,159)</td>
<td>(570)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>8,541 (5,193)</td>
<td>13,734</td>
<td>12,264 (4,013)</td>
</tr>
<tr>
<td><strong>Earnings per share (in US$)</strong></td>
<td><strong>Basic</strong></td>
<td><strong>Diluted</strong></td>
<td><strong>Basic</strong></td>
</tr>
<tr>
<td></td>
<td>0.13 (0.08)</td>
<td>0.21</td>
<td>0.20 (0.06)</td>
</tr>
<tr>
<td></td>
<td>0.12 (0.08)</td>
<td>0.20</td>
<td>0.18 (0.06)</td>
</tr>
<tr>
<td>**EBITDA **)</td>
<td>20,773 (3,604)</td>
<td>24,377</td>
<td>18,715 (1,661)</td>
</tr>
</tbody>
</table>
Investor Information
Calendar, Events and Analyst Coverage

► Analyst coverage

<table>
<thead>
<tr>
<th>Company</th>
<th>Analyst</th>
</tr>
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<tbody>
<tr>
<td>Barclays Capital</td>
<td>Andrew Gardiner</td>
</tr>
<tr>
<td>Berenberg Bank</td>
<td>Ali Farid Khwaja</td>
</tr>
<tr>
<td>CapStone</td>
<td>Jeff Schreiner</td>
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<td>CBSR AG</td>
<td>Veysel Taze</td>
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<td>Cheuvreux</td>
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<td>Commerzbank</td>
<td>Thomas Becker</td>
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<td>Deutsche Bank</td>
<td>Uwe Schupp</td>
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<td>DZ Bank</td>
<td>Harald Schnitzer</td>
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<td>Exane BNP</td>
<td>David O’Connor</td>
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<td>H&amp;A</td>
<td>Tim Wunderlich</td>
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<td>HSBC</td>
<td>Christian Rath</td>
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<td>Jefferies</td>
<td>Lee Simpson</td>
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<tr>
<td>Main First Bank</td>
<td>Jürgen Wagner</td>
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<tr>
<td>Morgan Stanley</td>
<td>Francois Meunier</td>
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<tr>
<td>Natixis</td>
<td>Maxime Mallet</td>
</tr>
</tbody>
</table>

► Financial Calendar

Q3 2012 Results
31 October 2012

Q4 2012 & FY 2012 Results
February 2013

► Upcoming events

- COMMERZBANK
  29 August 2012, Frankfurt
  Commerzbank TMT Conference

- Deutsche Bank
  11-13 September 2012, Las Vegas
  DB Access 2012 Technology Conference

- BAADER INVESTMENT CONFERENCE
  25 – 27 September 2012
  BMW WELT, AM OLYMPIAPARK 1, 80339 MUNICH

► Investor Relations

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 (0)20 7269 7214
matt.dixon@fticonsulting.com

FTI Consulting Frankfurt
Thomas M. Krammer
T: +49 (0) 69 9203 7183
thomas.krammer@fticonsulting.com
- Powering Ahead -