



Silicon Laboratories Acquires Wireless Protocol Stack Software Company

AUSTIN, Texas--(BUSINESS WIRE)--July 20, 2006--Silicon Laboratories Inc. (Nasdaq:SLAB) today announced the acquisition of StackCom, a privately held company developing wireless protocol software stacks for GSM and GPRS mobile applications. Silicon Laboratories acquired StackCom in an all-cash transaction for approximately \$7 million.

Protocol software stacks are one of the key elements required in every cellular terminal. The acquisition of StackCom provides Silicon Laboratories with internal software stack capabilities enabling the integration of complete software solutions with future generations of Silicon Laboratories' AeroFONE™ single-chip phone. This combination enables further optimization of the software footprint and efficiency on the AeroFONE hardware platform, which already leads the market in size and integration.

"The StackCom team is top notch, and we believe they bring not only a strong product but also years of valuable experience in mobile platform architecture and development," said Dan Rabinovitsj, vice president of Silicon Laboratories. "The addition of this internal capability optimizes our total solution for key market segments and complements our current partnerships with stack vendors such as TTPCom, which we continue to believe offer compelling solutions for handset manufacturers."

"We're very excited to pair our software and systems expertise with Silicon Laboratories' well known AeroFONE platform," said Philippe Faurie, chief executive officer of StackCom. "We have developed several generations of successful protocol stacks and bring an innovative and efficient software architecture to the Silicon Labs team."

Silicon Laboratories' family of AeroFONE single-chip phones offers the first fully functional and completely integrated single-chip solution for the cell phone market. Based on breakthrough, patented innovation, the AeroFONE single-chip phone offers superior integration, performance and software flexibility. The AeroFONE supports a unique software stack strategy enabling customers to work with one of several stack partners or leverage their own internal solutions to develop a complete AeroFONE-based handset.

This transaction is expected to result in a one-time charge for purchased in-process R&D in the third quarter.

Silicon Laboratories Inc.

Silicon Laboratories Inc. is a leading designer of high-performance, analog-intensive, mixed-signal integrated circuits (ICs) for a broad range of applications. Silicon Laboratories' diverse portfolio of highly integrated, patented solutions is developed by a world-class engineering team with decades of cumulative expertise in cutting-edge mixed-signal design. The company has design, engineering, marketing, sales and applications offices throughout North America, Europe and Asia. For more information about Silicon Laboratories please visit www.silabs.com.

Cautionary Language

This press release may contain forward-looking statements based on Silicon Laboratories' current expectations. These forward-looking statements involve risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements, including risks that the acquisition may not yield the expected benefits due to the failure to properly integrate the acquired business and employees; risks that the products under development may fail to achieve market acceptance; risks of disputes regarding the acquired business; risks that Silicon Laboratories may not be able to manage strains associated with its growth; product development risks; intellectual property litigation risks; the cyclical nature of the semiconductor industry and other factors that are described in Silicon Laboratories' filings with the SEC. Silicon Laboratories disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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