

November 2, 2010



# QuickLogic Announces Fiscal 2010 Third Quarter Results -- Company Returns to GAAP Profitability and New Product Revenue Increases 20% Sequentially

SUNNYVALE, CA -- (MARKET WIRE) -- 11/02/10 -- QuickLogic Corporation (NASDAQ: QUIK), the lowest power Customer Specific Standard Products (CSSPs) leader, today announced the financial results for its fiscal third quarter ended October 3, 2010.

Total revenue for the third quarter of 2010 was \$7.3 million, up 13% sequentially and 120% compared to the third quarter of 2009. During the third quarter, new product revenue increased 20% sequentially to \$2.8 million, accounting for 38% of total revenue. During the third quarter, legacy product revenue increased 9% sequentially to \$4.6 million, accounting for 62% of total revenue in the third quarter.

Under generally accepted accounting principles (GAAP), the net income for the third quarter of 2010 was \$0.6 million, or \$0.01 per diluted share, compared with a net loss of \$0.2 million, or \$0.01 per diluted share, in the second quarter of 2010 and a net loss of \$3.0 million, or \$0.10 per diluted share, in the third quarter of 2009. Non-GAAP net income for the third quarter of 2010 was \$0.9 million, or \$0.02 per diluted share, compared with a non-GAAP net income of \$0.4 million, or \$0.01 per diluted share, in the second quarter of 2010 and a non-GAAP net loss of \$1.9 million, or \$0.06 per diluted share, in the third quarter of 2009.

"We are pleased to report our second consecutive quarter of doubling year-over-year revenue growth, as well as our return to profitability," said Tom Hart, QuickLogic's Chairman of the Board and CEO. "Our CSSP strategy is clearly being embraced by our targeted customers, driven by our innovative technology, unique engagement model and the user experience our solutions bring to the mobile consumer."

## *Conference Call*

QuickLogic will hold a conference call at 2:30 p.m. Pacific Daylight Time today, November 2, 2010, to discuss its current financial results. The conference call is being webcast and can be accessed via QuickLogic's website at [www.quicklogic.com](http://www.quicklogic.com). To join the live conference, please dial (877) 377-7094 by 2:20 p.m. Pacific Daylight Time. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (706) 645-9291 and reference the passcode: 18996275. The call recording will be archived until Friday, November 5, 2010 and the webcast will be available for 12 months.

## *About QuickLogic*

QuickLogic Corporation (NASDAQ: QUIK) is the inventor and pioneer of innovative,

customizable semiconductor solutions for mobile and portable electronics original equipment manufacturers (OEMs) and original design manufacturers (ODMs). These silicon plus software solutions are called Customer Specific Standard Products (CSSPs). CSSPs enable our customers to bring their products to market more quickly and remain in the market longer, with the low power, cost and size demanded by the mobile and portable electronics market. For more information about QuickLogic and CSSPs, visit [www.quicklogic.com](http://www.quicklogic.com). Code: QUIK-G

### *Non-GAAP Financial Measures*

QuickLogic reports financial information in accordance with GAAP, but believes that non-GAAP financial measures are helpful in evaluating its operating results and comparing its performance to comparable companies. Accordingly, the Company excludes charges related to stock-based compensation, restructuring, the write-down of the Company's investment in TowerJazz Semiconductor Ltd., the effect of the write-off of long-lived assets and the tax effect on other comprehensive income in calculating non-GAAP (i) income (loss) from operations, (ii) net income (loss), (iii) net income (loss) per share, and (iv) gross margin percentage. The Company provides this non-GAAP information to enable investors to evaluate its operating results in a manner similar to how the Company analyzes its operating results and to provide consistency and comparability with similar companies in the Company's industry.

Management uses the non-GAAP measures, which exclude gains, losses and other charges that are considered by management to be outside of the Company's core operating results, internally to evaluate its operating performance against results in prior periods and its operating plans and forecasts. In addition, the non-GAAP measures are used to plan for the Company's future periods, and serve as a basis for the allocation of Company resources, management of operations and the measurement of profit-dependent cash and equity compensation paid to employees and executive officers.

Investors should note, however, that the non-GAAP financial measures used by QuickLogic may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. QuickLogic does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures alone or as a substitute for financial information prepared in accordance with GAAP. A reconciliation of GAAP financial measures to non-GAAP financial measures is included in the financial statements portion of this press release. Investors are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures with their most directly comparable GAAP financial measures.

### *Safe Harbor Statement Under The Private Securities Litigation Reform Act of 1995*

This press release contains forward-looking statements made by our CEO relating to the revenue generating potential of new products, which is dependent on the market acceptance of our products and the level of customer orders. Actual results could differ materially from the results described in these forward-looking statements. Factors that could cause actual results to differ materially include: delays in the market acceptance of the Company's new products; the ability to convert design opportunities into customer revenue; our ability to replace revenue from end-of-life products; the level and timing of customer design activity; the market acceptance of our customers' products; the risk that new orders may not result in

future revenue; our ability to introduce and produce new products based on advanced wafer technology on a timely basis; our ability to adequately market the low power, competitive pricing and short time-to-market of our new products; intense competition, including the introduction of new products by competitors; our ability to hire and retain qualified personnel; changes in product demand or supply; capacity constraints; and general economic conditions. These factors and others are described in more detail in the Company's public reports filed with the Securities and Exchange Commission, including the risks discussed in the "Risk Factors" section in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and in the Company's prior press releases.

ArcticLink, pASIC, PolarPro, QuickLogic, QuickPCI and QuickRAM are registered trademarks and Eclipse and the QuickLogic logo are trademarks of QuickLogic Corporation. All other brands or trademarks are the property of their respective holders and should be treated as such.

*Note to Editors: Financial Tables Follow*

QUICKLOGIC CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)  
(Unaudited)

|                                                                                                                 | Three Months Ended |                       |                 | Nine Months Ended  |                       |
|-----------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|-----------------|--------------------|-----------------------|
|                                                                                                                 | October<br>3, 2010 | September<br>27, 2009 | July 4,<br>2010 | October<br>3, 2010 | September<br>27, 2009 |
| Revenue                                                                                                         | \$ 7,333           | \$ 3,332              | \$ 6,479        | \$ 19,241          | \$ 10,795             |
| Cost of revenue,<br>excluding inventory<br>write-down and related<br>charges and long-lived<br>asset impairment | 2,619              | 1,955                 | 2,553           | 7,215              | 5,127                 |
| Inventory write-down and<br>related charges                                                                     | 17                 | 231                   | -               | 90                 | 467                   |
| Long-lived asset<br>impairment                                                                                  | -                  | 150                   | -               | -                  | 150                   |
| Gross profit                                                                                                    | 4,697              | 996                   | 3,926           | 11,936             | 5,051                 |
| Operating expenses:                                                                                             |                    |                       |                 |                    |                       |
| Research and<br>development                                                                                     | 1,817              | 1,400                 | 1,533           | 5,410              | 4,889                 |
| Selling, general and<br>administrative                                                                          | 2,535              | 2,525                 | 2,518           | 7,388              | 7,877                 |
| Income (loss) from<br>operations                                                                                | 345                | (2,929)               | (125)           | (862)              | (7,715)               |
| Gain on sale of<br>TowerJazz Semiconductor<br>Ltd. shares                                                       |                    |                       |                 | 993                |                       |
| Interest expense                                                                                                | (12)               | (31)                  | (27)            | (57)               | (78)                  |
| Interest income and<br>other (expense), net                                                                     | 25                 | (30)                  | (50)            | (46)               | (31)                  |
| Income (loss) before<br>income taxes                                                                            | 358                | (2,990)               | (202)           | 28                 | (7,824)               |

|                                           |         |            |           |         |            |
|-------------------------------------------|---------|------------|-----------|---------|------------|
| Provision for (benefit from) income taxes | (192)   | 7          | 13        | (164)   | (4)        |
|                                           | -----   | -----      | -----     | -----   | -----      |
| Net income (loss)                         | \$ 550  | \$ (2,997) | \$ (215)  | \$ 192  | \$ (7,820) |
|                                           | =====   | =====      | =====     | =====   | =====      |
| Net income (loss) per share:              |         |            |           |         |            |
| Basic                                     | \$ 0.02 | \$ (0.10)  | \$ (0.01) | \$ 0.01 | \$ (0.26)  |
|                                           | =====   | =====      | =====     | =====   | =====      |
| Diluted                                   | \$ 0.01 | \$ (0.10)  | \$ (0.01) | \$ 0.01 | \$ (0.26)  |
|                                           | =====   | =====      | =====     | =====   | =====      |
| Weighted average shares:                  |         |            |           |         |            |
| Basic                                     | 35,634  | 30,322     | 35,383    | 35,436  | 30,104     |
|                                           | =====   | =====      | =====     | =====   | =====      |
| Diluted                                   | 38,711  | 30,322     | 35,383    | 37,911  | 30,104     |
|                                           | =====   | =====      | =====     | =====   | =====      |

QUICKLOGIC CORPORATION  
SUPPLEMENTAL RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES  
(In thousands, except per share amounts)  
(Unaudited)

|                                                    | Three Months Ended |                    |              | Nine Months Ended |                    |
|----------------------------------------------------|--------------------|--------------------|--------------|-------------------|--------------------|
|                                                    | October 3, 2010    | September 27, 2009 | July 4, 2010 | October 3, 2010   | September 27, 2009 |
|                                                    | -----              | -----              | -----        | -----             | -----              |
| GAAP income (loss) from operations                 | \$ 345             | \$ (2,929)         | \$ (125)     | \$ (862)          | \$ (7,715)         |
| Adjustment for stock-based compensation within:    |                    |                    |              |                   |                    |
| Cost of revenue                                    | 34                 | 110                | 39           | 120               | 232                |
| Research and development                           | 147                | 213                | 180          | 502               | 439                |
| Selling, general and administrative                | 387                | 535                | 414          | 1,231             | 1,138              |
| Adjustment for long-lived asset impairment within: |                    |                    |              |                   |                    |
| Cost of revenue                                    | -                  | 150                | -            | -                 | 150                |
| Adjustment for the write-off of equipment within:  |                    |                    |              |                   |                    |
| Cost of revenue                                    | -                  | 96                 | -            | -                 | 96                 |
| Selling, general and administrative                | 8                  | 2                  | -            | 8                 | 2                  |
|                                                    | -----              | -----              | -----        | -----             | -----              |
| Non-GAAP income (loss) from operations             | \$ 921             | \$ (1,823)         | \$ 508       | \$ 999            | \$ (5,658)         |
|                                                    | =====              | =====              | =====        | =====             | =====              |
| GAAP net income (loss)                             | \$ 550             | \$ (2,997)         | \$ (215)     | \$ 192            | \$ (7,820)         |
| Adjustment for stock-based compensation within:    |                    |                    |              |                   |                    |
| Cost of revenue                                    | 34                 | 110                | 39           | 120               | 232                |
| Research and                                       |                    |                    |              |                   |                    |

|                                                                    |         |            |           |         |            |
|--------------------------------------------------------------------|---------|------------|-----------|---------|------------|
| development                                                        | 147     | 213        | 180       | 502     | 439        |
| Selling, general and administrative                                | 387     | 535        | 414       | 1,231   | 1,138      |
| Adjustment for long-lived asset impairment within:                 |         |            |           |         |            |
| Cost of revenue                                                    | -       | 150        | -         | -       | 150        |
| Adjustment for the write-off of equipment within:                  |         |            |           |         |            |
| Cost of revenue                                                    | -       | 96         | -         | -       | 96         |
| Selling, general and administrative                                | 8       | 2          | -         | 8       | 2          |
| Other expense                                                      | -       | -          | -         | -       | 13         |
| Adjustment for gain on sale of TowerJazz Semiconductor Ltd. Shares | -       | -          | -         | (993)   | -          |
| Adjustment for tax effect on other comprehensive income            | (209)   | -          | -         | (209)   | -          |
|                                                                    | -----   | -----      | -----     | -----   | -----      |
| Non-GAAP net income (loss)                                         | \$ 917  | \$ (1,891) | \$ 418    | \$ 851  | \$ (5,750) |
|                                                                    | =====   | =====      | =====     | =====   | =====      |
| GAAP net income (loss) per diluted share                           | \$ 0.01 | \$ (0.10)  | \$ (0.01) | \$ 0.01 | \$ (0.26)  |
| Adjustment for stock-based compensation                            | 0.02    | 0.03       | 0.02      | 0.05    | 0.06       |
| Adjustment for long-lived asset impairment                         | -       | 0.01       | -         | -       | 0.01       |
| Adjustment for write-off of equipment                              | *       | *          | -         | *       | *          |
| Adjustment for gain on sale of TowerJazz Semiconductor Ltd. Shares | -       | -          | -         | (0.03)  | -          |
| Adjustment for tax effect on other comprehensive income            | (0.01)  | -          | -         | (0.01)  | -          |
|                                                                    | -----   | -----      | -----     | -----   | -----      |
| Non-GAAP net income (loss) per diluted share                       | \$ 0.02 | \$ (0.06)  | \$ 0.01   | \$ 0.02 | \$ (0.19)  |
|                                                                    | =====   | =====      | =====     | =====   | =====      |
| GAAP gross margin percentage                                       | 64.0%   | 29.9%      | 60.6%     | 62.0%   | 46.8%      |
| Adjustment for stock-based compensation                            | 0.5     | 3.3        | 0.6       | 0.7     | 2.1        |
| Adjustment for write-off of long-lived asset                       | -       | 4.5        | -         | -       | 1.4        |
| Adjustment for write-off of equipment                              | -       | 2.9        | -         | -       | 0.9        |
|                                                                    | -----   | -----      | -----     | -----   | -----      |
| Non-GAAP gross margin percentage                                   | 64.5%   | 40.6%      | 61.2%     | 62.7%   | 51.2%      |
|                                                                    | =====   | =====      | =====     | =====   | =====      |

\* Figures were not considered in the reconciliation of GAAP and Non-GAAP measures due to the insignificant amount.

QUICKLOGIC CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

|                                                       | October 3,<br>2010 | January 3,<br>2010 (1) |
|-------------------------------------------------------|--------------------|------------------------|
|                                                       | -----              | -----                  |
| <b>ASSETS</b>                                         |                    |                        |
| Current assets:                                       |                    |                        |
| Cash and cash equivalents                             | \$ 19,153          | \$ 18,195              |
| Short-term investment in TowerJazz Semiconductor Ltd. | 870                | 868                    |
| Accounts receivable, net                              | 4,009              | 2,457                  |
| Inventories                                           | 2,641              | 2,119                  |
| Other current assets                                  | 860                | 536                    |
|                                                       | -----              | -----                  |
| Total current assets                                  | 27,533             | 24,175                 |
| Property and equipment, net                           | 2,505              | 2,693                  |
| Investment in TowerJazz Semiconductor Ltd.            | -                  | 437                    |
| Other assets                                          | 195                | 296                    |
|                                                       | -----              | -----                  |
| <b>TOTAL ASSETS</b>                                   | <b>\$ 30,233</b>   | <b>\$ 27,601</b>       |
|                                                       | =====              | =====                  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>           |                    |                        |
| Current liabilities:                                  |                    |                        |
| Revolving line of credit                              | \$ 2,000           | \$ 2,000               |
| Trade payables                                        | 2,419              | 2,721                  |
| Accrued liabilities                                   | 1,019              | 1,108                  |
| Deferred income                                       | 9                  | -                      |
| Current portion of debt and capital lease obligations | 406                | 249                    |
|                                                       | -----              | -----                  |
| Total current liabilities                             | 5,853              | 6,078                  |
|                                                       | -----              | -----                  |
| Long-term liabilities:                                |                    |                        |
| Capital lease obligations, less current portion       | 37                 | 264                    |
| Other long-term liabilities                           | 119                | -                      |
|                                                       | -----              | -----                  |
| Total liabilities                                     | 6,009              | 6,342                  |
|                                                       | -----              | -----                  |
| Stockholders' equity:                                 |                    |                        |
| Common stock, at par value                            | 36                 | 35                     |
| Additional paid-in capital                            | 181,187            | 177,862                |
| Accumulated other comprehensive income                | 577                | 1,130                  |
| Accumulated deficit                                   | (157,576)          | (157,768)              |
|                                                       | -----              | -----                  |
| Total stockholders' equity                            | 24,224             | 21,259                 |
|                                                       | -----              | -----                  |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>     | <b>\$ 30,233</b>   | <b>\$ 27,601</b>       |

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(1) Derived from the January 3, 2010 audited balance sheet included in the 2009 Annual Report on Form 10-K of QuickLogic Corporation.

| QUICKLOGIC CORPORATION<br>SUPPLEMENTAL DATA<br>(Unaudited) |                       |         |         |                       |                       |
|------------------------------------------------------------|-----------------------|---------|---------|-----------------------|-----------------------|
|                                                            | Percentage of Revenue |         |         | Change in Revenue     |                       |
|                                                            | Q3 2010               | Q3 2009 | Q2 2010 | Q3 2009 to<br>Q3 2010 | Q2 2010 to<br>Q3 2010 |
| COMPOSITION OF REVENUE                                     |                       |         |         |                       |                       |
| Revenue by product (1):                                    |                       |         |         |                       |                       |
| New products                                               | 38%                   | 41%     | 35%     | 103%                  | 20%                   |
| Legacy Products                                            | 62%                   | 59%     | 65%     | 133%                  | 10%                   |
| Revenue by geography:                                      |                       |         |         |                       |                       |
| North America                                              | 35%                   | 47%     | 33%     | 61%                   | 19%                   |
| Europe                                                     | 10%                   | 20%     | 13%     | 19%                   | -9%                   |
| Rest of world                                              | 45%                   | 26%     | 43%     | 272%                  | 19%                   |
| Japan                                                      | 10%                   | 7%      | 11%     | 241%                  | 3%                    |

(1) New products represent products introduced since 2005, and include ArcticLink, ArcticLink II, PolarPro, PolarPro II, Eclipse II and QuickPCI II products. Legacy products include Eclipse, pASIC 1, pASIC 2, pASIC 3, QuickDSP, QuickFC, QuickMIPS, QuickPCI, QuickRAM and V3 products, as well as royalty revenue, programming hardware and software.

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