

May 1, 2013



# QuickLogic Announces Fiscal 2013 First Quarter Results

SUNNYVALE, CA -- (Marketwired) -- 05/01/13 -- QuickLogic Corporation (NASDAQ: QUIK), the innovator of ultra-low-power Customer Specific Standard Products (CSSPs), today announced the financial results for its fiscal first quarter ended March 31, 2013.

Total revenue for the first quarter of 2013 was \$3.0 million, down 2% from the fourth quarter of 2012 and down 27% from the first quarter of 2012. During the first quarter, new product revenue decreased 6% to \$941,000 from \$1.0 million in the fourth quarter of 2012. New product revenue accounted for 31% of the total revenue in the first quarter. During the first quarter, mature product revenue remained flat at \$2.1 million sequentially. Mature product revenue accounted for 69% of the total revenue in the first quarter.

Under generally accepted accounting principles (GAAP), the net loss for the first quarter of 2013 was \$3.6 million, or \$0.08 per share, compared with a net loss of \$2.6 million, or \$0.06 per share, in the fourth quarter of 2012 and a net loss of \$3.7 million, or \$0.10 per share, in the first quarter of 2012. Non-GAAP net loss for the first quarter of 2013 was \$3.1 million, or \$0.07 per share, compared with a non-GAAP net loss of \$2.0 million, or \$0.04 per share, in the fourth quarter of 2012 and a non-GAAP net loss of \$3.3 million, or \$0.09 per share, in the first quarter of 2012.

"New product revenue in the first quarter was lower than expected due to a delay in the receipt of an expected large order from a tier one consumer electronics company. This order has since been received and we are on track to meet our forecast for the first half of the year," stated Andy Pease, QuickLogic's President and CEO.

## *Conference Call*

QuickLogic will hold a conference call at 2:30 p.m. Pacific Daylight Time today, May 1, 2013, to discuss its current financial results. The conference call is being webcast and can be accessed via QuickLogic's website at <http://ir.quicklogic.com/events.cfm>. To join the live conference, please dial (877) 377-7094 by 2:20 p.m. Pacific Daylight Time today. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (404) 537-3406 and reference the passcode: 41216066. The call recording will be archived until Wednesday, May 8, 2013, 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 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 relating to new product revenue meeting forecast for the first half of the year, 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		
	March 31, 2013	April 1, 2012	December 30, 2012
Revenue	\$ 3,017	\$ 4,130	\$ 3,086
Cost of revenue, excluding inventory write-down	1,643	2,042	1,546
Inventory write-down	343	329	19
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	1,031	1,759	1,521
Gross profit			
Operating expenses:			
Research and development	2,008	2,802	1,624
Selling, general and administrative	2,530	2,697	2,377
Restructuring cost	7	-	-
	-----	-----	-----
Income (loss) from operations	(3,514)	(3,740)	(2,480)
Interest expense	(9)	(13)	(12)
Interest income and other (expense), net	(4)	(13)	(32)
	-----	-----	-----
Income (loss) before income taxes	(3,527)	(3,766)	(2,524)
Provision for (benefit from) income taxes	57	(45)	35
	-----	-----	-----
Net income (loss)	\$ (3,584)	\$ (3,721)	\$ (2,559)
	=====	=====	=====
Net income (loss) per share:			
Basic	\$ (0.08)	\$ (0.10)	\$ (0.06)
	=====	=====	=====
Diluted	\$ (0.08)	\$ (0.10)	\$ (0.06)
	=====	=====	=====

Weighted average shares:			
Basic	44,517	38,495	44,400
	=====	=====	=====
Diluted	44,517	38,495	44,400
	=====	=====	=====

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

	Three Months Ended		
	March 31, 2013	April 1, 2012	December 30, 2012
	-----	-----	-----
GAAP income (loss) from operations	\$ (3,514)	\$ (3,740)	\$ (2,480)
Adjustment for stock-based compensation within:			
Cost of revenue	30	32	39
Research and development	166	93	116
Selling, general and administrative	256	259	429
Adjustment for restructuring costs	7	-	-
	-----	-----	-----
Non-GAAP income (loss) from operations	\$ (3,055)	\$ (3,356)	\$ (1,896)
	=====	=====	=====
GAAP net income (loss)	\$ (3,584)	\$ (3,721)	\$ (2,559)
Adjustment for stock-based compensation within:			
Cost of revenue	30	32	39
Research and development	166	93	116
Selling, general and administrative	256	259	429
Adjustment for restructuring costs	7	-	-
	-----	-----	-----
Non-GAAP net income (loss)	\$ (3,125)	\$ (3,337)	\$ (1,975)
	=====	=====	=====
GAAP net income (loss) per share	\$ (0.08)	\$ (0.10)	\$ (0.06)
Adjustment for stock-based compensation	0.01	0.01	0.02
Adjustment for restructuring costs	*	-	-
	-----	-----	-----
Non-GAAP net income (loss) per share	\$ (0.07)	\$ (0.09)	\$ (0.04)
	=====	=====	=====
GAAP gross margin percentage	34.2%	42.6%	49.3%
Adjustment for stock-based compensation	1.0%	0.8%	1.3%
Adjustment for restructuring costs	*	-	-
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Non-GAAP gross margin percentage	35.2%	43.4%	50.6%
	=====	=====	=====

\* Figures were not considered in the reconciliation due to the insignificant amount.

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

	March 31, 2013	December 30, 2012 (1)
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,659	\$ 22,578
Short-term investment in TowerJazz Semiconductor Ltd.	303	345
Accounts receivable, net	1,392	1,242
Inventories	2,525	3,028
Other current assets	846	986
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Total current assets	24,725	28,179
Property and equipment, net	2,404	2,659
Other assets	207	186
	-----	-----
TOTAL ASSETS	\$ 27,336	\$ 31,024
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	\$ 1,393	\$ 1,965
Accrued liabilities	1,289	1,214
Current portion of capital lease obligations	239	160
	-----	-----
Total current liabilities	2,921	3,339
	-----	-----
Long-term liabilities:		
Capital lease obligations, less current portion	135	266
Other long-term liabilities	167	141
	-----	-----
Total liabilities	3,223	3,746
	-----	-----
Stockholders' equity:		
Common stock, at par value	45	45
Additional paid-in capital	205,259	204,797
Accumulated other comprehensive income	(54)	(11)
Accumulated deficit	(181,137)	(177,553)

Total stockholders' equity	24,113	27,278
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 27,336	\$ 31,024
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(1) Derived from the December 30, 2012 audited balance sheet included in the 2012 Annual Report on Form 10-K of QuickLogic Corporation.

QUICKLOGIC CORPORATION  
SUPPLEMENTAL DATA  
(Unaudited)

	Percentage of Revenue			Change in Revenue	
	Q1 2013	Q1 2012	Q4 2012	Q1 2012 to Q1 2013	Q4 2012 to Q1 2013
COMPOSITION OF REVENUE					
Revenue by product (1):					
New products	31%	40%	33%	(43)%	(6)%
Mature products	69%	60%	67%	(17)%	0%
Revenue by geography:					
United States	31%	32%	41%	(28)%	(25)%
Malaysia	23%	15%	11%	13%	95%
Japan	20%	21%	21%	(32)%	(9)%
Europe	15%	12%	20%	(7)%	(26)%
Rest of North America	6%	2%	4%	65%	66%
China	4%	12%	3%	(74)%	32%
Rest of Asia Pacific	1%	6%	0%	(86)%	236%

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

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Source: QuickLogic