

April 28, 2009



QuickLogic Announces Fiscal 2009 First Quarter Results

SUNNYVALE, Calif., Apr 28, 2009 (BUSINESS WIRE) -- QuickLogic Corporation (NASDAQ:QUIK), the lowest power programmable semiconductor solutions leader, today announced the financial results for its fiscal first quarter ended March 29, 2009.

Total revenue for the first quarter of 2009 was \$4.6 million, down 23 percent from the fourth quarter of 2008 and down 59 percent from the first quarter of 2008. The sequential decline in revenue was due to declines in both our new product and legacy product lines. The decline in new product revenue was caused by the end of life of a product family by a tier 1 customer and delays in new product start-up with several major customers. The decline in legacy product revenue resulted from the general economic slowdown. New products - ArcticLink(R), PolarPro(R) II, PolarPro, Eclipse(TM) II and QuickPCI(R) II - contributed 15 percent of revenue in the first quarter of 2009 compared to 26 percent in the fourth quarter of 2008 and 24 percent of revenue in the first quarter of 2008.

Under generally accepted accounting principles (GAAP), the net loss for the first quarter of 2009 was \$1.6 million, or \$0.05 per share, compared with a net loss of \$2.6 million, or \$0.09 per share, in the fourth quarter of 2008 and a net loss of \$1.4 million, or \$0.05 per share, in the first quarter of 2008. Non-GAAP net loss for the first quarter of 2009 was \$1.2 million, or \$0.04 per share, compared with a non-GAAP net loss of \$1.2 million, or \$0.04 per share, in the fourth quarter of 2008 and a non-GAAP net loss of \$0.7 million, or \$0.02 per share, in the first quarter of 2008.

"Our financial results were in line with our guidance for the first quarter, and we expect our new product revenue to grow in future quarters," said E. Thomas Hart, Chairman of the Board and CEO. "During the first quarter we worked with our partners to finish development of our latest [ArcticLink II VX4](#) solution platform. The VX family embeds the second generation Visual Enhancement Engine, or VEE(TM), Proven System Block (PSB), which improves the user's video viewing experience while extending system battery life by allowing reduction in the power used by a mobile device's single biggest consumer of power, the backlight. The VX4 platform also embeds the Qualcomm developed MDDI serial interface for ease of connection with their mobile processors."

Conference Call

QuickLogic will hold a conference call at 2:30 p.m. Pacific Time today, April 28, 2009, to discuss the first quarter financial results. The conference call is being webcast and can be accessed via QuickLogic's website at www.quicklogic.com. To participate, please call (877) 548-7912 by 2:20 p.m. Pacific Time. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (719) 457-0820 and reference the pass code: 4199677. The call recording will be archived until May 1, 2009 and the webcast will be available for 12 months.

About QuickLogic

QuickLogic Corporation (NASDAQ:QUIK) is the 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. 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 Tower Semiconductor Ltd. and the effect of the write-off of long-lived assets 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, PolarPro, QuickLogic and QuickPCI are registered trademarks and Eclipse, the QuickLogic logo and VEE are trademarks of QuickLogic Corporation. All other brands or trademarks are the property of their respective holders and should be treated as such.

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

	Three Months Ended		
	March 29, 2009	March 30, 2008	December 28, 2008
Revenue	\$ 4,552	\$ 11,023	\$ 5,914
Cost of revenue, excluding inventory write-down and related charges	1,641	4,302	2,656
Inventory write-down and related charges	178	956	267
Gross profit	2,733	5,765	2,991
Operating expenses:			
Research and development	1,612	2,821	1,400
Selling, general and administrative	2,643	4,320	3,093
Restructuring costs	--	--	50
Total operating expenses	4,255	7,141	4,543
Loss from operations	(1,522)	(1,376)	(1,552)
Write-down of marketable securities	--	--	(981)
Interest expense	(24)	(71)	(23)
Interest income and other, net	(46)	104	(94)
Loss before income taxes	(1,592)	(1,343)	(2,650)
Benefit from (provision for) income taxes	(4)	(34)	30
Net loss	\$ (1,596)	\$ (1,377)	\$ (2,620)
Net loss per share:			
Basic	\$ (0.05)	\$ (0.05)	\$ (0.09)
Diluted	\$ (0.05)	\$ (0.05)	\$ (0.09)
Weighted average shares:			
Basic	29,909	29,406	29,844
Diluted	29,909	29,406	29,844

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

	Three Months Ended					
	March 29, 2009		March 30, 2008		December 28, 2008	
GAAP loss from operations	\$ (1,522	)	\$ (1,376	)	\$ (1,552)
Adjustment for the write-off of long-lived assets within:						
Cost of revenue	--		--		12	
Adjustment for stock-based compensation within:						
Cost of revenue	51		65		47	
Research and development	88		158		74	
Selling, general and administrative	245		442		249	
Restructuring costs	--		--		50	
Non-GAAP loss from operations	\$ (1,138	)	\$ (711	)	\$ (1,120)
GAAP net loss	\$ (1,596	)	\$ (1,377	)	\$ (2,620)
Adjustment for the write-off of equipment within:						
Cost of revenue	--		--		12	
Other expense	13		--		--	
Adjustment for stock-based compensation within:						
Cost of revenue	51		65		47	
Research and development	88		158		74	
Selling, general and administrative	245		442		249	
Adjustment for restructuring costs	--		--		50	
Adjustment for write-down of investment in Tower Semiconductor Ltd.	--		--		981	
Non-GAAP net loss	\$ (1,199	)	\$ (712	)	\$ (1,207)
GAAP net loss per share	\$ (0.05	)	\$ (0.05	)	\$ (0.09)
Adjustment for stock-based compensation	0.01		0.03		0.01	
Adjustment for write-off of long-lived asset	--		--		*	
Adjustment for restructuring	--		--		*	
Adjustment for write-down of investment in Tower Semiconductor Ltd.	--		--		0.04	
Non-GAAP net loss per share	\$ (0.04	)	\$ (0.02	)	\$ (0.04)
GAAP gross margin percentage	60.0	%	52.3	%	50.6	%
Adjustment for stock-based compensation	1.2	%	0.6	%	0.8	%
Adjustment for write-off of long-lived asset	--		--		0.2	%
Non-GAAP gross margin percentage	61.2	%	52.9	%	51.6	%

* Figures were not considered in the reconciliation of Non-GAAP net loss per share due to the insignificant amount.

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

	March 29, 2009	December 28, 2008 ⁽¹⁾
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,194	\$ 19,376
Short-term investment in Tower Semiconductor Ltd.	197	116
Accounts receivable, net	2,151	1,746
Inventories	1,932	1,900
Other current assets	822	833
Total current assets	23,296	23,971
Property and equipment, net	3,681	3,493
Investment in Tower Semiconductor Ltd.	99	59
Other assets	783	903
TOTAL ASSETS	\$ 27,859	\$ 28,426
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit	\$ 2,000	\$ 2,000
Trade payables	2,109	1,992
Accrued liabilities	1,791	1,537
Deferred income on shipments to distributors	5	282
Current portion of debt and capital lease obligations	793	753
Total current liabilities	6,698	6,564
Long-term liabilities:		
Debt and capital lease obligations, less current portion	390	--
Total liabilities	7,088	6,564
Stockholders' equity:		
Common stock, at par value	30	30
Additional paid-in capital	170,230	169,846
Accumulated other comprehensive income	121	--
Accumulated deficit	(149,610)	(148,014)
Total stockholders' equity	20,771	21,862
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 27,859	\$ 28,426

(1) Derived from the December 28, 2008 audited balance sheet included in the 2008 Annual Report on Form 10-K of QuickLogic Corporation.

QUICKLOGIC CORPORATION**SUPPLEMENTAL DATA****(Unaudited)****Percentage of Revenue Change in Revenue**

Q1 2009	Q1 2008	Q4 2008	Q1 2008 to Q1 2009	Q4 2008 to Q1 2009
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COMPOSITION OF REVENUERevenue by product ⁽¹⁾:

New products	15 %	24 %	26 %	(75 %)	(57 %)
Mature products	79 %	39 %	60 %	(17 %)	1 %
End-of-life products	6 %	37 %	14 %	(93 %)	(64 %)

Revenue by geography:

North America	53 %	45 %	46 %	(51 %)	(11 %)
Europe	22 %	16 %	13 %	(44 %)	25 %
Asia Pacific	17 %	31 %	34 %	(78 %)	(62 %)
Japan	8 %	8 %	7 %	(58 %)	(6 %)

(1) New products include ArcticLink, PolarPro II, PolarPro, Eclipse II and QuickPCI II products. Mature products include QuickRAM, pASIC(R) 3, Eclipse, QuickDSP and QuickFC products, as well as royalty revenue, programming hardware and software. End-of-life products include pASIC 1, pASIC 2, V3, QuickPCI and QuickMIPS products.

SOURCE: QuickLogic Corporation