

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **November 1, 2006**

SILICON LABORATORIES INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-29823
(Commission File Number)

74-2793174
(IRS Employer
Identification No.)

400 West Cesar Chavez, Austin, TX 78701
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(512) 416-8500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On November 8, 2006, Silicon Laboratories Inc. ("Silicon Laboratories") issued a press release announcing the appointment of William Bock as senior vice president of finance and administration and chief financial officer, effective as of November 8, 2006. Mr. Bock served as a director on Silicon Laboratories' board since the company went public in March 2000 and resigned from the board effective as of November 8, 2006. From April 2002 until November 2006, Mr. Bock was a partner with CenterPoint Ventures, a venture capital firm. From April 2001 to March 2002, Mr. Bock served as a partner of Verity Ventures, a venture capital firm. From June 1999 to March 2001, Mr. Bock served as a vice president at Hewlett-Packard. Mr. Bock held the position of president and chief executive officer of DAZEL Corporation, a provider of electronic information delivery systems, from February 1997 until its acquisition by Hewlett-Packard in June 1999. From October 1994 to February 1997, Mr. Bock served as executive vice president and chief operating officer of Tivoli Systems, a client server software company, which was acquired by IBM in March 1996. Prior to joining Tivoli, Mr. Bock served as chief financial officer and then senior vice president of sales at Convex Computer Corporation. Mr. Bock also spent nine years in various finance roles at Texas Instruments including vice president and controller of the data systems group. Mr. Bock is 55 years old and holds a bachelor's degree in Computer Science from Iowa State University and a master's degree in Industrial Administration from Carnegie Mellon University.

Mr. Bock replaces Paul Walsh, who was interim chief financial officer and who has been appointed to serve as the vice president of finance and chief accounting officer.

The press release announcing the appointment of Mr. Bock is attached hereto as Exhibit 99.

Silicon Laboratories entered into an employment agreement (the "Employment Agreement") with Mr. Bock in connection with his appointment.

Under the Employment Agreement, Mr. Bock will receive an annual base salary of \$300,000. The Employment Agreement also provides that Mr. Bock will be eligible to participate in Silicon Laboratories' 2007 Bonus Plan, with an annual target payout of \$300,000. Upon his commencement of services on November 8, 2006 (the "Start Date"), Mr. Bock will receive a nonstatutory stock option to purchase 250,000 shares of Silicon Laboratories Common Stock under the 2000 Stock Incentive Plan, with an exercise price per share equal to the closing price as reported on the Nasdaq National Market on the Start Date. The options will be subject to a five-year vesting schedule. In addition, Mr. Bock will receive an award of 75,000 restricted stock units under the 2000 Stock Incentive Plan which will vest in five annual installments on each anniversary of the Start Date. In the event of Mr. Bock's Involuntary Termination for reasons other than Misconduct (as such terms are defined in the Employment Agreement), Mr. Bock would be entitled to severance equal to his annual salary and bonus following his execution of a full general release of claims against Silicon Laboratories. If such Involuntary Termination for reasons other than Misconduct were to occur following a Change in Control (as defined in the 2000 Stock Incentive Plan), Mr. Bock would become fully vested with respect to the options and restricted stock units.

The foregoing description is subject to, and qualified in its entirety by, the Employment Agreement. The Employment Agreement is attached hereto as Exhibit 10.1 and the terms thereof are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

- 10.1 Employment Agreement dated November 1, 2006 between Silicon Laboratories Inc. and William Bock.
- 99 Press Release of Silicon Laboratories Inc. dated November 8, 2006.

2

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SILICON LABORATORIES INC.

November 8, 2006
Date

/s/Paul V. Walsh, Jr.
Paul V. Walsh, Jr.
Vice President of Finance
(Principal Accounting Officer)

3

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement dated November 1, 2006 between Silicon Laboratories Inc. and William Bock.
99	Press release dated November 8, 2006 of the Registrant

4



SILICON LABORATORIES

E-Mail & Federal Express Delivery

November 1, 2006

Mr. William Bock
 44 Pascal Lane
 Austin, TX 78746

Dear Bill:

This is a revision to your original offer letter dated October 26, 2006 and confirmation of your acceptance of the new terms herein.

We are pleased to offer you the position of Senior Vice President, Finance & Administration and Chief Financial Officer reporting to Necip Sayiner, Chief Executive Officer. The additional terms of our offer of employment are as follows:

Offer

You will be paid a bi-weekly base salary of \$11,538.47(\$300,000) annually ("**Base Salary**"), and you will be eligible to participate in the Company's 2007 Bonus Plan, with an annual target payout of \$300,000 (the "**Bonus**"). The criteria for earning a Bonus will be set by the CEO and the Compensation Committee in accordance with the 2007 Bonus Plan. All payments of Base Salary and Bonus will be made less all applicable deductions and authorized withholdings in accordance with the Company's standard payroll practices.

Option Grant

You will be granted a nonstatutory stock option (the "**Option**") to purchase 250,000 shares of Silicon Laboratories Inc. Common Stock (the "**Option Shares**"). The Option will have an exercise price per share equal to the closing price as reported on the Nasdaq National Market on your start date. The Option Shares will be subject to a five-year vesting schedule such that twenty percent of the Option Shares will vest on the first anniversary of your start date and the remaining Option Shares will vest monthly at a rate of 4,166 option shares per month thereafter, contingent upon your continued service as an employee, consultant or director of the Company, in each case, through such anniversary and the last day of each such month. The Option will be subject to the terms and conditions of the attached Notice of Grant of Stock Option, Stock Option Agreement, Addendum to Stock Option Agreement and 2000 Stock Incentive Plan.

Restricted Stock Units

You will also be granted an award of 75,000 Restricted Stock Units (the "**Award**"). The Award will vest in five annual installments at the rate of 20% of the Restricted Stock Units on each anniversary of your start date, contingent upon your continued service as an employee, consultant or director of the Company through each such date. The Award will be subject to the terms and conditions of the attached Notice of Grant of Restricted Stock Units, Restricted Stock Units Agreement, Addendum to Notice of Grant of Restricted Stock Units and Restricted Stock Units Agreement and the 2000 Stock Incentive Plan.

4635 Boston Lane
Austin, Texas 78735
Phone (512) 416-8500
Fax (512) 416-9669
www.silabs.com

Benefits

The Company offers a competitive benefits/compensation package including Medical Insurance, Dental Insurance, Vision Care, Short Term Disability, Long Term Disability Life Insurance, and the 125 Cafeteria Plan for Medical and Dependent Care Reimbursements. You will be eligible to participate in the Company's 401(k) Plan. The Company will match employee 401(k) contributions dollar-for-dollar to a maximum of \$5,000 annually. You may also enroll in the Company's employee stock purchase plan on the enrollment date following your start date and purchase Silicon Laboratories Inc. stock through a payroll deduction at a 15% discount. You will receive three (3) weeks of paid vacation and 13 paid holidays.

Severance

In the event of your Involuntary Termination for any reason other than Misconduct, you will be eligible to receive a gross payment equal to your annual Base Salary plus a bonus payment (calculated by doubling the actual bonus amount earned by you under the then applicable Company Bonus Plan for the last two full fiscal quarters prior to your Involuntary Termination) (such Base Salary and bonus are collectively referred to herein as the "**Severance Payment**"), contingent upon your execution of an agreement in a form satisfactory to the Company containing a full general release of any and all potential claims against the Company and its affiliates and agents (generally in a substantially similar form as the attached). Such Severance Payment shall be made less all applicable deductions and authorized withholdings and be paid in a lump sum within 30 days after the effective date of the release agreement. In addition and similarly contingent upon execution of an appropriate release, for the time during which you are unemployed or not eligible for health insurance benefits from a new employer immediately following such Involuntary Termination for any reason other than Misconduct, but not to exceed one year following the "qualifying event" date as determined under COBRA, the Company will pay on your behalf the premium you would be required to pay to maintain COBRA coverage for you and your dependents. In the event of your Misconduct, you shall repay any Severance Payment and COBRA coverage payments previously paid to you.

For purposes of this Agreement, an “**Involuntary Termination**” shall mean the involuntary termination of your employment by the Company or your voluntary resignation following (A) a change in your position with the Company (or parent or subsidiary employing you) which materially reduces your level of authority or responsibility, (B) a reduction in your level of cash compensation (including base salary and target bonus under any performance based bonus or incentive programs) by more than 15% unless pursuant to a reduction that is also applied to substantially all other executive officers of the Company, (C) a relocation of your place of employment by more than 50 miles, provided and only if such change, reduction or relocation is effected by the Company without your consent, or (D) a material breach by the Company of the terms of this letter.

For purposes of this Agreement, the term “**Misconduct**” shall mean (a) your commission of any act of fraud, embezzlement or dishonesty in any way related to your employment with the Company or that, in the reasonable opinion of the Board, adversely affects the Company’s prospects or reputation or your ability to perform your obligations or duties to the Company or any of its subsidiaries, (b) your unauthorized use or disclosure of confidential information or trade secrets of the Company (or any Parent or Subsidiary), (c) your indictment with respect to any crime that could, in the reasonable opinion of the Board, adversely affect the Company’s prospects or reputation or your ability to perform your obligations or duties to the Company or any of its subsidiaries, including without limitation any charges of securities fraud, insider trading, or money laundering, (d) any conviction of, or plea of guilty or no contest to, a felony, during your employment with the Company or with respect to an act occurring during your employment with the Company, (e) any intentional wrongdoing on your part, whether by omission or commission, which adversely affects the business or affairs of the Company (or any parent or subsidiary) in a material manner, or (f) any breach by you of any agreement between you and the Company, including this agreement or the New-Hire Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreements.

For purposes of this Agreement, a “**Voluntary Termination**” shall mean a voluntary termination that is not an Involuntary Termination.

The foregoing definitions of “Involuntary Termination” and “Misconduct” shall control over conflicting definitions for the same terms in the Notice of Grant of Stock Option, Stock Option Agreement, Addendum to Stock Option Agreement, Notice of Grant of Restricted Stock Units, Restricted Stock Units Agreement, Addendum to Notice of Grant of Restricted Stock Units and Restricted Stock Units Agreement, and 2000 Stock Incentive Plan.

The foregoing definitions shall not affect the Company’s right to terminate your employment at any time or for any reason.

Additional Conditions

- As a condition of employment, you must sign the New-Hire Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreements on your start date. A copy is enclosed for your review.
- As a condition of employment, you must also complete the enclosed Application for Employment and return it as indicated herein.
- As a condition of employment, you are subject to receipt of a background check which is satisfactory to the Company. Please complete the enclosed Disclosure and Release form and return it as soon as possible.

This sets forth the entire agreement among the parties regarding the terms of your employment. The terms of your employment may not be amended other than pursuant to a written agreement between you and the Company that has been approved by the Board of Directors.

Your anticipated start date is Wednesday, November 8, 2006. We look forward to having you as a key member of the Silicon Labs leadership team.

Sincerely,

/s/ Diane M. Williams

Diane Marra Williams
Sr. Director, Human Resources

DMW:dc

Enclosures (2)

cc: Necip Sayiner

/s/ William Bock

November 3, 2006

William Bock

Date:



News Release

SILICON LABORATORIES NAMES WILLIAM BOCK SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

—Former Board Member brings Broad Finance and Operational Experience to the CFO Role—

AUSTIN, Texas, Nov. 8, 2006 — Silicon Laboratories Inc. (Nasdaq: SLAB), a leader in high- performance, analog-intensive, mixed-signal ICs, today announced the appointment of William Bock as senior vice president of finance and administration and chief financial officer, effective immediately.

Mr. Bock will be resigning as a director on Silicon Laboratories' board where he served as chairman of the audit committee since the company went public in March, 2000. In addition to his familiarity with Silicon Laboratories' products, strategy and mixed-signal history, Mr. Bock brings to the company thirty years of business acumen spanning finance, operations and sales.

"Bill has been closely engaged with the company's management team during his tenure on our board, which will enable him to get up to speed quickly in his new role," said Necip Sayiner, president and CEO of Silicon Laboratories. "Bill brings a wealth of experience from various senior management positions that will be instrumental in helping the company navigate the next decade of growth and diversification. He will be a tremendous asset to the company, and I am looking forward to working closely with him to execute on our business strategy and achieve our financial goals."

Prior to joining Silicon Laboratories, Mr. Bock was a partner at venture capital firms CenterPoint Ventures and Verity Ventures. From 1997 to 1999, Mr. Bock served as president and chief executive officer of DAZEL Corporation, a provider of electronic information delivery systems.

After DAZEL's acquisition by HP, Mr. Bock served as vice president for HP until 2001. Prior to DAZEL, Mr. Bock served as executive vice president and chief operating officer of Tivoli Systems, a client server software company, which he helped to take public in 1995 and was acquired by IBM in 1996. Prior to joining Tivoli, Mr. Bock successfully completed an IPO at Convex Computer Corporation as CFO in 1986 and then became senior vice president of sales in 1991. Mr. Bock also spent nine years in various finance roles at Texas Instruments including vice president and controller of the data systems group.

"I have always been impressed by the integrity of the Silicon Labs management team, and as we drive the company to the next level, I am looking forward to being engaged on a day to day basis," said Mr. Bock. "I believe we have the opportunity to translate our technology prowess into a long term, profit-driven success story."

Mr. Bock holds a bachelor's degree in Computer Science from Iowa State University and a master's degree in Industrial Administration from Carnegie Mellon University.

Interim chief financial officer, Paul Walsh, has been appointed to vice president of finance and chief accounting officer.

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 contains forward-looking statements based on Silicon Laboratories' current expectations. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Silicon Laboratories are intended to identify such forward-looking statements.

These forward-looking statements reflect the current views and assumptions of Silicon Laboratories and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: risks that Silicon Laboratories may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; volatile stock price; average selling prices of products may decrease significantly and rapidly, especially for mobile handset products; dependence on a limited number of products and customers; risks associated with shifting market demand from GSM/GPRS to EDGE and WCDMA; difficulties developing new products that achieve market acceptance; risks that Silicon Laboratories may not be able to manage strains associated with its growth; dependence on key personnel; difficulties managing our manufacturers and subcontractors; difficulties managing international activities; credit risks associated with our accounts receivable; geographic concentration of manufacturers, assemblers, test service providers and customers in the Pacific Rim that subjects Silicon Laboratories' business and results of operations to risks of natural disasters, epidemics, war and political unrest; product development risks; inventory-related risks; intellectual property litigation risks; risks associated with acquisitions; the competitive and cyclical nature of the semiconductor industry and other factors that are detailed 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.

CONTACT: Silicon Laboratories Inc., Shannon Pleasant, 512/464-9254 investor.relations@silabs.com

Note to editors: Silicon Laboratories, Silicon Labs and the Silicon Labs logo are trademarks of Silicon Laboratories Inc. All other product names noted herein may be trademarks of their respective holders.

#
