

**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): **April 24, 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.)

**4635 Boston Lane, Austin, TX 78735**  
(Address of Principal Executive Offices) (Zip Code)

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

**Not Applicable**  
(Former Name or Former Address, if Changed since Last Report)

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On April 24, 2006, Silicon Laboratories Inc. issued a press release describing its results of operations for its fiscal quarter ended April 1, 2006. A copy of the press release is attached as Exhibit 99 to this report.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits.

99 Press Release of Silicon Laboratories Inc. dated April 24, 2006.

**Use of Non-GAAP Financial Information**

From time to time, Silicon Laboratories provides certain non-GAAP financial measures as additional information relating to its operating results. The non-GAAP financial measurements provided in the press release furnished herewith do not replace the presentation of Silicon Laboratories' GAAP financial results. These additional measurements merely provide supplemental information to assist investors in analyzing Silicon Laboratories' financial position and results of operations; however, these measures are not in accordance with, or an alternative to, GAAP and may be different from non-GAAP measures used by other companies. Silicon Laboratories has chosen to provide this information to investors because it believes that such supplemental information enables them to perform meaningful comparisons of past, present and future operating results, and as a means to highlight the results of core ongoing operations.

Pursuant to the requirements of Regulation G, we have provided in the press release furnished with this report a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The information in this report, including the exhibit hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. The information contained therein and in the accompanying exhibit shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Silicon Laboratories, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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.  
(Registrant)

April 24, 2006

\_\_\_\_\_  
Date

/s/ Russell J.  
Brennan  
\_\_\_\_\_  
Russell J.  
Brennan  
VICE  
PRESIDENT  
AND  
CHIEF  
FINANCIAL  
OFFICER  
(PRINCIPAL  
ACCOUNTING  
OFFICER)

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	Press release dated April 24, 2006 of the Registrant

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NEWS RELEASE

## SILICON LABORATORIES REPORTS STRONG FIRST QUARTER PERFORMANCE

**AUSTIN, Texas – April 24, 2006** – Silicon Laboratories Inc. (Nasdaq: SLAB), a leader in high-performance, analog-intensive, mixed-signal ICs, today reported four percent sequential growth to \$114.5 million for the first quarter of 2006.

Both the broad-based mixed-signal and mobile handset businesses grew sequentially in the first quarter. The broad-based mixed-signal business grew five percent sequentially due in part to solid demand for the ProSLIC<sup>®</sup> subscriber line interface products and mixed-signal microcontrollers (MCUs). ProSLIC revenue increased by 60 percent compared to the first quarter of 2005, benefiting from strength in the VoIP market. The mixed-signal MCU business revenue increased sequentially, and the portfolio expanded to include new, major product families in USB and Embedded Ethernet.

The ramp of the company's FM tuner and continued strong demand in the GSM/GPRS market were responsible for mobile handset revenue growth. The company shipped a record number of RF transceivers and continued to add FM tuner design wins and customers.

The company also reported progress on design activity for the Aero<sup>®</sup> IIE EDGE transceiver, the SiRX<sup>®</sup> satellite set-top box receiver and the oscillator products.

"We are pleased with the healthy demand for our products and the progress we have made preparing our recently launched products for mass production," said Necip Sayiner, president and CEO of Silicon Laboratories. "We are focused on product execution and on winning new

market and customer opportunities to establish a solid foundation for continued growth."

### Financial Highlights

GAAP operating income for the first quarter was \$11.0 million. Non-GAAP operating income for the first quarter was \$20.8 million or 18.2 percent of revenue. GAAP net income for the first quarter was \$11.1 million, or 19 cents per fully diluted share. Non-GAAP net income per fully diluted share, excluding pro-forma charges was 33 cents. The reconciling charges are set forth in the reconciliation of GAAP to non-GAAP financial measures table included below. The company increased cash and short-term investments by approximately \$43 million to \$407 million at quarter end.

For the second quarter of 2006, the company anticipates revenue of \$116 to \$120 million.

### Conference Call Today

A conference call discussing the first quarter results will follow the release at 7:30 a.m. Central Time. An audio webcast will be available simultaneously on Silicon Laboratories' website under Investor Relations ([www.silabs.com](http://www.silabs.com)). A replay will be available after the call at the same website listed above or by calling 1 866-501-8774 or +1 203-369-1854 (international). These replays will be available through May 9th, 2006.

### About 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](http://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.

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

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

**Silicon Laboratories Inc.**  
**Unaudited Condensed Consolidated Statements of Income**  
**(in thousands, except per share data)**

	Three Months Ended	
	April 1, 2006	April 2, 2005
Revenues	\$ 114,540	\$ 104,764
Cost of revenues	51,300	48,560
Gross profit	63,240	56,204
Operating expenses:		
Research and development	27,557	19,553
Selling, general and administrative	24,702	16,878
Operating expenses	52,259	36,431
Operating income	10,981	19,773
Other income (expense):		
Interest income	3,202	1,412
Interest expense	(175)	(56)
Other income (expense), net	247	(15)
Income before income taxes	14,255	21,114
Provision for income taxes	3,191	3,741
Net income	\$ 11,064	\$ 17,373
Net income per share:		
Basic	\$ 0.20	\$ 0.33
Diluted	\$ 0.19	\$ 0.31
Weighted-average common shares outstanding:		
Basic	55,066	52,468
Diluted	57,656	55,365

**Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures**  
**(in thousands, except per share data)**

	Three Months Ended	
	April 1, 2006	April 2, 2005
GAAP net income	\$ 11,064	\$ 17,373
Stock compensation adjustments:		
Cost of revenues	144	10
Research and development	4,302	586
Selling, general and administrative	5,376	157
Provision for income taxes	(1,733)	(272)
Research and development grant	—	(1,439)
Non-GAAP net income	\$ 19,153	\$ 16,415
Diluted shares outstanding	57,656	55,365
Non-GAAP diluted net income per share	\$ 0.33	\$ 0.30

	Three Months Ended	
	April 1, 2006	April 2, 2005
GAAP operating income	\$ 10,981	\$ 19,773
Stock compensation adjustments:		
Cost of revenues	144	10
Research and development	4,302	586
Selling, general and administrative	5,376	157
Research and development grant	—	(1,439)
Non-GAAP operating income	\$ 20,803	\$ 19,087
Non-GAAP operating income %	18%	18%

**Silicon Laboratories Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except per share data)

	April 1, 2006 (Unaudited)	December 31, 2005
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 105,595	\$ 100,504
Short-term investments	301,494	263,206
Accounts receivable, net of allowance for doubtful accounts of \$1,088 at April 1, 2006 and December 31, 2005	76,057	68,824
Inventories	24,053	23,132
Deferred income taxes	13,114	11,505
Prepaid expenses and other	16,442	9,670
Total current assets	536,755	476,841
Property, equipment and software, net	28,507	32,584
Goodwill	62,877	62,877
Other intangible assets, net	14,044	14,838
Other assets, net	31,091	25,863
Total assets	<u>\$ 673,274</u>	<u>\$ 613,003</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 42,304	\$ 43,846
Accrued expenses	13,063	11,307
Deferred income on shipments to distributors	42,115	34,036
Income taxes payable	15,860	18,348
Total current liabilities	113,342	107,537
Long-term obligations and other liabilities	11,666	7,418
Total liabilities	125,008	114,955
Commitments and contingencies		
Stockholders' equity:		
Preferred stock—\$0.0001 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Common stock—\$0.0001 par value; 250,000 shares authorized; 55,491 and 54,530 shares issued and outstanding at April 1, 2006 and December 31, 2005, respectively	6	5
Additional paid-in capital	373,332	335,284
Deferred stock compensation	—	(1,105)
Retained earnings	174,928	163,864
Total stockholders' equity	548,266	498,048
Total liabilities and stockholders' equity	<u>\$ 673,274</u>	<u>\$ 613,003</u>

*Certain prior period amounts have been reclassified to conform to the current period presentation.*

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