

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): **October 24, 2007**

SILICON LABORATORIES INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-29823
(Commission File Number
Identification No.)

74-2793174
(IRS Employer)

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 2.02. Results of Operations and Financial Condition

On October 24, 2007, Silicon Laboratories Inc. ("Silicon Laboratories") issued a press release describing its results of operations for its fiscal quarter ended September 29, 2007. A copy of the press release is attached as Exhibit 99 to this report.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

99 Press Release of Silicon Laboratories Inc. dated October 24, 2007.

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.

October 24, 2007

Date

/s/ Paul V. Walsh, Jr.

Paul V. Walsh, Jr.

*Vice President of Finance
(Principal Accounting Officer)*

EXHIBIT INDEX

Exhibit No.

99

Description

Press release dated October 24, 2007 of the Registrant



SILICON LABORATORIES ANNOUNCES RECORD REVENUE

--Company Earnings Exceed Expectations--

AUSTIN, Texas — Oct. 24, 2007 — Silicon Laboratories Inc. (Nasdaq: SLAB), a leader in high-performance, analog-intensive, mixed-signal integrated circuits (ICs), today reported record revenue from continuing operations of \$87.9 million, a 21 percent increase over the same period last year. Earnings per share exceeded expectations, increasing significantly over prior quarters. The company's improved profitability increased non-GAAP operating income percent to double that of first quarter levels, primarily due to accelerating revenues and continued cost controls.

Third Quarter Financial Results

Revenue grew by 16 percent sequentially driven by growth across the company's major product lines. GAAP gross margin was 60.2 percent. GAAP operating income was \$10.4 million and GAAP diluted earnings per share from continuing operations increased to \$0.31, inclusive of a seven cent favorable impact from a tax benefit credited in the quarter.

Excluding \$8.5 million in stock compensation expense, non-GAAP gross margin increased slightly to 60.7 percent. Operating expenses declined to less than 40 percent of revenue resulting in non-GAAP operating income of \$19.0 million, or 21.6 percent of revenue, representing significant progress towards the company's target model. Non-GAAP diluted earnings per share from continuing operations was \$0.43, which also includes the seven cent tax benefit credited in the quarter. The reconciling charges are set forth in the financial measures table included below.

The company ended the quarter with approximately \$638 million in cash, cash equivalents and short-term investments.

Business Summary

Third quarter revenue was fueled broadly by a number of growing product lines. The voice and embedded modem businesses benefited from growth at key customers during the quarter. The broad-based businesses, which include timing and microcontrollers, achieved double-digit sequential growth. Design wins accelerated for these products throughout the quarter. New product introductions, including the first programmable XOs and VCXOs and a new family of small form factor MCUs, are expected to contribute to design win momentum and sustained high growth for the broad-based products.

The broadcast business grew significantly again during the quarter driven by strength across both the handset and portable markets. The demand for the company's new FM transmitter in portable navigation devices and MP3 accessories was very healthy, and unit volume for FM tuners in handsets continued to expand. The company also anticipates first revenue from the AM/FM receiver in the fourth quarter, further diversifying the broadcast revenue base and market reach.

"We are realizing the leverage of our mixed-signal business model as strong demand combined with lower operating expenses drove better than anticipated results," said Necip Sayiner, president and chief executive officer of Silicon Laboratories. "With this foundation in place, we are prepared to further invest in our R&D efforts to continue to accelerate our growth in order to optimize the business for the future."

For the fourth quarter of 2007, the company is guiding revenue in the range of \$93 to \$97 million.

Webcast and Conference Call

A conference call discussing the third quarter results will follow this press release today at 7:30 a.m. Central Time. An audio webcast will be available simultaneously on Silicon Laboratories' website under Investor Relations (www.silabs.com). A replay will be available after the call at the same website listed above or by calling 866-347-5805 or +1 203-369-0021 (international). Replays will be available through November 7, 2007.

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 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.

Forward Looking Statements

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, dependence on a limited number of products and customers; difficulties developing new products that achieve market acceptance; risks that Silicon Laboratories may not be able to manage strains associated with its growth (including risks associated with the implementation of its enterprise resource planning system); 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 and divestitures; 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, 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.

CONTACT: Silicon Laboratories Inc., Shannon Pleasant, (512) 464 9254, shannon.pleasant@silabs.com

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

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | September 29, 2007 | September 30, 2006 | September 29, 2007 | September 30, 2006 |
| Revenues | \$ 87,938 | \$ 72,956 | \$ 237,349 | \$ 213,544 |
| Cost of revenues | 34,986 | 25,880 | 93,658 | 71,449 |
| Gross profit | 52,952 | 47,076 | 143,691 | 142,095 |
| Operating expenses: | | | | |
| Research and development | 20,844 | 23,007 | 67,796 | 66,695 |
| Selling, general and administrative | 21,693 | 24,210 | 67,267 | 67,763 |
| In-process research and development | — | — | — | 2,600 |
| Operating expenses | 42,537 | 47,217 | 135,063 | 137,058 |
| Operating income (loss) | 10,415 | (141) | 8,628 | 5,037 |
| Other income (expense): | | | | |
| Interest income | 7,136 | 3,525 | 18,003 | 10,352 |
| Interest expense | (129) | (236) | (527) | (636) |
| Other income (expense), net | (214) | 53 | (384) | 344 |
| Income from continuing operations before income taxes | 17,208 | 3,201 | 25,720 | 15,097 |
| Provision (benefit) for income taxes | (416) | 412 | 1,950 | 4,105 |
| Income from continuing operations | 17,624 | 2,789 | 23,770 | 10,992 |
| Income from discontinued operations, net of income taxes | 2,810 | 1,945 | 159,750 | 14,943 |
| Net income | \$ 20,434 | \$ 4,734 | \$ 183,520 | \$ 25,935 |
| Basic earnings per share: | | | | |
| Income from continuing operations | \$ 0.32 | \$ 0.05 | \$ 0.43 | \$ 0.20 |
| Net income | \$ 0.37 | \$ 0.08 | \$ 3.34 | \$ 0.47 |
| Diluted earnings per share: | | | | |
| Income from continuing operations | \$ 0.31 | \$ 0.05 | \$ 0.42 | \$ 0.19 |
| Net income | \$ 0.36 | \$ 0.08 | \$ 3.25 | \$ 0.45 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 55,215 | 55,725 | 54,996 | 55,557 |
| Diluted | 56,767 | 57,151 | 56,481 | 57,566 |

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

| Non-GAAP Income Statement Items | Three Months Ended September 29, 2007 | | | |
|---------------------------------|---------------------------------------|----------------------------|------------------|-----------------------------|
| | GAAP Measure | Stock Compensation Expense | Non-GAAP Measure | Non-GAAP Percent of Revenue |
| Revenues | \$ 87,938 | | | |
| Gross profit | 52,952 | \$ 414 | \$ 53,366 | 60.7% |
| Operating expenses | 42,537 | 8,537 | 34,413 | 38.7% |

| | | | | |
|------------------|--------|-------|--------|-------|
| Operating income | 10,415 | 8,537 | 18,952 | 21.6% |
|------------------|--------|-------|--------|-------|

| Non-GAAP Operating Income | Three Months Ended March 31, 2007 | | | |
|---------------------------|--------------------------------------|-------------------------------|---------------------|-----------------------------------|
| | GAAP Measure | Stock Compensation Expense | Non-GAAP Measure | Non-GAAP Percent of Revenue |
| Revenues | \$ 73,814 | | | |
| Operating income (loss) | (3,724) | 11,770 | 8,046 | 10.9% |

| Non-GAAP Diluted Earnings Per Share | Three Months Ended September 29, 2007 | |
|--|--|---------|
| GAAP income from continuing operations | \$ | 17,624 |
| Stock compensation adjustments: | | |
| Cost of revenues | | 414 |
| Research and development | | 3,472 |
| Selling, general and administrative | | 4,651 |
| Provision for income taxes | | (1,524) |
| Non-GAAP income from continuing operations | \$ | 24,637 |
| GAAP diluted shares outstanding | | 56,767 |
| Non-GAAP diluted earnings per share | \$ | 0.43 |

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

| | September 29, 2007 | December 30, 2006 |
|---|-----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 151,554 | \$ 68,188 |
| Short-term investments | 486,023 | 318,104 |
| Accounts receivable, net of allowance for doubtful accounts of \$573 at September 29, 2007 and \$421 at December 30, 2006 | 56,693 | 36,657 |
| Inventories | 24,182 | 22,016 |
| Deferred income taxes | 6,642 | 12,118 |
| Prepaid expenses and other current assets | 27,149 | 12,944 |
| Current assets of discontinued operations | — | 33,680 |
| Total current assets | 752,243 | 503,707 |
| Property, equipment and software, net | 28,700 | 34,070 |
| Goodwill | 65,519 | 65,680 |
| Other intangible assets, net | 17,089 | 20,271 |
| Other assets, net | 28,420 | 24,528 |
| Non-current assets of discontinued operations | — | 38,739 |
| Total assets | \$ 891,971 | \$ 686,995 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 35,227 | \$ 26,438 |
| Accrued expenses | 15,836 | 23,051 |
| Deferred income on shipments to distributors | 24,288 | 20,568 |
| Income taxes | 957 | 15,063 |
| Current liabilities of discontinued operations | 2,479 | 16,502 |
| Total current liabilities | 78,787 | 101,622 |
| Long-term obligations and other liabilities | 44,676 | 15,641 |
| Non-current liabilities of discontinued operations | — | 1,050 |
| Total liabilities | 123,463 | 118,313 |
| 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; 55,129 and 54,802 shares issued and outstanding at September 29, 2007 and December 30, 2006, respectively | 6 | 5 |
| Additional paid-in capital | 389,960 | 373,655 |
| Retained earnings | 378,542 | 195,022 |
| Total stockholders' equity | 768,508 | 568,682 |
| Total liabilities and stockholders' equity | \$ 891,971 | \$ 686,995 |

