SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported): August 9, 2000

Silicon Laboratories Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	000-29823	74-2793174
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

Not Applicable.
(Former Name or Former Address, if Changed Since Last Report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

This Form 8-K/A is being filed to amend the Form 8-K filed on August 11, 2000 by Silicon Laboratories Inc. (Silicon Laboratories) to include the financial statements and pro forma financial information referred to in Item 7 below relating to Silicon Laboratories' acquisition of Krypton Isolation, Inc.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

The following financial statements and pro forma financial information are being provided in accordance with the instructions to this item.

(a) Financial Statements of Business Acquired

Report of Independent Auditors

Balance sheets of Krypton Isolation, Inc. at April 30, 2000 and 1999.

Statements of operations of Krypton Isolation, Inc. for the years ended April 30, 2000 and 1999.

Statements of stockholders' equity of Krypton Isolation, Inc. for the years ended April 30, 2000 and 1999.

Statements of cash flows of Krypton Isolation, Inc. for the years ended April 30, 2000 and 1999.

Notes to financial statements

(b) Pro forma financial information.

Unaudited pro forma condensed balance sheet as of July 1, 2000 and accompanying explanatory notes.

Unaudited pro forma condensed statement of operations for the year ended January 1, 2000 and accompanying explanatory notes.

Unaudited pro forma condensed statement of operations for the six months ended July 1, 2000 and accompanying explanatory notes.

(c) Exhibits

2.1** Merger Agreement and Plan of Reorganization dated as of June 22, 2000, by and among Silicon Labs, Karst Corporation, a California corporation and wholly-owned subsidiary of Silicon Labs, and Krypton Isolation, Inc., a California corporation, and with respect to Section 7.2 of the Merger Agreement only, Charles Welch, as Shareholder Agent.

23.1 Consent of Independent Auditors

99.1** Press Release dated August 10, 2000, of the Registrant.

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**Incorporated by reference to the Company's Form 8-K filed with the Securities and Exchange Commission on August 11, 2000.

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.

September 8, 2000

SILICON LABORATORIES INC.,
a Delaware corporation

By: /s/ John W. McGovern

John W. McGovern
Chief Financial Officer

Report of Independent Auditors

The Board of Directors
Krypton Isolation, Inc.

We have audited the accompanying balance sheets of Krypton Isolation, Inc. (the Company) as of April 30, 2000 and 1999, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Krypton Isolation, Inc. at April 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Austin, Texas
July 26, 2000

Krypton Isolation, Inc.

Balance Sheets

	April 30 2000	April 30 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 1,880,691	$ 2,268,171
Accounts receivable, net of allowance for doubtful accounts of $35,895 and $10,200 at April 30, 2000 and 1999, respectively	202,300	251,125
Inventories	390,757	410,881
Notes receivable from officers	100,000	100,000
Prepaid expenses and other	25,266	16,518
Total current assets	2,599,014	3,046,695
Property and equipment, net	250,768	232,059
Other assets	3,092	3,092
Total assets	$ 2,852,874	$ 3,281,846
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 408,163	$ 505,112
Accrued expenses	67,752	83,304
Obligations under capital leases	-	759
Other liabilities	10,024	5,199
Total current liabilities	485,939	594,374
Stockholders' equity:		
Series A Convertible Preferred Stock - no par value; 2,000,000 shares authorized; 0 shares issued and outstanding	-	-
Series B Convertible Preferred Stock - no par value; 2,000,000 shares authorized; 0 shares issued and outstanding	-	-
Series C Convertible Preferred Stock - no par value; 1,500,000 shares authorized; 1,077,587 shares issued and outstanding; aggregate liquidation preference of $2,500,002	2,475,771	2,475,771
Common Stock - no par value; 12,000,000 shares authorized; 4,527,500 and 4,500,000 shares issued and outstanding at April 30, 2000 and 1999, respectively	1,173,875	1,138,125
Preferred Stock warrants	8,900,000	360,000
Accumulated deficit	(10,182,711)	(1,286,424)
Total stockholders' equity	2,366,935	2,687,472
Total liabilities and stockholders' equity	$ 2,852,874	$ 3,281,846

See accompanying notes.

Krypton Isolation, Inc.

Statements of Operations

	Year ended April 30 2000	1999
Sales	$ 1,961,181	$ 1,311,230
Cost of sales	1,151,125	778,406
Gross margin	810,056	532,824
Operating expenses:		
Research and development	547,335	661,921
Selling and marketing	124,463	141,695
General and administrative	600,503	652,641
Warrants - strategic alliance	8,538,000	-
Operating expenses	9,810,301	1,456,257
Operating loss	(9,000,245)	(923,433)
Interest income, net	103,958	96,616
Net loss	$ (8,896,287)	$ (826,817)

See accompanying notes.

Krypton Isolation, Inc.

Statements of Stockholders' Equity

	Convertible Preferred Stock Shares	Convertible Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Preferred Stock Warrants	Deferred Stock Compensation
Balance as of May 1, 1998	-	$ -	4,250,000	$ 735,625	$ 360,000	$ (52,500)
Issuance of Series C convertible preferred stock, net of issuance costs of $24,231	1,077,587	2,475,771	-	-	-	-
Stock compensation expense	-	-	-	77,500	-	52,500
Exercise of stock options	-	-	250,000	325,000	-	-
Net loss	-	-	-	-	-	-
Balance as of April 30, 1999	1,077,587	2,475,771	4,500,000	1,138,125	360,000	-
Exercise of stock options	-	-	27,500	35,750	-	-
Warrants - strategic alliance	-	-	-	-	8,540,000	-
Net loss	-	-	-	-	-	-
Balance as of April 30, 2000	1,077,587	$ 2,475,771	4,527,500	$ 1,173,875	$ 8,900,000	$ -

	Accumulated Deficit	Total
Balance as of May 1, 1998	$ (459,607)	$ 583,518
Issuance of Series C convertible preferred stock, net of issuance costs of $24,231	-	2,475,771
Stock compensation expense	-	130,000
Exercise of stock options	-	325,000
Net loss	(826,817)	(826,817)
Balance as of April 30, 1999	(1,286,424)	2,687,472
Exercise of stock options	-	35,750
Warrants - strategic alliance	-	8,540,000
Net loss	(8,896,287)	(8,896,287)
Balance as of April 30, 2000	$ (10,182,711)	$ 2,366,935

See accompanying notes.

Krypton Isolation, Inc.

Statements of Cash Flows

	Years ended April 30 2000	1999
Operating activities		
Net loss	$ (8,896,287)	$ (826,817)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization expense	78,909	57,903
Warrants - strategic alliance	8,538,000	-
Stock compensation expense	-	130,000
Changes in operating assets and liabilities:		
Accounts receivable, net	48,825	(81,502)
Inventories	20,124	(135,107)
Prepaid expenses and other	(8,748)	5,001
Accounts payable	(96,949)	424,522
Accrued expenses	(15,552)	(106,638)
Other liabilities	4,825	(3,377)
Net cash used in operating activities	(326,853)	(536,015)
Investing activity		
Purchases of property and equipment	(97,618)	(50,305)
Net cash used in investing activity	(97,618)	(50,305)
Financing activities		
Payments on capital leases	(759)	(2,863)
Proceeds from note receivable	-	125
Net proceeds from issuances of Convertible Preferred Stock	-	2,475,771
Net proceeds from exercise of stock options	35,750	-
Net proceeds from preferred stock warrants	2,000	-
Net cash provided by financing activities	36,991	2,473,033
Net increase (decrease) in cash and cash equivalents	(387,480)	1,886,713
Cash and cash equivalents at beginning of year	2,268,171	381,458
Cash and cash equivalents at end of year	$ 1,880,691	$ 2,268,171
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 12	$ 216

See accompanying notes.

Krypton Isolation, Inc.

Notes to Financial Statements

April 30, 2000

1. Organization

Krypton Isolation, Inc. (the Company) develops and markets mixed-signal analog/digital integrated circuits (ICs). The Company's products serve the wireline communication market. Within the semiconductor industry, the Company is known as a "fabless" company, meaning that the ICs are manufactured by third-party semiconductor companies. The Company was founded in 1994.

2. Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits and investments with a maturity of three months or less when purchased.

Inventories

Inventories are stated at the lower of cost, determined using the first-in, first-out method, or market. Inventories consist of the following:

	April 30 2000	April 30 1999
Work in progress	$ 79,116	$ 63,934
Finished goods	311,641	346,947
	$ 390,757	$ 410,881

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the useful lives of the assets (generally 5 to 7 years). Amortization of assets recorded under capital leases is computed using the straight-line method over the shorter of the asset's useful life or the term of the lease, and such amortization is included with depreciation expense.

2. Significant Accounting Policies (continued)

Property and equipment consist of the following:

	April 30 2000	April 30 1999
Lab and testing equipment	$ 421,277	$ 327,207
Office equipment	10,608	10,608
Furniture and fixtures	49,260	45,712
	481,145	383,527
Accumulated depreciation and amortization	(230,377)	(151,468)
	$ 250,768	$ 232,059

Fair Value of Financial Instruments

The Company's financial instruments consist principally of cash and cash equivalents, receivables, and accounts payable. The Company believes all of the financial instruments' recorded values approximate current market values.

Risks and Uncertainties

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, and accounts receivable. The Company places its cash and cash equivalents primarily in cash deposits, money market accounts, and commercial paper. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers. The Company provides an allowance for doubtful accounts receivable based upon the expected collectibility of such receivables.

2. Significant Accounting Policies (continued)

The following table summarizes the changes in the allowance for doubtful accounts receivable:

Balance at May 1, 1998	$ -
Additions charged to costs and expenses	10,200
Write-off of uncollectible accounts	-
Balance at April 30, 1999	10,200
Additions charged to costs and expenses	25,695
Write-off of uncollectible accounts	-
Balance at April 30, 2000	$ 35,895

All of the Company's products are currently manufactured by two companies, one located in Singapore and one in the United States. A manufacturing disruption experienced by either of the Company's manufacturing partners could impact the production of the Company's products for a substantial period of time, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

The following is a detail of customers that account for greater than 10% of gross revenue in the respective fiscal years:

	Year Ended April 30	
	2000	1999
Customer A	21%	4%
Customer B	19	15
Customer C	14	-
Customer D	5	12
Customer E	-	11
Customer F	-	10

2. Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. This Statement prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Revenue Recognition

Revenue from product sales is generally recognized upon title transfer. Revenue from shipments that include a right of return provision is deferred until the return period has lapsed. Product returns have historically been minimal.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were $11,474 and $12,608 in the fiscal years ended April 30, 2000 and 1999, respectively.

Stock-Based Compensation

The Financial Accounting Standards Board's (FASB) SFAS No. 123, Accounting for Stock-Based Compensation, prescribes accounting and reporting standards for all stock-based compensation plans, including employee stock options. As allowed by SFAS No. 123, the Company has elected to continue to account for its employee stock-based compensation in accordance with Accounting Principles Board Opinion (APB) No. 25, Accounting for Stock Issued to Employees.

Other Comprehensive Income (Loss)

In June 1997, the FASB issued SFAS No. 130, Reporting Comprehensive Income, which establishes standards for reporting and display of comprehensive income and its components in the financial statements. There were no differences between net loss and comprehensive loss during any of the periods presented.

2. Significant Accounting Policies (continued)

Segment Reporting

The Company's chief operating decision maker allocates resources and assesses the performance of its product development and sales activities as one segment.

New Accounting Pronouncements

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which is effective for fiscal years beginning after June 15, 2000. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income. The Company does not expect that the adoption of SFAS No. 133 will have a material impact on its financial statements because the Company does not believe it currently holds any derivative instruments.

In December 1999, the Securities and Exchange Commission staff released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements, which provides guidance on the recognition, presentation, and disclosure of revenue in financial statements. The Company does not expect the application of SAB No. 101 to have a material impact on the financial statements of the Company.

On March 31, 2000, the FASB issued Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB No. 25, Accounting for Stock Issued to Employees. The interpretation clarifies guidance for certain issues that arose in the application of APB No. 25. The interpretation will be applied prospectively to new awards, modifications to outstanding awards, and changes in employee status on or after July 1, 2000, except as follows: (i) requirements related to the definition of an employee apply to new awards granted after December 15, 1998; (ii) modifications that directly or indirectly reduce the exercise price of an award apply to modifications made after January 12, 2000. The application of Interpretation No. 44 is not expected to have a material impact on the financial statements.

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates, and such differences could be material to the financial statements.

3. Lease Commitments

The Company has financed the acquisition of certain equipment under capital lease transactions which are accounted for as financings and matured in fiscal year 2000. As of April 30, 1999, equipment under capital lease included in property and equipment was $8,039. Amortization of equipment under capital leases is included with depreciation expense.

In addition, the Company leases its current office facilities under an operating lease agreement that expires in December 2000. Rental payments under the lease increase ratably from $5,900 per month to $6,700 per month over the term of the lease. The minimum annual future rentals under the terms of the lease for the year ended April 30, 2001 are $53,645.

Rent expense for operating leases was approximately $75,400 and $25,100 for the years ended April 30, 2000 and 1999, respectively.

4. Stockholders' Equity

Convertible Preferred Stock

The Articles of Incorporation authorize the issuance of up to 5,500,000 shares of Convertible Preferred Stock with no par value. Each share is convertible into common stock at the option of the stockholder at any time based on the number of shares determined by dividing the original issue price by the conversion price on the date of conversion, subject to certain adjustments (one-to-one as of April 30, 2000). The Convertible Preferred Stockholders are entitled to the number of votes equal to the number of shares of common stock into which each share of Convertible Preferred Stock could be converted on the record date. Conversion is automatic upon the closing of an underwritten public offering of the Company's common stock of which the market capitalization is at least $60 million and the aggregate gross proceeds are not less than $10 million. Additional contractual obligations by and between the Convertible Preferred Stockholders and the Common Stockholders exist with regard to registration rights, indemnification, right of first offer, right of first refusal, and voting of shares.

The stockholders of Series A, B, and C Convertible Preferred Stock are entitled to dividends of $0.004, $0.012, and $0.116, respectively, per share per annum when declared.

In the event of a liquidation or winding up of the Company, stockholders of Series A, B, and C Convertible Preferred Stock shall have a liquidation preference of $0.05, $0.15, and $2.32 per share, respectively, plus declared and unpaid dividends, over holders of common stock.

Warrants

The Company issued a warrant to purchase 2,000,000 shares of Series A Convertible Preferred Stock at $0.05 per share in July 1994 for cash proceeds of $30,000 to a customer in connection with a strategic alliance agreement. The warrant was immediately exercisable and expired in October 1995. This warrant was modified on several occasions to extend the expiration date ultimately to January 29, 2001 for total cash consideration of $3,000.

4. Stockholders' Equity (continued)

The Company issued a warrant to purchase 2,000,000 shares of Series B Convertible Preferred Stock at $0.15 per share in January 1996 for cash proceeds of $80,000 to a customer in connection with a strategic alliance agreement. The warrant was immediately exercisable and expired in January 2000. This warrant was modified in January 2000 to extend the expiration date from January 29, 2000 to January 29, 2001 for cash proceeds of $1,000.

The Company has valued the warrants at their fair value (using a Black-Scholes pricing model) at the date of original issuance and at each modification date, recording the resulting expense of $8,538,000 for the year ended April 30, 2000.

Stock Options

In September 1997, the Company adopted the 1997 Stock Plan (the Plan) whereby employees and consultants of the Company may be granted options to purchase shares of the Company's Common Stock. As of April 30, 2000, 500,000 shares were authorized for issuance under the Plan. The term of each option is no more than ten years from the date of grant. The stock options generally vest over a four year period.

Prior to the formation of the Plan, the Company also issued 1,350,000 stock options with similar terms to various employees, and 250,000 stock options to an outside consulting firm.

The Company issued the 250,000 stock options in exchange for consulting services and cash consideration of $325,000. The options had an exercise price of $1.30, a four year vesting period, certain other performance criteria which accelerated vesting, and a provision that required the Company to refund the $325,000 if the holder did not meet the performance criteria. Accordingly, the Company recorded the cash received as a note payable. The fair value of these options as of the grant date was $147,500, using the Black-Scholes pricing model. In December 1998, the consulting firm met all of the performance criteria and exercised the options. Total general and administrative expense recognized related to these stock options was $188,125, of which $130,000 was recognized during the year ended April 30, 1999. The exercise proceeds of $325,000 was a non-cash transaction in satisfaction of the note payable.

4. Stockholders' Equity (continued)

A summary of the Company's stock option activity and related information for the years ended April 30, 2000 and 1999 follows:

	Shares Available for Grant	Options	Exercise Prices	Weighted-Average Exercise Price
Outstanding at May 1, 1998	440,000	1,660,000	$0.15-$1.30	$0.47
Granted	-	-	-	-
Exercised	-	(250,000)	1.30	1.30
Forfeited	30,000	(30,000)	1.30	1.30
Outstanding at April 30, 1999	470,000	1,380,000	0.15-1.30	0.30
Granted	-	-	-	-
Exercised	-	(27,500)	1.30	1.30
Forfeited	2,500	(2,500)	1.30	1.30
Outstanding at April 30, 2000	472,500	1,350,000	$0.15-$1.30	$0.28

The following table summarizes information concerning outstanding options as of April 30, 2000:

Exercise Price	Options Outstanding	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price
$ 0.15	1,200,000	5.75	$0.15	1,200,000	$0.15
1.30	150,000	5.91	1.30	150,000	1.30
0.15-1.30	1,350,000	5.76	0.28	1,350,000	0.28

Pro forma information regarding net income (loss) is required by SFAS No. 123, and has been determined as if the Company had accounted for its employee stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 6%; no expected dividends; an expected life of five years; and no volatility.

4. Stockholders' Equity (continued)

For the purposes of pro forma disclosure, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma net loss as of April 30, 2000 and 1999 was $8,922,148 and $857,621, respectively.

Common Stock

Common stock reserved for future issuances at April 30, 2000 is as follows:

Convertible Preferred Stock	1,077,587
Preferred Stock warrants	4,000,000
Stock options under 1997 Plan	472,500
Other stock options	1,350,000
	6,900,087

5. Income Taxes

As of April 30, 2000, the Company had federal net operating loss carryforwards of approximately $1,202,000 and research and development credit carryforwards of approximately $43,000. The net operating loss carryforwards and research and development credit carryforwards will expire at various dates beginning in 2012, if not utilized.

Utilization of the net operating losses may be subject to a substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986. The annual limitation may result in the expiration of net operating losses before utilization.

5. Income Taxes (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes are as follows:

	April 30 2000	April 30 1999
Deferred tax assets:		
Reserves and allowances	$ 11,000	$ 5,000
Net operating loss and tax credit carryforwards	488,000	349,000
Net deferred tax asset before valuation allowance	499,000	354,000
Valuation allowance for net deferred tax asset	(499,000)	(354,000)
Net deferred taxes	$ -	$ -

The Company has established a valuation allowance equal to the net deferred tax asset due to uncertainties regarding the realization of the deferred tax asset based on the Company's lack of earnings history. The valuation allowance increased by $145,000 for the year ended April 30, 2000.

The Company's provision for income taxes differs from the expected tax benefit amount computed by applying the statutory federal income tax rate of 34% to loss before income taxes as a result of permanent items and the application of a valuation allowance.

6. Related Party Transactions

The Company entered into a full recourse note receivable dated May 1, 1996 with the President in the principal amount of $50,000, with an annual interest rate of 5.33%. Principal and accrued interest of $10,660 are due and payable upon demand.

The Company entered into a full recourse note receivable dated May 1, 1996 with the Vice President of Engineering in the principal amount of $50,000, with an annual interest rate of 5.33%. Principal and accrued interest of $10,660 are due and payable upon demand.

The outstanding warrants discussed in Note 4 to the financial statements were issued to a significant customer whose Chief Executive Officer and Chief Financial Officer are Board of Directors of the Company.

7. Commitments and Contingencies

In March 1998, Sipex Corporation filed a lawsuit against the Company seeking recovery of damages allegedly owed by the Company for semiconductor devices manufactured by Sipex and delivered to the Company under a written foundry agreement between Sipex and the Company. On June 19, 2000 the parties settled the lawsuit through mediation and the Company paid Sipex $200,000. This amount is recorded in these financials statements.

On June 22, 2000, the Company entered into a merger agreement with Silicon Laboratories Inc. pursuant to which the Company has agreed to receive $42 million in cash and common stock (estimated using the value of Silicon Laboratories' common stock on such date and subject to further adjustment) in exchange for all outstanding common stock, preferred stock, stock options, and warrants of the Company. This transaction is expected to close in the third calendar quarter of 2000.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

The following unaudited pro forma condensed financial statements give effect to the completed merger between Silicon Laboratories Inc. (Silicon Laboratories), through its wholly-owned subsidiary Karst Corporation, and Krypton Isolation, Inc. (Krypton). This merger will be accounted for as a purchase business combination. These unaudited pro forma condensed financial statements have been prepared from the historical consolidated financial statements of Silicon Laboratories and Krypton and should be read in conjunction therewith.

On August 9, 2000, Silicon Laboratories consummated a merger with Krypton for a purchase price of $42.0 million. The consideration tendered by Silicon Laboratories consisted of $15.0 million in cash, 384,100 shares of Silicon Laboratories' common stock valued at $21.9 million, 90,449 options to purchase Silicon Laboratories' common stock valued at $4.8 million, and estimated direct acquisition costs of $275,000. The estimated direct acquisition costs consist primarily of legal, accounting, and appraisal fees to be incurred by Silicon Laboratories that are directly related to the merger. There can be no assurance that Silicon Laboratories and Krypton will not incur additional charges related to the merger or that management will be successful in its efforts to integrate the operations of the two companies. To determine the value associated with the stock and stock option portion of the consideration paid to Krypton shareholders, we have used the average of the closing prices of Silicon Laboratories' common stock for the three days before and after the measurement date, August 4, 2000, in accordance with Emerging Issues Task Force (EITF) 99-12 ACCOUNTING FOR FORMULA ARRANGEMENTS UNDER EITF 95-19 "DETERMINATION OF THE MEASUREMENT DATE FOR THE MARKET PRICE OF ACQUIRER SECURITIES ISSUED IN A PURCHASE BUSINESS COMBINATION". The average of these closing prices was $56.96. The number of shares of Silicon Laboratories' stock tendered was based on the average of the closing prices of Silicon Laboratories common stock in the ten trading days ending on August 4, 2000 in accordance with the terms of the agreement.

The unaudited pro forma condensed balance sheet combines the unaudited historical condensed balance sheets of Silicon Laboratories as of July 1, 2000 and Krypton as of April 30, 2000.

The unaudited pro forma condensed statement of operations for the year ended January 1, 2000 combines the audited historical statement of operations of Silicon Laboratories for the year ended January 1, 2000, and the unaudited historical statement of operations of Krypton for the twelve months ended October 31, 1999. The unaudited pro forma condensed statement of operations for the six months ended July 1, 2000 combines the unaudited results of operations for the six months ended July 1, 2000 for Silicon Laboratories, and the unaudited results of operations for the six months ended April 30, 2000 for Krypton.

The unaudited pro forma combined condensed financial statements do not include the realization of cost savings from operating efficiencies, synergies or other restructurings that may result from the merger.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger and the acquisition had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are based upon information and assumptions available at the time of the filing of this document. The pro forma information should be read in conjunction with the accompanying notes thereto, Silicon Laboratories' historical financial statements and related notes thereto as filed with the Securities and Exchange Commission, and Krypton's historical financial statements and related notes included elsewhere in this filing.

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Balance Sheet
(in thousands)

	SILICON LABS 7/1/00	KRYPTON 4/30/00	PRO FORMA ADJUSTMENTS NOTE 2	PRO FORMA COMBINED
ASSETS				
Current Assets				
Cash and cash equivalents	$ 83,495	$ 1,881	$ (15,275) a	$ 70,101
Short-term investments	22,195	-		22,195
Accounts receivable, net	10,575	202		10,777
Notes Receivable-Officers	-	100		100
Inventories	6,792	391		7,183
Deferred income taxes	461	-		461
Prepaid expenses and other	1,097	25		1,122
Total Current Assets	124,615	2,599	(15,275)	111,939
Property, equipment and software, net	18,412	251		18,663
Intangibles, net	-	-	39,486 b	39,486
Other Assets	253	3		256
Total Assets	$ 143,280	$ 2,853	$ 24,211	$ 170,344
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable	$ 6,265	$ 408		$ 6,673
Accrued expenses and other payables	2,587	78		2,665
Deferred revenue	955	-		955
Current portion of long-term obligations	3,721	-		3,721
Deferred income taxes	-	-	$ 350 b	350
Income taxes payable	238	-		238
Total Current Liabilities	13,766	486	350	14,602
Long-term debt and leases, net of current maturities	7,277	-		7,277
Other long-term obligations	304	-		304
Total Liabilities	21,347	486	350	22,183
Stockholders' Equity	121,933	2,367	26,657 a (429) b (2,367) c	148,161
Total liabilities and stockholders' equity	$ 143,280	$ 2,853	$ 24,211	$ 170,344

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Statement of Operations
(in thousands except per share date)

	SILICON LABS YEAR-ENDED 1/1/00	KRYPTON YEAR-ENDED 10/31/99	PRO FORMA ADJUSTMENTS NOTE 3	PRO FORMA COMBINED
Sales	$ 46,911	$ 1,942		$ 48,853
Cost of goods sold	15,770	1,164		16,934
Gross profit	31,141	778	-	31,919
Operating Expenses:				
Research and development	8,297	556		8,853
Selling, general and administrative	7,207	681		7,888
Amortization of deferred stock compensation	976	-	$ 11 d	987
Amortization of goodwill and other intangibles	-	-	7,965 a	7,965
Operating Expenses	16,480	1,237	7,976	25,693
Operating income (loss)	14,661	(459)	(7,976)	6,226
Other (income) and expenses:				
Interest income	(402)	(105)		(507)
Interest expense	699	-		699
Income (loss) before tax expense	14,364	(354)	(7,976)	6,034
Income tax expense (benefit)	3,324	-	(326) b	2,998
Net income (loss)	$ 11,040	$ (354)	$ (7,650)	$ 3,036
Net income per share:				
Basic	$ 0.73			$ 0.20
Diluted	$ 0.25			$ 0.07
Weighted average common shares outstanding:				
Basic	15,152			15,536 c
Diluted	43,657			44,098 c

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Statement of Operations
(in thousands except per share data)

	SILICON LABS SIX-MONTHS ENDED 7/1/00	KRYPTON SIX-MONTHS ENDED 4/30/00	PRO FORMA ADJUSTMENTS NOTE 3	PRO FORMA COMBINED
Sales	$ 43,973	$ 849		$ 44,822
Cost of goods sold	15,146	467		15,613
Gross profit	28,827	382		29,209
Operating Expenses:				
Research and development	8,024	322		8,346
Selling, general and administrative	7,574	412		7,986
Warrants - strategic alliance	-	8,538		8,538
Amortization of deferred stock compensation	1,566	-	$ 5 d	1,571
Amortization of goodwill and other intangibles	-	-	3,982 a	3,982
Operating Expenses	17,164	9,272	3,987	30,423
Operating income (loss)	11,663	(8,890)	(3,987)	(1,214)
Other (income) and expenses:				
Interest income	(1,506)	(52)		(1,558)
Interest expense	618	-		618
Income (loss) before tax expense	12,551	(8,838)	(3,987)	(274)
Income tax expense	5,365	-	(208) b	5,157
Net income (loss)	$ 7,186	$ (8,838)	$ (3,779)	$ (5,431)
Net income (loss) per share:				
Basic	$ 0.22			$ (0.17)
Diluted	$ 0.15			$ (0.11)
Weighted average common shares outstanding:				
Basic	32,212			32,596 c
Diluted	47,910			48,375 c

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

1. GENERAL

Silicon Laboratories will account for the acquisition of Krypton as a purchase business combination. The accompanying unaudited pro forma condensed financial statements reflect an estimated aggregate purchase price as outlined in Note 2(a) below.

2. UNAUDITED PRO FORMA CONDENSED BALANCE SHEET

The accompanying unaudited pro forma condensed balance sheet has been prepared as if the acquisition was consummated on July 1, 2000. Pro forma adjustments were made:

(a) To record the consideration given in acquisition of Krypton (in thousands):

Cash	$ 15,000
Value of common stock	21,878
Exchange of stock options	4,779
Transaction costs	275
Total purchase price	$ 41,932

(b) To record allocation of purchase price to the assets and liabilities of Krypton (in thousands):

		Amortization Period
Intangibles:		
Workforce	$ 214	3 years
Customer base	1,006	5 years
Acquired technology	952	4-7 years
Patents	120	3 years
Goodwill	37,194	5 years
	$ 39,486	
Net fair value of tangible assets acquired and liabilities assumed	2,367	
Net deferred tax liabilities assumed	(350)	
Deferred stock compensation	35	
In-process research and development	394	
Total purchase price	$ 41,932	

(c) To record elimination of Krypton's shareholder's equity.

3. UNAUDITED PRO FORMA CONDENSED STATEMENTS OF OPERATIONS

The accompanying unaudited pro forma condensed statements of operations have been prepared as if the acquisition was consummated as of January 3, 1999.

Pro forma adjustments were made to reflect the:

(a) Amortization of acquired intangibles based on the estimated economic lives as outlined in Note 2(b) above.

(b) Pro forma tax benefit that is attributable to the net loss of Krypton (excluding non-deductible warrant costs), and deductible amortization expense of certain intangible assets at Silicon Laboratories' statutory tax rate of 37%. The acquired in-process research and development charge, and the amortization of goodwill and deferred stock compensation associated with the merger are not tax deductible by Silicon Laboratories and therefore provide no tax benefit.

(c) Issuance of approximately 384,100 shares of common stock and 90,449 stock options (using the treasury stock method) issued in exchange for all outstanding shares and options of Krypton, based on the number of Krypton shares and options outstanding as of August 9, 2000, the closing date of the merger.

(d) The pro forma adjustments do not include the write-off of purchased in-process research and development of $394,000 as it will not have a continuing impact on the operations of the Company.

Supplemental Disclosure - Adjusted Net Income/Earnings Per Share Calculation:

	Proforma Combined (in thousands, except per share data)	
	Year-Ended 1/1/00	Six-Months Ended 7/1/00
Net income (loss)	$ 3,036	$ (5,431)
Non-cash pro forma adjustments:		
Amortization of goodwill and other intangibles	7,965	3,982
Warrants - strategic alliance		8,538
Amortization of deferred stock compensation	987	1,571
	8,952	14,091
Adjusted net income (loss)	$ 11,988	$ 8,660
Shares used in computing diluted earnings per share	44,098	48,375
Adjusted diluted earnings per share	$ 0.27	$ 0.18

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-39528) pertaining to the 2000 Stock Incentive Plan and the Employee Stock Purchase Plan of Silicon Laboratories Inc. of our report dated July 26, 2000, with respect to the financial statements of Krypton Isolation, Inc. for the years ended April 30, 2000 and 1999 which is included in the Current Report (Form 8-K/A) filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Austin, Texas
September 7, 2000