



SILICON LABORATORIES

NEWS RELEASE

SILICON LABORATORIES INTRODUCES INDUSTRY'S FIRST FULLY INTEGRATED SINGLE-CHIP PHONE FOR GSM/GPRS HANDSETS

-- AeroFONE™ Single-Chip Phone Offers Lowest Solution Cost without Sacrificing Performance --

AUSTIN, Texas – Oct. 24, 2005 – Silicon Laboratories Inc. (Nasdaq: SLAB) today announced the AeroFONE™ single-chip phone, the industry's most integrated, highest performance, easiest-to-use solution for GSM/GPRS handsets. The AeroFONE Si4905 is based on patent pending, breakthrough innovations enabling the first fully-functional single-chip phone to integrate the power management unit (PMU), battery interface and charging circuitry, digital baseband, analog baseband and a quad-band RF transceiver in a single monolithic CMOS IC.

By leveraging Silicon Laboratories' proven Aero® II RF transceiver technology, the AeroFONE Si4905 offers industry-leading RF performance including sensitivity, blocking and transmit modulation spectrum characteristics. The high level of integration paired with unmatched RF performance makes Silicon Laboratories' AeroFONE solution ideal for entry-level GSM/GPRS handsets where cost and circuit board area are critical. The high performance of the AeroFONE single-chip phone also allows handset manufacturers to easily meet the stringent performance requirements of cellular network operators worldwide.

“Handset manufacturers increasingly are faced with cost and performance pressures, particularly as they address the entry-level market, which is expected to amount to more than 200 million handsets per year until 2009,” said Scott Smyser, director and principal analyst, communications and consumer electronics for the market research firm iSuppli Corp. “Highly-integrated semiconductor solutions are essential for making entry-level mobile phones cost effective enough to achieve their market potential.”

Silicon Laboratories' approach to the single-chip phone offers a flexible, scalable and easy-to-use platform for entry-level GSM/GPRS handsets without requiring additional co-processors or large software investments. Silicon Laboratories' AeroFONE single-chip phone offers the ultimate in software flexibility with an underlying system architecture adaptable to multiple software protocol stacks, operating systems and applications frameworks. This unique approach lowers software-switching costs by enabling handset developers to either reuse existing software infrastructure or select one of the multiple protocol stacks and application software frameworks validated by Silicon Laboratories and its partners including TTPCom, CCww and Stackcom. The AeroFONE software suite also includes smart platform and system driver libraries, which greatly reduce software development costs while improving time-to-market, performance and quality.

"TTPCom provides a proven digital modem IP and protocol stack," said Julian Hildersley, managing director of TTPCom's silicon business unit. "The combination of Silicon Laboratories' system solution and TTPCom's cellular IP and GSM/GPRS protocol stack offers customers accelerated time-to-market for a complete and reliable mobile platform."

By reducing the typical bill-of-materials (BOM) by over 200 insertions on a printed circuit board (PCB), the AeroFONE solution represents a dramatic reduction in the total cost of designing and manufacturing a GSM/GPRS handset. The unprecedented integration of the AeroFONE single-chip solution results in a significant reduction of component inventories, lower manufacturing costs, higher yields and higher reliability. Additionally, because all major handset functions are integrated in a single CMOS IC, handset manufacturers can drastically reduce test and calibration time.

"By offering unmatched performance, integration and cost, the AeroFONE solution delivers on the promise of a single-chip phone," said Li Xiao Zhong, president of Amoi, a leading supplier of cellular handsets to the China market. "Silicon Laboratories' technical expertise has resulted in a novel design that includes a flexible software architecture allowing us to move to market quickly to meet the demands of the ever-growing entry-level handset market."

Compared to other integrated baseband solutions on the market, the Si4905 single-chip phone reduces component count by 75 percent, board area by 65 percent and manufacturing costs by up to 50 percent. The Si4905 has an integrated digitally-controlled crystal oscillator, which eliminates the expensive external VC-TCXO modules used in competing solutions. The Si4905 also integrates 2 Mbits of on-chip SRAM, which enables handset manufacturers to build GSM voice-centric cell phones without the need for external SRAM. The AeroFONE single-chip phone also integrates an ARM9[®] family-based MCU.

“Silicon Laboratories’ use of the industry-leading ARM processor is a testament to the ease-of-use and integration possibilities enabled by our microcontroller cores, which provide an ideal solution for mobile platform design,” said Rob Coombs, director of mobile solutions, ARM.

“Our innovative approach leverages our expertise in mixed-signal design as well as software and systems architecture to deliver a high-performance, fully-integrated single-chip phone,” said Dan Rabinovitsj, vice president of Silicon Laboratories. “When we began this effort, our objective was to deliver a fully-integrated phone that would help our customers reduce costs and simplify their designs without sacrificing performance or manufacturability. I am pleased to say that we have accomplished these goals and that the AeroFONE single-chip phone is a real, working solution making calls on GSM/GPRS networks today. While the concept of a single-chip phone has been promoted by many highly credible IC companies, we believe we have made the idea of a merchant market, single-chip phone a reality with the same proven RF performance our customers have come to expect from Silicon Laboratories.”

Silicon Laboratories will be demonstrating the AeroFONE single-chip phone live in Taiwan this week.

Pricing and Availability

The Si4905 is available in a standard 12 x 12 mm, lead-free, RoHS-compliant plastic ball grid array (PBGA) package. Pricing is dependent on volume. The Si4905 is sampling now, with mass production scheduled for Q2 2006. An evaluation platform is available for \$5,000. For more information, please visit www.silabs.com/AeroFONE.

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 may contain forward-looking statements based on Silicon Laboratories' current expectations. These forward-looking statements involve risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. Silicon Laboratories believes that it is important to communicate the company's future expectations to investors. However, there may be events in the future that Silicon Laboratories is not able to accurately predict or control. For a discussion of these and other factors that could impact Silicon Laboratories' financial results and cause actual results to differ materially from those in the forward-looking statements, please refer to Silicon Laboratories' recent filings with the SEC, particularly the Form 10-KA filed April 25, 2005 and the 10-Q expected to be filed October 24, 2005.

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