

SECOND QUARTER 2017 RESULTS

“We are pleased with our second quarter results that reflect an improved product mix driven by new product revenues. Such revenues accounted for 47% of our total sales, thereby propelling GAAP and non-GAAP gross margin to a ten year high of 46.3% and 46.6%, respectively. Moreover, we are delighted by the solid market traction for our new products and their contribution to our revenue and profit, with Office/VoIP and IoT posting record revenues of \$8.6 million and \$2.3 million, respectively.”

Ofer Elyakim, Chief Executive Officer

FINANCIAL HIGHLIGHTS

\$31.3M
REVENUES

\$0.06
EPS NON-GAAP

\$14.7M
NEW PRODUCT REVENUES

46.6%
GROSS MARGINS NON-GAAP

NEW PRODUCT HIGHLIGHTS

HOME

- Record IoT revenues of \$2.3M, a year over year increase of 80%
- Home Gateway revenues of \$2.9M, a year over year increase of 9%
- Deutsche Telekom began promotion of IoT enabled Home Gateway based on our DECT ULE solution
- New Home Gateway design win with a leading European Telco



OFFICE

- Record office/VoIP segment revenues of \$8.6M, a year over year increase of 17%

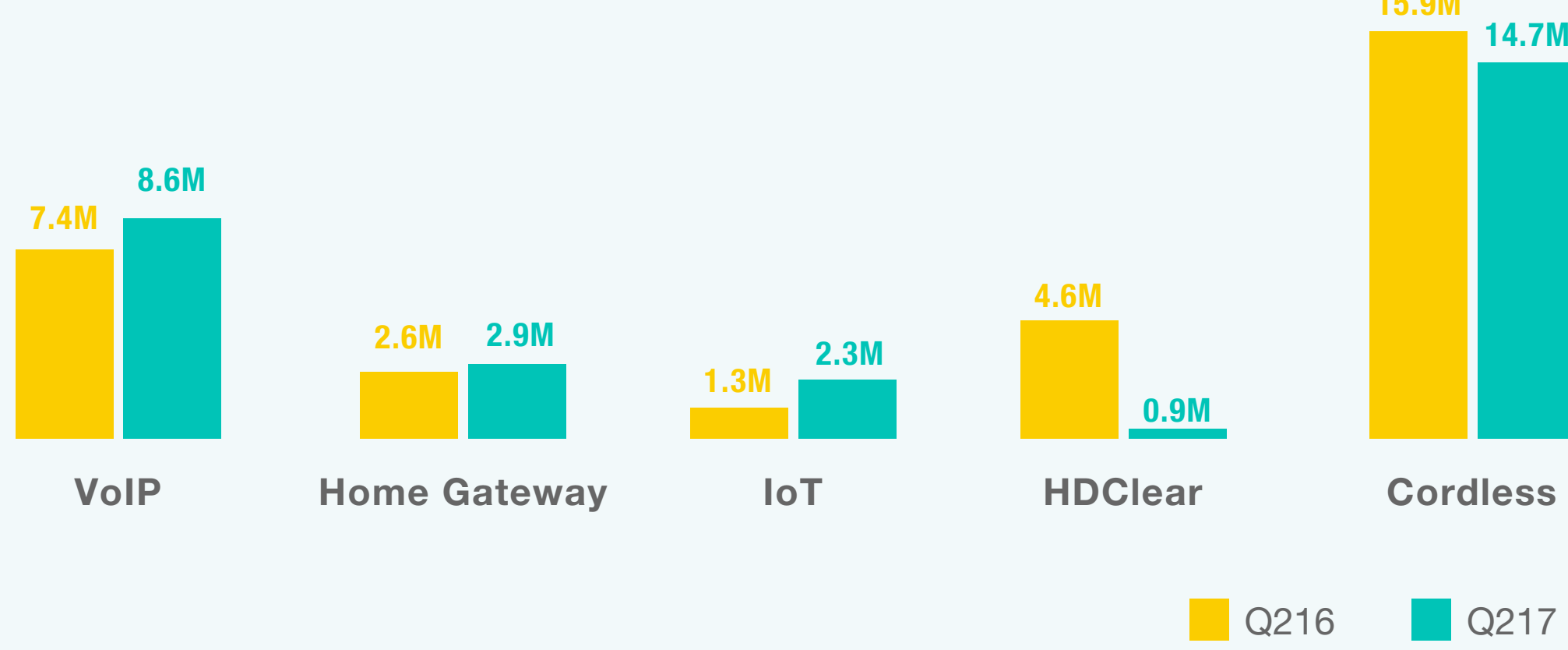


SmartVoice

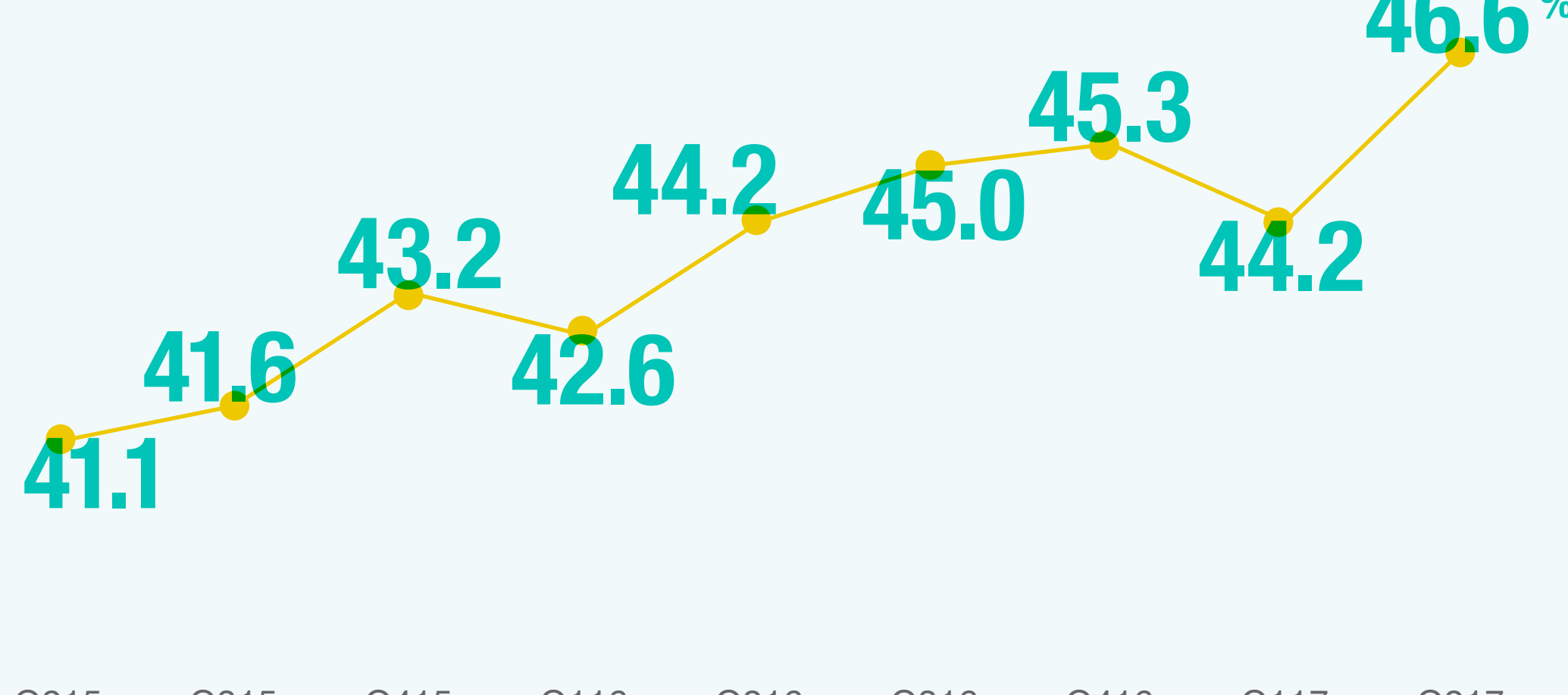
- SmartVoice segment revenues of \$0.9M, a year over year decrease of 80%
- iFlytek selected our DBMD4D SoC for its two-microphone module solution for IoT devices
- Started commercial shipments of HDClear products to two non-smartphone customers



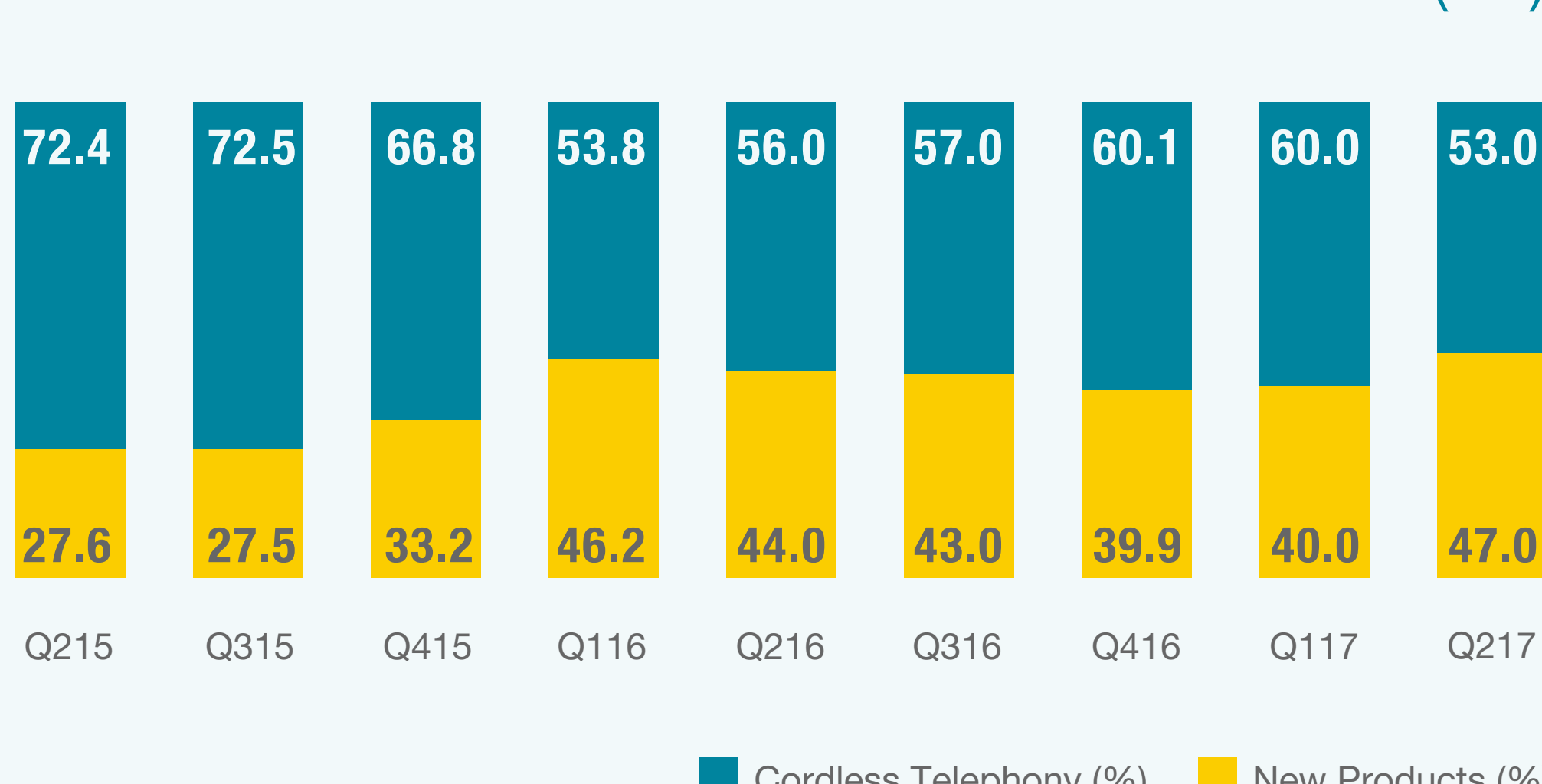
REVENUES (\$)



GROSS MARGINS NON-GAAP



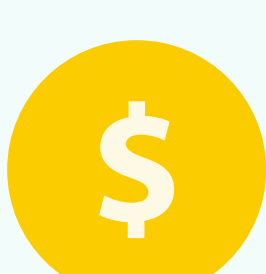
REVENUE FROM NEW PRODUCTS (%)



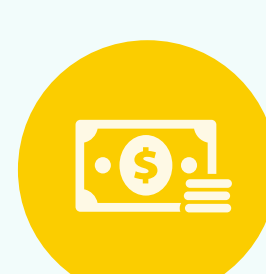
FAST FACTS



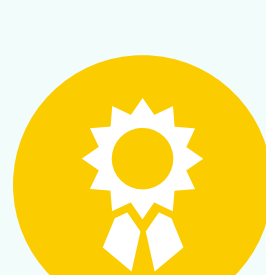
\$1.3M
Q2 SHARE BUYBACK



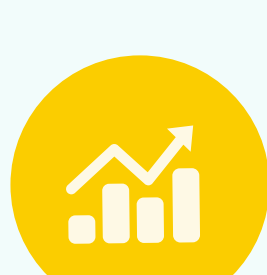
\$125.8M
Q2 CASH



\$7.2M
Q2 OPERATING CASH FLOW



3.5%
OPERATING MARGIN NON-GAAP



\$5.32
Q2 CASH PER SHARE