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## **Majority of RFMD's Bluetooth(R) Assets to Be Acquired by QUALCOMM**

### **Companies Plan to Collaborate on Cellular Opportunities**

GREENSBORO, N.C., Dec 03, 2006 (BUSINESS WIRE) -- RF Micro Devices, Inc. (NASDAQ: RFMD), a global leader in the design and manufacture of high-performance radio systems and solutions for applications that drive mobile communications, today announced it has signed an agreement to sell the majority of its Bluetooth® assets to QUALCOMM (NASDAQ: QCOM) for \$39 million. The pending transaction is expected to provide QUALCOMM access to next-generation Bluetooth technology. RFMD anticipates the transaction will enable it to increase its focus on its highest growth wireless business opportunities, including cellular transceivers, cellular power amplifiers, wireless local area network (WLAN) power amplifiers, global positioning system (GPS) components and Gallium Nitride (GaN) high power amplifiers.

Under the agreement, QUALCOMM will acquire the majority of RFMD's Bluetooth assets, including intellectual property, related to RFMD's next-generation SiW1722 and RF4000 series. From a product standpoint, RFMD will retain and continue to support its CDMA products SiW1712 and SiW1721, as well as its SoC Bluetooth products, the SiW3000 and SiW3500. These products represent the majority of RFMD's Bluetooth product revenue to date.

"The sale of these Bluetooth assets to QUALCOMM will enable RFMD to accelerate its expansion into new markets while streamlining its world class cost structure," said RFMD President and CEO Bob Bruggeworth. "RFMD also looks forward to working with QUALCOMM with products complementary to their portfolio such as cellular PAs and WLAN front-end modules."

"The sale of these assets marks the first time the companies have worked together on this scale," said Jerry Neal, RFMD Executive Vice President of Marketing and Strategic Development. "We are pleased our long-term relationship with QUALCOMM continues to evolve. In addition, we look forward to continuing our support of current Bluetooth customers and will work to ensure they receive the same superior service."

"We are pleased to be working with RFMD on this transaction and look forward to enhancing the momentum and relationship between the two companies," said Behrooz Abdi, senior vice president and general manager for QUALCOMM CDMA Technologies. "As with all of our development partners, QUALCOMM looks forward to increased opportunities and a mutually beneficial relationship with RFMD."

Key Elements of Transaction: RFMD expects to receive proceeds of approximately \$39 million in cash with this transaction. The Company expects to record a gain on the sale of these assets net of transaction related costs and will provide further details on the impact on the December quarter during its quarterly conference call, scheduled for January 23, 2007.

As a result of this transaction, RFMD anticipates a significant reduction in Bluetooth related expenses. Therefore, upon closing, RFMD expects the transaction will be accretive by approximately \$0.04 to \$0.06 per diluted share over the next 12 months excluding transaction-related expenses and assuming a 20 percent tax rate. From an on-going business perspective, RFMD will continue to market and sell its SiW3000, SiW3500, SiW1712 and SiW1721 Bluetooth products, which represented the majority of RFMD's Bluetooth product revenue in the September 2006 quarter. The transaction, which was signed on Friday, December 1, is subject to customary closing conditions.

About RFMD: RFMD (NASDAQ: RFMD) is a global leader in the design and manufacture of high-performance radio systems and solutions for applications that drive mobile communications. RFMD's power amplifiers, transmit modules, cellular transceivers and system-on-chip (SOC) solutions enable worldwide mobility, provide enhanced connectivity and support advanced functionality in current- and next-generation mobile handsets, cellular base stations, wireless local area networks (WLANs), wireless personal area networks (WPANs) and global positioning systems (GPS). Recognized for its diverse portfolio of state-of-the-art semiconductor technologies and vast RF systems expertise, RFMD is a preferred supplier enabling the world's leading mobile device manufacturers to deliver advanced wireless capabilities that satisfy current and future market demands.

Headquartered in Greensboro, N.C., RFMD is an ISO 9001- and ISO 14001-certified manufacturer with worldwide engineering, design, sales and service facilities. RFMD is traded on the NASDAQ Global Select Market under the symbol RFMD. For more information, please visit RFMD's web site at [www.rfmd.com](http://www.rfmd.com).

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private

Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions and are not historical facts and typically are identified by use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under the federal securities laws. RF Micro Devices' business is subject to numerous risks and uncertainties, including variability in quarterly operating results, the rate of growth and development of wireless markets, risks associated with the operation of our wafer fabrication facilities, molecular beam epitaxy facility, assembly facility and test and tape and reel facilities, our ability to attract and retain skilled personnel and develop leaders, variability in production yields, our ability to reduce costs and improve gross margins by implementing innovative technologies, our ability to bring new products to market, our ability to adjust production capacity in a timely fashion in response to changes in demand for our products, dependence on a limited number of customers, and dependence on third parties. These and other risks and uncertainties, which are described in more detail in RF Micro Devices' most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, could cause actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements.

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