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RF Micro Devices® Delivers 29% Sequential Growth In December Quarterly Revenue

Company Expects To Outperform Underlying Markets In March Quarter

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Quarterly Highlights:

- December 2012 Quarterly Revenue Increases Approximately 29% Sequentially To $271.2 Million
- GAAP Gross Margin Expands To 32.0% And Non-GAAP Gross Margin Expands To 35.5%
- GAAP Diluted EPS Is ($0.01), And Non-GAAP Diluted EPS Is $0.08
- RFMD Anticipates Revenue Of Approximately $250 Million To $255 Million And Non-GAAP EPS Of Approximately $0.04 To $0.05 In The March 2013 Quarter

RF Micro Devices, Inc. (Nasdaq GS: RFMD), a global leader in the design and manufacture of high-performance radio frequency solutions, today reported financial results for the Company's fiscal 2013 third quarter, ended December 29, 2012.

RFMD's third quarter revenue increased approximately 29% sequentially to $271.2 million, versus $209.7 million in the prior quarter. The sequential revenue growth reflected broad-based growth in RFMD's Cellular Products Group (CPG) and growth in high-performance WiFi in RFMD's Multi-Market Products Group (MPG).

On a GAAP basis, gross margin totaled 32.0%, quarterly operating income was $5.7 million, and quarterly net loss was ($1.4) million, or ($0.01) per diluted share. On a non-GAAP basis, gross margin expanded to 35.5%, quarterly operating income totaled $26.8 million, and quarterly net income was $21.3 million, or $0.08 per diluted share. RFMD generated cash flow from operations of $43.3 million during the quarter.

Strategic Highlights

- RFMD delivered robust sequential revenue growth across a broad set of products and customers
- RFMD acquired leading RF CMOS technology provider Amalfi Semiconductor to complement its product portfolio for entry-level handsets and smartphones
- CPG grew revenue approximately 40% sequentially, with increasing content in the world's leading smartphones and reference designs
- MPG grew WiFi revenue approximately 28% sequentially in support of multiple applications, including smartphones, tablets, enterprise equipment, and consumer products
- MPG commenced shipments of high-performance 802.11ac WiFi front ends in support of a leading smartphone manufacturer

GAAP RESULTS

(in millions, except percentages and per share data)	Q3 Fiscal 2013	Q2 Fiscal 2013	Change vs. Q2 2013	Q3 Fiscal 2012	Change vs. Q3 2012
Revenue	$ 271.2	$ 209.7	29.3 %	$ 225.4	20.3 %
Gross Margin	32.0 %	31.7 %	0.3 ppt	28.2 %	3.8 ppt
Operating Income (Loss)	$ 5.7	$ (10.2)	$ 15.9	$ (2.2)	$ 7.9
Net (Loss) Income	$ (1.4)	$ (16.5)	$ 15.1	$ (9.4)	$ 8.0
Diluted EPS	$ (0.01)	$ (0.06)	$ 0.05	$ (0.03)	$ 0.02

NON-GAAP RESULTS

(excluding share-based compensation, amortization of intangibles, acquired inventory step-up and revaluation, acquisition-related costs, intellectual property rights (IPR) litigation costs, inventory revaluation resulting from transfer of molecular beam epitaxy (MBE) operations, start-up costs, loss on retirement of convertible subordinated notes, restructuring charges, (gain) loss on PP&E, loss (income) from equity investment, non-cash interest expense on convertible subordinated notes and tax adjustments)

(in millions,

(in millions, except percentages and per share data)	Q3 Fiscal 2013		Q2 Fiscal 2013		Change vs. Q2 2013		Q3 Fiscal 2012		Change vs. Q3 2012	
Gross Margin	35.5	%	35.2	%	0.3	ppt	30.2	%	5.3	ppt
Operating Income	$ 26.8		$ 9.2		$ 17.6		$ 8.8		$ 18.0	
Net Income	$ 21.3		$ 7.8		$ 13.5		$ 5.1		$ 16.2	
Diluted EPS	$ 0.08		$ 0.03		$ 0.05		$ 0.02		$ 0.06	

Business Commentary and Financial Outlook

RFMD expects to outperform normal seasonality in the March 2013 quarter, reflecting continued content gains and category expansion, combined with the benefit of significant customer product ramps.

RFMD currently believes the demand environment in its end markets supports the following expectations and projections for the March 2013 quarter:

- RFMD expects quarterly revenue to decrease approximately 6-8% sequentially to approximately $250 million to $255 million
- RFMD expects a non-GAAP tax rate of approximately 22%
- RFMD expects non-GAAP EPS of approximately $0.04 to $0.05

RFMD's actual quarterly results may differ from these expectations and projections, and such differences may be material.

Comments From Management

Bob Bruggeworth, president and CEO of RFMD, said, "RFMD's robust sequential revenue growth in the December quarter reflected continued content gains, category expansion, and growth in our addressable markets. Looking forward, RFMD secured major design wins during the quarter, and we are executing on multiple opportunities to increase our content generation-over-generation in the world's leading smartphones and significantly outpace the growth rate of the underlying markets."

Dean Priddy, CFO and vice president of administration of RFMD, said, "RFMD's December quarterly revenue increased by 29% quarter-over-quarter to $271.2 million and supported a near tripling in non-GAAP operating income quarter-over-quarter to $26.8 million. On the balance sheet, RFMD generated $43.3 million in cash flow from operations during the December quarter, versus $1.9 million in the prior quarter, nearly offsetting the purchase in November of Amalfi Semiconductor.

"In the March quarter, we expect our ability to capture an increasing amount of semiconductor content within smart devices and reference designs will enable RFMD to outperform normal seasonality in the March quarter."

Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with United States (U.S.) generally accepted accounting principles (GAAP), RFMD's earnings release contains some or all of the following non-GAAP financial measures: (i) non-GAAP gross profit and gross margin, (ii) non-GAAP operating income (loss) and operating margin, (iii) non-GAAP net income (loss), (iv) non-GAAP net income (loss) per diluted share, (v) non-GAAP operating expenses (research and development, marketing and selling and general and administrative), (vi) free cash flow, (vii), EBITDA, (viii) return on invested capital (ROIC), and (ix) net debt or positive net cash. Each of these non-GAAP financial measures is either adjusted from GAAP results to exclude certain expenses or derived from multiple GAAP measures, which are outlined in the "Reconciliation of GAAP to Non-GAAP Financial Measures" tables on pages 8 and 9 and the "Additional Selected Non-GAAP Financial Measures And Reconciliations" tables on page 10.

In managing RFMD's business on a consolidated basis, management develops an annual operating plan, which is approved by our Board of Directors, using non-GAAP financial measures. In developing and monitoring performance against this plan, management considers the actual or potential impacts on these non-GAAP financial measures from actions taken to reduce unit costs with the goal of increasing gross margin and operating margin. In addition, management relies upon these non-GAAP financial measures to assess whether research and development efforts are at an appropriate level, and when making decisions about product spending, administrative budgets, and marketing programs. In addition, we believe that non-GAAP financial measures provide useful supplemental information to investors and enable investors to analyze the results of operations in the same way as management. We have chosen to provide this supplemental information to enable investors to perform additional comparisons of operating results, to assess our liquidity and capital position and to analyze financial performance excluding the effect of expenses unrelated to operations, certain non-cash expenses and share-based compensation expense, which may obscure trends in RFMD's underlying performance.

We believe that these non-GAAP financial measures offer an additional view of RFMD's operations that, when coupled with the GAAP results and the reconciliations to corresponding GAAP financial measures, provide a more complete understanding of RFMD's results of operations and the factors and trends affecting RFMD's business. However, these non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

Our rationale for using these non-GAAP financial measures, as well as their impact on the presentation of RFMD's operations, are outlined below:

Non-GAAP gross profit and gross margin. Non-GAAP gross profit and gross margin exclude share-based compensation expense, amortization of intangible assets and other non-cash expenses, including adjustments for restructuring and integration charges and certain items associated with acquisitions (such as inventory step-up and inventory revaluation). We believe that exclusion of these costs in presenting non-GAAP gross profit and gross margin gives management and investors a more effective means of evaluating RFMD's historical performance and projected costs and the potential for realizing cost efficiencies. We believe that the majority of RFMD's purchased intangibles are not relevant to analyzing current operations because they generally represent costs incurred by the acquired company to build value prior to acquisition, and thus are effectively part of transaction costs rather than ongoing costs of operating RFMD's business. In this regard, we note that (i) once the intangibles are fully amortized, the intangibles will not be replaced with cash costs and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time, and (ii) although we set the amortization expense based on useful life of the various assets at the time of the transaction, we cannot influence the timing and amount of the future amortization expense recognition once the lives are established. Similarly, we believe that presentation of non-GAAP gross profit and gross margin and other non-GAAP financial measures that exclude the impact of share-based compensation expense assists management and investors in evaluating the period-over-period performance of RFMD's ongoing operations because (i) the expenses are non-cash in nature, and (ii) although the size of the grants is within our control, the amount of expense varies depending on factors such as short-term fluctuations in stock price volatility and prevailing interest rates, which can be unrelated to the operational performance of RFMD during the period in which the expense is incurred and generally is outside the control of management. Moreover, we believe that the exclusion of share-based compensation expense in presenting non-GAAP gross profit and gross margin and other non-GAAP financial measures is useful to investors to understand the impact of the expensing of share-based compensation to RFMD's gross profit and gross margins and other financial measures in comparison to both prior periods as well as to its competitors. We also believe that the adjustments to profit and margin related to other non-cash expenses, including restructuring and integration charges and certain items associated with acquisitions (such as inventory step-up and inventory revaluation), do not constitute part of RFMD's ongoing operations and therefore the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of non-GAAP gross profit and gross margin has economic substance because the excluded expenses do not represent continuing cash expenditures and, as described above, we have little control over the timing and amount of the expenses in question.

Non-GAAP operating income (loss) and operating margin. Non-GAAP operating income (loss) and operating margin exclude share-based compensation expense, amortization of intangible assets, other non-cash expenses, restructuring and integration charges, certain items associated with acquisitions (such as inventory step-up and inventory revaluation), intellectual property rights (IPR) litigation costs, (gain) loss on PP&E and start-up costs. We believe that presentation of a measure of operating income (loss) and operating margin that excludes amortization of intangible assets and share-based compensation expense is useful to both management and investors for the same reasons as described above with respect to our use of non-GAAP gross profit and gross margin. We believe that other non-cash expenses, restructuring and integration charges, certain items associated with acquisitions (such as inventory step-up and inventory revaluation), IPR litigation costs, (gain) loss on PP&E and start-up costs do not constitute part of RFMD's ongoing operations and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of non-GAAP operating income (loss) and operating margin has economic substance because the excluded expenses are either unrelated to operations or do not represent current cash expenditures.

Non-GAAP net income (loss) and non-GAAP net income (loss) per diluted share. Non-GAAP net income (loss) and non-GAAP net income (loss) per diluted share exclude the effects of share-based compensation expense, amortization of intangible assets, other non-cash expenses, restructuring and integration charges, certain items associated with acquisitions (such as inventory step-up, inventory revaluation and transaction costs), IPR litigation costs, (gain) loss on PP&E, start-up costs, loss on retirement of convertible subordinated notes, non-cash interest expense on convertible subordinated notes, loss (income) from equity investment and also reflect an adjustment of income taxes for cash basis. We believe that presentation of measures of net income (loss) and net income (loss) per diluted share that exclude these items is useful to both management and investors for the reasons described above with respect to non-GAAP gross profit and gross margin and non-GAAP operating income (loss) and operating margin. We believe disclosure of non-GAAP net income (loss) and non-GAAP net income (loss) per diluted share has economic substance because the excluded expenses are either unrelated to operations or do not represent current cash expenditures.

Non-GAAP research and development, marketing and selling and general and administrative expenses. Non-GAAP research and development, marketing and selling and general and administrative expenses exclude share-based compensation expense, amortization of intangible assets, other non-cash expenses, IPR litigation costs and restructuring and integration charges. We believe that presentation of measures of these operating expenses that exclude amortization of intangible assets and share-based compensation expense is useful to both management and investors for the same reasons as described above with respect to our use of non-GAAP gross profit and gross margin. We believe that other non-cash expenses, IPR litigation costs, and restructuring and integration charges do not constitute part of RFMD's ongoing operations and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of these non-GAAP operating expenses has economic substance because the excluded expenses are either unrelated to operations or do not represent current cash expenditures.

Free cash flow. RFMD defines free cash flow as net cash provided by operating activities during the period minus property and equipment expenditures made during the period. We use free cash flow as a supplemental financial measure in our evaluation of liquidity and financial strength. Management believes that this measure is useful as an indicator of our ability to service our debt, meet other payment obligations and make strategic investments. Free cash flow should be considered in addition to, rather than as a substitute for, net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, our definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our entire statement of cash flows.

EBITDA. RFMD defines EBITDA as earnings before interest expense and interest income, income tax expense (benefit), depreciation and intangible amortization. Management believes that this measure is useful to evaluate our ongoing operations and as a general indicator of our operating cash flow (in conjunction with a cash flow statement which also includes among other items, changes in working capital and the effect of non-cash charges). The amounts shown for EBITDA as presented herein differ from the amounts calculated under the definition of EBITDA used in our equipment term loan agreement. The definition of EBITDA as used in the loan agreement is further adjusted for certain cash and non-cash charges, including stock compensation expense, and is used to determine compliance with financial covenants.

Non-GAAP ROIC. Return on invested capital (ROIC) is a non-GAAP financial measure that management believes provides useful supplemental information for management and the investor by measuring the effectiveness of our operations' use of invested capital to generate profits. We use ROIC to track how much value we are creating for our shareholders. Non-GAAP ROIC is calculated by dividing annualized non-GAAP operating income, net of cash taxes, by average invested capital. Average invested capital is calculated by subtracting the average of the beginning balance and the ending balance of current liabilities (excluding the current portion of long-term debt and other short-term financings) from the average of the beginning balance and the ending balance of net accounts receivable, inventories, other current assets, net property and equipment and a cash amount equal to seven days of quarterly revenue.

Net debt or positive net cash. Net debt or positive net cash is defined as unrestricted cash, cash equivalents and short-term investments minus the principal amount of RFMD's convertible subordinated notes. Management believes that net debt or positive net cash provides useful information regarding the level of RFMD's indebtedness by reflecting cash and investments that could be used to repay debt.

Limitations of non-GAAP financial measures. The primary material limitations associated with the use of non-GAAP gross profit and gross margin, non-GAAP operating expenses, non-GAAP operating income (loss) and operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per diluted share, free cash flow, EBITDA, non-GAAP ROIC and net debt or positive net cash, as compared to the most directly comparable GAAP financial measures of gross profit and gross margin, operating expenses, operating income (loss), net income (loss), net income (loss) per diluted share and net cash provided by operating activities are (i) they may not be comparable to similarly titled measures used by other companies in RFMD's industry, and (ii) they exclude financial information that some may consider important in evaluating our performance. We compensate for these limitations by providing full disclosure of the differences between these non-GAAP financial measures and the corresponding GAAP financial measures, including a reconciliation of the non-GAAP financial measures to the corresponding GAAP financial measures, to enable investors to perform their own analysis of our gross profit and gross margin, operating expenses, operating income (loss), net income (loss), net income (loss) per diluted share and net cash provided by operating activities.

RF Micro Devices will conduct a conference call at 5:00 p.m. EST today to discuss today's press release. The conference call will be broadcast live over the Internet and can be accessed by any interested party at http://www.rfmd.com (under Investors"). A telephone playback of the conference call will be available approximately one hour after the call's completion by dialing 303-590-3030 and entering pass code 4587278#.

About RFMD

RF Micro Devices, Inc. (Nasdaq: RFMD) is a global leader in the design and manufacture of high-performance radio frequency solutions. RFMD's products enable worldwide mobility, provide enhanced connectivity and support advanced functionality in the mobile device, wireless infrastructure, wireless local area network (WLAN or WiFi), cable television (CATV)/broadband, Smart Energy/advanced metering infrastructure (AMI), and aerospace and defense markets. RFMD is recognized for its diverse portfolio of semiconductor technologies and RF systems expertise and is a preferred supplier to the world's leading mobile device, customer premises and communications equipment providers.

Headquartered in Greensboro, N.C., RFMD is an ISO 9001-, ISO 14001-, and ISO/TS 16949-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.

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 operating results, risks associated with the impact of global macroeconomic and credit conditions on our business and the business of our suppliers and customers, our reliance on a few large customers for a substantial portion of our revenue, the rate of growth and development of wireless markets, our ability to bring new products to market, our reliance on inclusion in third party reference designs for a portion of our revenue, our ability to manage channel partner and customer relationships, risks associated with the operation of our wafer fabrication, molecular beam epitaxy, assembly and test and tape and reel facilities, our ability to complete acquisitions and integrate acquired companies, including the risk that we may not realize expected synergies from our business combinations, our ability to attract and retain skilled personnel and develop leaders, variability in production yields, raw material costs and availability, our ability to reduce costs and improve margins in response to declining average selling prices, our ability to adjust production capacity in a timely fashion in response to changes in demand for our products, dependence on gallium arsenide (GaAs) for the majority of our products, dependence on third parties, and substantial reliance on international sales and operations. These and other risks and uncertainties, which are described in more detail in RF Micro Devices' most recent Annual Report on Form 10-K and other reports and statements 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.

[Tables To Follow]

RF MICRO DEVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
Revenue	$ 271,213	$ 225,425	$ 683,544	$ 683,427
Costs and expenses:				
Cost of goods sold	184,403	161,864	465,945	451,305
Research and development	46,509	37,455	130,053	110,999
Marketing and selling	16,906	16,047	50,022	46,901
General and administrative	15,746	12,238	47,734	38,396
Other operating expense	1,969	5	7,127	136
Total costs and expenses	265,533	227,609	700,881	647,737
Income (loss) from operations	5,680	(2,184)	(17,337)	35,690
Other expense	(1,173)	(2,084)	(7,625)	(8,013)
Income (loss) before income taxes	$ 4,507	$ (4,268)	$ (24,962)	$ 27,677

Income tax expense	(5,950)	(5,125)	(12,076)	(13,829)
Net (loss) income	$ (1,443)	$ (9,393)	$ (37,038)	$ 13,848
Net (loss) income per share, diluted	$ (0.01)	$ (0.03)	$ (0.13)	$ 0.05
Weighted average outstanding diluted shares	279,523	277,192	277,562	283,079

RF MICRO DEVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except percentages and per share data)
(Unaudited)

	Three Months Ended		
	December 29, 2012	September 29, 2012	December 31, 2011
GAAP operating income (loss)	$ 5,680	$ (10,150)	$ (2,184)
Share-based compensation expense	8,832	9,546	6,409
Amortization of intangible assets	6,456	4,752	4,598
Acquired inventory step-up and revaluation	2,558	—	—
Acquisition-related costs and restructuring expenses	2,019	—	—
IPR litigation costs	1,173	2,775	—
Inventory revaluation resulting from transfer of MBE operations	—	2,436	—
Other expenses (income) (restructuring, (gain) loss on PP&E, start-up costs and other expenses)	56	(114)	5
Non-GAAP operating income	26,774	9,245	8,828
GAAP net (loss) income	(1,443)	(16,456)	(9,393)
Share-based compensation expense	8,832	9,546	6,409
Amortization of intangible assets	6,456	4,752	4,598
Acquired inventory step-up and revaluation	2,558	—	—
Acquisition-related costs and restructuring expenses	2,019	—	—
IPR litigation costs	1,173	2,775	—
Inventory revaluation resulting from transfer of MBE operations	—	2,436	—
Other expenses (income) (restructuring, (gain) loss on PP&E, start-up costs and other expenses)	56	(114)	5
Loss on retirement of convertible subordinated notes	—	2,034	20
Non-cash interest expense on convertible subordinated notes	1,230	1,457	2,388
Loss (income) from equity investment	8	(10)	(497)
Tax adjustments	391	1,406	1,555
Non-GAAP net income	$ 21,280	$ 7,826	$ 5,085
GAAP weighted average outstanding diluted shares	279,523	278,105	277,192
Diluted share-based awards	3,763	3,218	6,726
Non-GAAP weighted average outstanding diluted shares	283,286	281,323	283,918
Non-GAAP net income per share, diluted	$ 0.08	$ 0.03	$ 0.02

RF MICRO DEVICES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except percentages)
(Unaudited)

	Three Months Ended								
	December 29, 2012			September 29, 2012			December 31, 2011		
GAAP gross margin	$ 86,810	32.0	%	$ 66,535	31.7	%	$ 63,561	28.2	%
Adjustment for intangible amortization	5,147	1.9	%	3,682	1.8	%	3,515	1.6	%
Adjustment for share-based compensation	1,578	0.6	%	1,201	0.6	%	993	0.4	%
Acquisition inventory step-up and revaluation	2,558	1.0	%	—	—		—	—	
Inventory revaluation resulting from transfer of MBE operations	—	—		2,436	1.1	%	—	—	
Other expenses	107	—		—	—		—	—	
Non-GAAP gross margin	$ 96,200	35.5	%	$ 73,854	35.2	%	$ 68,069	30.2	%

Non-GAAP Operating Income	**Three Months Ended December 29, 2012**	
(as a percentage of sales)		
GAAP operating income	2.1	%
Share-based compensation expense	3.3	
Amortization of intangible assets	2.4	
Acquired inventory step-up and revaluation	1.0	
Acquisition-related costs and restructuring expenses	0.7	
IPR litigation costs	0.4	
Other expenses (restructuring, (gain) loss on PP&E, start-up costs and other expenses)	—	
Non-GAAP operating income	9.9	%

RF MICRO DEVICES, INC. AND SUBSIDIARIES
ADDITIONAL SELECTED NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
(Unaudited)

	Three Months Ended		
	December 29, 2012	September 29, 2012	December 31, 2011
GAAP research and development expense	$ 46,509	$ 41,968	$ 37,455
Less:			
Share-based compensation expense	1,973	1,569	1,515
Amortization of intangible assets	—	—	13
Non-GAAP research and development expense	$ 44,536	$ 40,399	$ 35,927

	Three Months Ended		
	December 29, 2012	September 29, 2012	December 31, 2011
GAAP marketing and selling expense	$ 16,906	$ 16,238	$ 16,047
Less:			
Share-based compensation expense	1,195	1,171	1,339
Amortization of intangible assets	1,309	1,070	1,070
Non-GAAP marketing and selling expense	$ 14,402	$ 13,997	$ 13,638

	Three Months Ended		
	December 29, 2012	September 29, 2012	December 31, 2011
GAAP general and administrative expense	$ 15,746	$ 18,593	$ 12,238
Less:			
Share-based compensation expense	4,086	5,605	2,562
IPR litigation costs	1,173	2,775	—
Non-GAAP general and administrative expense	$ 10,487	$ 10,213	$ 9,676

Free Cash Flow (1)	**Three Months Ended December 29, 2012**

(In millions)

Net cash provided by operating activities	$	43.3
Purchases of property and equipment		(13.7)
Free cash flow	$	29.6

(1) Free Cash Flow is calculated as net cash provided by operating activities minus property and equipment expenditures.

RF MICRO DEVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	December 29, 2012	March 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 113,665	$ 135,524
Short-term investments	75,976	164,863
Accounts receivable, net	145,498	100,446
Inventories	159,021	130,372
Other current assets	40,397	38,162
Total current assets	534,557	569,367
Property and equipment, net	170,932	197,921
Goodwill	103,663	95,628
Intangible assets, net	101,269	65,141
Long-term investments	4,186	4,325
Other non-current assets	31,818	32,202
Total assets	$ 946,425	$ 964,584
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 188,923	$ 110,580
Current portion of long term debt, net	—	32,759
Other current liabilities	6,717	4,846
Total current liabilities	195,640	148,185
Long-term debt, net	80,769	118,949
Other long-term liabilities	23,029	25,119
Total liabilities	299,438	292,253
Shareholders' equity	646,987	672,331
Total liabilities and shareholders' equity	$ 946,425	$ 964,584

SOURCE RF Micro Devices, Inc.