

April 26, 2007



QuickLogic Announces Fiscal 2007 First Quarter Results

SUNNYVALE, Calif.--(BUSINESS WIRE)--

QuickLogic Corporation (NASDAQ:QUIK), the lowest power programmable solutions leader, today announced the financial results for its fiscal first quarter ended April 1, 2007.

Revenue for the first quarter of 2007 was \$6.2 million, down 19 percent from \$7.7 million in the fourth quarter of 2006 and 33 percent from \$9.3 million in the first quarter of 2006. The change in revenue was primarily due to the continued decline in pASIC(R) 1 and pASIC 2 products as a result of their previously announced end-of-life, lower customer demand, and the stage in the production life-cycle of customers using our new products. New products - Eclipse(TM) II, QuickPCI(R) II, PolarPro(TM) and QuickMIPS - contributed 14 percent of revenue in the first quarter of 2007, compared with 18 percent of revenue in the fourth quarter of 2006 and 12 percent of revenue in the first quarter of 2006.

Under generally accepted accounting principles (GAAP), the net loss for the first quarter of 2007 was \$5.9 million, or \$0.20 per share, compared with a net loss of \$3.3 million, or \$0.12 per share, in the fourth quarter of 2006 and a net loss of \$1.2 million, or \$0.04 per share, in the first quarter of 2006. Non-GAAP net loss for the first quarter of 2007 was \$5.5 million, or \$0.19 per share, compared with a non-GAAP net loss of \$3.0 million, or \$0.11 per share, in the fourth quarter of 2006 and a non-GAAP net loss of \$776,000, or \$0.03 per share, in the first quarter of 2006.

QuickLogic reports certain financial measures, including net income (loss), in accordance with GAAP and also on a non-GAAP basis to highlight infrequent or non-recurring charges. Non-GAAP results, where applicable, exclude stock-based compensation recorded in accordance with Statement of Financial Accounting Standards (SFAS) No. 123R, "Share-based Payment" and the write-off of long-lived assets. For a full reconciliation of GAAP net loss to non-GAAP net loss, please refer to the schedule on page 5 of this press release.

"Even though our revenue and other financial results were within guidance, we are certainly not satisfied with this level of revenue and the resulting losses," said E. Thomas Hart, chairman, president and CEO. "We believe that our new sales and marketing personnel along with the introduction of Customer Specific Standard Products (CSSPs) are already showing signs of success. Interest from focus customers in our target markets and design activity using our new solutions, especially the recently announced ArcticLink(TM) Solution Platform, continues to grow. We believe that we will have some exciting customer wins to announce during the next several quarters."

Conference Call

QuickLogic will hold a conference call at 2:30 p.m. Pacific Time today, April 26, 2007, to discuss the first quarter financial results. The conference call is being webcast and can be accessed via QuickLogic's website at www.quicklogic.com/investors. To participate, please call (913) 312-1303 by 2:20 p.m. Pacific Time. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (719) 457-0820 and reference the pass code: 4395343. The call recording will be archived until May 3, 2007 and the webcast will be available for 12 months.

About QuickLogic

QuickLogic Corporation (NASDAQ:QUIK) is the leading provider of the lowest power programmable solutions for the portable electronics, industrial, communications and military markets. Our latest products - ArcticLink, PolarPro, Eclipse II and QuickPCI II - are being used to implement bridge and control solutions in embedded systems requiring Wi-Fi, DVB-H and IDE or CE-ATA based disk drives. QuickLogic's proprietary ViaLink(R) technology offers significant benefits for programmable logic, including the lowest power, instant on capability and bulletproof intellectual property security. The Company is located at 1277 Orleans Drive, Sunnyvale, CA 94089-1138. Website: www.quicklogic.com

Non-GAAP Financial Measures

QuickLogic reports financial information in accordance with generally accepted accounting principles (GAAP), but believes that non-GAAP financial measures are helpful in evaluating its operating results and comparing its performance to comparable companies. Accordingly, the Company excludes charges related to stock-based compensation and the effect of the write-off of long-lived assets in calculating non-GAAP (i) income (loss) from operations, (ii) net income (loss), (iii) net income (loss) per share, and (iv) gross margin percentage. For a full reconciliation of these GAAP measures to non-GAAP measures, please refer to the schedule on page 5 of this press release. The Company provides this non-GAAP information to enable investors to evaluate its operating results in a manner similar to how the Company analyzes its operating results and to provide consistency and comparability with similar companies in the Company's industry. Management uses the non-GAAP measures, which exclude gains, losses and other charges that are considered by management to be outside of the Company's core operating results, internally to evaluate its operating performance against results in prior periods and its operating plans and forecasts. In addition, the non-GAAP measures are used to plan for the Company's future periods, and serve as the basis for the allocation of Company resources, management of operations and the measurement of profit-dependent cash compensation paid to employees and executive officers.

Investors should note, however, that the non-GAAP financial measures used by the Company may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. The Company does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures alone or as a substitute for financial information prepared in accordance with GAAP. A reconciliation of GAAP financial measures to non-GAAP financial measures is included in the financial statements portion of this press release. Investors are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures to their

most directly comparable GAAP financial measures.

Safe Harbor Statement Under The Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements made by our CEO relating to design activity of our new products and the revenue generating potential of such new products, which is dependent on the market acceptance of our products and the level of customer orders. Actual results could differ materially from any such forward-looking statements. Factors that could cause actual results to differ materially include delays in the market acceptance of the Company's new products; the ability to convert design opportunities into customer revenue; our ability to replace pASIC 1 and pASIC 2 revenue, which has declined due to their end-of-life; the level and timing of customer design activity; the market acceptance of our customers' products; the risk that new orders may not result in future revenue; our ability to introduce and produce new products based on advanced wafer technology on a timely basis; our ability to adequately market the low power, competitive pricing and short time-to-market of our new products; intense competition, including the introduction of new products by competitors; our ability to hire and retain qualified personnel; changes in product demand or supply; capacity constraints; and general economic conditions. These factors and others are described in more detail in the Company's public reports filed with the Securities and Exchange Commission, including the risks discussed in the "Risk Factors" section in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and in the Company's prior press releases.

The QuickLogic name and logo, QuickPCI and ViaLink are registered trademarks of and ArcticLink, Eclipse and PolarPro are trademarks of QuickLogic Corporation. All other brands or trademarks are the property of their respective holders and should be treated as such.

Note to Editors: Financial Tables Follow

QUICKLOGIC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		

	April 1, 2007	April 2, 2006	December 31, 2006

Revenue	\$ 6,242	\$ 9,333	\$ 7,744
Cost of revenue, excluding excess inventory and related charges	2,936	3,528	3,224
Excess inventory and related charges	2,465	232	1,163

Gross profit	841	5,573	3,357
Operating expenses:			
Research and development	2,287	2,400	2,117
Selling, general and administrative	4,593	4,617	4,857

Total operating expenses	6,880	7,017	6,974

Loss from operations	(6,039)	(1,444)	(3,617)

Interest expense	(85)	(74)	(94)
Interest income and other, net	246	292	400

Loss before income taxes	(5,878)	(1,226)	(3,311)
Provision for income taxes	15	2	25

Net loss	<u><u>\$(5,893)</u></u>	<u><u>\$(1,228)</u></u>	<u><u>\$ (3,336)</u></u>
Net loss per share:			
Basic	<u><u>\$ (0.20)</u></u>	<u><u>\$ (0.04)</u></u>	<u><u>\$ (0.12)</u></u>

Diluted	<u><u>\$ (0.20)</u></u>	<u><u>\$ (0.04)</u></u>	<u><u>\$ (0.12)</u></u>

Weighted average shares:			
Basic	<u><u>28,814</u></u>	<u><u>28,059</u></u>	<u><u>28,680</u></u>

Diluted	<u><u>28,814</u></u>	<u><u>28,059</u></u>	<u><u>28,680</u></u>

QUICKLOGIC CORPORATION
SUPPLEMENTAL RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES
(In thousands)
(Unaudited)

Three Months Ended

April 1, April 2, December 31,
2007 2006 2006

GAAP loss from operations	<u><u>\$(6,039)</u></u>	<u><u>\$(1,444)</u></u>	<u><u>\$ (3,617)</u></u>
Adjustment for stock-based compensation within:			
Cost of revenue	55	49	45
Research and development	85	146	47
Selling, general and administrative	241	257	208

Non-GAAP loss from operations	<u><u>\$(5,658)</u></u>	<u><u>\$ (992)</u></u>	<u><u>\$ (3,317)</u></u>
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GAAP net loss	<u><u>\$(5,893)</u></u>	<u><u>\$(1,228)</u></u>	<u><u>\$ (3,336)</u></u>
Adjustment for stock-based compensation within:			
Cost of revenue	55	49	45
Research and development	85	146	47
Selling, general and administrative	241	257	208

Non-GAAP net loss	<u><u>\$(5,512)</u></u>	<u><u>\$ (776)</u></u>	<u><u>\$ (3,036)</u></u>
=====			

GAAP net loss per share	<u><u>\$ (0.20)</u></u>	<u><u>\$ (0.04)</u></u>	<u><u>\$ (0.12)</u></u>
Adjustment for stock-based compensation	0.01	0.01	0.01

Non-GAAP net loss per share	<u><u>\$ (0.19)</u></u>	<u><u>\$ (0.03)</u></u>	<u><u>\$ (0.11)</u></u>
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GAAP weighted average shares	28,814	28,059	28,680
Adjustment for stock-based compensation	--	--	--

Non-GAAP weighted average shares	28,814	28,059	28,680
GAAP gross margin percentage	13.5%	59.7%	43.3%
Adjustment for stock-based compensation	0.9%	0.5%	0.6%
Non-GAAP gross margin percentage	14.4%	60.2%	43.9%

QUICKLOGIC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

April 1, December 31,
2007 2006(1)

ASSETS

Current assets:

Cash and cash equivalents	\$ 21,120	\$ 24,621
Short-term investment in Tower Semiconductor Ltd.	1,530	1,530
Accounts receivable, net	2,231	2,839
Inventory	6,473	9,064
Other current assets	1,645	1,894
Total current assets	32,999	39,948
Property and equipment, net	5,011	5,480
Investment in Tower Semiconductor Ltd.	769	769
Other assets	4,017	4,038

TOTAL ASSETS \$ 42,796 \$ 50,235

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Trade payables	\$ 2,182	\$ 4,383
Accrued liabilities	2,640	2,462
Deferred income on shipments to distributors	1,594	1,152
Deferred royalty revenue	959	960
Current portion of debt and capital lease obligations	1,992	2,292
Total current liabilities	9,367	11,249

Long-term liabilities:

Debt and capital lease obligations, less current portion	1,238	1,618
Total liabilities	10,605	12,867

Stockholders' equity:

Common stock, at par value	29	29
Additional paid-in capital	164,854	164,138
Accumulated other comprehensive income	726	726

Accumulated deficit	(133,418)	(127,525)
Total stockholders' equity	32,191	37,368

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 42,796 \$ 50,235

(1) Derived from the December 31, 2006 audited balance sheet included in the 2006 Annual Report on Form 10-K of QuickLogic Corporation.

QUICKLOGIC CORPORATION
SUPPLEMENTAL DATA
(Unaudited)

		Percentage of		Change in Revenue	
		Revenue		Change in Revenue	
Q1 2007	Q1 2006	Q4 2006	Q1 2007	Q4 2006 to Q1 2007	Q1 2007

COMPOSITION OF REVENUE

Revenue by product (1):

New products	14%	12%	18%	(22%)	(41%)
Mature products	63%	55%	60%	(24%)	(15%)
End-of-life products	23%	33%	22%	(53%)	(15%)

Revenue by geography:

North America	65%	58%	59%	(25%)	(10%)
Europe	13%	22%	24%	(59%)	(54%)
Japan	10%	11%	8%	(38%)	(6%)
Rest of world	12%	9%	9%	(19%)	--

Revenue by end-customer segment:

Instrumentation and test	34%	40%	41%	(45%)	(35%)
Military and aerospace systems	15%	16%	20%	(35%)	(37%)
Datacom and telecom	28%	28%	23%	(33%)	(5%)
Graphics and imaging	19%	8%	11%	65%	41%
Computing	4%	8%	5%	(63%)	(24%)

(1) New products include PolarPro, Eclipse II, QuickPCI II and QuickMIPS products. Mature products include pASIC 3, QuickRAM, Eclipse, QuickPCI, QuickDSP and QuickFC products, as well as royalty revenue, programming hardware and software. End-of-life products include pASIC 1, pASIC 2 and V3 products.

Source: QuickLogic Corporation