

August 3, 2010



QuickLogic Announces Fiscal 2010 Second Quarter Results -- Total Revenue More Than Doubled Year Over Year

SUNNYVALE, CA -- (MARKET WIRE) -- 08/03/10 -- QuickLogic Corporation (NASDAQ: QUIK), the lowest power Customer Specific Standard Products ([CSSPs](#)) leader, today announced the financial results for its fiscal second quarter ended July 4, 2010.

Total revenue for the second quarter of 2010 was \$6.5 million, up 19% sequentially and 123% compared to the second quarter of 2009. During the second quarter, new product revenue increased 11% sequentially to \$2.3 million, accounting for 35% of total revenue. During the second quarter, legacy product revenue increased 25% sequentially to \$4.2 million, accounting for 65% of total revenue in the second quarter.

Under generally accepted accounting principles (GAAP), the net loss for the second quarter of 2010 was \$0.2 million, or \$0.01 per share, compared with a net loss of \$0.1 million, or \$0.00 per share, in the first quarter of 2010 and a net loss of \$3.2 million, or \$0.11 per share, in the second quarter of 2009. Non-GAAP net income for the second quarter of 2010 was \$0.4 million, or \$0.01 per share, compared with a non-GAAP net loss of \$0.5 million, or \$0.01 per share, in the first quarter of 2010 and a non-GAAP net loss of \$2.7 million, or \$0.09 per share, in the second quarter of 2009.

"The gains we continued to make during the quarter in the 3G USB modem market, including shipping CSSPs to new Tier 1 OEMs, contributed to the doubling of our year-over-year revenue growth," said Tom Hart, QuickLogic's Chairman of the Board and CEO. "We are excited to see the continued acceptance of CSSPs in the mobile consumer market, as well as the sustained demand for our legacy products."

Conference Call

QuickLogic will hold a conference call at 2:30 p.m. Pacific Daylight Time today, August 3, 2010, to discuss its current financial results. The conference call is being webcast and can be accessed via QuickLogic's website at www.quicklogic.com. To participate in the conference, please call (877) 377-7094 by 2:20 p.m. Pacific Daylight Time. A recording of the call will be available starting one hour after completion of the call. To access the recording, please call (706) 645-9291 and reference the passcode: 88423756. The call recording will be archived until Friday, August 6, 2010 and the webcast will be available for 12 months.

About QuickLogic

QuickLogic Corporation (NASDAQ: QUIK) is the inventor and pioneer of innovative, customizable semiconductor solutions for mobile and portable electronics original

equipment manufacturers (OEMs) and original design manufacturers (ODMs). These silicon plus software solutions are called Customer Specific Standard Products (CSSPs). CSSPs enable our customers to bring their products to market more quickly and remain in the market longer, with the low power, cost and size demanded by the mobile and portable electronics market. For more information about QuickLogic and CSSPs, visit www.quicklogic.com. Code: QUIK-G

Non-GAAP Financial Measures

QuickLogic reports financial information in accordance with 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, restructuring, the write-down of the Company's investment in TowerJazz Semiconductor Ltd. 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. 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 a basis for the allocation of Company resources, management of operations and the measurement of profit-dependent cash and equity compensation paid to employees and executive officers.

Investors should note, however, that the non-GAAP financial measures used by QuickLogic may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. QuickLogic 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 with 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 the revenue generating potential of new products, which is dependent on the market acceptance of our products and the level of customer orders. Actual results could differ materially from the results described in these 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 revenue from end-of-life products; 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.

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

	Three Months Ended		Six Months Ended		
	July 4, 2010	June 28, 2009	April 4, 2010	July 4, 2010	June 28, 2009
Revenue	\$ 6,479	\$ 2,911	\$ 5,429	\$ 11,908	\$ 7,463
Cost of revenue, excluding inventory write-down and related charges and long- lived asset impairment	2,553	1,531	2,043	4,596	3,172
Inventory write-down and related charges	-	58	73	73	236
Gross profit	3,926	1,322	3,313	7,239	4,055
Operating expenses:					
Research and development	1,533	1,877	2,060	3,593	3,489
Selling, general and administrative	2,518	2,709	2,335	4,853	5,352
Loss from operations	(125)	(3,264)	(1,082)	(1,207)	(4,786)
Gain on sale of TowerJazz Semiconductor Ltd. shares			993	993	
Interest expense	(27)	(23)	(18)	(45)	(47)
Interest income and other (expense), net	(50)	45	(21)	(71)	(1)
Loss before income taxes	(202)	(3,242)	(128)	(330)	(4,834)
Provision for (benefit from) income taxes	13	(15)	15	28	(11)
Net loss	\$ (215)	\$ (3,227)	\$ (143)	\$ (358)	\$ (4,823)
Net loss per share:					
Basic	\$ (0.01)	\$ (0.11)	\$ (0.00)	\$ (0.01)	\$ (0.16)

Diluted \$ (0.01) \$ (0.11) \$ (0.00) \$ (0.01) \$ (0.16)

Weighted average shares:

Basic 35,383 30,081 35,104 35,244 29,994

Diluted 35,383 30,081 35,104 35,244 29,994

QUICKLOGIC CORPORATION
SUPPLEMENTAL RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES
(In thousands, except per share amounts)
(Unaudited)

Three Months Ended Six Months Ended

July 4, June 28, April 4, July 4, June 28,
2010 2009 2010 2010 2009

GAAP loss from operations \$ (125) \$(3,264) \$(1,082) \$(1,207) \$(4,786)

Adjustment for stock-based compensation

within:

Cost of revenue 39 71 47 86 122

Research and development 180 138 175 355 226

Selling, general and administrative 414 358 430 844 603

Non-GAAP loss from operations \$ 508 \$(2,697) \$(430) \$ 78 \$(3,835)

GAAP net loss \$ (215) \$(3,227) \$(143) \$ (358) \$(4,823)

Adjustment for stock-based compensation

within:

Cost of revenue 39 71 47 86 122

Research and development 180 138 175 355 226

Selling, general and administrative 414 358 430 844 603

Adjustment for write-off of equipment - - - - 13

Adjustment for gain on sale of

TowerJazz

Semiconductor Ltd. shares - - (993) (993) -

Non-GAAP net loss \$ 418 \$(2,660) \$(484) \$ (66) \$(3,859)

GAAP net loss per share \$ (0.01) \$ (0.11) \$ (0.00) \$ (0.01) \$ (0.16)

Adjustment for stock-based compensation 0.02 0.02 0.02 0.04 0.03

Adjustment for write-off of equipment - - - - *

Adjustment for gain on sale of

TowerJazz
Semiconductor Ltd.
shares - - (0.03) (0.03) -

Non-GAAP net loss per
share \$ 0.01 \$ (0.09) \$ (0.01) \$ (0.00) \$ (0.13)

GAAP gross margin
percentage 60.6 % 45.4 % 61.0 % 60.8 % 54.3 %
Adjustment for stock-
based compensation 0.6 2.5 0.9 0.7 1.7

Non-GAAP gross margin
percentage 61.2 % 47.9 % 61.9 % 61.5 % 56.0 %

* Figures were not considered in the reconciliation of Non-GAAP net loss per share due to the insignificant amount.

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

January 3,
July 4, 2010 2010(1)

ASSETS

Current assets:		
Cash and cash equivalents	\$ 17,837	\$ 18,195
Short-term investment in TowerJazz Semiconductor Ltd.	889	868
Accounts receivable, net	3,293	2,457
Inventories	2,223	2,119
Other current assets	1,064	536

Total current assets	25,306	24,175
Property and equipment, net	2,676	2,693
Investment in TowerJazz Semiconductor Ltd.		437
Other assets	196	296

TOTAL ASSETS	\$ 28,178	\$ 27,601

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Revolving line of credit	\$ 2,000	\$ 2,000
Trade payables	2,123	2,721
Accrued liabilities	1,004	1,108
Deferred income on shipments to distributors	2	-
Current portion of capital lease obligations	397	249

Total current liabilities	5,526	6,078
Long-term liabilities:		
Capital lease obligations, less current portion	207	264
Other long-term liabilities	116	-

Total liabilities	5,849	6,342		
Stockholders' equity:				
Common stock, at par value	36	35		
Additional paid-in capital	179,614	177,862		
Accumulated other comprehensive income		805	1,130	
Accumulated deficit	(158,126)	(157,768)		
Total stockholders' equity	22,329	21,259		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 28,178	\$ 27,601		

(1) Derived from the January 3, 2010 audited balance sheet included in the 2009 Annual Report on Form 10-K of QuickLogic Corporation.

QUICKLOGIC CORPORATION
SUPPLEMENTAL DATA
(Unaudited)

	Percentage of Revenue		Change in Revenue		
	Q2 2009 to Q1 2010 to				
	Q2 2010	Q2 2009	Q1 2010	Q2 2010	Q2 2010

COMPOSITION OF
REVENUE

Revenue by product

(1):

New products	35%	28%	38%	181%	11%
Legacy products	65%	72%	62%	100%	25%

Revenue by geography:

North America	33%	47%	43%	58%	-7%
Europe	13%	19%	19%	51%	-17%
Rest of world	43%	19%	26%	410%	94%
Japan	11%	15%	12%	62%	8%

(1) New products represent products introduced since 2005, and include ArcticLink, PolarPro, PolarPro II, Eclipse II and QuickPCI II products. Legacy products include Eclipse, pASIC 1, pASIC 2, pASIC 3, QuickDSP, QuickFC, QuickMIPS, QuickPCI, QuickRAM and V3 products, as well as royalty revenue, programming hardware and software.

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