



## Synaptics Reports Second Fiscal Quarter Results

**SAN JOSE, Calif. - February 21, 2002** - Synaptics Incorporated (Nasdaq: SYNA) today reported financial results for the second fiscal quarter ended December 31, 2001. Net revenue for the three months ended December 31, 2001 was \$26.4 million compared to \$18.4 million for the three months ended December 31, 2000, an increase of 43.2%. Net income for the three months ended December 31, 2001 was \$2.8 million, which is \$0.42 per basic share or \$0.14 per diluted share, compared to a net loss of \$184,000, or \$0.03 per basic and diluted share, for the three months ended December 31, 2000.

The final results for the second fiscal quarter were consistent with the amounts indicated in the Company's Prospectus dated January 29, 2002. The Company completed an initial public offering (IPO) of 5,000,000 shares of common stock at \$11.00 per share on February 1, 2002, which was the first IPO in the United States during 2002. On the same day, Bear, Stearns & Co. Inc., SG Cowen, and SoundView Technology Group exercised their over-allotment option to purchase 750,000 shares from certain stockholders. In view of the recent completion of its IPO, the Company will not host a conference call to discuss second quarter fiscal 2002 results. Synaptics will begin hosting quarterly conference calls on or around April 25, 2002 following the close of the third fiscal quarter ending March 31, 2002.

### About Synaptics

Synaptics is the leading worldwide developer and supplier of custom-designed user interface solutions for notebook computers. Synaptics products include TouchPad™, a small, touch-sensitive pad for interactive input; TouchStyk™, a capacitive pointing stick solution; ClearPad™, a capacitive touch screen solution; Spiral®, an inductive pen-sensing technology; and QuickStroke®, a patented pattern recognition technology for Chinese handwriting recognition. Synaptics is based in San Jose, California. The company can be contacted at (408) 434-0110, on the web at [www.synaptics.com](http://www.synaptics.com), or via e-mail at [sales@synaptics.com](mailto:sales@synaptics.com).

SYNAPTICS INCORPORATED  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Net revenue	\$ 26,402	\$ 18,441	\$ 49,971	\$ 32,429
Cost of revenue(1)	<u>15,376</u>	<u>13,178</u>	<u>29,983</u>	<u>22,137</u>
Gross margin	11,026	5,263	19,988	10,292
Operating expenses				
Research and development(1)	4,117	2,848	7,808	5,640
Selling, general, and administrative(1)	2,426	2,276	5,100	4,237
Amortization of goodwill and other acquired intangible assets	62	195	75	392
Amortization of deferred stock compensation	<u>121</u>	<u>158</u>	<u>242</u>	<u>312</u>
Total operating expenses	<u>6,726</u>	<u>5,477</u>	<u>13,225</u>	<u>10,581</u>
Operating income (loss)	4,300	(214)	6,763	(289)
Interest income	48	74	81	214
Interest expense	<u>(49)</u>	<u>(39)</u>	<u>(113)</u>	<u>(77)</u>
Income (loss) before income taxes	4,299	(179)	6,731	(152)
Provision for income taxes	<u>1,497</u>	<u>5</u>	<u>2,342</u>	<u>31</u>
Net income (loss)	<u>\$ 2,802</u>	<u>\$ (184)</u>	<u>\$ 4,389</u>	<u>\$ (183)</u>
Net income (loss) per share:				
Basic	<u>\$ 0.42</u>	<u>\$ (0.03)</u>	<u>\$ 0.66</u>	<u>\$ (0.03)</u>

Diluted	\$ <u>0.14</u>	\$ <u>(0.03)</u>	\$ <u>0.22</u>	\$ <u>(0.03)</u>
Shares used in computing net income (loss) per share:				
Basic	<u>6,709,137</u>	<u>6,046,539</u>	<u>6,666,245</u>	<u>5,907,900</u>
Diluted	<u>20,376,274</u>	<u>6,046,539</u>	<u>20,369,185</u>	<u>5,907,900</u>

(1) Cost of revenue excludes \$7,000, \$3,000, \$14,000, and \$5,000 of amortization of deferred stock compensation for the three months ended December 31, 2001 and 2000, and the six months ended December 31, 2001 and 2000, respectively. Research and development expense excludes \$49,000, \$50,000, \$98,000, and \$60,000 of amortization of deferred stock compensation for the three months ended December 31, 2001 and 2000, and the six months ended December 31, 2001 and 2000, respectively. Selling, general, and administrative expenses exclude \$65,000, 105,000, 130,000 and \$247,000 of amortization of deferred stock compensation for the three months ended December 31, 2001 and 2000, and six months ended December 31, 2001 and 2000, respectively. These amounts have been aggregated and reflected as "Amortization of deferred stock compensation."

SYNAPTICS INCORPORATED  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share amounts)

	December 31, 2001 (unaudited)	June 30, 2001 (1)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,610	\$ 3,766
Accounts receivable, net of allowances of \$ 140 and \$125 at December 31, 2001 and June 30, 2001, respectively	12,031	12,245
Inventories	5,006	7,290
Prepaid expenses and other current assets	<u>614</u>	<u>651</u>
Total current assets	28,261	23,952
Property and equipment, net	1,825	1,795
Goodwill	765	765
Other acquired intangible assets, net	99	174
Other assets	<u>1,247</u>	<u>471</u>
Total assets	<u>\$ 32,197</u>	<u>\$ 27,157</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 5,844	\$ 7,289
Accrued compensation	2,039	1,563
Accrued warranty	759	509
Other accrued liabilities	1,496	1,071
Capital leases and equipment financing obligations	<u>511</u>	<u>546</u>
Total current liabilities	10,649	10,978
Capital leases and equipment financing obligations, net of current portion	351	329
Note payable to a related party	1,500	1,500
Other liabilities	640	596
Commitments and contingencies		
Stockholders' equity:		

Convertible preferred stock, no par value (aggregate liquidation preference - \$18,778):		
Authorized shares -- 12,000,000		
Issued and outstanding shares -- 8,170,207	18,650	18,650
Common stock, no par value:		
Authorized shares -- 25,000,000		
Issued and outstanding shares -- 6,973,401 and 6,601,849 at December 31, 2001 and June 30, 2001, respectively	6,836	6,194
Deferred stock compensation	(1,407)	(1,649)
Notes receivable from stockholders	(876)	(906)
Accumulated deficit	<u>(4,146)</u>	<u>(8,535)</u>
Total stockholders' equity	<u>19,057</u>	<u>13,754</u>
Total liabilities and stockholders' equity	<u>\$ 32,197</u>	<u>\$ 27,157</u>

-----  
(1) Derived from the Company's audited financial statements as of June 30, 2001, included in Synaptics Incorporated's registration statement on Form S-1 filed with the Securities and Exchange Commission.