

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **October 23, 2003**

SYNAPTICS INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Delaware

000-49602

77-0118518

(State or Other Jurisdiction of
Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

**2381 BERING DRIVE
SAN JOSE, CALIFORNIA**

95131

(Address of principal
executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(408) 434-0110**

Item 12. Results of Operations and Financial Condition.

The registrant is furnishing this Report on Form 8-K in connection with the disclosure of textual information, in the form of a press release released on October 23, 2003.

The information in this Report on Form 8-K (including the exhibit) is furnished pursuant to Item 12 and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

The registrant does not have, and expressly disclaims, any obligation to release publicly any updates or any changes in the registrant's expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report is available on the registrant's website located at www.synaptics.com, although the registrant reserves the right to discontinue that availability at any time.

Exhibit 99.1 Press Release dated October 23, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SYNAPTICS INCORPORATED

(Registrant)

Date: October 23, 2003

By: /s/ Russ J. Knittel

Name: Russ J. Knittel
Title: Senior Vice President, Chief
Financial Officer, Chief
Administrative Officer, Secretary,
and Treasurer



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Synaptics Reports First Quarter Results

Company Posts Record Revenues and Unit Shipments

October 23, 2003 – San Jose, CA – Synaptics (Nasdaq: SYNA), a leader in touch pads and other human interface solutions for mobile computing and communications devices, today reported financial results for the first fiscal quarter ended September 30, 2003.

Net revenue for the first quarter of fiscal 2004 was \$29.6 million, a 33% increase compared to \$22.2 million for the first quarter of the prior fiscal year. Actual (GAAP) net income for the first quarter of fiscal 2004 was \$2.3 million, or \$0.09 per diluted share, which includes one-time restructuring costs and non-cash charges related to the amortization of intangibles and deferred stock-based compensation of \$569,000, or \$0.01 per diluted share. This represents an 89% increase from actual net income of \$1.2 million, or \$0.05 per diluted share, for the first quarter of the prior fiscal year.

“Our first quarter results exceeded our expectations, reflecting strong demand for our TouchPad products and record revenues for the quarter,” stated Francis Lee, President and Chief Executive Officer of Synaptics. “The quarter was also highlighted by our fourth consecutive quarter of record unit shipments and strong bookings throughout the quarter, resulting in a record backlog of \$19 million going into the December quarter. We also continue to see healthy levels of design activity for both notebook and non-notebook implementations of Synaptics’ technology.”

Russ Knittel, Synaptics’ Chief Financial Officer, added, “Indicators point to continued strength in demand for notebook computers as we head into the seasonally strongest quarter of the year, and we are expecting a sequential revenue increase in the December quarter of 8% to 10%. We expect revenues in the March quarter to be down sequentially based on industry historical seasonal patterns, the extent of which will depend largely on sell-through rates in the December quarter.”

About Synaptics Incorporated

Synaptics develops advanced interface solutions for products as diverse as notebook and desktop computers, mobile computing and communications devices, automotive applications, and security solutions. Synaptics’ products include TouchPad™, the industry standard notebook pointing device; ClearPad™, a capacitive touch screen solution; TouchStyk™, a modular and capacitive pointing stick solution; Spiral®, an inductive, proximity sensing pen input system; and QuickStroke®, a proprietary Chinese handwriting recognition software. More information about Synaptics can be found on the World Wide Web at www.synaptics.com.



Synaptics

This press release contains "forward-looking" statements, as that term is defined under the federal securities laws. Synaptics intends such forward-looking statements to be subject to the safe-harbor created by those laws. Such forward-looking statements include, but are not limited to, statements regarding Synaptics' revenue expectations, earnings expectations, cash flow expectations, and competitive position in both notebook computers and new market initiatives. Synaptics cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by the forward-looking statements contained herein. Such factors include, but are not limited to, (a) market demand for Synaptics' products, (b) market demand for OEMs' products using Synaptics' products, (c) the failure of Synaptics' products and OEMs' products to deliver commercially acceptable performance, and (d) other risks as identified from time to time in Synaptics' SEC reports, including Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2003. All forward-looking statements are based on information available to Synaptics on the date hereof, and Synaptics assumes no obligation to update such statements.

(Tables to Follow)

SYNAPTICS INCORPORATED
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

| | September 30, 2003 | June 30, 2003 |
|---|-----------------------|------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 45,330 | \$ 41,697 |
| Short term investments | 34,043 | 35,589 |
| Restricted cash | 240 | 240 |
| Accounts receivable, net of allowances of \$160 and \$160 at September 30, 2003, and June 30, 2003, respectively | 15,950 | 13,181 |
| Inventories | 5,053 | 6,428 |
| Prepaid expenses and other current assets | 2,235 | 2,637 |
| Total current assets | 102,851 | 99,772 |
| Property and equipment, net | 1,767 | 1,934 |
| Goodwill | 1,968 | 1,968 |
| Other assets | 820 | 834 |
| Total assets | \$ 107,406 | \$104,508 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,843 | \$ 6,893 |
| Accrued compensation | 2,824 | 2,808 |
| Accrued warranty | 969 | 1,002 |
| Income taxes payable | 2,993 | 1,661 |
| Other accrued liabilities | 2,789 | 3,362 |
| Capital leases and equipment financing obligations | 169 | 231 |
| Total current liabilities | 15,587 | 15,957 |
| Capital leases and equipment financing obligations, net of current portion | — | 28 |
| Note payable to a related party | 1,500 | 1,500 |
| Other liabilities | 774 | 759 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock; | | |
| \$.001 par value; 10,000,000 shares authorized; no shares issued and outstanding | — | — |
| Common stock; | | |
| \$.001 par value; 60,000,000 shares authorized; 24,048,053 and 23,835,877 shares issued and outstanding, respectively | 24 | 24 |
| Additional paid-in capital | 79,654 | 78,761 |
| Deferred stock compensation | (1,033) | (1,184) |
| Notes receivable from stockholders | (20) | (20) |
| Retained earnings | 10,850 | 8,583 |
| Accumulated other comprehensive income | 70 | 100 |
| Total stockholders' equity | 89,545 | 86,264 |
| Total liabilities and stockholders' equity | \$ 107,406 | \$104,508 |

SYNAPTICS INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share and share data)
(unaudited)

| | Three Months Ended September 30, 2003 | Three Months Ended September 30, 2002 |
|--|---|---|
| Net revenue | \$ 29,571 | \$ 22,177 |
| Cost of revenue | 17,426 | 12,443 |
| Gross margin | 12,145 | 9,734 |
| Operating expenses | | |
| Research and development | 5,096 | 5,323 |
| Selling, general, and administrative | 3,074 | 2,604 |
| Amortization of intangible assets | — | 30 |
| Amortization of deferred stock compensation | 137 | 110 |
| Restructuring | 432 | — |
| Total operating expenses | 8,739 | 8,067 |
| Operating income | 3,406 | 1,667 |
| Interest income | 226 | 277 |
| Interest expense | (34) | (39) |
| Income before income taxes | 3,598 | 1,905 |
| Provision for income taxes | 1,331 | 705 |
| Net income | \$ 2,267 | \$ 1,200 |
| Net income per share: | | |
| Basic | \$ 0.09 | \$ 0.05 |
| Diluted | \$ 0.09 | \$ 0.05 |
| Shares used in computing net income per share: | | |
| Basic | 24,013,482 | 23,260,200 |
| Diluted | 26,526,878 | 24,839,868 |
| Pro forma results (unaudited) | | |
| Reported net income | \$ 2,267 | \$ 1,200 |
| Pro forma adjustments: | | |
| Amortization of intangible assets | — | 30 |
| Amortization of deferred stock compensation | 137 | 110 |
| Restructuring (tax effected) | 272 | — |
| Pro forma net income | \$ 2,676 | \$ 1,340 |
| Pro forma earnings per share | | |
| Basic | \$ 0.11 | \$ 0.06 |
| Diluted | \$ 0.10 | \$ 0.05 |