

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 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): **December 7, 2017**

SILICON LABORATORIES INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-29823
(Commission File Number)

74-2793174
(IRS Employer
Identification No.)

400 West Cesar Chavez, Austin, TX 78701
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(512) 416-8500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Exchange Act of 1934.

Item 8.01. Other Events

On December 7, 2017, Silicon Laboratories Inc. ("Silicon Laboratories") issued a press release announcing a definitive agreement (the "Agreement") under which Silicon Laboratories will acquire Sigma Designs, Inc. ("Sigma Designs") for \$7.05 per share in a cash transaction valued at approximately \$282 million, subject to certain closing conditions. In the event that certain of these closing conditions are not met, the parties have agreed that Sigma Designs would instead sell its Z-Wave business to Silicon Laboratories for \$240 million, contingent upon approval by Sigma Designs' stockholders. Sigma Designs provides solutions for the connected home including Z-Wave, a leading Internet of Things (IoT) technology for smart home solutions.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, which will be filed at a later date.

The press release announcing the Agreement is attached hereto as Exhibit 99.1 to this report.

In connection with the announcement, Silicon Laboratories distributed the communications attached hereto as Exhibit 99.2, Exhibit 99.3, Exhibit 99.4 and Exhibit 99.5 to certain of its employees and IoT customers.

Non-GAAP Financial Measures

In addition to GAAP reporting, Silicon Laboratories provides investors with certain information on a non-GAAP basis, including anticipated accretion. This non-GAAP information excludes stock compensation, amortization of acquired intangible assets, non-cash interest expense on convertible notes, and certain other items. Management does not believe that the excluded items are reflective of the Company's underlying performance. The exclusion of these and other similar items from Silicon Laboratories' non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual. Silicon Laboratories believes this non-GAAP financial information provides additional insight into the Company's on-going performance and has therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of the Company's on-

going operations and enable more meaningful period to period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Silicon Laboratories is not readily able to reconcile the projected accretion information provided herein to a GAAP calculation thereof because the information needed to complete a reconciliation is unavailable at this time without unreasonable effort.

Forward-Looking Statements

This announcement contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning Silicon Laboratories and its proposed acquisition (the “Acquisition”) of Sigma Designs or the Z-Wave business and related matters. These statements include, but are not limited to, statements that address Silicon Laboratories’ expected future business and financial performance and statements about (i) the timing, completion and expected benefits of the Acquisition, (ii) plans, objectives and intentions with respect to future operations and products, (iii) competitive position and opportunities, (iv) the impact of the Acquisition on the market for Silicon Laboratories products, (v) the impact of the Acquisition on non-GAAP EPS, (vi) other information relating to the Acquisition and (vii) other statements identified by words such as “will”, “expect”, “intends”, “believe”, “anticipate”, “estimate”, “should”, “intend”, “plan”, “potential”, “predict”, “project”, “aim”, and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of the management of Silicon Laboratories and Sigma Designs, as well as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside the companies’ and management’s control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

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Particular uncertainties that could materially affect future results include any risks associated with the Acquisition such as: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the stockholders of Sigma Designs for the transactions or regulatory approvals are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Sigma Designs and Silicon Laboratories; (5) the ability of Sigma Designs and Silicon Laboratories to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the ability to divest or wind down Sigma Designs’ Smart TV business; (10) the ability to divest Sigma Designs’ Media Connectivity business; (11) Sigma Designs’ ability to amend or terminate certain contracts; (12) Sigma Designs’ ability to maintain sufficient cash to satisfy the minimum cash condition; (13) Silicon Laboratories’ ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating Sigma Designs into Silicon Laboratories’ existing businesses and the indebtedness planned to be incurred in connection with the transaction; and (14) legislative, regulatory and economic developments.

The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction Silicon Laboratories’ and Sigma Designs’ filings with the Securities and Exchange Commission (“SEC”), which you may obtain for free at the SEC’s website at <http://www.sec.gov>, and which discuss additional important risk factors that may affect their respective businesses, results of operations and financial conditions. Silicon Laboratories and Sigma Designs undertake no intent or obligation to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

Sigma Designs intends to file the applicable proxy statement(s) in connection with the Acquisition. Investors and security holders of Sigma Designs are urged to read such proxy statement(s) (including any amendments or supplements thereto) and any other relevant documents in connection with the Acquisition that Sigma will file with the SEC upon such documents becoming available because they will contain important information about Sigma Designs and the Acquisition. Such materials filed by Sigma Designs with the SEC may be obtained free of charge at the SEC’s website (<http://www.sec.gov>) or at the Investor Relations page on Sigma Designs’ website at www.sigmadesigns.com or by writing to Sigma Designs’ Secretary at 47467 Fremont Blvd, Fremont, CA 94538 USA.

Sigma Designs and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Sigma Designs’ stockholders with respect to the Acquisition. Additional information about Sigma Designs’ directors and executive officers is set forth in Sigma Designs’ proxy statement on Schedule 14A filed with the SEC on July 17, 2017 and Annual Report on Forms 10-K and 10-K/A for the fiscal year ended January 28, 2017. Information regarding their direct or indirect interests in the Acquisition will be set forth in the proxy statement and other materials to be filed with SEC.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Silicon Laboratories Inc. dated December 7, 2017
99.2	Email sent by Tyson Tuttle to Silicon Laboratories employees on December 7, 2017

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99.3	Email sent by Brandon Tolany to Silicon Laboratories Sales employees on December 7, 2017
99.4	Communication sent to Silicon Laboratories IoT customers on December 7, 2017
99.5	Acquisition messaging document sent to certain members of management of Silicon Laboratories and Sigma Designs on December 7, 2017

EXHIBIT INDEX

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99.6	Investor Presentation

SIGNATURE

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.

SILICON LABORATORIES INC.

December 7, 2017

Date

/s/ John C. Hollister

John C. Hollister
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Silicon Labs Announces Definitive Agreement to Acquire Sigma Designs, Inc.

- Cash transaction valued at approximately \$282 million
- Z-Wave expands Silicon Labs' wireless connectivity technologies for the smart home
- Combines world-class talent and IP portfolios to drive innovation
- Subsequent to divestiture and restructuring actions, Silicon Labs expects the transaction to be accretive on a non-GAAP basis

AUSTIN, Texas and FREMONT, Calif. — Dec. 7, 2017 — Silicon Labs (NASDAQ: SLAB) and Sigma Designs, Inc. (NASDAQ: SIGM) today announced a definitive agreement under which Silicon Labs will acquire Sigma Designs for \$7.05 per share in a cash transaction valued at approximately \$282 million, subject to certain closing conditions. This price represents a 26 percent premium over Sigma Designs' closing price of \$5.60 per share on Dec. 6, 2017.

Sigma Designs provides solutions for the connected home including Z-Wave, a leading Internet of Things (IoT) technology for smart home solutions. Z-Wave supplies some of the world's largest ecosystems of smart home IoT products with more than 2,100 certified, interoperable devices available from more than 600 manufacturers. The addition of Z-Wave will expand Silicon Labs' wireless connectivity portfolio and worldwide customer base for the connected home.

"The connected home represents one of the largest market opportunities in the IoT. Today, there is no single dominant wireless technology for home automation, and protocols include Wi-Fi, Bluetooth®, Zigbee®, Thread and proprietary," said Tyson Tuttle, CEO of Silicon Labs. "By adding Z-Wave technology to Silicon Labs' connectivity portfolio, we will be better positioned to serve this fast-growing market. Ecosystem providers and developers will have a one-stop shop for wireless connectivity solutions for the home."

The addition of Z-Wave extends connectivity options for developers and ecosystem providers and delivers alternatives to customers and markets for secure, interoperable IoT devices. Silicon Labs intends to work in collaboration with the Z-Wave Alliance to drive adoption and development of Z-Wave technology.

"This is an exciting day for Sigma Designs, and we are pleased to be joining forces with Silicon Labs," said Think Q. Tran, President and CEO of Sigma Designs, Inc. "Silicon Labs and Z-Wave share a vision of secure, interoperable smart homes. This transaction provides immediate value to our shareholders, and offers new growth opportunities for our employees and customers to develop a wider range of leading-edge solutions."

In addition to Z-Wave technology, Sigma Designs also provides solutions for Media Connectivity and Smart TV. Sigma Designs plans to divest or wind down its Smart TV business. In addition, Sigma Designs is in active discussions with prospective buyers to divest its Media Connectivity business. Subsequent to divestiture and restructuring actions, Silicon Labs expects the acquisition of Sigma Designs to be accretive on a non-GAAP basis.

In the event that certain closing conditions are not met, the parties have agreed that Sigma Designs would instead sell its Z-Wave business to Silicon Labs for \$240 million, contingent upon approval by Sigma Designs' stockholders.

The boards of directors of both companies have approved the transaction. Silicon Labs expects the transaction to close in the first calendar quarter of 2018.

Morgan Stanley & Co. LLC is serving as financial advisor to Silicon Labs, and Deutsche Bank is serving as financial advisor to Sigma Designs.

Conference Call

Silicon Labs will host a conference call to discuss details of the transaction. A live webcast and the accompanying presentation relating to the transaction will be available in the "Investors" section of Silicon Labs' website at www.silabs.com in advance of the conference call.

Conference call date: December 8, 2017
 Time: 7:30 am Central (8:30 am Eastern)
 Dial in Number: US (866) 395-9486, International (706) 634-9315
 Conference ID: 7249429

A replay of the call will be available for one week by dialing (855) 859-2056 or (404) 537-3406 (international) and entering conference ID 7249429. A webcast of the conference call will also be available in the "Investors" section of Silicon Labs' website at www.silabs.com.

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Silicon Labs

Silicon Labs (NASDAQ: SLAB) is a leading provider of silicon, software and solutions for a smarter, more connected world. Our award-winning technologies are shaping the future of the Internet of Things, Internet infrastructure, industrial automation, consumer and automotive markets. Our world-class engineering team creates products focused on performance, energy savings, connectivity and simplicity. www.silabs.com

Sigma Designs

Sigma Designs, Inc.® (NASDAQ: SIGM) is a world leader in enabling smart home convergence. The company designs and builds semiconductor technologies for Internet of Things (IoT) smart home devices. For more information about Sigma Designs, please visit: www.sigmadesigns.com.

Z-Wave® technology is an open, internationally recognized ITU standard (G.9959). It is one of the leading wireless smart home technologies in the market today, with over 2,100 certified interoperable products worldwide. Represented by the Z-Wave Alliance and supported by more than 600 companies around the world, the standard is a key enabler of smart living solutions for home safety and security, energy, hospitality, office and light commercial applications.

Z-Wave® is a registered trademark of Sigma Designs (NASDAQ: SIGM) and its subsidiaries in the United States and other countries. z-wave.sigmadesigns.com

Non-GAAP Financial Measures

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as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside the companies' and management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

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The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with Silicon Labs' and Sigma Designs' filings with the Securities and Exchange Commission ("SEC"), which you may obtain for free at the SEC's website at <http://www.sec.gov>, and which discuss additional important risk factors that may affect their respective businesses, results of operations and financial conditions. Silicon Labs and Sigma Designs undertake no intent or obligation to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Sigma Designs and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Sigma Designs' stockholders with respect to the Acquisition. Additional information about Sigma Designs' directors and executive officers is set forth in Sigma Designs' proxy statement on Schedule 14A filed with the SEC on July 17, 2017 and Annual Report on Forms 10-K and 10-K/A for the fiscal year ended January 28, 2017. Information regarding their direct or indirect interests in the Acquisition will be set forth in the proxy statement and other materials to be filed with SEC.

Note to editors: Silicon Labs, Silicon Laboratories, the “S” symbol, the Silicon Laboratories logo and the Silicon Labs logo are trademarks of Silicon Laboratories Inc. All other product names noted herein may be trademarks of their respective holders.

Connect with Silicon Labs

Silicon Labs Investor Relations: Jalene Hoover + 1-512-751-6526, jalene.hoover@silabs.com

Silicon Labs Public Relations: Dale Weisman +1-512-532-5871, dale.weisman@silabs.com

Connect with Sigma Designs

Sigma Designs CFO, SVP and Corporate Secretary: Elias Nader, +1-510-897-0077, IR@sigmadesigns.com

Sigma Designs Investor Relations: Jim Fanucchi, Darrow Associates, Inc., +1-408-404-5400, IR@sigmadesigns.com

To: All
From: Tyson

Subject: Silicon Labs Announces Definitive Agreement to Acquire Sigma Designs

I'm pleased to announce we have entered into a definitive agreement to acquire Sigma Designs and its Z-Wave technology. By adding Z-Wave to Silicon Labs' wireless technologies, we now have a customer-centric portfolio to better serve the large and growing connected home market.

Z-Wave is a popular, mesh networking technology for home automation, supplying some of the world's largest ecosystems of smart home IoT products. There are more than 2,100 certified, interoperable Z-Wave devices available from a thriving alliance of more than 600 manufacturers and service providers. The addition of Z-Wave expands Silicon Labs' wireless connectivity portfolio and worldwide customer base. Silicon Labs intends to work in collaboration with the Z-Wave Alliance to drive the road map and adoption of Z-Wave technology.

Together, we will work for the future of the connected home by offering more options to IoT developers giving them the choice of best-fit technology for their applications and the ability to rapidly create secure, interoperable devices.

Sigma Designs' Smart TV and Media Connectivity businesses are not strategically aligned with our targeted growth markets. Sigma Designs plans to divest or wind down its Smart TV business. In addition, Sigma Designs is in active discussions with prospective buyers to divest its Media Connectivity business.

We expect the transaction to close in Q1 2018. We will work together to achieve a timely close and smooth integration. Thank you in advance for your support.

Tyson

Forward-Looking Statements

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"believe", "anticipate", "estimate", "should", "intend", "plan", "potential", "predict", "project", "aim", and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of the management of Silicon Labs and Sigma Designs, as well as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside the companies' and management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

Particular uncertainties that could materially affect future results include any risks associated with the Acquisition such as: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the stockholders of Sigma Designs for the transactions or regulatory approvals are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Sigma Designs and Silicon Labs; (5) the ability of Sigma Designs and Silicon Labs to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the ability to divest or wind down Sigma Designs' Smart TV business; (10) the ability to divest Sigma Designs' Media Connectivity business; (11) Sigma Designs' ability to amend or terminate certain contracts; (12) Sigma Designs' ability to maintain sufficient cash to satisfy the minimum cash condition; (13) Silicon Labs' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating Sigma Designs into Silicon Labs' existing businesses and the indebtedness planned to be incurred in connection with the transaction; and (14) legislative, regulatory and economic developments.

The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with Silicon Labs' and Sigma Designs' filings with the Securities and Exchange Commission ("SEC"), which you may obtain for free at the SEC's website at <http://www.sec.gov>, and which discuss additional important risk factors that may affect their respective businesses, results of operations and financial conditions. Silicon Labs and Sigma Designs undertake no intent or obligation to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

Sigma Designs intends to file the applicable proxy statement(s) in connection with the Acquisition. Investors and security holders of Sigma Designs are urged to read such proxy statement(s) (including any amendments or supplements thereto) and any other relevant documents in connection with the Acquisition that Sigma will file with the SEC upon such documents becoming available because they will contain important information about Sigma Designs and the Acquisition. Such materials filed by Sigma Designs with the SEC may be obtained free of charge at the SEC's website (<http://www.sec.gov>) or at the Investor Relations

Sigma Designs and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Sigma Designs' stockholders with respect to the Acquisition. Additional information about Sigma Designs' directors and executive officers is set forth in Sigma Designs' proxy statement on Schedule 14A filed with the SEC on July 17, 2017 and Annual Report on Forms 10-K and 10-K/A for the fiscal year ended January 28, 2017. Information regarding their direct or indirect interests in the Acquisition will be set forth in the proxy statement and other materials to be filed with SEC.

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To: All SLAB Sales/ FAE's
 From: Brandon Tolany

Subject: Sales Notes for Silicon Labs Announcement of Agreement to Acquire Z-Wave

Earlier today, Silicon Labs announced we have entered into a definitive agreement to acquire Sigma Designs and its Z-Wave business and technology.

The connected home represents one of the largest market opportunities in the IoT. Connected devices are proliferating in the form of thermostats, lighting, connected home assistants and security solutions. Today, there is no single dominant wireless technology for the connected home and protocols range from Wi-Fi to Bluetooth, Zigbee, Thread and proprietary. Adding Z-Wave to Silicon Labs' wireless technologies gives us a customer-centric portfolio to better serve this market. Silicon Labs intends to work in collaboration with the Z-Wave Alliance to drive the road map and adoption of Z-Wave technology.

Z-Wave is popular in the connected home and can be found in products from security providers such as ADT, major OEMs such as Honeywell, ecosystem platforms such as KT Corporation (formerly Korea Telecom), and a broad-base of consumer device manufacturers, such as Jasco.

As you meet with customers and distribution partners during the deal's transition period, please continue to represent our existing portfolio of technologies.

Training will be offered over the coming weeks as we integrate Z-Wave into Silicon Labs. In the meantime, learn more by visiting zwave.sigmadesign.com, z-wave.com and z-wavealliance.org.

Best regards,
 Brandon

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To: Silicon Labs IoT customer base
 From: Sales rep.

Subject: Silicon Labs Announces Definitive Agreement to Acquire Z-Wave

Silicon Labs has entered into a definitive agreement to acquire Sigma Designs and its Z-Wave business and technology. Silicon Labs and the Z-Wave team have a shared vision of a secure, interoperable connected home. Adding Z-Wave to Silicon Labs' wireless technologies enhances our ability to give you choice of connectivity protocols for your application needs. Silicon Labs intends to work in collaboration with the Z-Wave Alliance to drive the road map and adoption of Z-Wave technology.

Z-Wave is a popular, mesh networking technology for home automation and security, supplying some of the world's largest ecosystems of smart home IoT products. There are more than 2,100 certified, interoperable Z-Wave devices available from a thriving alliance of more than 600 manufacturers. Z-Wave will extend our portfolio for wireless connectivity, which features Zigbee, Thread, Bluetooth and proprietary protocols today.

As a valued customer, we want to thank you for putting your trust in us to deliver quality products for the IoT. The acquisition of Z-Wave will further our mission of providing outstanding, secure and interoperable connectivity solutions for the connected home and beyond. For more information, please refer to today's release.

Best regards,
 xx

Forward-Looking Statements

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as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside the companies' and management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

Particular uncertainties that could materially affect future results include any risks associated with the Acquisition such as: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals from the stockholders of Sigma Designs for the transactions or regulatory approvals are not obtained; (2) litigation relating to the transaction; (3) uncertainties as to the timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Sigma Designs and Silicon Labs; (5) the ability of Sigma Designs and Silicon Labs to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the ability to divest or wind down Sigma Designs' Smart TV business; (10) the ability to divest Sigma Designs' Media Connectivity business; (11) Sigma Designs' ability to amend or terminate certain contracts; (12) Sigma Designs' ability to maintain sufficient cash to satisfy the minimum cash condition; (13) Silicon Labs' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating Sigma Designs into Silicon Labs' existing businesses and the indebtedness planned to be incurred in connection with the transaction; and (14) legislative, regulatory and economic developments.

The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with Silicon Labs' and Sigma Designs' filings with the Securities and Exchange Commission ("SEC"), which you may obtain for free at the SEC's website at <http://www.sec.gov>, and which discuss additional important risk factors that may affect their respective businesses, results of operations and financial conditions. Silicon Labs and Sigma Designs undertake no intent or obligation to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Additional Information and Where to Find It

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ACQUISITION MESSAGING DOCUMENT

What?

- Silicon Labs is acquiring Sigma Designs, which includes Smart TV, Media Connectivity and IoT businesses. Sigma Designs plans to divest or wind down its Smart TV business. In addition, Sigma Designs is in active discussions with prospective buyers to divest its Media Connectivity business.
- The IoT business is strategically aligned with Silicon Labs. The primary asset of interest is Sigma Designs' Z-Wave business.
- Silicon Labs and Sigma Designs signed a Definitive Agreement on Dec. 7, 2017. The deal is expected to officially close in Silicon Labs' Q1 2018. During the transition period between now and then, we will work together on an integration plan for the two companies and remaining assets.

Why?

- The connected home represents one of the largest market opportunities in the IoT. Today, there is no single dominant wireless technology for the connected home and protocols range from Wi-Fi to Bluetooth® to mesh and proprietary. By adding Z-Wave to Silicon Labs' connectivity portfolio, we now have a customer-centric portfolio of mesh technologies to better serve the large and growing connected home market and beyond.
- By acquiring Sigma Designs, Silicon Labs will add critical talent and expertise directed at the connected home market, accelerating our ability to make the future of secure, interoperable, connected homes a reality.
- The combined entity will give ecosystem providers and developers of connected home solutions a variety of choices and a one-stop-shop for wireless connectivity technologies.

Who is Silicon Labs?

- Silicon Labs provides silicon, software and solutions for a more connected world, with a comprehensive hardware and software portfolio for wireless connectivity including Zigbee®, Thread, Bluetooth, Wi-Fi and proprietary protocols.
- Silicon Labs has extensive experience in mesh networking technologies and is naturally positioned to be a steward and champion for Z-Wave.

Who is Sigma Designs?

- Sigma Designs enables smart home convergence. They design and build semiconductor technologies for the Internet of Things' (IoT) smart home devices.
- Z-Wave is a leader in the smart home market supplying some of the world's largest ecosystems of smart home IoT products with more than 2,100 certified, interoperable devices available from more than 600 manufacturers.
- The Z-Wave Alliance is a consortium of leading companies developing connected home technology who are dedicated to driving Z-Wave as a standard for wireless smart home products. They oversee development and extension of the standard and certification. It was formed in Jan. 2005 by leaders in the home automation market including: ADT, FAKRO, Ingersoll Rand Nexia, Jasco Products, LG Uplus, Nortek Security & Control, SmartThings and Sigma Designs.

Other key points:

- Together, we will work for the future of the connected home by offering more options to IoT developers giving them the choice of best-fit technology for their applications and the ability to rapidly create secure, interoperable devices.
- Silicon Labs intends to work in collaboration with the Z-Wave Alliance to drive the road map and adoption of Z-Wave technology.
- Silicon Labs has a strong channel to scale and expand the Z-Wave footprint in the market, and the financial stability and track record for the long-term.

What to say about other business units:

- The Smart TV business unit is not aligned with Silicon Labs' growth strategy and is currently in discussions with prospective buyers to divest. Their solutions deliver best-in-class picture quality on increasingly larger screens and enable the latest generation of connected TV services including apps and over-the-top content delivery. Sigma Designs plans to divest or wind down its Smart TV business.

- The Media Connectivity business unit is not aligned with Silicon Labs' growth strategy and is currently in discussions with prospective buyers to divest. This business unit offers a range of solutions, including G.hn, HomePlug and HPNA technologies, that stream content to the home. More than 70 service providers have deployed Sigma home networking solutions.
- Mobile IoT, a cellular technology for existing global LTE networks, is part of the IoT business unit along with Z-Wave. We are presently evaluating the Mobile IoT technology and will make a decision on how we treat this asset in the coming weeks.

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timing of the consummation of the transaction and the ability of each party to consummate the transaction; (4) risks that the proposed transaction disrupts the current plans and operations of Sigma Designs and Silicon Labs; (5) the ability of Sigma Designs and Silicon Labs to retain and hire key personnel; (6) competitive responses to the proposed transaction; (7) unexpected costs, charges or expenses resulting from the transaction; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (9) the ability to divest or wind down Sigma Designs' Smart TV business; (10) the ability to divest Sigma Designs' Media Connectivity business; (11) Sigma Designs' ability to amend or terminate certain contracts; (12) Sigma Designs' ability to maintain sufficient cash to satisfy the minimum cash condition; (13) Silicon Labs' ability to achieve the growth prospects and synergies expected from the transaction, as well as delays, challenges and expenses associated with integrating Sigma Designs into Silicon Labs' existing businesses and the indebtedness planned to be incurred in connection with the transaction; and (14) legislative, regulatory and economic developments.

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Silicon Labs to Acquire Sigma Designs ~ Investor Presentation

8 DECEMBER 2017

Legal

Non-GAAP Financial Measures

In addition to GAAP reporting, Silicon Labs provides investors with certain information on a non-GAAP basis, including anticipated accretion. This non-GAAP information excludes stock compensation, amortization of acquired intangible assets, non-cash interest expense on convertible notes, and certain other items acquisition-related intangibles. Management does not believe that the excluded items are reflective of the Company's underlying performance. The exclusion of these and other similar items from Silicon Labs' non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual. Silicon Labs believes this non-GAAP financial information provides additional insight into the Company's on-going performance and has therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of the Company's on-going operations and enable more meaningful period to period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Silicon Labs is not readily able to reconcile the projected accretion information provided herein to a GAAP calculation thereof because the information which is needed to complete a reconciliation is unavailable at this time without unreasonable effort.

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No Offer or Solicitation

The Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of Silicon Labs, or an inducement to enter into investment activity in the United States or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The Presentation is not for publication, release or distribution in any jurisdiction where such publication, release or distribution would constitute a violation of the relevant laws of such jurisdiction, nor should it be taken or transmitted in to such jurisdiction.

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Transaction Summary

Price/ Consideration	<ul style="list-style-type: none"> All cash offer for \$7.05 per share of Sigma Designs' common stock representing a total consideration of \$282M and a 26% premium over the company's closing price of \$5.60 per share on December 6, 2017. Transaction is subject to closing conditions. If certain closing conditions are not met, the parties have agreed that Sigma Designs will sell the Z-Wave business to Silicon Labs for \$240M.
Impact of Z-Wave Acquisition	<ul style="list-style-type: none"> Aligned with Silicon Labs' IoT strategy, core competencies and targeted home automation and security market In-line with Silicon Labs' target operating model Subsequent to divestiture and restructuring actions, Silicon Lab expects the transaction to be accretive to non-GAAP¹ EPS
Non-Strategic Businesses	<ul style="list-style-type: none"> Sigma Designs plans to divest or wind down its Smart TV business Sigma Designs is in active discussions with prospective buyers to divest its Media Connectivity business
Timing	<ul style="list-style-type: none"> Targeted close within the first fiscal quarter of 2018

¹Gross margin, R&D, SG&A, total operating expenses, operating income and EPS are non-GAAP and exclude stock compensation expense, amortization of intangible assets, non-cash interest expense on convertible notes and certain other adjustments. Silicon Labs is not readily able to reconcile the projected accretion information provided herein to a GAAP calculation thereof because the information which is needed to complete a reconciliation is unavailable at this time without unreasonable effort.

Our Target Non-GAAP Operating Model

	Model
Revenue	10-15% growth
Gross Margin	58-60%
R&D	20-22%
SG&A	17-18%
Total Operating Expenses	37-40%
Non-GAAP Operating Income	20-25%

- No change to target operating model
- We are maintaining our 20% growth target for IoT

Gross margin, R&D, SG&A, total operating expenses, operating income and EPS are non-GAAP and exclude stock compensation expense, amortization of intangible assets, non-cash interest expense on convertible notes and certain other adjustments.

Z-Wave Overview



- An open and internationally-recognized ITU standard (G.9959) for mesh networking
- Backed by the Z-Wave Alliance, whose ecosystem includes 2100 certified, interoperable devices and 600 member companies
- More than 70 million Z-Wave devices deployed
- Popular mesh networking technology in the connected home
- Products: Z-Wave ICs, modules, software and design kits
- Applications: lighting, sensors, switches, controllers, thermostats and security

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Strategic Rationale

- Highly complementary Z-Wave business:
 - Aligned with Silicon Labs' IoT strategy
 - Expands IoT connectivity portfolio in strategic connected home market
 - Introduces Silicon Labs to new customers and key ecosystem providers
 - Adds key software engineering talent and expertise
- Financially and strategically attractive acquisition
 - No change to target operating model
 - Subsequent to divestiture and restructuring actions, Silicon Lab expects the transaction to be accretive to non-GAAP EPS

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Expanded Ecosystem and Customer Relationships

Silicon Labs IoT Customers

Smart Home	CHAMBERLAIN Google OLUSTRON somfy. COMCAST IKEA SAMSUNG
Smart Cities	Honeywell Landis+Gyr SMART ENERGY kamstrup Itron SENSUS
Smart Industry	AcuityBrands EATON Milwaukee YOKOGAWA Danfoss Honeywell Schneider Electric

Sigma Designs Z-Wave Customers

MSO / Telecom	orange verizon LGU+ SK telecom vivint.
Retail / DIY	amazon.com NEXIA HOME INTELLIGENCE LOWE'S
Home Security	ADT ALARM.COM BellAllyce

Key Takeaways

- Complementary to Silicon Labs' IoT strategy, portfolio and connected home target market
- Introduces Silicon Labs to new customers and key ecosystem providers
- Adds key software engineering talent and expertise
- No change to our target operating model
- Subsequent to divestiture and restructuring actions, Silicon Lab expects the transaction to be accretive to non-GAAP EPS

Thank you!

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