CIRRUS LOGIC INC
Form 10-K
May 27, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended March 28, 2015

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 0-17795

CIRRUS LOGIC, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**77-0024818**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

800 W. 6th Street, Austin, TX 78701

(Address of principal executive offices)

Registrant s telephone number, including area code: (512) 851-4000

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $0.001 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES þ NO ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO þ

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES þ NO ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES þ NO ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ¨ NO þ

The aggregate market value of the registrant s voting and non-voting common equity held by non-affiliates was $964,427,123 based upon the closing price reported on the NASDAQ Global Select Market as of September 26, 2014. Stock held by directors, officers and stockholders owning 5 percent or more of the outstanding common stock were excluded as they may be deemed affiliates. This determination of affiliate status is not a conclusive determination for any other purpose.

As of May 22, 2015, the number of outstanding shares of the registrant s common stock, $0.001 par value, was 63,411,134.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the registrant s proxy statement for its annual meeting of stockholders to be held July 29, 2015 is incorporated by reference in Part II Item 5. and Part III of this Annual Report on Form 10-K.

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CIRRUS LOGIC, INC.

FORM 10-K

For The Fiscal Year Ended March 28, 2015

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PART I

ITEM 1. ***Business***

Cirrus Logic, Inc. (Cirrus Logic, We, Us, Our, or the Company) develops high-precision, analog and mixed-signal integrated circuits (ICs broad range of innovative customers. Building on our diverse analog and mixed-signal product portfolio, Cirrus Logic delivers highly optimized products for a variety of audio, industrial and energy-related applications.

We were incorporated in California in 1984, became a public company in 1989 and were reincorporated in the State of Delaware in February 1999. Our primary facility housing engineering, sales and marketing, and administrative functions is located in Austin, Texas. We also have offices in various other locations in the United States, United Kingdom, Australia, and Asia, including the People s Republic of China, Hong Kong, South Korea, Japan, Singapore, and Taiwan. Our common stock, which has been publicly traded since 1989, is listed on the NASDAQ Global Select Market under the symbol CRUS.

We maintain a website with the address www.cirrus.com. We are not including the information contained on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the SEC). We also routinely post other important information on our website, including information specifically addressed to investors. We intend for the investor relations section of our website to be a recognized channel of distribution for disseminating information to the securities marketplace in general. To receive a free copy of this Annual Report on Form 10-K, please forward your written request to Cirrus Logic, Inc., Attn: Investor Relations, 800 W. 6th Street, Austin, Texas 78701, or via email at Investor.Relations@cirrus.com. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy and information statements filed electronically with the SEC by Cirrus Logic.

Segments

We determine our operating segments in accordance with Financial Accounting Standards Board (FASB) guidelines. Our Chief Executive Officer (CEO) has been identified as the chief operating decision maker as defined by these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue performance in two product lines: Portable Audio and Non-Portable Audio and Other. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share operations support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology. Therefore, there is no discrete financial information maintained for these product lines. For fiscal years 2015, 2014, and 2013, Portable Audio product sales were $740.3 million, $562.7 million, and $652.0 million, respectively. For fiscal years 2015, 2014, and 2013, Non-Portable Audio and Other product sales were $176.3 million, $151.6 million, and $157.8 million, respectively.

See Note 18 - Segment Information, of the Notes to Consolidated Financial Statements contained in Item 8 for further details including sales and property, plant and equipment, net, by geographic locations.

Company Strategy

Cirrus Logic targets growing markets where we can leverage our expertise in analog and digital signal processing to solve complex problems. Our approach has been to develop custom and general market components that embody our latest innovations, which we use to engage key players in a particular market or application. We focus on building strong engineering relationships with the product teams at these customers and work to develop highly differentiated products that address their specific needs. Our products are comprised of our best-in-class hardware and a combination of our own intellectual property (IP), algorithms that have been ported to our platform by an ecosystem of third-party partners, and our customers IP. When we have been successful with this approach, one initial design win has often expanded into additional products. This strategy gives us the opportunity to increase our content with a customer over time through the incorporation of new features, the integration of other system components into our products and the addition of new components.

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Markets and Products

The following provides a detailed discussion regarding our portable audio and non-portable audio and other product lines:

Portable Audio Products: High-precision analog and mixed-signal components designed for mobile devices including smartphones, tablets, wearables, smart accessories and portable media players.

Non-Portable Audio and Other Products: High-precision analog and mixed-signal components targeting the consumer, automotive, energy and industrial markets.

PORTABLE AUDIO PRODUCTS

We are a leading provider of analog and mixed-signal audio converter and digital signal processing products in many of today s mobile applications. As the only IC supplier with the complete end-to-end solution from capture to playback, we have an extensive portfolio of codecs - chips that integrate analog-to-digital converters (ADCs) and digital-to-analog converters (DACs) into a single IC, smart codecs codecs with digital signal processing integrated, active noise cancelling (ANC), amplifiers, micro-electromechanical systems (MEMS) microphones, as well as standalone digital signal processors (DSPs). Additionally, the Company s SoundClear® technology consists of a broad portfolio of tools, software and algorithms that help to differentiate our customers products by improving the user experience with features such as enhanced voice quality, voice capture and audio playback. Our products are designed for use in a wide array of mobile applications, including smartphones, tablets, portable media players, wearables and smart accessories such as headsets and headphones.

NON-PORTABLE AUDIO AND OTHER PRODUCTS

We provide high-precision analog and mixed-signal ICs for a variety of products in the consumer, automotive, industrial and energy applications. The Company supplies a wide range of products including ICs, codecs, ADCs, DACs, digital interface and amplifiers. Within the consumer market our products are utilized in laptops, audio/video receivers (AVRs), home theater systems, set-up boxes, portable speakers, digital camcorders, musical instruments and professional audio products. Applications for products in the automotive market include satellite radio systems, telematics and multi-speaker car-audio systems. Our products are also used in a wide array of high-precision industrial and energy-related applications including digital utility meters, power supplies, energy control, energy measurement, and energy exploration applications.

Customers, Marketing, and Sales

We offer products worldwide through both direct and indirect sales channels. Our major customers are among the world s leading electronics manufacturers. We target both large existing and emerging customers that derive value from our expertise in advanced analog and mixed-signal design processing, systems-level integrated circuit engineering and embedded software development. We derive our revenues from both domestic and international sales, including sales in the People s Republic of China, the European Union, Hong Kong, Japan, South Korea, Taiwan, Australia, and the United Kingdom. Our domestic sales force includes a network of direct sales offices located in California and Texas. International sales offices and staff are located in Hong Kong, Japan, Shanghai and Shenzhen in the People s Republic of China, Singapore, South Korea, Taiwan, and the United Kingdom. We also have sales staff located in Germany. We supplement our direct sales force with external sales representatives and distributors. We have technical support centers in China, South Korea, Taiwan and the United States. Our worldwide sales force provides geographically specific support to our customers and specialized selling of product lines with unique customer bases. See Note 18 - Segment Information, of the Notes to Consolidated Financial Statements contained in Item 8 for further detail and for additional disclosure regarding sales and property, plant and equipment, net, by geographic locations.

Since the components we produce are largely proprietary and generally not available from second sources, we generally consider our end customer to be the entity specifying the use of our component in their design. These end customers may then purchase our products directly from us, through distributors or third party manufacturers contracted to produce their designs. For fiscal years 2015, 2014, and 2013, our ten largest end customers, represented approximately 87 percent, 88 percent, and 89 percent, of our sales, respectively. For fiscal

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years 2015, 2014, and 2013, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 72 percent, 80 percent, and 82 percent, of the Company s total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2015, 2014, or 2013.

Manufacturing

As a fabless semiconductor company, we contract with third parties for wafer fabrication and product assembly and test. We use a variety of foundries in the production of wafers including Taiwan Semiconductor Manufacturing Company, Limited, MagnaChip Semiconductor Corporation and GLOBALFOUNDRIES. The Company s primary assembly and test houses include Advanced Semiconductor Engineering, Inc., Amkor Technology Inc., Nepes Corporation, Siliconware Precision Industries Co., Ltd. and STATS ChipPAC Ltd. Our outsourced manufacturing strategy allows us to concentrate on our design strengths, and minimize fixed costs and capital expenditures while giving us access to advanced manufacturing facilities. It also provides the flexibility to source multiple leading-edge technologies through strategic relationships. After wafer fabrication by the foundry, third-party assembly vendors package the wafer die. The finished products are then tested before shipment to our customers. While we do have some redundancy of fabrication processes by using multiple outside foundries, any interruption of supply by one or more of these foundries could materially impact the Company. As a result, we maintain some amount of business interruption insurance to help reduce the risk of wafer supply interruption, but we are not fully insured against such risk. Our supply chain management organization is responsible for the management of all aspects of the manufacturing, assembly, and testing of our products, including process and package development, test program development, and production testing of products in accordance with our ISO-certified quality management system.

Although our products are made from basic materials (principally silicon, metals and plastics), all of which are available from a number of suppliers, capacity at wafer foundries sometimes becomes constrained. The limited availability of certain materials may impact our suppliers ability to meet our demand needs or impact the price we are charged. The prices of certain other basic materials, such as metals, gases and chemicals used in the production of circuits can increase as demand grows for these basic commodities. In most cases, we do not procure these materials ourselves; nevertheless, we are reliant on such materials for producing our products because our outside foundry and package and test subcontractors must procure them. To help mitigate risks associated with constrained capacity, we use multiple foundries, assembly and test sources.

Patents, Licenses and Trademarks

We rely on patent, copyright, trademark, and trade secret laws to protect our intellectual property, products, and technology. As of March 28, 2015, we held approximately 2,200 pending and issued patents worldwide, which include approximately 1,100 granted U.S. patents, 274 U.S. pending patent applications and various international patents and applications. Our U.S. patents expire in calendar years 2015 through 2033. While our patents are an important element of our success, our business as a whole is not dependent on any one patent or group of patents. We do not anticipate any material effect on our business due to any patents expiring in 2015, and we continue to obtain new patents through our ongoing research and development.

We have maintained U.S. federal trademark registrations for CIRRUS LOGIC, CIRRUS, Cirrus Logic logo designs, WOLFSON, CRYSTAL, and SoundClear, among others. These U.S. registrations may be renewed as long as the marks continue to be used in interstate commerce. We have also filed or obtained foreign registration for these marks in other countries or jurisdictions where we conduct, or anticipate conducting, international business. To complement our own research and development efforts, we have also licensed and expect to continue to license, a variety of intellectual property and technologies important to our business from third parties.

Research and Development

We concentrate our research and development efforts on the design and development of new products for each of our principal markets. We also fund certain advanced-process technology development, as well as other emerging product opportunities. Expenditures for research and development in fiscal years 2015, 2014, and 2013

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were $197.9 million, $126.2 million, and $114.1 million, respectively. Our future success is highly dependent upon our ability to develop complex new products, transfer new products to volume production, introduce them into the marketplace in a timely fashion, and have them selected for design into products of systems manufacturers. Our future success may also depend on assisting our customers with integration of our components into their new products, including providing support from the concept stage through design, launch and production ramp.

Competition

Markets for our products are highly competitive and we expect that competition will continue to increase. Our ability to compete effectively and to expand our business will depend on our ability to continue to recruit key engineering talent, execute on new product developments, partner with customers to include these new products into their applications, and provide cost efficient versions of existing products. We compete with other semiconductor suppliers that offer standard semiconductors, application-specific standard products and fully customized ICs, including embedded software, chip and board-level products.

While no single company competes with us in all of our product lines, we face significant competition in all markets where our products are available. Within Portable Audio, Cirrus Logic is the only IC supplier with the complete end-to-end solution from capture to playback including amplifiers, codecs, DSP and MEMS microphones. We expect to face additional competition from new entrants in our markets, which may include both large domestic and international IC manufacturers and smaller, emerging companies. Our primary competitors include, but are not limited to AAC Technologies, AKM Semiconductor Inc., Analog Devices Inc., Audience, Inc., Austriamicrosystems AG, DSP Group, ESS Technology, Inc., GoerTek Inc., InvenSense, Inc., Knowles Corporation, Maxim Integrated Products Inc., NXP Semiconductors N.V., Qualcomm Incorporated, Realtek Semiconductor Corporation, ST Microelectronics N.V., and Texas Instruments, Inc.

The principal competitive factors in our markets include: time to market; quality of hardware/software design and end-market systems expertise; price; product performance, features, quality and compatibility with standards; access to advanced process and packaging technologies at competitive prices; and sales and technical support, which includes assisting our customers with integration of our components into their new products and providing support from the concept stage through design, launch and production ramp.

Product life cycles may vary greatly by product category. For example, many consumer electronic devices have shorter design-in cycles; therefore, our competitors have increasingly frequent opportunities to achieve design wins in next-generation systems. Conversely, this also provides us frequent opportunities to displace competitors in products that have previously not utilized our design. The industrial and automotive markets typically have longer life cycles, which provide continued revenue streams over longer periods of time.

Backlog

Sales are made primarily pursuant to short-term purchase orders for delivery of products. The quantity actually ordered by the customer, as well as the shipment schedules, are frequently revised, without significant penalty, to reflect changes in the customer s needs. The majority of our backlog is typically requested for delivery within six months. In markets where the end system life cycles are relatively short, customers typically request delivery in six to twelve weeks. We believe a backlog analysis at any given time gives little indication of our future business except on a short-term basis, principally within the next 60 days.

We utilize backlog as an indicator to assist us in production planning. However, backlog is influenced by several factors including market demand, pricing, and customer order patterns in reaction to product lead times. Quantities actually purchased by customers, as well as prices, are subject to variations between booking and delivery because of changes in customer needs or industry conditions. As a result, we believe that our backlog at any given time is an incomplete indicator of future sales.

Employees

As of March 28, 2015, we had 1,104 full-time employees, an increase of 353 employees, or 47 percent, from the end of fiscal year 2014. The increase was primarily due to headcount increases as a result of the Wolfson Microelectronics plc. (Wolfson) acquisition (the Acquisition) in August 2014. Of our full-time employees,

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66 percent were engaged in research and product development activities, 26 percent in sales, marketing, general and administrative activities, and 8 percent in manufacturing-related activities. Our future success depends, in part, on our ability to continue to attract, retain and motivate highly qualified technical, marketing, engineering, and administrative personnel.

We have never had a work stoppage and none of our employees are represented by collective bargaining agreements. We consider our employee relations to be good.

Forward Looking Statements

This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included or incorporated by reference in this Annual Report on Form 10-K, other than statements that are purely historical, are forward-looking statements. In some cases, forward-looking statements are identified by words such as expect, anticipate, target, project, believe, goals, estimates, and intend. Variations of these types of words and similar expre intended to identify these forward-looking statements. Any statements that refer to our plans, expectations, strategies or other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by our forward-looking statements are those discussed in *Item 1A. Risk Factors* and elsewhere in this report, as well as in the documents filed by us with the SEC, specifically the most recent reports on Form 10-Q and 8-K, each as it may be amended from time to time.

We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K, and we undertake no obligation to update this information to reflect events or circumstances after the filing of this report with the SEC, except as required by law. All forward-looking statements, expressed or implied, included in this Annual Report on Form 10-K and attributable to Cirrus Logic are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we may make or persons acting on our behalf may issue. We undertake no obligation to revise or update publicly any forward-looking statement for any reason.

ITEM 1A. ***Risk Factors***

Our business faces significant risks. The risk factors set forth below may not be the only risks that we face and there is a risk that we may have failed to identify all possible risk factors. Additional risks that we are not aware of yet or that currently are not significant may adversely affect our business operations. You should read the following cautionary statements in conjunction with the factors discussed elsewhere in this and other Cirrus Logic filings with the SEC. These cautionary statements are intended to highlight certain factors that may affect the financial condition and results of operations of Cirrus Logic and are not meant to be an exhaustive discussion of risks that apply to companies such as ours.

We depend on a limited number of customers and distributors for a substantial portion of our sales, and the loss of, or a significant reduction in orders from, or pricing on products sold to, any key customer or distributor could significantly reduce our sales and our profitability.

While we generate sales from a broad base of customers worldwide, the loss of any of our key customers, or a significant reduction in sales or selling prices to any key customer, or reductions in selling prices made to retain key customer relationships, would significantly reduce our revenue, margins and earnings and adversely affect our business. For the twelve-month periods ending March 28, 2015 and March 29, 2014, our ten largest end customers represented approximately 87 percent and 88 percent of our sales, respectively. For the twelve-month periods ending March 28, 2015 and March 29, 2014, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 72 percent and 80 percent of the Company s total sales, respectively.

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We may not be able to maintain or increase sales to certain of our key customers for a variety of reasons, including the following:

- most of our customers can stop incorporating our products into their own products with limited notice to us and suffer little or no penalty;
- our agreements with our customers typically do not require them to purchase a minimum quantity of our products;
- many of our customers have pre-existing or concurrent relationships with our current or potential competitors that may affect the customers decisions to purchase our products;
- many of our customers have sufficient resources to internally develop semiconductor components that could replace the products that we currently supply in our customers end products;
- our customers face intense competition from other manufacturers that do not use our products; and
- our customers regularly evaluate alternative sources of supply in order to diversify their supplier base, which increases their negotiating leverage with us and their ability to either obtain or dual source components from other suppliers.

In addition, our dependence on a limited number of key customers may make it easier for them to pressure us on price reductions. We have experienced pricing pressure from certain key customers and we expect that the average selling prices for certain of our products will decline from time to time, potentially reducing our revenue, our margins and our earnings.

Our key customer relationships often require us to develop new products that may involve significant technological challenges. Our customers frequently place considerable pressure on us to meet their tight development schedules. In addition, we may from time to time enter into customer agreements providing for exclusivity periods during which we may only sell specified products or technology to that customer. Accordingly, we may have to devote a substantial amount of resources to strategic relationships, which could detract from or delay our completion of other important development projects or the development of next generation products and technologies.

Our lack of diversification in our revenue and customer base increases the risk of an investment in our company, and our consolidated financial condition, results of operations, and stock price may deteriorate if we fail to diversify.

Although we continue to invest in and investigate opportunities to diversify our revenue and customer base, our sales, marketing, and development efforts have historically been focused on a limited number of customers and opportunities. Larger companies have the ability to manage their risk by product, market, and customer diversification. However, we lack diversification, in terms of both the nature and scope of our business, which increases the risk of an investment in our company. If we cannot diversify our customer and revenue opportunities, our financial condition and results of operations could deteriorate.

We have entered into joint development agreements, custom product arrangements, and strategic relationships with some of our largest customers. These arrangements subject us to a number of risks, and any failure to execute on any of these arrangements could have a material adverse effect on our business, results of operations, and financial condition.

We have entered into joint development, product collaboration and technology licensing arrangements with some of our largest customers, and we expect to enter into new strategic arrangements of these kinds from time to time in the future. Such arrangements can magnify several risks for us, including loss of control over the development and development timeline of jointly developed products, risks associated with the ownership of the intellectual property that is developed pursuant to such arrangements, and increased risk that our joint development activities may result in products that are not commercially successful or that are not available in a timely fashion. In addition, any third party with whom we enter into a joint development, product collaboration or technology licensing arrangement may fail to commit sufficient resources to the project, change its policies or

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priorities or abandon or fail to perform its obligations related to such arrangement. In addition, we may from time to time enter into customer product arrangements that provide for exclusivity periods during which we may only sell specified products or technologies to that particular customer. Any failure to timely develop commercially successful products through our joint development activities as a result of any of these and other challenges could have a material adverse effect on our business, results of operations, and financial condition.

The Wolfson acquisition may not generate the results expected and could be difficult to integrate, divert the attention of key personnel, disrupt our business, dilute stockholder value and impair our financial results.

In August 2014, we concluded the acquisition of Wolfson. There can be no assurance that the Wolfson acquisition will generate the expected returns and other projected results we anticipate. For example, we may not be able to achieve the anticipated synergies of the Acquisition, including expected increases in revenue and cost savings. Wolfson s product lines may have lower margins than our existing business. As a result of these and other risks, if we fail to manage the integration of Wolfson effectively, the business and financial results of Cirrus Logic, Wolfson and the combined company could be adversely affected.

Specifically, the Wolfson acquisition may involve numerous risks, any of which could harm our business, including:

- difficulties in integrating the manufacturing, operations, technologies, products, offices, systems, existing contracts, accounting, personnel and culture and realizing the anticipated synergies of the combined businesses;
- difficulties in supporting and transitioning existing customers;
- diversion of financial and management resources from our existing operations;
- risks associated with entering new markets in which we have limited or no experience, including risks related to technology, customers, competitors, product cycles, customer demand, terms and conditions and other industry specific issues;
- potential loss of key employees; and
- some existing customers, including key customers, of Cirrus Logic and/or Wolfson may have concerns about purchasing products from the combined company if, for example, the combined company is also selling products to their competitors.

We may acquire other companies or technologies, which may create additional risks associated with our ability to successfully integrate them into our business.

We continue to consider future acquisitions of other companies, or their technologies or products, to improve our market position, broaden our technological capabilities, and expand our product offerings. If we are able to acquire companies, products or technologies that would enhance our business, we could experience difficulties in integrating them. Integrating acquired businesses involves a number of risks, including, but not limited to:

- the potential disruption of our ongoing business;
- unexpected costs or incurring unknown liabilities;

- the diversion of management resources from other strategic and operational issues;
- the inability to retain the employees of the acquired businesses;
- difficulties relating to integrating the operations and personnel of the acquired businesses;
- adverse effects on our existing customer relationships or the existing customer relationships of acquired businesses;

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- the potential incompatibility of the acquired business or their business customers;
- adverse effects associated with entering into markets and acquiring technologies in areas in which we have little experience; and
- acquired intangible assets becoming impaired as a result of technological advancements or worse-than-expected performance of the acquired business.

If we are unable to successfully address any of these risks, our business could be harmed.

Our failure to develop and ramp new products into production in a timely manner could harm our operating results.

Our success depends upon our ability to develop new products for new and existing customers, and to introduce these products in a timely and cost-effective manner. New product introductions involve significant investment of resources and potential risks. Delays in new product introductions or less-than-anticipated market acceptance of our new products are possible and would have an adverse effect on our sales and earnings. The development of new products is highly complex and, from time-to-time, we have experienced delays in developing and introducing these new products. Successful product development and introduction depend on a number of factors including, but not limited to:

- proper new product definition;
- timely completion of design and testing of new products;
- assisting our customers with integration of our components into their new products, including providing support from the concept stage through design, launch and production ramp;
- successfully developing and implementing the software necessary to integrate our products into our customers products;
- achievement of acceptable manufacturing yields;
- availability of wafer fabrication, assembly, and test capacity; and
- market acceptance of our products and the products of our customers.

Both sales and/or margins may be materially affected if new product introductions are delayed, or if our products are not designed into successive generations of new or existing customers products. Our failure to develop and introduce new products successfully could harm our business and operating results.

In addition, difficulties associated with adapting our technology and product design to the proprietary process technology and design rules of outside foundries can lead to reduced yields of our products. Since low yields may result from either design or process technology failures, yield problems may not be effectively determined or resolved until an actual product exists that can be analyzed and tested to identify process sensitivities relating to the design rules that are used. As a result, yield problems may not be identified until well into the production process, and resolution of yield problems may require cooperation between our manufacturer and us. This risk could be compounded by the offshore location of certain of our manufacturers, increasing the effort and time required to identify, communicate and resolve manufacturing yield problems. Manufacturing defects that we do not discover during the manufacturing or testing process may lead to costly product recalls. These risks may lead to increased costs or delayed product delivery, which would harm our profitability and customer relationships.

We are subject to risks relating to product concentration.

We derive a substantial portion of our revenues from a limited number of products, and we expect these products to represent a large percentage of our revenues in the near term. Customer acceptance of these products is critical to our future success. Our business, operating results, financial condition and cash flows could therefore be adversely affected by:

- a decline in demand for any of our more significant products;

- a decline in the average selling prices of our more significant products;

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- failure of our products to achieve continued market acceptance;
- competitive products;
- new technological standards or changes to existing standards that we are unable to address with our products;
- manufacturing or supply issues that prevent us from meeting our customers demand for these products;
- a failure to release new products or enhanced versions of our existing products on a timely basis; and
- the failure of our new products to achieve market acceptance.

In general, our customers may cancel or reschedule orders on short notice without incurring significant penalties; therefore, our sales and operating results in any quarter are difficult to forecast.

In general, we rely on customers issuing purchase orders to buy our products rather than long-term supply contracts. Customers may cancel or reschedule orders on short notice without incurring significant penalties. Therefore, cancellations, reductions, or delays of orders from any significant customer could have a material adverse effect on our business, financial condition, and results of operations.

In addition, a significant portion of our sales and earnings in any quarter depends upon customer orders for our products that we receive and fulfill in that quarter. Because our expense levels are based in part on our expectations as to future revenue and to a large extent are fixed in the short term, we likely will be unable to adjust spending on a timely basis to compensate for any unexpected shortfall in sales or reductions in average selling prices. Accordingly, any significant shortfall of sales in relation to our expectations could hurt our operating results.

Our debt obligations may be a burden on our future cash flows and cash resources.

On August 29, 2014, we entered into a credit agreement (the Credit Agreement), which provides for a $250 million senior secured revolving credit facility. As of March 28, 2015, the Company had an outstanding balance of $180.4 million under the facility. The credit facility matures on August 29, 2017. Our ability to repay the principal of, to pay interest on or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive, regulatory and other factors, some of which are beyond our control. Our business may not generate cash flow from operations in the future sufficient to satisfy our obligations or to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance the indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on the Credit Agreement.

Our Credit Agreement contains restrictions that limit our flexibility in operating our business.

Our Credit Agreement contains various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- incur additional indebtedness or issue certain preferred shares;

- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

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A breach of any of these covenants could result in a default under Credit Agreement. In the event of a default under the Credit Agreement, the lenders could elect to declare all amounts outstanding to be immediately due and payable. If our lenders accelerate the repayment of borrowings, we may not have sufficient assets to repay our debt obligations. If we were unable to repay amounts due to the lenders under our credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness.

Our sales could be materially impacted by the failure of other component suppliers to deliver required parts needed in the final assembly of our customers end products.

The products we supply our customers are typically a portion of the many components provided from multiple suppliers in order to complete the final assembly of an end product. If one or more of these other component suppliers are unable to deliver their required component(s) in order for the final end product to be assembled, our customers may delay, or ultimately cancel, their orders from us.

Strong competition in the semiconductor market may harm our business.

The IC industry is intensely competitive and is frequently characterized by rapid technological change, price erosion, technological obsolescence, and a push towards IC component integration. Because of shortened product life cycles and even shorter design-in cycles in a number of the markets that we serve, our competitors have increasingly frequent opportunities to achieve design wins in next-generation systems. In the event that competitors succeed in supplanting our products, our market share may not be sustainable and our net sales, gross margin and operating results would be adversely affected.

We compete in a number of markets. Our principal competitors in these markets include AAC Technologies, AKM Semiconductor Inc., Analog Devices Inc., Audience, Inc., Austriamicrosystems AG, DSP Group, ESS Technology, Inc., GoerTek Inc., InvenSense, Inc., Knowles Corporation, Maxim Integrated Products Inc., NXP Semiconductors N.V., Qualcomm Incorporated, Realtek Semiconductor Corporation, ST Microelectronics N.V., and Texas Instruments, Inc. Many of these competitors have greater financial, engineering, manufacturing, marketing, technical, distribution, and other resources; broader product lines; broader intellectual property portfolios; and longer relationships with customers. We also expect intensified competition from emerging companies and from customers who develop their own IC products. In addition, some of our current and future competitors maintain their own fabrication facilities, which could benefit them in connection with cost, capacity, and technical issues.

Increased competition could adversely affect our business. We cannot provide assurances that we will be able to compete successfully in the future or that competitive pressures will not adversely affect our financial condition and results of operations. Competitive pressures could reduce market acceptance of our products and result in price reductions and increases in expenses that could adversely affect our business and our financial condition. In particular, we have seen increased pricing pressures in the portable audio market, which will likely impact revenues and gross margins in the future.

We frequently develop our products for the specific system architecture of our customers end products. If our customers were to change system architectures or incorporate some of the features of our products into other parts of the system, we risk the potential loss of revenue and reduced average selling prices.

Our customers, particularly in the portable audio market, could potentially transition to different audio architectures, develop their own competing technologies and integrated circuits, or integrate the functionality that our integrated circuits and software have historically provided into other components in their audio systems. If our customers were to transition to these different system architectures, our results could be adversely affected by the elimination of the need for our current technology and products, resulting in reduced average selling prices for our components and loss of revenue.

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We have recently increased our investment in our MEMS microphone business. We have limited experience in this market, which leads to a number of risks, including risks related to technology, customers, competition, and other industry specific issues. We may not be successful in this market, which could result in reduced overall operating margins.

We are currently increasing our investment in our recently acquired MEMS microphone business. This is a competitive market with historically lower gross margins than our existing businesses. Our investment in new markets in which we have limited or no experience increases risks related to technology, customers, competitors, and other industry specific issues. Further, there can be no assurance that we will generate the expected returns and other projected results we anticipate. For example, we may incur costs in excess of what we anticipate and the product line may generate lower gross margins than our existing businesses, which may reduce our overall operating margins.

We may be unable to protect our intellectual property rights.

Our success depends in part on our ability to obtain patents and to preserve our other intellectual property rights covering our products. We seek patent protection for those inventions and technologies for which we believe such protection is suitable and is likely to provide a competitive advantage to us. We also rely on trade secrets, proprietary technology, non-disclosure and other contractual terms, and technical measures to protect our technology and manufacturing knowledge. We work actively to foster continuing technological innovation to maintain and protect our competitive position. We cannot provide assurances that steps taken by us to protect our intellectual property will be adequate, that our competitors will not independently develop or design around our patents, or that our intellectual property will not be misappropriated. In addition, the laws of some non-U.S. countries may not protect our intellectual property as well as the laws of the United States.

Any of these events could materially and adversely affect our business, operating results, or financial condition. Policing infringement of our technology is difficult, and litigation may be necessary in the future to enforce our intellectual property rights. Any such litigation could be expensive, take significant time, and divert management s attention from other business concerns.

We are dependent on third-party manufacturing and supply relationships for the majority of our products. Our reliance on third-party foundries and suppliers involves certain risks that may result in increased costs, delays in meeting our customers demand, and loss of revenue.

We do not own or operate a semiconductor fabrication facility and do not have the resources to manufacture the majority of our products internally. We use third parties to manufacture, assemble, package and test the vast majority of our products. As a result, we are subject to risks associated with these third parties, including:

- insufficient capacity available to meet our demand;
- inadequate manufacturing yields and excessive costs;
- inability of these third parties to obtain an adequate supply of raw materials;
- difficulties selecting and integrating new subcontractors;
- limited warranties on products supplied to us;
- potential increases in prices; and
- increased exposure to potential misappropriation of our intellectual property.

Our outside foundries and assembly and test suppliers generally manufacture our products on a purchase order basis, and we have few long-term supply arrangements with these suppliers. Therefore, our third-party manufacturers and suppliers are not obligated to supply us with products for any specific period of time, quantity, or price, except as may be provided in any particular purchase order or in relation to an existing supply agreement. A manufacturing or supply disruption experienced by one or more of our outside suppliers or a disruption of our relationship with an outside foundry could negatively impact the production of certain of our products for a substantial period of time.

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In addition, difficulties associated with adapting our technology and product design to the proprietary process technology and design rules of outside foundries can lead to reduced yields of our products. Since low yields may result from either design or process technology failures, yield problems may not be effectively determined or resolved until an actual product exists that can be analyzed and tested to identify process sensitivities relating to the design rules that are used. As a result, yield problems may not be identified until well into the production process, and resolution of yield problems may require cooperation between our manufacturer and us. This risk could be compounded by the offshore location of certain of our manufacturers, increasing the effort and time required to identify, communicate and resolve manufacturing yield problems. Manufacturing defects that we do not discover during the manufacturing or testing process may lead to costly product recalls. These risks may lead to increased costs or delayed product delivery, which would harm our profitability and customer relationships.

In some cases, our requirements may represent a small portion of the total production of the third-party suppliers. As a result, we are subject to the risk that a producer will cease production of an older or lower-volume process that it uses to produce our parts. We cannot provide any assurance that our external foundries will continue to devote resources to the production of parts for our products or continue to advance the process design technologies on which the manufacturing of our products are based. Each of these events could increase our costs, lower our gross margin, and cause us to hold more inventories, or materially impact our ability to deliver our products on time.

Our products are complex and could contain defects, which could result in material costs to us.

Product development in the markets we serve is becoming more focused on the integration of multiple functions on individual devices. There is a general trend towards increasingly complex products. The greater integration of functions and complexity of operations of our products increases the risk that we or our customers or end users could discover latent defects or subtle faults after volumes of product have been shipped. This could result in material costs and other adverse consequences to us, including, but not limited to:

- reduced margins;
- damage to our reputation;
- a material recall and replacement costs for product warranty and support;
- payments to our customers related to recall claims as a result of various industry or business practices, contractual requirements, or in order to maintain good customer relationships;
- an adverse impact to our customer relationships by the occurrence of significant defects;
- a delay in recognition or loss of revenues, loss of market share, or failure to achieve market acceptance; and
- a diversion of the attention of our engineering personnel from our product development efforts.

In addition, any defects or other problems with our products could result in financial losses or other damages to our customers who could seek damages from us for their losses. A product liability or warranty claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend. In particular, the sale of systems and components that are incorporated into certain applications for the automotive industry involves a high degree of risk that such claims may be made.

Due to the complex nature of our products, quality and reliability issues may arise after significant volumes of a product have shipped. This could result in damage to our reputation as a high quality supplier; a material recall or significant product warranty costs; a delay in recognition of revenue; loss of customers and market share; lower manufacturing yields; or a diversion of our engineering personnel from our product development efforts.

While we believe that we are reasonably insured against some of these risks and that we have attempted to contractually limit our financial exposure with many of our customers, a warranty or product liability claim against us in excess of our available insurance coverage and established reserves, or a requirement that we participate in a customer product recall, could have material adverse effects on our business, results of operations, and financial condition.

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Because we depend on subcontractors internationally to perform key manufacturing functions for us, we are subject to political, economic, and natural disaster risks that could disrupt the fabrication, assembly, packaging, or testing of our products.

We depend on third-party subcontractors, primarily in Asia, for the fabrication, assembly, packaging, and testing of most of our products. International operations may be subject to a variety of risks, including political instability, global health conditions, currency controls, exchange rate fluctuations, changes in import/export regulations, tariff and freight rates, as well as the risks of natural disasters such as earthquakes, tsunamis, and floods. Although we seek to reduce our dependence on any one subcontractor, this concentration of subcontractors and manufacturing operations in Asia subjects us to the risks of conducting business internationally, including associated political and economic conditions. If we experience manufacturing problems at a particular location, or a supplier is unable to continue operating due to financial difficulties, natural disasters, or other reasons, we would be required to transfer manufacturing to a backup supplier. Converting or transferring manufacturing from a primary supplier to a backup facility could be expensive and time consuming. As a result, delays in our production or shipping by the parties to whom we outsource these functions could reduce our sales, damage our customer relationships, and damage our reputation in the marketplace, any of which could harm our business, results of operations, and financial condition.

Our products may be subject to average selling prices that decline over time. If we are unable to maintain average selling prices for existing products, increase our volumes, introduce new or enhanced products with higher selling prices, or reduce our costs, our business and operating results could be harmed.

Historically in the semiconductor industry, average selling prices of products have decreased over time. Moreover, our dependence on a limited number of key customers may make it easier for key customers to pressure us to reduce the prices of the products we sell to them. If the average selling price of any of our products declines and we are unable to increase our unit volumes, introduce new or enhanced products with higher margins, and/or reduce manufacturing costs to offset anticipated decreases in the prices of our existing products, our operating results may be adversely affected. In addition, because of procurement lead times, we are limited in our ability to reduce total costs quickly in response to any reductions in prices or sales shortfalls. Because of these factors, we may experience material adverse fluctuations in our future operating results on a quarterly or annual basis.

Costs related to product defects and errata may harm our results of operations and business.

Costs associated with unexpected product defects and errata (deviations from published specifications) due to, for example, unanticipated problems in our design and manufacturing processes, could include:

- writing off or reserving the value of inventory of such products;
- disposing of products that cannot be fixed;
- recalling such products that have been shipped to customers;
- providing product replacements for, or modifications to, such products; and
- defending against litigation related to such products.

These costs could be substantial and may increase our expenses and lower our margins and profitability. In addition, our reputation with our customers or users of our products could be damaged as a result of such product defects and errata, and the demand for our products could be reduced. The announcement of product defects and/or errata could cause customers to purchase products from our competitors as a result of anticipated shortages of our components or for other reasons. These factors could harm our financial results and the prospects for our business.

As we carry only limited insurance coverage, any incurred liability resulting from uncovered claims could adversely affect our financial condition and results of operations.

Our insurance policies may not be adequate to fully offset losses from covered incidents, and we do not have coverage for certain losses. For example, there is limited coverage available with respect to the services

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provided by our third party foundries and assembly and test subcontractors. Although we believe that our existing insurance coverage is consistent with common practices of companies in our industry, our insurance coverage may be inadequate to protect us against product recalls, natural disasters, and other unforeseen catastrophes that could adversely affect our financial condition and results of operations.

Shifts in industry-wide capacity and our practice of ordering and purchasing our products based on sales forecasts may result in significant fluctuations in inventory and our quarterly and annual operating results.

We rely on independent foundries and assembly and test houses to manufacture our products. Our reliance on these third party suppliers involves certain risks and uncertainties. For example, shifts in industry-wide capacity from shortages to oversupply, or from oversupply to shortages, may result in significant fluctuations in our quarterly and annual operating results. In addition, we may order wafers and build inventory in advance of receiving purchase orders from our customers. Because our industry is highly cyclical and is subject to significant downturns resulting from excess capacity, overproduction, reduced demand, order cancellations, or technological obsolescence, there is a risk that we will forecast inaccurately and produce excess inventories of particular products. In addition, if we experience supply constraints or manufacturing problems at a particular supplier, we could be required to switch suppliers or qualify additional suppliers. Switching and/or qualifying additional suppliers could be an expensive process and take as long as six to twelve months to complete, which could result in material adverse fluctuations to our operating results.

We generally order our products through non-cancelable purchase orders from third-party foundries based on our sales forecasts, and our customers can generally cancel or reschedule orders they place with us without significant penalties. If we do not receive orders as anticipated by our forecasts, or our customers cancel orders that are placed, we may experience increased inventory levels.

Due to the product manufacturing cycle characteristic of IC manufacturing and the inherent imprecision in the accuracy of our customers forecasts, product inventories may not always correspond to product demand, leading to shortages or surpluses of certain products. As a result of such inventory imbalances, future inventory write-downs and charges to gross margin may occur due to lower of cost or market accounting, excess inventory, and inventory obsolescence.

We may experience difficulties transitioning to advanced manufacturing process technologies, which could materially adversely affect our results.

Our future success depends in part on our ability to transition our current development and production efforts to advanced manufacturing process technologies on circuit geometries of 55 nano-meter and smaller. To the extent that we do not timely transition to smaller geometries, experience difficulties in shifting to smaller geometries, or have significant quality or reliability issues at these smaller geometries, our results could be materially adversely affected.

We have historically experienced fluctuations in our operating results and expect these fluctuations to continue in future periods.

Our quarterly and annual operating results are affected by a wide variety of factors that could materially and adversely affect our net sales, gross margin, and operating results. If our operating results fall below expectations of market analysts or investors, the market price of our common stock could decrease significantly. We are subject to business cycles and it is difficult to predict the timing, length, or volatility of these cycles. These business cycles may create pressure on our sales, gross margin, and/or operating results.

Factors that could cause fluctuations and materially and adversely affect our net sales, gross margin and/or operating results include, but are not limited to:

- the volume and timing of orders received;
- changes in the mix of our products sold;
- market acceptance of our products and the products of our customers;

- excess or obsolete inventory;

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- pricing pressures from competitors and key customers;
- our ability to introduce new products on a timely basis;
- the timing and extent of our research and development expenses;
- the failure to anticipate changing customer product requirements;
- disruption in the supply of wafers, assembly, or test services;
- reduction of manufacturing yields;
- certain production and other risks associated with using independent manufacturers, assembly houses, and testers;
- increases in our effective tax rate; and
- product obsolescence, price erosion, competitive developments, and other competitive factors.

We have significant international sales, and risks associated with these sales could harm our operating results.

International sales represented 95 percent of our net sales in fiscal year 2015, and 94 percent of our net sales in each of fiscal years 2014 and 2013. We expect international sales to continue to represent a significant portion of product sales. This reliance on international sales subjects us to the risks of conducting business internationally, including risks associated with political and economic instability, global health conditions, currency controls, exchange rate fluctuations and changes in import/export regulations, tariff and freight rates, as well as the risks of natural disaster, especially in Asia. For example, the political or economic instability in a given region may have an adverse impact on the financial position of end users in the region, which could affect future orders and harm our results of operations. Our international sales operations involve a number of other risks including, but not limited to:

- unexpected changes in government regulatory requirements;
- tax regulations and treaties and potential changes in regulations and treaties in the United States and in and between countries in which we manufacture or sell our products;
- fluctuations in tax expense and net income due to differing statutory tax rates in various domestic and international jurisdictions;
- changes to countries banking and credit requirements;
- changes in diplomatic and trade relationships;

- delays resulting from difficulty in obtaining export licenses for technology;
- tariffs and other barriers and restrictions;
- competition with non-U.S. companies or other domestic companies entering the non-U.S. markets in which we operate;
- longer sales and payment cycles;
- problems in collecting accounts receivable; and
- the burdens of complying with a variety of non-U.S. laws.

In addition, our competitive position may be affected by the exchange rate of the U.S. dollar against other currencies. Consequently, increases in the value of the dollar would increase the price in local currencies of our products in non-U.S. markets and make our products relatively more expensive. Alternatively, decreases in the value of the dollar will increase the relative cost of operations that are based overseas. We cannot provide assurances that regulatory, political and other factors will not adversely affect our operations in the future or require us to modify our current business practices.

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Our international operations subject our business to additional political and economic risks that could have an adverse impact on our business.

In addition to international sales constituting a large portion of our net sales, we maintain international operations, sales, and technical support personnel. International expansion has required, and will continue to require, significant management attention and resources. There are risks inherent in expanding our presence into non-U.S. regions, including, but not limited to:

- difficulties in staffing and managing non-U.S. operations;
- failure of non-U.S. laws to adequately protect our U.S. intellectual property, patent, trademarks, copyrights, know-how, and other proprietary rights;
- global health conditions and potential natural disasters;
- political and economic instability in international regions;
- international currency controls and exchange rate fluctuations;
- vulnerability to terrorist groups targeting American interests abroad; and
- legal uncertainty regarding liability and compliance with non-U.S. laws and regulatory requirements.

If we are unable to successfully manage the demands of our international operations, it may have a material adverse effect on our business, financial condition, or results of operations.

We may be adversely impacted by global economic conditions. As a result, our financial results and the market price of our common shares may decline.

Global economic conditions could make it difficult for our customers, our suppliers, and us to accurately forecast and plan future business activities, and could cause global businesses to defer or reduce spending on our products, or increase the costs of manufacturing our products. During challenging economic times our customers and distributors may face issues gaining timely access to sufficient credit, which could impact their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for doubtful accounts and our days sales outstanding would increase.

We cannot predict the timing, strength, or duration of any economic slowdown or subsequent economic recovery. If the economy or markets in which we operate were to deteriorate, our business, financial condition, and results of operations will likely be materially and/or adversely affected.

Our foreign currency exposures may change over time as the level of activity in foreign markets grows and could have an adverse impact upon financial results.

As a global enterprise, we face exposure to adverse movements in foreign currency exchange rates. Certain of our assets, including certain bank accounts, exist in non-U.S. dollar-denominated currencies, which are sensitive to foreign currency exchange rate fluctuations. The non-U.S. dollar-denominated currencies are principally in British Pound Sterling. We also have a significant number of employees that are paid in foreign currency, the largest group being United Kingdom-based employees who are paid in British Pound Sterling.

If the value of the U.S. dollar weakens relative to these specific currencies, the cost of doing business in terms of U.S. dollars rises. With the growth of our international business, our foreign currency exposures may grow and under certain circumstances, could harm our business.

We do not currently hedge currency exposures relating to operating expenses incurred outside of the United States, but we may do so in the future. If we do not hedge against these risks, or our attempts to hedge against these risks are not successful, our financial condition and results of operations could be adversely affected.

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After the acquisition of Wolfson, we began restructuring our corporate organization to more closely align with the international nature of our business activities. In addition to the primary operational benefits, we expect to achieve certain ancillary tax benefits as a result of our corporate restructuring. However, if we do not achieve those benefits, our financial condition and operating results could be adversely affected.

After the acquisition and subsequent integration of Wolfson, we began restructuring our corporate organization to more closely align our corporate structure with the international nature of our business activities. We expect this corporate restructuring activity to provide certain operational benefits and to also reduce our overall effective tax rate through changes in how we develop and use our intellectual property and changes in the structure of our international procurement and sales operations. There can be no assurance that the taxing authorities of the jurisdictions in which we operate or to which we are otherwise deemed to have sufficient tax nexus will not challenge the tax benefits that we expect to realize as a result of the restructuring. In addition, future changes to U.S. or non-U.S. tax laws could negatively impact the anticipated tax benefits of the proposed restructuring. Any benefits to our tax rate will also depend on our ability to operate our business in a manner consistent with the restructuring of our corporate organization and applicable taxing provisions. If the intended tax treatment is not accepted by the applicable taxing authorities, changes in tax law negatively impact the proposed structure or we do not operate our business consistent with the restructuring and applicable tax provisions, we may fail to achieve the financial efficiencies that we anticipate as a result of the restructuring and our future operating results and financial condition may be negatively impacted.

We could be subject to changes in tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities.

We are subject to taxes in the U.S. and numerous foreign jurisdictions, including the United Kingdom, where a number of our subsidiaries are organized. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation, including in the U.S. and the United Kingdom. We are also subject to the examination of our tax returns and other tax matters by the Internal Revenue Service of the United States (IRS) and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, particularly in the U.S. or the United Kingdom, or if the ultimate determination of taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows, and financial condition could be adversely affected.

Significant judgment is required in the calculation of our tax provision and the resulting tax liabilities. Our estimates of future taxable income and the regional mix of this income can change as new information becomes available. Any such changes in our estimates or assumptions can significantly impact our tax provision in a given period. In addition, failure to comply with complex tax accounting regulations could result in a restatement our financial statements. Restatements are generally costly and could adversely impact our results of operations or have a negative impact on the trading price of our common stock.

We hold cash and cash equivalents at various foreign subsidiaries that may not be readily available to meet domestic cash requirements.

Although we currently hold the substantial majority of our cash and cash equivalents in the United States, we expect our various foreign subsidiaries, in particular subsidiaries in the United Kingdom, to increase holdings in cash and cash equivalents over time. Any cash balances held outside the United States may not be readily available, or may not be available without an additional tax burden, to meet our domestic cash requirements. We require a substantial amount of cash in the United States for operating requirements, purchases of property and equipment, debt service, and potentially for future acquisitions. If we are unable to meet our domestic cash requirements using domestic cash flows from operations, domestic cash and cash equivalents, by settling loans receivable with our foreign subsidiaries, or by domestic borrowing, it may be necessary for us to consider repatriation of earnings that we have designated as permanently reinvested. This may require us to record additional income tax expense and remit additional taxes, which could have a material effect on our results of operations, cash flows and financial condition.

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Our results may be affected by the fluctuation in sales in the consumer entertainment and smartphone markets.

Because we sell products primarily in the consumer entertainment and smartphone markets, we are likely to be affected by seasonality in the sales of our products and the cyclical nature of these markets. Further, a decline in consumer confidence and consumer spending relating to economic conditions, terrorist attacks, armed conflicts, oil prices, global health conditions, natural disasters, and/or the political stability of countries that we operate in or sell into could have a material adverse effect on our business.

Potential intellectual property claims and litigation could subject us to significant liability for damages and could invalidate our proprietary rights.

The IC industry is characterized by frequent litigation regarding patent and other intellectual property rights. We may find it necessary to initiate a lawsuit to assert our patent or other intellectual property rights. These legal proceedings could be expensive, take significant time, and divert management s attention from other business concerns. We cannot provide assurances that we will ultimately be successful in any lawsuit, nor can we provide assurances that any patent owned by us will not be invalidated, circumvented, or challenged. We cannot provide assurances that rights granted under our patents will provide competitive advantages to us, or that any of our pending or future patent applications will be issued with the scope of the claims sought by us, if at all.

As is typical in the IC industry, our customers and we have, from time to time, received and may in the future receive, communications from third parties asserting patents, mask work rights, or copyrights. In the event third parties were to make a valid intellectual property claim and a license was not available on commercially reasonable terms, our operating results could be harmed. Litigation, which could result in substantial cost to us and diversion of our management, technical and financial resources, may also be necessary to defend us against claimed infringement of the rights of others. An unfavorable outcome in any such suit could have an adverse effect on our future operations and/or liquidity.

System security risks, data protection breaches, cyber-attacks and other related cyber security issues could disrupt our internal operations, and any such disruption could increase our expenses, damage our reputation and adversely affect our stock price.

Experienced computer programmers and hackers may be able to penetrate our security controls and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our websites, products or otherwise exploit any security vulnerabilities of our websites and products. The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions.

We manage and store various proprietary information and sensitive or confidential data relating to our business. In addition, we manage and store a significant amount of proprietary and sensitive confidential information from our customers. Any breach of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers, including the potential loss or disclosure of such information or data as a result of fraud, trickery or other forms of deception, could result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business.

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If we fail to attract, hire and retain qualified personnel, we may not be able to develop, market, or sell our products or successfully manage our business.

Competition for highly qualified personnel in our industry is intense. The number of technology companies in the geographic areas in which we operate is greater than it has been historically and we expect competition for qualified personnel to intensify. There are only a limited number of individuals in the job market with the requisite skills. Our Human Resources organization focuses significant efforts on attracting and retaining individuals in key technology positions. The loss of the services of key personnel or our inability to hire new personnel with the requisite skills could restrict our ability to develop new products or enhance existing products in a timely manner, sell products to our customers, or manage our business effectively.

If we fail to effectively manage our hiring needs and successfully assimilate new talent, our ability to meet development schedules, productivity, employee morale and retention could be impacted, resulting in an adverse effect on our business and operating results.

We continue to experience rapid growth in hiring new employees. As we continue to grow, we must effectively integrate, develop and motivate a large number of new employees, while at the same time not losing key personnel. While managing those risks, we still must sustain the beneficial aspects of our award-winning corporate culture, which we believe fosters innovation, teamwork and mitigates voluntary turnover.

We intend to make substantial investments to expand our engineering, research and development organizations. The challenges of integrating a rapidly growing employee base into our corporate culture are exacerbated by the tight product development schedules for our key customers. Therefore, if we fail to effectively manage our hiring needs and successfully assimilate new talent, our ability to meet development schedules, productivity, employee morale and retention could be impacted, resulting in an adverse effect on our business and operating results.

We are subject to the export control regulations of the U.S. Department of State and the Department of Commerce. A violation of these export control regulations could have a material adverse effect on our business or our results of operations, cash flows, or financial position.

The nature of our international business subjects us to the export control regulations of the U.S. Department of State and the Department of Commerce. If these export control regulations are violated, it could result in monetary penalties and denial of export privileges. The U.S. government is very strict with respect to compliance and has served notice generally that failure to comply with these regulations may subject violators to fines and/or imprisonment. Although we are not aware of any material violation of any export control regulations, a failure to comply with any of the above mentioned regulations could have a material adverse effect on our business.

Our stock price has been and is likely to continue to be volatile.

The market price of our common stock fluctuates significantly. This fluctuation has been or may be the result of numerous factors, including, but not limited to:

- actual or anticipated fluctuations in our operating results;
- announcements concerning our business or those of our competitors, customers, or suppliers;
- loss of a significant customer, or customers;
- changes in financial estimates by securities analysts or our failure to perform as anticipated by the analysts;
- news, commentary, and rumors emanating from the media relating to our customers, the industry, or us. These reports may be unrelated to the actual operating performance of the Company, and in some cases, may be potentially misleading or incorrect;

- announcements regarding technological innovations or new products by us or our competitors;

- announcements by us of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;

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- announcements by us of significant divestitures or sale of certain assets or intellectual property;
- litigation arising out of a wide variety of matters, including, among others, employment matters and intellectual property matters;
- departure of key personnel;
- single significant stockholders selling for any reason;
- general conditions in the IC industry; and
- general market conditions and interest rates.

We have provisions in our Certificate of Incorporation and Bylaws, and are subject to certain provisions of Delaware law, which could prevent, delay or impede a change of control of our company. These provisions could affect the market price of our stock.

Certain provisions of Delaware law and of our Certificate of Incorporation and Bylaws could make it more difficult for a third party to acquire us, even if our stockholders support the acquisition. These provisions include, but are not limited to:

- the inability of stockholders to call a special meeting of stockholders;
- a prohibition on stockholder action by written consent; and
- a requirement that stockholders provide advance notice of any stockholder nominations of directors or any proposal of new business to be considered at any meeting of stockholders.

We are also subject to the anti-takeover laws of Delaware that may prevent, delay or impede a third party from acquiring or merging with us, which may adversely affect the market price of our common stock.

Our failure to manage our distribution channel relationships could adversely affect our business.

The future of our business, as well as the future growth of our business, will depend in part on our ability to manage our relationships with current and future distributors and external sales representatives and to develop additional channels for the distribution and sale of our products. The inability to successfully manage these relationships could adversely affect our business.

We are subject to the risks of owning real property.

We currently own our U.S. headquarters in Austin, Texas as well as Wolfson s former corporate headquarters in Edinburgh, Scotland, United Kingdom. The ownership of our U.S. and United Kingdom properties subjects us to the risks of owning real property, which may include:

- the possibility of environmental contamination and the costs associated with correcting any environmental problems;
-

adverse changes in the value of these properties, due to interest rate changes, changes in the neighborhood in which the property is located, or other factors; and

- the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the buildings as a result of fire, floods, or other natural disasters.

ITEM 1B. ***Unresolved Staff Comments***

None.

ITEM 2. ***Properties***

As of May 1, 2015, our principal facilities are located in Austin, Texas and Edinburgh, Scotland, United Kingdom. The Company s corporate headquarters, which we own, consists of approximately 155,000 square feet

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of office space and is primarily occupied by research and development personnel and testing equipment. The Company has purchased surrounding properties that consist of approximately 25,000 square feet of space. In addition, our failure analysis and reliability facility occupies approximately 27,000 square feet. We expect to staff these facilities with a mixture of administrative and research and development personnel, and house testing equipment as needed, in these facilities.

Additionally, we have various leased facilities in Austin, Texas, consisting of approximately 88,000 square feet. This includes approximately 59,000 square feet of leased space that houses a mixture of administrative personnel as well as research and development personnel.

Pursuant to the acquisition of Wolfson on August 21, 2014, the former corporate headquarters located in Edinburgh, Scotland, United Kingdom transferred to the Company. This building, which we now own, consists of approximately 50,000 square feet of office space and is primarily occupied by research and development personnel and testing equipment. Additionally as part of the acquisition, the Company acquired leased facilities in Newbury, England, United Kingdom, consisting of approximately 16,000 square feet that houses primarily research and development personnel.

The Company closed operations in Tucson, Arizona during fiscal year 2013, which included 28,000 square feet of leased office space that was primarily occupied by engineering personnel. A portion of this leased facility has been subleased through the term of the existing lease, which extends through May 2015.

Below is a detailed schedule that identifies our principal locations of occupied leased and owned property as of May 1, 2015, with various lease terms through calendar year 2019:

Design Centers	Sales Support Offices International
Austin, Texas	Hong Kong, China
Mesa, Arizona	Shanghai, China
Edinburgh, Scotland, United Kingdom	Shenzhen, China
Newbury, England, United Kingdom	Tokyo, Japan
Melbourne, Australia	Singapore
	Seoul, South Korea
	Taipei, Taiwan

See Note 13 - Commitments and Contingencies of the Notes to Consolidated Financial Statements contained in Item 8 for further detail.

ITEM 3. ***Legal Proceedings***

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made.

On June 4, 2012, U.S. Ethernet Innovations, LLC (the Plaintiff) filed suit against Cirrus Logic and two other defendants in the U.S. District Court, Eastern District of Texas. The Plaintiff alleges that Cirrus Logic infringed four U.S. patents relating to Ethernet technology. In its complaint, the Plaintiff indicated that it is seeking unspecified monetary damages, including up to treble damages for willful infringement. We answered the complaint on June 29, 2012, denying the allegations of infringement and seeking a declaratory judgment that the patents in suit were invalid and not infringed. The parties entered into a settlement agreement on May 30, 2013. In exchange for a full release of claims as it relates to the asserted patent, we paid the Plaintiff $0.7 million. This amount is recorded as a separate line item on the Consolidated Statements of Income under the caption Patent infringement settlements, net.

On June 17, 2014, Enterprise Systems Technologies S.a.r.l. (the Plaintiff) filed suit against Cirrus Logic, Inc. in the U.S. District Court, District of Delaware. The Plaintiff alleged that Cirrus Logic indirectly infringed

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two U.S. patents through the manufacture and sale of digital signal processors, audio codecs, audio processors, and other components included in communications and consumer electronic devices such as smartphones and computers. The Plaintiff sought unspecified monetary damages. On July 23, 2014, the Plaintiff filed an amended complaint removing allegations associated with one of the two patents. On August 25, 2014, the lawsuit was stayed pending resolution of the proceedings in the International Trade Commission (ITC) described below. The suit was concluded on March 6, 2015, when the Plaintiff dismissed with prejudice any claims against Cirrus Logic.

On July 16, 2014, the Plaintiff requested the ITC to investigate the impact of certain products that allegedly infringe the same patent asserted in the District Court of Delaware. The Plaintiff was seeking a limited exclusion order against certain Apple, Inc. products that incorporate the Company s components. The matter was concluded when the ITC terminated its investigation as it related to Cirrus Logic on March 9, 2015, and on March 30, 2015, the ITC made such termination decision final.

ITEM 4. ***Mine Safety Disclosures***

Not applicable.

PART II

ITEM 5. ***Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is traded on the NASDAQ Global Select Market under the symbol CRUS.

As of May 22, 2015, there were approximately 567 holders of record of our common stock.

We have not paid cash dividends on our common stock and currently intend to continue a policy of retaining any earnings for reinvestment in our business.

The information under the caption Equity Compensation Plan Information in the proxy statement to be delivered to stockholders in connection with our Annual Meeting of Stockholders to be held on July 29, 2015 (the Proxy Statement) is incorporated herein by reference.

The following table shows, for the periods indicated, the high and low intra-day sales prices for our common stock.

	High	Low
Fiscal year ended March 28, 2015		
First quarter	$ 24.06	$ 18.42
Second quarter	25.00	21.17
Third quarter	23.94	16.80
Fourth quarter	34.46	22.63
Fiscal year ended March 29, 2014		
First quarter	$ 23.48	$ 16.46
Second quarter	25.27	17.36
Third quarter	25.91	18.55
Fourth quarter	20.87	16.81

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Stock Price Performance Graph

The following graph and table show a comparison of the five-year cumulative total stockholder return, calculated on a dividend reinvestment basis, for Cirrus Logic, the Standard & Poor s 500 Composite Index (the S&P 500 Index), and the Semiconductor Subgroup of the Standard & Poor s Electronics Index (the S&P 500 Semiconductors Index).

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Assumes Initial Investment of $100

March 2015

	3/27/2010	3/26/2011	3/31/2012	3/30/2013	3/29/2014	3/28/2015
Cirrus Logic, Inc.	100.00	268.19	301.65	288.34	247.40	421.93
S&P 500 Index	100.00	114.87	125.86	143.44	173.41	196.35
S&P 500 Semiconductors Index	100.00	111.54	128.31	115.99	149.26	188.92

(1) The graph assumes that $100 was invested in our common stock and in each index at the market close on March 27, 2010, and that all dividends were reinvested. No cash dividends were declared on our common stock during the periods presented.

(2) Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

The information in this Annual Report on Form 10-K appearing under the heading Stock Price Performance Graph is being furnished pursuant to Item 201(e) of Regulation S-K under the Securities Act of 1933, as amended, and shall not be deemed to be soliciting material or filed with the Securities and Exchange Commission or subject to Regulation 14A or 14C, other than as provided in Item 201(e) of Regulation S-K, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended.

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ITEM 6. ***Selected Financial Data***

The information contained below should be read along with Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations and Item 8 Financial Statements and Supplementary Data (amounts in thousands, except per share amounts).

	Fiscal Years				
	2015	2014	2013	2012	2011
	(1)	(1)	(1)		
Net sales	$ 916,568	$ 714,338	$ 809,786	$ 426,843	$ 369,571
Net income	55,178	108,111	136,598	87,983	203,503
Basic earnings per share	$ 0.88	$ 1.72	$ 2.12	$ 1.35	$ 3.00
Diluted earnings per share	$ 0.85	$ 1.65	$ 2.00	$ 1.29	$ 2.82
Financial position at year end:					
Cash, cash equivalents, restricted investments and marketable securities	260,719	384,510	236,547	184,788	215,055
Total assets	$ 1,148,778	$ 724,744	$ 651,347	$ 544,462	$ 496,621
Working capital	275,335	392,810	351,455	278,602	267,416
Long-term liabilities	215,429	4,863	10,094	5,620	6,188
Total stockholders equity	$ 756,771	$ 637,358	$ 548,174	$ 465,857	$ 438,379

1) Refer to the consolidated financial statements and the Notes thereto contained in Item 8 of this Form 10-K for fiscal years 2015, 2014, and 2013, for an expanded discussion of factors that materially affect the comparability of the information reflected in the selected consolidated financial data presented above.

ITEM 7. ***Management s Discussion and Analysis of Financial Condition and Results of Operations***

Please read the following discussion in conjunction with our audited historical consolidated financial statements and notes thereto, which are included elsewhere in this Form 10-K. Management s Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risk, uncertainties and other factors. Actual results could differ materially because of the factors discussed in Part I, Item 1A. Risk Factors of this Form 10-K.

Critical Accounting Policies

Our discussion and analysis of the Company s financial condition and results of operations are based upon the consolidated financial statements included in this report, which have been prepared in accordance with U. S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts. We evaluate the estimates on an on-going basis. We base these estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

We believe the following critical accounting policies involve significant judgments and estimates that are used in the preparation of the consolidated financial statements:

¡ We provide for the recognition of deferred tax assets if realization of such assets is more likely than not. The Company evaluates the ability to realize its deferred tax assets based on all the facts and circumstances, including projections of future taxable income and expiration dates of carryover attributes.

The calculation of our tax liabilities involves assessing uncertainties with respect to the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the Internal

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Revenue Service or other taxing jurisdiction. If our estimates of these taxes are greater or less than actual results, an additional tax benefit or charge will result. See Note 17 Income Taxes of the Notes to Consolidated Financial Statements contained in Item 8 for additional details.

- We recognize revenue when all of the following criteria are met: persuasive evidence that an arrangement exists, delivery of goods has occurred, the sales price is fixed or determinable and collectability is reasonably assured. We evaluate our distributor arrangements, on a distributor by distributor basis, with respect to each of the four criteria above. For a majority of our distributor arrangements, we provide rights of price protection and stock rotation. Revenue is deferred at the time of shipment to our domestic distributors and certain international distributors due to the determination that the ultimate sales price to the distributor is not fixed or determinable. Once the distributor has resold the product, and our final sales price is fixed or determinable, we recognize revenue for the final sales price and record the related costs of sales. For certain of our smaller international distributors, we do not grant price protection rights and provide minimal stock rotation rights. For these distributors, revenue is recognized upon delivery to the distributor, less an allowance for estimated returns, as the revenue recognition criteria have been met upon shipment.

Further, the Company defers the associated cost of goods sold on our Consolidated Balance Sheet, net within the deferred income caption. The Company routinely evaluates the products held by our distributors for impairment to the extent such products may be returned by the distributor within these limited rights and such products would be considered excess or obsolete if included within our own inventory. Products returned by distributors and subsequently scrapped have historically been immaterial to the Company.

- Inventories are recorded at the lower of cost or market, with cost being determined on a first-in, first-out basis. We write down inventories to net realizable value based on forecasted demand, product release schedules, product life cycles, management judgment, and the age of inventory. Actual demand and market conditions may be different from those projected by management, which could have a material effect on our operating results and financial position. See Note 2 Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements contained in Item 8.

- We evaluate the recoverability of property, plant, and equipment and intangible assets by testing for impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amounts. An impairment loss is recognized in the event the carrying value of these assets exceeds the fair value of the applicable assets. Impairment evaluations involve management estimates of asset useful lives and future cash flows. Actual useful lives and cash flows could be different from those estimated by management, which could have a material effect on our operating results and financial position. See Note 6 Goodwill and Intangibles, net of the Notes to Consolidated Financial Statements contained in Item 8.

- The Company evaluates the collectability of accounts receivable. We maintain allowances for doubtful accounts for estimated losses resulting from the inability or failure of our customers to make required payments. We regularly evaluate our allowance for doubtful accounts based upon the age of the receivable, our ongoing customer relations, as well as any disputes with the customer. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required, which could have a material effect on our operating results and financial position. Additionally, we may maintain an allowance for doubtful accounts for estimated losses on receivables from customers with whom we are involved in litigation. See Note 5 Accounts Receivable, net of the Notes to Consolidated Financial Statements contained in Item 8.

- The Company evaluates goodwill and other intangible assets. Goodwill is recorded at the time of an acquisition and is calculated as the difference between the total consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. The Company tests goodwill and other intangible assets for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. Impairment evaluations involve management s assessment of qualitative factors to determine whether it is more likely than not that goodwill and other intangible assets are

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impaired. If management concludes from its assessment of qualitative factors that it is more likely than not that impairment exists, then a quantitative impairment test will be performed involving management estimates of asset useful lives and future cash flows. Significant management judgment is required in the forecasts of future operating results that are used in these evaluations. If our actual results, or the plans and estimates used in future impairment analyses, are lower than the original estimates used to assess the recoverability of these assets, we could incur additional impairment charges in a future period. The Company has recorded no goodwill impairments in fiscal years 2015, 2014 and 2013. There were no material intangible asset impairments in fiscal years 2015, 2014 and 2013.

- Our available-for-sale investments, non-marketable securities and other investments are subject to a periodic impairment review. Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. This determination requires significant judgment and actual results may be materially different than our estimate. Marketable securities are evaluated for impairment if the decline in fair value below cost basis is significant and/or has lasted for an extended period of time. Non-marketable securities or other investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. For investments accounted for using the cost method of accounting, we evaluate information (e.g., budgets, business plans, financial statements) in addition to quoted market prices, if any, in determining whether an other-than-temporary decline in value exists. Factors indicative of an other-than-temporary decline include recurring operating losses, credit defaults, and subsequent rounds of financings at an amount below the cost basis of the investment. This list is not all inclusive and we weigh all quantitative and qualitative factors in determining if an other-than-temporary decline in value of an investment has occurred. When a decline in value is deemed to be other-than-temporary, we recognize an impairment loss in the current period s operating results to the extent of the decline. Actual values could be different from those estimated by management, which could have a material effect on our operating results and financial position. See Note 3 Marketable Securities of the Notes to Consolidated Financial Statements contained in Item 8.

- We are subject to the possibility of loss contingencies for various legal matters. See Note 14 Legal Matters of the Notes to Consolidated Financial Statements contained in Item 8. We regularly evaluate current information available to us to determine whether any accruals should be made based on the status of the case, the results of the discovery process and other factors. If we ultimately determine that an accrual should be made for a legal matter, this accrual could have a material effect on our operating results and financial position and the ultimate outcome may be materially different than our estimate.

Recently Issued Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-15, *Presentation of Financial Statements Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity s Ability to Continue as a Going Concern*. The amendments in this ASU provide guidance in GAAP about management s responsibility to evaluate whether there is substantial doubt about an entity s ability to continue as a going concern and to provide related footnote disclosures. The amendments are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of this ASU and expects no material modifications to its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. The purpose of this ASU is to converge revenue recognition requirements per GAAP and International Financial Reporting Standards (IFRS). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption not permitted by the FASB; however, in April 2015 the FASB issued for public comment a proposal to delay the effective date of this ASU to annual reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact of this ASU on its consolidated financial position, results of operations and cash flows.

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In April 2015, the FASB issued ASU No. 2015-03, *Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. ASU 2015-03 is to be applied retrospectively and represents a change in accounting principle. This ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Earlier adoption is permitted for financial statements that have not been previously issued. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

Overview

Cirrus Logic develops high-precision analog and mixed-signal ICs for a broad range of innovative customers. We track operating results in one reportable segment, but report revenue performance by product line, currently portable audio and non-portable audio and other products. In fiscal year 2015, the Company grew its diverse analog and mixed-signal product portfolio, delivering optimized products for a variety of audio, industrial and energy-related applications. The Company continued to target fast-growing markets and develop innovative products. We acquired Wolfson in the current year, and with it, the Company reported a revenue increase of 28 percent from the prior fiscal year, including a contribution from Wolfson of approximately $98.3 million and an increase in the investment in research and development of $71.7 million, discussed below.

Fiscal Year 2015

Fiscal year 2015 net sales of $ 916.6 million represented a 28 percent increase over fiscal year 2014 net sales of $714.3 million. Portable audio product line sales of $740.3 million in fiscal year 2015 represented a 32 percent increase over fiscal year 2014 sales of $562.7 million, attributable primarily to Wolfson contributions and significant increases in the sales of certain portable audio products for the period. Non-portable audio and other product line sales of $176.3 million represented a 16 percent increase from fiscal year 2014 sales of $151.6 million, which was primarily attributable to Wolfson contributions for the current fiscal year, as well as increases in certain computer and DAC products.

Overall, gross margin for fiscal year 2015 was 46 percent. The decrease in gross margin for fiscal year 2015 was primarily due to the increase in inventory write-downs compared to fiscal year 2014, which had a 1.5% negative impact on fiscal year 2015 margin. Additionally, gross margin was negatively affected by approximately 1% due to the fair value adjustments made to inventory in the current year as a result of the Acquisition. The Company s number of employees increased to 1,104 as of March 28, 2015. The Company achieved net income of $55.2 million in fiscal year 2015, which included an income tax provision in the amount of $36.4 million.

Fiscal Year 2014

Fiscal year 2014 was a year focused on developing innovative new products, strengthening existing customer relationships and establishing new relationships with key players in the markets we serve. With the addition of the embedded SoundClear® technology and existing hardware, the Company leveraged its engineering expertise to develop custom and general market audio subsystems that intelligently solve system design issues. Also in fiscal year 2014, we expanded our footprint in portable audio with the addition of several new top tier smartphone customers, while reducing investment in LED lighting.

Fiscal year 2014 net sales of $714.3 million represented a 12 percent decrease over fiscal year 2013 net sales of $809.8 million. Portable audio product line sales of $562.7 million in fiscal year 2014 represented a 14 percent decrease over fiscal year 2013 sales of $652.0 million, attributable to lower sales of portable audio products due to reduced average selling prices (ASPs) to certain customers. Non-portable audio and other product line sales of $151.6 million in fiscal year 2014 represented a 4 percent decrease from fiscal year 2013 sales of $157.8 million, which was attributable, primarily to the absence of revenue related to the products associated with our Tucson office asset sale.

Overall, gross margin for fiscal year 2014 was 50 percent. The increase in gross margin for fiscal year 2014 was primarily due to the absence of the significant inventory write-down, including scrapped inventory,

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experienced in the prior fiscal year, which had a 3.1% negative impact on fiscal year 2013 margin. The Company achieved net income of $108.1 million in fiscal year 2014, which included an income tax provision in the amount of $47.6 million. Additionally, the Company s number of employees increased to 751 as of March 29, 2014.

Fiscal Year 2013

Fiscal year 2013 was a year focused on ramping new custom products and introducing general market portable audio and non-portable audio and other products that we expected to drive revenue growth and customer diversification longer-term. The Company targeted tier-one customers in growing markets who were able to differentiate their products with our innovative technology, highlighted by the fact that our top ten end customer concentration had increased to 89 percent of sales in fiscal year 2013, from 74 percent in fiscal year 2012.

Fiscal year 2013 net sales of $809.8 million represented a 90 percent increase over fiscal year 2012 net sales of $426.8 million. Portable audio product line sales of $652.0 million in fiscal year 2013 represented a 161 percent increase over fiscal year 2012 sales of $249.7 million, attributable primarily to higher sales of custom portable audio products. Non-portable audio and other product line sales of $157.8 million in fiscal year 2013 represented an 11 percent decrease from fiscal year 2012 sales of $177.1 million, which was attributable, primarily to the absence of revenue related to the products associated with our Tucson office asset sale, coupled with decreased sales from our power meter components. Additionally, the restructuring discussed in Note 10 Restructuring Costs of the consolidated financial statements contributed to this decrease.

In fiscal year 2013, we experienced substantial growth in our revenue and operating profit, significantly expanded our footprint in portable audio, and continued our investments in new LED lighting products.

Overall, gross margin for fiscal year 2013 was 49 percent. Decreases in gross margin for fiscal year 2013 were primarily due to inventory write-downs, including scrapped inventory, and unfavorable product mix. The Company achieved net income of $136.6 million in fiscal year 2013, which included an income tax provision in the amount of $64.6 million. Additionally, the Company s number of employees decreased slightly to 652 in fiscal year 2013, due to the restructuring discussed in Note 10, partially offset by an increase in new hires.

Results of Operations

The following table summarizes the results of our operations for each of the past three fiscal years as a percentage of net sales. All percentage amounts were calculated using the underlying data, in thousands:

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Net sales	100%	100%	100%
Gross margin	46%	50%	49%
Research and development	21%	18%	14%
Selling, general and administrative	11%	10%	10%
Acquisition related costs	2%	0%	0%
Restructuring and other	0%	0%	0%
Patent infringement settlements, net	0%	0%	0%
Income from operations	12%	22%	25%
Interest income	0%	0%	0%
Interest expense	-1%	0%	0%
Other expense	-1%	0%	0%
Income before income taxes	10%	22%	25%
Provision for income taxes	4%	7%	8%
Net income	6%	15%	17%

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Net Sales

We report sales in two product categories: portable audio products and non-portable audio and other products. Our sales by product line are as follows (in thousands):

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Portable Audio Products	$ 740,301	$ 562,718	$ 651,974
Non-Portable Audio and Other Products	176,267	151,620	157,812
	$ 916,568	$ 714,338	$ 809,786

Net sales for fiscal year 2015 increased 28 percent, to $916.6 million from $714.3 million in fiscal year 2014. The increase in net sales reflects a $177.6 million increase in portable audio product sales and a $24.7 million increase in non-portable audio and other product sales. The portable audio products group experienced an increase in net sales attributable to Wolfson contributions of $83.9 million, as well as significant increases in the sales of certain portable audio products for the current fiscal year. Non-portable audio and other product line sales of $176.3 million represented a 16 percent increase from fiscal year 2014 sales of $151.6 million, which was attributable to Wolfson contributions of $14.4 million, a $5.6 million increase in custom computer products and a $4.6 million increase in DAC products for the period.

Net sales for fiscal year 2014 decreased 12 percent, to $714.3 million from $809.8 million in fiscal year 2013. The decrease in net sales reflects an $89.3 million decrease in portable audio product sales and a $6.2 million decrease in non-portable audio and other product sales. The portable audio products group experienced a decline in sales, primarily due to anticipated declines in ASPs. The decline in non-portable audio and other product group sales was attributable primarily to the absence of revenue related to the products associated with our Tucson office asset sale.

Export sales, principally to Asia, including sales to U.S.-based customers that manufacture products at plants overseas, were approximately $869.9 million in fiscal year 2015, $673.7 million in fiscal year 2014, and $764.9 million in fiscal year 2013. Export sales to customers located in Asia were 92 percent of net sales in fiscal years 2015 and 2014 and 91 percent in fiscal year 2013. All other export sales represented 3 percent of net sales in each of fiscal years 2015, 2014 and 2013.

Our sales are denominated primarily in U.S. dollars. During fiscal year 2015, we acquired foreign currency hedging contracts related to the Acquisition. The contracts expired in fiscal year 2015. No foreign currency hedging contracts were entered into in fiscal year 2014 or 2013.

Gross Margin

Overall gross margin of 46 percent for fiscal year 2015 reflects a decrease from fiscal year 2014 gross margin of 50 percent. The decrease was primarily attributable to the increase in excess and obsolete inventory charges, including scrapped inventory, of $13.8 million from fiscal year 2014, resulting in a 1.5% negative impact on margin in the current year. Gross margin was also negatively affected by approximately 1% due to the fair value adjustments made to inventory in the current year as a result of the Acquisition. Fiscal year 2015 sales of product written down in prior periods contributed $1.8 million to gross margin compared to $12.2 million, in fiscal year 2014.

Overall gross margin of 50 percent for fiscal year 2014 reflects an increase from fiscal year 2013 gross margin of 49 percent. The increase was primarily attributable to the absence of a significant inventory write-down, which occurred during the 2013 fiscal year in the amount of $25.5 million, partially offset by changes in product mix. Fiscal year 2014 sales of product written down in prior periods contributed $12.2 million to gross margin compared to less than $0.1 million, in fiscal year 2013. In total, excess and obsolete inventory charges, including scrapped inventory, decreased by $33.6 million from fiscal year 2013 and resulted in an increase of gross margin of 4.7 percent.

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Research and Development Expenses

Fiscal year 2015 research and development expenses of $197.9 million reflect an increase of $71.7 million, or 57 percent, from fiscal year 2014. The increase was primarily attributable to a 45 percent increase in research and development headcount (both at Cirrus Logic and due to the Acquisition) and the associated salary and employee-related expenses. As a result of the Acquisition, we experienced increased amortization costs on acquisition-related intangibles, as well as higher product development costs in the current year. The Company also experienced an 80% increase in R&D expense related to the amortization of software maintenance contracts, primarily CAD software.

Fiscal year 2014 research and development expenses of $126.2 million reflect an increase of $12.1 million, or 11 percent, from fiscal year 2013. The increase was primarily attributable to a 23 percent increase in research and development headcount and associated salary-related expenses. Additionally, during fiscal year 2014, we experienced higher headcount and associated facilities costs, driving increased depreciation and amortization costs. CAD software costs also increased for the year.

Selling, General and Administrative Expenses

Fiscal year 2015 selling, general and administrative expenses of $99.5 million reflect an increase of $24.6 million, or 33 percent, compared to fiscal year 2014. The increase was primarily attributable to the Acquisition, resulting in increased SG&A headcount and related salary and employee-related expenses, as well as higher costs associated with outside professional services.

Fiscal year 2014 selling, general and administrative expenses of $74.9 million reflect a decrease of $2.1 million, or 3 percent, compared to fiscal year 2013. The decrease was primarily attributable to decreases in variable compensation, sales commissions and travel expenses for the period, despite an increase in headcount of 7 percent.

Acquisition related costs

The Company reported $18.1 million in costs in conjunction with the Acquisition for the year ended March 28, 2015. The majority of the costs included in this amount were associated with bank and legal fees, as well as certain expenses for stock compensation related to the Acquisition.

Restructuring and other, net

Restructuring costs related to the Acquisition were $1.5 million for the year ended March 28, 2015, primarily made up of severance payments associated with the Acquisition in the current fiscal year and the consolidation of our sales functions. The credits included in this line item for the prior fiscal year related to changes in estimates for the Tucson, Arizona design center facility, due to a new sublease on the vacated property in connection with the closing of this facility. One-time charges for relocation, severance-related items and facility-related costs made up the fiscal year 2013 restructuring costs in relation to the closing of the Tucson, Arizona design center facility.

Patent Infringement Settlements, Net

The Company reported a $0.7 million expense in the first quarter of fiscal year 2014 in connection with the settlement of the U.S. Ethernet Innovations, LLC case discussed in Note 14 Legal Matters. This item is presented as a separate line item on the Consolidated Statements of Income within operating expenses under the caption Patent infringement settlements, net.

Interest Income

Interest income in fiscal years 2015, 2014, and 2013, was $0.6 million, $0.8 million, and $0.4 million, respectively. The decrease from fiscal year 2014 was due to lower cash and cash equivalent balances for the year compared to prior year. The increase in interest income in fiscal year 2014 was due to higher cash and cash equivalent balances, compared to fiscal year 2013.

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Interest expense

The Company reported interest expense of $5.6 million for the year ended March 28, 2015, primarily as a result of the new $250 million revolving credit facility described in Note 9. No interest expense was recorded for fiscal years 2014 or 2013.

Other expense

For the year ended March 28, 2015, the Company reported $12.2 million in other expense primarily related to recognized losses on expired contracts during the fiscal year and the foreign currency exchange losses on hedges purchased in relation to the Acquisition during the second quarter of the current fiscal year. The corresponding amounts in the prior fiscal years are immaterial.

Provision for Income Taxes

We recorded income tax expense of $36.4 million in fiscal year 2015 on a pre-tax income of $91.5 million, yielding an effective tax provision rate of 39.7 percent. Our effective tax rate was higher than the U.S. statutory rate of 35 percent, primarily due to the inclusion of foreign losses from the date of acquisition of Wolfson to the end of the fiscal year at foreign statutory rates below the U.S. federal statutory rate. The impact of these losses was partially offset by the federal research and development credit, which was extended through December 31, 2014 by the Tax Increase Prevention Act of 2014, which was enacted on December 19, 2014.

We recorded income tax expense of $47.6 million in fiscal year 2014 on a pre-tax income of $155.7 million, yielding an effective tax provision rate of 30.6 percent. Our effective tax rate was lower than the U.S. statutory rate of 35 percent, primarily due to the effect of a tax benefit of $6.3 million provided by the Extraterritorial Income Exclusion Act, an elective provision of the Internal Revenue Code. Another factor causing our tax expense to be below the federal statutory rate was the federal research and development credit which was in effect through December 31, 2013 as a result of the American Taxpayer Relief Act of 2013, which was enacted on January 2, 2013.

We recorded income tax expense of $64.6 million in fiscal year 2013 on a pre-tax income of $201.2 million, yielding an effective tax provision rate of 32.1 percent. Our effective tax rate was lower than the U.S. statutory rate of 35 percent, primarily as a result of federal research and development credits that were recorded during the year due to the retroactive extension of the credit by the enactment of the American Taxpayer Relief Act of 2012 on January 2, 2013. Our effective tax rate was also lowered slightly by the release of $2.6 million of valuation allowance that had been placed on our federal capital loss carryforward from the capital gain income generated by the sale of assets associated with the Company s Apex products.

We evaluate our ability to realize our deferred tax assets on a quarterly basis. The deferred tax assets that we have recognized result from a more likely than not assessment that these assets will be realized.

Outlook

Our long-term gross margin goal is to remain in the mid-40 percent range with operating profit of approximately 20 percent. We anticipate significant revenue growth for fiscal year 2016, with continued production ramps of our latest smart codecs.

Liquidity and Capital Resources

In fiscal year 2015, our net cash provided by operating activities was $163.5 million. The positive cash flow from operating activities was predominantly due to the cash components of our net income, including a $17.3 million increase in changes to working capital, primarily due to decreases in inventory when excluding the impact of inventory obtained through the Acquisition, offset by a larger increase in accounts payable for the period. In fiscal year 2014, our net cash provided by operating activities was $228.0 million. The positive cash flow from operating activities was predominantly due to the cash components of our net income, and a $48.1 million increase in changes to working capital, primarily due to decreases in inventory for the period. In fiscal year 2013, our net cash provided by operating activities was $160.8 million. The positive cash flow from operating activities was predominantly due to the cash components of our net income, partially offset by a $76.1 million reduction in changes to working capital, primarily due to an increase in inventory and accounts receivable as our business grew.

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In fiscal year 2015, approximately $324.4 million was used in investing activities, primarily due to the $444.1 million, net of cash obtained, used in conjunction with the Acquisition discussed in Note 7. An additional use of cash for the period was the $32.3 million in property, equipment and software purchases for the year. These uses of cash were offset by net proceeds from the sale of marketable securities of $168.4 million in anticipation of financing the Acquisition, referenced above, in the current fiscal year. In fiscal year 2014, we used approximately $220.3 million in cash for investing activities, principally due to the net purchases of marketable securities of $182.5 million, $15.1 million in capital expenditures and $20.4 million related to the Acoustic Technologies, Inc. (Acoustic) acquisition. In fiscal year 2013, we used approximately $84.8 million in cash for investing activities, principally due to the net purchases of marketable securities of $51.5 million and $52.9 million in capital expenditures, partially offset by $22.2 million in proceeds from the sale of assets associated with the Company s Apex business in Tucson, Arizona.

In fiscal year 2015, the Company received $205.5 million in cash provided by financing activities, principally as a result of the new long-term revolving credit facility entered into in the second quarter of the current fiscal year. The related influx of $226.4 million was offset by payments against the revolver balance of $46.0 million for the period. During fiscal years 2015, 2014, and 2013, we generated $0.7 million, $1.5 million, and $10.3 million, respectively from the issuance of common stock, net of shares withheld and repurchased to satisfy tax withholdings. In fiscal years 2015, 2014 and 2013, the Company utilized approximately $10.5 million, $52.1 million and $86.1 million, respectively, in cash to repurchase and retire portions of its outstanding common stock as part of the $200 million stock repurchase program announced in the third quarter of fiscal year 2013. Additionally, excess tax benefits related to employee stock options exercises generated $37.7 million, $8.4 million and $0.1 million, in fiscal years 2015, 2014 and 2013, respectively.

The Company began expansion of operations in fiscal year 2014 with the acquisition and building of additional facilities in Austin. We anticipate future costs related to the current expansion to be approximately $7 million over the next year. We anticipate these cash uses to be funded from current cash sources.

Our future capital requirements will depend on many factors, including the rate of sales growth, market acceptance of our products, the timing and extent of research and development projects, potential acquisitions of companies or technologies and the expansion of our sales and marketing activities. We believe our expected future cash earnings, existing cash, cash equivalents, investments and available borrowings under our Credit Facility will be sufficient to meet our capital requirements through at least the next 12 months, although we could be required, or could elect, to seek additional funding prior to that time.

Revolving Credit Facilities

On August 29, 2014, Cirrus Logic entered into a credit agreement (the Credit Agreement) with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto. The Credit Agreement provides for a $250 million senior secured revolving credit facility (the Credit Facility). The Credit Facility replaced Cirrus Logic s Interim Credit Facility described below, and may be used for general corporate purposes. The Credit Facility matures on August 29, 2017.

The Credit Facility is required to be guaranteed by all of Cirrus Logic s material domestic subsidiaries (the Subsidiary Guarantors). The Credit Facility is secured by substantially all of the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets. Borrowings under the Credit Facility may, at Cirrus Logic s election, bear interest at either (a) a Base Rate plus the Applicable Margin (Base Rate Loans) or (b) a LIBOR Rate plus the Applicable Margin (LIBOR Rate Loans). The Applicable Margin ranges from 0% to .25% per annum for Base Rate Loans and 1.50% to 2.00% per annum for LIBOR Rate Loans based on Cirrus Logic s Leverage Ratio (discussed below). A Commitment Fee accrues at a rate per annum ranging from 0.25% to 0.35% (based on the Leverage Ratio) on the average daily unused portion of the Commitment of the Lenders.

The Credit Agreement contains customary affirmative covenants, including, among others, covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the Credit Agreement contains customary negative

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covenants limiting the ability of Cirrus Logic or any Subsidiary to, among other things, incur debt, grant liens, make investments, effect certain fundamental changes, make certain asset dispositions, and make certain restricted payments. The Credit Facility also contains certain financial covenants providing that (a) the ratio of consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters must not be greater than 2.00 to 1.00 (the Leverage Ratio) and (b) the sum of cash and Cash Equivalents, which includes marketable securities, of Cirrus Logic and its Subsidiaries on a consolidated basis must not be less than $100 million. At March 28, 2015, the Company was in compliance with all covenants under the Credit Agreement. As of March 28, 2015, the Company had $180.4 million of indebtedness outstanding under the Credit Facility, which is included in long-term liabilities on the consolidated balance sheets. The borrowings were primarily used for refinancing the Interim Credit Facility described below (which was used for financing the Acquisition).

Cirrus Logic entered into a credit agreement (the Interim Credit Agreement) with Wells Fargo Bank, National Association as administrative agent and lender, on April 29, 2014, in connection with the Acquisition. The Interim Credit Agreement provided for a $225 million senior secured revolving credit facility (the Interim Credit Facility). The Interim Credit Facility was to be used for, among other things, payment of the offer consideration in connection with the Acquisition. The Interim Credit Facility would have matured on the earliest to occur of (a) January 23, 2015, (b) the date of termination of the Commitments as a result of a permanent reduction of all of the Commitments (as defined in the Interim Credit Agreement) by Cirrus Logic or (c) the date of termination of the Commitments as a result of an event of default. The Interim Credit Facility was replaced with the Credit Facility described above and matured under scenario (b) above with no outstanding borrowings or accrued interest on the maturity date.

See also Note 9 Revolving Line of Credit.

Off Balance Sheet Arrangements

As of March 28, 2015, the Company did not have any material off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Contractual Obligations

In our business activities, we incur certain commitments to make future payments under contracts such as debt agreements, purchase orders, operating and capital leases and other long-term contracts. Maturities under these contracts are set forth in the following table as of March 28, 2015:

	Payment due by period (in thousands)				
	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Revolving line of credit	$	$ 180,439	$	$	$ 180,439
Facilities leases, net	4,361	5,988	1,584	193	12,126
Equipment leases	26	31	4		61
Capital leases	246	491	245		982
Wafer purchase commitments	98,244				98,244
Assembly purchase commitments	5,528				5,528
Outside test purchase commitments	10,161				10,161
Other purchase commitments	19,175	27,133	464		46,772
Total	$ 137,741	$ 214,082	$ 2,297	$ 193	$ 354,313

Certain of our operating lease obligations include escalation clauses. These escalating payment requirements are reflected in the table.

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ITEM 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

We are exposed to market risks associated with interest rates on our debt securities, currency movements on non-U.S. dollar denominated assets and liabilities, and the effect of market factors on the value of our marketable equity securities. We assess these risks on a regular basis and have established policies that are designed to protect against the adverse effects of these and other potential exposures. All of the potential changes noted below are based on sensitivity analyses as of March 29, 2015. Actual results may differ materially.

Interest Rate Risk

Our primary financial instruments include cash equivalents, marketable securities, accounts receivable, accounts payable, and accrued liabilities. The Company s investments are managed by outside professional managers within investment guidelines set by the Company. These guidelines include security type, credit quality, and maturity, and are intended to limit market risk by restricting the Company s investments to high quality debt instruments with relatively short-term maturities. The Company does not currently use derivative financial instruments in its investment portfolio. Due to the short-term nature of our investment portfolio and the current low interest rate environment, our downside exposure to interest rate risk is minimal.

To provide a meaningful assessment of the interest rate risk associated with our investment portfolio, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of our investment portfolio. At March 28, 2015, an immediate one percent, or 100 basis points, increase or decrease in interest rates could result in a $2.6 million fluctuation in our annual interest income. However, our investment portfolio holdings as of March 28, 2015, yielded less than 100 basis points, which reduces our downside interest rate risk to the amount of interest income recognized in fiscal year 2015, or $0.6 million. At March 29, 2014, an immediate one percent, or 100 basis points, increase or decrease in interest rates could result in a $3.4 million fluctuation in our annual interest income. However, our investment portfolio holdings as of March 29, 2014, yielded less than 100 basis points, which reduces our downside interest rate risk to the amount of interest income recognized in fiscal year 2014, or $0.8 million. At March 30, 2013, an immediate one percent, or 100 basis points, increase or decrease in interest rates could result in a $1.8 million fluctuation in our annual interest income. However, our investment portfolio holdings as of March 30, 2013, yielded less than 100 basis points, which reduces our downside interest rate risk to the amount of interest income recognized in fiscal year 2013, or $0.4 million. For all of these fiscal years, the risks associated with fluctuating interest rates were limited to our annual interest income and not the underlying principal as we generally have the ability to hold debt related investments to maturity. The amounts disclosed in this paragraph are based on a 100 basis point fluctuation in interest rates applied to the average cash balance for that fiscal year.

Foreign Currency Exchange Risk

Our revenue and spending is transacted primarily in U.S. dollars; however, in fiscal years 2015, 2014, and 2013, we entered into routine transactions in other currencies to fund the operating needs of our technical support, and sales offices outside of the U.S. As of March 28, 2015 and March 29, 2014, a ten percent change in the value of the related currencies would not have a material impact on our results of operations and financial position. During fiscal years 2014 and 2013, we did not enter into any foreign currency hedging contracts. In fiscal year 2015, the Company acquired foreign currency hedging contracts that expired within the same fiscal year.

In addition to the direct effects of changes in exchange rates on the value of open exchange contracts, we may, from time to time, have changes in exchange rates that can also affect the volume of sales or the foreign currency sales prices of our products and the relative costs of operations based overseas.

See additional information on foreign currency exchange risk in Note 8.

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ITEM 8. ***Financial Statements and Supplementary Data***

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Cirrus Logic, Inc.

We have audited the accompanying consolidated balance sheets of Cirrus Logic, Inc. (the Company) as of March 28, 2015 and March 29, 2014, and the related consolidated statements of income, comprehensive income, stockholders equity, and cash flows for each of the three fiscal years in the period ended March 28, 2015. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cirrus Logic, Inc. at March 28, 2015 and March 29, 2014, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended March 28, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Cirrus Logic, Inc. s internal control over financial reporting as of March 28, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 27, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Austin, Texas

May 27, 2015

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Cirrus Logic, Inc.

We have audited Cirrus Logic, Inc. s (the Company) internal control over financial reporting as of March 28, 2015, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Cirrus Logic, Inc. s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management s Annual Report on Internal Control Over Financial Reporting, management s assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Wolfson Microelectronics Plc., which is included in the 2015 consolidated financial statements of Cirrus Logic, Inc. and constituted 15% of total assets as of March 28, 2015 and 11% of revenues for the year then ended. Our audit of internal control over financial reporting of Cirrus Logic, Inc. also did not include an evaluation of the internal control over financial reporting of Wolfson Microelectronics Plc.

In our opinion, Cirrus Logic, Inc. maintained, in all material respects, effective internal control over financial reporting as of March 28, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cirrus Logic, Inc. as of March 28, 2015 and March 29, 2014, and the related consolidated statements of income, comprehensive income, stockholders equity, and cash flows for each of the three fiscal years in the period ended March 28, 2015 of Cirrus Logic, Inc. and our report dated May 27, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Austin, Texas

May 27, 2015

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CIRRUS LOGIC, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 28, 2015	March 29, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 76,401	$ 31,850
Marketable securities	124,246	263,417
Accounts receivable, net	112,608	63,220
Inventories	84,196	69,743
Deferred tax assets	18,559	22,024
Prepaid assets	27,093	15,062
Other current assets	8,810	10,017
Total current assets	451,913	475,333
Long-term marketable securities	60,072	89,243
Property and equipment, net	144,346	103,650
Intangibles, net	175,743	11,999
Goodwill	263,115	16,367
Deferred tax assets	25,593	25,065
Other assets	27,996	3,087
Total assets	$ 1,148,778	$ 724,744
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	$ 112,213	$ 51,932
Accrued salaries and benefits	24,132	13,388
Deferred income	6,105	5,631
Software license agreements	18,711	7,023
Other accrued liabilities	15,417	4,549
Total current liabilities	176,578	82,523
Long-term liabilities:		
Debt	180,439	
Software license agreements	26,204	853
Other long-term liabilities	8,786	4,010
Total long-term liabilities	215,429	4,863
Stockholders equity:		
Preferred stock, 5.0 million shares authorized but unissued		
Common stock, $0.001 par value, 280,000 shares authorized, 63,085 shares and 61,956 shares issued and outstanding at March 28, 2015 and March 29, 2014,respectively	63	62
Additional paid-in capital	1,159,431	1,078,816
Accumulated deficit	(400,613)	(440,634)
Accumulated other comprehensive loss	(2,110)	(886)
Total stockholders equity	756,771	637,358
Total liabilities and stockholders equity	$ 1,148,778	$ 724,744

The accompanying notes are an integral part of these financial statements.

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CIRRUS LOGIC, INC.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Net sales	$ 916,568	$ 714,338	$ 809,786
Cost of sales	490,820	358,175	414,595
Gross profit	425,748	356,163	395,191
Operating expenses			
Research and development	197,878	126,189	114,071
Selling, general and administrative	99,509	74,861	76,998
Acquisition related costs	18,137		
Restructuring and other, net	1,455	(598)	3,292
Patent infringement settlements, net		695	
Total operating expenses	316,979	201,147	194,361
Income from operations	108,769	155,016	200,830
Interest income	579	848	440
Interest expense	(5,627)		
Other expense	(12,172)	(127)	(80)
Income before income taxes	91,549	155,737	201,190
Provision for income taxes	36,371	47,626	64,592
Net income	55,178	108,111	136,598
Basic earnings per share	$ 0.88	$ 1.72	$ 2.12
Diluted earnings per share	$ 0.85	$ 1.65	$ 2.00
Basic weighted average common shares outstanding	62,503	62,926	64,580
Diluted weighted average common shares outstanding	65,235	65,535	68,454

The accompanying notes are an integral part of these financial statements.

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CIRRUS LOGIC, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands, except per share amounts)

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Net income	55,178	108,111	136,598
Other comprehensive income (loss), before tax			
Net changes to available-for-sale securities			
Unrealized gain (loss) on marketable securities	107	(31)	(157)
Net changes to pension liabilities			
Actuarial loss on pension plan	(1,625)		
Benefit for income taxes	294	64	
Comprehensive income	$ 53,954	$ 108,144	$ 136,441

The accompanying notes are an integral part of these financial statements.

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CIRRUS LOGIC, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Cash flows from operating activities:			
Net income	$ 55,178	$ 108,111	$ 136,598
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	34,855	14,883	13,562
Stock compensation expense	37,549	23,074	21,495
Deferred income taxes	32,238	35,959	60,600
Loss on retirement or write-off of long-lived assets	1,618	568	
Actuarial loss on defined benefit pension plan	292		
Excess tax benefit from employee stock options	(37,692)	(8,445)	(106)
Other non-cash charges	22,167	5,760	4,792
Net change in operating assets and liabilities:			
Accounts receivable, net	(37,344)	6,815	(25,232)
Inventories	16,077	49,557	(67,606)
Other current assets	321		
Other assets		1,239	134
Accounts payable	36,504	(9,443)	22,423
Accrued salaries and benefits	7,047	(3,169)	3,260
Deferred income	(77)	660	(2,272)
Income taxes payable	(639)	9,496	263
Other accrued liabilities	(4,581)	(7,027)	(7,087)
Net cash provided by operating activities	163,513	228,038	160,824
Cash flows from investing activities:			
Proceeds from sale of available for sale marketable securities	301,847	139,037	127,336
Purchases of available for sale marketable securities	(133,436)	(321,519)	(178,847)
Purchases of property, equipment and software	(32,311)	(15,058)	(52,902)
Investments in technology	(4,387)	(2,296)	(3,009)
Loss on foreign exchange hedging activities	(11,976)		
Acquisition of Wolfson, net of cash obtained	(444,138)		
Acquisition of Acoustic Technologies, net of cash obtained		(20,402)	
Proceeds from sale of Apex assets			22,220
(Increase) decrease in deposits and other assets	(36)	(111)	402
Net cash used in investing activities	(324,437)	(220,349)	(84,800)
Cash flows from financing activities:			
Proceeds from long-term revolver	226,439		
Principal payments on long-term revolver	(46,000)		
Debt issuance costs	(2,825)		
Issuance of common stock, net of shares withheld for taxes	5,327	5,320	12,008
Repurchase of stock to satisfy employee tax withholding obligations	(4,624)	(3,868)	(1,674)
Repurchase and retirement of common stock	(10,534)	(52,138)	(86,059)
Excess tax benefit from employee stock options	37,692	8,445	106

Net cash provided by (used in) financing activities	205,475	(42,241)	(75,619)
Net increase (decrease) in cash and cash equivalents	44,551	(34,552)	405
Cash and cash equivalents at beginning of period	31,850	66,402	65,997
Cash and cash equivalents at end of period	$ 76,401	$ 31,850	$ 66,402
Supplemental disclosures of cash flow information			
Cash payments during the year for:			
Income taxes	$ 4,973	$ 2,118	$ 5,125
Interest	2,391		

The accompanying notes are an integral part of these financial statements.

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CIRRUS LOGIC, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance, March 31, 2012	64,394	64	1,008,164	(541,609)	(762)	465,857
Net income				136,598		136,598
Change in unrealized gain (loss) on marketable securities, net of tax					(157)	(157)
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	1,907	2	12,006	(1,674)		10,334
Repurchase and retirement of common stock	(3,010)	(3)		(86,056)		(86,059)
Amortization of deferred stock compensation			21,495			21,495
Excess tax benefit from employee stock options			106			106
Balance, March 30, 2013	63,291	63	1,041,771	(492,741)	(919)	548,174
Net income				108,111		108,111
Change in unrealized gain (loss) on marketable securities, net of tax					33	33
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	1,301	1	5,319	(3,868)		1,452
Repurchase and retirement of common stock	(2,636)	(2)		(52,136)		(52,138)
Amortization of deferred stock compensation			23,281			23,281
Excess tax benefit from employee stock options			8,445			8,445
Balance, March 29, 2014	61,956	62	1,078,816	(440,634)	(886)	637,358
Net income				55,178		55,178
Change in unrealized gain (loss) on marketable securities, net of tax					69	69
Change in pension liability, net of tax					(1,293)	(1,293)
Change in foreign currency translation adjustments			(29)			(29)
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	1,709	2	5,326	(4,624)		704
Repurchase and retirement of common stock	(580)	(1)		(10,533)		(10,534)
Amortization of deferred stock compensation			37,626			37,626
Excess tax benefit from employee stock options			37,692			37,692
Balance, March 28, 2015	63,085	63	1,159,431	(400,613)	(2,110)	756,771

The accompanying notes are an integral part of these financial statements.

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CIRRUS LOGIC, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Description of Business

Cirrus Logic, Inc. (Cirrus Logic, We, Us, Our, or the Company) develops high-precision, analog and mixed-signal integrated circuits (ICs broad range of innovative customers. Building on our diverse analog and mixed-signal product portfolio, Cirrus Logic delivers highly optimized products for a variety of audio, industrial and energy-related applications.

We were incorporated in California in 1984, became a public company in 1989, and were reincorporated in the State of Delaware in February 1999. Our primary facility housing engineering, sales and marketing, and administration functions is located in Austin, Texas. We also have offices in various other locations in the United States, United Kingdom, Australia and Asia, including the People s Republic of China, Hong Kong, South Korea, Japan, Singapore, and Taiwan. Our common stock, which has been publicly traded since 1989, is listed on the NASDAQ Global Select Market under the symbol CRUS.

Basis of Presentation

We prepare financial statements on a 52- or 53-week year that ends on the last Saturday in March. Fiscal years 2015, 2014 and 2013 were 52-week years.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U. S. generally accepted accounting principles (U.S. GAAP) and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Reclassifications

Certain reclassifications have been made to prior year balances in order to conform to the current year s presentation of financial information.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires the use of management estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at fiscal year-end and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of money market funds, commercial paper, and U.S. Government Treasury and Agency instruments with original maturities of three months or less at the date of purchase.

Marketable Securities

We determine the appropriate classification of marketable securities at the time of purchase and reevaluate this designation as of each balance sheet date. We classify these securities as either held-to-maturity, trading, or available-for-sale. As of March 28, 2015 and March 29, 2014, all marketable securities were classified as available-for-sale securities. The Company classifies its investments as available for sale because it expects to possibly sell some securities prior to maturity. The Company s investments are subject to market risk, primarily interest rate and credit

risk. The Company s investments are managed by an outside professional manager within

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investment guidelines set by the Company. Such guidelines include security type, credit quality, and maturity, and are intended to limit market risk by restricting the Company s investments to high quality debt instruments with relatively short-term maturities. The fair value of investments is determined using observable or quoted market prices for those securities.

Available-for-sale securities are carried at fair value, with unrealized gains and losses included as a component of accumulated other comprehensive loss. Realized gains and losses, declines in value judged to be other than temporary, and interest on available-for-sale securities are included in net income. The cost of securities sold is based on the specific identification method.

Inventories

We use the lower of cost or market method to value our inventories, with cost being determined on a first-in, first-out basis. One of the factors we consistently evaluate in the application of this method is the extent to which products are accepted into the marketplace. By policy, we evaluate market acceptance based on known business factors and conditions by comparing forecasted customer unit demand for our products over a specific future period, or demand horizon, to quantities on hand at the end of each accounting period.

On a quarterly and annual basis, we analyze inventories on a part-by-part basis. Product life cycles and the competitive nature of the industry are factors considered in the evaluation of customer unit demand at the end of each quarterly accounting period. Inventory quantities on-hand in excess of forecasted demand is considered to have reduced market value and, therefore, the cost basis is adjusted to the lower of cost or market. Typically, market values for excess or obsolete inventories are considered to be zero. Inventory charges recorded in fiscal year 2015 for excess and obsolete inventory, including scrapped inventory, amounted to $7.2 million, primarily associated with a customer build forecast that exceeded actual market demand, resulting in excess inventory levels for certain high volume products. No significant inventory charges were recorded in fiscal year 2014.

Inventories were comprised of the following (in thousands):

	March 28, 2015	March 29, 2014
Work in process	$ 64,663	$ 37,967
Finished goods	19,533	31,776
	$ 84,196	$ 69,743

Property, Plant and Equipment, net

Property, plant and equipment is recorded at cost, net of depreciation and amortization. Depreciation and amortization is calculated on a straight-line basis over estimated economic lives, ranging from three to 39 years. Leasehold improvements are depreciated over the shorter of the term of the lease or the estimated useful life. Furniture, fixtures, machinery, and equipment are all depreciated over a useful life of three to 10 years, while buildings are depreciated over a period of up to 39 years. In general, our capitalized software is amortized over a useful life of three years, with capitalized enterprise resource planning software being amortized over a useful life of 10 years. Gains or losses related to retirements or dispositions of fixed assets are recognized in the period incurred.

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Property, plant and equipment was comprised of the following (in thousands):

	March 28, 2015	March 29, 2014
Land	$ 26,332	$ 23,806
Buildings	49,963	37,899
Furniture and fixtures	10,281	9,440
Leasehold improvements	2,525	2,387
Machinery and equipment	79,682	59,552
Capitalized software	25,000	24,437
Construction in progress	22,922	3,797
Total property, plant and equipment	216,705	161,318
Less: Accumulated depreciation and amortization	(72,359)	(57,668)
Property, plant and equipment, net	$ 144,346	$ 103,650

Depreciation and amortization expense on property, plant, and equipment for fiscal years 2015, 2014, and 2013, was $15.4 million, $12.1 million, and $10.2 million, respectively.

Goodwill and Intangibles, net

Intangible assets include purchased technology licenses and patents that are reported at cost and are amortized on a straight-line basis over their useful lives, generally ranging from one to ten years. Acquired intangibles include existing technology, core technology or patents, license agreements, trademarks, tradenames, and customer relationships. These assets are amortized on a straight-line basis over lives ranging from one to fifteen years.

Goodwill is recorded at the time of an acquisition and is calculated as the difference between the aggregate consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. If the assumptions and estimates used to allocate the purchase price are not correct, or if business conditions change, purchase price adjustments or future asset impairment charges could be required. The value of our intangible assets, including goodwill, could be impacted by future adverse changes such as: (i) any future declines in our operating results, (ii) a decline in the valuation of technology company stocks, including the valuation of our common stock, (iii) a significant slowdown in the worldwide economy and the semiconductor industry, or (iv) any failure to meet the performance projections included in our forecasts of future operating results. The Company tests goodwill and indefinite lived intangibles for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. Impairment evaluations involve management s assessment of qualitative factors to determine whether it is more likely than not that goodwill and other intangible assets are impaired. If management concludes from its assessment of qualitative factors that it is more likely than not that impairment exists, then a quantitative impairment test will be performed involving management estimates of asset useful lives and future cash flows. Significant management judgment is required in the forecasts of future operating results that are used in these evaluations. If our actual results, or the plans and estimates used in future impairment analyses, are lower than the original estimates used to assess the recoverability of these assets, we could incur additional impairment charges in a future period. The Company has recorded no goodwill impairments in fiscal years 2015, 2014 and 2013. There were no material intangible asset impairments in fiscal years 2015, 2014, or 2013.

Long-Lived Assets

We test for impairment losses on long-lived assets and definite-lived intangibles used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amounts. We measure any impairment loss by comparing the fair value of the asset to its carrying amount. We estimate fair value based on discounted future cash flows, quoted market prices, or independent appraisals.

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Foreign Currency Translation

All of our international subsidiaries have the U.S. dollar as the functional currency. The local currency financial statements are translated into U.S. dollars using current rates of exchange for assets and liabilities. Gains and losses from remeasurement are included in other expense.

Hedging and Forwards

Hedging and forward contracts are accounted for based upon the provisions of Accounting Standards Codification (ASC) Topic 815, *Derivatives and Hedging* and ASC Topic 820, *Fair Value Measurements and Disclosures.*

All derivative instruments shall be carried at fair value per ASC 820. If a derivative instrument meets certain hedge accounting criteria, the provisions of ASC 815 may be applied. The Company regularly reviews all financial instruments and contracts. When a derivative is identified, it is evaluated against the criteria in ASC 815 to determine the appropriate accounting methodology. Derivatives that qualify for hedge accounting per ASC 815 are classified as one of the following: fair value hedge, cash flow hedge or foreign currency hedge.

Pension

Defined benefit pension plans are accounted for based upon the provisions of ASC Topic 715, *Compensation Retirement Benefits.*

The funded status of the plan is recognized in the consolidated balance sheets. Subsequent re-measurement of plan assets and benefit obligations, if deemed necessary, would be reflected in the consolidated balance sheets in the subsequent interim period to reflect the overfunded or underfunded status of the plan.

The Company will engage external actuaries on at least an annual basis to provide a valuation of the plan s assets and projected benefit obligation and to record the net periodic pension cost. On a quarterly basis, the Company will evaluate current information available to us to determine whether the plan s assets and projected benefit obligation should be re-measured.

Concentration of Credit Risk

Financial instruments that potentially subject us to material concentrations of credit risk consist primarily of cash equivalents, marketable securities, long-term marketable securities, and trade accounts receivable. We are exposed to credit risk to the extent of the amounts recorded on the balance sheet. By policy, our cash equivalents, marketable securities, and long-term marketable securities are subject to certain nationally recognized credit standards, issuer concentrations, sovereign risk, and marketability or liquidity considerations.

In evaluating our trade receivables, we perform credit evaluations of our major customers financial condition and monitor closely all of our receivables to limit our financial exposure by limiting the length of time and amount of credit extended. In certain situations, we may require payment in advance or utilize letters of credit to reduce credit risk. By policy, we establish a reserve for trade accounts receivable based on the type of business in which a customer is engaged, the length of time a trade account receivable is outstanding, and other knowledge that we may possess relating to the probability that a trade receivable is at risk for non-payment.

We had two contract manufacturers, Hongfujin Precision and Protek, who represented 26 percent and 15 percent, respectively, and one direct customer, Samsung Electronics who represented 22 percent of our consolidated gross trade accounts receivable as of the end of fiscal year 2015. For fiscal year 2014, we had three contract manufacturers, Futaihua Industrial, Hongfujin Precision and Protek who represented 14 percent, 44 percent, and 12 percent, respectively, of our consolidated gross trade accounts receivable. Additionally, in fiscal year 2014, we had one distributor, Avnet, Inc. who represented 11 percent of our consolidated gross trade accounts receivable. No other distributor or customer had receivable balances that represented more than 10 percent of consolidated gross trade accounts receivable as of the end of fiscal year 2015 or 2014.

Since the components we produce are largely proprietary and generally not available from second sources, we consider our end customer to be the entity specifying the use of our component in their design. These end customers may then purchase our products directly from us, from a distributor, or through a third party manufacturer contracted to produce their end product. For fiscal years 2015, 2014, and 2013, our ten largest end

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customers represented approximately 87 percent, 88 percent, and 89 percent, of our sales, respectively. For fiscal years 2015, 2014, and 2013, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 72 percent, 80 percent, and 82 percent, of the Company s total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2015, 2014, or 2013.

Revenue Recognition

We recognize revenue when all of the following criteria are met: persuasive evidence that an arrangement exists, delivery of goods has occurred, the sales price is fixed or determinable and collectability is reasonably assured. We evaluate our distributor arrangements, on a distributor by distributor basis, with respect to each of the four criteria above. For a majority of our distributor arrangements, we provide rights of price protection and stock rotation. As a result, revenue is deferred at the time of shipment to our domestic distributors and certain international distributors due to the determination that the ultimate sales price to the distributor is not fixed or determinable. Once the distributor has resold the product, and our final sales price is fixed or determinable, we recognize revenue for the final sales price and record the related costs of sales. For certain of our smaller international distributors, we do not grant price protection rights and provide minimal stock rotation rights. For these distributors, revenue is recognized upon delivery to the distributor, less an allowance for estimated returns, as the revenue recognition criteria have been met upon shipment.

Further, for sales where revenue is deferred, the Company defers the associated cost of goods sold on our Consolidated Balance Sheet, net within the deferred income caption. The Company routinely evaluates the products held by our distributors for impairment to the extent such products may be returned by the distributor within these limited rights and such products would be considered excess or obsolete if included within our own inventory. Products returned by distributors and subsequently scrapped have historically been immaterial to the Company.

Warranty Expense

We warrant our products and maintain a provision for warranty repair or replacement of shipped products. The accrual represents management s estimate of probable returns. Our estimate is based on an analysis of our overall sales volume and historical claims experience. The estimate is re-evaluated periodically for accuracy.

Shipping Costs

Our shipping and handling costs are included in cost of sales for all periods presented in the Consolidated Statements of Income.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were $1.1 million, $1.4 million, and $1.5 million, in fiscal years 2015, 2014, and 2013, respectively.

Stock-Based Compensation

Stock-based compensation is measured at the grant date based on the grant-date fair value of the awards and is recognized as an expense, on a ratable basis, over the vesting period, which is generally between zero and four years. Determining the amount of stock-based compensation to be recorded requires the Company to develop estimates used in calculating the grant-date fair value of stock options and performance awards (also called market stock units). The Company calculates the grant-date fair value for stock options and market stock units using the Black-Scholes valuation model and the Monte Carlo simulation, respectively. The use of valuation models requires the Company to make estimates of assumptions such as expected volatility, expected term, risk-free interest rate, expected dividend yield, correlation of the Company s stock price with the Philadelphia Semiconductor Index (*the Index*) and forfeiture rates. The grant-date fair value of restricted stock units is the market value at grant date multiplied by the number of units.

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Income Taxes

We provide for the recognition of deferred tax assets if realization of such assets is more likely than not. The Company evaluates the ability to realize its deferred tax assets based on all the facts and circumstances, including projections of future taxable income and expiration dates of carryover attributes on a quarterly basis. The calculation of our tax liabilities involves assessing uncertainties with respect to the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the Internal Revenue Service or other taxing jurisdiction. We recognize liabilities for uncertain tax positions based on the two-step process. The first step requires us to determine if the weight of available evidence indicates that the tax position has met the threshold for recognition; therefore, we must evaluate whether it is more likely than not that the position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step requires us to measure the tax benefit of the tax position taken, or expected to be taken, in an income tax return as the largest amount that is more than 50 percent likely of being realized upon ultimate settlement. We reevaluate the uncertain tax positions each quarter based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, expirations of statutes of limitation, effectively settled issues under audit, and new audit activity. If our estimates of these taxes are greater or less than actual results, an additional tax benefit or charge will result.

Although we believe the measurement of our liabilities for uncertain tax positions is reasonable, we cannot assure that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. If additional taxes are assessed as a result of an audit or litigation, it could have a material effect on our income tax provision and net income in the period or periods for which that determination is made. We operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These audits can involve complex issues which may require an extended period of time to resolve and could result in additional assessments of income tax. We believe adequate provisions for income taxes have been made for all periods.

Net Income Per Share

Basic net income per share is based on the weighted effect of common shares issued and outstanding and is calculated by dividing net income by the basic weighted average shares outstanding during the period. Diluted net income per share is calculated by dividing net income by the weighted average number of common shares used in the basic net income per share calculation, plus the equivalent number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. These potentially dilutive items consist primarily of outstanding stock options and restricted stock grants.

The following table details the calculation of basic and diluted earnings per share for fiscal years 2015, 2014, and 2013, (in thousands, except per share amounts):

	2015	2014	2013
Numerator:			
Net income	$ 55,178	$ 108,111	$ 136,598
Denominator:			
Weighted average shares outstanding	62,503	62,926	64,580
Effect of dilutive securities	2,732	2,609	3,874
Weighted average diluted shares	65,235	65,535	68,454
Basic earnings per share	$ 0.88	$ 1.72	$ 2.12
Diluted earnings per share	$ 0.85	$ 1.65	$ 2.00

The weighted outstanding options excluded from our diluted calculation for the years ended March 28, 2015, March 29, 2014, and March 30, 2013 were 718 thousand, 833 thousand, and 453 thousand, respectively, as the exercise price exceeded the average market price during the period.

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Accumulated Other Comprehensive Loss

Our accumulated other comprehensive loss is comprised of foreign currency translation adjustments from prior years when we had subsidiaries whose functional currency was not the U.S. Dollar, unrealized gains and losses on investments classified as available-for-sale and actuarial gains and losses on our pension plan assets. See Note 16 Accumulated Other Comprehensive Loss for additional discussion.

Recently Issued Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-15, *Presentation of Financial Statements Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity s Ability to Continue as a Going Concern*. The amendments in this ASU provide guidance in GAAP about management s responsibility to evaluate whether there is substantial doubt about an entity s ability to continue as a going concern and to provide related footnote disclosures. The amendments are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of this ASU and expects no material modifications to its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. The purpose of this ASU is to converge revenue recognition requirements per GAAP and International Financial Reporting Standards (IFRS). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption not permitted by the FASB; however, in April 2015 the FASB issued for public comment a proposal to delay the effective date of this ASU to annual reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact of this ASU on its consolidated financial position, results of operations and cash flows.

In April 2015, the FASB issued ASU No. 2015-03, *Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. ASU 2015-03 is to be applied retrospectively and represents a change in accounting principle. This ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Earlier adoption is permitted for financial statements that have not been previously issued. The Company is currently evaluating the effect that the adoption of this ASU will have on its financial statements.

3. Marketable Securities

The Company s investments that have original maturities greater than 90 days have been classified as available-for-sale securities in accordance with U.S. GAAP. Marketable securities are categorized on the Consolidated Balance Sheet as marketable securities, as appropriate.

The following table is a summary of available-for-sale securities (in thousands):

As of March 28, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$ 153,896	$ 8	$ (68)	$ 153,836
Commercial paper	2,485	2		2,487
U.S. Treasury securities	28,010		(15)	27,995
Total securities	$ 184,391	$ 10	$ (83)	$ 184,318

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The Company s specifically identified gross unrealized losses of $83 thousand relates to 34 different securities with a total amortized cost of approximately $154.3 million at March 28, 2015. Because the Company does not intend to sell the investments at a loss and the Company will not be required to sell the investments before recovery of its amortized cost basis, it did not consider the investment in these securities to be other-than-temporarily impaired at March 28, 2015. Further, the securities with gross unrealized losses had been in a continuous unrealized loss position for less than 12 months as of March 28, 2015.

As of March 29, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$ 246,878	$ 52	$ (245)	$ 246,685
U.S. Treasury securities	56,986	10	(2)	56,994
Agency discount notes	2,008	1		2,009
Commercial paper	41,962	10	(2)	41,970
Certificates of deposit	5,006		(4)	5,002
Total securities	$ 352,840	$ 73	$ (253)	$ 352,660

The Company s specifically identified gross unrealized losses of $253 thousand relates to 74 different securities with a total amortized cost of approximately $207.8 million at March 29, 2014. Because the Company does not intend to sell the investments at a loss and the Company will not be required to sell the investments before recovery of its amortized cost basis, it did not consider the investment in these securities to be other-than-temporarily impaired at March 29, 2014. Further, the securities with gross unrealized losses had been in a continuous unrealized loss position for less than 12 months as of March 29, 2014.

The cost and estimated fair value of available-for-sale investments by contractual maturity were as follows:

	March 28, 2015		March 29, 2014	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within 1 year	$ 124,275	$ 124,246	$ 263,418	$ 263,417
After 1 year	60,116	60,072	89,422	89,243
Total	$ 184,391	$ 184,318	$ 352,840	$ 352,660

4. Fair Value of Financial Instruments

The Company has determined that the only assets and liabilities in the Company s financial statements that are required to be measured at fair value on a recurring basis are the Company s cash equivalents, investment portfolio, pension plan assets/liabilities and foreign currency derivative assets/liabilities. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 Quoted prices in active markets for identical assets or liabilities.

- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company s cash equivalents and investment portfolio assets consist of corporate debt securities, money market funds, U.S. Treasury securities, obligations of U.S. government-sponsored enterprises, commercial paper, and certificates of deposit and are reflected on our Consolidated Balance Sheet under the headings cash and cash equivalents, marketable securities, and long-term marketable securities. The Company determines the fair value of its investment portfolio assets by obtaining non-binding market prices from its third-party portfolio managers on the last day of the quarter, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value.

The Company s long-term revolving facility, described in Note 9, bears interest at a base rate plus applicable margin or LIBOR plus applicable margin. As of March 28, 2015, the fair value of the Company s long-term revolving facility approximates carrying value based on estimated margin.

As of March 28, 2015 and March 29, 2014, the Company classified all investment portfolio assets and pension plan assets (discussed in Note 11) as Level 1 or Level 2 assets. The Company has no Level 3 assets. There were no transfers between Level 1, Level 2, or Level 3 measurements for the years ending March 28, 2015 and March 29, 2014.

The following summarizes the fair value of our financial instruments, exclusive of pension plan assets detailed in Note 11, at March 28, 2015 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 996	$	$	$ 996
Available-for-sale securities				
Corporate debt securities	$	$ 153,836	$	$ 153,836
U.S. Treasury securities	27,995			27,995
Commercial paper		2,487		2,487
	$ 27,995	$ 156,323	$	$ 184,318

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The following summarizes the fair value of our financial instruments at March 29, 2014 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Cash equivalents				
Money market funds	$ 20,456	$	$	$ 20,456
Commercial paper		1,878		1,878
	$ 20,456	$ 1,878	$	$ 22,334
Available-for-sale securities				
Corporate debt securities	$	$ 246,685	$	$ 246,685
U.S. Treasury securities	56,994			56,994
Agency discount notes		2,009		2,009
Commercial paper		41,970		41,970
Certificates of deposit		5,002		5,002
	$ 56,994	$ 295,666	$	$ 352,660

5. Accounts Receivable, net

The following are the components of accounts receivable, net (in thousands):

	March 28, 2015	March 29, 2014
Gross accounts receivable	$ 112,964	$ 63,449
Allowance for doubtful accounts	(356)	(229)
Accounts receivable, net	$ 112,608	$ 63,220

The following table summarizes the changes in the allowance for doubtful accounts (in thousands):

Balance, March 31, 2012	$ (371)
Bad debt expense, net of recoveries	70
Balance, March 30, 2013	(301)
Bad debt expense, net of recoveries	72
Balance, March 29, 2014	(229)
Bad debt expense, net of recoveries	(127)
Balance, March 28, 2015	$ (356)

6. Intangibles, net

The intangibles, net balance included on the Consolidated Balance Sheets was $175.7 million and $12.0 million at March 28, 2015 and March 29, 2014, respectively. The increase in the intangibles balance primarily resulted from the Acquisition discussed below in Note 7 - Acquisition.

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The following information details the gross carrying amount and accumulated amortization of our intangible assets (in thousands):

Intangible Category / Weighted-Average Amortization period (in years)	March 28, 2015 Gross Amount	March 28, 2015 Accumulated Amortization	March 29, 2014 Gross Amount	March 29, 2014 Accumulated Amortization
Core technology (a)	$ 1,390	$ (1,390)	$ 1,390	$ (1,390)
License agreement (a)	440	(440)	440	(440)
Existing technology (6.5)	98,645	(13,596)	9,826	(4,206)
In-process research & development (IPR&D) (7.3)	72,750	(3,918)		
Trademarks and tradename (5.4)	3,037	(1,141)	1,600	(384)
Customer relationships (10.0)	15,381	(1,117)	2,400	(120)
Technology licenses (3.1)	23,018	(17,316)	18,000	(15,117)
Total	$ 214,661	$ (38,918)	$ 33,656	$ (21,657)

(a) Intangible assets are fully amortized.

Amortization expense for intangibles in fiscal years 2015, 2014, and 2013 was $18.2 million, $2.8 million, and $3.4 million, respectively. The following table details the estimated aggregate amortization expense for all intangibles owned as of March 28, 2015, for each of the five succeeding fiscal years and in the aggregate thereafter (in thousands):

For the year ended March 26, 2016	$ 32,304
For the year ended March 25, 2017	$ 29,020
For the year ended March 31, 2018	$ 27,742
For the year ended March 30, 2019	$ 27,053
For the year ended March 28, 2020	$ 26,370
Thereafter	$ 33,266

7. Acquisition

On August 21, 2014, Cirrus Logic completed the acquisition of Wolfson Microelectronics plc (the Acquisition), a public limited company incorporated in Scotland (Wolfson). Upon completion of the acquisition, Wolfson was re-registered as a private limited company. Wolfson is a supplier of high performance, mixed-signal audio solutions for the consumer electronics market. The Acquisition accelerates Cirrus Logic s strategic roadmap, further strengthens our technology portfolio with the addition of MEMS microphones and extensive software capabilities, while significantly expanding our development capacity.

The enterprise value for Wolfson in connection with the Acquisition was approximately £283 million (approximately $469 million, and was based on the agreed upon offer of £2.35 per share (the Offer) for the entire issued and to be issued share capital of Wolfson. Cirrus Logic financed the Acquisition through a combination of existing cash on Cirrus Logic s balance sheet and $225 million in debt funding from Wells Fargo Bank, National Association, as discussed below in Note 9. Upon the completion of the Acquisition, in the second quarter of fiscal year 2015, the Company recorded approximately $12.0 million of realized losses on foreign currency contracts used to hedge the purchase of Wolfson s share capital which was denominated in pounds sterling. The contracts were not accounted for under ASC 815. The loss is included in the consolidated statements of income under the caption *Other expense* for the year ended March 28, 2015.

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The Acquisition was accounted for as a business purchase pursuant to ASC Topic 805, *Business Combinations,* and the operations of Wolfson have been included in the Company s consolidated financial statements since August 21, 2014, the date of acquisition. The following table presents the preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as of March 28, 2015 (in thousands):

	Amount
Cash and cash equivalents	$ 25,342
Inventory	30,530
Other current assets	16,226
Property, plant and equipment	27,398
Intangible assets	175,987
Pension assets	1,625
Total identifiable assets acquired	$ 277,108
Deferred tax liability current	(11,958)
Deferred revenue	(551)
Other accrued liabilities	(39,417)
Other long-term liabilities	(2,449)
Total identifiable liabilities assumed	$ (54,375)
Net identifiable assets acquired	$ 222,733
Goodwill	246,748
Net assets acquired	$ 469,481

The goodwill of $246.7 million arising from the Acquisition is attributable primarily to expected synergies and the product and customer base of Wolfson. None of the goodwill is expected to be deductible for income tax purposes. As of March 28, 2015, the changes in the recognized amounts of goodwill resulting from the Acquisition are as follows (in thousands):

	September 27, 2014	Fair Value Adjustments	March 28, 2015
Inventory	$ 28,658	$ 1,872	$ 30,530
Other current assets	15,633	593	16,226
Property, plant and equipment	29,093	(1,695)	27,398
Deferred tax liability - current	(11,483)	(475)	(11,958)
Other accrued liabilities	(41,417)	2,000	(39,417)
Total Goodwill	$ 249,043	$ (2,295)	$ 246,748

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The acquired intangible assets and related weighted average amortization periods are detailed below (in thousands):

Intangible assets	Amount	Weighted-average Amortization Period (years)
Developed technology	$ 74,247	6.2
Technology intellectual property	14,572	5.3
Trademark	1,437	1.3
IPR&D	72,750	7.3
Customer relationships	12,981	10.0
Total	$ 175,987	

The IPR&D intangible assets included the following research and development projects acquired through the Acquisition (in thousands): (1) intellectual property (IP) migration and product development at 152 nm process technology (152 nm); (2) IP migration and product development at 55 and 65 nm process technology (55/65 nm); (3) MEMs transducer development (MEM); and (4) single die monolithic integration of MEMS structures and ASICS (integrated MEMs).

IPR&D intangible assets	Amount	Approximate Costs to Complete	Estimated Cost Completion Date (calendar year)
152 nm	$ 8,905	$ 862	2015
55/65 nm	36,807	17,350	2019
MEMs	15,596	604	2015
Integrated MEMs	11,442	2,784	2016
Total	$ 72,750	$ 21,600	

The fair value of the IPR&D acquired intangible assets was determined using the multi-period excess earnings (MPEEM) method, which is a variation of the income approach. The method estimates an intangible asset s value based on the present value of the incremental after-tax cash flows, or excess earnings, attributable to the intangible asset. The present value is calculated using a discount rate commensurate with the risk inherent in the IPR&D intangible asset as well as any tax benefits related to ownership.

The initial allocation of the purchase price is preliminary and subject to completion, including the areas of taxation, where valuation assessments are in progress. The adjustments arising from the completion of the outstanding matters may materially affect the preliminary purchase accounting and would be retroactively reflected in the financial statements as of March 28, 2015, and for the interim periods affected.

The Company recognized a total of $18.1 million of acquisition related costs that were expensed in the second and third quarters of fiscal year 2015. The majority of the costs included in this amount were associated with bank and legal fees, as well as certain expenses for stock compensation related to the Acquisition. These costs are included in the consolidated statements of income in the line item entitled *Acquisition related costs.* Restructuring costs related to the Acquisition were $1.5 million for the year ended March 28, 2015, primarily related to severance payments and the consolidation of our sales functions. These costs are included in the line item *Restructuring and other, net* on the consolidated statements of income. Prior year credits related to changes in estimates for the Tucson, Arizona design center facility, due to a new sublease on the vacated property in connection with the closing of this facility.

The Company s consolidated statements of income for the year ending March 28, 2015 included $98.3 million of revenue attributable to Wolfson, from the acquisition date to the end of the period. Earnings disclosure related to Wolfson for the year ending March 28, 2015, is excluded as it would be impracticable, due to the integration of Wolfson s operations with the Company s operations, resulting in the inability to allocate costs and services shared across both companies product lines.

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Giving pro forma effect to the Acquisition as if it had occurred as of March 31, 2013, the beginning of the Company s fiscal year 2014, and after applying the Company s accounting policies and adjusting the results to reflect these changes since March 31, 2013, $142.5 million and $179.4 million of pro forma revenue would have been attributable to Wolfson for the fiscal year ended March 28, 2015 and March 29, 2014, respectively. Disclosure of pro forma earnings attributable to Wolfson is excluded as it would be impracticable, due to the integration of Wolfson s operations with the Company s operations, resulting in the inability to allocate costs and services shared across both companies product lines.

8. Derivative Financial Instruments

Our primary objective for holding derivative financial instruments is to manage currency exchange rate risk.

Currency Exchange Rate Risk

We are exposed to currency exchange rate risk and may hedge our exposures, generally with currency forward contracts. Substantially all of our revenue is transacted in U.S. dollars. However, a portion of our operating expenditures are incurred in or exposed to other currencies, primarily the British pound. We have established a forecasted transaction currency risk management program to monitor and protect against fluctuations in the volatility of the functional currency equivalent of future cash flows caused by changes in exchange rates. This program may reduce, but not eliminate, the impact of currency exchange movements. At March 28, 2015, changes in the fair value of derivative instruments as well as recognized gains / losses are included in the line item *Other expense* in the consolidated statements of income. At March 28, 2015, all of our currency forward contracts have expired.

9. Revolving Line of Credit

On August 29, 2014, Cirrus Logic entered into a credit agreement (the Credit Agreement) with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto.

The Credit Agreement provides for a $250 million senior secured revolving credit facility (the Credit Facility). The Credit Facility replaced Cirrus Logic s Interim Credit Facility described below, and may be used for general corporate purposes. The Credit Facility matures on August 29, 2017.

The Credit Facility is required to be guaranteed by all of Cirrus Logic s material domestic subsidiaries (the Subsidiary Guarantors). The Credit Facility is secured by substantially all of the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets. Borrowings under the Credit Facility may, at Cirrus Logic s election, bear interest at either (a) a Base Rate plus the Applicable Margin (Base Rate Loans) or (b) a LIBOR Rate plus the Applicable Margin (LIBOR Rate Loans). The Applicable Margin ranges from 0% to .25% per annum for Base Rate Loans and 1.50% to 2.00% per annum for LIBOR Rate Loans based on Cirrus Logic s Leverage Ratio (discussed below). A Commitment Fee accrues at a rate per annum ranging from 0.25% to 0.35% (based on the Leverage Ratio) on the average daily unused portion of the Commitment of the Lenders.

The Credit Agreement contains customary affirmative covenants, including, among others, covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the Credit Agreement contains customary negative covenants limiting the ability of Cirrus Logic or any Subsidiary to, among other things, incur debt, grant liens, make investments, effect certain fundamental changes, make certain asset dispositions, and make certain restricted payments. The Credit Facility also contains certain financial covenants providing that (a) the ratio of consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters must not be greater than 2.00 to 1.00 (the Leverage Ratio) and (b) the sum of cash and Cash Equivalents, which includes marketable securities, of Cirrus Logic and its Subsidiaries on a consolidated basis must not be less than $100 million. At March 28, 2015, the Company was in compliance with all covenants under the Credit Agreement. The Company had borrowed $180.4 million under this facility as of March 28, 2015, which is included in long-term liabilities on the consolidated balance sheets under the caption *Debt.* The borrowings were primarily used for refinancing the Interim Credit Facility described below (which was used for financing the Acquisition).

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Cirrus Logic entered into a credit agreement (the Interim Credit Agreement) with Wells Fargo Bank, National Association as administrative agent and lender, on April 29, 2014, in connection with the Acquisition. The Interim Credit Agreement provided for a $225 million senior secured revolving credit facility (the Interim Credit Facility). The Interim Credit Facility was to be used for, among other things, payment of the Offer Consideration in connection with the Acquisition. The Interim Credit Facility would have matured on the earliest to occur of (a) January 23, 2015, (b) the date of termination of the Commitments as a result of a permanent reduction of all of the Commitments (as defined in the Interim Credit Agreement) by Cirrus Logic or (c) the date of termination of the Commitments as a result of an event of default. The Interim Credit Facility was replaced with the Credit Facility described above and matured under scenario (b) above with no outstanding borrowings or accrued interest on the maturity date.

10. Restructuring Costs

The current fiscal year restructuring costs incurred related to the Acquisition discussed above in Note 7. In the third quarter of fiscal year 2013, the Company committed to a plan to close its Tucson, Arizona design center and move those operations to the Company s headquarters in Austin, Texas. As a result, the Company incurred a one-time charge for relocation, severance-related items and facility-related costs to operating expenses totaling $3.5 million in the third quarter of fiscal year 2013. The charge included $1.5 million in severance and relocation-related costs and $2.0 million in facility and other related charges. In fiscal year 2014, the Company recorded a credit of approximately $0.6 million related to changes in estimates for the facility, due to new subleases on the vacated property. This information is presented in a separate line item on the Consolidated Statements of Income in operating expenses under the caption *Restructuring and other, net.*

Of the net $2.9 million expense incurred, approximately $2.8 million has been completed, and consisted of severance and relocation-related costs of approximately $1.2 million, an asset impairment charge of approximately $1.0 million, and facility-related costs of approximately $0.6 million. As of March 28, 2015, we have a remaining restructuring accrual of $0.1 million, included in *Other accrued liabilities* on the Consolidated Balance Sheet.

11. Postretirement Benefit Plans

Pension Plan

As a result of the Acquisition, the Company now fully funds a defined benefit pension scheme (the Scheme) maintained by Wolfson, for employees in the United Kingdom, which was closed to new participants as of July 2, 2002. As of April 30, 2011, the participants in the Scheme no longer accrue benefits and therefore the Company will not be required to pay contributions in respect to future accrual.

The Scheme is a trustee-administered fund that is legally separate from Wolfson, which holds the pension plan assets to meet long-term pension liabilities. The pension fund trustees comprise one employee and one employer representative and an independent chairman. The trustees are required by law to act in the best interests of the Scheme s beneficiaries and the trustees are responsible, in consultation with Wolfson and the Company, for setting certain policies (including the investment policies and strategies) of the fund.

Prior to the Acquisition, Wolfson paid deficit contributions of approximately $1.65 million in April 2014. As of March 28, 2015, the Company was obligated, and subsequently paid, approximately $1.4 million to the Scheme by April 30, 2015 and is obligated to pay approximately $0.6 million by April 30, 2016, which is recorded on the consolidated balance sheets in *Accrued salaries and benefits* and *Other long-term liabilities,* respectively. The Company expects to completely close the Scheme over the next ten years.

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The following tables set forth the benefit obligation, the fair value of plan assets, and the funded status of the Scheme (in thousands):

Change in benefit obligation:	
Beginning balance at August 21, 2014	$ 22,959
Expenses	16
Interest cost	544
Benefits paid and expenses	(255)
Actuarial loss	3,827
Total benefit obligation at March 28, 2015	27,091
Change in plan assets:	
Beginning balance at August 21, 2014	25,021
Actual return on plan assets	1,969
Benefits paid and expenses	(255)
Fair value of plan assets at March 28, 2015	26,735
Funded status of Scheme at March 28, 2015	$ (356)

The assets and obligations of the Scheme are denominated in British Pounds. Based on an actuarial study performed as of March 28, 2015, the Scheme is underfunded and a long-term liability is reflected in the Company s consolidated balance sheet under the caption *Other long-term liabilities* . The weighted-average discount rate assumption used to determine benefit obligations as of March 28, 2015 was 3.2%.

The components of the Company s net periodic pension expense (income) are as follows (in thousands):

	Fiscal Years Ended	
	March 28, 2015	**March 29, 2014**
Expenses	$ 16	$
Interest cost	544	
Expected return on plan assets	(792)	
	$ (232)	$

The following weighted-average assumptions were used to determine net periodic benefit costs for the year ended March 28, 2015:

Discount rate	4.00%
Expected long-term return on plan assets	5.36%

We report and measure the plan assets of our defined benefit pension at fair value. The Company s pension plan assets consist of cash, equity securities, corporate debt securities, and diversified growth funds. The fair value of the pension plan assets is determined through an external actuarial valuation, following a similar process of obtaining inputs as described above. The expected long-term return on plan assets is comparable to the discount rate used to value plan liabilities.

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The table below sets forth the fair value of our plan assets as of March 28, 2015, using the same three-level hierarchy of fair-value inputs described in Note 4.

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Plan Assets:				
Cash	$ 1,160	$	$	$ 1,160
Pension funds		25,575		25,575
	$ 1,160	$ 25,575	$	$ 26,735

Amounts recognized in accumulated other comprehensive income (loss) for the period that have not yet been recognized as components of net periodic benefit cost consist of (in thousands):

	Fiscal Year 2015
Net actuarial loss	$ 1,625
Accumulated other comprehensive loss, before tax	$ 1,625

The Company will amortize the actuarial loss over a period of twenty-five years based on actuarial assumptions, including life expectancy. The following table provides the estimated amount that will be amortized from accumulated other comprehensive loss into net periodic benefit cost in fiscal year 2016 (in thousands):

	Fiscal Year 2016
Transition (asset) obligation	$
Prior service cost	
Actuarial loss (gain)	65

The Company expects to contribute $1.4 million to the pension plan in fiscal year 2016 for deficit contributions discussed above.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the following fiscal years (in thousands):

	Benefit Payments
2016	$ 384
2017	305
2018	314
2019	487
2020	570
Thereafter	2,865

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The expected long-term return on plan assets is based on historical actual return experience and estimates of future long-term performance with consideration to the expected investment mix of the plan assets. It is the policy of the Trustees and the Company to review the investment strategy periodically. The Trustees investment objectives and the processes undertaken to measure and manage the risks inherent in the Scheme investment strategy are illustrated by the current asset allocation. The current mix is 33% equity securities, 42% corporate debt securities, 21% diversified growth funds and 4% cash. See the related fair value of the assets above.

The Scheme exposes the Company to actuarial risks such as investment (market) risk, interest rate risk, mortality risk, longevity risk and currency risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to the Scheme liabilities and may give rise to increased benefit expenses in future periods. Caps on inflationary increases are currently in place to protect the Scheme against extreme inflation, however.

The indicative impact on net periodic benefit cost based on defined sensitivities is as follows:

Change	Approximate impact on liabilities
Decrease discount rate by 0.1%, per year	2% increase
Increase inflation linked assumptions by 0.1%, per year	2% increase (of inflation-linked liabilities)
Increase life expectancy by 1 year	2% increase

401(k) Plan

We have a 401(k) Profit Sharing Plan (the 401(k) Plan) covering all of our qualifying domestic employees. Under the 401(k) Plan, employees may elect to contribute any percentage of their annual compensation up to the annual IRS limitations. Beginning in the fourth quarter of fiscal year 2014, the Company matches 50 percent of the first 8 percent of the employees annual contribution; prior to that, the Company matched 50 percent of the first 6 percent of the employee s annual contribution. We made matching employee contributions of $2.5 million, $1.8 million, and $1.5 million during fiscal years 2015, 2014, and 2013, respectively.

12. Equity Compensation

The Company is currently granting equity awards from the 2006 Stock Incentive Plan (the Plan), which was approved by stockholders in July 2006. The Plan provides for granting of stock options, restricted stock awards, performance awards, phantom stock awards, and bonus stock awards, or any combination of the foregoing. To date, the Company has granted stock options, restricted stock awards, phantom stock awards (also called restricted stock units), and performance awards (also called market stock units) under the Plan. Each stock option granted reduces the total shares available for grant under the Plan by one share. Each full value award granted (including restricted stock awards, restricted stock units and market stock units) reduces the total shares available for grant under the Plan by 1.5 shares. Stock options generally vest between zero and four years, and are exercisable for a period of ten years from the date of grant. Generally, restricted stock awards are subject to vesting schedules up to four years. Restricted stock units are generally subject to vesting from one to three years, depending upon the terms of the grant. Market stock units are subject to a vesting schedule of three years.

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The following table summarizes the activity in total shares available for grant (in thousands):

	Shares Available for Grant
Balance, March 31, 2012	6,257
Plans terminated	
Granted	(1,600)
Forfeited	468
Balance, March 30, 2013	5,125
Plans terminated	
Granted	(1,785)
Forfeited	207
Balance, March 29, 2014	3,547
Plans terminated	
Shares added	3,300
Granted	(3,181)
Forfeited	230
Balance, March 28, 2015	3,896

As of March 28, 2015, approximately 12.6 million shares of common stock were reserved for issuance under the Plan.

Stock Compensation Expense

The following table summarizes the effects of stock-based compensation on cost of goods sold, research and development, sales, general and administrative, pre-tax income, and net income after taxes for shares granted under the Plan (in thousands, except per share amounts):

	Fiscal Year		
	2015	2014	2013
Cost of sales	$ 747	$ 864	$ 751
Research and development	11,222	10,392	10,549
Sales, general and administrative	25,580	11,818	10,195
Effect on pre-tax income	37,549	23,074	21,495
Income Tax Benefit	(37,692)	(8,445)	(106)
Total share-based compensation expense (benefit) (net of taxes)	(143)	14,629	21,389
Share-based compensation effects on basic earnings per share	$ 1.20	$ 0.50	$ 0.33
Share-based compensation effects on diluted earnings per share	1.15	0.48	0.32
Share-based compensation effects on operating activities cash flow	(143)	14,629	21,389
Share-based compensation effects on financing activities cash flow	37,692	8,445	106

The total share based compensation expense included in the table above and which is attributable to restricted stock awards, restricted stock units and market stock units was $34.0 million, $18.6 million, $16.3 million, for fiscal years 2015, 2014, and 2013, respectively.

As of March 28, 2015, there was $40.7 million of compensation costs related to non-vested stock options, restricted stock units, and market stock units granted under the Company s equity incentive plans not yet recognized in the Company s financial statements. The unrecognized compensation cost is expected to be recognized over a weighted average period of 1.27 years for stock options, 1.50 years for restricted stock units, and 2.51 years for market stock units.

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Stock Options

We estimated the fair value of each stock option granted on the date of grant using the Black-Scholes option-pricing model using a dividend yield of zero and the following additional assumptions:

	Year Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Expected stock price volatility	38.79 - 42.12%	51.93 - 54.34%	63.42%
Risk-free interest rate	0.49 - 0.91%	0.47 - 0.52%	0.31%
Expected term (in years)	2.15 - 2.87	2.46 - 2.61	2.46

The Black-Scholes valuation calculation requires us to estimate key assumptions such as stock price volatility, expected term, risk-free interest rate and dividend yield. The expected stock price volatility is based upon implied volatility from traded options on our stock in the marketplace. The expected term of options granted is derived from an analysis of historical exercises and remaining contractual life of stock options, and represents the period of time that options granted are expected to be outstanding after becoming vested. The risk-free interest rate reflects the yield on zero-coupon U.S. Treasury securities for a period that is commensurate with the expected term assumption. Finally, we have never paid cash dividends, do not currently intend to pay cash dividends, and thus have assumed a zero percent dividend yield.

Using the Black-Scholes option valuation model, the weighted average estimated fair values of employee stock options granted in fiscal years 2015, 2014, and 2013, were $7.26, $10.45, and $20.43, respectively.

During fiscal years 2015, 2014, and 2013, we received a net $5.2 million, $5.1 million, $12.0 million, respectively, from the exercise of 0.7 million, 0.8 million, and 1.7 million, respectively, stock options granted under the Company s Stock Plan.

The total intrinsic value of stock options exercised during fiscal year 2015, 2014, and 2013, was $12.8 million, $12.4 million, and $48.6 million, respectively. Intrinsic value represents the difference between the market value of the Company s common stock at the time of exercise and the strike price of the stock option.

Additional information with respect to stock option activity is as follows (in thousands, except per share amounts):

	Outstanding Options	
	Number	Weighted Average Exercise Price
Balance, March 31, 2012	5,904	$ 8.23
Options granted	264	37.22
Options exercised	(1,746)	6.88
Options forfeited	(144)	12.52
Options expired		20.25
Balance, March 30, 2013	4,278	$ 10.42
Options granted	318	23.45
Options exercised	(834)	6.12
Options forfeited	(10)	15.33
Options expired	(27)	19.52
Balance, March 29, 2014	3,725	$ 12.42
Options granted	310	21.69
Options exercised	(696)	7.47
Options forfeited	(5)	19.94
Options expired	(1)	4.65
Balance, March 28, 2015	3,333	$ 14.31

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Additional information with regards to outstanding options that are vesting, expected to vest, or exercisable as of March 28, 2015 is as follows (in thousands, except years and per share amounts):

	Number of Options	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Vested and expected to vest	3,311	$ 14.25	5.43	$ 64,449
Exercisable	2,670	$ 11.83	4.66	$ 58,150

In accordance with U.S. GAAP, stock options outstanding that are expected to vest are presented net of estimated future option forfeitures, which are estimated as compensation costs are recognized. Options with a fair value of $4.4 million, $4.8 million, and $4.8 million, became vested during fiscal years 2015, 2014, and 2013, respectively.

The following table summarizes information regarding outstanding and exercisable options as of March 28, 2015 (in thousands, except per share amounts):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$2.82 - $5.53	306	3.67	$ 5.19	306	$ 5.19
$5.55 - $5.55	688	4.53	5.55	688	5.55
$5.66 - $7.87	568	2.26	7.39	568	7.39
$8.06 - $16.25	764	5.79	15.29	710	15.28
$16.28 - $23.34	656	8.29	21.48	218	20.90
$23.80 - $38.99	351	7.89	35.11	180	36.49
	3,333	5.45	$ 14.31	2,670	$ 11.83

As of March 28, 2015 and March 29, 2014, the number of options exercisable was 2.7 million and 3.0 million, respectively.

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Restricted Stock Awards

The Company periodically grants restricted stock awards (RSA s) to select employees. The grant date for these awards is equal to the measurement date and the awards are valued as of the measurement date and amortized over the requisite vesting period, which is no more than four years. A summary of the activity for RSA s in fiscal years 2015, 2014, and 2013, is presented below (in thousands, except per share amounts):

	Number of Shares	Weighted Average Grant Date Fair Value (per share)
March 31, 2012	40	$ 7.19
Granted	27	28.24
Vested	(62)	15.45
Forfeited		
March 30, 2013	5	17.28
Granted		
Vested		
Forfeited		
March 29, 2014	5	17.28
Granted		
Vested	(5)	17.28
Forfeited		
March 28, 2015		$

There were no RSA s outstanding as of March 28, 2015. RSA s with a fair value of $86 thousand and $951 thousand became vested during fiscal years 2015 and 2013, respectively. No RSA s became vested during fiscal year 2014.

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Restricted Stock Units

Commencing in fiscal year 2011, the Company began granting restricted stock units (RSU s) to select employees. These awards are valued as of the grant date and amortized over the requisite vesting period. Generally, RSU s vest 100 percent on the first to third anniversary of the grant date depending on the vesting specifications. A summary of the activity for RSU s in fiscal year 2015, 2014, and 2013 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
March 31, 2012	1,616	$ 16.52
Granted	864	37.26
Vested	(193)	20.56
Forfeited	(216)	21.46
March 30, 2013	2,071	23.66
Granted	977	22.55
Vested	(626)	17.71
Forfeited	(113)	25.81
March 29, 2014	2,309	25.26
Granted	1,887	22.04
Vested	(1,224)	19.52
Forfeited	(151)	26.17
March 28, 2015	2,821	$ 25.57

The aggregate intrinsic value of RSU s outstanding as of March 28, 2015 was $93.9 million. Additional information with regards to outstanding restricted stock units that are expected to vest as of March 28, 2015, is as follows (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value	Weighted Average Remaining Contractual Term (years)
Expected to vest	2,646	$ 25.57	1.46

RSU s outstanding that are expected to vest are presented net of estimated future forfeitures, which are estimated as compensation costs are recognized. RSU s with a fair value of $23.9 million and $11.1 million became vested during fiscal years 2015 and 2014, respectively. The majority of RSUs that vested in 2015 and 2014 were net settled such that the Company withheld a portion of the shares at fair value to satisfy tax withholding requirements. In fiscal years 2015 and 2014, the vesting of RSU s reduced the authorized and unissued share balance by approximately 1.2 million and 0.6 million, respectively. Total shares withheld and subsequently retired out of the Plan were approximately 0.2 million and 0.2 million, and total payments for the employees tax obligations to taxing authorities were $4.6 million and $3.9 million for fiscal years 2015 and 2014, respectively. A portion of RSUs that vested in fiscal year 2015 and 2014 were cash settled such that the Company received cash from employees in lieu of withholding shares to satisfy tax withholding requirements. The total amount received from cash settled shares during fiscal year 2015 and 2014 was $0.1 million and $0.2 million, respectively.

Market Stock Units

In fiscal year 2015, the Company began granting market stock units (MSU s) to select employees. MSU s vest based upon the relative total shareholder return (TSR) of the Company as compared to that of the Index. The requisite service period for these MSU s is also the vesting period, which is three years. The fair value of

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each MSU granted was determined on the date of grant using the Monte Carlo simulation, which calculates the present value of the potential outcomes of future stock prices of the Company and the Index over the requisite service period. The projection of the stock prices are based on the risk-free rate of return, the volatilities of the stock price of the Company and the Index, the correlation of the stock price of the Company with the Index, and the dividend yield.

The fair values estimated from the Monte Carlo simulation were calculated using a dividend yield of zero and the following additional assumptions:

	Year Ended March 28, 2015
Expected stock price volatility	39.65%
Risk-free interest rate	1.00%
Expected term (in years)	3.00

Using the Monte Carlo simulation, the weighted average estimated fair value of the MSU s granted in fiscal year 2015 was $22.00. A summary of the activity for MSU s in fiscal year 2015 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
March 29, 2014		$
Granted	35	22.00
Vested		
Forfeited		
March 28, 2015	35	$ 22.00

The aggregate intrinsic value of MSU s outstanding as of March 28, 2015 was $1.2 million. Additional information with regard to outstanding MSU s that are expected to vest as of March 28, 2015 is as follows (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value	Weighted Average Remaining Contractual Term (years)
Expected to vest	35	$ 22.00	2.51

No MSU s became vested in 2015.

13. Commitments and Contingencies

Facilities and Equipment Under Operating and Capital Lease Agreements

We currently own our corporate headquarters, our UK headquarters, and select surrounding properties. We lease certain of our other facilities and certain equipment under operating lease agreements, some of which have renewal options. Certain of these arrangements provide for lease payment increases based upon future fair market rates. As of May 1, 2015, our principal facilities are located in Austin, Texas and Edinburgh, Scotland, United Kingdom.

The Company closed operations in Tucson, Arizona during fiscal year 2013, which included 28,000 square feet of leased office space which was primarily occupied by engineering personnel. The term of this lease extends through May 2015.

Total rent expense under operating leases was approximately $4.0 million, $2.8 million, and $3.2 million, for fiscal years 2015, 2014, and 2013, respectively. Sublease rental income was $0.1 million, $0.1 million, and $0.1 million, for fiscal years 2015, 2014, and 2013, respectively.

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As of March 28, 2015, there was equipment held under a capital lease with a cost basis of $1.1 million. The Company has recorded accumulated depreciation related to this equipment of $0.1 million as of March 28, 2015. The future minimum rental commitments under the capital lease are approximately $246 thousand for fiscal year 2016, $246 thousand for fiscal year 2017, $245 thousand for fiscal year 2018 and $245 thousand for fiscal year 2019.

The aggregate minimum future rental commitments under all operating leases, net of sublease income, for the following fiscal years are (in thousands):

	Facilities	Subleases	Net Facilities Commitments	Equipment Commitments	Total Commitments
2016	$ 4,388	$ 27	$ 4,361	$ 26	$ 4,387
2017	3,914		3,914	22	3,936
2018	2,074		2,074	9	2,083
2019	1,083		1,083	4	1,087
2020	501		501		501
Thereafter	193		193		193
Total minimum lease payment	$ 12,153	$ 27	$ 12,126	$ 61	$ 12,187

Wafer, Assembly, Test and Other Purchase Commitments

We rely primarily on third-party foundries for our wafer manufacturing needs. As of March 28, 2015, we had agreements with multiple foundries for the manufacture of wafers. On December 22, 2011, the Company entered into a $10 million Capacity Investment and Loading Agreement with STATS ChipPAC Ltd (Supplier Agreement) in order to secure assembly and test capacity for certain products. As part of the agreement, we were eligible to receive rebates on our purchases up to the full amount of the specified $10 million in the Supplier Agreement upon our meeting certain purchase volume milestones. As of March 28, 2015, the full amount related to the agreement rebates had been received. Other than the previously mentioned agreement, our foundry agreements do not have volume purchase commitments and primarily provide for purchase commitments based on purchase orders, with the exception of a few take or pay clauses included in vendor contracts that are immaterial at March 28, 2015. Cancellation fees or other charges may apply and are generally dependent upon whether wafers have been started or the stage of the manufacturing process at which the notice of cancellation is given. As of March 28, 2015, we had foundry commitments of $98.2 million.

In addition to our wafer supply arrangements, we contract with third-party assembly vendors to package the wafer die into finished products. Assembly vendors provide fixed-cost-per-unit pricing, as is common in the semiconductor industry. We had non-cancelable assembly purchase orders with numerous vendors totaling $5.5 million at March 28, 2015.

Test vendors provide fixed-cost-per-unit pricing, as is common in the semiconductor industry. Our total non-cancelable commitment for outside test services as of March 28, 2015 was $10.2 million.

Other purchase commitments primarily relate to multi-year tool commitments, and were $46.8 million at March 28, 2015.

14. Legal Matters

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made.

On June 4, 2012, U.S. Ethernet Innovations, LLC (the Plaintiff) filed suit against Cirrus Logic and two other defendants in the U.S. District Court, Eastern District of Texas. The Plaintiff alleges that Cirrus Logic infringed four U.S. patents relating to Ethernet technology. In its complaint, the Plaintiff indicated that it is

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seeking unspecified monetary damages, including up to treble damages for willful infringement. We answered the complaint on June 29, 2012, denying the allegations of infringement and seeking a declaratory judgment that the patents in suit were invalid and not infringed. The parties entered into a settlement agreement on May 30, 2013. In exchange for a full release of claims as it relates to the asserted patent, we paid the Plaintiff $0.7 million. This amount is recorded as a separate line item on the Consolidated Statements of Income under the caption Patent infringement settlements, net.

On June 17, 2014, Enterprise Systems Technologies S.a.r.l. (the Plaintiff) filed suit against Cirrus Logic, Inc. in the U.S. District Court, District of Delaware. The Plaintiff alleged that Cirrus Logic indirectly infringed two U.S. patents through the manufacture and sale of digital signal processors, audio codecs, audio processors, and other components included in communications and consumer electronic devices such as smartphones and computers. The Plaintiff sought unspecified monetary damages. On July 23, 2014, the Plaintiff filed an amended complaint removing allegations associated with one of the two patents. On August 25, 2014, the lawsuit was stayed pending resolution of the proceedings in the International Trade Commission (ITC) described below. The suit was concluded on March 6, 2015, when the Plaintiff dismissed with prejudice any claims against Cirrus Logic.

On July 16, 2014, the Plaintiff requested the ITC to investigate the impact of certain products that allegedly infringe the same patent asserted in the District Court of Delaware. The Plaintiff was seeking a limited exclusion order against certain Apple, Inc. products that incorporate the Company s components. The matter was concluded when the ITC terminated its investigation with respect to Cirrus Logic on March 9, 2015, and on March 30, 2015, the ITC made such termination decision final.

15. Stockholders Equity

Share Repurchase Program

On November 20, 2012, we announced that our Board of Directors authorized a share repurchase program of up to $200 million of the Company s common stock. As of March 28, 2015, the Company had repurchased 6.2 million shares at a cost of approximately $148.3 million, or an average cost of $23.87 per share. Of this total, 0.6 million shares were purchased in the current fiscal year at a cost of $10.5 million, or an average cost of $18.17 per share. As of March 28, 2015, approximately $51.7 million remains available for repurchase under this plan.

All of these shares were repurchased in the open market and were funded from existing cash. All shares of our common stock that were repurchased were retired as of March 28, 2015.

Preferred Stock

We have 5.0 million shares of Preferred Stock authorized. As of March 28, 2015, we have not issued any of the authorized shares.

16. Accumulated Other Comprehensive Loss

Our accumulated other comprehensive loss is comprised of foreign currency translation adjustments, unrealized gains and losses on investments classified as available-for-sale, and actuarial gains and losses on our pension plan assets. The foreign currency translation adjustments are not currently adjusted for income taxes because they relate to indefinite investments in non-U.S. subsidiaries that have since changed from a foreign functional currency to a U.S dollar functional currency.

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The following table summarizes the changes in the components of accumulated other comprehensive loss, net of tax (in thousands):

	Foreign Currency	Unrealized Gains (Losses) on Securities	Actuarial Gains (Losses) on Pension Plan	Total
Balance, March 31, 2012	$ (770)	$ 8	$	$ (762)
Current period marketable securities activity		(157)		(157)
Tax effect				
Balance, March 30, 2013	$ (770)	$ (149)	$	$ (919)
Current period marketable securities activity		(31)		(31)
Tax effect		64		64
Balance, March 29, 2014	$ (770)	$ (116)	$	$ (886)
Current period marketable securities activity		107		107
Current period actuarial gain/loss activity			(1,625)	(1,625)
Tax effect		(38)	332	294
Balance, March 28, 2015	$ (770)	$ (47)	$ (1,293)	$ (2,110)

17. Income Taxes

Income before income taxes consisted of (in thousands):

	Year Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
United States	$ 133,295	$ 155,431	$ 200,124
Non-U.S.	(41,746)	306	1,066
	$ 91,549	$ 155,737	$ 201,190

The provision (benefit) for income taxes consists of (in thousands):

	Year Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Current:			
Federal	$ 42,102	$ 10,550	$ 3,537
State	63	258	323
Non-U.S.	445	335	243
Total current tax provision	$ 42,610	$ 11,143	$ 4,103
Deferred:			

U.S.	2,136	36,543	60,506
Non-U.S.	(8,375)	(60)	(17)
Total deferred tax provision (benefit)	(6,239)	36,483	60,489
Total tax provision	$ 36,371	$ 47,626	$ 64,592

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The effective income tax rates differ from the rates computed by applying the statutory federal rate to pretax income as follows (in percentages):

	Year Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Expected income tax provision at the U.S. federal statutory rate	35.0	35.0	35.0
Valuation allowance changes affecting the provision of income taxes	(0.3)	(0.1)	(1.3)
Foreign taxes at different rates	7.3	0.1	(0.1)
R&D credit	(3.6)	(0.9)	(2.1)
Stock compensation	(0.8)	(0.1)	0.1
Recognition of prior year benefit		(4.1)	
Nondeductible expenses	2.3	0.5	0.3
Other	(0.2)	0.2	0.2
Provision for income taxes	39.7	30.6	32.1

Significant components of our deferred tax assets and liabilities as of March 28, 2015 and March 29, 2014 are (in thousands):

	March 28, 2015	March 29, 2014
Deferred tax assets:		
Inventory valuation	$ 6,377	$ 7,692
Accrued expenses and allowances	4,705	3,905
Net operating loss carryforwards	57,878	29,062
Research and development tax credit carryforwards	14,567	15,164
State tax credit carryforwards	225	231
Capitalized research and development	1,793	3,485
Other	30,695	28,627
Total deferred tax assets	$ 116,240	$ 88,166
Valuation allowance for deferred tax assets	(33,190)	(32,159)
Net deferred tax assets	$ 83,050	$ 56,007
Deferred tax liabilities:		
Depreciation and amortization	$ 6,827	$ 5,709
Acquisition intangibles	35,242	3,209
Total deferred tax liabilities	$ 42,069	$ 8,918
Total net deferred tax assets	$ 40,981	$ 47,089

These net deferred tax assets have been categorized on the Consolidated Balance Sheets as of March 28, 2015 and March 29, 2014 as follows:

	March 28, 2015	March 29, 2014
Current deferred tax assets	$ 18,559	$ 22,024
Long-term deferred tax assets	25,593	25,065
Long-term deferred tax liabilities	(3,171)	

Total net deferred tax assets	$ 40,981	$ 47,089

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The current and long-term deferred tax assets are disclosed separately under their respective captions on the Consolidated Balance Sheets. The long-term deferred tax liabilities are included in Other long-term liabilities on the Consolidated Balance Sheets.

The valuation allowance increased by $1.0 million in fiscal year 2015 from fiscal year 2014. The increase during fiscal year 2015 was primarily due to the acquisition of stock of Wolfson Microelectronics, Inc., a U.S. corporation previously owned by Wolfson. Wolfson Microelectronics, Inc. had a Federal net operating loss that will not be fully realized due to the limitations of Internal Revenue Code Section 382. The Company maintained its valuation allowance on various state net operating losses and credits due to the likelihood that they will expire or go unutilized because the Company no longer has a significant apportionment in the jurisdiction in which the attribute was created. With regard to the remaining deferred tax assets, management believes that the Company s results from future operations will generate sufficient taxable income such that it is more likely than not that these deferred tax assets will be realized.

At March 28, 2015, we had gross federal net operating loss carryforwards of $26.2 million. All of the $26.2 million relates to acquired companies and are, therefore, subject to certain limitations under Section 382 of the Internal Revenue Code. We had gross state net operating losses in various states that total $88.3 million. The federal net operating loss carryforwards expire in fiscal years 2019 through 2034. The state net operating loss carryforwards expire in fiscal years 2016 through 2034. We also have gross non-U.S. net operating losses of $147.6 million, which do not expire.

At March 28, 2015, we had $5.1 million of Federal research and development credit carryforwards, none of which are reflected as deferred tax assets at the end of the fiscal year since, under the with and without method , they are deemed to have been utilized for U.S. GAAP purposes. Of the $14.6 million of state research and development credits reflected as deferred tax assets, $2.9 million will expire in fiscal years 2022 through 2027. The remaining $11.7 million of state research and development credits are not subject to expiration.

The cumulative undistributed earnings in our non-U.S. subsidiaries is currently negative. We have no unrecognized deferred tax liability on these earnings.

We record unrecognized tax benefits for the estimated risk associated with tax positions taken on tax returns. The unrecognized tax benefits balance was zero at March 28, 2015 and March 29, 2014. Due to the Wolfson acquisition and subsequent post-acquisition integration, it is reasonably possible that the total amount of unrecognized tax benefits could increase within the next 12 months. An estimate of the range of increase is impracticable as of March 28, 2015.

We accrue interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes. As of March 28, 2015, the balance of accrued interest and penalties was zero. No interest or penalties were incurred during fiscal year 2015 or 2014.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in multiple state and foreign jurisdictions. Fiscal years 2012 through 2015 remain open to examination by the major taxing jurisdictions to which we are subject.

18. Segment Information

We determine our operating segments in accordance with Financial Accounting Standards Board (FASB) guidelines. Our Chief Executive Officer (CEO) has been identified as the chief operating decision maker under these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue performance in two product lines, which currently are portable audio and non-portable audio and other. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share operations support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative

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functions of human resources, legal, finance and information technology. Therefore, there is no complete, discrete financial information maintained for these product lines. Revenue from our product lines are as follows (in thousands):

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
Portable Audio Products	$ 740,301	$ 562,718	$ 651,974
Non-Portable Audio and Other Products	176,267	151,620	157,812
	$ 916,568	$ 714,338	$ 809,786

Geographic Area

The following illustrates sales by geographic locations based on the sales office location (in thousands):

	Fiscal Years Ended		
	March 28, 2015	March 29, 2014	March 30, 2013
United States	$ 31,977	$ 35,582	$ 38,670
European Union (excluding United Kingdom)	13,629	13,125	17,601
United Kingdom	2,805	1,513	1,610
China	728,413	617,850	700,051
Hong Kong	15,087	6,057	8,590
Japan	14,353	5,150	9,299
South Korea	69,327	9,338	8,975
Taiwan	15,272	13,739	11,694
Other Asia	10,991	11,112	10,387
Other non-U.S. countries	14,714	872	2,909
Total consolidated sales	$ 916,568	$ 714,338	$ 809,786

The following illustrates property, plant and equipment, net, by geographic locations, based on physical location (in thousands):

	Fiscal Years Ended	
	March 28, 2015	March 29, 2014
United States	$ 114,935	$ 103,287
United Kingdom	28,925	16
China	245	265
Hong Kong	1	2
Japan	3	12
South Korea	3	5
Taiwan	216	52
Other Asia	18	11
Total consolidated property, plant and equipment, net	$ 144,346	$ 103,650

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19. Quarterly Results (Unaudited)

The following quarterly results have been derived from our audited annual consolidated financial statements. In the opinion of management, this unaudited quarterly information has been prepared on the same basis as the annual consolidated financial statements and includes all adjustments, including normal recurring adjustments, necessary for a fair presentation of this quarterly information. This information should be read along with the financial statements and related notes. The operating results for any quarter are not necessarily indicative of results to be expected for any future period.

The unaudited quarterly statement of operations data for each quarter of fiscal years 2015 and 2014 were as follows (in thousands, except per share data):

	Fiscal Year 2015			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 152,565	$ 210,214	$ 298,606	$ 255,183
Gross profit	75,375	100,567	130,831	118,975
Net income	10,248	852	22,729	21,349
Basic income per share	$ 0.17	$ 0.01	$ 0.36	$ 0.34
Diluted income per share	0.16	0.01	0.35	0.32

	Fiscal Year 2014			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 155,125	$ 190,671	$ 218,883	$ 149,659
Gross profit	79,498	99,448	103,849	73,368
Net income	20,642	33,367	41,500	12,602
Basic income per share	$ 0.33	$ 0.53	$ 0.66	$ 0.20
Diluted income per share	0.31	0.50	0.63	0.20

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ITEM 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(e) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(b) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Commission. Based upon the evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of March 28, 2015 at the reasonable assurance level.

Management s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this report based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment of internal control over financial reporting, management has concluded that our internal control over financial reporting was effective as of March 28, 2015, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Wolfson has been excluded from management s assessment of internal control over financial reporting as of March 28, 2015, because it was acquired by the Company in an acquisition in August, 2014. Wolfson is a 100% owned subsidiary whose total assets and total sales represent approximately 15% and 11%, respectively, of the related consolidated financial statement amounts of the Company as of and for the year ended March 28, 2015.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on management s assessment of our internal control over financial reporting as of March 28, 2015, included in Item 8 of this report.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company s internal control over financial reporting during the quarter ended March 28, 2015, that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

PART III

ITEM 10. ***Directors , Executive Officers and Corporate Governance***

The information set forth in the proxy statement to be delivered to stockholders in connection with our Annual Meeting of Stockholders to be held on July 29, 2015 (the Proxy Statement) under the headings *Corporate Governance Board Meetings and Committees, Corporate Governance Audit Committee,*

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Proposals to be Voted on - Proposal No. 1 - Election of Directors, Summary of Executive Compensation, and Section 16(a) Beneficial Ownership Reporting Compliance is incorporated herein by reference.

ITEM 11. ***Executive Compensation***

The information set forth in the Proxy Statement under the headings *Director Compensation Arrangements*, *Compensation Discussion and Analysis, Compensation Committee Report,* and *Proposals to be Voted on Proposal No. 3 Advisory Vote to Approve the Compensation of Named Executive Officers, Proposal No. 4 Approval of the Third Amendment to, and the Restatement of, the 2006 Stock Incentive Plan* and *Proposal No. 5 Approval of Material Terms of the 2006 Incentive Plan, as amended and restated by the Third Amendment, for purposes of complying with the requirements of Section 162(m) of the Internal Revenue Code* are incorporated herein by reference.

ITEM 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information set forth in the Proxy Statement under the headings *Equity Compensation Plan Information* and *Security Ownership of Certain Beneficial Owners and Management* is incorporated herein by reference.

ITEM 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information set forth in the Proxy Statement under the headings *Certain Relationships and Related Transactions* and *Corporate Governance* is incorporated herein by reference.

ITEM 14. ***Principal Accountant Fees and Services***

The information set forth in the Proxy Statement under the headings *Audit and Non-Audit Fees and Services* and *Proposal No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm* is incorporated herein by reference.

PART IV

ITEM 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this Report:

1. *Consolidated Financial Statements*

- ¡ Reports of Ernst & Young LLP, Independent Registered Public Accounting Firm.
- ¡ Consolidated Balance Sheets as of March 28, 2015 and March 29, 2014.
- ¡ Consolidated Statements of Income for the fiscal years ended March 28, 2015, March 29, 2014, and March 30, 2013.
- ¡ Consolidated Statements of Comprehensive Income for the fiscal years ended March 28, 2015, March 29, 2014, and March 30, 2013.
- ¡ Consolidated Statements of Cash Flows for the fiscal years ended March 28, 2015, March 29, 2014, and March 30, 2013.

- Consolidated Statements of Stockholders Equity for the fiscal years ended March 28, 2015, March 29, 2014, and March 30, 2013.

- Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

All schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.

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3. Exhibits

The following exhibits are filed as part of or incorporated by reference into this Annual Report on Form 10-K:

Number	Description
2.1	Cooperation Agreement dated April 29, 2014 between the Company and Wolfson Microelectronics plc. (1)
3.1	Certificate of Incorporation of Registrant, filed with the Delaware Secretary of State on August 26, 1998. (2)
3.2	Amended and Restated Bylaws of Registrant. (3)
10.1+	Cirrus Logic, Inc. 1996 Stock Plan, as amended and restated as of December 4, 2007. (4)
10.2+	2002 Stock Option Plan, as amended. (5)
10.3+	Cirrus Logic, Inc. 2006 Stock Incentive Plan, amended and restated as of July 28, 2014. (13)
10.4+	Form of Stock Option Agreement for options granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (7)
10.5+	Form of Notice of Grant of Stock Option for options granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (6)
10.6+	Form of Stock Option Agreement for Outside Directors under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (8)
10.7+	Form of Restricted Stock Unit Agreement for U.S. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (7)
10.8+*	Form of Restricted Stock Unit Agreement for U.K. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan.
10.9+	Form of Notice of Grant of Restricted Stock Units granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (7)
10.10+	Form of Performance Award Agreement for U.S. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (15)
10.11+*	Form of Notice of Performance Award Agreement for U .S. Employees under the Cirrus Logic Inc. 2006 Stock Incentive Plan.
10.12+	2007 Executive Severance and Change of Control Plan, effective as of October 1, 2007, as amended and restated on March 4, 2014. (9)
10.13+	2007 Management and Key Individual Contributor Incentive Plan, as amended on May 28, 2013. (10)
10.14	The Revised Stipulation of Settlement dated March 10, 2009. (11)
10.15	Credit Agreement dated April 19, 2012, among the Company, Wells Fargo Bank, National Association, as Administrative Agent and Issuing Lender, Barclays Bank, as Syndication Agent, Wells Fargo Securities, LLC and Barclays Capital, as Joint Lead Arrangers and Co-Book Managers, and the lenders referred to therein. (12)
10.16	Credit Agreement dated April 29, 2014 among the Company, Wells Fargo Bank and National Association, as Administrative Agent and Lender. (1)
10.17	Credit Agreement dated August 29, 2014 among Registrant, Wells Fargo Bank and National Association, as Administrative Agent and Initial Issuing Lender. (14)
14.1*	Code of Conduct, dated March 24, 2015.
21.1*	List of Subsidiaries.
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1*	Power of Attorney (see signature page).

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Number	Description
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

+ Indicates a management contract or compensatory plan or arrangement.

* Filed with this Form 10-K.

(1) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on April 29, 2014 (Registration No. 000-17795).

(2) Incorporated by reference from Registrant s Report on Form 10-K for the fiscal year ended March 31, 2001, filed with the SEC on June 22, 2001 (Registration No. 000-17795).

(3) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on September 20, 2013.

(4) Incorporated by reference from Registrant s Report on Form 10-Q filed with the SEC on January 30, 2008.

(5) Incorporated by reference from Registrant s Report on Form 10-K for the fiscal year ended March 29, 2003, filed with the SEC on June 13, 2003 (Registration No. 000-17795).

(6) Incorporated by reference from Registration s Statement on Form S-8 filed with the SEC on August 1, 2006 (Registration No. 000-17795), as amended on Form 8-K filed with the SEC on March 4, 2014 (Registration No. 000-17795).

(7) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on October 7, 2010.

(8) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on August 1, 2007.

(9) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on March 10, 2014.

(10) Incorporated by reference from Registrant s Report on Form 10-K for the fiscal year ended March 30, 2013, filed with the SEC on May 29, 2013 (Registration No. 000-17795).

(11) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on April 1, 2009.

(12) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on April 25, 2012.

(13) Incorporated by reference from Registration s Statement on Form S-8 filed with the SEC on December 15, 2014 (Registration No. 333-200968).

(14) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on September 3, 2014.

(15) Incorporated by reference from Registrant s Report on Form 8-K filed with the SEC on September 22, 2014.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized.

CIRRUS LOGIC, INC.

By: /s/ Thurman K. Case
Thurman K. Case
Vice President, Chief Financial Officer and Chief Accounting Officer
May 27, 2015

KNOW BY THESE PRESENT, that each person whose signature appears below constitutes and appoints Thurman K. Case, his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of the attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of the Registrant, in the capacities and on the dates indicated have signed this report below:

Signature	Title	Date
/s/ Jason P. Rhode Jason P. Rhode	President and Chief Executive Officer	May 27, 2015
/s/ Thurman K. Case Thurman K. Case	Vice President, Chief Financial Officer and Chief Accounting Officer	May 27, 2015
/s/ John C. Carter John C. Carter	Director	May 27, 2015
/s/ Alex Davern Alex Davern	Director	May 27, 2015
/s/ Timothy R. Dehne Timothy R. Dehne	Director	May 27, 2015
/s/ Christine King Christine King	Director	May 27, 2015
/s/ Alan R. Schuele Alan R. Schuele	Director	May 27, 2015
/s/ William D. Sherman William D. Sherman	Director	May 27, 2015
/s/ Susan Wang Susan Wang	Director	May 27, 2015