Rambus Reports September Quarter Earnings; Earnings per share of 6 cents

LOS ALTOS, Calif., Oct 9, 2002 -- Rambus Inc. (Nasdaq:RMBS)

Fiscal Q4 earnings announcement call live on website (www.rambus.com) at 1:30 p.m. PDT.

Conference call replay number 800-642-1687; replay also available on website.

Replay available for one week, beginning at 5:00 p.m. PDT.

Rambus Inc. (Nasdaq:RMBS) today reported financial results for its fourth fiscal quarter ended September 30, 2002. Earnings per share for the September quarter were 6 cents, compared to 6 cents in the same period last year and 6 cents in the previous quarter. Net income for the September quarter was $5.9 million (24% of revenues), compared to $6.5 million in the same period last year and $5.9 million in the previous quarter. Revenue for the quarter was $24.5 million, down 12% over the same period last year and up 3% from the previous quarter.

"In this economy, we think modest sequential revenue growth while maintaining profitability is a very good outcome," said Geoff Tate, CEO of Rambus Inc.

September quarter results include $23.2 million in royalties, down 7% over the same period last year and up 5% from the previous quarter. Royalties were up sequentially for SDRAM and DDR memories and memory controllers and royalties were up sequentially for RDRAM memory and memory controllers.

Operating expenses in the September quarter increased $0.9 million from last quarter as a result of an increase in litigation, sales and marketing costs. Costs associated with litigation were $2.8 million in the September quarter versus $2.4 million in the prior quarter. Litigation costs were down $4 million when compared to the same quarter last year. Overall, operating expenses were $17 million versus $16 million last quarter and $19.6 million in the comparable period last year.

Earlier today, the Rambus Board of Directors authorized the repurchase of up to an additional 5 million shares of the Company's stock in open market transactions effective immediately and over an indefinite period. This authorization is in addition to the 1.1 million shares of the Company's stock that remain authorized for repurchase from the last authorization. The Company repurchased 3.9 million shares in fiscal 2002.

Rambus is the leading developer and marketer of breakthrough chip-to-chip interface technology, products and solutions to the electronics industry. The company licenses its technology in the form of ASIC cells that are incorporated into high-performance memory and logic chips by 25 of the world's top semiconductor makers. The company's ASIC cells and system-level solutions are incorporated into hundreds of OEM products such as personal computers, workstations, video game consoles, network routers, HDTVs and set-top boxes.

This release and the conference call on today's date contain forward-looking statements under the Private Securities Litigation Reform Act of 1995 regarding the Company's financial prospects, development plans, anticipated product shipment dates, litigation prospects, relations with licensees and other third parties and various other matters. Such forward-looking statements are based on current expectations, estimates and projections about the Company's industry, management's beliefs, and certain assumptions made by the Company's management. Actual results may differ materially. Among the reasons which could cause actual results to differ materially are the possibility of inadequate shipments of Rambus RDRAM memory devices and controllers for the Sony PlayStation2 and the PC main memory market, the market response to these products, the continued deterioration in the DRAM market, any delay in the development of Rambus-based products by licensees, any delay in the development and shipment of new Rambus products, any delay in the development and shipment of products compatible with Rambus products, a strong response of the market to competing technology, a lack of progress on price and cost reduction by RDRAM suppliers, a failure to sign new contracts or maintain existing contracts for RDRAM, Yellowstone, RaSer or SDRAM-compatible and DDR-compatible ICs, adverse litigation decisions and other factors that are described in our SEC filings including our 10-K and 10-Qs.

RAMBUS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

(unaudited)

	Three Months Ended			Twelve Months Ended	
	Sept. 30, 2002	June 30, 2002	Sept. 30, 2001	Sept. 30, 2002	Sept. 30, 2001
Revenues:					
Contract revenues	$ 1,244	$ 1,507	$ 2,833	$ 7,557	$ 21,797
Royalties	23,236	22,183	25,063	89,008	95,363
Total revenues	24,480	23,690	27,896	96,565	117,160
Costs and expenses:					
Cost of contract revenues	1,819	1,786	1,894	7,605	9,863
Research and development	6,116	5,844	5,035	22,306	18,204
Marketing, general & administrative	6,268	6,050	5,846	23,954	21,238
Litigation expense	2,779	2,361	6,808	11,278	27,140
Total costs and expenses	16,982	16,041	19,583	65,143	76,445
Operating income	7,498	7,649	8,313	31,422	40,715
Interest and other income, net	1,555	1,423	1,987	6,584	8,932
Income before income taxes	9,053	9,072	10,300	38,006	49,647
Provision for income taxes	3,168	3,175	3,818	13,302	18,376
Net income	$ 5,885	$ 5,897	$ 6,482	$ 24,704	$ 31,271
Net income per share - basic	$ 0.06	$ 0.06	$ 0.06	$ 0.25	$ 0.31
Net income per share - diluted	$ 0.06	$ 0.06	$ 0.06	$ 0.24	$ 0.29
Shares used in per share calculations:					
Basic	97,644	99,511	100,190	99,369	99,456
Diluted	98,749	101,761	102,218	102,100	105,966

RAMBUS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	Sept. 30, 2002	June 30, 2002	Sept. 30, 2001
	(unaudited)	(unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	$ 21,454	$ 30,982	$ 44,195
Marketable securities	65,083	65,708	85,700
Accounts receivable	312	197	2,368
Prepaid and deferred taxes	6,073	7,850	7,665
Prepaids and other current assets	3,011	4,290	3,319
Total current assets	95,933	109,027	143,247
Property and equipment, net	13,277	13,456	15,862
Marketable securities, long-term	69,592	54,000	12,057
Restricted investments	12,576	12,577	13,605

Deferred taxes, long-term	35,527	37,637	44,275
Other assets	6,054	6,154	8,744
Total assets	$ 232,959	$ 232,851	$ 237,790
Total cash, cash equivalents, marketable securities and restricted investments	$ 168,705	$ 163,267	$ 155,557
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and other current liabilities	$ 10,480	$ 7,773	$ 7,977
Deferred revenue	11,086	11,146	14,398
Total current liabilities	21,566	18,919	22,375
Deferred revenue, less current portion	15,901	17,124	24,058
Total liabilities	37,467	36,043	46,433
Stockholders' equity:			
Common Stock	97	99	100
Additional paid-in capital	261,734	269,339	282,911
Deferred stock-based compensation	--	--	(461)
Accumulated deficit	(67,157)	(73,042)	(91,861)
Accumulated other comprehensive gain (loss)	818	412	668
Total stockholders' equity	195,492	196,808	191,357
Total liabilities and stockholders' equity	$ 232,959	$ 232,851	$ 237,790

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