# Rambus Reports June Quarter Earnings; Earnings Per Share of 6 Cents

LOS ALTOS, Calif., Jul 11, 2002 -- Rambus Inc. (Nasdaq:RMBS)

Fiscal Q3 earnings announcement call live on website (www.rambus.com) at 2:00 p.m. PDT.

Conference call replay number 800/293-4252; 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 third fiscal quarter ended June 30, 2002. Earnings per share for the June quarter were 6 cents, compared to 4 cents in the same period last year and 7 cents in the previous quarter. Net income for the June quarter was $5.9 million (25% of revenues), compared to $3.7 million in the same period last year and $6.7 million in the previous quarter. Revenue for the quarter was $23.7 million, up 2% over the same period last year and up 1% from the previous quarter.

June quarter results include $22.2 million in royalties, up 12% over the same period last year and up 2% from the previous quarter. Royalties were down sequentially for RDRAM memory and memory controllers. Royalties were up sequentially for SDRAM and DDR memories and memory controllers.

Operating expenses in the June quarter increased $1.2 million from last quarter as a result of an increase in litigation costs and R&D investments. Costs associated with litigation were up to $2.4 million in the June quarter versus $1.6 million in the prior quarter. Litigation costs were down $6.4 million when compared to the same quarter last year. Overall, operating expenses were $16.0 million versus $14.8 million last quarter and $21.4 million in the same period last year.

"Rambus' business has always been based on innovation and we've shown good progress on this front over the past quarter," said Geoff Tate, CEO of Rambus Inc. "Our diversification strategy is working as evidenced by our successful demonstrations of our RaSer and Yellowstone technologies while our RDRAM partners began shipping the world's first gigahertz memory device."

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 EOM 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 | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | June 30, 2002 | March 31, 2002 | June 30, 2001 | June 30, 2002 | June 30, 2001 |

| | | | | | |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Contract revenues | $ 1,507 | $ 1,722 | $ 3,514 | $ 6,313 | $ 18,964 |
| Royalties | 22,183 | 21,809 | 19,787 | 65,772 | 70,300 |
| Total revenues | 23,690 | 23,531 | 23,301 | 72,085 | 89,264 |
| Costs and expenses: | | | | | |
| Cost of contract revenues | 1,786 | 1,842 | 2,692 | 5,786 | 7,969 |
| Research and development | 5,844 | 5,226 | 4,822 | 16,190 | 13,168 |
| Marketing, general & administrative | 6,050 | 6,121 | 5,131 | 17,686 | 15,394 |
| Litigation expense | 2,361 | 1,629 | 8,762 | 8,499 | 20,331 |
| Total costs and expenses | 16,041 | 14,818 | 21,407 | 48,161 | 56,862 |
| Operating income | 7,649 | 8,713 | 1,894 | 23,924 | 32,402 |
| Interest and other income, net | 1,423 | 1,669 | 2,317 | 5,029 | 6,945 |
| Income before income taxes | 9,072 | 10,382 | 4,211 | 28,953 | 39,347 |
| Provision for income taxes | 3,175 | 3,634 | 504 | 10,134 | 14,558 |
| Net income | $ 5,897 | $ 6,748 | $ 3,707 | $ 18,819 | $ 24,789 |
| Net income per share - basic | $ 0.06 | $ 0.07 | $ 0.04 | $ 0.19 | $ 0.25 |
| Net income per share - diluted | $ 0.06 | $ 0.07 | $ 0.04 | $ 0.18 | $ 0.23 |
| Shares used in per share calculations: | | | | | |
| Basic | 99,511 | 99,948 | 99,969 | 99,947 | 99,200 |
| Diluted | 101,761 | 102,945 | 102,889 | 102,989 | 107,214 |

RAMBUS INC.

CONSOLIDATED BALANCE SHEETS

(in thousands)

| | June 30, 2002 | March 31, 2002 | Sept. 30, 2001 |
|---|---|---|---|
| | (unaudited) | (unaudited) | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 30,982 | $ 34,344 | $ 44,195 |
| Marketable securities | 65,708 | 64,464 | 85,700 |
| Accounts receivable | 197 | 1,937 | 2,368 |
| Prepaid and deferred taxes | 7,850 | 10,138 | 7,665 |
| Prepaids and other current assets | 4,290 | 3,074 | 3,319 |
| Total current assets | 109,027 | 113,957 | 143,247 |
| Property and equipment, net | 13,456 | 14,050 | 15,862 |

| | | | |
|---|---|---|---|
| Marketable securities, long-term | 54,000 | 50,723 | 12,057 |
| Restricted investments | 12,577 | 12,253 | 13,605 |
| Deferred taxes, long-term | 37,637 | 37,270 | 44,275 |
| Other assets | 6,154 | 8,566 | 8,744 |
| Total assets | $ 232,851 | $ 236,819 | $ 237,790 |
| Total cash, cash equivalents, marketable securities and restricted investments | $ 163,267 | $ 161,784 | $ 155,557 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable and other current liabilities | $ 7,773 | $ 8,521 | $ 7,977 |
| Deferred revenue | 11,146 | 12,150 | 14,398 |
| Total current liabilities | 18,919 | 20,671 | 22,375 |
| Deferred revenue, less current portion | 17,124 | 19,187 | 24,058 |
| Total liabilities | 36,043 | 39,858 | 46,433 |
| Stockholders' equity: | | | |
| Common Stock | 99 | 100 | 100 |
| Additional paid-in capital | 269,339 | 275,984 | 282,911 |
| Deferred stock-based compensation | -- | -- | (461) |
| Accumulated deficit | (73,042) | (78,939) | (91,861) |
| Accumulated other comprehensive gain (loss) | 412 | (184) | 668 |
| Total stockholders' equity | 196,808 | 196,961 | 191,357 |
| Total liabilities and stockholders' equity | $ 232,851 | $ 236,819 | $ 237,790 |

Rambus Inc.

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