Rambus Reports December Quarter Earnings of 6 Cents Per Share; Company Achieves Third Straight Quarter of Sequential Revenue Growth

LOS ALTOS, Calif.--Jan. 13, 2003--Rambus Inc. (Nasdaq:RMBS), a leading provider of chip-to-chip interface products and services, today reported financial results for its first fiscal quarter ended December 31, 2002. Earnings per share for the December 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 December quarter was $5.5 million (22% of revenues), compared to $6.2 million in the same period last year and $5.9 million in the previous quarter. Revenue for the quarter was $25.7 million, up 3% over the same period last year and up 5% from the previous quarter.

"This quarter we achieved revenue growth and consistent earnings per share while continuing to increase research and development investments," said Geoff Tate, CEO of Rambus Inc. "Even in this tough economic climate we are actively hiring with the intention to grow our engineering staff by over 25% this year."

December quarter results include $24.3 million in royalties, up 12% 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 as well as for RDRAM memory and memory controllers.

Total costs and expenses in the December quarter increased $1.9 million from last quarter mostly as a result of an increase in litigation costs. Costs associated with litigation were $4.5 million in the December quarter versus $2.8 million in the prior quarter. Litigation costs were roughly equal to the same quarter last year. Overall, total costs and expenses were $18.9 million versus $17 million last quarter and $17.3 million in the comparable period last year.

Fiscal Q1 earnings announcement call live on website (www.rambus.com) at 1:30 p.m. PST. Conference call replay number 800-642-1687 (ID: 7474728); replay also available on website. Replay available for one week, beginning at 5:00 p.m. PST.

About Rambus

Rambus is a leading provider of chip-to-chip interface products and services. The company's breakthrough technology and engineering expertise have helped leading chip and system companies to solve their challenging interface problems and bring industry-leading products to market. Rambus' interface solutions can be found in hundreds of computing, consumer electronic and networking products. Additional information is available at www.rambus.com.

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		
	Dec. 31, 2002	Sept. 30, 2002	Dec. 31, 2001

Revenues:			
Contract revenues	$ 1,379	$ 1,244	$ 3,084
Royalties	24,325	23,236	21,780
Total revenues	25,704	24,480	24,864
Costs and expenses:			
Cost of contract revenues	1,595	1,819	2,158
Research and development	6,518	6,116	5,120
Marketing, general & administrative	6,274	6,268	5,515
Litigation expense	4,480	2,779	4,509
Total costs and expenses	18,867	16,982	17,302
Operating income	6,837	7,498	7,562
Interest and other income, net	1,294	1,555	1,937
Income before income taxes	8,131	9,053	9,499
Provision for income taxes	2,602	3,168	3,325
Net income	$ 5,529	$ 5,885	$ 6,174
Net income per share - basic	$ 0.06	$ 0.06	$ 0.06
Net income per share - diluted	$ 0.06	$ 0.06	$ 0.06
Shares used in per share calculations:			
Basic	97,436	97,644	100,336
Diluted	100,209	98,749	104,016

RAMBUS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	Dec. 31, 2002	Sept. 30, 2002	Dec. 31, 2001
ASSETS			
Current assets:			
Cash and cash equivalents	$ 28,656	$ 21,454	$ 29,465
Marketable securities	35,481	65,083	80,523
Accounts receivable	1,080	312	275
Prepaid and deferred taxes	7,824	6,073	8,970
Prepaids and other current assets	2,648	3,011	3,322
Total current assets	75,689	95,933	122,555
Property and equipment, net	12,375	13,277	15,191
Marketable securities, long-term	111,095	69,592	36,868
Restricted investments	12,586	12,576	12,009
Deferred taxes, long-term	32,777	35,527	39,922
Other assets	6,001	6,054	8,747
Total assets	$ 250,523	$ 232,959	$ 235,292
Total cash, cash equivalents, marketable securities and restricted investments	$ 187,818	$ 168,705	$ 158,865
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			

Accounts payable and other current liabilities	$ 10,386	$ 10,480	$ 7,111
Deferred revenue	22,218	11,086	11,319
Total current liabilities	32,604	21,566	18,430
Deferred revenue, less current portion	15,542	15,901	22,406
Total liabilities	48,146	37,467	40,836
Stockholders' equity:			
Common Stock	97	97	100
Additional paid-in capital	262,839	261,734	280,062
Deferred stock-based compensation	--	--	(433)
Accumulated deficit	(61,628)	(67,157)	(85,687)
Accumulated other comprehensive gain (loss)	1,069	818	414
Total stockholders' equity	202,377	195,492	194,456
Total liabilities and stockholders' equity	$ 250,523	$ 232,959	$ 235,292

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