

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

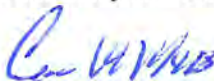
In re: CONEXANT SYSTEMS, INC., et al.¹

Case No. 13-10367 (MFW)
Reporting Period: 3-30-13 to 4-26-13

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	n/a	Bank reconciliation statement attached
Schedule of Professional Fees Paid	MOR-1b	No	Fees accrued but none paid during period
Copies of bank statements		n/a	
Cash disbursements journals		n/a	Refer to MOR-1 for summary of all disbursements
Statement of Operations	MOR-2	Yes	
Balance Sheet	MOR-3	Yes	
Status of Post-petition Taxes	MOR-4	Yes	
Copies of IRS Form 6123		n/a	
Copies of tax returns filed during reporting period		n/a	
Summary of Unpaid Post-petition Debts	MOR-4	n/a	
Listing of aged accounts payable	MOR-4	Yes	
Accounts receivable Reconciliation and Aging	MOR-5	Yes	
Debtor Questionnaire	MOR-5	Yes	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.



Signature of Authorized Individual*

20 May 2013

Date



Printed Name of Authorized Individual

CFO

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors' main corporate address is 1901 Main Street, Suite 300, Irvine, California 92614.

GENERAL NOTES AND DISCLAIMER

The financial statements and supplemental information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles (“GAAP”) in all material respects. Various estimates, assumptions, adjustments and allocations were required to derive the financial statements and supplemental information herein; actual results may be different than estimates. In addition, the financial statements and supplemental information contained herein is provided to fulfill the requirements of the Office of the United States Trustee and have been derived from the books and records of the Debtors.

The results of operations contained herein are not necessarily indicative of results that are expected from any other period or for the full year and are not reflective of the results of operations, financial position, and cash flow of the Debtors in the future.

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MOR 1a and MOR 1c – Cash

Bank Reconciliations

The above-captioned debtors (the “Debtors”) hereby submit this attestation regarding bank account reconciliations in lieu of providing copies of bank statements.

I attest that each of the Debtors’ bank accounts is reconciled to monthly bank statements. The Debtors’ standard practice is to ensure that each bank account is reconciled to monthly bank statements for each calendar month 30 days after the quarter end.



Carl Mills
Chief Financial Officer
Conexant Systems, Inc., et al

Conexant Systems, Inc., et al
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 MOR 2 – Statement of Operations for the period 3/30/13-04/26/13

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	Notes	Conexant Systems, Inc. 3/30 to 4/26	Conexant CF, LLC 3/30 to 4/26	Conexant, Inc. 3/30 to 4/26	Brooktree Broadband Holding, Inc. 3/30 to 4/26	Conexant Systems, Worldwide, Inc. 3/30 to 4/26
Revenues:						
Net sales	[1]	5,589,841	-	-	-	-
Operating expenses:						
Cost of sales	[2]	2,481,896	-	-	-	-
Research & development		4,139,104	-	-	-	-
Sales, general & administrative		1,877,230	-	-	-	-
Intangibles amortization	[3]	214,878	-	-	-	-
Special charges	[4]	376,137	-	-	-	-
Total operating expenses		9,089,244	-	-	-	-
Net operating profit (loss)		(3,499,404)	-	-	-	-
Other income and expenses:						
Other non-operating expenses	[5]	80,838	-	-	-	(2,852)
Interest expense (income)		15,316	12,287	-	-	-
Total other income and expenses		96,154	12,287	-	-	(2,852)
Net profit (loss) before reorganization items		(3,595,557)	(12,287)	-	-	2,852
Reorganization items:						
Professional fees		2,119,590	-	-	-	-
US Trustee quarterly fees		1,625	-	-	-	-
Total reorganization items		2,121,215	-	-	-	-
Net profit (loss) before income taxes		(5,716,773)	(12,287)	-	-	2,852
Tax (provision) benefit		-	-	-	-	-
Net profit (loss)		<u>(5,716,773)</u>	<u>(12,287)</u>	<u>-</u>	<u>-</u>	<u>2,852</u>

Note: 4/26/13 represents end of Conexant's fiscal month of April

NOTES TO MOR-2

1. Inclusive of \$6.7 million gross billings reduced by ordinary course customer credits.
2. Includes expenses related to wafers, assembly, testing, and inventory supplies.
3. Represents periodic amortization expense of intangible assets including patents, research and development assets and customer relationships.
4. Represents severance and restructuring expense.
5. Represents primarily transfer pricing mark-up paid on intercompany services offset by gains on recorded accumulated translation adjustments and gains on foreign currency.

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 MOR 3 - Balance Sheet as of 3/29/13 and 4/26/13

Assets:	Conexant Systems, Inc.		Conexant CF, LLC		Conexant, Inc.		Brooktree Broadband Holding, Inc.		Conexant Systems, Worldwide, Inc.	
	4/26/13	3/29/13	4/26/13	3/29/13	4/26/13	3/29/13	4/26/13	3/29/13	4/26/13	3/29/13
Cash and cash equivalents	3,337,717	467,653	2,211,623	5,806,770	-	-	-	-	79,560	169,700
Gross receivables	13,288,561	18,603,517	-	-	-	-	-	-	-	-
Trade allowances	(2,782,741)	(3,182,923)	-	-	-	-	-	-	-	-
Net inventories	5,991,677	5,845,323	-	-	-	-	-	-	-	-
Other current assets	8,049,086	8,089,417	415	-	-	-	-	-	20,335	24,324
Net PP&E	5,454,187	5,651,137	-	-	-	-	-	-	-	-
Goodwill	191,532,691	191,532,691	-	-	-	-	-	-	-	-
Intangible assets	36,864,537	37,079,415	-	-	-	-	-	-	-	-
Other long term assets	9,920,412	9,928,842	-	-	-	-	-	-	-	-
Total assets	276,656,126	274,015,071	2,212,038	5,806,770	-	-	-	-	99,894	194,024
Liabilities not subject to compromise (Post-portion):										
Debtor in possession financing	4,000,000	-	-	-	-	-	-	-	-	-
Accounts payable	4,787,905	2,034,192	-	-	-	-	-	-	-	-
AP trade unaudited invoices	5,027,214	2,416,355	12,702	-	-	-	-	-	-	13,918
Accrued compensation and benefits	1,067,264	761,322	-	-	-	-	-	-	43,090	19,252
Other current liabilities	2,580,716	1,497,492	-	-	-	-	-	-	64,229	559
Inter company obligations	330,853	(4,683,457)	3,313,956	6,909,104	(127,288,525)	(127,288,525)	(78,546,310)	(78,546,310)	(113,129)	(52,696)
Total post-portion liabilities	17,793,952	2,025,904	3,326,658	6,909,104	(127,288,525)	(127,288,525)	(78,546,310)	(78,546,310)	(5,810)	(18,967)
Liabilities subject to compromise (Pre-portion):										
Accounts payable	3,108,457	4,991,226	-	-	-	-	-	-	5,906	7,029
Accrued compensation and benefits	1,746,952	2,010,451	-	-	-	-	-	-	89,540	136,971
Customer price adjustments (CPA's)	4,709,681	5,223,749	-	-	-	-	-	-	-	-
Rejected leases	26,754,201	28,116,926	-	-	-	-	-	-	-	-
Germany estimated liabilities	2,937,789	2,937,789	-	-	-	-	-	-	-	-
UK estimated liabilities	4,647,801	4,647,801	-	-	-	-	-	-	-	-
Unsecured debt	194,523,301	194,523,301	-	-	-	-	-	-	-	-
Other liabilities	225,287,838	228,424,997	101,760	101,760	-	-	-	-	29,633,207	29,686,735
Total pre-portion liabilities	463,716,019	470,876,240	101,760	101,760	-	-	-	-	29,728,662	29,840,735
Total liabilities	481,509,971	472,902,144	3,428,418	7,010,864	(127,288,525)	(127,288,525)	(78,546,310)	(78,546,310)	29,722,843	29,821,767
Shareholders' equity:										
Common stock	1,000,000	1,000,000	-	-	-	-	-	-	-	-
Additional paid in capital	202,864,628	202,864,628	-	-	-	-	-	-	-	-
Retained (deficit) earnings	(93,009,457)	(386,960,962)	(1,216,380)	(1,204,093)	112,981,099	112,981,099	78,546,310	78,546,310	(29,620,463)	(29,623,315)
Accumulated other (loss) income	(15,790,016)	(15,790,738)	-	-	14,307,426	14,307,426	-	-	(2,485)	(4,429)
Total shareholders' equity	(204,853,846)	(198,887,073)	(1,216,380)	(1,204,093)	127,288,525	127,288,525	78,546,310	78,546,310	(29,622,948)	(29,627,744)
Total liabilities and shareholders' equity	276,656,126	274,015,071	2,212,038	5,806,770	-	-	-	-	99,894	194,024

Note: All claims must go through the claims reconciliation process. Amounts presented may not be fully reconciled and may be materially different from final claim amount.
 4/26/13 represents end of Conexant's fiscal month of April
 [1] Conexant Systems, Inc. Retained deficit increased and Accumulated other loss decreased by \$82K as of March 29, 2013 from the MOR previously filed.
 Conexant Systems, Inc. Retained deficit increased and Other current assets decreased by \$250K from the MOR previously filed

NOTES TO MOR-3

1. Conexant Systems, Inc. cash increase due to timing of transfer from Conexant CF.
2. Represents credits and reserves against accounts receivable from customers.
3. Other current assets consists primarily of supplier pre-payments required post-petition, pre-paid software licenses and retention payments made to professionals associated with the bankruptcy filing.
4. Other long-term assets consists primarily of cash securing letters of credit, investments and long-term software licenses.
5. Other current liabilities consists primarily of post-petition customer price adjustments.
6. Net intercompany receivable consists of post-petition cash receivable from Conexant CF offset by post-petition payable to foreign subsidiaries.
7. Decrease in pre-petition accounts payable due primarily to payments to foreign production vendors in accordance with the Foreign Vendor and Lien Claimants motion.
8. Decrease in pre-petition accrued compensation due primarily to payment of compensation, taxes and benefits in accordance with the Employee Wages and Benefits motion.
9. Decrease in pre-petition customer price adjustments due primarily to payment in accordance with the Customer Programs motion.
10. Represents estimated future cash flows under leases rejected in accordance with the Lease Rejection motion.
11. Represents estimated amounts by the Company's former German subsidiary, primarily intercompany payables, intercompany loan payable and a defined benefit pension plan.
12. Represents estimated amounts by the Company's former UK subsidiary, primarily a building lease.
13. Represents the principal balance and unpaid interest through the petition date on the Company's senior secured debt.
14. Represents other pre-petition liabilities, primarily intercompany payable of \$190.4 million, deferred tax liability of \$17.0 million, tax reserves of \$8.1 million, environmental remediation reserves of \$3.6 million, contracts payable of \$1.9 million, pre-petition customer price adjustments of \$1.2 million and benefit obligations for former employees of \$1.0 million.

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MOR 4 -- Status of Post-petition Taxes

Conexant Systems, Inc.					
	Beginning Tax Liabilities	Amt approved for payment	Taxes collected	Taxes remitted	Closing Balance Post Petition
Federal					
Withholding - FIT	-	-	282,674	(274,622)	8,053
FICA & Med -- Employee	-	-	147,743	(145,279)	2,464
FICA & Med -- Employer	38,988	147,743	-	(145,988)	40,743
Unemployment	7	20	-	(20)	8
Income	-	-	-	-	-
Other	-	-	-	-	-
Total Federal	38,995	147,763	430,417	(565,909)	51,267
State and Local					
Withholding	-	-	107,188	(105,052)	2,136
Unemployment	177	256	-	(349)	84
Medicare	6	1	-	(7)	-
Disability	-	15,114	-	(14,792)	322
Income	-	-	-	-	-
Franchise	45,000	15,000	-	-	60,000
Property	134,046	17,114	-	(2,220)	148,940
Sales & use	628	2,055	-	(628)	2,055
Total State and Local	179,857	49,539	107,188	(123,048)	213,536
Total Taxes	218,853	197,303	537,605	(688,956)	264,804

Conexant CF, LLC					
	Beginning Tax Liabilities	Amt approved for payment	Taxes collected	Taxes remitted	Closing Balance Post Petition
Federal					
Withholding - FIT	-	-	-	-	-
FICA & Med -- Employee	-	-	-	-	-
FICA & Med -- Employer	-	-	-	-	-
Unemployment	-	-	-	-	-
Income	-	-	-	-	-
Other	-	-	-	-	-
Total Federal	-	-	-	-	-
State and Local					
Withholding	-	-	-	-	-
Unemployment	-	-	-	-	-
Medicare	-	-	-	-	-
Disability	-	-	-	-	-
Income	-	-	-	-	-
Franchise	-	-	-	-	-
Property	-	-	-	-	-
Sales & use	-	-	-	-	-
Total State and Local	-	-	-	-	-
Total Taxes	-	-	-	-	-

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MOR 4 -- Status of Post-petition Taxes (cont.)

Conexant, Inc.					
	Beginning Tax Liabilities	Amt approved for payment	Taxes collected	Taxes remitted	Closing Balance Post Petition
Federal					
Withholding - FIT	-	-	-	-	-
FICA & Med -- Employee	-	-	-	-	-
FICA & Med -- Employer	-	-	-	-	-
Unemployment	-	-	-	-	-
Income	-	-	-	-	-
Other	-	-	-	-	-
Total Federal	-	-	-	-	-
State and Local					
Withholding	-	-	-	-	-
Unemployment	-	-	-	-	-
Medicare	-	-	-	-	-
Disability	-	-	-	-	-
Income	-	-	-	-	-
Franchise	-	-	-	-	-
Property	-	-	-	-	-
Sales & use	-	-	-	-	-
Total State and Local	-	-	-	-	-
Total Taxes	-	-	-	-	-

Brooktree Broadband Holding, Inc.					
	Beginning Tax Liabilities	Amt approved for payment	Taxes collected	Taxes remitted	Closing Balance Post Petition
Federal					
Withholding - FIT	-	-	-	-	-
FICA & Med -- Employee	-	-	-	-	-
FICA & Med -- Employer	-	-	-	-	-
Unemployment	-	-	-	-	-
Income	-	-	-	-	-
Other	-	-	-	-	-
Total Federal	-	-	-	-	-
State and Local					
Withholding	-	-	-	-	-
Unemployment	-	-	-	-	-
Medicare	-	-	-	-	-
Disability	-	-	-	-	-
Income	-	-	-	-	-
Franchise	-	-	-	-	-
Property	-	-	-	-	-
Sales & use	-	-	-	-	-
Total State and Local	-	-	-	-	-
Total Taxes	-	-	-	-	-

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MOR 4 -- Status of Post-petition Taxes (cont.)

Conexant Systems, Worldwide, Inc.					
	Beginning Tax Liabilities	Amt approved for payment	Taxes collected	Taxes remitted	Closing Balance Post Petition
Payroll	66,985	18,828	-	(66,985)	18,828
Other	61,344	2,885	-	-	64,229
Total Taxes	128,329	21,713	-	(66,985)	83,057

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Tax Return Filings

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Property Tax Filing					
Entity	Jurisdiction	Filing Description	Due Date	Date Filed	
Conexant Systems, Inc. (9439)	California	Business property Statement for 2013 (4000 MacArthur Blvd, Newport Beach)	4/1/2013	3/14/2013	
Conexant Systems, Inc. (9439)	California	Business property Statement for 2013 (4311 Jamboree, Newport Beach)	4/1/2013	3/14/2013	
Conexant Systems, Inc. (9439)	California	Business property Statement for 2013 (4340 Von Karman, Newport Beach)	4/1/2013	3/15/2013	
Conexant Systems, Inc. (9439)	California	Business property Statement for 2013 (6020 Cornerstone, San Diego)	4/1/2013	3/14/2013	
Conexant Systems, Inc. (9439)	California	Business property Statement for 2013 (4321 Jamboree, Newport Beach)	4/1/2013	3/15/2013	

Sales and Use Tax Filing					
Entity	Jurisdiction	Filing Description	Due Date	Date Filed	
Conexant Systems, Inc. (9439)	California	California Sales and Use Tax for Feb 2013	3/25/2013	3/9/2013	
Conexant Systems, Inc. (9439)	Colorado	Colorado Retail Sales Tax Return for Feb 2013	3/20/2013	3/10/2013	
Conexant Systems, Inc. (9439)	Florida	Florida Sales and Use Tax Return for Feb 2013	3/20/2013	3/10/2013	
Conexant Systems, Inc. (9439)	Massachusetts	Massachusetts Sales / Use Tax Return for Feb 2013	3/20/2013	3/5/2013	
Conexant Systems, Inc. (9439)	California	California Sales and Use Tax for Mar 2013	4/30/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Colorado	Colorado Retail Sales Tax Return for Mar 2013	4/20/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Florida	Florida Sales and Use Tax Return for Mar 2013	4/20/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Massachusetts	Massachusetts Sales / Use Tax Return for Mar 2013	4/20/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Colorado	City of Boulder Sales/use Tax Division for Q1 2013	4/20/2013	4/16/2013	
Conexant Systems, Inc. (9439)	North Carolina	North Carolina Sales and Use Return for Q1 2013	4/30/2013	4/16/2013	
Conexant Systems, Inc. (9439)	New Jersey	New Jersey Sales and Use Tax Return for Q1 2013	4/22/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Texas	Texas Sales and Use Tax Return for Q1 2013	4/20/2013	4/16/2013	
Conexant Systems, Inc. (9439)	Washington	State of Washington Sales and Use Tax Return for Q1 2013	4/30/2013	4/16/2013	
Conexant Systems, Inc. (9439)	California	California Sales and Use Tax for Apr 2013	5/24/2013	5/10/2013	
Conexant Systems, Inc. (9439)	Colorado	Colorado Retail Sales Tax Return for Apr 2013	5/20/2013	5/10/2013	
Conexant Systems, Inc. (9439)	Florida	Florida Sales and Use Tax Return for Apr 2013	5/20/2013	5/10/2013	
Conexant Systems, Inc. (9439)	Massachusetts	Massachusetts Sales / Use Tax Return for Apr 2013	5/20/2013	5/8/2013	

VAT Filing					
Entity	Jurisdiction	Filing Description	Due Date	Date Filed	
Conexant Systems, Inc. (9439)	France	France VAT Return for Feb 2013	3/24/2013	3/21/2013	
Conexant Systems, Inc. (9439)	France	France VAT Return for Mar 2013	4/24/2013	4/16/2013	
Conexant Systems, Inc. (9439)	France	France VAT Return for Apr 2013	5/24/2013	5/6/2013	

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MOR 4 -- Listing of aged accounts payable

Accounts Payable (Post-Petition) Balance as of 4/26/2013	Conexant Systems, Inc.
Accounts Payable Aging	
0 - 30 days old	\$4,137,100
31 - 60 days old	650,374
61 - 90 days old	431
91+ days old	-
Total Accounts Payable (Post-Petition)	\$4,787,905

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 MOR 5 -- Accounts Receivable Reconciliation and Aging

Conexant Systems, Inc.	
Accounts Receivable Reconciliation	
Total Gross Accounts Receivable at the beginning of the reporting period	\$18,603,517
(+) Amounts billed during the period	6,735,872
(-) Amounts collected during the period	(6,118,119)
(-) Credits and allowances used/applied during the period	(932,708)
Total Gross Accounts Receivable at the end of the reporting period	\$18,288,561
Accounts Receivable Aging	
0 - 30 days old	\$12,244,457
31 - 60 days old	4,646,336
61 - 90 days old	1,321,662
91+ days old	76,107
Total Gross Accounts Receivable	\$18,288,561

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below	X	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

Explanations

2. Pursuant to an order of the Bankruptcy Court dated April 11, 2013, the Debtors were authorized to continue using existing bank accounts and to open new debtor in possession bank accounts.
3. Company has filed for an extension on their tax returns.