

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

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

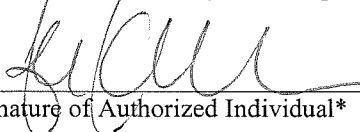
Case No. 13-10367 (MFW)

Reporting Period: 9-28-13 to 12-27-13

QUARTERLY SUMMARY REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	QSR-1	Yes	
Balance Sheet	QSR-2	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*

1-17-14

Date

JAN JOHANNESSEN

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 Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal taxpayer-identification number, is: Conexant Systems, Inc. (9439). 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 Debtor.

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 Debtor in the future.

Conexant Systems, Inc., et al
 September 28, 2013 - December 27, 2013 Quarterly Operating Report -- UNAUDITED
 QSR

Case No. 13-10367 (MFW)

Account	Conexant Systems, Inc.											
	Concentration SVB	Payroll Disb SVB	AP Disb SVB	Benefit SVB	FSA SVB	Sys Inc. Sweep SVB	Unclrd Chks SVB	Comerica	Wells	Utility Deposit SVB	US Bank	Conexant Systems, Inc. Total
Bank Account	XXXX662778	XXXX691386	XXXX691340	XXXX691355	XXXX691374	XXXX691416	XXXX267196			XXXX957463	XXXX6703	
GL Account	039-10182	039-10184	039-10185	039-10186	039-10187	039-10183	039-10188 & 89	039-10117	039-10844	039-10920	039-10151	
Opening Balance - 09/28/2013	\$100,000	(\$6,260)	\$11,368	\$5,000	\$45,501	\$2,262,062	(52,948)	\$0	\$7,454	8,408,341	398,758	\$11,179,277
Receipts												
Net collections	2,418,763	-	-	-	-	-	-	-	-	-	-	\$2,418,763
Lease remittance	-	-	-	-	-	-	-	-	-	-	-	-
Bank credit	-	-	-	-	-	-	-	-	-	-	-	-
Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	2,435	-	2,435
Term Loan Draw	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,418,763	-	-	-	-	-	-	-	-	2,435	-	\$2,421,198
Transfers												
Sweeps/transfers	(232,500,334)	3,657,329	2,292,964	61,873	25,223	431,834	-	-	-	4,589,233	(48,216)	(221,490,093)
Utility deposits	-	-	-	-	-	-	-	-	-	-	-	-
Euro sweeps	252,303,342	-	-	-	-	-	-	-	-	-	-	252,303,342
Foreign entity transfers	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified to MMA letters of credit	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified to US Bank LOCs	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	19,803,008	3,657,329	2,292,964	61,873	25,223	431,834	-	-	-	4,589,233	(48,216)	30,813,249
Disbursements												
Customer rebates	-	-	-	-	-	-	-	-	-	-	-	-
Inventory and R&D project expenses	-	-	-	-	-	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-
Legal expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	(22,221,770)	(3,647,796)	(2,300,478)	(61,873)	(23,271)	-	(362,254)	-	(2,249)	(10)	(1,006)	(28,620,706)
Total Disbursements	(22,221,770)	(3,647,796)	(2,300,478)	(61,873)	(23,271)	-	(362,254)	-	(2,249)	(10)	(1,006)	(28,620,706)
Outstanding Checks												
Uncleared payroll checks	-	-	-	-	-	-	-	-	-	-	-	-
Other outstanding checks	-	-	-	-	-	-	-	-	-	-	-	-
Total Outstanding Checks	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	0	9,533	(7,514)	-	1,952	431,834	(362,254)	-	(2,249)	4,591,659	(49,221)	4,613,741
Cash - End of Month	100,001	3,273	3,854	5,000	47,454	2,693,896	(415,202)	-	5,206	13,000,000	349,537	15,793,018
GL Balance - 12/27/2013	100,001	3,273	3,854	5,000	47,454	2,693,896	(415,202)	-	5,206	13,000,000	349,530	15,793,011
Total Cash & Cash Equivalents												15,793,018

Conexant Systems, Inc., et al
December 27, 2013 Quarterly Summary Report -- UNAUDITED
QSR-2 Balance Sheet as of 12/27/13

Case No. 13-10367 (MFW)

	Conexant Systems, Inc.	
	12/27/13	6/4/13
Assets:		
Cash and cash equivalents	15,793,018	15,114,766
Restricted cash	1,371,528	-
Gross receivables	12,954,675	18,199,816
Trade allowances	(3,218,456)	(2,747,529)
Net inventories	9,236,106	6,467,388
Other current assets	6,056,447	9,499,848
Net PP&E	4,282,340	5,198,988
Goodwill	247,062	191,532,691
Intangible assets	56,173,618	36,561,615
Other long term assets	4,443,460	9,920,216
Total assets	<u>107,339,798</u>	<u>289,747,799</u>
Liabilities not subject to compromise (Post-petition):		
Current portion of long term debt	29,637	15,000,000
Accounts payable	6,438,287	14,736,232
Accrued compensation and benefits	2,266,093	1,672,579
Other current liabilities	6,679,315	3,082,188
Inter company obligations	189,273,002	2,155,367
Long term debt	15,082,983	-
Other long term liabilities	19,961,201	-
Total post-petition liabilities	<u>239,730,517</u>	<u>36,646,365</u>
Liabilities subject to compromise (Pre-petition):		
Accounts payable	-	3,123,439
Accrued compensation and benefits	-	1,369,752
Customer price adjustments (CPA's)	-	4,616,411
Rejected leases	-	25,249,766
Germany claims	-	2,937,789
UK claims	-	4,647,801
Unsecured debt	-	194,523,301
Other liabilities	-	225,350,288
Total pre-petition liabilities	<u>-</u>	<u>461,818,546</u>
Total liabilities	239,730,517	498,464,911
Shareholders' equity:		
Common stock	10,000	1,000,000
Additional paid in capital	94,990,000	202,864,628
Retained earnings	(213,454,952)	(396,872,723)
Accumulated other (income) loss	(13,935,768)	(15,709,016)
Total shareholders' equity	<u>(132,390,720)</u>	<u>(208,717,111)</u>
Total liabilities and shareholders' equity	<u>107,339,798</u>	<u>289,747,799</u>