DS CORPORATE INFORMATION

Business Overview

Dallas Semiconductor designs, manufactures and markets a broad line of mixed-signal, specialty semiconductors.

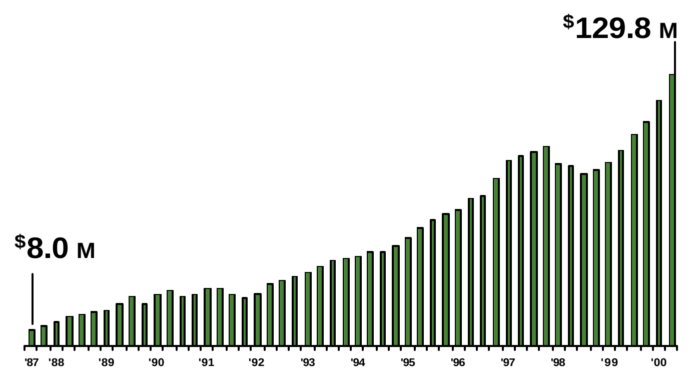
The Company combines proprietary fab and circuit technologies to create innovative products that are sold to over 15,000 customers worldwide. Markets served include broadband telecommunications, wireless handsets, cellular base stations, secure Internet communications, networking, servers, data storage and a wide variety of industrial equipment.

Markets and Customers

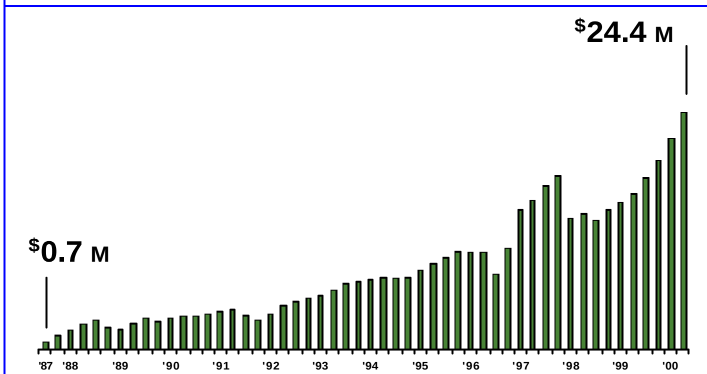
Dallas Semiconductcor serves multiple markets and many of the world's leading electronic equipment manufacturers. The Company's largest customer is less than 10% of total sales and the top 25 customers accounts for approximately 25% of total sales.

ADC Telecommunications	Intel
Allen Bradley	Lucent
Cisco	Motorola
Dell	Nortel
EMC	SCI
Ericsson	Siemens
Hewlett Packard	Solectron
IBM	Sony

Quarterly Net Sales

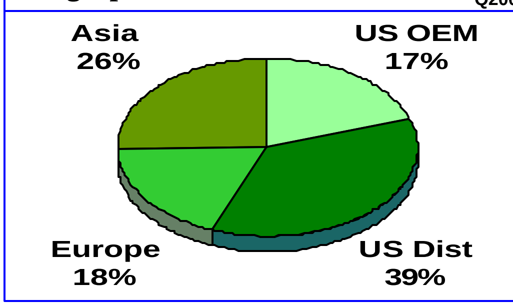


Quarterly Net Income



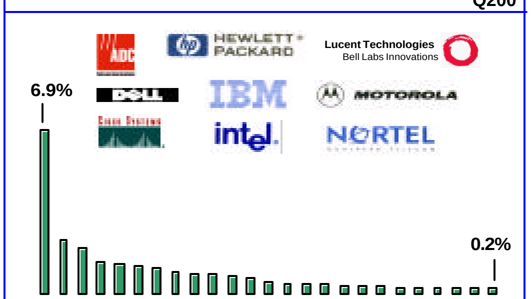
Geographic Balance

Q200

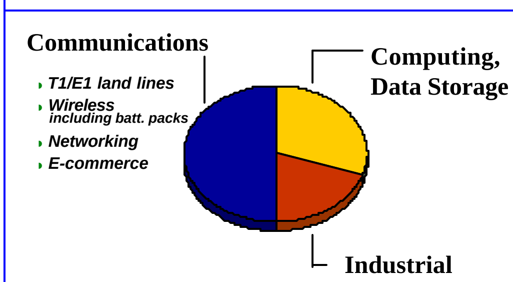


Broad Customer Base

Q200



Diverse Markets

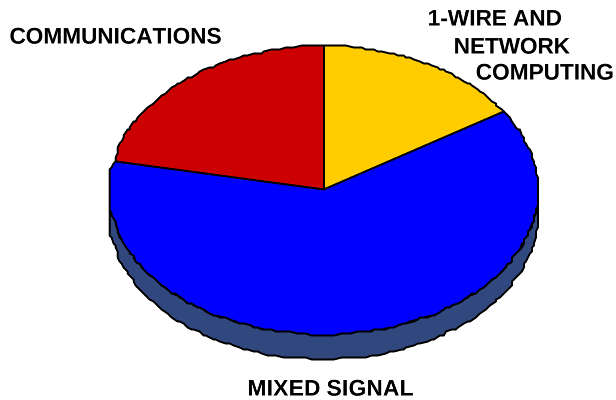


Product Strategy

Dallas Semiconductor has introduced 374 proprietary base products which are organized into **product categories** sharing common technologies, markets or applications.

A constant stream of new products having relatively **long product life cycles** has supported the Company's growth.

2Q 2000 Revenues: $129.8 M

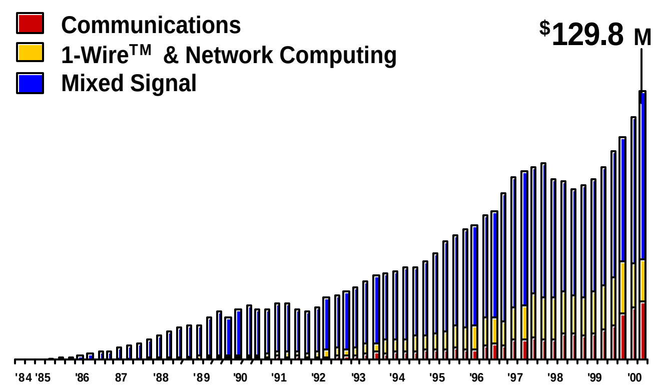


Manufacturing & Technology

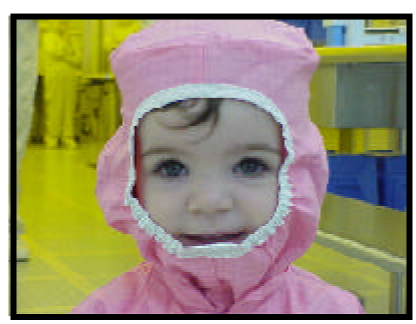
Dallas Semiconductor manufactures its own low-power CMOS chips. The **wafer fabrication facility, located in Dallas**, processes six-inch wafers with geometries down to 0.35 micron and has been a reliable, low cost source of manufactured silicon since it began production in 1987. A major fab facility expansion was completed in 1994. A separate bump fabrication facility was completed in the first quarter of 1999 to package the Company's new and proprietary 1-Wire™ chips in a Chip-Scale Package.

Module and surface mount assembly operations and test facilities finalize products for shipment to customers. In addition to unique circuit designs, **advanced technologies** give many of the Company's products a competitive edge over traditional approaches to semiconductors.

Sales by Product Group



- Combining **lithium energy cells** with low-power CMOS chips can power them for the useful life of the equipment.
- **Direct laser trimming** is available to enhance chip capabilities with higher levels of precision and / or unique identities.
- **Special packaging** gives improved functionality to silicon chips.



(UNAUDITED)

Selected Financial Data

(Dollars in millions, except per share amounts)

	Q298	Q398	Q498	Q199	Q299	Q399	Q499	Q100	Q200
Net sales	$86.6	$82.7	$84.6	$87.9	$93.6	$101.2	$107.5	$117.6	$129.8
Sequential growth	-1%	-5%	2%	4%	6%	8%	6%	9%	10%
Year-to-year growth	-5%	-11%	-11%	1%	8%	22%	27%	34%	39%
Cost of Sales	41.3	39.4	40.1	42.4	45.2	49.1	52.0	56.6	61.6
Gross profit	45.3	43.3	44.5	45.5	48.4	52.1	55.5	61.0	68.2
R&D	11.8	11.4	11.7	11.7	12.4	12.8	13.5	14.5	16.1
SG&A	14.6	13.7	13.6	14.1	14.8	15.8	16.6	17.6	19.4
Operating income	18.9	18.2	19.2	19.8	21.2	23.5	25.4	28.9	32.7
License fees, net	0.4	0.4	0.4	0.6	0.4	0.5	0.7	0.5	0.6
Interest income (net)	1.3	1.1	1.6	1.7	1.6	1.7	2.6	2.6	2.8
PBT&EI's	20.6	19.7	21.2	22.1	23.3	25.7	28.7	32.0	36.1
Taxes	6.6	6.3	6.7	6.9	7.3	8.0	9.2	10.3	11.7
Net income	$14.0	$13.4	$14.5	$15.2	$16.0	$17.7	$19.5	$21.7	$24.4
Sequential growth	4%	-5%	8%	5%	6%	10%	10%	11%	12%
Year-to-year growth	-9%	-21%	-19%	12%	14%	32%	34%	43%	52%
Tax rate	32.0%	32.0%	31.5%	31.2%	31.2%	31.2%	32.0%	32.3%	32.5%
EPS, diluted	$0.24	$0.22	$0.24	$0.25	$0.26	$0.29	$0.31	$0.34	$0.38
Shares used to calculate net income per share	59,678	59,512	60,446	60,762	61,554	61,986	62,768	63,818	64,200
Gross margin	52.3%	52.3%	52.6%	51.8%	51.7%	51.5%	51.6%	51.9%	52.5%
R&D % of sales	13.6%	13.8%	13.8%	13.3%	13.2%	12.6%	12.6%	12.3%	12.4%
SG&A % of sales	16.8%	16.5%	16.1%	16.0%	15.8%	15.6%	15.4%	15.0%	14.9%
Operating margin	21.8%	22.0%	22.7%	22.5%	22.7%	23.2%	23.7%	24.6%	25.2%
Pretax margins	23.7%	23.7%	24.9%	24.9%	24.8%	25.3%	26.5%	27.1%	27.8%
Net income as a % of sales	16.1%	16.1%	17.1%	17.1%	17.0%	17.4%	18.0%	18.4%	18.8%
Inventories	$66.6	$69.8	$72.4	$73.7	$78.5	$74.7	$75.5	$76.3	$76.1
Inventory days	147	162	165	159	158	139	132	123	113
Capital expenditures	$14.1	$20.2	$11.2	$13.4	$11.4	$15.1	$29.5	$14.6	$30.0
Depreciation expense	$10.9	$11.3	$11.3	$12.0	$12.3	$12.7	$13.2	$13.8	$14.6
Cash balance	$111.0	$122.7	$128.0	$136.4	$154.7	$177.6	$192.4	$206.0	$244.3
Shareholders equity	$385.7	$399.0	$414.8	$429.5	$449.4	$471.5	$500.7	$532.8	$559.9
Annualized ROE	14.8%	13.6%	14.3%	14.4%	14.6%	15.4%	16.0%	16.8%	17.9%
Bookings	$85.2	$83.3	$82.4	$88.2	$96.6	$114.4	$115.0	$152.4	$177.7
Book-to-bill ratio	0.98	1.01	0.97	1.00	1.03	1.13	1.07	1.30	1.37

Stock Data

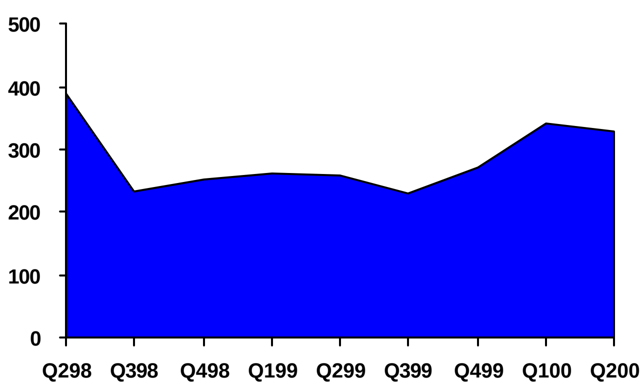
DS Listed NYSE

Stock Prices	**Q298**	**Q398**	**Q498**	**Q199**	**Q299**	**Q399**	**Q499**	**Q100**	**Q200**
High	**$19.35**	**$17.69**	**$20.38**	**$21.00**	**$25.50**	**$27.72**	**$32.22**	**$45.06**	**$46.50**
Low	**$14.35**	**$13.07**	**$11.63**	**$16.75**	**$20.07**	**$23.82**	**$25.32**	**$28.92**	**$33.88**
Close	**$15.13**	**$14.63**	**$20.38**	**$19.50**	**$25.50**	**$26.47**	**$32.22**	**$36.50**	**$40.66**

Fiscal Year	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**
Year-end closing stock price	$ 3.00	$ 4.00	$ 6.69	$ 7.75	$ 8.32	$ 10.38	$ 11.13	$ 18.69	$ 20.38	$ 32.22
Earnings per share, diluted	$ 0.28	$ 0.29	$ 0.36	$ 0.48	$ 0.55	$ 0.66	$ 0.69	$ 1.10	$ 0.93	$ 1.11
PE (Trailing 12 mo)	10.7	13.8	18.8	16.3	15.3	15.7	16.2	17.1	22.0	29.2
Avg. daily trading volume (000's)	153	218	274	212	183	209	192	339	353	255

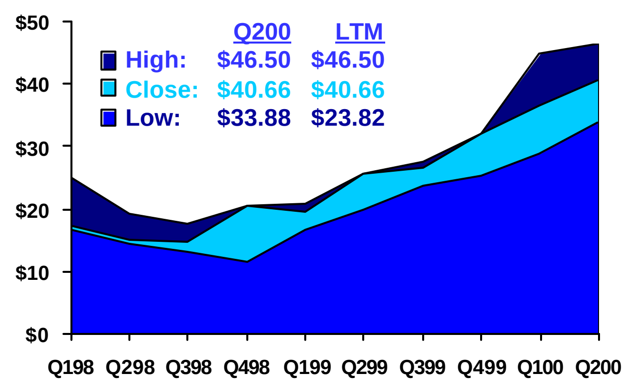
Average Daily Trading Volume

(Volume in shares per 000's)



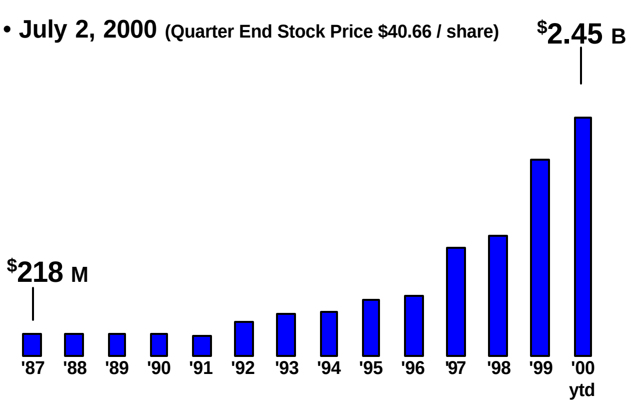
Stock Trading Range

(Closing Price per Share)



Market Value

• **July 2, 2000** **(Quarter End Stock Price $40.66 / share)**



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Bookings / Billings History

Bookings history ($ in millions):

Qtrs	1995	1996	1997	1998	1999	2000
Q1	$60.3	$68.0	$96.0	$88.5	$88.2	$152.4
Q2	67.7	73.2	92.4	85.2	96.6	177.7
Q3	64.1	77.3	90.7	83.3	114.4	
Q4	64.4	80.5	93.1	82.4	114.9	
YR	$256.5	$299.0	$372.2	$339.4	$414.1	$330.1

Sequential bookings changes in percentages:

Qtrs	1995	1996	1997	1998	1999	2000	5 Yr. Avg.
Q4-Q1	17%	6%	19%	-5%	7%	33%	12%
Q1-Q2	12%	8%	-4%	-4%	10%	17%	5%
Q2-Q3	-5%	6%	-2%	-2%	18%		3%
Q3-Q4	0%	4%	3%	-1%	0%		1%
YR-YR	35%	17%	24%	-9%	22%		11%

Billings history ($millions):

Qtrs	1995	1996	1997	1998	1999	2000
Q1	$52.0	$65.6	$88.7	$87.4	$87.9	$117.6
Q2	57.0	70.4	91.0	86.6	93.6	129.8
Q3	60.6	72.0	93.1	82.7	101.2	
Q4	63.7	80.4	95.4	84.6	107.5	
YR	$233.3	$288.4	$368.2	$341.3	$390.2	$247.4

Sequential billings changes in percentages:

Qtrs	1995	1996	1997	1998	1999	2000	5 Yr. Avg.
Q4-Q1	8%	3%	10%	-8%	4%	9%	4%
Q1-Q2	10%	7%	3%	-1%	6%	10%	5%
Q2-Q3	6%	2%	2%	-5%	8%		3%
Q3-Q4	5%	12%	2%	2%	6%		6%
YR-YR	29%	24%	28%	-7%	14%		17%

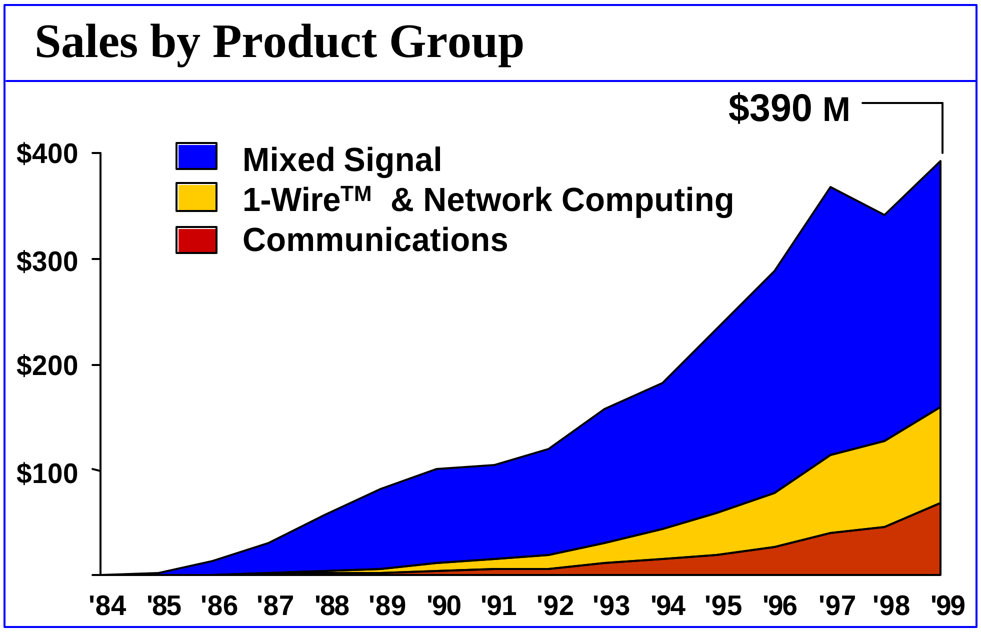
Book-to-bill history:

Qtrs	1995	1996	1997	1998	1999	2000
Q1	1.16	1.04	1.08	1.01	1.00	1.30
Q2	1.19	1.04	1.02	0.98	1.03	1.37
Q3	1.06	1.07	0.97	1.01	1.13	
Q4	1.01	1.00	0.98	0.97	1.07	
YR	1.10	1.04	1.01	0.99	1.06	

(UNAUDITED)

Sales by Product Group

(Dollars in millions)



	1998					1999					2000		Q299 vs. Q200	
	Q1	Q2	Q3	Q4	YR	Q1	Q2	Q3	Q4	YR	Q1	Q2	$delta	%delta
COMMUNICATIONS	$9.7	$13.0	$12.5	$11.7	$46.9	$13.2	$14.7	$17.3	$23.0	$68.2	$25.1	$28.1	$13.4	91%
1-WIRE / NETWORK COMPUTING	20.5	20.7	18.6	18.4	78.2	19.8	21.4	23.0	24.5	88.7	21.9	20.7	-0.7	-3%
MIXED SIGNAL	57.2	52.9	51.6	54.5	216.2	54.9	57.5	60.9	60.0	233.3	70.6	81.0	$23.5	41%
TOTAL COMPANY	$87.4	$86.6	$82.7	$84.6	$341.3	$87.9	$93.6	$101.2	$107.5	$390.2	$117.6	$129.8	$36.2	39%

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
COMMUNICATIONS	0.0	0.0	0.0	0.8	2.0	2.6	4.6	6.4	6.5	12.0	16.3	20.8	26.8	40.4	46.9	68.2
1-WIRE & NETWORK COMPUTING	0.0	0.0	0.4	1.2	3.1	4.9	6.1	8.9	13.3	20.1	27.8	38.8	50.6	73.7	78.3	88.7
MIXED SIGNAL	0.0	2.8	12.8	28.7	53.0	74.7	89.3	88.5	100.4	124.8	137.3	173.7	211.0	254.1	216.2	233.3
TOTAL	0.0	2.8	13.2	30.7	58.1	82.2	100.0	103.8	120.2	156.9	181.4	233.3	288.4	368.2	341.4	390.2

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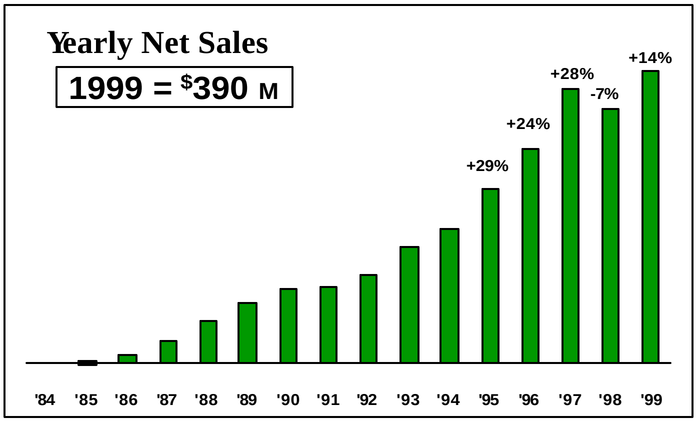
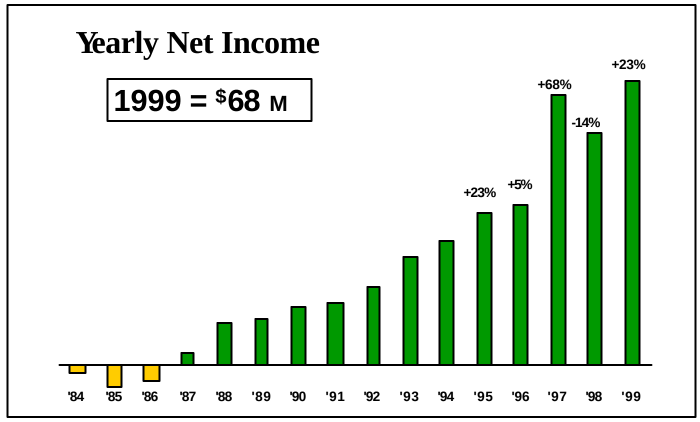




Selected Financial Data

(Dollars in millions, except per share amounts)

	1995	1996	1997	1998	1999
Net sales	$233.3	$288.4	$368.2	$341.4	$390.2
Sequential growth	29%	24%	28%	-7%	14%
3 yr. compounded growth	25%	22%	27%	14%	11%
5 yr. compounded growth	18%	23%	25%	17%	17%
CAGR since 1987	29%	28%	28%	25%	24%
Cost of Sales	117.6	157.1	178.4	162.4	188.7
Gross profit	115.7	131.3	189.8	179.0	201.5
R&D	28.6	35.0	46.1	47.5	50.4
SG&A	35.5	42.1	53.8	56.5	61.3
Operating income (loss)	51.6	54.2	89.9	75.0	89.8
License fees, net				1.2	2.2
Interest income (net)	3.4	2.9	4.7	5.1	7.6
PBT&EI's	55.0	57.1	94.6	81.3	99.6
Taxes	18.3	18.7	30.0	25.9	31.3
Net income (loss)	$36.7	$38.4	$64.6	$55.4	$68.3
Sequential growth	23%	5%	68%	-14%	23%
3 yr. compounded growth	26%	14%	29%	15%	21%
5 yr. compounded growth	22%	21%	28%	17%	18%
CAGR since 1987	39%	35%	38%	32%	31%
EPS, diluted	$0.66	$0.69	$1.10	$0.93	$1.11
Wtd. Avg. shrs. O/S, diluted	55,524	55,980	58,914	59,914	61,768

(UNAUDITED)

Selected Financial Data

(Dollars in millions)

	1994	1995	1996	1997	1998	1999
Gross margin	50.2%	49.6%	45.5%	51.5%	52.4%	**51.6%**
R&D % of sales	12.5%	12.3%	12.1%	12.5%	13.9%	**12.9%**
SG&A % of sales	14.7%	15.2%	14.6%	14.6%	16.6%	**15.7%**
Operating margin	23.1%	22.1%	18.8%	24.4%	22.0%	**23.0%**
Pretax margins	24.8%	23.6%	19.8%	25.7%	23.8%	**25.5%**
Tax rate	34.0%	33.2%	32.8%	31.7%	31.9%	**31.4%**
NI % of sales	16.4%	15.7%	13.3%	17.5%	16.2%	**17.5%**
A/R	$ 28.3	$ 36.7	$ 42.8	$ 62.3	$ 45.9	**$ 54.2**
A/R days	57	57	54	62	51	**44**
Inventories	$ 40.5	$ 48.3	$ 49.6	$ 59.1	$ 72.4	**$ 75.5**
Inventory days	154	136	102	122	165	**132**
Capital expenditures	$ 44.7	$ 49.3	$ 60.5	$ 58.6	$ 76.0	**$ 69.3**
Depreciation expense	$ 15.2	$ 21.3	$ 28.4	$ 35.8	$ 43.7	**$ 50.2**
Cash balance	$ 64.5	$ 69.3	$ 70.3	$ 114.6	$ 128.0	**$ 192.4**
Shareholders equity	$ 194.8	$ 235.0	$ 272.7	$ 351.1	$ 414.8	**$ 500.7**
Annualized ROE	16.5%	17.1%	15.1%	20.7%	14.5%	**15.1%**

Corporate Officers

C. Vin Prothro: Chairman, Chief Executive Officer and President

Mr. Prothro was previously President and COO at Mostek Corporation, a semiconductor company in Carrollton, Texas. After leaving Mostek in 1983, he formed Southwest Enterprise Associates, a $27M high-technology venture capital fund. When he started Dallas Semiconductor in 1984, Prothro recognized the need for a solid product foundation and multiproduct strategy to expand its growth base. Prior to his thirteen years at Mostek, he spent three years at Texas Instruments in operations and project management. Mr. Prothro has a BS degree from Stanford University and an MBA from Harvard.

Dr. Chao C. Mai: Senior Vice President

Before Dr. Mai co-founded Dallas Semiconductor, he was responsible for Mostek's advancement in Metal Oxide Semiconductor (MOS) processes from 1970 through early 1984. He was Vice President of Process Research and Development, working to develop and implement high volume production processes with high yields. Previously, Dr. Mai spent three years with Sylvania Electronic Company's semiconductor division as a project engineer.

Michael L. Bolan: Vice President of Marketing and Product Development

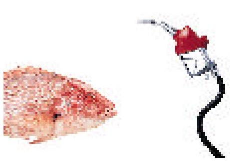
Mike Bolan co-founded Dallas Semiconductor as its Vice President of Marketing and Sales from Southwest Enterprise Associates. There, he evaluated the technical and business potential of high-technology start-ups for possible investment. Prior to that, Bolan was with Mostek for five years in product marketing and technical planning. As Technical Planning Manager, Bolan analyzed the application of new technology to emerging markets, guided research and development projects and educated potential customers. Previous experience includes nine years with Cincinnati Milacron, Inc. as an Engineering Manager and Design Engineer.

Alan P. Hale: Vice President of Finance and CFO

Alan Hale joined the Company in 1987 and has been Vice President of Finance and CFO since 1992. Prior positions with the Company include Controller and Treasurer. Previously he spent five years as an auditor with the Dallas office of Ernst & Young. He is a CPA in the state of Texas and has received an MBA degree from Southern Methodist University.

Jack R. von Gillern, III: Vice President of Sales

Jack von Gillern joined the Company in 1990 and was appointed Vice President of Sales in April of 1999. His prior positions with the company include Director of Sales, Central Area Sales Manager and Product Manager. Previously he was involved in computer system sales for Cray Research and Control Data Corporation.



Communications. An emerging and rapidly growing market exists for high capacity voice and data transmission over the existing analog telephone network. Dallas Semiconductor has developed the detailed knowledge of the communications protocols required for transmitting multiple channels over this network. Among these protocols are T1/J1 and E1, designed for signal transmission on and off the public switched telephone network. T1/J1 defines rates for America and Japan and E1 for the rest of the world. Wired, wireless, cable, xDSL and optical - all network technologies - must access the public switched network, using the T1/E1's protocols.

A set of highly integrated chips developed by Dallas Semiconductor addresses the requirements of these protocols and provides one of the most cost-effective solutions available in the industry while integrating more functions, reducing cost, and creating high-density package configurations. Customers for the Company's T1/E1 interface chips make the routers, servers and switching equipment located at nodes in the worldwide public switched network.

The Company has expanded into T3/E3 broadband devices, which are functionally similar to T1/E1 products; getting packets of data on and off the public switched network with zero error. T3 supplies denser channel capacity by multiplexing 28 T1 lines, which means the Company's T3/E3 devices must handle data traveling from various sources through extremely dense channel configurations at proportionately higher data rates.

The Communications group had three major product introductions in 1999. A new generation of high-density framers (chips that provide synchronization and signaling at T1/E1 transmission interfaces) was designed to speed upward migration of T1/E1 lines to T3/E3 lines while preserving existing infrastructure. The 3.3-volt Quad Transceivers were introduced to increase the density of line cards that terminate T1/E1 lines while reducing power consumption. The DS2148 is the first 3.3-volt T1/E1 line interface unit to offer a long list of integrated functions that reduce external component count and enable a single hardware design to support a variety of applications.

1-Wire & Network Computing. Each product in the 1-Wire and Network Computing group relays information at some layer of a network ranging from standalone or isolated machine systems to the World Wide Web. This group's focus is to create silicon, some of which sells for less than $0.25, that can communicate information from the smallest, most basic subsystem all the way up to the Internet.

Operating at the most basic network level are 1-Wire address chips. These devices provide a unique electronic identity and often store pertinent information about the product of which they are a component. The data can be accessed externally or by the product itself. The 1-Wire technology has the advantage of requiring just a single connection point to access this data. 1-Wire chips are installed in everything from cellular phone battery packs to printer cartridges to industrial refrigerators. These low cost chips incorporate a laser-engraved number that, when associated with any object or device, gives it a guaranteed-unique digital address so that a processor can communicate with it. If the processor happens to be an Internet server, the electronic number becomes an IP address. Thus the 1-Wire address chip can enable networking for almost any object, whether wired or wireless.

iButtons™ are steel-armored, 1-Wire chips with a mobile networking capability. iButtons carry digital information outside a wired computer system, then relay it instantly on contact with a computer interface. Re-usable and practically indestructible, iButtons are the portable data front-end component of an information system. Example iButton applications include small cash transactions, electronic tokens for transit systems, asset tracking and access control.

New iButton products introduced in 1999 include the DS1921 Thermochron, an iButton that logs time and temperature for applications where product liability depends on a secure thermal record. Also introduced in 1999, the DS1957™ Java-powered crypto iButton contains a single-chip computer that generates, stores and transfers the private key for digital signatures in secure Internet transactions.

An example of a Network Computing product is the DS80C390 microcontroller, which was introduced in 1999. A microcontroller typically combines a central processing unit, data memory, program memory and input-output devices on a single chip in order to control a wide variety of electronic systems. In addition to the traditional serial bus interface, this product has ports using 1-Wire and CAN (Controller Area Network) protocols, which means it can network more data in more environments. Where previous generations of microcontrollers were limited to operating in isolated component subsystems, all new Dallas microcontrollers will have a networking port using protocols for Internet communication.

Currently in beta testing is another Network Computing product that will use a networking device to take basic machine information and send it straight to the Internet. To date, the machinery and the network have remained largely separate entities. Embedded processors have communicated within local limits to control lighting, heating and cooling units, doors, refrigerators, toasters, and soda dispensers. TINI™ (Tiny InterNet Interface) is a board that can enable any piece of electrical equipment to upload information to a Web browser.

Mixed Signal. Mixed Signal products combine both linear and digital circuit techniques to process information. Both the inputs and outputs of these chips can be real world, analog signals or binary, computer-usable signals. These products include; NV SRAM, real-time clocks, CPU supervisory circuits, delay lines, digital potentiometers, thermal sensors and temperature-compensated crystal oscillators (TCXOs).

One of the Company's first products was a real time clock that replaced a chip plus 13 external components with a single device. These mixed signal clocks keep time through digital logic, but also require analog circuitry as well to achieve the low power necessary to keep the 10+ years of clock life. Accurate clock-calendar information remains in demand and, beginning from this simple timekeeping function, the Company has developed a comprehensive line-up of timekeepers, including more than 45 base products in both chip and module packaging. Digital cellular phones use serial timekeepers to provide advanced features such as clock-calendar display, talk-time, re-dial timing and power management. Phantom and watchdog modules are used in data communications network routers, hubs and bridges to monitor communications traffic and store the extensive amounts of network configuration data. Serial timekeepers and bytewide watchdog timekeepers provide solutions in industrial control and medical equipment applications requiring extended functions including nonvolatile SRAM and A/D conversion and temperature measurement.

Many electronic systems gather and transmit time critical data. This information ranges from banking transactions and Internet data to remote sensing and data logging. The time stamping of information between machines with different Real Time Clocks ("RTC") can introduce errors between the systems. Dallas Semiconductor has developed a 32 kHz TCXO that is used to drive the RTC crystal input. This TCXO will enable the RTC to attain accuracies of +/- 2PPM or 1 minutes/year over the full temperature range of 0C to 40C. Previously, the typical accuracy over the full temperature range was +/- 30 minutes per year. Higher frequency TCXOs to address the accuracy requirements of markets like cellular phones, data-logging and T1/E1 signal processing are in development.

Developed in 1999, the DS1615 Temperature Recorder is an example of the combination of real-time clocks and temperature sensors. The DS1615 data-logging device integrates a real-time clock, digital thermometer, nonvolatile memory and control logic. Markets include high-reliability systems and thermal limit verification for telecommunications switches, servers, and transportation/storage. Also during 1999, the DS1845 digital potentiometer was developed to tune laser signals in response to analog conditions. Traditional applications for digital potentiometers range from audio volume control to battery charging and now are expanding into areas such as optical transceivers. Optical transceivers operate at gigabit date rates and the laser diodes that generate the optical signal require both calibration and temperature compensation. As with many other products, the market force driving optical receivers is networking - the need to transmit more data faster over local networks and the Internet.