

CIRRUS LOGIC, INC.
PRO FORMA CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(unaudited)
(in thousands, except per share data)
(not prepared in accordance with GAAP)

	Quarter Ended		
	Jun. 29, 2002	Mar. 30, 2002	Jun. 30, 2001
Net sales	\$ 76,024	\$ 82,769	\$ 179,083
Costs and expenses:			
Cost of sales (Note 1)	39,014	43,712	121,828
Research and development (Note 2)	27,214	27,252	27,375
Selling, general and administrative (Note 3)	18,787	22,399	24,938
Restructuring costs (Note 4)	-	-	-
Total costs and expenses	85,015	93,363	174,141
Income (loss) from operations	(8,991)	(10,594)	4,942
Realized gain on the sale of marketable equity securities (Note 5)	-	-	-
Interest income and (expense), net (Note 6)	615	566	2,821
Other income (expense), net	74	(284)	574
Income (loss) before income taxes and loss from discontinued operations	(8,302)	(10,312)	8,337
Provision (benefit) for income taxes (Note 7)	(559)	(924)	-
Income (loss) from continuing operations	(7,743)	(9,388)	8,337
Loss from discontinued operations (Note 8)	-	-	-
Net income (loss)	<u>\$ (7,743)</u>	<u>\$ (9,388)</u>	<u>\$ 8,337</u>
Basic earnings per share	\$ (0.09)	\$ (0.11)	\$ 0.11
Diluted earnings per share	\$ (0.09)	\$ (0.11)	\$ 0.11
Weighted average common shares outstanding:			
Basic	83,018	82,748	74,253
Diluted	83,018	82,748	76,862

See notes to Pro Forma Consolidated Condensed Statement of Operations

CIRRUS LOGIC, INC.
NOTES TO PRO FORMA CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(unaudited - quarterly)

This pro forma presentation reflects the historical financial results adjusted for the following non-recurring or unusual items:

(Note 1) **Q1 FY'03** - Pro Forma cost of sales excludes the benefit of \$1.2 million in reserves released on product sold during the quarter and \$0.4 million related to the reversal of a portion of the Q1 FY'02 charge recorded in conjunction with exiting the magnetic storage product line. **Q4 FY'02** - Pro Forma cost of sales excludes the benefit of \$1.3 million in reserves released on product sold during the quarter. **Q1 FY'02** - Pro Forma cost of sales excludes \$36.6 million in inventory charges associated with the exit from our magnetic storage product line.

(Note 2) **Q1 FY'03** - Pro Forma research and development expense excludes \$4.7 million related to the amortization of acquired intangible assets and \$0.7 million related to acquisition bonus and deferred compensation expense. **Q4 FY'02** - Pro Forma research and development expense excludes \$4.8 million related to the amortization of acquired intangible assets and \$0.9 million related to acquisition bonus and deferred compensation expense. **Q1 FY'02** - Pro Forma research and development expense excludes \$1.9 million related to the write-off of in-process research and development associated with the acquisition of Peak Audio and \$1.1 million related to the amortization of acquired intangible assets.

(Note 3) **Q1 FY'03** - Pro Forma selling, general and administrative expense excludes \$0.9 million related to acquisition bonus and deferred compensation expense, \$0.5 million related to facility exit costs, and \$0.2 million related to legal costs associated with magnetic storage products and \$0.1 million related to merger and acquisition activities. **Q4 FY'02** - Pro Forma selling, general and administrative expense excludes a \$73.3 million charge to reserve disputed magnetic storage receivables from Western Digital and Fujitsu, Ltd., \$1.1 million related to acquisition bonus and deferred compensation expense and \$0.2 million related to legal costs associated with magnetic storage products.

(Note 4) **Q1 FY'03** - Pro Forma restructuring costs excludes \$2.1 million related to costs associated with our announced workforce reduction and consolidation of our facilities. **Q4 FY'02** - Pro Forma restructuring costs excludes \$3.5 million related to costs associated with consolidation of our facilities. **Q1 FY'02** - Pro Forma restructuring costs excludes \$1.9 million related to workforce reductions.

(Note 5) **Q1 FY'03** - Pro Forma realized gain on the sale of marketable equity securities excludes a gain of \$1.4 million related to the holdback from the sale of our interest in Basis Communications. **Q1 FY'02** - Pro Forma realized gain on the sale of marketable equity securities excludes a gain of \$9.8 million related to the sale of our interest in Basis Communications and \$1.2 million related to the sale of call options in Openwave Systems, Inc. (formerly known as Phone.com) common stock .

(Note 6) **Q1 FY'03** - Pro Forma interest income and (expense), net excludes \$0.1 million in interest income associated with the sale of our interest in Basis Communications. **Q4 FY'02** - Pro Forma interest income and (expense), net excludes \$2.4 million related to interest received on income tax refunds for prior years.

(Note 7) **Q1 FY'03** - Pro Forma benefit for income taxes includes a \$0.6 million benefit resulting from reclaiming a portion of the FY'01 Pro Forma income tax expense. **Q4 FY'02** - Pro Forma benefit for income taxes excludes \$10.6 million related to income tax refunds for prior years. Pro Forma benefit for income taxes includes a \$0.9 million benefit resulting from reclaiming a portion of the FY'01 Pro Forma income tax expense.

(Note 8) **Q1 FY'03** - Pro Forma financial statements exclude the \$1.5 million loss from discontinued operations of eMicro Corporation ("eMicro"). During Q1, the shareholders of eMicro voted to dissolve eMicro, a joint venture in which we own a 75% interest. **Q4 FY'02** - The Pro Forma financial statements exclude the \$0.6 million loss from discontinued operations of eMicro. **Q1 FY'02** - The Pro Forma financial statements exclude the \$0.8 million loss from discontinued operations of eMicro.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Quarter Ended		
	Jun. 29, 2002	Mar. 30, 2002	Jun. 30, 2001
Net sales	\$ 76,024	\$ 82,769	\$ 179,083
Costs and expenses:			
Cost of sales (Note 1)	37,391	42,414	158,413
Research and development (Note 2)	32,649	32,938	30,369
Selling, general and administrative (Note 3)	20,471	97,071	24,938
Restructuring costs (Note 4)	2,085	3,544	1,919
Total costs and expenses	92,596	175,967	215,639
Income (loss) from operations	(16,572)	(93,198)	(36,556)
Realized gain on the sale of marketable equity securities (Note 5)	1,400	-	10,967
Interest income and (expense), net (Note 6)	740	2,950	2,821
Other income (expense), net	74	(284)	574
Income (loss) before income taxes and loss from discontinued operations	(14,358)	(90,532)	(22,194)
Provision (benefit) for income taxes (Note 7)	29	(10,370)	-
Income (loss) from continuing operations	(14,387)	(80,162)	(22,194)
Loss from discontinued operations (Note 8)	(1,452)	(633)	(803)
Net income (loss)	<u>\$ (15,839)</u>	<u>\$ (80,795)</u>	<u>\$ (22,997)</u>
Basic earnings per share:			
From continuing operations	\$ (0.17)	\$ (0.97)	\$ (0.30)
Discontinued operations	(0.02)	(0.01)	(0.01)
Basic earnings per share	<u>\$ (0.19)</u>	<u>\$ (0.98)</u>	<u>\$ (0.31)</u>
Diluted earnings per share:			
From continuing operations	\$ (0.17)	\$ (0.97)	\$ (0.30)
Discontinued operations	(0.02)	(0.01)	(0.01)
Diluted earnings per share	<u>\$ (0.19)</u>	<u>\$ (0.98)</u>	<u>\$ (0.31)</u>
Weighted average common shares outstanding:			
Basic	83,018	82,748	74,253
Diluted	83,018	82,748	74,253

See notes to Pro Forma Consolidated Condensed Statement of Operations
Prepared in accordance with Generally Accepted Accounting Principles

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	Jun. 29, 2002 <u>(unaudited)</u>	Mar. 30, 2002 <u> </u>	Jun. 30, 2001 <u>(unaudited)</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 131,897	\$ 140,529	\$ 151,512
Restricted cash	12,807	12,807	10,000
Marketable equity securities	2,174	2,258	11,356
Accounts receivable, net	28,889	42,158	139,795
Inventories, net	36,591	27,985	81,901
Other current assets	19,593	19,928	18,463
Total Current Assets	<u>231,951</u>	<u>245,665</u>	<u>413,027</u>
Property and equipment, net	33,816	36,549	47,240
Goodwill and intangibles, net	190,248	194,660	19,961
Other assets	3,445	4,756	8,115
Total Assets	<u>\$ 459,460</u>	<u>\$ 481,630</u>	<u>\$ 488,343</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	68,214	75,936	89,212
Current maturities of long-term debt and capital lease obligations	248	566	2,040
Income taxes payable	42,175	42,178	40,672
Total Current Liabilities	<u>110,637</u>	<u>118,680</u>	<u>131,924</u>
Long-term obligations	3,658	3,709	3,766
Minority interest in eMicro	599	1,092	1,431
Stockholders' equity:			
Capital stock	865,380	862,729	663,162
Accumulated deficit	(520,538)	(504,699)	(321,417)
Accumulated other comprehensive income	(276)	119	9,477
Total Stockholders' Equity	<u>344,566</u>	<u>358,149</u>	<u>351,222</u>
Total Liabilities and Stockholders' Equity	<u>\$ 459,460</u>	<u>\$ 481,630</u>	<u>\$ 488,343</u>