

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

	Quarter Ended		
	Dec. 24, 2005	Sep. 24, 2005	Dec. 25, 2004
Net sales	\$ 48,253	\$ 50,461	\$ 44,036
Cost of sales	21,686	23,596	26,834
Gross Margin	<u>26,567</u>	<u>26,865</u>	<u>17,202</u>
Gross Margin Percentage	55.1%	53.2%	39.1%
Operating expenses:			
Research and development	10,442	10,630	18,899
Selling, general and administrative	10,740	15,765	9,611
Restructuring and other costs	-	2,311	3,107
Patent agreement, net	-	-	(593)
Total operating expenses	<u>21,182</u>	<u>28,706</u>	<u>31,024</u>
Total operating expenses as a percent of revenue	43.9%	56.9%	70.5%
Income (loss) from operations	5,385	(1,841)	(13,822)
Operating income (loss) as a percent of revenue	11.2%	(3.6%)	(31.4%)
Interest income, net	2,131	1,684	946
Other income (expense), net	53	(109)	272
Income (loss) before income taxes	<u>7,569</u>	<u>(266)</u>	<u>(12,604)</u>
Provision (benefit) for income taxes	<u>(5,261)</u>	<u>(167)</u>	<u>(15,134)</u>
Net income (loss)	<u>\$ 12,830</u>	<u>\$ (99)</u>	<u>\$ 2,530</u>
Basic and diluted income (loss) per share:	\$ 0.15	\$ -	\$ 0.03
Basic weighted average common shares outstanding	86,399	85,804	84,773
Diluted weighted average common shares outstanding	88,101	85,804	86,159

See reconciliation of Non-GAAP financial measures

Prepared in accordance with Generally Accepted Accounting Principles

Certain income statement reclassifications have been made to the fiscal year 2005 financial statements to conform to the fiscal year 2006 presentation. We now report the amortization of acquired intangibles as a component of our research and development expenses. These reclassifications had no effect on the results of operations or stockholders' equity.