

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

	Nine Months Ended	
	Dec. 24, 2005	Dec. 25, 2004
Net sales	\$ 151,536	\$ 154,485
Cost of sales	70,804	82,682
Gross Margin	80,732	71,803
Gross Margin Percentage	53.3%	46.5%
Operating expenses:		
Research and development	34,723	62,237
Selling, general and administrative	40,806	35,267
Restructuring and other costs	2,311	8,978
Litigation settlement, net	(24,758)	-
Patent agreement, net	-	(593)
Total operating expenses	53,082	105,889
Total operating expenses as a percent of revenue	35.0%	68.5%
Income (loss) from operations	27,650	(34,086)
Operating income (loss) as a percent of revenue	18.2%	(22.1%)
Realized gain on marketable equity securities	388	669
Interest income, net	4,951	2,246
Other income (expense), net	(75)	201
Income (loss) before income taxes and loss from discontinued operations	32,914	(30,970)
Benefit for income taxes	(5,794)	(15,044)
Net income (loss)	\$ 38,708	\$ (15,926)
Basic income (loss) per share:	\$ 0.45	\$ (0.19)
Diluted income (loss) per share:	\$ 0.44	\$ (0.19)
Basic weighted average common shares outstanding	85,811	84,621
Diluted weighted average common shares outstanding	87,436	84,621

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.