

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

	Quarter Ended		
	Sept. 25, 2004	Jun. 26, 2004	Sept. 27, 2003
Net sales	\$ 51,332	\$ 59,117	\$ 50,130
Cost of sales	28,404	27,444	24,132
Gross Margin	22,928	31,673	25,998
Gross Margin Percentage	44.7%	53.6%	51.9%
Operating expenses:			
Research and development	17,677	18,388	19,989
Selling, general and administrative	12,818	12,267	11,492
Restructuring and other costs	-	-	-
Amortization of acquired intangibles	-	-	-
Patent infringement settlements, net	-	-	-
Total operating expenses	30,495	30,655	31,481
Total operating expenses as a percent of revenue	59.4%	51.9%	62.8%
Income (loss) from operations	(7,567)	1,018	(5,483)
Operating income (loss) as a percent of revenue	(14.7%)	1.7%	(10.9%)
Realized gain on marketable equity securities	-	-	-
Interest income and other, net	599	630	255
Income (loss) before income taxes	(6,968)	1,648	(5,228)
Provision (benefit) for income taxes	66	24	87
Net income (loss)	\$ (7,034)	\$ 1,624	\$ (5,315)
	\$ (0.08)	\$ 0.02	\$ (0.06)
Basic weighted average common shares outstanding	84,671	84,419	83,946
Diluted weighted average common shares outstanding	84,671	86,456	83,946

On October 20, 2004 the Company held a conference call with the public to discuss its second quarter fiscal year 2005 results. During that call, the Company made reference to non-GAAP financial measures. The following schedule is provided to comply with SEC Regulation G. This table provides a reconciliation between our non-GAAP to GAAP reporting. We use these non-GAAP financial numbers to assist us in the management of the Company because we believe that this information provides a more consistent and complete understanding of the underlying results and trends in our business.

See notes to the Reconciliation between GAAP and Non-GAAP Consolidated Condensed Statement of Operations