

CIRRUS LOGIC, INC.
RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION
(unaudited)
(in thousands, except per share data)
(not prepared in accordance with GAAP)

	Quarter Ended		
	Mar. 26, 2005	Dec. 25, 2004	Mar. 27, 2004
Net sales	\$ -	\$ -	\$ -
Cost of sales	-	-	-
Gross Margin	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:			
Research and development (Note 1)	-	-	384
Selling, general and administrative (Note 2)	(2,723)	(2,034)	86
Restructuring and other costs (Note 3)	485	3,107	595
Amortization of acquired intangibles (Note 4)	3,419	3,419	3,419
Patent agreement, net (Note 5)	-	(593)	(17,000)
Total operating expenses	<u>1,181</u>	<u>3,899</u>	<u>(12,516)</u>
Loss from operations	(1,181)	(3,899)	12,516
Realized gain on marketable equity securities (Note 6)	137	-	1,967
Interest income, net	-	-	-
Other income (expense), net (Note 7)	-	212	-
Income (loss) before income taxes and loss from discontinued operations	<u>(1,044)</u>	<u>(3,687)</u>	<u>14,483</u>
Benefit for income taxes (Note 8)	(6,003)	(15,247)	-
Net loss	<u>\$ 4,959</u>	<u>\$ 11,560</u>	<u>\$ 14,483</u>
Basic and diluted loss per share:	\$ 0.06	\$ 0.14	\$ 0.16

On April 27, 2005 the Company held a conference call with the public to discuss its fourth quarter and fiscal year 2005 results. During that call, the Company made reference to non-GAAP financial measures. The above schedule is provided to comply with SEC Regulation G. This table provides the reconciliation between the Consolidated Condensed Statement of Operations on a GAAP and non-GAAP reporting basis. 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.

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

(Note 1) **Q4 FY'04** - Non-GAAP research and development expense excludes \$0.4 million related to the amortization of deferred compensation expense resulting from an acquisition.

(Note 2) **Q4 FY'05** - Non-GAAP selling, general and administrative expense excludes a \$3.0 million benefit from the expiration of a use tax contingency, partially offset by \$0.3 million in legal costs associated with a lawsuit related to a previously exited product line. **Q3 FY'05** - Non-GAAP selling, general and administrative expense excludes a \$2.3 million benefit from a reclaimed goods and services tax, partially offset by \$0.3 million in legal costs associated with a lawsuit related to a previously exited product line. **Q4 FY'04** - Non-GAAP selling, general and administrative expense excludes \$0.1 million related to the amortization of deferred compensation expense resulting from an acquisition.

(Note 3) **Q4 FY'05** - Non-GAAP restructuring and other costs excludes a \$0.5 million expense related to our announced workforce reduction. **Q3 FY'05** - Non-GAAP restructuring and other costs excludes a \$1.2 million expense related to our announced workforce reduction and a \$1.9 million expense related to the abandonment of software. **Q4 FY'04** - Non-GAAP restructuring and other costs excludes \$0.6 million related to our announced workforce reduction and facility consolidations.

(Note 4) **Q4 FY'05** - Non-GAAP amortization of acquired intangibles excludes \$3.4 million related to the amortization of acquired intangibles from our 2002 and 2000 acquisitions. **Q3 FY'05** - Non-GAAP amortization of acquired intangibles excludes \$3.4 million related to the amortization of acquired intangibles from our 2002 and 2000 acquisitions. **Q4 FY'04** - Non-GAAP amortization of acquired intangibles excludes \$3.4 million related to the amortization of acquired intangibles from our 2002 and 2000 acquisitions.

(Note 5) **Q3 FY'05** - Non-GAAP patent agreement excludes a \$0.6 million benefit from a legal expense accrual release associated with a prior patent transaction. **Q4 FY'04** - Non-GAAP patent agreement excludes a \$17.0 million benefit from a patent transaction settlement.

(Note 6) **Q4 FY'05** - Non-GAAP realized gain on marketable equity securities excludes a \$0.1 million benefit from the proceeds related to the sale of an investment in another publicly traded company. **Q4 FY'04** - Non-GAAP realized gain on marketable equity securities excludes a \$2.0 million benefit from the proceeds related to the sale of an investment in another publicly traded company.

(Note 7) **Q3 FY'05** - Non-GAAP other income (expense), net excludes \$0.2 million of bankruptcy proceeds related to a private investment.

(Note 8) **Q4 FY'05** - Non-GAAP provision (benefit) for income taxes excludes a \$6.0 million income tax benefit resulting from the expiration of foreign statute of limitations for the years in which we had previously recorded potential tax liabilities. **Q3 FY'05** - Non-GAAP provision (benefit) for income taxes excludes a \$15.2 million income tax benefit resulting from the expiration, in December 2004, of the statute of limitations for the years in which we had previously recorded potential U.S. federal tax liabilities.