

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		
	Jun. 26, 2004	Mar. 27, 2004	Jun. 28, 2003
Net sales	\$ -	\$ -	\$ -
Costs and expenses:			
Cost of sales (Note 1)	-	-	723
Research and development (Note 2)	319	384	438
Selling, general and administrative (Note 3)	227	86	1,013
Restructuring and other costs (Note 4)	1,723	595	7,640
Amortization of acquired intangibles (Note 5)	3,419	3,419	3,778
Patent agreement, net (Note 6)	-	(17,000)	-
Total costs and expenses	<u>5,688</u>	<u>(12,516)</u>	<u>13,592</u>
Income (loss) from operations	(5,688)	12,516	(13,592)
Realized gain (loss) on marketable equity securities (Note 7)	669	1,967	-
Interest income (expense), net	-	-	-
Other income (expense), net (Note 8)	-	-	(250)
Income (loss) before income taxes and loss from discontinued operations	<u>(5,019)</u>	<u>14,483</u>	<u>(13,842)</u>
Provision (benefit) for income taxes	-	-	-
Net income (loss)	<u>\$ (5,019)</u>	<u>\$ 14,483</u>	<u>\$ (13,842)</u>
Basic income (loss) per share:			
From continuing operations	\$ (0.06)	\$ 0.17	\$ (0.17)
Discontinued operations	-	-	-
	<u>\$ (0.06)</u>	<u>\$ 0.17</u>	<u>\$ (0.17)</u>
Diluted income (loss) per share:			
From continuing operations	\$ (0.06)	\$ 0.17	\$ (0.17)
Discontinued operations	-	-	-
	<u>\$ (0.06)</u>	<u>\$ 0.17</u>	<u>\$ (0.17)</u>
Basic weighted average common shares outstanding	84,419	84,355	83,763
Diluted weighted average common shares outstanding	84,419	86,729	83,763

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

(Note 1) **Q1 FY'04** - Non-GAAP cost of sales excludes the impact of a \$0.7 million impairment that was reclassified to manufacturing overhead absorption. The impairment related to certain fixed assets used by one of our test vendors, ChipPac.

(Note 2) **Q1 FY'05** - Non-GAAP research and development expense excludes \$0.3 million related to the amortization of acquisition bonus and deferred compensation expense. **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. **Q1 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 3) **Q1 FY'05** - Non-GAAP selling, general and administrative expense excludes \$0.2 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. **Q1 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 and \$0.9 million in litigation costs associated the Western Digital suit.

(Note 4) **Q1 FY'05** - Non-GAAP restructuring costs excludes \$1.7 million related to costs associated with consolidation of our facilities. **Q4 FY'04** - Non-GAAP restructuring and other costs excludes \$0.6 million related to our announced workforce reduction and facility consolidations. **Q1 FY'04** - Non-GAAP restructuring charges excludes \$0.3 million for severance and \$5.8 million for facilities consolidations in Fremont, California and Austin, Texas. Non-GAAP restructuring charges also excludes a \$1.5 million write off of fixed assets located on the second floor of our Terrace facilities in Austin, Texas.

(Note 5) **Q1 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. **Q1 FY'04** - Non-GAAP amortization of acquired intangibles excludes \$3.8 million related to the amortization of acquired intangibles from our 2002 and 2000 acquisitions.

(Note 6) **Q4 FY'04** - Non-GAAP patent agreement, net excludes a \$17.0 million benefit from a patent transaction settlement.

(Note 7) **Q1 FY'05** - Non-GAAP realized gain on marketable equity securities excludes \$0.7 million received from the sale of our investment in Silicon Laboratories, Inc, which we acquired from our earlier private investment in Cygnal Integrated Products, Inc. **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 8) **Q1 FY'04** - Non-GAAP other income and expense excludes the write off of \$0.3 million related to an investment in Colabranet.