

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		
	Sept. 25, 2004	Jun. 26, 2004	Sept. 27, 2003
Net sales	\$ -	\$ -	\$ -
Cost of sales	-	-	-
Gross Margin	-	-	-
Operating expenses:			
Research and development (Note 1)	116	319	438
Selling, general and administrative (Note 2)	344	227	711
Restructuring and other costs (Note 3)	4,148	1,723	395
Amortization of acquired intangibles (Note 4)	3,419	3,419	3,778
Patent infringement settlements, net (Note 5)	-	-	(14,402)
Total operating expenses	<u>8,027</u>	<u>5,688</u>	<u>(9,080)</u>
Income (loss) from operations	(8,027)	(5,688)	9,080
Realized gain on marketable equity securities (Note 6)	-	669	10,080
Interest income and other, net	-	-	-
Income (loss) before income taxes and loss from discontinued operations	<u>(8,027)</u>	<u>(5,019)</u>	<u>19,160</u>
Provision (benefit) for income taxes (Note 7)	-	-	(7,209)
Net income (loss)	<u>\$ (8,027)</u>	<u>\$ (5,019)</u>	<u>\$ 26,369</u>
	\$ (0.09)	\$ (0.06)	\$ 0.31

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.

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

(Note 1) **Q2 FY'05** - Non-GAAP research and development expense excludes \$0.1 million related to the amortization of acquisition deferred compensation expense. **Q1 FY'05** - Non-GAAP research and development expense excludes \$0.3 million related to the amortization of acquisition bonus and deferred compensation expense. **Q2 FY'04** - Non-GAAP research and development expense excludes \$0.4 million related to the amortization of acquisition bonus and deferred compensation expense.

(Note 2) **Q2 FY'05** - Non-GAAP selling, general and administrative expense excludes \$0.3 million in legal costs associated with a lawsuit related to a previously exited product line. **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. **Q2 FY'04** - Non-GAAP selling, general and administrative expense excludes \$0.1 million related to the amortization of acquisition bonus and deferred compensation expense and \$0.6 million in legal costs associated with a lawsuit related to products previously exited.

(Note 3) **Q2 FY'05** - Non-GAAP restructuring costs excludes \$1.5 million related to costs associated with our announced workforce reduction and \$3.1 million related to the write-off of computer aided software tools that we will no longer use partially offset by a release of \$0.5 million related to a buyout of a long-term facilities lease obligation. **Q1 FY'05** - Non-GAAP restructuring costs excludes \$1.7 million related to costs associated with consolidation of our facilities. **Q2 FY'04** - Non-GAAP restructuring costs excludes \$0.4 million related primarily to workforce reductions.

(Note 4) **Q2 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. **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. **Q2 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 5) **Q2 FY'04** - Non-GAAP patent infringement settlements, net excludes \$14.4 million received in settlement of lawsuits filed against ATI and NVIDIA in fiscal year 2004.

(Note 6) **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. **Q2 FY'04** - Non-GAAP realized gain on marketable equity securities excludes a gain of \$10.1 million related to proceeds received from the sale of our investment in SigmaTel, Inc.

(Note 7) **Q2 FY'04** - Non-GAAP provision (benefit) for income taxes excludes \$7.2 million primarily because we do not believe that we will have these types of benefits on a consistent basis in the future.