

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Six Months Ended	
	Oct. 2 2016	July 3 2016	Sept. 27 2015	Oct. 2 2016	Sept. 27 2015
Revenues	\$ 184,059	\$ 192,128	\$ 169,498	\$ 376,187	\$ 330,405
Cost of revenues	77,527	83,779	62,952	161,306	124,625
Gross profit	106,532	108,349	106,546	214,881	205,780
Operating expenses:					
Research and development	41,750	49,648	35,301	91,398	69,055
Selling, general and administrative	37,415	38,816	29,227	76,231	57,370
Total operating expenses	79,165	88,464	64,528	167,629	126,425
Operating income	27,367	19,885	42,018	47,252	79,355
Interest and other income (expense), net	(2,597)	(2,496)	1,016	(5,093)	2,834
Income from continuing operations before income taxes	24,770	17,389	43,034	42,159	82,189
Provision for (benefit from) income taxes	179	(3,558)	611	(3,379)	1,046
Net income from continuing operations	24,591	20,947	42,423	45,538	81,143
Discontinued operations:					
Loss from discontinued operations	-	-	-	-	(547)
Provision for income taxes	-	-	-	-	15
Net loss from discontinued operations	-	-	-	-	(562)
Net income	\$ 24,591	\$ 20,947	\$ 42,423	\$ 45,538	\$ 80,581
Basic net income per share - continuing operations	\$ 0.18	\$ 0.16	\$ 0.29	\$ 0.34	\$ 0.55
Basic net income per share - discontinued operations	-	-	-	-	-
Basic net income per share	\$ 0.18	\$ 0.16	\$ 0.29	\$ 0.34	\$ 0.55
Diluted net income per share - continuing operations	\$ 0.18	\$ 0.15	\$ 0.28	\$ 0.33	\$ 0.53
Diluted net income per share - discontinued operations	-	-	-	-	-
Diluted net income per share	\$ 0.18	\$ 0.15	\$ 0.28	\$ 0.33	\$ 0.53
Weighted average shares:					
Basic	134,186	133,934	147,724	134,059	148,058
Diluted	137,206	138,109	152,152	137,698	152,997

INTEGRATED DEVICE TECHNOLOGY, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (a)
(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Six Months Ended	
	Oct. 2	July 3	Sept. 27	Oct. 2	Sept. 27
	2016	2016	2015	2016	2015
GAAP net income from continuing operations	\$ 24,591	\$ 20,947	\$ 42,423	\$ 45,538	\$ 81,143
GAAP diluted net income per share continuing operations	\$ 0.18	\$ 0.15	\$ 0.28	\$ 0.33	\$ 0.53
Acquisition related:					
Amortization of acquisition related intangibles	5,246	5,775	751	11,021	1,583
Acquisition related fees	72	-	-	72	-
Amortization of fair market value adjustment to inventory	520	2,395	-	2,915	-
Restructuring related:					
Severance and retention costs	5,002	11,918	1,894	16,920	2,815
Facility closure costs	-	19	154	19	154
Assets impairment and other	-	870	-	870	147
Other:					
Stock-based compensation expense	9,181	10,515	8,581	19,696	16,447
Non-cash interest expense	3,309	3,268	-	6,577	-
Gain from divestiture	-	-	(25)	-	(76)
Assets impairment and other	(652)	-	(28)	(652)	(353)
Compensation expense (benefit) - deferred compensation plan	435	402	(817)	837	(702)
Loss (gain) on deferred compensation plan securities	(417)	(392)	827	(809)	719
Non-GAAP tax adjustments	147	(4,540)	182	(4,393)	265
Non-GAAP net income from continuing operations	\$ 47,434	\$ 51,177	\$ 53,942	\$ 98,611	\$ 102,142
GAAP weighted average shares - diluted	137,206	138,109	152,152	137,698	152,997
Non-GAAP adjustment	2,581	2,287	2,600	2,313	2,149
Non-GAAP weighted average shares - diluted	139,787	140,396	154,752	140,011	155,146
Non-GAAP diluted net income per share continuing operations	\$ 0.34	\$ 0.36	\$ 0.35	\$ 0.70	\$ 0.66
GAAP gross profit	\$ 106,532	\$ 108,349	\$ 106,546	\$ 214,881	\$ 205,780
Acquisition related:					
Amortization of acquisition related intangibles	3,108	3,415	617	6,523	1,234
Amortization of fair market value adjustment to inventory	520	2,395	-	2,915	-
Restructuring related:					
Severance and retention costs	257	2,430	6	2,687	188
Assets impairment and other	-	336	-	336	147
Other:					
Compensation expense (benefit) - deferred compensation plan	159	148	(299)	307	(257)
Stock-based compensation expense	802	779	645	1,581	1,327
Non-GAAP gross profit	\$ 111,378	\$ 117,852	\$ 107,515	\$ 229,230	\$ 208,419
GAAP R&D expenses:	\$ 41,750	\$ 49,648	\$ 35,301	\$ 91,398	\$ 69,055
Restructuring related:					
Severance and retention costs	(3,074)	(7,334)	(681)	(10,408)	(1,028)
Facility closure costs	-	-	(154)	-	(154)
Assets impairment and other	-	(107)	261	(107)	261
Other:					
Compensation benefit (expense) - deferred compensation plan	(170)	(157)	319	(327)	274
Stock-based compensation expense	(3,191)	(4,308)	(3,543)	(7,499)	(7,175)
Non-GAAP R&D expenses	\$ 35,315	\$ 37,742	\$ 31,503	\$ 73,057	\$ 61,233
GAAP SG&A expenses:	\$ 37,415	\$ 38,816	\$ 29,227	\$ 76,231	\$ 57,370
Acquisition related:					
Amortization of acquisition related intangibles	(2,138)	(2,360)	(134)	(4,498)	(349)
Acquisition related fees	(72)	-	-	(72)	-
Restructuring related:					
Severance and retention costs	(1,671)	(2,154)	(1,207)	(3,825)	(1,599)
Facility closure costs	-	(18)	-	(18)	-
Assets impairment and other	-	(428)	(233)	(428)	(233)
Other:					
Compensation benefit (expense) - deferred compensation plan	(106)	(97)	199	(203)	171
Stock-based compensation expense	(5,188)	(5,428)	(4,393)	(10,616)	(7,945)
Non-GAAP SG&A expenses	\$ 28,240	\$ 28,331	\$ 23,459	\$ 56,571	\$ 47,415
GAAP interest and other income (expense), net	\$ (2,597)	\$ (2,496)	\$ 1,016	\$ (5,093)	\$ 2,834
Non-cash interest expense	3,309	3,268	-	6,577	-
Gain from divestiture	-	-	(25)	-	(76)
Loss (gain) on deferred compensation plan securities	(417)	(393)	827	(809)	719
Assets impairment and other	(652)	-	-	(652)	(325)
Non-GAAP interest and other income (expense), net	\$ (357)	\$ 379	\$ 1,818	\$ 23	\$ 3,152
GAAP provision for (benefit from) income taxes - continuing operations	\$ 179	\$ (3,558)	\$ 611	\$ (3,379)	\$ 1,046
Non-GAAP tax adjustments	(147)	4,540	(182)	4,393	(265)
Non-GAAP provision for income taxes - continuing operations	\$ 32	\$ 982	\$ 429	\$ 1,014	\$ 781

(a) Refer to the accompanying "Notes to Non-GAAP Financial Measures" for a detailed discussion of management's use of non-GAAP financial measures.

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In thousands)</i>	<u>Oct. 2 2016</u>	<u>April 3 2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 113,872	\$ 203,231
Short-term investments	260,362	151,233
Accounts receivable, net	82,028	74,386
Inventories	44,035	54,243
Prepaid and other current assets	15,374	15,008
Assets held for sale	4,045	-
Total current assets	<u>519,716</u>	<u>498,101</u>
Property, plant and equipment, net	75,415	73,877
Goodwill	306,925	305,733
Other intangible assets, net	117,186	127,761
Deferred non-current tax assets	84,892	60,929
Other assets	<u>31,942</u>	<u>32,788</u>
TOTAL ASSETS	<u><u>\$ 1,136,076</u></u>	<u><u>\$ 1,099,189</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 33,340	\$ 39,858
Accrued compensation and related expenses	25,094	45,269
Deferred income on shipments to distributors	7,225	7,006
Other accrued liabilities	30,084	14,974
Liabilities held for sale	2,663	-
Total current liabilities	<u>98,406</u>	<u>107,107</u>
Deferred tax liabilities	15,003	19,712
Convertible notes	278,798	272,221
Other long-term obligations	21,436	23,454
Total liabilities	<u>413,643</u>	<u>422,494</u>
Stockholders' equity	<u>722,433</u>	<u>676,695</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 1,136,076</u></u>	<u><u>\$ 1,099,189</u></u>