

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	Jan. 3 2016	Sept. 27, 2015	Dec. 28, 2014	Jan. 3 2016	Dec. 28, 2014
Revenues	\$ 177,610	\$ 169,498	\$ 151,160	\$ 508,015	\$ 414,555
Cost of revenues	69,699	62,952	59,796	194,324	167,306
Gross profit	107,911	106,546	91,364	313,691	247,249
Operating expenses:					
Research and development	38,429	35,301	32,825	107,484	95,617
Selling, general and administrative	38,851	29,227	27,165	96,221	79,419
Total operating expenses	77,280	64,528	59,990	203,705	175,036
Operating income	30,631	42,018	31,374	109,986	72,213
Other income (expense), net	(2,008)	1,016	1,558	826	2,825
Income from continuing operations before income taxes	28,623	43,034	32,932	110,812	75,038
Provision for (benefit from) income taxes	(3,922)	611	91	(2,876)	840
Net income from continuing operations	32,545	42,423	32,841	113,688	74,198
Discontinued operations:					
Gain from divestiture	-	-	-	-	16,840
Loss from discontinued operations	-	-	(14,538)	(547)	(36,438)
Provision for (benefit from) income taxes	-	-	(55)	15	(43)
Net loss from discontinued operations	-	-	(14,483)	(562)	(19,555)
Net income	\$ 32,545	\$ 42,423	\$ 18,358	\$ 113,126	\$ 54,643
Basic net income per share - continuing operations	\$ 0.23	\$ 0.29	\$ 0.22	\$ 0.78	\$ 0.50
Basic net income (loss) per share - discontinued operations	-	-	(0.10)	-	(0.13)
Basic net income per share	\$ 0.23	\$ 0.29	\$ 0.12	\$ 0.78	\$ 0.37
Diluted net income per share - continuing operations	\$ 0.22	\$ 0.28	\$ 0.21	\$ 0.75	\$ 0.48
Diluted net loss per share - discontinued operations	-	-	(0.09)	-	(0.12)
Diluted net income per share	\$ 0.22	\$ 0.28	\$ 0.12	\$ 0.75	\$ 0.36
Weighted average shares:					
Basic	140,411	147,724	148,552	145,382	148,844
Diluted	145,705	152,152	153,973	150,614	153,904

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

(In thousands, except per share data)

	Three Months Ended			Nine Months Ended	
	Jan. 3 2016	Sept. 27, 2015	Dec. 28, 2014	Jan. 3 2016	Dec. 28, 2014
GAAP net income from continuing operations	\$ 32,545	\$ 42,423	\$ 32,841	\$ 113,688	\$ 74,198
GAAP diluted net income per share - continuing operations	\$ 0.22	\$ 0.28	\$ 0.21	\$ 0.75	\$ 0.48
Acquisition related:					
Amortization of acquisition related intangibles	2,732	751	1,347	4,315	5,572
Acquisition related fees	2,113	233	(125)	2,346	(125)
Acquisition related foreign exchange loss	536	-	-	536	-
Amortization of fair market value adjustment to inventory	890	-	-	890	-
Restructuring related:					
Severance and retention costs	6,091	1,894	129	8,906	974
Facility closure costs	-	154	209	154	276
Assets impairment and other	-	-	-	147	2,703
Other:					
Stock-based compensation expense	9,462	8,581	5,878	25,909	16,769
Non-cash interest expense	2,164	-	-	2,164	-
Loan prepayment penalty	164	-	-	164	-
Gain from divestiture	(22)	(25)	(104)	(98)	(104)
Assets impairment and other	-	(261)	-	(586)	-
Compensation expense (benefit) - deferred compensation plan	366	(817)	525	(336)	777
Loss (gain) on deferred compensation plan securities	(363)	827	(500)	356	(735)
Non-GAAP tax adjustments	(4,506)	182	(1,521)	(4,242)	(3,206)
Non-GAAP net income from continuing operations	\$ 52,172	\$ 53,942	\$ 38,679	\$ 154,313	\$ 97,099
GAAP weighted average shares - diluted	145,705	152,152	153,973	150,614	153,904
Non-GAAP adjustment	1,920	2,600	1,463	2,057	1,802
Non-GAAP weighted average shares - diluted	147,625	154,752	155,436	152,671	155,706
Non-GAAP diluted net income per share - continuing operations	\$ 0.35	\$ 0.35	\$ 0.25	\$ 1.01	\$ 0.62
GAAP gross profit	\$ 107,911	\$ 106,546	\$ 91,364	\$ 313,691	\$ 247,249
Acquisition related:					
Amortization of acquisition related intangibles	1,521	617	959	2,755	3,909
Amortization of fair market value adjustment to inventory	890	-	-	890	-
Restructuring related:					
Severance and retention costs	-	6	(96)	188	23
Assets impairment and other	-	-	-	147	2,269
Other:					
Compensation expense (benefit) - deferred compensation plan	134	(299)	156	(123)	233
Stock-based compensation expense	666	645	592	1,993	1,347
Non-GAAP gross profit	\$ 111,122	\$ 107,515	\$ 92,975	\$ 319,541	\$ 255,030
GAAP R&D expenses:	\$ 38,429	\$ 35,301	\$ 32,825	\$ 107,484	\$ 95,617
Restructuring related:					
Severance and retention costs	(66)	(681)	(91)	(1,094)	(467)
Facility closure costs	-	(154)	(209)	(154)	(209)
Assets impairment and other	-	261	-	261	(434)
Other:					
Compensation benefit (expense) - deferred compensation plan	(143)	319	(255)	131	(381)
Stock-based compensation expense	(4,433)	(3,543)	(2,562)	(11,608)	(7,547)
Non-GAAP R&D expenses	\$ 33,787	\$ 31,503	\$ 29,708	\$ 95,020	\$ 86,579
GAAP SG&A expenses:	\$ 38,851	\$ 29,227	\$ 27,165	\$ 96,221	\$ 79,419
Acquisition related:					
Amortization of acquisition related intangibles	(1,211)	(134)	(388)	(1,560)	(1,663)
Acquisition related fees	(2,113)	(233)	125	(2,346)	125
Restructuring related:					
Severance and retention costs	(6,025)	(1,207)	(134)	(7,624)	(484)
Facility closure costs	-	-	-	-	(67)
Other:					
Compensation benefit (expense) - deferred compensation plan	(89)	199	(114)	82	(163)
Stock-based compensation expense	(4,363)	(4,393)	(2,724)	(12,308)	(7,875)
Non-GAAP SG&A expenses	\$ 25,050	\$ 23,459	\$ 23,930	\$ 72,465	\$ 69,292
GAAP interest income and other, net	\$ (2,008)	\$ 1,016	\$ 1,558	\$ 826	\$ 2,825
Non-cash interest expense	2,164	-	-	2,164	-
Loan prepayment penalty	164	-	-	164	-
Acquisition related foreign exchange loss	536	-	-	536	-
Gain from divestiture	(22)	(25)	(104)	(98)	(104)
Loss (gain) on deferred compensation plan securities	(363)	827	(500)	356	(735)
Assets impairment and other	-	-	-	(325)	-
Non-GAAP interest income and other, net	\$ 471	\$ 1,818	\$ 954	\$ 3,623	\$ 1,986
GAAP provision for (benefit from) income taxes - continuing operations	\$ (3,922)	\$ 611	\$ 91	\$ (2,876)	\$ 840
Non-GAAP tax adjustments	4,506	(182)	1,521	4,241	3,206
Non-GAAP provision for income taxes - continuing operations	\$ 584	\$ 429	\$ 1,612	\$ 1,365	\$ 4,046

(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>Jan. 3</u> <u>2016</u>	<u>Mar. 29,</u> <u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 152,992	\$ 116,945
Short-term investments	199,328	438,115
Accounts receivable, net	65,916	63,618
Inventories	54,785	45,410
Prepaid and other current assets	12,568	16,041
Total current assets	<u>485,589</u>	<u>680,129</u>
Property, plant and equipment, net	73,769	65,508
Goodwill	305,733	135,644
Acquisition-related intangibles	137,489	5,535
Other assets	29,081	26,843
TOTAL ASSETS	<u>\$ 1,031,661</u>	<u>\$ 913,659</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 30,654	\$ 28,006
Accrued compensation and related expenses	53,154	43,649
Deferred income on shipments to distributors	8,523	15,694
Deferred taxes liabilities	-	1,401
Other accrued liabilities	16,365	17,582
Total current liabilities	<u>108,696</u>	<u>106,332</u>
Deferred tax liabilities	21,106	1,121
Long term income taxes payable	959	347
Convertible notes	269,031	-
Other long-term obligations	22,093	17,605
Total liabilities	<u>421,885</u>	<u>125,405</u>
Stockholders' equity	<u>609,776</u>	<u>788,254</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,031,661</u>	<u>\$ 913,659</u>