

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Twelve Months Ended	
	Mar. 29 2015	Dec. 28, 2014	Mar. 30, 2014	Mar. 29 2015	Mar. 30, 2014
Revenues	\$ 158,350	\$ 151,160	\$ 118,640	\$ 572,905	\$ 484,779
Cost of revenues	60,295	59,796	57,560	227,601	211,877
Gross profit	98,055	91,364	61,080	345,304	272,902
Operating expenses:					
Research and development	32,071	32,825	32,860	127,688	140,799
Selling, general and administrative	27,050	27,165	23,322	106,469	101,148
Total operating expenses	59,121	59,990	56,182	234,157	241,947
Operating income	38,934	31,374	4,898	111,147	30,955
Gain (loss) from divestiture	-	-	(302)	-	78,632
Other income, net	1,966	1,558	786	4,791	2,707
Income from continuing operations before income taxes	40,900	32,932	5,382	115,938	112,294
Provision for income taxes	517	91	320	1,357	981
Net income from continuing operations	40,383	32,841	5,062	114,581	111,313
Discontinued operations:					
Gain from divestiture	-	-	-	16,840	-
Loss from discontinued operations	(799)	(14,538)	(5,016)	(37,237)	(22,938)
Provision for (benefit from) income taxes	318	(55)	17	275	11
Net loss from discontinued operations	(1,117)	(14,483)	(5,033)	(20,672)	(22,949)
Net income	<u>\$ 39,266</u>	<u>\$ 18,358</u>	<u>\$ 29</u>	<u>\$ 93,909</u>	<u>\$ 88,364</u>
Basic net income per share - continuing operations	\$ 0.27	\$ 0.22	\$ 0.03	\$ 0.77	\$ 0.74
Basic net loss per share - discontinued operations	(0.01)	(0.10)	(0.03)	(0.14)	(0.15)
Basic net income per share	<u>\$ 0.26</u>	<u>\$ 0.12</u>	<u>\$ -</u>	<u>\$ 0.63</u>	<u>\$ 0.59</u>
Diluted net income per share - continuing operations	\$ 0.26	\$ 0.21	\$ 0.03	\$ 0.74	\$ 0.73
Diluted net loss per share - discontinued operations	(0.01)	(0.09)	(0.03)	(0.13)	(0.15)
Diluted net income per share	<u>\$ 0.25</u>	<u>\$ 0.12</u>	<u>\$ -</u>	<u>\$ 0.61</u>	<u>\$ 0.58</u>
Weighted average shares:					
Basic	148,326	148,552	150,033	148,714	149,480
Diluted	<u>154,111</u>	<u>153,973</u>	<u>154,390</u>	<u>153,983</u>	<u>153,369</u>

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

(In thousands, except per share data)

	Three Months Ended			Twelve Months Ended	
	Mar. 29 2015	Dec. 28, 2014	Mar. 30, 2014	Mar. 29 2015	Mar. 30, 2014
GAAP net income from continuing operations	\$ 40,383	\$ 32,841	\$ 5,062	\$ 114,581	\$ 111,313
GAAP diluted net income per share continuing operations	\$ 0.26	\$ 0.21	\$ 0.03	\$ 0.74	\$ 0.73
Acquisition related:					
Amortization of acquisition related intangibles	1,001	1,347	11,999	6,573	21,964
Impairment of in-process research and development	-	-	2,433	-	2,433
Acquisition related legal and consulting fees	-	(125)	73	(125)	802
Restructuring related:					
Severance and retention costs	-	129	383	974	6,456
Facility closure costs	-	209	107	276	134
Loss (gain) from divestiture	-	-	302	-	(78,632)
Assets impairment and other	265	-	334	2,968	4,113
Other:					
Stock-based compensation expense	5,684	5,878	2,368	22,453	12,677
Gain from divestiture	(168)	(104)	-	(272)	-
Compensation expense - deferred compensation plan	213	525	185	990	1,265
Gain on deferred compensation plan securities	(205)	(500)	(171)	(940)	(1,316)
Tax effects of Non-GAAP adjustments	(1,391)	(1,521)	(1,331)	(4,596)	(4,389)
Non-GAAP net income from continuing operations	\$ 45,782	\$ 38,679	\$ 21,744	\$ 142,882	\$ 76,820
GAAP weighted average shares - diluted	154,111	153,973	154,390	153,983	153,369
Non-GAAP adjustment	1,558	1,463	1,492	2,014	1,981
Non-GAAP weighted average shares - diluted	155,669	155,436	155,882	155,997	155,350
Non-GAAP diluted net income per share continuing operations	\$ 0.29	\$ 0.25	\$ 0.14	\$ 0.92	\$ 0.49
GAAP gross profit	\$ 98,055	\$ 91,364	\$ 61,080	\$ 345,304	\$ 272,902
Acquisition related:					
Amortization of acquisition related intangibles	625	959	11,016	4,534	18,321
Restructuring related:					
Severance and retention costs	-	(96)	117	23	204
Facility closure costs	-	-	-	-	8
Assets impairment and other	220	-	105	2,489	(111)
Other:					
Compensation expense - deferred compensation plan	78	156	55	311	388
Stock-based compensation expense	589	592	61	1,936	1,189
Non-GAAP gross profit	\$ 99,567	\$ 92,975	\$ 72,434	\$ 354,597	\$ 292,901
GAAP R&D expenses:	\$ 32,071	\$ 32,825	\$ 32,860	\$ 127,688	\$ 140,799
Acquisition related:					
Impairment of in-process research and development	-	-	(2,433)	-	(2,433)
Restructuring related:					
Severance and retention costs	-	(91)	(264)	(467)	(4,193)
Facility closure costs	-	(209)	-	(209)	(9)
Assets impairment and other	(45)	-	(63)	(479)	(4,058)
Other:					
Compensation expense - deferred compensation plan	(83)	(255)	(90)	(464)	(650)
Stock-based compensation expense	(2,266)	(2,562)	(1,389)	(9,813)	(5,601)
Non-GAAP R&D expenses	\$ 29,677	\$ 29,708	\$ 28,621	\$ 116,256	\$ 123,855
GAAP SG&A expenses:	\$ 27,050	\$ 27,165	\$ 23,322	\$ 106,469	\$ 101,148
Acquisition related:					
Amortization of acquisition related intangibles	(376)	(388)	(983)	(2,039)	(3,643)
Acquisition related legal and consulting fees	-	125	(73)	125	(802)
Restructuring related:					
Severance and retention costs	-	(134)	(2)	(484)	(2,059)
Facility closure costs	-	-	(107)	(67)	(117)
Assets impairment and other	-	-	(166)	-	(166)
Other:					
Compensation expense - deferred compensation plan	(52)	(114)	(40)	(215)	(227)
Stock-based compensation expense	(2,829)	(2,724)	(918)	(10,704)	(5,887)
Non-GAAP SG&A expenses	\$ 23,793	\$ 23,930	\$ 21,033	\$ 93,085	\$ 88,247
GAAP interest income and other, net	\$ 1,966	\$ 1,558	\$ 786	\$ 4,791	\$ 2,707
Gain from divestiture	(168)	(104)	-	(272)	-
Gain on deferred compensation plan securities	(205)	(500)	(171)	(940)	(1,316)
Non-GAAP interest income and other, net	\$ 1,593	\$ 954	\$ 615	\$ 3,579	\$ 1,391
GAAP provision for income taxes - continuing operations	\$ 517	\$ 91	\$ 320	\$ 1,357	\$ 981
Tax effects of Non-GAAP adjustments	1,391	1,521	1,331	4,596	4,389
Non-GAAP provision for income taxes - continuing operations	\$ 1,908	\$ 1,612	\$ 1,651	\$ 5,953	\$ 5,370

(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>Mar. 29 2015</u>	<u>March 30, 2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 116,945	\$ 91,211
Short-term investments	438,115	362,604
Accounts receivable, net	63,618	68,904
Inventories	45,410	49,622
Prepaid and other current assets	16,041	13,034
Total current assets	<u>680,129</u>	<u>585,375</u>
Property, plant and equipment, net	65,508	69,827
Goodwill	135,644	135,644
Acquisition-related intangibles	5,535	18,741
Other assets	26,843	21,373
TOTAL ASSETS	<u>\$ 913,659</u>	<u>\$ 830,960</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 28,006	\$ 25,442
Accrued compensation and related expenses	43,649	24,343
Deferred income on shipments to distributors	15,694	14,006
Deferred taxes liabilities	1,401	1,346
Other accrued liabilities	17,582	11,525
Total current liabilities	<u>106,332</u>	<u>76,662</u>
Deferred tax liabilities	1,121	1,494
Long term income taxes payable	347	266
Other long-term obligations	17,605	18,683
Total liabilities	<u>125,405</u>	<u>97,105</u>
Stockholders' equity	<u>788,254</u>	<u>733,855</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 913,659</u>	<u>\$ 830,960</u>