

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended		
	June 29, 2014	Mar. 30, 2014	June 30, 2013
Revenues	\$ 126,302	\$ 118,640	\$ 117,464
Cost of revenues	52,293	57,560	51,342
Gross profit	74,009	61,080	66,122
Operating expenses:			
Research and development	32,050	32,860	37,939
Selling, general and administrative	25,459	23,322	26,838
Total operating expenses	57,509	56,182	64,777
Operating income	16,500	4,898	1,345
Loss from divestiture	-	(302)	-
Other income, net	862	786	57
Income from continuing operations before income taxes	17,362	5,382	1,402
Provision for (benefit from) income taxes	251	320	(99)
Net income from continuing operations	17,111	5,062	1,501
Discontinued operations:			
Gain from divestiture	16,840	-	-
Loss from discontinued operations	(12,153)	(5,016)	(3,864)
Provision for (benefit from) for income taxes	(45)	17	(99)
Net income (loss) from discontinued operations	4,732	(5,033)	(3,765)
Net income (loss)	<u>\$ 21,843</u>	<u>\$ 29</u>	<u>\$ (2,264)</u>
Basic net income per share - continuing operations	\$ 0.11	\$ 0.03	\$ 0.01
Basic net income (loss) per share - discontinued operations	0.04	(0.03)	(0.03)
Basic net income (loss) per share	<u>\$ 0.15</u>	<u>\$ -</u>	<u>\$ (0.02)</u>
Diluted net income per share - continuing operations	\$ 0.11	\$ 0.03	\$ 0.01
Diluted net income (loss) per share - discontinued operations	0.03	(0.03)	(0.03)
Diluted net income (loss) per share	<u>\$ 0.14</u>	<u>\$ -</u>	<u>\$ (0.02)</u>
Weighted average shares:			
Basic	149,283	150,033	147,056
Diluted	<u>153,741</u>	<u>154,390</u>	<u>150,241</u>

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

(Unaudited)

(In thousands, except per share data)

	Three Months Ended		
	June 29, 2014	Mar. 30, 2014	June 30, 2013
GAAP net income from continuing operations	\$ 17,111	\$ 5,062	\$ 1,501
GAAP diluted net income per share continuing operations	\$ 0.11	\$ 0.03	\$ 0.01
Acquisition related:			
Amortization of acquisition related intangibles	2,549	11,999	3,321
Impairment of in-process research and development	-	2,433	-
Acquisition related legal and consulting fees	-	73	468
Restructuring related:			
Severance and retention costs	526	383	1,174
Facility closure costs	47	107	8
Loss on divestiture	-	302	-
Assets impairment and other	2,302	334	(36)
Other:			
Stock-based compensation expense	4,962	2,368	4,820
Compensation expense (benefit) - deferred compensation plan	494	185	(100)
(Gain) loss on deferred compensation plan securities	(480)	(171)	101
Tax effects of Non-GAAP adjustments	(859)	(1,331)	(662)
Non-GAAP net income from continuing operations	\$ 26,652	\$ 21,744	\$ 10,595
GAAP weighted average shares - diluted	153,741	154,390	150,241
Non-GAAP adjustment	1,867	1,492	2,699
Non-GAAP weighted average shares - diluted	155,608	155,882	152,940
Non-GAAP diluted net income per share continuing operations	\$ 0.17	\$ 0.14	\$ 0.07
GAAP gross profit	74,009	61,080	66,122
Acquisition and divestiture related:			
Amortization of acquisition related intangibles	1,686	11,016	2,435
Restructuring related:			
Severance and retention costs	23	117	1
Facility closure costs	-	-	2
Assets impairment and other	1,935	105	(36)
Other:			
Compensation expense (benefit) - deferred compensation plan	147	55	(31)
Stock-based compensation expense	319	61	333
Non-GAAP gross profit	78,119	72,434	68,826
GAAP R&D expenses:	32,050	32,860	37,939
Restructuring related:			
Impairment of acquired in-process R&D	-	(2,433)	-
Severance and retention costs	(240)	(264)	(1,092)
Facility closure costs	-	-	(2)
Assets impairment and other	(367)	(63)	-
Other:			
Compensation expense (benefit) - deferred compensation plan	(240)	(90)	52
Stock-based compensation expense	(2,521)	(1,389)	(2,315)
Non-GAAP R&D expenses	28,682	28,621	34,582
GAAP SG&A expenses:	25,459	23,322	26,838
Acquisition and divestiture related:			
Amortization of acquisition related intangibles	(863)	(983)	(886)
Acquisition related legal and consulting fees	-	(73)	(468)
Restructuring related:			
Severance and retention costs	(263)	(2)	(81)
Facility closure costs	(47)	(107)	(4)
Assets impairment and other	-	(166)	-
Other:			
Compensation expense (benefit) - deferred compensation plan	(107)	(40)	17
Stock-based compensation expense	(2,122)	(918)	(2,172)
Non-GAAP SG&A expenses	22,057	21,033	23,244
GAAP interest income and other, net	862	786	57
(Gain) loss on deferred compensation plan securities	(480)	(171)	101
Non-GAAP interest income and other, net	382	615	158
GAAP provision from (benefit from) income taxes - continuing operations	251	320	(99)
Tax effects of Non-GAAP adjustments	859	1,331	662
Non-GAAP provision for income taxes continuing operations	1,110	1,651	563

(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>	June 29, 2014	March 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 104,384	\$ 91,211
Short-term investments	359,819	362,604
Accounts receivable, net	72,058	68,904
Inventories	45,749	49,622
Prepaid and other current assets	10,547	13,034
Total current assets	592,557	585,375
Property, plant and equipment, net	65,941	69,827
Goodwill	135,644	135,644
Acquisition-related intangibles	9,558	18,741
Other assets	24,078	21,373
TOTAL ASSETS	\$ 827,778	\$ 830,960
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 23,230	\$ 25,442
Accrued compensation and related expenses	23,252	24,343
Deferred income on shipments to distributors	14,126	14,006
Deferred taxes liabilities	1,393	1,346
Other accrued liabilities	7,745	11,525
Total current liabilities	69,746	76,662
Deferred tax liabilities	1,494	1,494
Long term income taxes payable	270	266
Other long term obligations	19,254	18,683
Total liabilities	90,764	97,105
Stockholders' equity	737,014	733,855
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 827,778	\$ 830,960