

CYPRESS SEMICONDUCTOR CORPORATION
RECONCILIATION OF OUR OF GAAP TO OUR NON-GAAP 2005 FINANCIAL PLAN
(In Thousands)

	Q105	2005
Revenues		
GAAP	\$210,000	\$960,000
Adjustments	-	-
Non-GAAP	210,000	960,000
Costs of revenues		
GAAP	137,240	574,760
Acquisition and stock compensation expenses	(40)	(160)
Non-GAAP	137,200	574,600
Gross Margin		
GAAP	72,760	385,240
Non-GAAP	72,800	385,400
Research and development		
GAAP	58,551	227,985
Acquisition and stock compensation expenses	(1,847)	(4,589)
Synthetic lease - guarantee accrual	(204)	204
Non-GAAP	56,500	223,600
Selling, general and administrative		
GAAP	34,400	135,600
Acquisition and stock compensation expenses	-	-
Synthetic lease - guarantee accrual	(100)	(400)
Employee loan reserve	-	-
Non-GAAP	34,300	135,200
Acquisition and other costs		
GAAP	7,828	25,952
Amortization of intangibles	(7,828)	(25,952)
In process research and development charge	-	-
Non-recurring charges	-	-
Non-GAAP	-	-
Restructuring costs		
GAAP	15,000	15,000
Restructuring costs	(15,000)	(15,000)
Non-GAAP	-	-
Total operating costs		
GAAP	115,779	404,537
Adjustments to GAAP	(24,979)	(45,737)
Non-GAAP	90,800	358,800
Operating income (loss)		
GAAP	(43,019)	(19,297)
Non-GAAP	(18,000)	26,600
Net interest income (expense) and other		
GAAP	(200)	220
(Gain) loss on retirement of bonds	-	-
Impairments, asset write-downs and other	-	-
Non-GAAP	(200)	220

Cypress Semiconductor		
Confidential		
Income (loss) before income tax		
GAAP	(43,219)	(19,077)
Non-GAAP	(18,200)	26,820
Income tax (provision) benefit		
GAAP	(1,411)	(204)
Non-GAAP	(910)	1,341
Net income (loss)		
GAAP	(\$41,808)	(\$18,873)
Non-GAAP	(\$17,290)	\$25,479

Earnings Per Share

GAAP

(\$0.32)

(\$0.11)

Non-GAAP

(\$0.13)

\$0.15