

LSI Corporation
Reconciliations of Non-GAAP to GAAP measures
(In thousands)
(Unaudited)

	Three Months Ended					
	April 1, 2012		December 31, 2011		April 3, 2011	
Revenues:	\$	622,424	\$	523,140	\$	473,264
% change in revenues-qtr./qtr.		19%		-4%		1%
% change in revenues-yr./yr.		32%		11%		0%
Gross profit margin:						
Gross profit margin - GAAP		286,912 46.1%	236,825 45.3%	224,174 47.4%		
Amortization of acquisition-related intangibles		21,390 3.4%	20,354 3.9%	21,818 4.6%		
Purchase accounting effect on inventory		14,458 2.3%	- 0.0%	- 0.0%		
Stock-based compensation		3,512 0.6%	1,597 0.3%	1,813 0.4%		
Gross profit margin - Non GAAP		326,272 52.4%	258,776 49.5%	247,805 52.4%		
Research and development						
Research and development - GAAP		169,871 27.3%	144,421 27.6%	142,347 30.1%		
less:						
Stock-based compensation		12,308 2.0%	5,360 1.0%	6,223 1.3%		
Research and development - Non GAAP		157,563 25.3%	139,061 26.6%	136,124 28.8%		
Selling, general and administrative						
Selling, general and administrative - GAAP		90,100 14.5%	76,905 14.7%	68,867 14.6%		
less:						
Amortization of acquisition-related intangibles		8,667 1.4%	8,319 1.6%	8,319 1.8%		
Stock-based compensation		15,014 2.4%	4,881 0.9%	5,631 1.2%		
Selling, general and administrative - Non GAAP		66,419 10.7%	63,705 12.2%	54,917 11.6%		
Operating expenses:						
Operating expenses - GAAP		275,433 44.3%	242,359 46.4%	214,020 45.3%		
less:						
Stock-based compensation		27,322 4.4%	10,241 2.0%	11,854 2.5%		
Amortization of acquisition-related intangibles		8,667 1.4%	8,319 1.6%	8,319 1.8%		
Restructuring of operations and other items, net		15,462 2.5%	21,033 4.0%	2,806 0.6%		
Operating expenses - Non-GAAP		223,982 36.0%	202,766 38.8%	191,041 40.4%		
Income/(loss) from operations:						
Income from operations - GAAP		11,479 1.9%	(5,534) -1.0%	10,154 2.1%		
Add:						
Stock-based compensation		30,834 5.0%	11,838 2.3%	13,667 2.9%		
Amortization of acquisition-related intangibles		30,057 4.7%	28,673 5.4%	30,137 6.4%		
Purchase accounting effect on inventory		14,458 2.3%	- 0.0%	- 0.0%		
Restructuring of operations and other items, net		15,462 2.5%	21,033 4.0%	2,806 0.6%		
Income/(loss) from operations - Non-GAAP		102,290 16.4%	56,010 10.7%	56,764 12.0%		