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

	Three Months Ended					
	October 4, 2009		July 5, 2009		September 28, 2008	
Consolidated revenues:	$ 578,419		$ 520,665		$ 714,308	
% change in revenues-qtr./qtr.	11%					
% change in revenues-yr./yr.	-19%					
Semiconductor revenues:	$ 371,834		$ 343,786		$ 500,432	
% change in revenues-qtr./qtr.	8%					
% change in revenues-yr./yr.	-26%					
Storage Systems revenues:	$ 206,585		$ 176,879		$ 213,876	
% change in revenues-qtr./qtr.	17%					
% change in revenues-yr./yr.	-3%					
Consolidated gross profit margin:						
Gross profit margin - GAAP	225,586	39.0%	180,893	34.7%	297,417	41.6%
Amortization of acquisition related intangibles	34,177	5.9%	33,867	6.5%	45,502	6.4%
Purchase accounting effect on inventory	1,892	0.3%	2,550	0.5%	-	0.0%
Stock based compensation	1,697	0.3%	2,022	0.4%	2,252	0.3%
Gross profit margin-Non GAAP	263,352	45.5%	219,332	42.1%	345,171	48.3%
Semiconductor gross profit margin:						
Gross profit margin - GAAP	152,508	41.0%	122,144	35.5%	216,445	43.3%
Amortization of acquisition related intangibles	32,146	8.6%	32,146	9.4%	44,038	8.8%
Stock based compensation	1,388	0.4%	1,737	0.5%	1,996	0.4%
Gross profit margin - Non GAAP	186,042	50.0%	156,027	45.4%	262,479	52.5%
Storage Systems gross profit margin:						
Gross profit margin - GAAP	73,078	35.4%	58,749	33.2%	80,972	37.9%
Amortization of acquisition related intangibles	2,031	1.0%	1,721	1.0%	1,464	0.7%
Purchase accounting effect on inventory	1,892	0.9%	2,550	1.4%	-	0.0%
Stock based compensation	309	0.1%	285	0.2%	256	0.1%
Gross profit margin - Non GAAP	77,310	37.4%	63,305	35.8%	82,692	38.7%
Consolidated R&D:						
R&D - GAAP	151,047	26.1%	148,919	28.6%	169,551	23.7%
less:						
Stock based compensation	6,386	1.1%	7,195	1.4%	6,593	0.9%
R&D - Non GAAP	144,661	25.0%	141,724	27.2%	162,958	22.8%
Consolidated SG&A:						
SG&A - GAAP	82,175	14.2%	81,727	15.7%	103,744	14.5%
less:						
Amortization of acquisition related intangibles	9,123	1.6%	9,123	1.8%	15,019	2.1%
Stock based compensation	6,729	1.2%	7,785	1.5%	8,005	1.1%
SG&A - Non GAAP	66,323	11.5%	64,819	12.4%	80,720	11.3%
Consolidated operating expenses:						
Operating expenses - GAAP	237,967	41.1%	236,656	45.5%	274,881	38.5%
less:						
Stock based compensation	13,115	2.3%	14,980	2.9%	14,598	2.0%
Amortization of acquisition related intangibles	9,123	1.6%	9,123	1.8%	15,019	2.1%
Restructuring of operations and other items, net	4,745	0.8%	6,010	1.2%	1,586	0.2%
Operating expenses - Non-GAAP	210,984	36.5%	206,543	39.7%	243,678	34.1%
Consolidated operating income/(loss):						
Operating gain/(loss) - GAAP	(12,381)	-2.1%	(55,763)	-10.7%	22,536	3.2%
Add:						
Stock based compensation	14,812	2.6%	17,002	3.3%	16,850	2.4%
Amortization of acquisition related intangibles	43,300	7.5%	42,990	8.3%	60,521	8.5%
Purchase accounting effect on inventory	1,892	0.3%	2,550	0.5%	-	0.0%
Restructuring of operations and other items, net	4,745	0.8%	6,010	1.2%	1,586	0.2%
Operating income/(loss) - Non-GAAP	52,368	9.1%	12,789	2.5%	101,493	14.2%

	October 4, 2009
	(In millions)
Cash and short-term investments	$ 907
Less: short and long-term debt	(350)
Net cash	$ 557