

CYPRESS SEMICONDUCTOR CORPORATION
RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES (a)
(In thousands, except per-share data)
(Unaudited)

Table A	Q1 2016			Q4 2015		
	GAAP	Adjustments (Table B)	Non-GAAP	GAAP	Adjustments (Table C)	Non-GAAP
Revenue (b)	\$ 418,964	\$ 6,250	\$ 425,214	\$ 450,128	\$ 6,250	\$ 456,378
Costs and expenses:						
Cost of revenues	293,179	(24,807)	268,372	306,880	(31,935)	274,945
Research and development	73,967	(7,737)	66,230	73,682	(7,352)	66,330
Selling, general and administrative	74,501	(15,820)	58,681	85,386	(22,185)	63,201
Amortization of intangible assets	35,187	(35,187)	-	33,959	(33,959)	-
Impairment of acquisition-related intangibles assets	33,944	(33,944)	-	-	-	-
Restructuring costs	270	(270)	-	1,405	(1,406)	-
Total costs and expenses	511,048	(117,765)	393,283	501,312	(96,837)	404,476
Operating (loss) income	(92,084)	124,015	31,931	(51,184)	103,087	51,902
Interest and other expense, net	(8,329)	2,832	(5,497)	(5,886)	2,118	(3,768)
(Loss) Income before income taxes	(100,412)	126,847	26,434	(57,070)	105,205	48,134
Income tax benefit (provision)	(3,742)	161	(3,581)	(15,726)	12,653	(3,073)
Loss (Income), net of taxes	(104,154)	127,008	22,853	(72,797)	117,858	45,061
Net loss attributable to noncontrolling interest	132	-	132	467	-	467
Net (loss) income attributable to Cypress	\$ (104,022)	\$ 127,008	\$ 22,985	\$ (72,329)	\$ 117,858	\$ 45,528
Net (loss) income per share attributable to Cypress:						
Basic	\$ (0.32)		\$ 0.07	\$ (0.22)		\$ 0.14
Diluted	\$ (0.32)		\$ 0.07	\$ (0.22)		\$ 0.13
Cash dividend declared per share	\$ 0.11		\$ 0.11	\$ 0.11		\$ 0.11
Shares used in net (loss) income per share calculation:						
Basic	320,351	-	320,351	334,447	-	334,447
Diluted	320,351	20,462	340,813	334,447	27,782	362,229

Table B

GAAP to Non-GAAP reconciling items (Q1 2016):	Revenue	Cost of revenues	Research and development	SG&A	Amortization of intangible assets	Restructuring Costs	Impairment of acquisition-related intangibles assets	Interest and other expense, net	Tax Related Items	Total
[1] Revenue from intellectual property license	6,250	-	-	-	-	-	-	-	-	6,250
[2] Stock based compensation	-	5,647	6,930	10,960	-	-	-	-	-	23,538
[3] Changes in value of deferred compensation plan	-	46	130	283	-	-	-	126	-	586
[4] Spansion merger costs and related amortization	-	19,113	677	4,577	-	-	33,944	-	-	58,311
[5] Losses from equity method investments	-	-	-	-	-	-	-	2,078	-	2,078
[6] Imputed interest on convertible debt and other	-	-	-	-	-	-	-	628	-	628
[7] Amortization of intangible assets	-	-	-	-	35,187	-	-	-	-	35,187
[8] Income Tax Provision	-	-	-	-	-	-	-	-	161	161
[9] Restructuring Costs	-	-	-	-	-	270	-	-	-	270
Total impact of reconciling items	6,250	24,807	7,737	15,820	35,187	270	33,944	2,832	161	127,008

Table C

GAAP to Non-GAAP reconciling items (Q4 2015):	Revenue	Cost of revenues	Research and development	SG&A	Amortization of intangible assets	Restructuring Costs	Interest and other expense, net	Tax Related Items	Total
[1] Revenue from intellectual property license	6,250	-	-	-	-	-	-	-	6,250
[2] Stock based compensation	-	3,321	6,270	12,519	-	-	-	-	22,110
[3] Changes in value of deferred compensation plan	-	53	102	313	-	-	(785)	-	(317)
[4] Spansion merger costs and related amortization	-	28,561	980	9,354	-	-	-	-	38,896
[5] Losses from equity method investments	-	-	-	-	-	-	2,330	-	2,330
[6] Imputed interest on convertible debt and other	-	-	-	-	-	-	572	-	572
[7] Amortization of intangible assets	-	-	-	-	33,959	-	-	-	33,959
[8] Income Tax Provision	-	-	-	-	-	-	-	12,653	12,653
[9] Restructuring Costs	-	-	-	-	-	1,406	-	-	1,406
Total impact of reconciling items	6,250	31,935	7,352	22,186	33,959	1,406	2,117	12,653	117,858

(a) Refer to the accompanying "Notes to Non-GAAP Financial Measures" for a detailed discussion of management's use of non-GAAP financial measures.

(b) Non-GAAP revenue includes \$6.25 million of Samsung intellectual property licensing revenue, not included in GAAP revenue as a result of the effects of purchase accounting for the Spansion merger.