

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Years Ended	
	Mar. 28, 2004	Dec. 28, 2003	Mar. 30, 2003	Mar. 28, 2004	Mar. 30, 2003
Revenues	\$ 94,521	\$ 87,100	\$ 80,804	\$ 345,443	\$ 343,878
Cost of Revenues	48,065	45,625	60,893	184,615	226,693
Restructuring charges, asset impairment and other	-	-	114,085	-	115,370
Gross profit (loss)	<u>46,456</u>	<u>41,475</u>	<u>(94,174)</u>	<u>160,828</u>	<u>1,815</u>
Operating expenses:					
Research and development	23,846	23,607	39,357	98,535	129,108
Selling, general and administrative	17,876	17,888	20,557	72,409	83,145
Acquired in-process research and development	-	-	-	264	2,670
Total operating expenses	<u>41,722</u>	<u>41,495</u>	<u>59,914</u>	<u>171,208</u>	<u>214,923</u>
Operating income (loss)	4,734	(20)	(154,088)	(10,380)	(213,108)
Interest expense	(65)	(69)	(111)	(344)	(514)
Gain (loss) on equity investments	-	-	-	3,151	(6,557)
Interest income and other, net	<u>3,545</u>	<u>2,787</u>	<u>3,880</u>	<u>13,698</u>	<u>19,040</u>
Income (loss) before income taxes	8,214	2,698	(150,319)	6,125	(201,139)
Provision (benefit) for income taxes	<u>556</u>	<u>358</u>	<u>88,782</u>	<u>(271)</u>	<u>76,757</u>
Net income (loss)	<u><u>7,658</u></u>	<u><u>2,340</u></u>	<u><u>(239,101)</u></u>	<u><u>6,396</u></u>	<u><u>(277,896)</u></u>
Net income (loss) per share:					
Basic	\$ 0.07	\$ 0.02	\$ (2.31)	\$ 0.06	\$ (2.68)
Diluted	\$ 0.07	\$ 0.02	\$ (2.31)	\$ 0.06	\$ (2.68)
Weighted average shares:					
Basic	105,432	104,915	103,574	104,607	103,520
Diluted	111,434	108,360	103,574	108,526	103,520

INTEGRATED DEVICE TECHNOLOGY, INC.
NON-GAAP ADJUSTMENTS
(Unaudited)

(In thousands)

	Three Months Ended			Years Ended	
	Mar. 28, 2004	Dec. 28, 2003	Mar. 30, 2003	Mar. 28, 2004	Mar. 30, 2003
Net income (loss)	\$ 7,658	\$ 2,340	\$ (239,101)	\$ 6,396	\$ (277,896)
Non-GAAP adjustments:					
Cost of goods sold:					
Restructuring charges (1)	-	-	1,031	15	2,316
Asset impairment	-	-	113,054	-	113,054
Plant closure costs (2)	219	269	288	1,050	4,608
Amortization of acquisition-related intangibles (3)	573	603	909	1,767	3,390
Patent Settlement	334	-	-	334	-
Operating expenses:					
Asset impairment (4)	-	-	8,329	-	8,329
Acquired IPR&D (3)	-	-	-	264	2,670
Plant closure costs (2)	-	-	9	36	385
Restructuring charges (1)	2	227	2,373	1,522	3,459
Amortization of acquisition-related intangibles (3)	518	517	991	1,971	4,191
(Gain) loss on equity investments (5)	-	-	-	(3,151)	6,557
Other income (6)	-	108	-	(794)	-
Taxes (6)	-	(108)	88,536	(2,038)	75,773
Total Non-GAAP adjustments	1,646	1,616	215,520	976	224,732
Non-GAAP net income (loss)	9,304	3,956	(23,581)	7,372	(53,164)

(1) Consists of costs, primarily severance, of restructuring actions related to the restructuring activities announced in FY 2004 and 2003.

(2) Consists of costs associated with the closure of our Salinas plant.

(3) Consists of costs related to our Q2 2004 TCAM3 acquisition from IBM and acquisitions of Newave and Solidum in Q1 2002 and Q3 2003, respectively. Newave-related costs include stock-based compensation, amortization of intangible assets, and (in the years ended FY 2004 and FY 2003 only) contingent compensation. TCAM3 and Solidum-related costs include only amortization of intangible assets. The impairment charge of \$13.5 million in Q4 2003 related to Newave existing technology.

(4) Consists of impairment charges related to our manufacturing assets, principally our Hillsboro, OR fabrication plant (Q4 2003).

(5) YTD 2004 consists of the net gain realized on the sale of our investment in PMC-Sierra Inc. YTD 2003 consists of an other-than temporary impairment recorded on our investment in PMC-Sierra Inc.

(6) In Q2 and Q1 2004, we received non-recurring federal and state tax refunds for tax years prior to 1996 plus interest accrued thereon. In Q4 2003, we established a valuation allowance to reserve 100% of our deferred tax assets and ceased to recognize any tax benefit associated with period losses.

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NON-GAAP STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except per share data)

	Three Months Ended			Years Ended	
	Mar. 28, 2004	Dec. 28, 2003	Mar. 30, 2003	Mar. 28, 2004	Mar. 30, 2003
Revenues	\$ 94,521	\$ 87,100	\$ 80,804	\$ 345,443	\$ 343,878
Cost of Revenues	46,939	44,753	59,696	181,449	218,695
Gross profit	47,582	42,347	21,108	163,994	125,183
Operating expenses:					
Research and development	23,485	23,210	29,354	96,548	115,810
Selling, general and administrative	17,717	17,541	18,858	70,867	80,079
Total operating expenses	41,202	40,751	48,212	167,415	195,889
Operating income (loss)	6,380	1,596	(27,104)	(3,421)	(70,706)
Interest expense	(65)	(69)	(111)	(344)	(514)
Interest income and other, net	3,545	2,895	3,880	12,904	19,040
Income (loss) before income taxes	9,860	4,422	(23,335)	9,139	(52,180)
Provision for income taxes	556	466	246	1,767	984
Net income (loss)	9,304	3,956	(23,581)	7,372	(53,164)
Net income (loss) per share:					
Diluted	\$ 0.08	\$ 0.04	\$ (0.23)	\$ 0.07	\$ (0.51)
Weighted average shares:					
Diluted	111,434	108,360	103,574	108,526	103,520

Non-GAAP results exclude acquisition-related charges and other expenses and benefits that management believes are not directly related to our ongoing operations. These non-GAAP results are consistent with another way management internally analyzes IDT's results and may be useful; however, non-GAAP results are not in accordance with GAAP and may not be comparable to non-GAAP information provided by other companies. Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

INTEGRATED DEVICE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In thousands)</i>	Mar. 28, 2004	Mar. 30, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 223,360	\$ 144,400
Short-term investments	384,854	410,425
Accounts receivable, net	53,091	40,111
Inventories	32,745	41,189
Prepays and other current assets	<u>12,101</u>	<u>29,420</u>
Total current assets	706,151	665,545
Property, plant and equipment, net	108,424	129,923
Goodwill and other intangibles	52,784	47,266
Other assets	<u>38,194</u>	<u>38,578</u>
TOTAL ASSETS	<u>\$ 905,553</u>	<u>\$ 881,312</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 20,190	\$ 17,514
Accrued compensation and related expenses	11,560	11,020
Deferred income on shipments to distributors	21,411	17,911
Income taxes payable	33,267	32,280
Other accrued liabilities	<u>19,250</u>	<u>20,120</u>
Total current liabilities	105,678	98,845
Long term liabilities	<u>15,651</u>	<u>23,775</u>
Total liabilities	121,329	122,620
Stockholders' equity	<u>784,224</u>	<u>758,692</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 905,553</u>	<u>\$ 881,312</u>