

Financial Appendix Q1FY2010



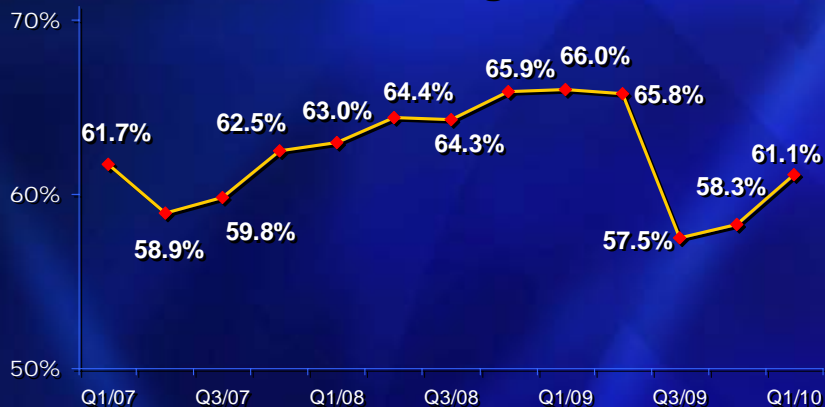
Financial Summary – Q1 FY2010

- Q1 bookings were up about 17% from Q4 and down about 24% from last year's first quarter.
- Q1 revenues were \$314 million, up 12% from Q4 and down 32% from last year's first quarter.
- Gross margins were 61.1%, compared to 58.3% in the prior quarter and down from 66.0% in last year's first quarter.
- Reported GAAP earnings of \$29.8 million or \$0.13 cent loss per fully diluted share.

Key Operating Metrics

- Recent Trends

Gross Margin %



R&D %

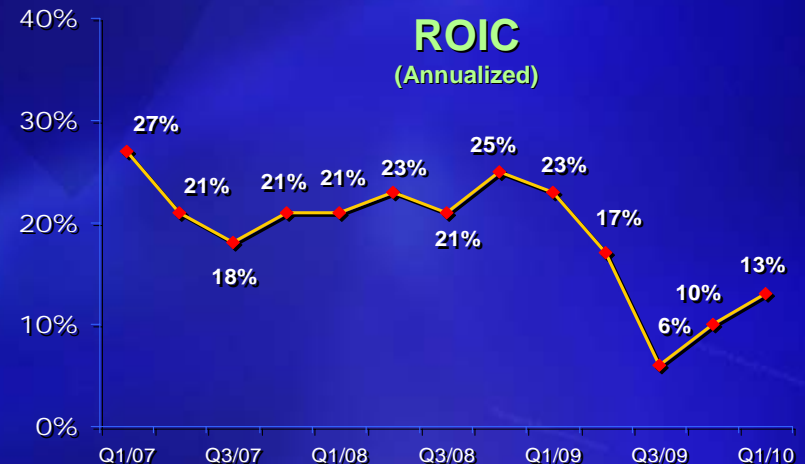


SG&A %



ROIC

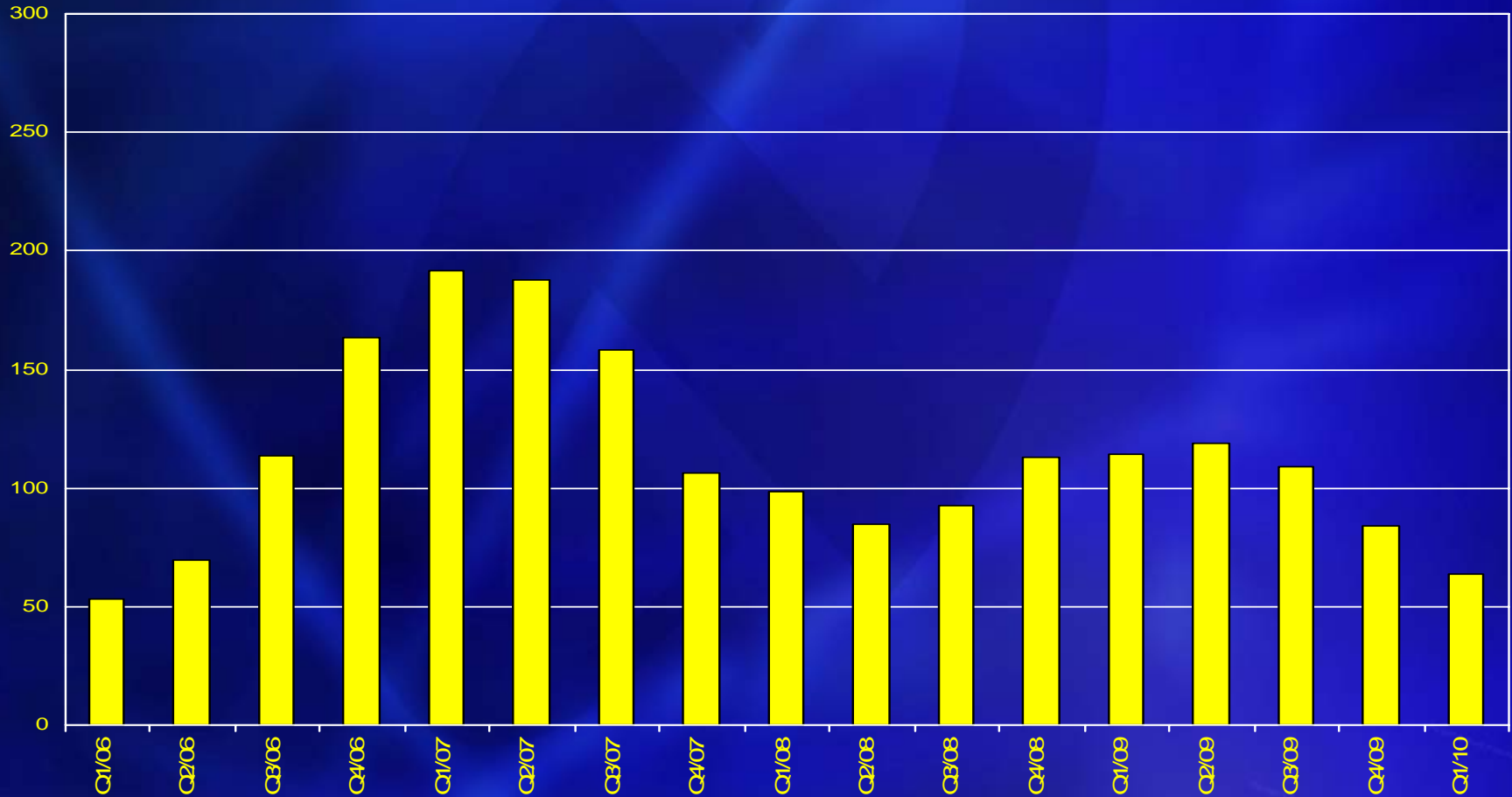
(Annualized)



Note: Q2/09 SG&A includes a credit of \$12.3M. This credit represents the corresponding change in the liability associated with the employee deferred comp plan due to the changes in the market value of these securities.



Capital Expenditures



* Trailing last four quarters, National Semiconductor

National Semiconductor Historical Summary Balance Sheet

	FY08				FY09				FY10
	Qtr 1 8/26/07	Qtr 2 11/25/07	Qtr 3 2/24/08	Qtr 4 5/25/08	Qtr 1 8/24/08	Qtr 2 11/23/08	Qtr 3 3/1/09	Qtr 4 5/31/09	Qtr 1 8/30/09
ASSETS									
Current assets:									
Cash and short-term marketable securities	961.8	833.9	871.0	736.8	692.5	785.9	777.1	700.3	734.1
Receivables	175.9	189.3	153.5	137.3	156.2	125.9	82.6	71.7	84.3
Inventories	165.5	149.8	146.4	148.6	148.9	154.5	149.6	134.6	123.0
Other current assets*	120.0	145.8	126.4	148.9	128.1	117.7	126.7	180.6	211.0
Total current assets	1,423.2	1,318.8	1,297.3	1,171.6	1,125.7	1,184.0	1,136.0	1,087.2	1,152.4
Net property, plant and equipment	575.0	572.0	564.8	557.3	554.0	559.3	542.0	461.8	425.8
Goodwill	63.6	63.6	60.5	60.5	60.5	60.5	60.5	61.5	61.5
Deferred tax assets	246.7	226.3	233.6	247.5	250.6	236.5	273.4	251.5	253.9
Other assets	82.1	79.5	91.7	112.2	117.3	108.2	101.5	101.3	97.9
Total assets	2,390.6	2,260.2	2,247.9	2,149.1	2,108.1	2,148.5	2,113.4	1,963.3	1,991.5
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities:									
Current portion of long-term debt	62.5	62.5	62.5	62.5	62.5	62.5	187.5	62.5	312.5
Accounts payable	58.1	57.3	71.0	53.5	62.4	58.2	47.6	40.3	47.3
Accrued expenses	136.8	166.7	161.2	180.3	127.8	187.9	119.9	144.6	129.8
Income taxes payable	75.8	6.4	26.8	12.3	17.3	11.6	33.4	28.2	7.4
Total current liabilities	333.2	292.9	321.5	308.6	270.0	320.2	388.4	275.6	497.0
Long-term debt	1,457.1	1,442.7	1,428.8	1,414.8	1,397.4	1,383.4	1,244.4	1,227.4	962.9
Long-term income taxes payable	61.4	147.6	142.1	143.4	143.4	155.9	158.8	162.6	167.2
Other non-current liabilities	98.5	99.7	96.2	85.4	95.2	75.9	69.1	120.7	122.5
Total liabilities	1,950.2	1,982.9	1,988.6	1,952.2	1,906.0	1,935.4	1,860.7	1,786.3	1,749.6
Shareholders' equity:									
Common stock	132.0	127.4	121.3	116.3	114.8	114.7	114.8	116.3	118.3
Additional paid-in capital	0.0	0.0	0.0	0.0	0.0	7.4	25.7	67.6	119.4
Retained earnings	400.7	242.2	230.3	167.4	174.1	178.3	199.5	116.8	127.9
Accumulated other comprehensive loss	(92.3)	(92.3)	(92.3)	(86.8)	(86.8)	(87.3)	(87.3)	(123.7)	(123.7)
Total shareholders' equity	440.4	277.3	259.3	196.9	202.1	213.1	252.7	177.0	241.9
Total liabilities and shareholders' equity	2,390.6	2,260.2	2,247.9	2,149.1	2,108.1	2,148.5	2,113.4	1,963.3	1,991.5

* Includes Deferred Tax Asset

National Semiconductor Historical Quarterly Income Statements

	FY08					FY09					FY10
	Qtr 1 8/26/07	Qtr 2 11/25/07	Qtr 3 2/24/08	Qtr 4 5/25/08	Total Qtrs 5/25/08	Qtr 1 8/24/08	Qtr 2 11/23/08	Qtr 3 3/1/09	Qtr 4 5/31/09	Total Qtrs 5/31/09	Qtr 1 8/30/09
Net Sales	471.5	499.0	453.4	462.0	1,885.9	465.6	421.6	292.4	280.8	1,460.4	314.4
Cost of sales	174.6	177.8	161.7	157.4	671.5	158.4	144.2	124.3	117.2	544.1	122.2
Gross Profit	296.9	321.2	291.7	304.6	1,214.4	307.2	277.4	168.1	163.6	916.3	192.2
R&D	93.8	91.9	87.1	90.2	363.0	89.6	91.6	72.9	51.9	306.0	65.3
SG&A	75.5	82.8	77.4	79.8	315.5	81.8	69.5	66.5	65.2	283.0	73.0
Other operating (income)/expense	(4.6)	2.7	20.0	8.7	26.8	1.0	28.0	(1.6)	116.7	144.1	3.7
Total operating expenses	164.7	177.4	184.5	178.7	705.3	172.4	189.1	137.8	233.8	733.1	142.0
Operating income (loss)	132.2	143.8	107.2	125.9	509.1	134.8	88.3	30.3	(70.2)	183.2	50.2
Interest income, net	(8.4)	(13.6)	(14.9)	(14.8)	(51.7)	(14.5)	(14.9)	(16.7)	(16.2)	(62.3)	(15.2)
Other income (expense), net	(1.1)	(0.8)	(5.4)	1.1	(6.2)	(2.8)	(12.3)	1.0	6.8	(7.3)	3.3
Profit before taxes	122.7	129.4	86.9	112.2	451.2	117.5	61.1	14.6	(79.6)	113.6	38.3
Income tax expense	37.1	38.8	14.0	29.0	118.9	37.9	24.8	(6.5)	(15.9)	40.3	8.5
Net income as REPORTED	85.6	90.6	72.9	83.2	332.3	79.6	36.3	21.1	(63.7)	73.3	29.8
<i>EPS as reported</i>	0.30	0.33	0.29	0.34	1.26	0.33	0.16	0.09	(0.28)	0.31	0.13
<i>Diluted shares</i>	283.9	271.5	255.5	246.3	264.3	241.3	234.0	231.3	230.1	235.1	237.9
<i>Gross Margin %</i>	63.0%	64.4%	64.3%	65.9%	64.4%	66.0%	65.8%	57.5%	58.3%	62.7%	61.1%
<i>R&D %</i>	19.9%	18.4%	19.2%	19.5%	19.2%	19.2%	21.7%	24.9%	18.5%	21.0%	20.8%
<i>SG&A %</i>	16.0%	16.6%	17.1%	17.3%	16.7%	17.6%	16.5%	22.7%	23.2%	19.4%	23.2%
<i>Operating Margin%</i>	27.1%	29.4%	28.1%	29.1%	28.4%	29.2%	27.6%	9.8%	16.6%	22.4%	17.1%
<i>Effective tax rate %</i>	30.2%	30.0%	16.1%	25.8%	26.4%	32.3%	40.6%	-44.5%	20.0%	35.5%	22.2%
<i>Quarterly net sales growth</i>	3.4%	5.8%	-9.1%	1.9%		0.8%	-9.5%	-30.6%	-4.0%		12.0%
<i>Year-to-year growth</i>	-12.9%	-0.5%	5.2%	1.3%	-2.3%	-1.3%	-15.5%	-35.5%	-39.2%	-22.6%	-32.5%

Notes:

Q1FY08: \$1.5M cost reduction credit; \$3.1M gain on sale of Singapore manufacturing plant assets

Q2FY08: Other Operating Expense includes \$3.3M litigation settlement

Q3FY08: Other Operating Expense includes \$19.6M for severance & restructuring; Other Non-Operating Expense includes \$5.4M for decline in market value of investments in Deferred Compensation Plan; Income Tax Expense includes approximately \$11M of discrete tax benefits realized in Q3FY08

Q4FY08: Other Operating Expense includes \$9.1M for severances; Income Tax Expense includes approximately \$6M of discrete tax benefits realized in Q4FY08

Q1FY09: Other Operating Expense is for severance and restructure expenses related to previously announced actions

Q2FY09: Other Operating Expense includes \$28.1M for severance & restructuring; Other Non-Operating Expense includes \$12.3M for decline in market value of investments in Deferred Compensation Plan; Income Tax Expense includes approximately \$7M of discrete income tax expense realized in Q2FY09

Q3FY09: Income Tax includes approximately \$11M of discrete income tax benefit realized in Q3FY09

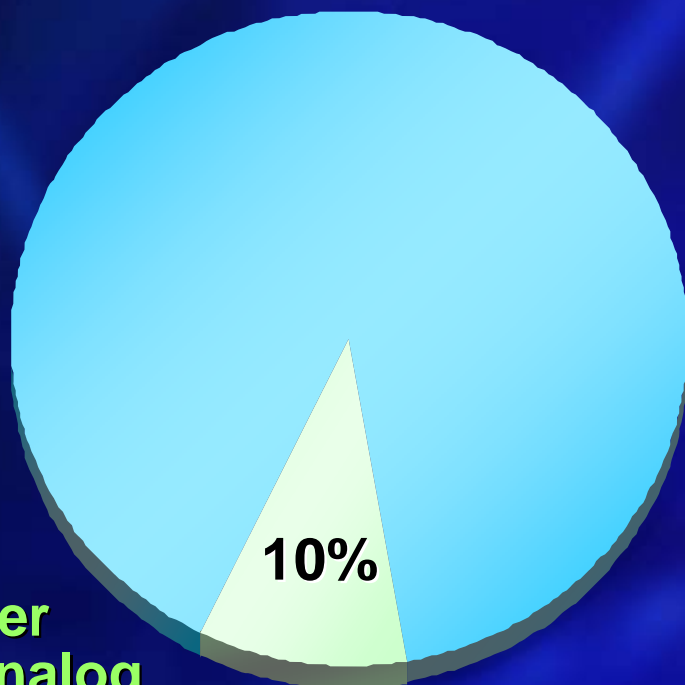
Q4Y09: Other Expense includes \$116.1M for severance and restructuring in Q4FY09

Q1'10 Other Expense includes \$5.7M for severance and restructuring primarily related to process transfer costs for the consolidation of our TE fab

National Semiconductor Revenue Profile

FY09 First Quarter

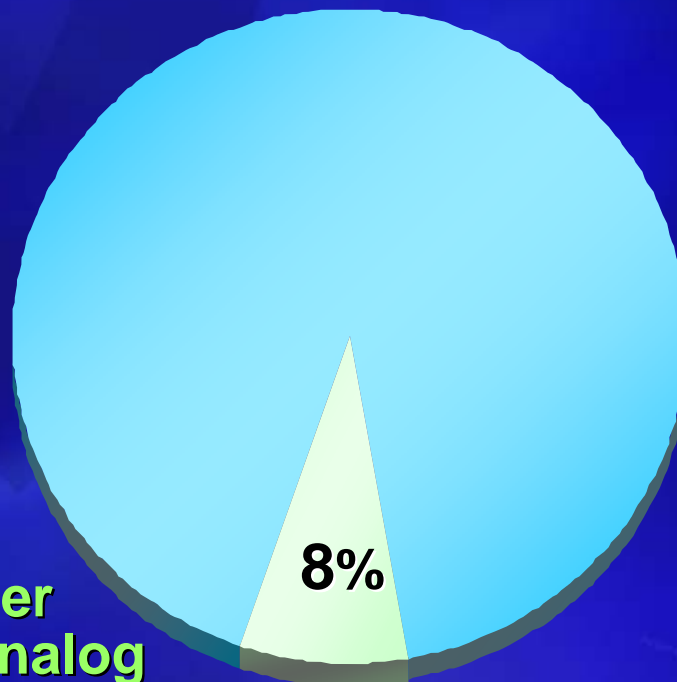
Analog 90%



**Other
Non-Analog**

FY10 First Quarter

Analog 92%

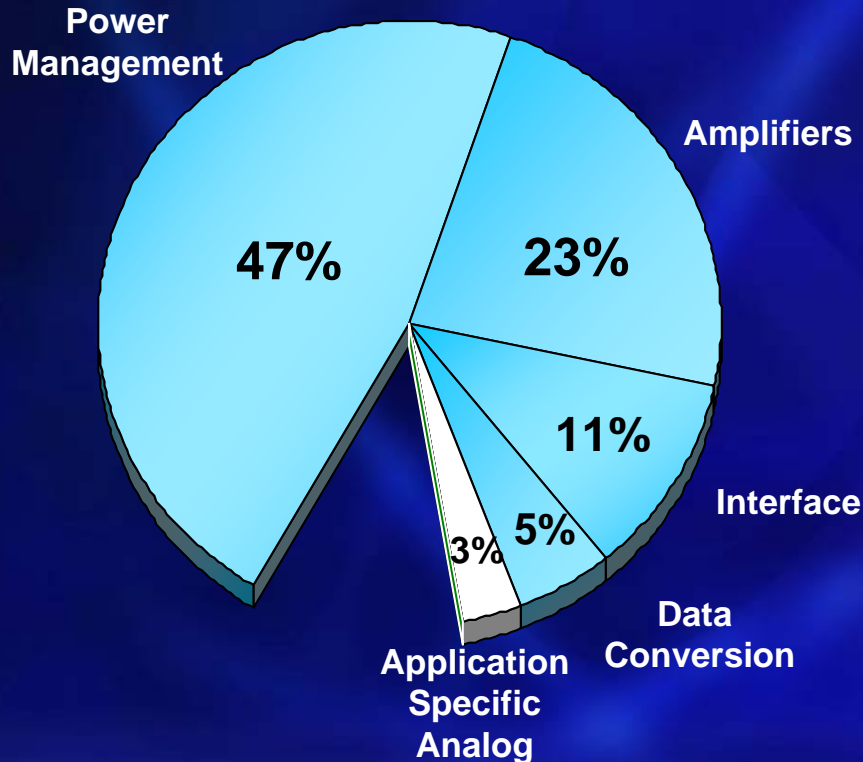


**Other
Non-Analog**

National Semiconductor Analog Revenue Profile

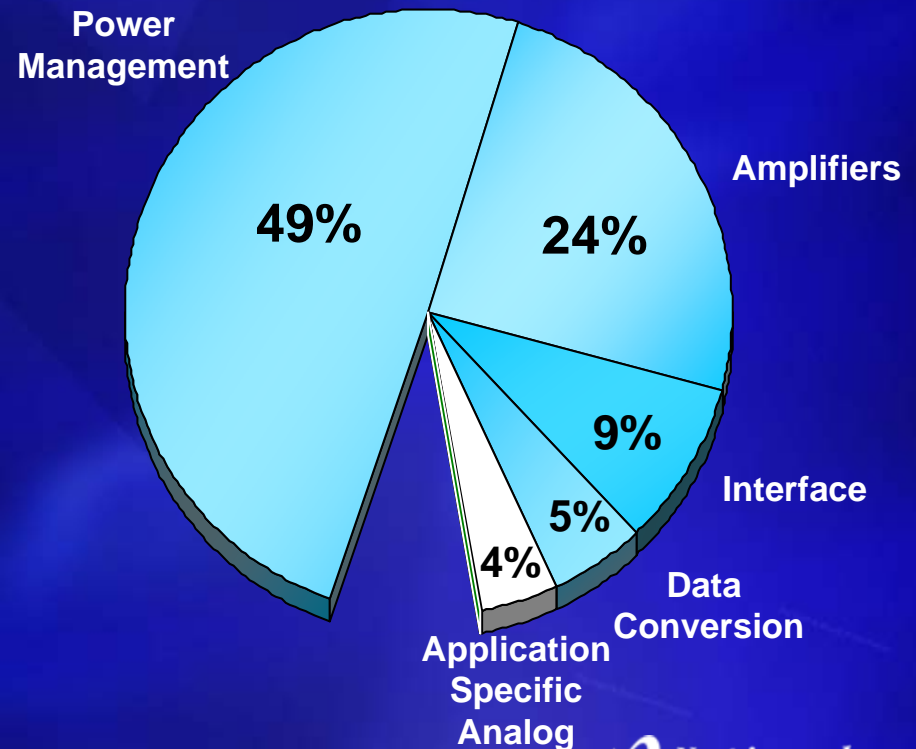
FY09 First Quarter

Analog 90%
(General Purpose Analog 86%)



FY10 First Quarter

Analog 92%
(General Purpose Analog 88%)

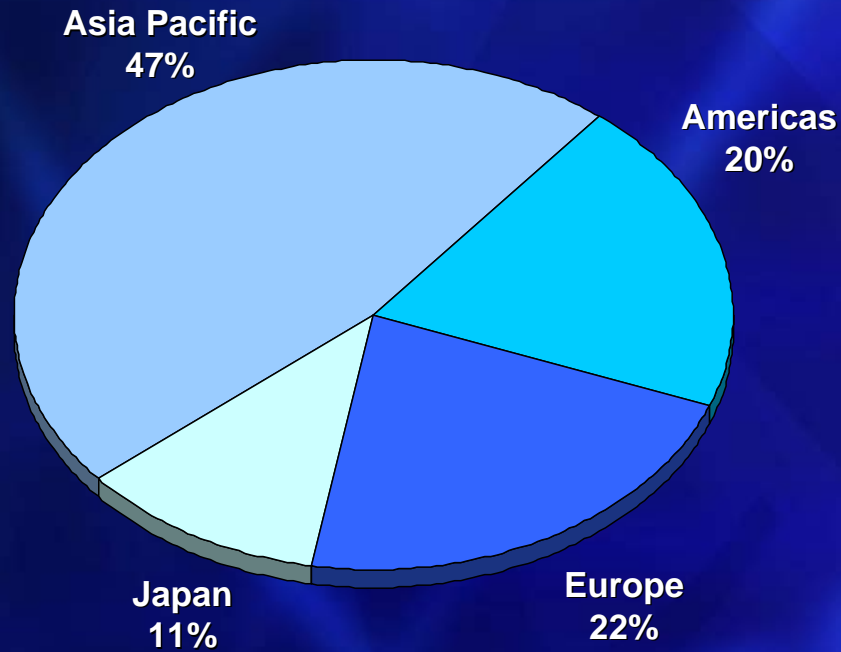


Analog defined per WSTS Industry definitions.

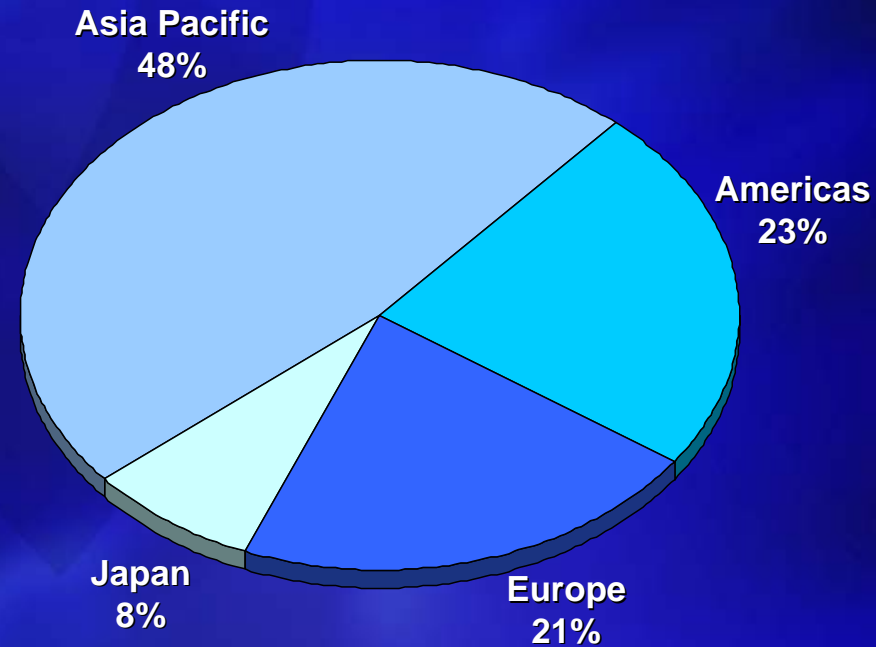


Annual Sales by Region as shown in Form 10K

FY08



FY09



Top OEM Customers

