

## 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
<b>Gross Profit</b>	<b>296.9</b>	<b>321.2</b>	<b>291.7</b>	<b>304.6</b>	<b>1,214.4</b>	<b>307.2</b>	<b>277.4</b>	<b>168.1</b>	<b>163.6</b>	<b>916.3</b>	<b>192.2</b>
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
<b>Total operating expenses</b>	<b>164.7</b>	<b>177.4</b>	<b>184.5</b>	<b>178.7</b>	<b>705.3</b>	<b>172.4</b>	<b>189.1</b>	<b>137.8</b>	<b>233.8</b>	<b>733.1</b>	<b>142.0</b>
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
<b>Profit before taxes</b>	<b>122.7</b>	<b>129.4</b>	<b>86.9</b>	<b>112.2</b>	<b>451.2</b>	<b>117.5</b>	<b>61.1</b>	<b>14.6</b>	<b>(79.6)</b>	<b>113.6</b>	<b>38.3</b>
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
<b>Net income as REPORTED</b>	<b>85.6</b>	<b>90.6</b>	<b>72.9</b>	<b>83.2</b>	<b>332.3</b>	<b>79.6</b>	<b>36.3</b>	<b>21.1</b>	<b>(63.7)</b>	<b>73.3</b>	<b>29.8</b>
<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&amp;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&amp;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