

National Semiconductor Historical Quarterly Income Statements

	FY07					FY08					FY09				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total Qtrs	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total Qtrs	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total Qtrs
	8/27/06	11/26/06	2/25/07	5/27/07	5/27/07	8/26/07	11/25/07	2/24/08	5/25/08	5/25/08	8/24/08	11/23/08	3/1/09	5/31/09	5/31/09
Net Sales	541.4	501.6	431.0	455.9	1,929.9	471.5	499.0	453.4	462.0	1,885.9	465.6	421.6	292.4	280.8	1,460.4
Cost of sales	207.1	206.2	173.3	171.1	757.7	174.6	177.8	161.7	157.4	671.5	158.4	144.2	124.3	117.2	544.1
Gross Profit	334.3	295.4	257.7	284.8	1,172.2	296.9	321.2	291.7	304.6	1,214.4	307.2	277.4	168.1	163.6	916.3
R&D	88.8	89.5	89.7	95.7	363.7	93.8	91.9	87.1	90.2	363.0	89.6	91.6	72.9	51.9	306.0
SG&A	78.6	80.9	76.4	75.0	310.9	75.5	82.8	77.4	79.8	315.5	81.8	69.5	66.5	65.2	283.0
Other operating (income)/expense	1.4	0.6	5.9	0.0	7.9	(4.6)	2.7	20.0	8.7	26.8	1.0	28.0	(1.6)	116.7	144.1
Total operating expenses	168.8	171.0	172.0	170.7	682.5	164.7	177.4	184.5	178.7	705.3	172.4	189.1	137.8	233.8	733.1
Operating income (loss)	165.5	124.4	85.7	114.1	489.7	132.2	143.8	107.2	125.9	509.1	134.8	88.3	30.3	(70.2)	183.2
Interest income, net	10.5	9.5	9.0	9.9	38.9	(8.4)	(13.6)	(14.9)	(14.8)	(51.7)	(14.5)	(14.9)	(16.7)	(16.2)	(62.3)
Other income (expense), net	(0.1)	1.1	0.1	0.9	2.0	(1.1)	(0.8)	(5.4)	1.1	(6.2)	(2.8)	(12.3)	1.0	6.8	(7.3)
Profit before taxes	175.9	135.0	94.8	124.9	530.6	122.7	129.4	86.9	112.2	451.2	117.5	61.1	14.6	(79.6)	113.6
Income tax expense	55.8	43.6	21.1	34.8	155.3	37.1	38.8	14.0	29.0	118.9	37.9	24.8	(6.5)	(15.9)	40.3
Net income as REPORTED	120.1	91.4	73.7	90.1	375.3	85.6	90.6	72.9	83.2	332.3	79.6	36.3	21.1	(63.7)	73.3
<i>EPS as reported</i>	<i>0.35</i>	<i>0.27</i>	<i>0.22</i>	<i>0.28</i>	<i>1.12</i>	<i>0.30</i>	<i>0.33</i>	<i>0.29</i>	<i>0.34</i>	<i>1.26</i>	<i>0.33</i>	<i>0.16</i>	<i>0.09</i>	<i>(0.28)</i>	<i>0.31</i>
<i>Diluted shares</i>	<i>343.7</i>	<i>335.6</i>	<i>330.1</i>	<i>327.5</i>	<i>334.2</i>	<i>283.9</i>	<i>271.5</i>	<i>255.5</i>	<i>246.3</i>	<i>264.3</i>	<i>241.3</i>	<i>234.0</i>	<i>231.3</i>	<i>230.1</i>	<i>235.1</i>
<i>Gross Margin %</i>	<i>61.7%</i>	<i>58.9%</i>	<i>59.8%</i>	<i>62.5%</i>	<i>60.7%</i>	<i>63.0%</i>	<i>64.4%</i>	<i>64.3%</i>	<i>65.9%</i>	<i>64.4%</i>	<i>66.0%</i>	<i>65.8%</i>	<i>57.5%</i>	<i>58.3%</i>	<i>62.7%</i>
<i>R&D %</i>	<i>16.4%</i>	<i>17.8%</i>	<i>20.8%</i>	<i>21.0%</i>	<i>18.8%</i>	<i>19.9%</i>	<i>18.4%</i>	<i>19.2%</i>	<i>19.5%</i>	<i>19.2%</i>	<i>19.2%</i>	<i>21.7%</i>	<i>24.9%</i>	<i>18.5%</i>	<i>21.0%</i>
<i>SG&A %</i>	<i>14.5%</i>	<i>16.1%</i>	<i>17.7%</i>	<i>16.5%</i>	<i>16.1%</i>	<i>16.0%</i>	<i>16.6%</i>	<i>17.1%</i>	<i>17.3%</i>	<i>16.7%</i>	<i>17.6%</i>	<i>16.5%</i>	<i>22.7%</i>	<i>23.2%</i>	<i>19.4%</i>
<i>Operating Margin%</i>	<i>30.8%</i>	<i>24.9%</i>	<i>21.3%</i>	<i>25.0%</i>	<i>25.8%</i>	<i>27.1%</i>	<i>29.4%</i>	<i>28.1%</i>	<i>29.1%</i>	<i>28.4%</i>	<i>29.2%</i>	<i>27.6%</i>	<i>9.8%</i>	<i>16.6%</i>	<i>22.4%</i>
<i>Effective tax rate %</i>	<i>31.7%</i>	<i>32.3%</i>	<i>22.3%</i>	<i>27.9%</i>	<i>29.3%</i>	<i>30.2%</i>	<i>30.0%</i>	<i>16.1%</i>	<i>25.8%</i>	<i>26.4%</i>	<i>32.3%</i>	<i>40.6%</i>	<i>-44.5%</i>	<i>20.0%</i>	<i>35.5%</i>
<i>Quarterly net sales growth</i>	<i>-5.4%</i>	<i>-7.4%</i>	<i>-14.1%</i>	<i>5.8%</i>		<i>3.4%</i>	<i>5.8%</i>	<i>-9.1%</i>	<i>1.9%</i>		<i>0.8%</i>	<i>-9.5%</i>	<i>-30.6%</i>	<i>-4.0%</i>	
<i>Year-to-year growth</i>	<i>9.6%</i>	<i>-7.8%</i>	<i>-21.3%</i>	<i>-20.4%</i>	<i>-10.6%</i>	<i>-12.9%</i>	<i>-0.5%</i>	<i>5.2%</i>	<i>1.3%</i>	<i>-2.3%</i>	<i>-1.3%</i>	<i>-15.5%</i>	<i>-35.5%</i>	<i>-39.2%</i>	<i>-22.6%</i>

Notes:

Q1FY07: Other Operating Expense includes \$2.7M cost reduction

Q2FY07: Other Operating Expense includes \$1.3M cost reduction

Q3FY07: \$6.1M In-Process R&D charge related to the acquisition of Signal Technologies; \$8.5M tax benefit, primarily attributable to the restoration of the federal R&D tax credit

Q4FY07: Other Operating Expense includes \$0.6M cost reduction

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

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