Reconciliation – GAAP and Non GAAP numbers

	Q1-03	Q2-03	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05
Operating Income(Loss) - Non CAAP	($4,206)	($1,973)	($690)	($641)	($446)	$789	$4,754	$11,295	$9,894	$7,788	$13,085	$17,432
Stock-based compensation	$118	$118	$118	$119	$1,977	$1,660	$1,425	$735	$384	$470	$699	$664
Operating Income(Loss) in GAAP	($4,324)	($2,091)	($808)	($760)	($2,423)	($871)	$3,329	$10,560	$9,510	$7,318	$12,386	$16,768
Net Income(Loss) - Non CAAP	($4,232)	($2,023)	($678)	($640)	($434)	$780	$4,585	$11,249	$8,193	$6,802	$10,975	$15,872
Stock-based compensation	$118	$118	$118	$119	$1,977	$1,660	$1,425	$735	$384	$470	$699	$664
Tax adjustment - allowance												($8,602)
Net Income(Loss) in GAAP	($4,350)	($2,141)	($796)	($759)	($2,411)	($880)	$3,160	$10,514	$7,809	$6,332	$10,276	$23,810

(1) Non-GAAP pre-tax operating profit excluding stock based compensation. See under IR tab on www.portalplayer.com for a reconciliation between GAAP and Non-GAAP numbers.

Reconciliation – GAAP and Non GAAP numbers

	2005	Target Performance Model	
Gross Margin	44.8%	41 - 44%	
R&D %	16.1%	16 - 17%	
SG&A %	7.3%	6 - 7%	
Operating Margin - Non CAAP	21.4%	17 - 22%	
Stock-based Comp %	1.0%	2.5 - 3.5%	
Operating Margin - GAAP %	20.4%	14 - 19%	
Others - Interest %	2.2%	1.5 - 2.5%	
Income Taxes %	1.2%	33 - 37%	of Net Income before Taxes
Net Income in GAAP %	21.4%	10 - 14%	

(1) Non-GAAP pre-tax operating profit excluding stock based compensation. See under IR tab on www.portalplayer.com for a reconciliation between GAAP and Non-GAAP numbers.