

Reconciliation of revenue from the legacy divisions, Programmable Systems Division(PSD), Memory Products Division(MPD), Data Communications Division(DCD) & Emerging Technologies Division(ETD) we reported through Q3 2016 to the new divisions, Microcontroller and Connectivity Division(MCD) & Memory Products Division(MPD) we started reporting in Q4 2016.

**Q4 2016 Divisional GAAP Revenue Reconciliation (in \$Millions) (a)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 173.0	\$ 11.7	\$ 97.3	\$ 12.9	\$ 294.9
MPD	\$ 5.3	\$ 226.0	\$ —	\$ 4.1	\$ 235.3
	<u>\$ 178.3</u>	<u>\$ 237.6</u>	<u>\$ 97.3</u>	<u>\$ 17.0</u>	<u>\$ 530.2</u>

**Fiscal Year 2016 Divisional GAAP Revenue Reconciliation (in \$Millions) (a)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 668.4	\$ 24.8	\$ 231.6	\$ 69.7	\$ 994.5
MPD	\$ 23.0	\$ 893.2	\$ —	\$ 12.4	\$ 928.6
	<u>\$ 691.4</u>	<u>\$ 918.0</u>	<u>\$ 231.6</u>	<u>\$ 82.1</u>	<u>\$ 1,923.1</u>

**Q4 2016 Divisional Non-GAAP Revenue Reconciliation (in \$Millions) (a, b)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 173.0	\$ 11.7	\$ 97.3	\$ 12.9	\$ 294.9
MPD	\$ 5.3	\$ 226.0	\$ —	\$ 4.1	\$ 235.3
	<u>\$ 178.3</u>	<u>\$ 237.6</u>	<u>\$ 97.3</u>	<u>\$ 17.0</u>	<u>\$ 530.2</u>

**Fiscal Year 2016 Divisional Non-GAAP Revenue Reconciliation (in \$Millions) (a, b)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 668.4	\$ 43.5	\$ 231.6	\$ 69.7	\$ 1,013.2
MPD	\$ 23.0	\$ 893.2	\$ —	\$ 12.4	\$ 928.6
	<u>\$ 691.4</u>	<u>\$ 936.8</u>	<u>\$ 231.6</u>	<u>\$ 82.1</u>	<u>\$ 1,941.9</u>

**(a) Notes on the new divisions**

The new Microcontroller and Connectivity Division, or MCD, includes the following:

- Microcontroller and PSoC product lines of the former Programmable Systems Division;
- IoT/Connectivity and USB product lines of the former Data Communications Division;
- the foundry business from the former Emerging Technologies Division;
- and our Intellectual Property Business Unit, which was formerly part of The Memory Products Division.

The Memory Products Division (or MPD) now includes Flash, SRAM, and specialty memories as well as AgigA Tech, which was formerly part of ETD.

Historical results of MCD include Deca Technologies.

**(b) Non GAAP Financial Measures**

The Company believes that certain non-GAAP financial measures reflect an additional and useful way of viewing aspects of the Company's operations which, when viewed in conjunction with Cypress's GAAP results, provide a more comprehensive understanding of the various factors and trends affecting the Company's business and operations. The Company presents non-GAAP financial measures because management uses these measures to analyze and assess the Company's financial results and to manage the business.

There are limitations in using non-GAAP financial measures including those discussed in the Company's earnings release, which may be found by clicking here: <http://www.cypress.com/news/cypress-reports-fourth-quarter-and-year-end-2016-results>. Moreover, the Company's non-GAAP measures may be calculated differently than the non-GAAP financial measures used by other companies. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP financial measures. The non-GAAP financial measures supplement and should be viewed in conjunction with GAAP financial measures.

**Q3 2016 Divisional GAAP Revenue Reconciliation (in \$Millions) (a)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 176.5	\$ 2.6	\$ 88.7	\$ 16.4	\$ 284.2
MPD	\$ 5.8	\$ 230.8	\$ —	\$ 3.0	\$ 239.6
	<u>\$ 182.3</u>	<u>\$ 233.4</u>	<u>\$ 88.7</u>	<u>\$ 19.4</u>	<u>\$ 523.8</u>

**Fiscal Year 2015 Divisional GAAP Revenue Reconciliation (in \$Millions) (a)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 593.9	\$ 23.3	\$ 72.8	\$ 41.3	\$ 731.3
MPD	\$ 20.0	\$ 848.4	\$ —	\$ 8.2	\$ 876.6
	<u>\$ 613.9</u>	<u>\$ 871.6</u>	<u>\$ 72.8</u>	<u>\$ 49.5</u>	<u>\$ 1,607.9</u>

**Q3 2016 Divisional Non-GAAP Revenue Reconciliation (in \$Millions) (a, b)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 176.5	\$ 8.9	\$ 88.7	\$ 16.4	\$ 290.5
MPD	\$ 5.8	\$ 230.8	\$ —	\$ 3.0	\$ 239.6
	<u>\$ 182.3</u>	<u>\$ 239.6</u>	<u>\$ 88.7</u>	<u>\$ 19.4</u>	<u>\$ 530.1</u>

**Fiscal Year 2015 Divisional Non-GAAP Revenue Reconciliation (in \$Millions) (a, b)**

	PSD	MPD	DCD	ETD	Total
MCD	\$ 593.9	\$ 42.0	\$ 72.8	\$ 41.3	\$ 750.0
MPD	\$ 20.0	\$ 848.4	\$ —	\$ 8.2	\$ 876.6
	<u>\$ 613.9</u>	<u>\$ 890.4</u>	<u>\$ 72.8</u>	<u>\$ 49.5</u>	<u>\$ 1,626.6</u>