

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): October 19, 2005

**CIRRUS LOGIC, INC.**

(Exact name of Registrant as specified in its charter)

Delaware	0-17795	77-0024818
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(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)
 2901 Via Fortuna, Austin, TX		78746
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(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (512) 851-4000

## Item 2.02 Results of Operations and Financial Condition

On October 19, 2005, the Company issued a press release reporting the financial results of the Company for the second fiscal quarter ended, September 24, 2005. A copy of this press release is attached to this Report as exhibit 99.1. All of the information furnished in Item 2.02 of this Report and the accompanying exhibit shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended.

## Item 9.01 Financial Statements and Exhibits

(c)	Exhibits	
Exhibit		Description
Exhibit 99.1		Cirrus Logic, Inc. press release dated October 19, 2005

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### CIRRUS LOGIC, INC.

*Date: October 19, 2005*

*By: /s/ John T. Kurtzweil*

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*Name: John T. Kurtzweil*  
*Title: Senior Vice President*  
*& Chief Financial Officer*

## EXHIBIT INDEX

Exhibit No. Description

99.1 Registrant's press release dated October 19, 2005.

Cirrus Logic Reports Fiscal Q2 2006 Financial Results; Revenue from Core Products Grows 11 Percent Sequentially

AUSTIN, Texas--(BUSINESS WIRE)--Oct. 19, 2005--Cirrus Logic Inc. (Nasdaq:CRUS), a leader in high-precision analog, mixed-signal and embedded products for audio and industrial markets, today announced financial results for the second quarter of Fiscal Year 2006, which ended Sept. 24, 2005.

The company reported second quarter Fiscal Year 2006 revenue of \$50.5 million compared with \$52.8 million in the prior fiscal quarter ended June 25, 2005. Core product revenue for the second fiscal quarter was \$48.3 million related to our analog, mixed-signal and embedded products, an increase of 11 percent compared with \$43.7 million in revenue during the prior quarter and a three percent increase year-over-year. Second-quarter gross margin was 53.2 percent compared with 51.7 percent in the prior quarter. The gross margin for its core products was 55.4 percent in the second quarter of fiscal year 2006, down slightly from 56.3 percent in the prior quarter. Combined research and development (R&D) and selling, general and administrative (SG&A) expenses for the second fiscal quarter were \$26.4 million, compared with \$28.0 million in the prior quarter. R&D and SG&A expense included digital video related spending of approximately \$1.7 million, and there was also a \$3.3 million contingency related to excess leased office space. Without these items, R&D and SG&A for the quarter was \$21.4 million.

Second fiscal quarter results also included a \$2.3 million net restructuring charge primarily related to the sale of the digital video product line and a \$207,000 foreign tax benefit. The net loss in the second fiscal quarter was \$99,000, or \$0.00 per share. In the prior quarter, the company reported net income of \$26.0 million, or \$0.30 per diluted share, which included a \$24.8 million net gain related to a legal settlement. The non-GAAP net income for the quarter was \$6.8 million or \$0.08 per diluted share as compared to a non-GAAP net income of \$4.3 million and \$0.05 per diluted share in the previous quarter.

Total cash and marketable securities at the end of the second fiscal quarter were \$225.1 million, compared with \$214.5 million at the end of the prior fiscal quarter. Inventories were \$17.0 million, down 13 percent, or \$2.5 million, from the end of the June quarter.

On June 30, 2005, Cirrus Logic announced the completion of the sale of its digital video product line assets to Magnum Semiconductor in exchange for a non-controlling interest valued at \$7.9 million.

"I am pleased with the company's financial performance in Q2, as we have completed the restructuring of the company around our core analog mixed-signal and embedded products with our core products showing sequential revenue growth of 11 percent," said David D. French, president and chief executive officer, Cirrus Logic. "Our focus on these product lines is leading us to sustained profitability, strong gross margins and a solid cash position."

### **Outlook and Guidance**

"We achieved better than expected core revenue growth of 11 percent due to strong seasonal purchasing patterns," French continued. "However, we remain cautious as the traditional peak season nears completion during our third fiscal quarter."

#### **Third Quarter FY 06 (ending December 24, 2005):**

- Revenue is expected to range between \$45 million and \$49 million;
- Gross margin is expected to be between 55 percent and 57 percent;
- Combined R&D and SG&A expenses are expected to range between \$20 million and \$22 million;
- Cash generated from operations is estimated to be \$5 million to \$8 million.

#### **Use of Non-GAAP Financial Information**

Cirrus Logic reports its financials in accordance with GAAP, which includes non-recurring items. A reconciliation of GAAP to non-GAAP is included in the financial statements portion of this release as well as on our Web site in the Investors section at [www.cirrus.com](http://www.cirrus.com). The core product revenue, core product gross margin, core product R&D and SG&A expense provided in this press release are non-GAAP numbers. Non-GAAP results are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. Cirrus Logic management believes the non-GAAP financial information is useful to investors because it can enhance the understanding of the results and trends in our business, and therefore uses non-GAAP reporting internally to evaluate and manage the company's operations. The criteria for determining non-GAAP results may differ from other companies' methods. These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP.

#### **Conference Call**

Cirrus Logic management will hold a conference call to discuss these results today, Oct. 19, 2005 at 5:00 p.m. EDT. Those wishing to join should dial 303-205-0066 (passcode: Cirrus Logic) at approximately 4:50 p.m. EDT. A replay of the call will be available starting one hour after the completion of the call through Nov. 2, 2005. To access the replay, dial 303-590-3000 (passcode: 11040464#). A live and an archived webcast of the conference call will also be available via the company's Web site at [www.cirrus.com](http://www.cirrus.com).

#### **Upcoming Conferences**

Cirrus Logic management will be presenting at the following conferences:

-- Prudential Technology Conference, Oct. 27 in New York;

-- Silicon Hills Summit 2005, Nov. 1 in Austin;

-- AeA Classic Financial Conference, Nov. 7-8 in San Diego;

-- Lehman Brothers Global Technology Conference, Dec. 7-9 in San Francisco;

-- Needham & Co. Growth Stock Conference, Jan. 10-13 in New York.

Those wishing to listen to these presentations can hear live and archived webcasts of the events via the company's Web site at [www.cirrus.com](http://www.cirrus.com).

### Cirrus Logic Inc.

Cirrus Logic develops high-precision, analog and mixed-signal integrated circuits for a broad range of consumer and industrial markets. Building on its diverse analog mixed-signal patent portfolio, Cirrus Logic delivers highly optimized products for consumer and commercial audio, automotive entertainment and industrial applications. The company operates from headquarters in Austin, Texas, with offices in Colorado, Europe, Japan and Asia. More information about Cirrus Logic is available at [www.cirrus.com](http://www.cirrus.com).

### Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this news release, including our estimates of third quarter fiscal year 2006 sales, gross margin, combined research and development and selling, general and administrative expense levels, and expectations regarding our revenue growth and increased cash position are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties that could cause actual results to differ materially from our current expectations, estimates and assumptions and the forward-looking statements made in this press release. These risks and uncertainties include, but are not limited to, the following: overall conditions in the semiconductor market; our ability to introduce new products on a timely basis and to deliver products that perform as anticipated; risks associated with international sales and international operations; the results of any potential and pending litigation matters; the level of orders and shipments during the third quarter of fiscal year 2006, as well as customer cancellations of orders, or the failure to place orders consistent with forecasts; overall economic pressures; pricing pressures; hardware or software deficiencies; our dependence on subcontractors for assembly, manufacturing, packaging and testing functions; our ability to make continued substantial investments in research and development; foreign currency fluctuations; the retention of key employees; and the risk factors listed in our Form 10-K for the year ended March 26, 2005, and in other filings with the Securities and Exchange Commission. The foregoing information concerning our business outlook represents our outlook as of the date of this news release, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

Cirrus Logic and Cirrus are trademarks of Cirrus Logic Inc.

Summary financial data follows:

### CIRRUS LOGIC INC. CONSOLIDATED CONDENSED BALANCE SHEET (unaudited)

(in thousands)

	Sep. 24, 2005	Jun. 25, 2005	Sep. 25, 2004
ASSETS			
Current assets			
Cash and cash equivalents	\$112,347	\$89,938	\$100,050
Restricted investments	5,755	7,987	7,184
Marketable securities	92,163	100,311	45,435
Accounts receivable, net	21,579	23,457	28,677
Inventories	17,014	19,544	42,582
Other current assets	6,287	11,769	5,372
Total Current Assets	255,145	253,006	229,300
Long-term marketable securities	14,869	16,311	25,053
Property and equipment, net	14,329	15,707	21,843
Intangibles, net	4,090	4,689	19,923
Other assets	11,372	3,210	2,862

Total Assets	\$299,805	\$292,923	\$298,981
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	\$15,181	\$14,542	\$22,407
Accrued salaries and benefits	6,756	8,350	9,355
Other accrued liabilities	14,072	10,824	18,257
Deferred income on shipments to distributors	6,807	7,435	7,869
Income taxes payable	8,526	8,788	30,299
Total Current Liabilities	51,342	49,939	88,187
Long-term restructuring accrual	4,807	3,526	3,515
Other long-term obligations	10,062	8,541	10,389
Stockholders' equity:			
Capital stock	879,560	876,763	873,634
Accumulated deficit	(644,919)	(644,820)	(675,865)
Accumulated other comprehensive loss	(1,047)	(1,026)	(879)
Total Stockholders' Equity	233,594	230,917	196,890
Total Liabilities and Stockholders' Equity	\$299,805	\$292,923	\$298,981
	=====	=====	=====

**CIRRUS LOGIC INC.**  
**CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS**  
(unaudited)

(in thousands, except per share data)

	Quarter Ended		
	Sep. 24, 2005	Jun. 25, 2005	Sep. 25, 2004
	-----	-----	-----
Net sales	\$50,461	\$52,822	\$51,332
Cost of sales	23,596	25,522	28,404
Gross Margin	26,865	27,300	22,928
Gross Margin Percentage	53.2%	51.7%	44.7%
Operating expenses:			
Research and development	10,630	13,651	21,212
Selling, general and administrative	15,765	14,301	12,818
Restructuring and other costs	2,311	-	4,148
Litigation settlement, net	-	(24,758)	344
Total operating expenses	28,706	3,194	38,522
Total operating expenses as a percent of revenue	56.9%	6.0%	75.0%
Income (loss) from operations	(1,841)	24,106	(15,594)
Operating income (loss) as a percent of revenue	(3.6%)	45.6%	(30.4%)
Realized gain on marketable equity securities	-	388	-
Interest income, net	1,684	1,136	604
Other expense, net	(109)	(19)	(5)
Income (loss) before income taxes	(266)	25,611	(14,995)
Provision (benefit) for income taxes	(167)	(366)	66
Net income (loss)	\$(99)	\$25,977	\$(15,061)
	=====	=====	=====
Basic and diluted income (loss) per share:	\$-	\$0.30	\$(0.18)
Basic weighted average common shares outstanding	85,804	85,230	84,671

Diluted weighted average common shares outstanding	85,804	86,183	84,671
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See notes to Non-GAAP Consolidated Condensed Statement of Operations Prepared in accordance with Generally Accepted Accounting Principles

Certain income statement reclassifications have been made to the fiscal year 2005 financial statements to conform to the fiscal year 2006 presentation. We now report the amortization of acquired intangibles as a component of our research and development expenses. These reclassifications had no effect on the results of operations or stockholders' equity.

**CIRRUS LOGIC INC.**  
**NON-GAAP CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS**  
(unaudited)

(in thousands, except per share data)

(not prepared in accordance with GAAP)

	Quarter Ended		
	Sep. 24, 2005	Jun. 25, 2005	Sep. 25, 2004
Net sales	\$48,309	\$43,693	\$47,016
Cost of sales	21,565	19,089	23,632
Gross Margin	26,744	24,604	23,384
Gross Margin Percentage	55.4%	56.3%	49.7%
Operating expenses:			
Research and development	10,295	10,667	13,656
Selling, general and administrative	11,148	10,782	11,131
Total operating expenses	21,443	21,449	24,787
Total operating expenses as a percent of revenue	44.4%	49.1%	52.7%
Income (loss) from operations	5,301	3,155	(1,403)
Operating income (loss) as a percent of revenue	11.0%	7.2%	(3.0%)
Interest income, net	1,684	1,136	604
Other expense, net	(109)	(19)	(5)
Income (loss) before income taxes and loss from discontinued operations	6,876	4,272	(804)
Provision (benefit) for income taxes	40	(64)	66
Net income (loss)	\$6,836	\$4,336	\$(870)
Basic and diluted income (loss) per share:	\$0.08	\$0.05	\$(0.01)
Basic weighted average common shares outstanding	85,804	85,230	84,671
Diluted weighted average common shares outstanding	87,838	86,183	84,671

**See notes to Non-GAAP Consolidated Condensed Statement of Operations**

**CIRRUS LOGIC INC.**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION**  
(unaudited)

(in thousands, except per share data)

(not prepared in accordance with GAAP)

Quarter Ended

	Sep. 24, 2005	Jun. 25, 2005	Sep. 25, 2004
Net sales (Note 1)	\$2,152	\$9,129	\$4,316
Cost of sales (Note 2)	2,031	6,433	4,772
Gross Margin	121	2,696	(456)
Operating expenses:			
Research and development (Note 3)	335	2,984	7,556
Selling, general and administrative (Note 4)	4,617	3,519	1,687
Restructuring and other costs (Note 5)	2,311	-	4,148
Litigation settlement, net (Note 6)	-	(24,758)	344
Total operating expenses	7,263	(18,255)	13,735
Income (loss) from operations	(7,142)	20,951	(14,191)
Realized gain on marketable equity securities (Note 7)	-	388	-
Income (loss) before income taxes and loss from discontinued operations	(7,142)	21,339	(14,191)
Benefit for income taxes (Note 8)	(207)	(302)	-
Net income (loss)	\$(6,935)	\$21,641	\$(14,191)
Basic and diluted income (loss) per share:	\$(0.08)	\$0.25	\$(0.17)

On October 19, 2005 the Company held a conference call with the public to discuss its second quarter fiscal year 2006 financial results. During that call, the Company made reference to non-GAAP financial measures. The above schedule is provided to comply with SEC Regulation G. This table provides the reconciliation between the Consolidated Condensed Statement of Operations on a GAAP and non-GAAP reporting basis. We use these non-GAAP financial numbers to assist us in the management of the Company because we believe that this information provides a more consistent and complete understanding of the underlying results and trends in our business.

This non-GAAP presentation reflects the historical financial results adjusted for the following non-recurring or unusual items:

(Note 1) Q2 FY'06 -- Non-GAAP net sales exclude \$2.2 million in revenue related to the digital video product line, product line assets that were sold on June 30, 2005. Q1 FY'06 -- Non-GAAP net sales exclude \$9.1 million in revenue related to the digital video product line, product line assets that were sold on June 30, 2005. Q2 FY'05 -- Non-GAAP net sales exclude \$4.3 million in revenue related to the digital video product line, product line assets that were sold on June 30, 2005.

(Note 2) Q2 FY'06 -- Non-GAAP cost of sales excludes \$2.0 million in product costs related to the digital video product line, product line assets that were sold on June 30, 2005. Q1 FY'06 -- Non-GAAP cost of sales excludes \$6.4 million in product costs related to the digital video product line, product line assets that were sold on June 30, 2005. Q2 FY'05 -- Non-GAAP cost of sales excludes \$4.8 million in product costs related to the digital video product line, product line assets that were sold on June 30, 2005.

(Note 3) Q2 FY'06 -- Non-GAAP research and development excludes \$0.3 million of digital video related expenses. Q1 FY'06 -- Non-GAAP research and development excludes \$2.3 million in digital video related expenses and \$0.7 million related to the amortization of acquired intangibles from our 2002 and 2000 acquisitions. Q2 FY'05 -- Non-GAAP research and development excludes \$3.5 million related to the amortization of acquisition related intangibles and compensation from our 2002 and 2000 acquisitions and \$4.1 million in digital video related expenses.

(Note 4) Q2 FY'06 -- Non-GAAP selling, general and administrative expense excludes \$1.3 million in digital video related expenses and \$3.3 million in facility related accruals due to losses on new subleases. Q1 FY'06 -- Non-GAAP selling, general and administrative expense excludes \$2.5 million in digital video related expenses and \$1.1 million in facility related accruals due to losses on new subleases. Q2 FY'05 -- Non-GAAP selling, general and administrative expense excludes \$1.7 million in digital video related expenses.

(Note 5) Q2 FY'06 -- Non-GAAP restructuring and other costs excludes a \$3.1 million expense related to facilities consolidation and severance partially offset by a \$0.8 million gain on the sale of our digital video product line. Q2 FY'05 -- Non-GAAP restructuring and other costs excludes \$1.5 million related to costs associated with our announced workforce reduction and \$3.1 million related to the write-off of computer aided software tools that we will no longer use partially offset by a release of \$0.5 million related to a buyout of a long-term facilities lease obligation.

(Note 6) Q1 FY'06 -- Non-GAAP litigation settlement, net excludes a \$25.0 million benefit from a litigation settlement finalized during the quarter related to Fujitsu, LTD partially offset by \$0.2 million in litigation fees related to this settlement. Q2 FY'05 -- Non-GAAP litigation settlement, net excludes \$0.3 million in legal costs associated with a lawsuit related to a previously exited product line.

(Note 7) Q1 FY'06 -- Non-GAAP realized gain on marketable equity securities excludes a \$0.4 million benefit from the proceeds related to the sale of an investment in another publicly traded company.

(Note 8) Q2 FY'06 -- Non-GAAP benefit for income taxes excludes a \$0.2 million income tax benefit resulting from the expiration of foreign statute of limitations for the years in which we had previously recorded potential tax liabilities. Q1 FY'06 -- Non-GAAP benefit for income taxes excludes a \$0.3 million income tax benefit resulting from the expiration of foreign statute of limitations for the years in which we had previously recorded potential tax liabilities.

**CIRRUS LOGIC INC.**  
**CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS**  
(unaudited)

(in thousands, except per share data)

	Six Months Ended	
	Sep. 24, 2005	Sep. 25, 2004
Net sales	\$103,283	\$110,449
Cost of sales	49,118	55,848
	54,165	54,601
Gross Margin		
	52.4%	49.4%
Gross Margin Percentage		
Operating expenses:		
Research and development	24,281	43,338
Selling, general and administrative	30,066	25,113
Restructuring and other costs	2,311	5,871
Litigation settlement, net	(24,758)	543
	31,900	74,865
Total operating expenses		
	30.9%	67.8%
Total operating expenses as a percent of revenue		
Income (loss) from operations	22,265	(20,264)
Operating income (loss) as a percent of revenue	21.6%	(18.3%)
Realized gain on marketable equity securities	388	669
Interest income, net	2,820	1,300
Other expense, net	(128)	(71)
	25,345	(18,366)
Income (loss) before income taxes and loss from discontinued operations		
Provision (benefit) for income taxes	(533)	90
	\$25,878	\$(18,456)
Net income (loss)		
	\$0.30	\$(0.22)
Basic and diluted income (loss) per share:		
Basic weighted average common shares outstanding	85,517	84,545
Diluted weighted average common shares outstanding	87,051	84,545

Prepared in accordance with Generally Accepted Accounting Principles

Certain income statement reclassifications have been made to the fiscal year 2005 financial statements to conform to the fiscal year 2006 presentation. We now report the amortization of acquired intangibles as a component of our research and development expenses. These reclassifications had no effect on the results of operations or stockholders' equity.

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