

**STANDARD MICROSYSTEMS CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited)**  
(in thousands, except per share amounts)

	<u>Three Months Ended</u> <u>February 29 and 28,</u>		<u>Twelve Months Ended</u> <u>February 29 and 28,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Sales and revenues	\$ 94,103	\$ 89,723	\$ 377,849	\$ 370,594
Costs and expenses:				
Costs of goods sold	44,896	44,272	181,067	193,497
Research and development	16,909	16,710	71,660	66,585
Amortization of intangible assets	1,720	1,612	6,707	6,364
Selling, general and administrative	<u>18,167</u>	<u>20,689</u>	<u>80,767</u>	<u>73,821</u>
Income from operations	12,411	6,440	37,648	30,327
Interest income	2,393	1,214	7,499	4,695
Interest expense	(43)	(108)	(315)	(306)
Other expense, net	<u>(215)</u>	<u>600</u>	<u>(1,494)</u>	<u>561</u>
Income before provision for income taxes	14,546	8,146	43,338	35,277
Provision for income taxes	<u>2,831</u>	<u>310</u>	<u>10,432</u>	<u>8,262</u>
Net income	<u>\$ 11,715</u>	<u>\$ 7,836</u>	<u>\$ 32,906</u>	<u>\$ 27,015</u>
Basic net income per share:	<u>\$ 0.52</u>	<u>\$ 0.35</u>	<u>\$ 1.44</u>	<u>\$ 1.22</u>
Diluted net income per share:	<u>\$ 0.50</u>	<u>\$ 0.33</u>	<u>\$ 1.39</u>	<u>\$ 1.16</u>
Weighted average common shares outstanding:				
Basic	22,747	22,500	22,897	22,097
Diluted	23,407	23,634	23,623	23,259