

LSI Second Quarter 2007 Business Outlook

	GAAP*	Special Items	Non-GAAP**
Revenue	\$715 million to \$745 million		\$715 million to \$745 million
Gross Margin	26 – 28%	\$100 to \$120 million	41 – 43%
Operating Expenses	\$515 million to \$565 million	\$220 to \$260 million	\$295 million to \$305 million
Net Other Income	\$5 million		\$ 5 million
Tax	Approximately \$6 million		Approximately 20%
Net Income Per Share	(\$0.49) to (\$0.40)	(\$0.49) to (\$0.43)	\$0.00 to \$0.03
Diluted Share Count	780 million		800 million

Capital spending is projected to be around \$21 million in the second quarter and approximately \$95 million in total for 2007.

Second quarter depreciation and software amortization is expected to be approximately \$40 million.

NOTE: The Company's financial guidance will be limited to the comments made on today's public conference call and contained in the Second Quarter 2007 Business Outlook section of this news release.