

TUNDRA SEMICONDUCTOR CORPORATION
PRO FORMA CONSOLIDATED STATEMENTS OF EARNINGS
For the three months ended August 3, 2008 and July 29, 2007

(Canadian dollars, amounts in thousands except per share data)
(Unaudited)

	Three months ended	
	August 3	July 29
	2008	2007
Revenue		
Product	\$ 15,696	\$ 18,054
Service	2,315	2,004
	<hr/> 18,011	<hr/> 20,058
Cost of revenue		
Product	5,973	5,608
Service	1,594	1,174
	<hr/> 7,567	<hr/> 6,782
Gross margin	10,444	13,276
Expenses		
Sales and marketing	3,099	3,028
General and administration	2,062	2,408
Research and development	4,438	5,962
	<hr/> 9,599	<hr/> 11,398
Pro forma earnings from operations	845	1,878
Interest and other income	443	686
	<hr/>	<hr/>
Pro forma earnings before income taxes	1,288	2,564
Income tax provision	95	629
	<hr/>	<hr/>
PRO FORMA EARNINGS	\$ 1,193	\$ 1,935
	<hr/>	<hr/>
Pro forma earnings per share		
Basic	\$ 0.06	\$ 0.10
Diluted	\$ 0.06	\$ 0.10
Weighted average number of common shares outstanding		
Basic	19,625	19,932
Diluted	19,625	19,970

TUNDRA SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the three months ended August 3, 2008 and July 29, 2007

(Canadian dollars, amounts in thousands except per share data)
(Unaudited)

	Three months ended	
	August 3	July 29
	2008	2007
Revenue		
Product	\$ 15,696	\$ 18,054
Service	2,315	2,004
	<hr/> 18,011	<hr/> 20,058
Cost of revenue		
Product	5,973	5,608
Service	1,594	1,174
	<hr/> 7,567	<hr/> 6,782
Gross margin	<hr/> 10,444	<hr/> 13,276
Expenses		
Sales and marketing	3,099	3,028
General and administration	2,062	2,408
Research and development	4,438	5,962
Stock-based compensation	450	488
Amortization of acquisition-related intangible assets	306	1,082
Restructuring charges	-	1,659
	<hr/> 10,355	<hr/> 14,627
Earnings (loss) from operations	89	(1,351)
Interest and other income	443	686
	<hr/>	<hr/>
Earnings (loss) before income taxes	532	(665)
Income tax provision	95	308
	<hr/>	<hr/>
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 437	\$ (973)
	<hr/>	<hr/>
Earnings (loss) per share		
Basic	\$ 0.02	\$ (0.05)
Diluted	\$ 0.02	\$ (0.05)
Weighted average number of common shares outstanding		
Basic	19,625	19,932
Diluted	19,625	19,932

TUNDRA SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

(Canadian dollars, amounts in thousands)

	August 3 2008 (Unaudited)	April 30 2008 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 58,537	\$ 23,861
Short-term investments	-	35,373
Accounts receivable	8,766	7,470
Inventories	5,998	6,226
Prepaid expenses and other current assets	2,258	3,288
Future income tax asset	2,705	2,970
	<hr/>	<hr/>
	78,264	79,188
Other assets		
Investment tax credits recoverable	1,912	1,919
Property, plant and equipment	9,116	8,976
Intangible assets	18,399	16,272
Future income tax asset	5,399	5,720
	5,017	4,638
	<hr/>	<hr/>
	\$ 118,107	\$ 116,713
<hr/>		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,769	\$ 9,913
Income tax payable	189	131
	<hr/>	<hr/>
	10,958	10,044
Shareholders' equity		
Share capital	180,159	181,006
Contributed surplus	10,977	10,087
Deficit	(83,987)	(84,424)
	<hr/>	<hr/>
	107,149	106,669
	<hr/>	<hr/>
	\$ 118,107	\$ 116,713
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TUNDRA SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended August 3, 2008 and July 29, 2007
(Canadian dollars, amounts in thousands)
(Unaudited)

	Three months ended	
	August 3	July 29
	2008	2007
Operating activities		
Earnings (loss)	\$ 437	\$ (973)
Items not affecting cash		
Amortization of property, plant and equipment and asset impairments	1,810	1,997
Amortization of acquisition-related intangible assets	306	1,082
Stock-based compensation	450	488
Investment tax credits recoverable	(140)	(128)
Future income taxes	(114)	(1,058)
	<hr/> 2,749	<hr/> 1,408
Cash effect of changes in		
Accounts receivable	(1,296)	(1,060)
Inventories	228	1,462
Prepaid expenses and other assets	1,037	168
Accounts payable and accrued liabilities	814	(1,263)
Income taxes payable	58	(115)
	<hr/> 3,590	<hr/> 600
Investing activities		
Acquisition of property, plant and equipment	(3,922)	(4,148)
Proceeds on disposal of short-term investments	35,373	42,379
	<hr/> 31,451	<hr/> 38,231
Financing activities		
Net proceeds on the issue of common shares	-	250
Share repurchase	(365)	-
	<hr/> (365)	<hr/> 250
Increase in cash and cash equivalents	34,676	39,081
Cash and cash equivalents, beginning of period	23,861	18,340
Cash and cash equivalents, end of period	58,537	57,421
Short-term investments, end of period	-	-
Cash, cash equivalents and short-term investments, end of period	<hr/> \$ 58,537	<hr/> \$ 57,421