SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)
[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended July 3, 1994

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _______________ to _______________

Commission File Number: 0-11674

LSI LOGIC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	94-2712976
(State of Incorporation)	(I.R.S. Employer Identification Number)

1551 McCarthy Boulevard
Milpitas, California 95035
(Address of principal executive offices)

(408) 433-8000
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [x] NO [ ]

As of August 5, 1994 there were 53,064,286 shares of registrant's Common Stock, $.01 par value, outstanding.

LSI LOGIC CORPORATION
Form 10-Q
FOR THE QUARTER ENDED JULY 3, 1994

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PART I

Item 1. Financial Statements

LSI LOGIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	June 30, 1994	December 31, 1993
ASSETS		
Cash and cash equivalents	$ 205,504	$121,319
Short-term investments	145,345	80,764
Accounts receivable, less allowance for doubtful accounts of $3,122 and $2,470	151,512	124,384
Inventories	94,306	69,066
Prepaid expenses and other current asset	28,394	30,165
Total current assets	625,061	425,698
Property and equipment, at cost less accumulated depreciation and amortization	430,272	385,063
Other assets	54,003	41,945
Total assets	$1,109,336	$852,706
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 93,470	$ 66,822
Accrued salaries, wages and benefits	23,015	24,397
Accrued restructuring costs	26,270	29,503
Other accrued liabilities	38,332	28,353
Income taxes payable	20,823	17,079
Current portion of long-term debt, capital lease obligations and short-term borrowings	19,188	22,727
Total current liabilities	221,098	188,881
Long-term debt, capital lease obligations and other long-term liabilities	393,752	246,314
Deferred income taxes	5,774	6,337
Minority interest in subsidiaries	124,618	118,740
Stockholders' equity:		
Preferred shares; 2,000 shares authorized	-	-
Common stock; $.01 par value; 73,500 shares authorized; 51,054 and 49,728 shares outstanding	511	497
Additional paid-in capital	284,313	273,933
Accumulated deficit	1,122	(41,673)
Cumulative translation adjustment	78,148	59,677
Total stockholders' equity	364,094	292,434
Total liabilities and stockholders' equity	$1,109,336	$852,706

See accompanying notes to unaudited consolidated condensed financial statements.

LSI LOGIC CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Revenues	$212,106	$177,080	$405,919	$346,009
Costs and expenses:				
Cost of revenues	123,337	108,246	238,724	212,166
Research and development	22,467	19,408	45,608	38,405
Selling, general and administrative	31,102	29,007	60,559	58,215
Total costs and expenses	176,906	156,661	344,891	308,786
Income from operations	35,200	20,419	61,028	37,223
Interest expense	5,665	2,384	9,453	4,557
Interest income and other	4,127	2,512	8,923	4,207
Income before income taxes and minority interest	33,662	20,547	60,498	36,873
Provision for income taxes	9,425	6,164	16,938	11,062
Income before minority interest	24,237	14,383	43,560	25,811
Minority interest in net income (loss) of subsidiaries	799	1,313	767	2,126
Net income	$ 23,438	$ 13,070	$ 42,793	$23,685
Net income per share:				
Primary	$ 0.44	$ 0.27	$ 0.82	$ 0.49
Fully diluted	$ 0.41		$ 0.77	
Common share and common share equivalents used in computing per share amounts:				
Primary	53,112	48,874	51,949	48,137
Fully diluted	64,051		60,345	

See accompanying notes to unaudited consolidated condensed financial statements.

LSI LOGIC CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Operating activities:		
Net income	$ 42,793	$ 23,685
Adjustments:		
Depreciation and amortization	49,964	31,293
Minority interest in net income of subsidiaries	767	2,126
Changes in:		
Accounts receivable	(21,805)	4,238
Inventories	(20,610)	(3,861)
Prepaid and other assets	(4,643)	(6,741)
Accounts payable	22,626	(39,362)
Accrued and other liabilities	6,708	5,527
Accrued restructuring costs	(3,418)	(4,602)
Net cash provided by operating activities	72,382	12,303

Investing activities:		
Purchases, net of maturities and sales, of debt and equity securities available-for-sale	(73,053)	-
Change in other investments	8,123	9,527
Acquisition of stock from minority interest holders	(10,051)	-
Purchases of property and equipment, net of retirements	(53,765)	(39,207)
Net cash used for investing activities	(128,746)	(29,680)
Financing activities:		
Issuance of Convertible Subordinated Notes	143,750	-
Long-term debt borrowings	-	40,000
Repayment of long-term debt and capital lease obligations	(16,302)	(15,097)
Borrowings of short-term debt, net	-	(3,704)
Issuance of common stock	8,995	15,195
Tax benefit from employee stock plans	1,400	-
Net cash provided by financing activities	137,843	36,394
Effect of exchange rate changes on cash and cash equivalents	2,706	10,298
Increase in cash and cash equivalents	84,185	29,315
Cash and cash equivalents at beginning of period	121,319	87,103
Cash and cash equivalents at end of period	$ 205,504	$116,418
Cash paid during the period for:		
Interest	$ 4,748	$ 8,983
Income taxes	$ 8,847	$ 357

See accompanying notes to unaudited consolidated condensed financial statements.

LSI LOGIC CORPORATION

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial information included therein. While the Company believes that the disclosures are adequate to make the information not misleading, it is suggested that these financial statements be read in conjunction with the audited financial statements and accompanying notes included in the Company's Annual Report to Stockholders incorporated by reference in the Company's Annual Report on Form 10-K for the year ended January 2, 1994.

For financial reporting purposes, the Company reports on a 13 or 14 week quarter and a 52 or 53 week year ending on the Sunday closest to December 31. For presentation purposes, the consolidated financial statements refer to the quarter's calendar month end for convenience. The results of operations for the three month and six-month periods ended June 30, 1994 are not necessarily indicative of the results to be expected for the full year.

Note 2 - Effective January 3, 1994, the Company adopted the Statement of Financial Accounting Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities." This statement requires investments in debt and equity securities to be classified as "held-to-maturity," "trading," or "available-for-sale." Investments in debt and equity securities classified as held-to-maturity are reported at amortized cost; securities classified as trading are reported at fair value with unrealized gains and losses included in earnings; and, securities available-for-sale are reported at fair value with unrealized gains and losses, net of related tax, if any, reported as a separate component of stockholders' equity. Realized gains and losses are based on the book value of specific securities sold. Fair market value of the Company's investments approximate cost. The cumulative effect of adoption on January 3, 1994, is considered immaterial.

Note 3 - Balance sheet detail (in thousands):

	June 30, 1994	December 31, 1993
Inventories:		
Raw materials	$ 15,700	$ 11,667
Work-in-process	59,132	34,997
Finished goods	19,474	22,402
Total	$ 94,306	$ 69,066
Property and equipment:		
Property and equipment, at cost	$847,202	$750,186
Accumulated depreciation and amortization	(416,930)	(365,123)
Property and equipment, net	$430,272	$385,063

property and equipment includes capitalized interest of approximately $8.7 million (net of $.9 million accumulated amortization) and $9.6 million at June 30, 1994 and December 31, 1993, respectively. Property and equipment include preproduction engineering costs of $27.4 million at June 30, 1994 and December 31, 1993. Accumulated amortization of preproduction engineering costs was $3.7 million at June 30, 1994. There was no accumulated amortization for preproduction engineering at December 31, 1993.

Note 4 - During the third quarter of 1992, the Company recorded a $101.8 million restructuring charge which consisted primarily of estimated costs associated with consolidations in the Company's worldwide manufacturing operations, write-down and discontinuance of certain commodity standard product inventories, severance costs and other costs. The Company's strategic consolidation of worldwide manufacturing operations and facilities encompassed the phase-out and closure of the Company's German assembly and test operations, the write-down of U.S. manufacturing assets pertaining to older process technologies which, in certain instances, had become redundant; and estimated operating losses attributable to the period of the phase-out and closure of such operations or the write-down of such assets.

In 1993, the Company sold certain assets from its discontinued German assembly and test operation, transferred certain Canadian manufacturing equipment to its U.S. operations, continued phase-down of its older process-technology manufacturing facility in the U.S. and began consolidation and phase-out of some of its other U.S. manufacturing facilities.

During the first half of 1994 the Company continued its strategic consolidation of worldwide operations that were contemplated by the Company's 1992 restructuring. As the Company's discontinued German manufacturing facility remains unsold at this time, management has determined that additional reserves are necessary to further write-down the facility to its estimated net realizable value. In the second quarter of 1994, the Company delayed the phase-out of its manufacturing facility in the U.S. in response to unexpected levels of customer demand. Management has determined that remaining reserves attributable to this facility may not need to be fully utilized. As excess reserves associated with the U.S. facility offset the reserves needed in connection with the German facility, overall restructuring reserves remaining at June 30, 1994 are considered adequate to cover uncertainties associated with the completion of the 1992 restructuring.

Note 5 - During March 1994, the Company issued $143,750,000 of 5 1/2% Convertible Subordinated Notes (Notes) due 2001. The Notes are subordinated to all existing and future senior debt, are convertible at any time after 60 days following issuance into shares of the Company's common stock at a conversion price of $24.50 per share, and are redeemable at the option of the Company, in whole or in part, at any time on or after March 18, 1997. Each holder of these Notes has the right to cause the Company to repurchase all of such holder's Notes at 100% of their principal amount plus accrued interest subject to certain events and circumstances. Interest is payable semiannually. The proceeds from this offering will be used for capital expenditures and for general corporate purposes.

Note 6 - In July, 1994, the Company called for redemption all of its $98 million, 6-1/4% convertible subordinated debentures. Subsequently, approximately $97 million of the bonds were converted to common stock.

Note 7 - The Company's effective tax rate differs from the statutory rate due to the Company's ability to partially utilize prior loss carryovers and due to the mix of expected earnings in its foreign subsidiaries.

Note 8 - Primary income per common share and common equivalent share is computed using the weighted average number of common shares outstanding during the respective periods, including dilutive stock options, as applicable. Fully-dilutive income per common share and common equivalent share is computed by adjusting net income and primary shares outstanding for the potential effect of the conversion of the weighted average subordinated debentures outstanding during the period. Fully-dilutive earnings per share computations are based on the most advantageous (to the security holder) conversion or exercise rights that become effective within ten years following the period reported upon.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

General

As a participant in the semiconductor industry, the Company operates in a technologically advanced, rapidly changing and highly competitive environment. The Company predominately sells custom products to customers operating in a similar environment. Accordingly, changes in the circumstances of the Company's customers may have a greater impact on the Company than if the Company offered standard products that could be sold to many purchasers. While the Company cannot predict what effect these various factors may have on its financial results,the aggregate effect of these and other factors could result in significant volatility in the Company's future performance. To the extent the Company's performance may not satisfy expectations published by external sources, public reaction could result in a sudden and significant adverse impact on the market price of the Company's securities, particularly on a short-term basis.

The Company's future operating results are and will continue to be subject to quarterly variations based upon a wide variety of factors, many of which are beyond the Company's control, including sudden fluctuations in customer requirements, rapid price declines, unexpected product obsolescence, currency exchange rate fluctuations and other economic conditions affecting customer demand and the Company's cost of operations in one or more of the global markets in which the Company does business. While the Company attempts to identify and respond to these conditions in a timely manner, they represent significant risks to the Company's performance.

While management believes that the discussion and analysis in this report is adequate for a fair presentation of the information, management recommends that this discussion and analysis be read in conjunction with Management's Discussion and Analysis included in the Company's 1993 Annual Report to Stockholders incorporated by reference in the Company's Annual Report on Form 10-K for the year ended January 2, 1994.

Results of Operations

Revenues for the second quarter and first half of 1994 were $212.1 million and $405.9 million, representing an increase of 20% and 17%, respectively, compared to comparable periods of 1993. The composition of revenues by major element was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1993	1994	1993
Component products	86%	86%	86%	85%
Design and services	14%	14%	14%	15%
	100%	100%	100%	100%

Total component revenues grew 18% to $181.8 million in the second quarter and 17% to $349.8 million in the first half of 1994 from $153.6 million and $298.7 million compared to comparable periods in 1993. The increase in revenue dollars in the second quarter and first half of 1994 compared to the second quarter and first half of 1993 were primarily due to increased revenues from application specific integrated circuit (ASIC) products. Higher ASIC component revenues in the second quarter of 1994 compared to the second quarter of 1993 were primarily the result of increased unit shipments. Higher ASIC component revenues and higher component revenues as a percentage of total revenues in the first half of 1994 compared to the first half of 1993 was due to both higher average selling prices and increased unit shipments. Total dollar revenues from design and services increased approximately $7 million in the second quarter of 1994 and $9 million in the first half of 1994 compared to the same periods in 1993. These increases were primarily attributable to a one-time $7 million sale involving certain product and marketing rights.

Key elements of the statements of operations, expressed as a percentage of revenues, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1993	1994	1993
Gross profit margin	41.9%	38.9%	41.2%	38.7%
Research and development expenses	10.6%	11.0%	11.2%	11.1%
Selling, general and administrative expenses	14.7%	16.4%	14.9%	16.8%
Income from operations	16.6%	11.5%	15.0%	10.8%

Gross profit, as a percentage of revenues, increased during the second quarter and first half of 1994 over the comparable 1993 periods. The majority of the increases in gross margin are attributable to the one-time $7 million sale of product and marketing rights. Excluding this one-time sale, gross margins increased 1% in the second quarter of 1994 and 1.5% in the first half of 1994 compared to the same periods in 1993. These improvements are the result of increased product demand for ASIC products, higher average selling prices during the first quarter of 1994, and the increased use of lower cost third-party subcontractors, partially offset by the higher costs of revenues associated with the output from the Japanese affiliate's new submicron wafer manufacturing facility. In the second quarter of 1994, the Company substantially increased sales of product manufactured at this new facility, which began volume production in the first quarter of 1994. Costs of revenues for the second quarter and first half of 1994 reflect the depreciation, amortization of preproduction engineering and other manufacturing costs attributable to this facility, and the increased costs of operating in Japan due to the continued strengthening of the Yen in relation to the U.S. Dollar. Gross profits from design and services revenue as a percentage of revenue decreased slightly in the second quarter of 1994 and increased 15% in the first half of 1994 compared to the same periods in 1993. The Company's gross profit margins are largely dependent upon factory capacity and utilization, availability of certain raw materials, terms negotiated with third-party subcontractors, foreign currency exchange rate fluctuations and product mix. Volume production capability is expected to increase throughout 1994, thereby significantly increasing factory capacity by the end of 1994. A new wafer fabrication facility initially operates at higher fixed costs. In the event that demand for the Company's products does not absorb this additional capacity at a sufficient rate or delays occur in the ramp up of the new facility, the Company's gross profit margins could be negatively impacted in future periods. Accordingly, gross profit margins for the second quarter and first half of 1994 may not be indicative of expected results for the remainder of the fiscal year.

Research and development (R&D) expenses for the second quarter and first half of 1994 related primarily to advanced process technology and new product development and increased approximately $3.1 million (16%) and $7.2 million (19%), respectively, from the comparable periods in 1993. The Company is committed to technological leadership in the ASIC markets and anticipates continued investment in R&D at a rate of between 10-12% of revenues in future periods. The Company's R&D investments are primarily for the development of advanced manufacturing processes, development of new advanced products and enhancements to the Company's design automation software capability.

Selling, general and administrative (SG&A) expenses decreased approximately 2% as a percentage of revenues during both the second quarter and first half of 1994 compared to the first quarter of 1993 as management continued its cost containment efforts.

In summary, total operating costs and expenses for the second quarter and first half of 1994 were $176.9 million and $344.9 million, respectively, an increase over $156.7 million and $308.8 million for the second quarter and first half of 1993, respectively. However, operating income as a percentage of revenues increased to 16.6% and 15% in the second quarter and first half of 1994 from 11.5% and 10.8%, respectively, for the comparable periods in 1993.

Interest expense for the second quarter and first half of 1994 increased by $3.3 million and $4.9 million from the comparable 1993 periods. The majority of the increases resulted from discontinued capitalization of interest upon commencement of volume production by the Japanese affiliate's new submicron wafer fabrication facility in the first quarter of 1994 and the issuance of $143.8 million of 5-1/2% convertible subordinated notes in March 1994. Interest expense is expected to decrease in the third quarter of 1994 as a result of the conversion of approximately $97 million of the Company's 6-1/4% convertible subordinated debentures during July and August of 1994 (see discussion at Note 6 to the Consolidated Financial Statements). Interest income and other for the second quarter and first half of 1994 increased $1.6 million and $4.7 million, respectively, in relation to the same periods in 1993. The majority of these increases are attributable to increased interest earnings on higher cash and investments in the second quarter of 1994 and foreign exchange gains related to an intercompany loan between the U.K. and German affiliates, partially offset by foreign exchange losses related to transactions between the U.S. company and its Japanese affiliates.

The Company recorded a provision for income taxes for the second quarter and first half of 1994 with an effective rate of 28% compared to 30% for the comparable 1993 periods. The decrease in the effective rate was primarily attributable to changes in the composition of worldwide earnings.

The decrease in minority interest for the second quarter and first half of 1994 from the comparable 1993 periods was attributable to the composition of earnings and losses among certain of the Company's international affiliates.

Financial Condition

The Company's cash, cash equivalents and short-term investments increased $148.8 million during the first half of 1994 to $350.8 million, and working capital increased by $167.1 million to $404.0 million at June 30, 1994. The increase is primarily attributable to the issuance of $143.8 million of convertible subordinated notes in March, 1994, as discussed below, and cash generated by operations, partially offset by fixed asset acquisitions.

During the first half of 1994, the Company generated $72.3 million of cash and equivalents from its operating activities, compared to $12.3 million during the first half of 1993. The increased net cash provided from operations as compared to the comparable 1993 period was primarily attributable to an increase in accounts payable and net income before depreciation which was partially offset by increases in accounts receivable and inventories.

During the first half of 1994, $128.7 million of cash and equivalents were used for investing activities compared to $29.7 million during the comparable period of 1993. The primary investing activities consisted of the purchase of short-term debt securities, the purchase of fixed assets for the Japanese affiliate's new submicron wafer manufacturing facility in Japan and the U.S. research and development facility, and the repurchase of LSI Logic K.K. minority owned stock. Net capital expenditures for the six months ended June 30, 1994 totaled approximately $53.8 million. Management expects net capital expenditures of approximately $80 to $100 million for the second half of 1994.

Financing activities generated $137.8 million of cash and equivalents during the first half of 1994 compared to $36.4 million for the same period of 1993. The Company repaid Japanese and European debt totaling approximately $16.3 million during the first half of 1994. In addition, the Company issued $143.8 million of 5-1/2% Convertible Subordinated Notes due in 2001. The Notes are subordinated to all existing and future senior debt, are convertible at any time after 60 days following issuance into shares of the Company's common stock at a conversion price of $24.50 per share, and are redeemable at the option of the Company, in whole or in part, at any time on or after March 18, 1997. Each holder of these Notes has the right to cause the Company to repurchase all of such holder's Notes at 100% of their principal amount plus accrued interest subject to certain events and circumstances. Interest is payable semiannually. The proceeds from this offering will be used for capital expenditures and for general corporate purposes.

Effective January 3, 1994, the Company adopted the Statement of Financial Accounting Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities." This statement requires investments in debt and equity securities to be classified as "held-to-maturity," "trading," or "available-for-sale." Investments in debt and equity securities classified as held-to-maturity are reported at amortized cost; securities classified as trading are reported at fair value with unrealized gains and losses included in earnings; and, securities available-for-sale are reported at fair value with unrealized gains and losses, net of related tax, if any, reported as a separate component of stockholders' equity. Realized gains and losses are based on the book value of specific securities sold. The cumulative effect of adoption is considered to be immaterial.

During the first half of 1994 the Company continued its strategic consolidation of worldwide operations contemplated by the Company's 1992 restructuring. Cash outlays during this period were not material. As the Company's discontinued German manufacturing facility remains unsold at this time, management has determined that additional reserves are necessary to further write-down the facility to its estimated net realizable value. In the second quarter of 1994, the Company delayed the phase-out of its manufacturing facility in the U.S. in response to unexpected levels of customer demand. Management has determined that remaining reserves attributable to this facility may not need to be fully utilized. As excess reserves associated with the U.S. facility offset the reserves needed in connection with the German facility, overall restructuring reserves remaining at June 30, 1994 are considered adequate to cover uncertainties associated with the completion of the 1992 restructuring.

The Company believes that existing liquid resources and funds generated from operations combined with its ability to borrow funds will be adequate to meet its operating requirements and payment of restructuring liabilities in the foreseeable future.

Part II

Item 1 Legal Proceedings

Reference is made to Item 3, Legal Proceedings, of the Company's Annual Report on Form 10K for the fiscal year ended January 2, 1994 for a discussion of certain pending legal proceedings. The information provided at such reference remains unchanged except as follows. Various pretrial motions in the Texas

Instruments Incorporated litigation matter were filed during the first quarter of 1994, including motions regarding the significance, if any, of the prior ITC action on the District Court action. In August 1994, the judge in the District Court action denied all of the pretrial motions and a trial is expected in April, 1995.

Item 4 Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of LSI Logic Corporation was held on May 6, 1994 in Milpitas, California. Of the total of 50,148,844 shares outstanding as of record date, 39,845,813 were present or represented by proxies at the meeting. The table below presents the results of the election of the Company's board of directors:

	Votes For	Votes Withheld
Wilfred J. Corrigan	39,728,293	117,520
Malcolm R. Currie	39,727,029	118,784
T. Z. Chu	39,726,084	119,729
James H. Keyes	39,728,599	117,214
R. Douglas Norby	39,723,699	122,114

The stockholders approved an amendment to the Employee Stock Purchase Plan, which increased the number of shares of common stock reserved for issuance thereunder by 700,000 shares. The proposal received 38,336,242 affirmative votes, 1,287,580 negative votes, 221,791 abstentions and 200 non votes.

The stockholders approved an amendment to the 1991 Equity Incentive Plan, which increased the number of shares of common stock reserved for issuance thereunder by 1,500,000 shares. The proposal received 33,308,797 affirmative votes, 6,318,061 negative votes, 218,755 abstentions and 200 non votes.

The stockholders ratified appointment of Price Waterhouse as the Company's independent accountants for the fiscal year ending January 1, 1995. The proposal received 39,621,002 affirmative votes, 43,920 negative votes, 180,691 abstentions and 200 non votes.

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

11.1 Calculation of Earnings Per Share

(b) Reports on Form 8-K

None.

Signatures

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

LSI LOGIC CORPORATION
(Registrant)

By /s/ Albert A. Pimentel

Albert A. Pimentel
Senior Vice President Finance &
Chief Financial Officer

Date: August 16, 1994

Exhibit 11.1

LSI LOGIC CORPORATION
CALCULATION OF EARNINGS PER SHARE
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1993	1994	1993
Primary Earnings Per Share				
Net income	$23,438	$13,070	$42,793	$23,685
Average common and common equivalent shares:				
Average common shares outstanding	51,492	47,194	50,343	46,447
Dilutive options	1,620	1,680	1,606	1,690
	53,112	48,874	51,949	48,137
Earnings per common and common equivalent share	$ 0.44	$ 0.27	$ 0.82	$ 0.49
Fully Diluted Earnings Per share				
Net income	$23,438		$42,793	
Interest expense on convertible subordinated debt, net of tax effect	2,514		3,843	
Adjusted net income	$25,952		$46,636	
Average common and common equivalent shares on a fully diluted basis:				
Average common shares outstanding	51,492		50,343	
Convertible subordinated debt	10,779		8,334	
Dilutive options	1,780		1,668	
	64,051		60,345	
Fully diluted earnings per common and common equivalent share	$ 0.41		$ 0.77	