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## **LOGIC DEVICES REPORTS FISCAL 2005**

**Sunnyvale, Calif.** (December 21, 2005) - LOGIC Devices Incorporated (Nasdaq: **LOGC**) today reported revenues and earnings for its fiscal year ended September 30, 2005. Revenues for the year ended September 30, 2005 were \$3,508,800 compared to \$4,414,600 in fiscal 2004, while the Company recorded a net loss of \$1,362,900 or \$(0.20) per share, compared to a net loss of \$1,472,300 or \$(0.22) per share in fiscal 2004.

While revenues were down year-to-year, fourth quarter revenues for fiscal 2005 exceeded fiscal 2004 (\$1,014,800 in 2005 compared to \$1,007,000 in 2004). Revenues for the fourth quarter also exceeded the immediately preceding quarter's revenues of \$662,100. The Company recorded a net loss of \$808,300 or \$(0.12) per share for the quarter ended September 30, 2005 compared to a net loss of \$211,000 or \$(0.03) per share for same quarter of fiscal 2004 and \$234,500 or \$(0.03) per share for the immediately preceding quarter of fiscal 2005. This fourth quarter increase in the net loss was due to a charge of \$642,200 to the Company's inventory reserve for potential excess materials. This increase results in an inventory reserve of \$1,685,100 and net inventory of \$5,626,400 as of September 30, 2005.

"Fourth quarter revenues recovered significantly from the very weak level experienced during the preceding June quarter. However, with weak revenues for the year as a whole, we were required to add significant reserves for slow-moving inventory," reported Bill Volz, president of LOGIC Devices.

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"We have clearly reached a point in our cost reduction efforts where profitability can be reached at very modest revenue levels. However, during the middle of fiscal 2005, we struggled to achieve even the limited quarterly revenues we have experienced in past few years. This is a reflection of continued aging of our overall product line. In recent years, we have not introduced new products at a rate adequate to offset declining revenues on older products. Consequently, new product development continues to be our primary focus and urgent priority. While not contributing revenues in fiscal 2005, our recently introduced video frame buffer chips are at the design-in phase at a number of customer sites. Additionally, the core memory technology in these chips is the basis for the accelerating rate of additional new product introductions addressing communications and networking applications that we anticipate in 2006," continued Volz.

"We continue to tightly manage operations and maintain strong liquidity. Our fiscal year-end quick and current ratios were 7.4 and 28.5 to 1, respectively, and our liabilities remain low at only \$309,400. Since we are able to support most customer shipments from existing inventory, we generate strong cash flow that substantially exceeds profitability and supports the sizeable capital expenditures necessary for new product tooling. Our near-term order visibility suggests that revenues will exceed 2005 levels for at least the next couple of quarters," concluded Volz.

*"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Any statements in this press release regarding expectations of future events are "forward-looking statements" involving risks and uncertainties, including, but not limited to, market acceptance risks, the effect of economic conditions and shifts in supply and demand, the impact of competitive products and pricing, product development, commercialization and technological difficulties, availability of capital, and capacity and supply constraints. Please refer to the Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) for a discussion of risks in the most recent LOGIC Devices Annual Report on Form 10-K and the quarterly report under Form 10-Q.*

LOGIC Devices is a fabless semiconductor manufacturer focused on developing high performance digital integrated circuits for applications requiring high-density embedded memory, high speed and low power consumption. LOGIC's product solutions meet the requirements of leading broadcast video, medical imaging, surveillance, instrumentation, and telecommunications companies. More information about LOGIC Devices is available at [www.logicdevices.com](http://www.logicdevices.com).

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FINANCIAL HIGHLIGHTS:

	<i>Fiscal Quarter Ended</i>	
	<u>September 30, 2005</u>	<u>September 30, 2004</u>
Net revenues	\$ 1,014,800	\$ 1,007,000
Loss from operations	\$ (813,300)	\$ (213,500)
Net loss	\$ (808,300)	\$ (211,000)
Loss per share	\$ (0.12)	\$ (0.03)
Basic and diluted weighted average shares	6,753,188	6,743,188