

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2017

(in millions except per share amounts)
(unaudited)

	GAAP	Share-based compensation expense	Acquisition-related acquired inventory valuation costs, intangible asset amortization and other costs	Impact of changes in distributor	Manufacturing excursion	Special charges and other, net	Gain on equity method investment	Non-cash other expense, net	Loss on settlement of convertible debt	Impairment on available-for-sale investments	Non-recurring tax events	Discontinued operations	Non-GAAP
Net sales	\$ 3,407.8	-	-	93.9	-	-	-	-	-	-	-	-	\$ 3,501.7
Cost of sales	1,650.6	(18.7)	(189.8)	43.6	0.5	-	-	-	-	-	-	-	1,486.2
Gross profit	1,757.2	18.7	189.8	50.3	(0.5)	-	-	-	-	-	-	-	2,015.5
Gross profit percentage	51.6%												57.6%
Research and development	545.3	(46.8)	(0.8)	-	-	-	-	-	-	-	-	-	497.7
Selling, general and administrative	499.8	(62.6)	(27.2)	-	-	-	-	-	-	-	-	-	410.0
Amortization of acquired intangible assets	337.7	-	(337.7)	-	-	-	-	-	-	-	-	-	-
Special charges and other, net	98.6	-	-	-	-	(98.6)	-	-	-	-	-	-	-
Operating expenses	1,481.4	(109.4)	(365.7)	-	-	(98.6)	-	-	-	-	-	-	907.7
Operating income	275.8	128.1	555.4	50.3	(0.5)	98.6	-	-	-	-	-	-	1,107.7
Operating income percentage	8.1%												31.6%
Losses on equity method investments	(0.2)	-	-	-	-	-	-	-	-	-	-	-	(0.2)
Other expense, net	(185.8)	-	-	-	-	-	(0.5)	57.9	43.9	1.4	-	-	(83.1)
Income from continuing operations before income taxes	89.8	128.1	555.5	50.3	(0.5)	98.6	(0.5)	57.9	43.9	1.4	-	-	1,024.5
Income tax (benefit) provision	(80.8)	44.2	37.2	4.2	(0.2)	35.4	(0.2)	21.2	16.1	0.5	9.8	-	87.4
Net income from continuing operations	170.6	83.9	518.3	46.1	(0.3)	63.2	(0.3)	36.7	27.8	0.9	(9.8)	-	937.1
Discontinued operations:													
Loss from discontinued operations before income taxes	(7.6)	-	-	-	-	-	-	-	-	-	-	7.6	-
Income tax benefit	(1.6)	-	-	-	-	-	-	-	-	-	-	1.6	-
Net loss from discontinued operations	(6.0)	-	-	-	-	-	-	-	-	-	-	6.0	-
Net income	\$ 164.6	83.9	518.3	46.1	(0.3)	63.2	(0.3)	36.7	27.8	0.9	(9.8)	6.0	\$ 937.1
Net income percentage	4.8%												26.8%
Diluted net income per common share													
Net income from continuing operations	\$ 0.73												\$ 3.99
Net loss from discontinued operations	(0.02)												-
Net income	\$ 0.71												\$ 3.99
Diluted common shares outstanding	234.8												234.8