MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2019

(in millions except per share amounts)
(unaudited)

	GAAP	Impact of changes in distributor inventory levels	Share-based compensation expense	Acquisition-related costs	Excess capacity charges to normalize acquired inventory levels	Acquired inventory valuation costs	Amortization of acquired intangible assets	Special charges and other, net	Loss on settlement of debt	Non-cash other expense	Losses on available-for-sale investments	Other non-GAAP tax adjustment	Non-GAAP
Net sales	$ 5,349.5	126.3	-	-	-	-	-	-	-	-	-	-	$ 5,475.8
Cost of sales	2,418.2	42.9	(14.9)	(0.9)	(2.3)	(365.7)	-	-	-	-	-	-	2,077.3
Gross profit	2,931.3	83.4	14.9	0.9	2.3	365.7	-	-	-	-	-	-	3,398.5
Gross profit percentage	54.8%												62.1%
Research and development	826.3	-	(72.0)	(1.5)	-	-	-	-	-	-	-	-	752.8
Selling, general and administrative	682.9	-	(62.3)	(41.7)	-	-	-	-	-	-	-	-	578.9
Amortization of acquired intangible assets	674.1	-	-	-	-	-	(674.1)	-	-	-	-	-	-
Special charges and other, net	33.7	-	-	-	-	-	-	(33.7)	-	-	-	-	-
Operating expenses	2,217.0	-	(134.3)	(43.2)	-	-	(674.1)	(33.7)	-	-	-	-	1,331.7
Operating income	714.3	83.4	149.2	44.1	2.3	365.7	674.1	33.7	-	-	-	-	2,066.8
Operating income percentage	13.4%												37.7%
Losses on equity method investments	(0.2)	-	-	-	-	-	-	-	-	-	-	-	(0.2)
Other expense, net	(509.6)	-	-	(12.5)	-	-	-	-	12.6	124.3	6.0	-	(379.2)
Income before income taxes	204.5	83.4	149.2	31.6	2.3	365.7	674.1	33.7	12.6	124.3	6.0	-	1,687.4
Income tax (benefit) provision	(151.4)	-	-	-	-	-	-	-	-	-	-	202.5	51.1
Net income	$ 355.9	83.4	149.2	31.6	2.3	365.7	674.1	33.7	12.6	124.3	6.0	(202.5)	$ 1,636.3
Net income percentage	6.7%												29.9%
Diluted net income per common share	$ 1.42												$ 6.55
Diluted common shares outstanding	249.9												249.9