MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2018

(in millions except per share amounts)
(unaudited)

	GAAP	Impact of changes in distributor inventory levels	Share-based compensation expense	Acquisition-related costs	Acquired inventory valuation costs	Amortization of acquired intangible assets	Special (income) 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	$ 1,374.7	41.3	-	-	-	-	-	-	-	-	-	$ 1,416.0
Cost of sales	595.1	17.5	(3.4)	-	(74.3)	-	-	-	-	-	-	534.9
Gross profit	779.6	23.8	3.4	-	74.3	-	-	-	-	-	-	881.1
Gross profit percentage	56.7%											62.2%
Research and development	217.7	-	(19.4)	(0.3)	-	-	-	-	-	-	-	198.0
Selling, general and administrative	174.8	-	(16.6)	(5.1)	-	-	-	-	-	-	-	153.1
Amortization of acquired intangible assets	193.7	-	-	-	-	(193.7)	-	-	-	-	-	-
Special (income) charges and other, net	(1.3)	-	-	-	-	-	1.3	-	-	-	-	-
Operating expenses	584.9	-	(36.0)	(5.4)	-	(193.7)	1.3	-	-	-	-	351.1
Operating income	194.7	23.8	39.4	5.4	74.3	193.7	(1.3)	-	-	-	-	530.0
Operating income percentage	14.2%											37.4%
Losses on equity method investments	(0.1)	-	-	-	-	-	-		-	-	-	(0.1)
Other expense, net	(139.6)	-	-	-	-	-	-	0.2	29.2	0.6	-	(109.6)
Income before income taxes	55.0	23.8	39.4	5.4	74.3	193.7	(1.3)	0.2	29.2	0.6	-	420.3
Income tax provision	5.8	-	-	-	-	-	-	-	-	-	8.9	14.7
Net income	$ 49.2	23.8	39.4	5.4	74.3	193.7	(1.3)	0.2	29.2	0.6	(8.9)	$ 405.6
Net income percentage	3.6%											28.6%
Diluted net income per common share	$ 0.20											$ 1.66
Diluted common shares outstanding	244.6											244.6