MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE 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	Manufacturing excursion	Special charges and other, net	Non-cash other expense, net	Loss on settlement of convertible debt	Non-recurring tax events	Tax adjustment in accordance with ASC 740-270	Non-GAAP
Net sales	$ 902.7	-	-	-	-	-	-	-	-	$ 902.7
Cost of sales	369.9	(3.2)	-	1.3	-	-	-	-	-	368.0
Gross profit	532.8	3.2	-	(1.3)	-	-	-	-	-	534.7
Gross profit percentage	59.0%									59.2%
Research and development	127.1	(9.2)	(0.8)	-	-	-	-	-	-	117.1
Selling, general and administrative	111.2	(9.6)	(5.1)	-	-	-	-	-	-	96.5
Amortization of acquired intangible assets	94.3	-	(94.3)	-	-	-	-	-	-	-
Special charges and other, net	46.1	-	-	-	(46.1)	-	-	-	-	-
Operating expenses	378.7	(18.8)	(100.2)	-	(46.1)	-	-	-	-	213.6
Operating income	154.1	22.1	100.2	(1.3)	46.1	-	-	-	-	321.2
Operating income percentage	17.1%									35.6%
Losses on equity method investments	(0.1)	-	-	-	-	-	-	-	-	(0.1)
Other expense, net	(82.2)	-	-	-	-	19.6	43.9	-	-	(18.7)
Income from continuing operations before income taxes	71.8	22.1	100.2	(1.3)	46.1	19.6	43.9	-	-	302.4
Income tax (benefit) provision	(65.1)	7.6	8.5	(0.5)	17.3	7.2	16.1	(0.5)	34.9	25.5
Net income from continuing operations	136.9	14.5	91.7	(0.8)	28.8	12.4	27.8	0.5	(34.9)	276.9
Discontinued operations:										
Loss from discontinued operations before income taxes	-	-	-	-	-	-	-	-	-	-
Income tax benefit	-	-	-	-	-	-	-	-	-	-
Net loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income	$ 136.9	14.5	91.7	(0.8)	28.8	12.4	27.8	0.5	(34.9)	$ 276.9
Net income percentage	15.2%									30.7%
Diluted net income per common share										
Net income from continuing operations	$ 0.57									$ 1.16
Net loss from discontinued operations	-									-
Net income	$ 0.57									$ 1.16
Diluted common shares outstanding	239.2									239.2