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

(in millions except per share amounts)
(unaudited)

	GAAP	Share-based compensation expense	Acquisition-related restructuring, acquired inventory valuation costs, intangible asset amortization and other costs	Special charges and other, net	Non-cash other expense, net	Loss on settlement of convertible debt	Impairment on available-for-sale investments	Non-recurring tax events	Tax adjustment in accordance with ASC 740-270	Non-GAAP
Net sales	$ 1,002.3	-	-	-	-	-	-	-	-	$ 1,002.3
Cost of sales	387.2	(3.3)	-	-	-	-	-	-	-	383.9
Gross profit	615.1	3.3	-	-	-	-	-	-	-	618.4
Gross profit percentage	61.4%									61.7%
Research and development	133.5	(10.7)	0.1	-	-	-	-	-	-	122.9
Selling, general and administrative	114.5	(9.3)	(5.3)	-	-	-	-	-	-	99.9
Amortization of acquired intangible assets	122.8		(122.8)	-	-	-	-	-	-	-
Special charges and other, net	0.2	-	-	(0.2)	-	-	-	-	-	-
Operating expenses	371.0	(20.0)	(128.0)	(0.2)	-	-	-	-	-	222.8
Operating income	244.1	23.3	128.0	0.2	-	-	-	-	-	395.6
Operating income percentage	24.4%									39.5%
Losses on equity method investments	(0.1)	-	-	-	-	-	-	-	-	(0.1)
Other expense, net	(55.8)	-	-	-	28.1	-	15.5	-	-	(12.2)
Income before income taxes	188.2	23.3	128.1	0.2	28.1	-	15.5	-	-	383.4
Income tax provision (benefit)	41.5	6.4	10.0	(0.1)	8.1	-	0.1	(38.9)	5.0	32.1
Net income from continuing operations	146.7	16.9	118.1	0.3	20.0	-	15.4	38.9	(5.0)	351.3
Discontinued operations:										
Loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
Income tax benefit	-	-	-	-	-	-	-	-	-	-
Net loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income	$ 146.7	16.9	118.1	0.3	20.0	-	15.4	38.9	(5.0)	$ 351.3
Net income percentage	14.6%									35.0%
Diluted net income per common share										
Net income from continuing operations	$ 0.58									$ 1.40
Net loss from discontinued operations	-									-
Net income	$ 0.58									$ 1.40
Diluted common shares outstanding	251.5									251.5