MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2018

(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	$ 1,432.5	80.8	-	-	-	-	-	-	-	-	-	-	$ 1,513.3
Cost of sales	743.2	24.7	(3.9)	-	(2.3)	(182.1)	-	-	-	-	-	-	579.6
Gross profit	689.3	56.1	3.9	-	2.3	182.1	-	-	-	-	-	-	933.7
Gross profit percentage	48.1%												61.7%
Research and development	221.9	-	(19.7)	(0.7)	-	-	-	-	-	-	-	-	201.5
Selling, general and administrative	176.6	-	(17.8)	(5.9)	-	-	-	-	-	-	-	-	152.9
Amortization of acquired intangible assets	169.9	-	-	-	-	-	(169.9)	-	-	-	-	-	-
Special charges and other, net	18.2	-	-	-	-	-	-	(18.2)	-	-	-	-	-
Operating expenses	586.6	-	(37.5)	(6.6)	-	-	(169.9)	(18.2)	-	-	-	-	354.4
Operating income	102.7	56.1	41.4	6.6	2.3	182.1	169.9	18.2	-	-	-	-	579.3
Operating income percentage	7.2%												38.3%
Losses on equity method investments	(0.1)	-	-	-	-	-	-	-		-	-	-	(0.1)
Other expense, net	(142.0)	-	-	-	-	-	-	-	4.1	28.9	0.9	-	(108.1)
(Loss) income before income taxes	(39.4)	56.1	41.4	6.6	2.3	182.1	169.9	18.2	4.1	28.9	0.9	-	471.1
Income tax (benefit) provision	(135.7)	-	-	-	-	-	-	-	-	-	-	152.2	16.5
Net income	$ 96.3	56.1	41.4	6.6	2.3	182.1	169.9	18.2	4.1	28.9	0.9	(152.2)	$ 454.6
Net income percentage	6.7%												30.0%
Diluted net income per common share	$ 0.38												$ 1.81
Diluted common shares outstanding	251.8												251.8