MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED JUNE 30, 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 charges and other, net	Non-cash other expense, net	(Gains) losses on available-for-sale investments	Other non-GAAP tax adjustment	Non-GAAP
Net sales	$ 1,212.5	4.3	—	—	—	—	—	—	—	—	$ 1,216.8
Cost of sales	570.5	0.9	(3.6)	(0.2)	(107.5)	—	—	—	—	—	460.1
Gross profit	642.0	3.4	3.6	0.2	107.5	—	—	—	—	—	756.7
Gross profit percentage	52.9 %										62.2 %
Research and development	171.9	—	(14.1)	(0.3)	—	—	—	—	—	—	157.5
Selling, general and administrative	164.0	—	(11.7)	(26.6)	—	—	—	—	—	—	125.7
Amortization of acquired intangible assets	133.7	—	—	—	—	(133.7)	—	—	—	—	—
Special charges and other, net	40.1	—	—	—	—	—	(40.1)	—	—	—	—
Operating expenses	509.7	—	(25.8)	(26.9)	—	(133.7)	(40.1)	—	—	—	283.2
Operating income	132.3	3.4	29.4	27.1	107.5	133.7	40.1	—	—	—	473.5
Operating income percentage	10.9 %										38.9 %
Losses on equity method investments	(0.1)	—	—	—	—	—	—	—	—	—	(0.1)
Other expense, net	(94.5)	—	—	—	—	—	—	36.5	5.2	—	(52.8)
Income before income taxes	37.7	3.4	29.4	27.1	107.5	133.7	40.1	36.5	5.2	—	420.6
Income tax (benefit) provision	2.0	—	—	—	—	—	—	—	—	12.8	14.8
Net income	$ 35.7	3.4	29.4	27.1	107.5	133.7	40.1	36.5	5.2	(12.8)	$ 405.8
Net income percentage	2.9 %										33.3 %
Diluted net income per common share	$ 0.14										$ 1.61
Diluted common shares outstanding	252.2										252.2