MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED DECEMBER 31, 2017

(in thousands except per share amounts)
(unaudited)

	GAAP	Share-based compensation expense	Acquisition-related restructuring, 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	$ 2,978,485	-	-	-	-	-	-	-	-	$ 2,978,485
Cost of sales	1,172,893	(10,587)	-	660	-	-	-	-	-	1,162,966
Gross profit	1,805,592	10,587	-	(660)	-	-	-	-	-	1,815,519
Gross profit percentage	60.6%									61.0%
Research and development	395,656	(31,797)	-	-	-	-	-	-	-	363,859
Selling, general and administrative	337,620	(27,637)	(4,798)	-	-	-	-	-	-	305,185
Amortization of acquired intangible assets	362,761		(362,761)	-	-	-	-	-	-	-
Special charges and other, net	17,312	-	-	-	(17,312)	-	-	-	-	-
Operating expenses	1,113,349	(59,434)	(367,559)	-	(17,312)	-	-	-	-	669,044
Operating income	692,243	70,021	367,559	(660)	17,312	-	-	-	-	1,146,475
Operating income percentage	23.2%									38.5%
Losses on equity method investments	(167)	-	-	-	-	-	-	-	-	(167)
Other expense, net	(142,985)	-	-	-	-	81,866	15,966	-	-	(45,153)
Income before income taxes	549,091	70,021	367,559	(660)	17,312	81,866	15,966	-	-	1,101,155
Income tax provision (benefit)	440,434	21,878	29,414	(241)	5,959	27,763	5,205	(428,592)	(4,970)	96,850
Net income from continuing operations	108,657	48,143	338,145	(419)	11,353	54,103	10,761	428,592	4,970	1,004,305
Discontinued operations:										
Loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
Income tax benefit	-	-	-	-	-	-	-	-	-	-
Net loss from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income	$ 108,657	48,143	338,145	(419)	11,353	54,103	10,761	428,592	4,970	$ 1,004,305
Net income percentage	3.6%									33.7%
Diluted net income per common share										
Net income from continuing operations	$ 0.44									$ 4.05
Net loss from discontinued operations	-									-
Net income	$ 0.44									$ 4.05
Diluted common shares outstanding	248,024									248,024