MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED DECEMBER 31, 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 (income) 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	$ 4,019.7	126.4	-	-	-	-	-	-	-	-	-	-	$ 4,146.1
Cost of sales	1,908.8	43.1	(10.9)	(0.2)	(2.3)	(363.9)	-	-	-	-	-	-	1,574.6
Gross profit	2,110.9	83.3	10.9	0.2	2.3	363.9	-	-	-	-	-	-	2,571.5
Gross profit percentage	52.5%												62.0%
Research and development	611.6	-	(53.2)	(1.5)	-	-	-	-	-	-	-	-	556.9
Selling, general and administrative	515.5	-	(46.1)	(37.6)	-	-	-	-	-	-	-	-	431.8
Amortization of acquired intangible assets	497.2	-	-	-	-	-	(497.2)	-	-	-	-	-	-
Special charges and other, net	57.0	-	-	-	-	-	-	(57.0)	-	-	-	-	-
Operating expenses	1,681.3	-	(99.3)	(39.1)	-	-	(497.2)	(57.0)	-	-	-	-	988.7
Operating income	429.6	83.3	110.2	39.3	2.3	363.9	497.2	57.0	-	-	-	-	1,582.8
Operating income percentage	10.7%												38.2%
Losses on equity method investments	(0.2)	-	-	-	-	-	-	-	-	-	-	-	(0.2)
Other expense, net	(376.1)	-	-	-	-	-	-	-	4.3	94.6	6.7	-	(270.5)
Income before income taxes	53.3	83.3	110.2	39.3	2.3	363.9	497.2	57.0	4.3	94.6	6.7	-	1,312.1
Income tax (benefit) provision	(127.9)	-	-	-	-	-	-	-	-	-	-	173.9	46.0
Net income	$ 181.2	83.3	110.2	39.3	2.3	363.9	497.2	57.0	4.3	94.6	6.7	(173.9)	$ 1,266.1
Net income percentage	4.5%												30.5%
Diluted net income per common share	$ 0.73												$ 5.07
Diluted common shares outstanding	249.5												249.5