MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED DECEMBER 31, 2018
(in millions except per share amounts)
(unaudited)

Net sales	$ 4,019.7											
	GAAP	Share-based compensation expense	Acquisition-related costs	Excess capacity charges	Acquired inventory valuation costs	Amortization of acquired intangible assets	Special charges (income) and other, net	Non-cash other expense, net	Losses (gains) on available-for-sale investments	Loss on settlement of debt	Other non-GAAP tax adjustment	Non-GAAP
Cost of sales	$ 1,908.8	(10.9)	(0.2)	(2.3)	(363.9)	—	—	—	—	—	—	$ 1,531.5
Gross profit	2,110.9	10.9	0.2	2.3	363.9	—	—	—	—	—	—	2,488.2
Gross profit percentage	52.5%											61.9%
Research and development	611.6	(53.2)	(1.3)	—	—	—	—	—	—	—	—	557.1
Selling, general and administrative	515.5	(46.1)	(37.6)	—	—	—	—	—	—	—	—	431.8
Amortization of acquired intangible assets	497.2	—	—	—	—	(497.2)	—	—	—	—	—	—
Special charges (income) and other, net	57.0	—	—	—	—	—	(57.0)	—	—	—	—	—
Operating expenses	1,681.3	(99.3)	(38.9)	—	—	(497.2)	(57.0)	—	—	—	—	988.9
Operating income	429.6	110.2	39.1	2.3	363.9	497.2	57.0	—	—	—	—	1,499.3
Operating income percentage	10.7%											37.3%
Losses on equity method investments	(0.2)	—	—	—	—	—	—	—	—	—	—	(0.2)
Other expense, net	(376.1)	—	—	—	—	—	—	94.6	6.7	4.3	—	(270.5)
Income before income taxes	53.3	110.2	39.1	2.3	363.9	497.2	57.0	94.6	6.7	4.3	—	1,228.6
Income tax (benefit) provision	(127.9)	—	—	—	—	—	—	—	—	—	173.9	46.0
Net income	$ 181.2	110.2	39.1	2.3	363.9	497.2	57.0	94.6	6.7	4.3	(173.9)	$ 1,182.6
Net income percentage	4.5%											29.4%
Diluted net income per common share	$ 0.73											$ 4.74
Diluted common shares outstanding	249.5											249.5