MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2018
(in millions except per share amounts)
(unaudited)

Net sales	$ 1,432.5												
	GAAP	Share-based compensation expense	Acquisition-related costs	Excess capacity charges	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	Loss on settlement of debt	Other non-GAAP tax adjustment	Non-GAAP
Cost of sales	$ 743.2	(3.9)	—	(2.3)	(182.1)	—	—	—	—	—	—	$ 554.9
Gross profit	689.3	3.9	—	2.3	182.1	—	—	—	—	—	—	877.6
Gross profit percentage	48.1 %											61.3 %
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	41.4	6.6	2.3	182.1	169.9	18.2	—	—	—	—	523.2
Operating income percentage	7.2 %											36.5 %
Losses on equity method investments	(0.1)	—	—	—	—	—	—	—	—	—	—	(0.1)
Other expense, net	(142.0)	—	—	—	—	—	—	28.9	0.9	4.1	—	(108.1)
Income (loss) before income taxes	(39.4)	41.4	6.6	2.3	182.1	169.9	18.2	28.9	0.9	4.1	—	415.0
Income tax (benefit) provision	(135.7)	—	—	—	—	—	—	—	—	—	152.2	16.5
Net income	$ 96.3	41.4	6.6	2.3	182.1	169.9	18.2	28.9	0.9	4.1	(152.2)	$ 398.5
Net income percentage	6.7 %											27.8 %
Diluted net income per common share	$ 0.38											$ 1.58
Diluted common shares outstanding	251.8											251.8