

**Silicon Motion Technology Corporation**  
**Reconciliation of Non-GAAP to GAAP Income Statement**  
**For The Three Months Ended on Mar. 31, 2017**  
(in \$m except % amounts & per ADS amounts, unaudited)

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of intangible assets	Litigat. Exp.	FX Gain / (Loss)	GAAP	% of Revenue
<b>Revenue</b>	<b>127.3</b>	<b>100%</b>					<b>127.3</b>	<b>100%</b>
Cost of sales	62.4	49%	0.1				62.5	49%
<b>Gross profit</b>	<b>64.9</b>	<b>51%</b>	<b>(0.1)</b>				<b>64.8</b>	<b>51%</b>
Research & development	22.5	18%	1.9				24.3	19%
Sales & marketing	5.1	4%	0.6				5.8	5%
General & administrative	3.6	3%	0.6		0.0		4.2	3%
Amortization of intangible assets				0.5			0.5	0%
Total operating expenses	31.2	25%	3.1	0.5	0.0		34.8	27%
<b>Operating income</b>	<b>33.6</b>	<b>26%</b>	<b>(3.1)</b>	<b>(0.5)</b>	<b>(0.0)</b>		<b>30.0</b>	<b>24%</b>
Other income / (expense)	0.8	1%				(0.3)	0.4	0%
Income before income taxes	34.4	27%	(3.1)	(0.5)	(0.0)	(0.3)	30.4	24%
Provision for income taxes	9.3	7%	(2.4)	0.0	0.0	(0.0)	6.9	5%
<b>Net income</b>	<b>25.1</b>	<b>20%</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>23.5</b>	<b>18%</b>
Earnings per ADS, diluted	0.70						0.65	
Diluted ADS	36.1						36.0	
Effective tax rate	27%						23%	