

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For The Three Months Ended on Dec. 31, 2015
(in \$m except % amounts & per ADS amounts, unaudited)

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of intangible assets	Acquisition costs	Litigat. Exp.	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	98.0	100%						98.0	100%
Cost of sales	48.9	50%	0.1					49.0	50%
Gross profit	49.1	50%	(0.1)					49.0	50%
Research & development	16.0	16%	3.3					19.3	20%
Sales & marketing	5.3	5%	0.9					6.1	6%
General & administrative	4.0	4%	0.9		0.0	0.0		5.0	5%
Amortization of intangible assets				0.5				0.5	1%
Total operating expenses	25.3	26%	5.1	0.5	0.0	0.0		31.0	32%
Operating income	23.9	24%	(5.2)	(0.5)	(0.0)	(0.0)		18.1	18%
Other income / (expense)	0.5	0%					(0.5)	(0.1)	0%
Income before income taxes	24.3	25%	(5.2)	(0.5)	(0.0)	(0.0)	(0.5)	18.0	18%
Provision for income taxes	4.7	5%	0.0	0.0	0.0	(0.0)	(0.1)	4.6	5%
Net income	19.7	20%	(5.2)	(0.5)	(0.0)	(0.0)	(0.5)	13.4	14%
Earnings per ADS, diluted	0.55							0.38	
Diluted ADS	35.5							35.3	
Effective tax rate	19%							25%	

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For The Year Ended on Dec. 31, 2015
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(\$m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of intangible assets	Acquisition costs	Litigat. Exp.	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	361.3	100%						361.3	100%
Cost of sales	176.5	49%	0.3					176.8	49%
Gross profit	184.8	51%	(0.3)					184.5	51%
Research & development	64.6	18%	6.6					71.2	20%
Sales & marketing	18.4	5%	1.8					20.2	6%
General & administrative	13.4	4%	1.8		0.4	0.1		15.7	4%
Amortization of intangible assets	0.0			1.1				1.1	0%
Total operating expenses	96.4	27%	10.2	1.1	0.4	0.1		108.1	30%
Operating income	88.4	24%	(10.4)	(1.1)	(0.4)	(0.1)		76.4	21%
Other income / (expense)	2.0	1%					0.1	2.1	1%
Income before income taxes	90.4	25%	(10.4)	(1.1)	(0.4)	(0.1)	0.1	78.5	22%
Provision for income taxes	16.3	5%	0.0			(0.0)	1.9	18.2	5%
Net income	74.1	21%	(10.5)	(1.1)	(0.4)	(0.1)	(1.8)	60.3	17%
Earnings per ADS, diluted	2.11							1.73	
Diluted ADS	35.1							34.9	
Effective tax rate	18%							23%	