

Silicon Motion Technology Corporation
Reconciliation of Non-GAAP to GAAP Income Statement
For The Three Months Ended on Dec. 31, 2016
(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)	Impairment loss of long-term investment	GAAP	% of Revenue
Revenue	144.2	100%						144.2	100%
Cost of sales	71.9	50%	0.2					72.1	50%
Gross profit	72.3	50%	(0.2)					72.1	50%
Research & development	21.0	15%	5.1					26.0	18%
Sales & marketing	4.2	3%	1.5					5.7	4%
General & administrative	3.4	2%	1.7		0.0			5.0	4%
Amortization of intangible assets				0.5				0.5	0%
Total operating expenses	28.5	20%	8.2	0.5	0.0			37.3	26%
Operating income	43.8	30%	(8.4)	(0.5)	(0.0)			34.9	24%
Other income / (expense)	0.6	0%				0.1	0.0	0.7	0%
Income before income taxes	44.4	31%	(8.4)	(0.5)	(0.0)	0.1	0.0	35.6	25%
Provision for income taxes	10.6	7%	(1.1)	0.0	0.0		0.0	9.4	7%
Net income	33.9	23%	(7.3)	(0.5)	(0.0)	0.1	0.0	26.2	18%
Earnings per ADS, diluted	0.95							0.73	
Diluted ADS	35.8							35.6	
Effective tax rate	24%							26%	