

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

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Amortization of intangible assets	Litigat. Exp.	Impairment loss of goodwill	Impairment of long-term investment	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	136.2	100%							136.2	100%
Cost of sales	72.7	53%	0.2						72.9	54%
Gross profit	63.5	47%	(0.2)						63.3	46%
Research & development	22.8	17%	5.1						27.9	21%
Sales & marketing	6.2	5%	1.2						7.4	5%
General & administrative	3.5	3%	1.6		0.0				5.0	4%
Amortization of intangible assets				0.9					0.9	1%
Impairment loss of goodwill						10.3			10.3	8%
Gain from disposal of other assets	(1.9)	-1%							(1.9)	-1%
Total operating expenses	30.6	22%	7.9	0.9	0.0	10.3			49.7	36%
Operating income	32.9	24%	(8.1)	(0.9)	(0.0)	(10.3)			13.6	10%
Other income / (expense)	1.2	1%					(0.1)	(0.4)	0.6	0%
Income before income taxes	34.1	25%	(8.1)	(0.9)	(0.0)	(10.3)	(0.1)	(0.4)	14.2	10%
Provision for income taxes	5.7	4%	(1.3)	0.0	0.0	0.0	0.0	0.0	4.3	3%
Net income	28.4	21%	(6.7)	(0.9)	(0.0)	(10.3)	(0.1)	(0.5)	9.9	7%
Earnings per ADS, diluted	0.79								0.27	
Diluted ADS	36.2								36.0	
Effective tax rate	17%								30%	

