



**Silicon Motion Technology Corporation**  
**Reconciliation of Non-GAAP to GAAP Income Statement**  
**For The Three Months Ended on Sep 30, 2018**  
(in \$m except % amounts & per ADS amounts, unaudited)

(\$m)

	<b>Non-GAAP</b>	<b>% of Revenue</b>	<b>Stock-Based Comp.</b>	<b>Amortization of Intangible Assets</b>	<b>Litigat. Exp.</b>	<b>Gain/(Loss) on Equity-method Investment</b>	<b>FX Gain / (Loss)</b>	<b>GAAP</b>	<b>% of Revenue</b>
<b>Revenue</b>	<b>138.6</b>	<b>100%</b>						<b>138.6</b>	<b>100%</b>
Cost of sales	67.9	49%	0.1					68.0	49%
<b>Gross profit</b>	<b>70.7</b>	<b>51%</b>	<b>(0.1)</b>					<b>70.6</b>	<b>51%</b>
Research & development	22.7	16%	2.8					25.5	18%
Sales & marketing	6.8	5%	0.9					7.7	6%
General & administrative	3.6	3%	0.8		0.0			4.4	3%
Amortization of intangible assets				0.7				0.7	1%
Total operating expenses	33.1	24%	4.5	0.7	0.0			38.3	28%
<b>Operating income</b>	<b>37.5</b>	<b>27%</b>	<b>(4.5)</b>	<b>(0.7)</b>	<b>(0.0)</b>			<b>32.2</b>	<b>23%</b>
Other income / (expense)	1.7	1%				(0.1)	(0.7)	0.8	1%
Income before income taxes	39.2	28%	(4.5)	(0.7)	(0.0)	(0.1)	(0.7)	33.0	24%
Provision for income taxes	4.7	3%	(0.8)	0.0	(0.0)	0.0	(0.1)	3.9	3%
<b>Net income</b>	<b>34.5</b>	<b>25%</b>	<b>(3.8)</b>	<b>(0.7)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>29.2</b>	<b>21%</b>
Earnings per ADS, diluted	0.95							0.81	
Diluted ADS	36.3							36.2	
Effective tax rate	12%							12%	