

Waters Corporation and Subsidiaries
Quarterly Reconciliation of GAAP to Adjusted Non-GAAP Financials
(in thousands, except per share data)

The 2012 and 2011 adjusted amounts presented below are used by the management of the Company to measure operating performance with prior periods and forecasts and are not in accordance with generally accepted accounting principles (GAAP). The Company believes that the use of Non-GAAP measures, such as Non-GAAP Earnings Per Share (E.P.S.) and Non-GAAP Operating Income, help management and investors gain a better understanding of our core operating results and future prospects, and is consistent with how management measures compensation and forecasts the Company's performance. The reconciliation identifies items management has excluded as non-operational transactions. Management has excluded the following items:

- * Purchased Intangibles Amortization and Step-up Expenses were excluded to allow for comparisons of operating results that are consistent over periods of time.
- * Restructuring Costs, Asset Impairments, Acquisition-Related Costs and Other One-time Costs were excluded as the Company believes that costs to consolidate operations, reduce overhead and to complete acquisitions are not indicative of normal operating costs.
- * Non Income Tax Audit Settlement Provision and Litigation Provision were excluded as these costs are isolated, unpredictable and not expected to recur regularly.
- * One time Income Tax Benefit was excluded as these costs and benefits are not indicative of the Company's normal or future income tax expense.

	(Unaudited)			
	Three Months Ended		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
GAAP Gross Profit	\$ 267,250	\$ 274,216	\$ 792,624	\$ 803,514
Asset Impairments	-	-	1,903	-
Adjusted Non-GAAP Gross Profit	\$ 267,250	\$ 274,216	\$ 794,527	\$ 803,514
GAAP Selling and Administrative Expenses (including purchased intangible amortization and litigation provision)	\$ (121,749)	\$ (123,580)	\$ (369,493)	\$ (371,148)
Purchased Intangibles Amortization & Step-up Expenses	6,621	2,501	11,828	7,770
Restructuring Costs, Asset Impairments, Acquisitions & Other One-time Costs	1,756	2,686	4,261	4,640
Non-Income Tax Audit Settlement Provision	-	-	484	-
Litigation Provision	-	-	3,000	-
Adjusted Non-GAAP Selling & Administrative Expenses	\$ (113,372)	\$ (118,393)	\$ (349,920)	\$ (358,738)
GAAP Operating Income	\$ 121,745	\$ 127,264	\$ 352,085	\$ 363,726
Purchased Intangibles Amortization & Step-up Expenses	6,621	2,501	11,828	7,770
Restructuring Costs, Asset Impairments, Acquisitions & Other One-time Costs	1,756	2,686	6,164	4,640
Non-Income Tax Audit Settlement Provision	-	-	484	-
Litigation Provision	-	-	3,000	-
Adjusted Non-GAAP Operating Income	\$ 130,122	\$ 132,451	\$ 373,561	\$ 376,136
GAAP Provision for Income Taxes	\$ (16,713)	\$ (20,461)	\$ (49,094)	\$ (54,750)
Purchased Intangibles Amortization & Step-up Expenses	(2,318)	(808)	(3,971)	(2,499)
Restructuring Costs, Asset Impairments, Acquisitions & Other One-time Costs	(639)	(830)	(2,297)	(1,417)
Non-Income Tax Audit Settlement Provision	-	-	(182)	-
Litigation Provision	-	-	(1,125)	-
One-Time Tax Benefit	-	-	-	(1,617)
Adjusted Non-GAAP Provision for Income Taxes	\$ (19,670)	\$ (22,099)	\$ (56,669)	\$ (60,283)
GAAP Net Income	\$ 99,109	\$ 101,257	\$ 285,499	\$ 295,821
Purchased Intangibles Amortization & Step-up Expenses	4,303	1,693	7,857	5,271
Restructuring Costs, Asset Impairments, Acquisitions & Other One-time Costs	1,117	1,856	3,867	3,223
Non-Income Tax Audit Settlement Provision	-	-	302	-
Litigation Provision	-	-	1,875	-
One-Time Tax Benefit	-	-	-	(1,617)
Adjusted Non-GAAP Net Income	\$ 104,529	\$ 104,806	\$ 299,400	\$ 302,698
GAAP E.P.S.	\$ 1.12	\$ 1.10	\$ 3.19	\$ 3.18
Purchased Intangibles Amortization & Step-up Expenses	0.05	0.02	0.09	0.06
Restructuring Costs, Asset Impairments, Acquisitions & Other One-time Costs	0.01	0.02	0.04	0.03
Non-Income Tax Audit Settlement Provision	-	-	0.00	-
Litigation Provision	-	-	0.02	-
One-Time Tax Benefit	-	-	-	(0.02)
Adjusted Non-GAAP E.P.S.	\$ 1.18	\$ 1.14	\$ 3.35	\$ 3.26