

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 trends, 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 complete acquisitions are infrequent or unusual and are not indicative of normal operating costs.
- * Litigation Provisions and Non-Income Tax Audit Settlement Provisions were excluded as these costs are isolated, unpredictable and not expected to recur regularly.
- * Net Operating Loss Tax Benefit was excluded as this was a one-time tax benefit recognized in 2012 as a result of a refinancing of inter-company debt that allowed the recognition of certain previously reserved deferred tax assets.
- * One-Time Income Tax Benefits were excluded as these costs and benefits are typically the result of audit examination settlements or updates in management's assessment of ongoing examinations and are not indicative of the Company's normal or future income tax expense.

	(Unaudited)			
	Three Months Ended		Twelve Months Ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
GAAP Gross Profit	\$ 313,403	\$ 317,177	\$ 1,106,027	\$ 1,120,691
Asset Impairments	-	-	1,903	-
Adjusted Non-GAAP Gross Profit	\$ 313,403	\$ 317,177	\$ 1,107,930	\$ 1,120,691
GAAP Selling and Administrative Expenses (including Purchased Intangibles Amortization and Litigation Provisions)	\$ (129,040)	\$ (128,596)	\$ (498,533)	\$ (499,744)
Purchased Intangibles Amortization & Step-Up Expenses	2,592	2,813	14,420	10,583
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	1,582	1,651	5,843	6,291
Litigation Provisions	4,434	-	7,434	-
Non-Income Tax Audit Settlement Provisions	-	2,050	484	2,050
Adjusted Non-GAAP Selling & Administrative Expenses	\$ (120,432)	\$ (122,082)	\$ (470,352)	\$ (480,820)
GAAP Operating Income	\$ 159,405	\$ 164,874	\$ 511,490	\$ 528,600
Purchased Intangibles Amortization & Step-Up Expenses	2,592	2,813	14,420	10,583
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	1,582	1,651	7,746	6,291
Litigation Provisions	4,434	-	7,434	-
Non-Income Tax Audit Settlement Provisions	-	2,050	484	2,050
Adjusted Non-GAAP Operating Income	\$ 168,013	\$ 171,388	\$ 541,574	\$ 547,524
GAAP Provision for Income Tax Benefit (Expense)	\$ 22,912	\$ (21,534)	\$ (26,182)	\$ (76,284)
Purchased Intangibles Amortization & Step-Up Expenses	(630)	(910)	(4,601)	(3,409)
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	(567)	(567)	(2,864)	(1,984)
Litigation Provisions	(1,663)	-	(2,788)	-
Non-Income Tax Audit Settlement Provisions	-	(759)	(182)	(759)
Net Operating Loss Tax Benefit	(36,250)	-	(36,250)	-
One-Time Income Tax Benefits	(6,035)	-	(6,035)	(1,617)
Adjusted Non-GAAP Provision for Income Tax Benefit (Expense)	\$ (22,233)	\$ (23,770)	\$ (78,902)	\$ (84,053)
GAAP Net Income	\$ 175,944	\$ 137,147	\$ 461,443	\$ 432,968
Purchased Intangibles Amortization & Step-Up Expenses	1,962	1,903	9,819	7,174
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	1,015	1,084	4,882	4,307
Litigation Provisions	2,771	-	4,646	-
Non-Income Tax Audit Settlement Provisions	-	1,291	302	1,291
Net Operating Loss Tax Benefit	(36,250)	-	(36,250)	-
One-Time Income Tax Benefits	(6,035)	-	(6,035)	(1,617)
Adjusted Non-GAAP Net Income	\$ 139,407	\$ 141,425	\$ 438,807	\$ 444,123
GAAP E.P.S.	\$ 2.00	\$ 1.51	\$ 5.19	\$ 4.69
Purchased Intangibles Amortization & Step-Up Expenses	0.02	0.02	0.11	0.08
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	0.01	0.01	0.05	0.05
Litigation Provisions	0.03	-	0.05	-
Non-Income Tax Audit Settlement Provisions	-	0.01	0.00	0.01
Net Operating Loss Tax Benefit	(0.41)	-	(0.41)	-
One-Time Income Tax Benefits	(0.07)	-	(0.07)	(0.02)
Adjusted Non-GAAP E.P.S.	\$ 1.59	\$ 1.56	\$ 4.93	\$ 4.81