

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

The 2013 and 2012 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 (EPS) 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.
- * Infrequent Income Tax Items were excluded as these costs and benefits are typically the result of audit examination settlements, updates in management's assessment of ongoing examinations or other unusual tax items and are not indicative of the Company's normal or future income tax expense.

	(Unaudited)			
	Three Months Ended		Six Months Ended	
	June 29, 2013	June 30, 2012	June 29, 2013	June 30, 2012
GAAP Gross Profit	\$ 262,786	\$ 272,206	\$ 518,556	\$ 525,374
Asset Impairments	-	1,903	-	1,903
Adjusted Non-GAAP Gross Profit	\$ 262,786	\$ 274,109	\$ 518,556	\$ 527,277
GAAP Selling and Administrative Expenses (including Purchased Intangibles Amortization, Litigation Provisions and Other Expense, Net)	\$ (125,444)	\$ (128,140)	\$ (246,497)	\$ (247,744)
Purchased Intangibles Amortization & Step-Up Expenses	2,382	2,590	4,821	5,207
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	2,911	2,126	3,938	2,505
Litigation Provisions	-	3,000	-	3,000
Non-Income Tax Audit Settlement Provisions	-	484	-	484
Adjusted Non-GAAP Selling & Administrative Expenses	\$ (120,151)	\$ (119,940)	\$ (237,738)	\$ (236,548)
GAAP Operating Income	\$ 112,692	\$ 120,123	\$ 222,097	\$ 230,340
Purchased Intangibles Amortization & Step-Up Expenses	2,382	2,590	4,821	5,207
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	2,911	4,029	3,938	4,408
Litigation Provisions	-	3,000	-	3,000
Non-Income Tax Audit Settlement Provisions	-	484	-	484
Adjusted Non-GAAP Operating Income	\$ 117,985	\$ 130,226	\$ 230,856	\$ 243,439
GAAP Provision for Income Tax (Expense) Benefit	\$ (15,402)	\$ (16,552)	\$ 2,250	\$ (32,381)
Purchased Intangibles Amortization & Step-Up Expenses	(686)	(814)	(1,392)	(1,653)
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	(1,035)	(1,402)	(1,397)	(1,658)
Litigation Provisions	-	(1,125)	-	(1,125)
Non-Income Tax Audit Settlement Provisions	-	(182)	-	(182)
Infrequent Income Tax Items	659	-	(29,381)	-
Adjusted Non-GAAP Provision for Income Tax Expense	\$ (16,464)	\$ (20,075)	\$ (29,920)	\$ (36,999)
GAAP Net Income	\$ 89,314	\$ 97,724	\$ 210,373	\$ 186,390
Purchased Intangibles Amortization & Step-Up Expenses	1,696	1,776	3,429	3,554
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	1,876	2,627	2,541	2,750
Litigation Provisions	-	1,875	-	1,875
Non-Income Tax Audit Settlement Provisions	-	302	-	302
Infrequent Income Tax Items	659	-	(29,381)	-
Adjusted Non-GAAP Net Income	\$ 93,545	\$ 104,304	\$ 186,962	\$ 194,871
GAAP EPS	\$ 1.03	\$ 1.09	\$ 2.42	\$ 2.08
Purchased Intangibles Amortization & Step-Up Expenses	0.02	0.02	0.04	0.04
Restructuring Costs, Asset Impairments, Acquisitions & Other One-Time Costs	0.02	0.03	0.03	0.03
Litigation Provisions	-	0.02	-	0.02
Non-Income Tax Audit Settlement Provisions	-	0.00	-	0.00
Infrequent Income Tax Items	0.01	-	(0.34)	-
Adjusted Non-GAAP EPS	\$ 1.08	\$ 1.17	\$ 2.15	\$ 2.17