

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

The 2015 and 2014 adjusted amounts presented below are used by the management of the Company to measure operating performance against prior periods and forecasts and are not in accordance with generally accepted accounting principles (GAAP). These Non-GAAP amounts should be considered supplemental to, and not a substitute for, financial performance in accordance with GAAP. The Company believes that the use of Non-GAAP measures, such as Adjusted Non-GAAP Earnings Per Share (EPS) and Adjusted Non-GAAP Operating Income, helps management and investors gain a better understanding of the Company's core operating results, and is consistent with how management measures performance for purposes of executive compensation and forecasts the Company's performance. The reconciliation identifies items management has excluded as non-operational items. Management has excluded the following items:

- * Purchased Intangibles Amortization was 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.
- * Acquired In-Process Research and Development was excluded as the Company believes that the costs to license certain intellectual property are infrequent and are not indicative of normal operating costs. In 2015 and 2014, the Company entered into licensing arrangements for mass spectrometry technologies, primarily related to new medically-focused applications.
- * Litigation 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		Twelve Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
GAAP Selling and Administrative Expenses (including Purchased Intangibles Amortization & Litigation Provisions)	\$ (135,196)	\$ (134,532)	\$ (509,809)	\$ (523,341)
Purchased Intangibles Amortization	2,576	2,616	10,123	10,634
Restructuring Costs, Asset Impairments, Acquisition-Related Costs & Other One-Time Costs	2,435	3,140	7,455	17,697
Litigation Provisions	3,939	-	3,939	-
Adjusted Non-GAAP Selling & Administrative Expenses	\$ (126,246)	\$ (128,776)	\$ (488,292)	\$ (495,010)
GAAP Research & Development Expenses (including Acquired In-Process Research and Development)	\$ (32,191)	\$ (44,180)	\$ (122,400)	\$ (123,182)
Acquired In-Process Research and Development	3,855	15,456	3,855	15,456
Adjusted Non-GAAP Research & Development Expenses	\$ (28,336)	\$ (28,724)	\$ (118,545)	\$ (107,726)
GAAP Operating Income	\$ 181,308	\$ 172,039	\$ 567,451	\$ 517,908
Acquired In-Process Research and Development	3,855	15,456	3,855	15,456
Purchased Intangibles Amortization	2,576	2,616	10,123	10,634
Restructuring Costs, Asset Impairments, Acquisition-Related Costs & Other One-Time Costs	2,435	3,140	7,455	17,697
Litigation Provisions	3,939	-	3,939	-
Adjusted Non-GAAP Operating Income	\$ 194,113	\$ 193,251	\$ 592,823	\$ 561,695
GAAP Provision for Income Tax Expense	\$ (24,184)	\$ (13,181)	\$ (72,866)	\$ (59,120)
Acquired In-Process Research and Development	(786)	(3,323)	(786)	(3,323)
Purchased Intangibles Amortization	(729)	(718)	(2,888)	(3,024)
Restructuring Costs, Asset Impairments, Acquisition-Related Costs & Other One-Time Costs	(606)	(925)	(2,377)	(4,979)
Litigation Provisions	(1,478)	-	(1,478)	-
Infrequent Income Tax Items	959	(357)	2,326	2,383
Adjusted Non-GAAP Provision for Income Tax Expense	\$ (26,824)	\$ (18,504)	\$ (78,069)	\$ (68,063)
GAAP Net Income	\$ 151,054	\$ 151,292	\$ 469,053	\$ 431,620
Acquired In-Process Research and Development	3,069	12,133	3,069	12,133
Purchased Intangibles Amortization	1,847	1,898	7,235	7,610
Restructuring Costs, Asset Impairments, Acquisition-Related Costs & Other One-Time Costs	1,829	2,215	5,078	12,718
Litigation Provisions	2,461	-	2,461	-
Infrequent Income Tax Items	959	(357)	2,326	2,383
Adjusted Non-GAAP Net Income	\$ 161,219	\$ 167,181	\$ 489,222	\$ 466,464
GAAP EPS	\$ 1.83	\$ 1.80	\$ 5.65	\$ 5.07
Acquired In-Process Research and Development	0.04	0.14	0.04	0.14
Purchased Intangibles Amortization	0.02	0.02	0.09	0.09
Restructuring Costs, Asset Impairments, Acquisition-Related Costs & Other One-Time Costs	0.02	0.03	0.06	0.15
Litigation Provisions	0.03	-	0.03	-
Infrequent Income Tax Items	0.01	-	0.03	0.03
Adjusted Non-GAAP EPS	\$ 1.96	\$ 1.99	\$ 5.89	\$ 5.48