

Waters Corporation and Subsidiaries
Quarterly Reconciliation of GAAP to Adjusted Non-GAAP
Net Sales by Operating Segment, Products & Services, Geography and Markets
Quarters Ended July 2, 2016 and July 4, 2015
(in thousands)

	Three Months Ended		Percent Change	Currency Impact	Constant Currency Growth Rate ^(a)
	July 2, 2016	July 4, 2015			
NET SALES - OPERATING SEGMENT					
Waters	\$ 478,731	\$ 442,232	8%	\$ 497	8%
TA	57,829	52,508	10%	(167)	10%
Total	<u>\$ 536,560</u>	<u>\$ 494,740</u>	8%	<u>\$ 330</u>	8%
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 272,639	\$ 254,297	7%	\$ (460)	7%
Service	176,873	162,704	9%	(358)	9%
Chemistry	<u>87,048</u>	<u>77,739</u>	12%	<u>1,148</u>	11%
Total Recurring	263,921	240,443	10%	790	10%
Total	<u>\$ 536,560</u>	<u>\$ 494,740</u>	8%	<u>\$ 330</u>	8%
NET SALES - GEOGRAPHY					
Americas	\$ 202,895	\$ 192,652	5%	\$ (1,850)	6%
Europe	143,317	127,414	12%	2,188	12%
Asia	190,348	174,674	9%	(8)	9%
Total	<u>\$ 536,560</u>	<u>\$ 494,740</u>	8%	<u>\$ 330</u>	8%
NET SALES - MARKETS					
Pharmaceutical	\$ 310,009	\$ 276,851	12%	\$ (191)	12%
Industrial	166,686	155,379	7%	939	7%
Government & Academic	59,865	62,510	(4%)	(418)	(4%)
Total	<u>\$ 536,560</u>	<u>\$ 494,740</u>	8%	<u>\$ 330</u>	8%

(a) The Company believes that referring to comparable, constant currency growth rates is a useful way to evaluate the underlying performance of Waters Corporation's net sales. Constant currency growth rate, a non-GAAP financial measure, measures the change in net sales between current and prior year periods ignoring the impact of foreign currency exchange rates during the current period. See description of non-GAAP financial measures contained in this release.

Waters Corporation and Subsidiaries
Quarterly Reconciliation of GAAP to Adjusted Non-GAAP
Net Sales by Operating Segment, Products & Services, Geography and Markets
Six Months Ended July 2, 2016 and July 4, 2015
(in thousands)

	Six Months Ended		Percent Change	Currency Impact	Constant Currency Growth Rate ^(a)
	July 2, 2016	July 4, 2015			
NET SALES - OPERATING SEGMENT					
Waters	\$ 902,924	\$ 851,900	6%	\$ (5,824)	7%
TA	108,882	103,244	5%	(318)	6%
Total	\$ 1,011,806	\$ 955,144	6%	\$ (6,142)	7%
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 496,346	\$ 478,987	4%	\$ (4,891)	5%
Service	344,262	320,235	8%	(2,210)	8%
Chemistry	171,198	155,922	10%	959	9%
Total Recurring	515,460	476,157	8%	(1,251)	9%
Total	\$ 1,011,806	\$ 955,144	6%	\$ (6,142)	7%
NET SALES - GEOGRAPHY					
Americas	\$ 381,636	\$ 370,232	3%	\$ (2,616)	4%
Europe	268,349	251,815	7%	671	7%
Asia	361,821	333,097	9%	(4,197)	10%
Total	\$ 1,011,806	\$ 955,144	6%	\$ (6,142)	7%
NET SALES - MARKETS					
Pharmaceutical	\$ 569,095	\$ 518,154	10%	\$ (4,627)	11%
Industrial	320,207	310,389	3%	(250)	3%
Government & Academic	122,504	126,601	(3%)	(1,265)	(2%)
Total	\$ 1,011,806	\$ 955,144	6%	\$ (6,142)	7%

(a) The Company believes that referring to comparable, constant currency growth rates is a useful way to evaluate the underlying performance of Waters Corporation's net sales. Constant currency growth rate, a non-GAAP financial measure, measures the change in net sales between current and prior year periods ignoring the impact of foreign currency exchange rates during the current period. See description of non-GAAP financial measures contained in this release.

Waters Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP Financials
Quarters and Six Months Ended July 2, 2016 and July 4, 2015
(in thousands, except per share data)

	Net Sales	Gross Profit	Gross Profit Percentage	Selling & Administrative Expenses	Research & Development Expenses	Operating Income	Operating Income Percentage	Interest Expense, Net	Income from Operations before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
Quarter Ended July 2, 2016												
GAAP	\$ 536,560	\$ 316,181	58.9%	\$ 131,992	\$ 32,578	\$ 151,611	28.3%	\$ (6,156)	\$ 145,455	\$ 17,238	\$ 128,217	\$ 1.57
Adjustments:												
Purchased intangibles amortization (a)	-	-	-	(2,411)	-	2,411	0.4%	-	2,411	721	1,690	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items (c)	-	-	-	(1,980)	-	1,980	0.4%	-	1,980	519	1,461	0.02
Certain income tax items (d)	-	-	-	-	-	-	-	-	-	2,367	(2,367)	(0.03)
Adjusted Non-GAAP	\$ 536,560	\$ 316,181	58.9%	\$ 127,601	\$ 32,578	\$ 156,002	29.1%	\$ (6,156)	\$ 149,846	\$ 20,845	\$ 129,001	\$ 1.58
Quarter Ended July 4, 2015												
GAAP	\$ 494,740	\$ 286,033	57.8%	\$ 125,160	\$ 30,555	\$ 130,318	26.3%	\$ (6,546)	\$ 123,772	\$ 18,115	\$ 105,657	\$ 1.27
Adjustments:												
Purchased intangibles amortization (a)	-	-	-	(2,500)	-	2,500	0.5%	-	2,500	717	1,783	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items (c)	-	-	-	(2,016)	-	2,016	0.4%	-	2,016	636	1,380	0.02
Certain income tax items (d)	-	-	-	-	-	-	-	-	-	(793)	793	0.01
Adjusted Non-GAAP	\$ 494,740	\$ 286,033	57.8%	\$ 120,644	\$ 30,555	\$ 134,834	27.3%	\$ (6,546)	\$ 128,288	\$ 18,675	\$ 109,613	\$ 1.32
Six Months Ended July 2, 2016												
GAAP	\$ 1,011,806	\$ 590,276	58.3%	\$ 263,987	\$ 62,016	\$ 264,273	26.1%	\$ (12,188)	\$ 252,085	\$ 29,816	\$ 222,269	\$ 2.72
Adjustments:												
Purchased intangibles amortization (a)	-	-	-	(5,055)	-	5,055	0.5%	-	5,055	1,471	3,584	0.04
Stock award modification (b)	-	-	-	(7,085)	-	7,085	0.7%	-	7,085	2,657	4,428	0.05
Restructuring costs, asset impairments, acquisition-related costs & certain other items (c)	-	-	-	(5,588)	-	5,588	0.6%	-	5,588	1,661	3,927	0.05
Certain income tax items (d)	-	-	-	-	-	-	-	-	-	1,630	(1,630)	(0.02)
Adjusted Non-GAAP	\$ 1,011,806	\$ 590,276	58.3%	\$ 246,259	\$ 62,016	\$ 282,001	27.9%	\$ (12,188)	\$ 269,813	\$ 37,235	\$ 232,578	\$ 2.85
Six Months Ended July 4, 2015												
GAAP	\$ 955,144	\$ 557,191	58.3%	\$ 247,385	\$ 59,506	\$ 250,300	26.2%	\$ (13,181)	\$ 237,119	\$ 35,401	\$ 201,718	\$ 2.41
Adjustments:												
Purchased intangibles amortization (a)	-	-	-	(4,974)	-	4,974	0.5%	-	4,974	1,421	3,553	0.04
Restructuring costs, asset impairments, acquisition-related costs & certain other items (c)	-	-	-	(3,288)	-	3,288	0.3%	-	3,288	999	2,289	0.03
Certain income tax items (d)	-	-	-	-	-	-	-	-	-	(3,199)	3,199	0.04
Adjusted Non-GAAP	\$ 955,144	\$ 557,191	58.3%	\$ 239,123	\$ 59,506	\$ 258,562	27.1%	\$ (13,181)	\$ 245,381	\$ 34,622	\$ 210,759	\$ 2.52

- (a) The Purchased intangibles amortization, a non-cash expense, was excluded to be consistent with how our management evaluates the performance of our core business against our historical operating results and the operating results of our competitors over periods of time.
- (b) The non-cash expense associated with accelerating the vesting of certain stock awards was excluded as the Company believes these expenses are not indicative of normal operating costs.
- (c) Restructuring costs, asset impairments, acquisition-related costs and certain other items were excluded as the Company believes that the cost to consolidate operations and reduce overhead; the cost to complete acquisitions; the non-cash expense to record asset impairments and certain other income or expense items are not normal and do not represent future ongoing business expenses of a specific function or geographic location of the Company.
- (d) Certain income tax items were excluded as these non-cash expenses and benefits represent updates in management's assessment of ongoing examinations or other tax items that are not indicative of the Company's normal or future income tax expense.