

**Waters Corporation and Subsidiaries**  
**Reconciliation of GAAP to Adjusted Non-GAAP**  
**Net Sales by Operating Segment, Products & Services, Geography and Markets**  
**Three Months Ended April 1, 2017 and April 2, 2016**  
(In thousands)

	Three Months Ended		Percent Change	Current Period Currency Impact	Constant Currency Growth Rate <sup>(a)</sup>
	April 1, 2017	April 2, 2016			
NET SALES - OPERATING SEGMENT					
Waters	\$ 443,426	\$ 424,193	5%	\$ (6,431)	6%
TA	54,543	51,053	7%	(266)	7%
<b>Total</b>	<b><u>\$ 497,969</u></b>	<b><u>\$ 475,246</u></b>	<b>5%</b>	<b><u>\$ (6,697)</u></b>	<b>6%</b>
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 236,393	\$ 223,707	6%	\$ (2,628)	7%
Service	173,673	167,389	4%	(2,957)	6%
Chemistry	87,903	84,150	4%	(1,112)	6%
Total Recurring	<u>261,576</u>	<u>251,539</u>	4%	<u>(4,069)</u>	6%
<b>Total</b>	<b><u>\$ 497,969</u></b>	<b><u>\$ 475,246</u></b>	<b>5%</b>	<b><u>\$ (6,697)</u></b>	<b>6%</b>
NET SALES - GEOGRAPHY					
Americas	\$ 174,650	\$ 178,741	(2%)	\$ 199	(2%)
Europe	128,213	125,032	3%	(7,447)	9%
Asia	195,106	171,473	14%	551	13%
<b>Total</b>	<b><u>\$ 497,969</u></b>	<b><u>\$ 475,246</u></b>	<b>5%</b>	<b><u>\$ (6,697)</u></b>	<b>6%</b>
NET SALES - MARKETS					
Pharmaceutical	\$ 279,810	\$ 259,086	8%	\$ (2,734)	9%
Industrial	161,303	153,521	5%	(5,320)	9%
Governmental & Academic	56,856	62,639	(9%)	1,357	(11%)
<b>Total</b>	<b><u>\$ 497,969</u></b>	<b><u>\$ 475,246</u></b>	<b>5%</b>	<b><u>\$ (6,697)</u></b>	<b>6%</b>

(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 Ended April 1, 2017 and April 2, 2016**  
(In thousands, except per share data)

	Selling & Administrative Expenses <sup>(a)</sup>	Research & Development Expenses <sup>(a)</sup>	Operating Income	Operating Income Percentage	Income from Operations before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
<b>Quarter Ended April 1, 2017</b>								
<b>GAAP</b>	\$ 132,253	\$ 35,752	\$ 118,869	23.9%	\$ 113,487	\$ 7,930	\$ 105,557	\$ 1.31
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(1,729)	-	1,729	0.3%	1,729	473	1,256	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(9,348)	-	9,348	1.9%	9,348	3,059	6,289	0.08
Acquired in-process research and development <sup>(d)</sup>	-	(5,000)	5,000	1.0%	5,000	962	4,038	0.05
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	(475)	475	0.01
<b>Adjusted Non-GAAP</b>	<b>\$ 121,176</b>	<b>\$ 30,752</b>	<b>\$ 134,946</b>	<b>27.1%</b>	<b>\$ 129,564</b>	<b>\$ 11,949</b>	<b>\$ 117,615</b>	<b>\$ 1.46</b>
<b>Quarter Ended April 2, 2016</b>								
<b>GAAP</b>	\$ 131,995	\$ 29,438	\$ 112,662	23.7%	\$ 106,630	\$ 12,578	\$ 94,052	\$ 1.15
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(2,644)	-	2,644	0.6%	2,644	750	1,894	0.02
Stock award modification <sup>(f)</sup>	(7,085)	-	7,085	1.5%	7,085	2,657	4,428	0.05
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(3,608)	-	3,608	0.8%	3,608	1,142	2,466	0.03
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	(737)	737	0.01
<b>Adjusted Non-GAAP</b>	<b>\$ 118,658</b>	<b>\$ 29,438</b>	<b>\$ 125,999</b>	<b>26.5%</b>	<b>\$ 119,967</b>	<b>\$ 16,390</b>	<b>\$ 103,577</b>	<b>\$ 1.26</b>

(a) Selling & administrative expenses include purchased intangibles amortization. Research & development expenses include acquired in-process research and development.

(b) The purchased intangibles amortization, a non-cash expense, was excluded to be consistent with how management evaluates the performance of its core business against historical operating results and the operating results of competitors over periods of time.

(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. In the first quarter of 2017, charges were \$6 million higher than prior year due to a facility closure and related severance costs in Germany, as well as costs associated with an early retirement transition program in the United States.

(d) Acquired In-Process Research and Development was excluded as it relates to milestone payments associated with a licensing arrangement for mass spectrometry that the Company believes is unusual and not indicative of its normal business operations.

(e) 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.

(f) 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.