

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

	<u>Three Months Ended</u>		<u>Percent</u>	<u>Currency</u>	<u>Constant</u>
	<u>July 1, 2017</u>	<u>July 2, 2016</u>			
NET SALES - OPERATING SEGMENT					
Waters	\$ 497,780	\$ 478,731	4%	\$ (6,023)	5%
TA	60,470	57,829	5%	(540)	6%
<b>Total</b>	<b><u>\$ 558,250</u></b>	<b><u>\$ 536,560</u></b>	<b>4%</b>	<b><u>\$ (6,563)</u></b>	<b>5%</b>
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 282,014	\$ 272,639	3%	\$ (1,571)	4%
Service	185,412	176,873	5%	(3,980)	7%
Chemistry	<u>90,824</u>	<u>87,048</u>	4%	<u>(1,012)</u>	6%
Total Recurring	276,236	263,921	5%	(4,992)	7%
<b>Total</b>	<b><u>\$ 558,250</u></b>	<b><u>\$ 536,560</u></b>	<b>4%</b>	<b><u>\$ (6,563)</u></b>	<b>5%</b>
NET SALES - GEOGRAPHY					
Asia	\$ 215,703	\$ 190,348	13%	\$ (1,755)	14%
Americas	196,586	202,895	(3%)	(434)	(3%)
Europe	145,961	143,317	2%	(4,374)	5%
<b>Total</b>	<b><u>\$ 558,250</u></b>	<b><u>\$ 536,560</u></b>	<b>4%</b>	<b><u>\$ (6,563)</u></b>	<b>5%</b>
NET SALES - MARKETS					
Pharmaceutical	\$ 319,650	\$ 310,009	3%	\$ (3,750)	4%
Industrial	174,531	166,686	5%	(4,034)	7%
Government & Academic	64,069	59,865	7%	1,221	5%
<b>Total</b>	<b><u>\$ 558,250</u></b>	<b><u>\$ 536,560</u></b>	<b>4%</b>	<b><u>\$ (6,563)</u></b>	<b>5%</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**  
**Net Sales by Operating Segment, Products & Services, Geography and Markets**  
**Six Months Ended July 1, 2017 and July 2, 2016**  
(In thousands)

	<u>Six Months Ended</u>		<u>Percent</u> <u>Change</u>	<u>Current</u> <u>Period</u> <u>Currency</u> <u>Impact</u>	<u>Constant</u> <u>Currency</u> <u>Growth Rate</u> <sup>(a)</sup>
	<u>July 1, 2017</u>	<u>July 2, 2016</u>			
NET SALES - OPERATING SEGMENT					
Waters	\$ 941,206	\$ 902,924	4%	\$ (12,454)	6%
TA	115,013	108,882	6%	(806)	6%
<b>Total</b>	<b><u>\$ 1,056,219</u></b>	<b><u>\$ 1,011,806</u></b>	<b>4%</b>	<b><u>\$ (13,260)</u></b>	<b>6%</b>
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 518,407	\$ 496,346	4%	\$ (4,199)	5%
Service	359,085	344,262	4%	(6,937)	6%
Chemistry	<u>178,727</u>	<u>171,198</u>	4%	<u>(2,124)</u>	6%
Total Recurring	537,812	515,460	4%	(9,061)	6%
<b>Total</b>	<b><u>\$ 1,056,219</u></b>	<b><u>\$ 1,011,806</u></b>	<b>4%</b>	<b><u>\$ (13,260)</u></b>	<b>6%</b>
NET SALES - GEOGRAPHY					
Asia	\$ 410,809	\$ 361,821	14%	\$ (1,204)	14%
Americas	371,236	381,636	(3%)	(235)	(3%)
Europe	274,174	268,349	2%	(11,821)	7%
<b>Total</b>	<b><u>\$ 1,056,219</u></b>	<b><u>\$ 1,011,806</u></b>	<b>4%</b>	<b><u>\$ (13,260)</u></b>	<b>6%</b>
NET SALES - MARKETS					
Pharmaceutical	\$ 599,460	\$ 569,095	5%	\$ (6,484)	6%
Industrial	335,834	320,207	5%	(9,354)	8%
Governmental & Academic	120,925	122,504	(1%)	2,578	(3%)
<b>Total</b>	<b><u>\$ 1,056,219</u></b>	<b><u>\$ 1,011,806</u></b>	<b>4%</b>	<b><u>\$ (13,260)</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 and Six Months Ended July 1, 2017 and July 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 July 1, 2017</b>								
<b>GAAP</b>	\$ 141,901	\$ 32,937	\$ 153,785	27.5%	\$ 148,072	\$ 16,250	\$ 131,822	\$ 1.63
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(1,693)	-	1,693	0.3%	1,693	449	1,244	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(1,663)	-	1,663	0.3%	1,663	735	928	0.01
Litigation provisions <sup>(d)</sup>	(10,018)	-	10,018	1.8%	10,018	3,757	6,261	0.08
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	(1,972)	1,972	0.02
<b>Adjusted Non-GAAP</b>	<b>\$ 128,527</b>	<b>\$ 32,937</b>	<b>\$ 167,159</b>	<b>29.9%</b>	<b>\$ 161,446</b>	<b>\$ 19,219</b>	<b>\$ 142,227</b>	<b>\$ 1.76</b>
<b>Quarter Ended July 2, 2016</b>								
<b>GAAP</b>	\$ 131,992	\$ 32,578	\$ 151,611	28.3%	\$ 145,455	\$ 17,238	\$ 128,217	\$ 1.57
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(2,411)	-	2,411	0.4%	2,411	721	1,690	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(1,980)	-	1,980	0.4%	1,980	519	1,461	0.02
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	2,367	(2,367)	(0.03)
<b>Adjusted Non-GAAP</b>	<b>\$ 127,601</b>	<b>\$ 32,578</b>	<b>\$ 156,002</b>	<b>29.1%</b>	<b>\$ 149,846</b>	<b>\$ 20,845</b>	<b>\$ 129,001</b>	<b>\$ 1.58</b>
<b>Six Months Ended July 1, 2017</b>								
<b>GAAP</b>	\$ 274,154	\$ 68,689	\$ 272,654	25.8%	\$ 261,559	\$ 24,180	\$ 237,379	\$ 2.94
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(3,422)	-	3,422	0.3%	3,422	922	2,500	0.03
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(11,011)	-	11,011	1.0%	11,011	3,794	7,217	0.09
Litigation provisions <sup>(d)</sup>	(10,018)	-	10,018	0.9%	10,018	3,757	6,261	0.08
Acquired in-process research and development <sup>(f)</sup>	-	(5,000)	5,000	0.5%	5,000	962	4,038	0.05
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	(2,447)	2,447	0.03
<b>Adjusted Non-GAAP</b>	<b>\$ 249,703</b>	<b>\$ 63,689</b>	<b>\$ 302,105</b>	<b>28.6%</b>	<b>\$ 291,010</b>	<b>\$ 31,168</b>	<b>\$ 259,842</b>	<b>\$ 3.22</b>
<b>Six Months Ended July 2, 2016</b>								
<b>GAAP</b>	\$ 263,987	\$ 62,016	\$ 264,273	26.1%	\$ 252,085	\$ 29,816	\$ 222,269	\$ 2.72
Adjustments:								
Purchased intangibles amortization <sup>(b)</sup>	(5,055)	-	5,055	0.5%	5,055	1,471	3,584	0.04
Restructuring costs, asset impairments, acquisition-related costs & certain other items <sup>(c)</sup>	(5,588)	-	5,588	0.6%	5,588	1,661	3,927	0.05
Stock award modification <sup>(g)</sup>	(7,085)	-	7,085	0.7%	7,085	2,657	4,428	0.05
Certain income tax items <sup>(e)</sup>	-	-	-	-	-	1,630	(1,630)	(0.02)
<b>Adjusted Non-GAAP</b>	<b>\$ 246,259</b>	<b>\$ 62,016</b>	<b>\$ 282,001</b>	<b>27.9%</b>	<b>\$ 269,813</b>	<b>\$ 37,235</b>	<b>\$ 232,578</b>	<b>\$ 2.85</b>

- (a) Selling & administrative expenses include purchased intangibles amortization and litigation provisions. 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.
- (d) Litigation Provisions were excluded as these costs are isolated, unpredictable and not expected to recur regularly.
- (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) 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.
- (g) 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.