

Waters Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP
Net Sales by Operating Segment, Products & Services, Geography and Markets
Three Months Ended October 1, 2016 and October 3, 2015
(in thousands)

	Three Months Ended		Percent Change	Currency Impact	Constant Currency Growth Rate ^(a)
	October 1, 2016	October 3, 2015			
NET SALES - OPERATING SEGMENT					
Waters	\$ 470,913	\$ 445,575	6%	\$ 1,148	5%
TA	55,917	55,003	2%	227	1%
Total	<u>\$ 526,830</u>	<u>\$ 500,578</u>	5%	<u>\$ 1,375</u>	5%
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 265,820	\$ 258,760	3%	\$ (393)	3%
Service	176,896	163,645	8%	361	8%
Chemistry	<u>84,114</u>	<u>78,173</u>	8%	<u>1,407</u>	6%
Total Recurring	261,010	241,818	8%	1,768	7%
Total	<u>\$ 526,830</u>	<u>\$ 500,578</u>	5%	<u>\$ 1,375</u>	5%
NET SALES - GEOGRAPHY					
Americas	\$ 203,124	\$ 200,575	1%	\$ (482)	2%
Europe	128,191	132,104	(3%)	(3,111)	(1%)
Asia	195,515	167,899	16%	4,968	13%
Total	<u>\$ 526,830</u>	<u>\$ 500,578</u>	5%	<u>\$ 1,375</u>	5%
NET SALES - MARKETS					
Pharmaceutical	\$ 302,146	\$ 267,311	13%	\$ 74	13%
Industrial	159,013	156,116	2%	1,373	1%
Government & Academic	65,671	77,151	(15%)	(72)	(15%)
Total	<u>\$ 526,830</u>	<u>\$ 500,578</u>	5%	<u>\$ 1,375</u>	5%

(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
Nine Months Ended October 1, 2016 and October 3, 2015
(in thousands)

	<u>Nine Months Ended</u>		<u>Percent</u>	<u>Currency</u>	<u>Constant</u>
	<u>October 1, 2016</u>	<u>October 3, 2015</u>			
NET SALES - OPERATING SEGMENT					
Waters	\$ 1,373,837	\$ 1,297,475	6%	\$ (4,676)	6%
TA	164,799	158,247	4%	(91)	4%
Total	<u>\$ 1,538,636</u>	<u>\$ 1,455,722</u>	6%	<u>\$ (4,767)</u>	6%
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 762,166	\$ 737,747	3%	\$ (5,284)	4%
Service	521,158	483,880	8%	(1,849)	8%
Chemistry	<u>255,312</u>	<u>234,095</u>	9%	<u>2,366</u>	8%
Total Recurring	776,470	717,975	8%	517	8%
Total	<u>\$ 1,538,636</u>	<u>\$ 1,455,722</u>	6%	<u>\$ (4,767)</u>	6%
NET SALES - GEOGRAPHY					
Americas	\$ 584,760	\$ 570,807	2%	\$ (3,098)	3%
Europe	396,540	383,919	3%	(2,440)	4%
Asia	557,336	500,996	11%	771	11%
Total	<u>\$ 1,538,636</u>	<u>\$ 1,455,722</u>	6%	<u>\$ (4,767)</u>	6%
NET SALES - MARKETS					
Pharmaceutical	\$ 871,241	\$ 785,465	11%	\$ (4,553)	12%
Industrial	479,220	466,505	3%	1,123	2%
Government & Academic	188,175	203,752	(8%)	(1,337)	(7%)
Total	<u>\$ 1,538,636</u>	<u>\$ 1,455,722</u>	6%	<u>\$ (4,767)</u>	6%

(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 Nine Months Ended October 1, 2016 and October 3, 2015
(in thousands, except per share data)

	Net Sales	Cost of Sales	Selling & Administrative Expenses ^(e)	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 October 1, 2016											
GAAP	\$ 526,830	\$ 218,344	\$ 126,337	\$ 30,418	\$ 151,731	28.8%	\$ (6,281)	\$ 145,450	\$ 20,594	\$ 124,856	\$ 1.53
Adjustments:											
Purchased intangibles amortization ^(a)	-	-	(2,476)	-	2,476	0.5%	-	2,476	732	1,744	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items ^(c)	-	-	(964)	-	964	0.2%	-	964	839	125	-
Certain income tax items ^(d)	-	-	-	-	-	-	-	-	(756)	756	0.01
Adjusted Non-GAAP	\$ 526,830	\$ 218,344	\$ 122,897	\$ 30,418	\$ 155,171	29.5%	\$ (6,281)	\$ 148,890	\$ 21,409	\$ 127,481	\$ 1.57
Quarter Ended October 3, 2015											
GAAP	\$ 500,578	\$ 206,804	\$ 127,228	\$ 30,703	\$ 135,843	27.1%	\$ (6,281)	\$ 129,562	\$ 13,281	\$ 116,281	\$ 1.40
Adjustments:											
Purchased intangibles amortization ^(a)	-	-	(2,573)	-	2,573	0.5%	-	2,573	738	1,835	0.02
Restructuring costs, asset impairments, acquisition-related costs & certain other items ^(c)	-	-	(1,732)	-	1,732	0.3%	-	1,732	772	960	0.01
Certain income tax items ^(d)	-	-	-	-	-	-	-	-	1,832	(1,832)	(0.02)
Adjusted Non-GAAP	\$ 500,578	\$ 206,804	\$ 122,923	\$ 30,703	\$ 140,148	28.0%	\$ (6,281)	\$ 133,867	\$ 16,623	\$ 117,244	\$ 1.42
Nine Months Ended October 1, 2016											
GAAP	\$ 1,538,636	\$ 639,874	\$ 390,324	\$ 92,434	\$ 416,004	27.0%	\$ (18,469)	\$ 397,535	\$ 50,410	\$ 347,125	\$ 4.26
Adjustments:											
Purchased intangibles amortization ^(a)	-	-	(7,531)	-	7,531	0.5%	-	7,531	2,203	5,328	0.07
Stock award modification ^(b)	-	-	(7,085)	-	7,085	0.5%	-	7,085	2,657	4,428	0.05
Restructuring costs, asset impairments, acquisition-related costs & certain other items ^(c)	-	-	(6,552)	-	6,552	0.4%	-	6,552	2,500	4,052	0.05
Certain income tax items ^(d)	-	-	-	-	-	-	-	-	874	(874)	(0.01)
Adjusted Non-GAAP	\$ 1,538,636	\$ 639,874	\$ 369,156	\$ 92,434	\$ 437,172	28.4%	\$ (18,469)	\$ 418,703	\$ 58,644	\$ 360,059	\$ 4.41
Nine Months Ended October 3, 2015											
GAAP	\$ 1,455,722	\$ 604,757	\$ 374,613	\$ 90,209	\$ 386,143	26.5%	\$ (19,462)	\$ 366,681	\$ 48,682	\$ 317,999	\$ 3.82
Adjustments:											
Purchased intangibles amortization ^(a)	-	-	(7,547)	-	7,547	0.5%	-	7,547	2,159	5,388	0.06
Restructuring costs, asset impairments, acquisition-related costs & certain other items ^(c)	-	-	(5,020)	-	5,020	0.3%	-	5,020	1,771	3,249	0.04
Certain income tax items ^(d)	-	-	-	-	-	-	-	-	(1,367)	1,367	0.02
Adjusted Non-GAAP	\$ 1,455,722	\$ 604,757	\$ 362,046	\$ 90,209	\$ 398,710	27.4%	\$ (19,462)	\$ 379,248	\$ 51,245	\$ 328,003	\$ 3.94

(a) 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.

(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.

(e) Includes purchased intangibles amortization.