

Supplemental Non-GAAP Financial Information (unaudited)

In addition to disclosing results in accordance with GAAP, in this annual report, NI has disclosed its non-GAAP net income that excludes charges related to stock-based compensation expense, amortization of acquisition-related intangibles, acquisition-related fair value adjustments, acquisition-related transaction costs, restructuring charges, foreign exchange loss on acquisitions, and impairment of minority cost basis investments. Management believes that including these non-GAAP results assists investors in assessing NI's operational performance and its performance relative to its competitors. NI presents these non-GAAP results as a complement to its GAAP results, and these results should not be regarded as a substitute for GAAP. Management uses non-GAAP measures to manage and assess the profitability and performance of its business and considers non-GAAP results to be an important supplemental measure of its performance. When presenting non-GAAP results, NI includes a reconciliation of the non-GAAP results to the GAAP results. Such reconciliation is set forth in the following table.

Reconciliation of GAAP to Non-GAAP Net Income (in thousands)

	2016	2015	2014	2013
Net income, as reported	\$82,734	\$95,262	\$126,333	\$80,513
Adjustments to reconcile net income to non-GAAP net income:				
Stock-based compensation, net of tax effect	18,444	18,198	18,344	19,134
Amortization of acquisition intangibles, net of tax effect	15,234	9,951	9,828	10,419
Acquisition-related fair value adjustments, net of tax effect	1,018	–	–	(1,316)
Acquisition transaction costs, restructuring charges and other, net of tax effect	2,812	4,893	1,487	1,505
Non-GAAP net income	\$120,242	\$128,304	\$155,992	\$110,255