



The Balance Sheet on page 10 of this document has been updated from the version published on January 31, 2018 to reflect final numbers as published in the Thermo Fisher Scientific Inc. Form 10-K for the period ending December 31, 2017 which was filed with the SEC on February 28, 2018.

**ThermoFisher**  
S C I E N T I F I C

## GAAP/Non-GAAP Reconciliation and Financial Package

February 28, 2018

The world leader in serving science

# Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including adjusted EPS, adjusted operating income and adjusted operating margin, which exclude certain acquisition-related costs, including charges for the sale of inventories revalued at the date of acquisition and significant transaction costs; restructuring and other costs/income; and amortization of acquisition-related intangible assets. Adjusted EPS also excludes certain other gains and losses that are either isolated or cannot be expected to occur again with any predictability, tax provisions/benefits related to the previous items, benefits from tax credit carryforwards, the impact of significant tax audits or events and the results of discontinued operations. We exclude the above items because they are outside of our normal operations and/or, in certain cases, are difficult to forecast accurately for future periods. We also use a non-GAAP measure, free cash flow, which is operating cash flow, excluding net capital expenditures, and also excludes operating cash flows from discontinued operations to provide a view of the continuing operations' ability to generate cash for use in acquisitions and other investing and financing activities. We believe that the use of non-GAAP measures helps investors to gain a better understanding of our core operating results and future prospects, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts.

For example:

We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.

We exclude certain acquisition-related costs, including charges for the sale of inventories revalued at the date of acquisition and significant transaction costs. We exclude these costs because we do not believe they are indicative of our normal operating costs.

We exclude the expense and tax effects associated with the amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of 5 to 20 years. Exclusion of the amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.

We also exclude certain gains/losses and related tax effects, benefits from tax credit carryforwards and the impact of significant tax audits or events (such as the effect of enacted changes in tax rates or, in 2017, the incremental impact of tax reform legislation in the U.S.), which are either isolated or cannot be expected to occur again with any predictability and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business or real estate, significant litigation-related matters, curtailments of pension plans, the early retirement of debt and discontinued operations.

We also report free cash flow, which is operating cash flow, excluding net capital expenditures, and also excludes operating cash flows from discontinued operations to provide a view of the continuing operations' ability to generate cash for use in acquisitions and other investing and financing activities.

Thermo Fisher's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the company's core operating performance and comparing such performance to that of prior periods and to the performance of our competitors. Such measures are also used by management in their financial and operating decision-making and for compensation purposes.

The non-GAAP financial measures of Thermo Fisher's results of operations and cash flows included herein are not meant to be considered superior to or a substitute for Thermo Fisher's results of operations prepared in accordance with GAAP. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the accompanying tables.

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## Annual Reconciliation of GAAP to Adjusted P&L

*(Dollars in millions except EPS)*

	2011		2012		2013		2014		2015		2016		2017	
<b>GAAP Consolidated Revenues</b>	<b>11,559</b>		<b>12,510</b>		<b>13,090</b>		<b>16,890</b>		<b>16,965</b>		<b>18,274</b>		<b>20,918</b>	
<b>Revenue Growth</b>	<b>11%</b>		<b>8%</b>		<b>5%</b>		<b>29%</b>		<b>0%</b>		<b>8%</b>		<b>14%</b>	
Acquisitions net of Divestitures					2%		25%		1%		4%		9%	
Currency Translation					0%		0%		-6%		-1%		0%	
<b>Organic Revenue Growth</b>					<b>3%</b>		<b>4%</b>		<b>5%</b>		<b>4% **</b>		<b>5%</b>	
<b>Pro Forma Revenue Growth (†)</b>	<b>7%</b>		<b>3%</b>											
Acquisitions net of Divestitures	1%		1%											
Currency Translation	2%		-2%											
<b>Pro Forma Organic Revenue Growth (†)</b>	<b>3% **</b>		<b>4%</b>											
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>GAAP Gross Margin</b>	<b>4,794</b>	<b>41.5%</b>	<b>5,296</b>	<b>42.3%</b>	<b>5,529</b>	<b>42.2%</b>	<b>7,492</b>	<b>44.4%</b>	<b>7,756</b>	<b>45.7%</b>	<b>8,369</b>	<b>45.8%</b>	<b>9,445</b>	<b>45.2%</b>
Cost of Revenues Charges (a)	73	0.6%	56	0.4%	29	0.2%	328	1.9%	9	0.0%	102	0.6%	123	0.6%
Amortization of Acquisition-related Intangible Assets	176	1.5%	221	1.8%	222	1.8%	427	2.5%	427	2.6%	446	2.4%	512	2.4%
<b>Adjusted Gross Margin</b>	<b>5,043</b>	<b>43.6%</b>	<b>5,573</b>	<b>44.5%</b>	<b>5,780</b>	<b>44.2%</b>	<b>8,247</b>	<b>48.8%</b>	<b>8,192</b>	<b>48.3%</b>	<b>8,917</b>	<b>48.8%</b>	<b>10,080</b>	<b>48.2%</b>
<b>GAAP SG&amp;A Expense</b>	<b>3,107</b>	<b>26.9%</b>	<b>3,355</b>	<b>26.8%</b>	<b>3,446</b>	<b>26.3%</b>	<b>4,896</b>	<b>29.0%</b>	<b>4,612</b>	<b>27.2%</b>	<b>4,976</b>	<b>27.2%</b>	<b>5,492</b>	<b>26.3%</b>
Selling, General and Administrative Costs (b)	(62)	-0.5%	(13)	-0.1%	(73)	-0.6%	(130)	-0.8%	(46)	-0.3%	(104)	-0.6%	(78)	-0.4%
Amortization of Acquisition-related Intangible Assets	(472)	-4.1%	(526)	-4.2%	(541)	-4.1%	(905)	-5.3%	(888)	-5.2%	(932)	-5.0%	(1,082)	-5.2%
<b>Adjusted SG&amp;A Expense</b>	<b>2,573</b>	<b>22.3%</b>	<b>2,816</b>	<b>22.5%</b>	<b>2,832</b>	<b>21.6%</b>	<b>3,861</b>	<b>22.9%</b>	<b>3,678</b>	<b>21.7%</b>	<b>3,940</b>	<b>21.6%</b>	<b>4,332</b>	<b>20.7%</b>
<b>GAAP R&amp;D Expense</b>	<b>340</b>	<b>2.9%</b>	<b>376</b>	<b>3.0%</b>	<b>395</b>	<b>3.0%</b>	<b>691</b>	<b>4.1%</b>	<b>692</b>	<b>4.1%</b>	<b>755</b>	<b>4.1%</b>	<b>888</b>	<b>4.2%</b>
<b>GAAP Operating Income</b>	<b>1,251</b>	<b>10.8%</b>	<b>1,482</b>	<b>11.8%</b>	<b>1,610</b>	<b>12.3%</b>	<b>2,503</b>	<b>14.8%</b>	<b>2,336</b>	<b>13.8%</b>	<b>2,449</b>	<b>13.4%</b>	<b>2,968</b>	<b>14.2%</b>
Cost of Revenues Charges (a)	73	0.6%	56	0.4%	29	0.2%	328	1.9%	9	0.0%	102	0.6%	123	0.6%
Selling, General and Administrative Costs (b)	62	0.5%	13	0.1%	73	0.6%	130	0.8%	46	0.3%	104	0.6%	78	0.4%
Restructuring and Other Costs (Income), Net (c)	96	0.9%	82	0.7%	78	0.6%	(598)	-3.5%	116	0.7%	189	1.0%	97	0.4%
Amortization of Acquisition-related Intangible Assets	648	5.6%	747	6.0%	763	5.8%	1,332	7.9%	1,315	7.7%	1,378	7.5%	1,594	7.6%
<b>Adjusted Operating Income</b>	<b>2,130</b>	<b>18.4%</b>	<b>2,380</b>	<b>19.0%</b>	<b>2,553</b>	<b>19.5%</b>	<b>3,695</b>	<b>21.9%</b>	<b>3,822</b>	<b>22.5%</b>	<b>4,222</b>	<b>23.1%</b>	<b>4,860</b>	<b>23.2%</b>
Add back Depreciation Expense	211	1.9%	236	1.9%	237	1.8%	353	2.1%	373	2.2%	380	2.1%	439	2.1%
<b>Adjusted EBITDA</b>	<b>2,341</b>	<b>20.3%</b>	<b>2,616</b>	<b>20.9%</b>	<b>2,790</b>	<b>21.3%</b>	<b>4,048</b>	<b>24.0%</b>	<b>4,195</b>	<b>24.7%</b>	<b>4,602</b>	<b>25.2%</b>	<b>5,299</b>	<b>25.3%</b>

\*\* Results do not sum due to rounding.

(†) Revenue growth in 2011 and 2012 is calculated on a pro forma basis which includes the pre-acquisition results of 1) Dionex from the beginning of the second quarter 2011 and for the comparable prior year quarters and 2) the pre-acquisition results of Phadia from the beginning of the third quarter 2011 and for the comparable prior year quarters.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition transaction costs and charges/credits for changes in estimates of contingent acquisition consideration; charges associated with product liability litigation; in 2012 gains due to settlement of certain product liability-related matters; in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies; and beginning in 2015, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; curtailments/settlements of pension plans; gains on the sale of businesses, product lines and property; and in 2016, environmental remediation costs.

(Annual P&amp;L Reconciliation continued on the next page)

## Annual Reconciliation of GAAP to Adjusted P&L

*(Dollars in millions except EPS)*

	2011		2012		2013		2014		2015		2016		2017	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>GAAP Tax Provision</b>	<b>109</b>	<b>9.7%</b>	<b>11</b>	<b>0.9%</b>	<b>40</b>	<b>3.1%</b>	<b>192</b>	<b>9.2%</b>	<b>(44)</b>	<b>-2.3%</b>	<b>(1)</b>	<b>-0.1%</b>	<b>201</b>	<b>8.3%</b>
Tax Effect of Adjusted Items (e)	269	9.4%	352	15.8%	301	11.6%	283	5.3%	516	16.0%	530	13.9%	364	4.7%
<b>Adjusted Tax Provision</b>	<b>378</b>	<b>19.1%</b>	<b>363</b>	<b>16.7%</b>	<b>341</b>	<b>14.7%</b>	<b>475</b>	<b>14.5%</b>	<b>472</b>	<b>13.7%</b>	<b>529</b>	<b>13.8%</b>	<b>565</b>	<b>13.0%</b>
<b>GAAP Net Income</b>	<b>1,330</b>		<b>1,178</b>		<b>1,273</b>		<b>1,894</b>		<b>1,975</b>		<b>2,022</b>		<b>2,225</b>	
Cost of Revenues Charges (a)	73		56		29		328		9		102		123	
Selling, General and Administrative Costs (b)	62		13		73		130		46		104		78	
Restructuring and Other Costs (Income), Net (c)	96		82		78		(598)		116		189		97	
Amortization of Acquisition-related Intangible Assets	648		747		763		1,332		1,315		1,378		1,594	
Other Expense (Income) (d)	(32)		5		61		(3)		21		20		19	
Income Tax Benefit (e)	(269)		(352)		(301)		(283)		(516)		(530)		(364)	
(Income) Loss from Discontinued Operations, Net of Tax	(307)		81		6		1		5		3		3	
<b>Adjusted Net Income</b>	<b>1,601</b>		<b>1,810</b>		<b>1,982</b>		<b>2,801</b>		<b>2,971</b>		<b>3,288</b>		<b>3,775</b>	
<b>GAAP Diluted EPS</b>	<b>3.46</b>		<b>3.21</b>		<b>3.48</b>		<b>4.71</b>		<b>4.92</b>		<b>5.09</b>		<b>5.59</b>	
<i>GAAP Diluted EPS Growth</i>		37%		-7%		8%		35%		4%		3%		10%
Cost of Revenues Charges, Net of Tax (a)	0.13		0.11		0.05		0.55		0.01		0.16		0.21	
Selling, General and Administrative Costs, Net of Tax (b)	0.13		0.03		0.16		0.24		0.05		0.18		0.17	
Restructuring and Other Costs, Net of Tax (c)	0.16		0.15		0.16		(0.79)		0.19		0.30		0.18	
Amortization of Acquisition-related Intangible Assets, Net of Tax	1.12		1.36		1.45		2.27		2.27		2.41		2.86	
Other Expense (Income), Net of Tax (d)	(0.05)		0.00		0.09		(0.01)		0.03		0.09		0.03	
Income Tax Provision (Benefit) (e)	0.01		(0.14)		0.01		(0.01)		(0.09)		0.03		0.44	
(Income) Loss from Discontinued Operations, Net of Tax	(0.80)		0.22		0.02		0.00		0.01		0.01		0.01	
<b>Adjusted Diluted EPS</b>	<b>4.16</b>		<b>4.94</b>		<b>5.42</b>		<b>6.96</b>		<b>7.39</b>		<b>8.27</b>		<b>9.49</b>	
<i>Adjusted Diluted EPS Growth</i>		21%		19%		10%		28%		6%		12%		15%

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition transaction costs and charges/credits for changes in estimates of contingent acquisition consideration; charges associated with product liability litigation; in 2012 gains due to settlement of certain product liability-related matters; in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies; and beginning in 2015, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; curtailments/settlements of pension plans; gains on the sale of businesses, product lines and property; and in 2016, environmental remediation costs.

(d) The excluded items from other expense (income), net, represent gains and losses on equity and available-for-sale investments; costs to obtain short-term financing commitments related to acquisitions; losses on the extinguishment of debt; in 2016 and prior years, amortization of acquisition-related intangible assets of the company's equity-method investments; and in 2015, costs associated with entering into interest rate swap arrangements.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, benefit from tax credit carryforwards, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes and in 2017, the impact of U.S. tax reform legislation.

## Quarterly Reconciliation of GAAP to Adjusted P&L

*(Dollars in millions except EPS)*

	Q1-16		Q2-16		Q3-16		Q4-16		Q1-17		Q2-17		Q3-17		Q4-17	
<b>Revenue</b>																
Life Sciences Solutions Segment	1,218		1,368		1,312		1,419		1,363		1,405		1,382		1,578	
Analytical Instruments Segment	759		794		898		1,217		1,052		1,166		1,189		1,414	
Specialty Diagnostics Segment	855		851		799		834		866		862		844		914	
Laboratory Products and Services Segment	1,649		1,719		1,675		1,681		1,699		1,792		1,933		2,401	
Eliminations	(186)		(197)		(193)		(198)		(215)		(235)		(232)		(260)	
<b>Total Revenue</b>	<b>4,295</b>	<b>†</b>	<b>4,535</b>		<b>4,491</b>		<b>4,953</b>	<b>†</b>	<b>4,765</b>		<b>4,990</b>		<b>5,116</b>		<b>6,047</b>	
<b>Reported Revenue Growth</b>	<b>10%</b>		<b>6%</b>		<b>9%</b>		<b>6%</b>		<b>11%</b>		<b>10%</b>		<b>14%</b>		<b>22%</b>	
Acquisitions net of Divestitures	1%		3%		5%		8%		8%		8%		8%		11%	
Currency Translation	-2%		0%		0%		-1%		-1%		-1%		1%		3%	
<b>Organic Revenue Growth</b>	<b>10%</b>	<b>** †</b>	<b>4%</b>	<b>**</b>	<b>4%</b>		<b>0%</b>	<b>** †</b>	<b>4%</b>		<b>4%</b>	<b>**</b>	<b>5%</b>		<b>8%</b>	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>GAAP Cost of Goods Sold</b>	<b>2,337</b>	<b>54.4%</b>	<b>2,457</b>	<b>54.2%</b>	<b>2,437</b>	<b>54.3%</b>	<b>2,674</b>	<b>54.0%</b>	<b>2,573</b>	<b>54.0%</b>	<b>2,707</b>	<b>54.2%</b>	<b>2,816</b>	<b>55.0%</b>	<b>3,377</b>	<b>55.8%</b>
Cost of Revenues Charges (a)	(11)	-0.2%	(17)	-0.4%	(33)	-0.7%	(41)	-0.8%	(31)	-0.6%	(1)	0.0%	(45)	-0.9%	(46)	-0.8%
Amortization of Acquisition-related Intangible Assets	(101)	-2.4%	(108)	-2.4%	(109)	-2.5%	(128)	-2.6%	(126)	-2.7%	(128)	-2.5%	(131)	-2.5%	(127)	-2.0%
<b>Adjusted Cost of Goods Sold</b>	<b>2,225</b>	<b>51.8%</b>	<b>2,332</b>	<b>51.4%</b>	<b>2,295</b>	<b>51.1%</b>	<b>2,505</b>	<b>50.6%</b>	<b>2,416</b>	<b>50.7%</b>	<b>2,578</b>	<b>51.7%</b>	<b>2,640</b>	<b>51.6%</b>	<b>3,204</b>	<b>53.0%</b>
<b>GAAP Gross Margin</b>	<b>1,958</b>	<b>45.6%</b>	<b>2,078</b>	<b>45.8%</b>	<b>2,054</b>	<b>45.7%</b>	<b>2,279</b>	<b>46.0%</b>	<b>2,192</b>	<b>46.0%</b>	<b>2,283</b>	<b>45.8%</b>	<b>2,300</b>	<b>45.0%</b>	<b>2,670</b>	<b>44.2%</b>
Cost of Revenues Charges (a)	11	0.2%	17	0.4%	33	0.7%	41	0.8%	31	0.6%	1	0.0%	45	0.9%	46	0.8%
Amortization of Acquisition-related Intangible Assets	101	2.4%	108	2.4%	109	2.5%	128	2.6%	126	2.7%	128	2.5%	131	2.5%	127	2.0%
<b>Adjusted Gross Margin</b>	<b>2,070</b>	<b>48.2%</b>	<b>2,203</b>	<b>48.6%</b>	<b>2,196</b>	<b>48.9%</b>	<b>2,448</b>	<b>49.4%</b>	<b>2,349</b>	<b>49.3%</b>	<b>2,412</b>	<b>48.3%</b>	<b>2,476</b>	<b>48.4%</b>	<b>2,843</b>	<b>47.0%</b>
<b>GAAP SG&amp;A Expense</b>	<b>1,213</b>	<b>28.2%</b>	<b>1,223</b>	<b>27.0%</b>	<b>1,275</b>	<b>28.4%</b>	<b>1,265</b>	<b>25.5%</b>	<b>1,331</b>	<b>27.9%</b>	<b>1,287</b>	<b>25.8%</b>	<b>1,397</b>	<b>27.3%</b>	<b>1,477</b>	<b>24.4%</b>
Selling, General and Administrative Costs, Net (b)	(29)	-0.7%	(4)	-0.1%	(62)	-1.4%	(9)	-0.2%	(31)	-0.7%	(7)	-0.1%	(37)	-0.7%	(3)	-0.1%
Amortization of Acquisition-related Intangible Assets	(221)	-5.1%	(230)	-5.1%	(233)	-5.2%	(248)	-5.0%	(242)	-5.0%	(252)	-5.1%	(274)	-5.4%	(314)	-5.1%
<b>Adjusted SG&amp;A Expense</b>	<b>963</b>	<b>22.4%</b>	<b>989</b>	<b>21.8%</b>	<b>980</b>	<b>21.8%</b>	<b>1,008</b>	<b>20.3%</b>	<b>1,058</b>	<b>22.2%</b>	<b>1,028</b>	<b>20.6%</b>	<b>1,086</b>	<b>21.2%</b>	<b>1,160</b>	<b>19.2%</b>
<b>GAAP R&amp;D Expense</b>	<b>177</b>	<b>4.1%</b>	<b>182</b>	<b>4.0%</b>	<b>183</b>	<b>4.1%</b>	<b>213</b>	<b>4.3%</b>	<b>215</b>	<b>4.5%</b>	<b>222</b>	<b>4.4%</b>	<b>218</b>	<b>4.3%</b>	<b>233</b>	<b>3.9%</b>
<b>GAAP Operating Income</b>	<b>518</b>	<b>12.1%</b>	<b>637</b>	<b>14.1%</b>	<b>541</b>	<b>12.0%</b>	<b>753</b>	<b>15.2%</b>	<b>622</b>	<b>13.1%</b>	<b>752</b>	<b>15.1%</b>	<b>636</b>	<b>12.4%</b>	<b>958</b>	<b>15.8%</b>
Cost of Revenues Charges (a)	11	0.2%	17	0.4%	33	0.7%	41	0.8%	31	0.6%	1	0.0%	45	0.9%	46	0.8%
Selling, General and Administrative Costs (b)	29	0.7%	4	0.1%	62	1.4%	9	0.2%	31	0.7%	7	0.1%	37	0.7%	3	0.1%
Restructuring and Other Costs, Net (c)	50	1.2%	36	0.8%	55	1.3%	48	1.0%	24	0.5%	22	0.5%	49	1.0%	2	0.0%
Amortization of Acquisition-related Intangible Assets	322	7.5%	338	7.4%	342	7.6%	376	7.6%	368	7.7%	380	7.6%	405	7.9%	441	7.3%
<b>Adjusted Operating Income</b>	<b>930</b>	<b>21.7%</b>	<b>1,032</b>	<b>22.8%</b>	<b>1,032</b>	<b>23.0%</b>	<b>1,227</b>	<b>24.8%</b>	<b>1,076</b>	<b>22.6%</b>	<b>1,162</b>	<b>23.3%</b>	<b>1,172</b>	<b>22.9%</b>	<b>1,450</b>	<b>24.0%</b>
Add back Depreciation Expense	94	2.1%	97	2.1%	91	2.0%	98	2.0%	97	2.0%	97	1.9%	112	2.2%	133	2.2%
<b>Adjusted EBITDA</b>	<b>1,024</b>	<b>23.8%</b>	<b>1,129</b>	<b>24.9%</b>	<b>1,124</b>	<b>25.0%</b>	<b>1,325</b>	<b>26.8%</b>	<b>1,173</b>	<b>24.6%</b>	<b>1,259</b>	<b>25.2%</b>	<b>1,284</b>	<b>25.1%</b>	<b>1,583</b>	<b>26.2%</b>

† Total revenue and organic revenue growth were impacted by four extra selling days in Q1 2016 versus Q1 2015 and four less selling days in Q4 2016 versus Q4 2015.

\*\* Results do not sum due to rounding.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition, and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in Q1 2016, Q3 2016, Q4 2016, Q3 2017 and Q4 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition transaction costs, accelerated depreciation on fixed assets to be abandoned due to integration synergies and charges/credits for changes in estimates of contingent acquisition consideration; in Q3 2016 and Q3 2017, charges/income associated with product liability litigation; and in Q3 2016 and Q3 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(c) Restructuring and other costs consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; curtailments/settlements of pension plans; the sale of businesses, product lines and property; and in Q2 2016 and Q4 2016, environmental remediation costs.

(Quarterly P&L Reconciliation continued on the next page)



## Quarterly Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	Q1-16		Q2-16		Q3-16		Q4-16		Q1-17		Q2-17		Q3-17		Q4-17	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>GAAP Tax Provision</b>	<b>21</b>	<b>4.9%</b>	<b>4</b>	<b>0.8%</b>	<b>(45)</b>	<b>-10.7%</b>	<b>19</b>	<b>2.9%</b>	<b>(48)</b>	<b>-9.6%</b>	<b>13</b>	<b>2.1%</b>	<b>(54)</b>	<b>-11.1%</b>	<b>290</b>	<b>35.2%</b>
Tax Effect of Adjusted Items (e)	96	9.1%	122	12.7%	167	23.8%	145	11.7%	182	23.6%	123	11.0%	176	22.9%	(117)	-21.9%
<b>Adjusted Tax Provision</b>	<b>117</b>	<b>14.0%</b>	<b>126</b>	<b>13.5%</b>	<b>122</b>	<b>13.1%</b>	<b>164</b>	<b>14.6%</b>	<b>134</b>	<b>14.0%</b>	<b>136</b>	<b>13.1%</b>	<b>122</b>	<b>11.8%</b>	<b>173</b>	<b>13.3%</b>
<b>GAAP Net Income</b>	<b>402</b>		<b>517</b>		<b>473</b>		<b>630</b>		<b>551</b>		<b>612</b>		<b>534</b>		<b>528</b>	
Cost of Revenues Charges (a)	11		17		33		41		31		1		45		46	
Selling, General and Administrative Costs (b)	29		4		62		9		31		7		37		3	
Restructuring and Other Costs, Net (c)	50		36		55		48		24		22		49		2	
Amortization of Acquisition-related Intangible Assets, Net of Tax	322		338		342		376		368		380		405		441	
Other (Income) Expense, Net (d)	(1)		16		11		(6)		(3)		3		30		(11)	
Income Tax Benefit (e)	(96)		(122)		(167)		(145)		(182)		(123)		(176)		117	
Loss from Discontinued Operations, Net of Tax	0		0		0		3		0		1		0		2	
<b>Adjusted Net Income</b>	<b>717</b>		<b>806</b>		<b>809</b>		<b>956</b>		<b>820</b>		<b>903</b>		<b>924</b>		<b>1,128</b>	
<b>GAAP Diluted EPS</b>	<b>1.01</b>		<b>1.30</b>		<b>1.19</b>		<b>1.59</b>		<b>1.40</b>		<b>1.56</b>		<b>1.34</b>		<b>1.30</b>	
GAAP Diluted EPS Growth		5%		2%		1%		6%		39%		20%		13%		-18%
Cost of Revenues Charges, Net of Tax (a)	0.02		0.03		0.05		0.06		0.05		0.00		0.07		0.08	
Selling, General and Administrative Costs, Net of Tax (b)	0.06		0.01		0.11		0.01		0.05		0.01		0.07		0.04	
Restructuring and Other Costs, Net of Tax (c)	0.09		0.06		0.09		0.07		0.04		0.04		0.07		0.02	
Amortization of Acquisition-related Intangible Assets, Net of Tax	0.60		0.60		0.59		0.60		0.70		0.68		0.70		0.77	
Other (Income) Expense, Net of Tax (d)	0.00		0.03		0.02		0.04		0.00		0.01		0.05		(0.02)	
Income Tax Provision (Benefit) (e)	0.02		0.00		(0.02)		0.03		(0.16)		0.00		0.01		0.59	
Loss from Discontinued Operations, Net of Tax	0.00		0.00		0.00		0.01		0.00		0.00		0.00		0.01	
<b>Adjusted Diluted EPS</b>	<b>1.80</b>		<b>2.03</b>		<b>2.03</b>		<b>2.41</b>		<b>2.08</b>		<b>2.30</b>		<b>2.31</b>		<b>2.79</b>	
Adjusted Diluted EPS Growth		10%		10%		13%		14%		16%		13%		14%		16%
<b>Reconciliation of Free Cash Flow</b>																
GAAP Net Cash Provided by Operating Activities	335		913		805		1,205		361		849		929		1,866	
Net Cash Used in (Provided by) Discontinued Operations	1		1		1		(1)		1		—		1		(1)	
Purchases of Property, Plant, and Equipment	(115)		(115)		(81)		(133)		(93)		(88)		(112)		(215)	
Proceeds from Sale of Property, Plant and Equipment	6		16		1		3		1		1		2		3	
<b>Free Cash Flow</b>	<b>227</b>		<b>815</b>		<b>726</b>		<b>1,074</b>		<b>270</b>		<b>762</b>		<b>820</b>		<b>1,653</b>	

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition, and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in Q1 2016, Q3 2016, Q4 2016, Q3 2017 and Q4 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition transaction costs, accelerated depreciation on fixed assets to be abandoned due to integration synergies and charges/credits for changes in estimates of contingent acquisition consideration; in Q3 2016 and Q3 2017, charges/income associated with product liability litigation; and in Q3 2016 and Q3 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(c) Restructuring and other costs consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; curtailments/settlements of pension plans; the sale of businesses, product lines and property; and in Q2 2016 and Q4 2016, environmental remediation costs.

(d) The excluded items from other (income) expense, net, represent gains and losses on equity and available-for-sale investments; losses on the early extinguishment of debt; in Q2 2016, Q3 2016, Q2 2017 and Q3 2017, charges related to fees paid to obtain bridge financing commitments for the acquisitions of FEI and Patheon; and in 2016 amortization of acquisition-related intangible assets of the company's equity-method investments.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, benefit from tax credit carryforwards, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes and in Q4 2017, the impact of U.S. tax reform legislation.

## Free Cash Flow, Return on Invested Capital and Return on Equity

(Dollars in millions)

	2011	2012	2013	2014	2015	2016	2017
<b>Reconciliation of Free Cash Flow</b>							
GAAP Net Cash Provided by Operating Activities	1,717	2,072	2,083	2,729	2,942	3,258	4,005
Net Cash (Provided by) Used in Discontinued Operations	(14)	28	5	4	9	2	1
Purchases of Property, Plant, and Equipment	(261)	(315)	(283)	(427)	(423)	(444)	(508)
Proceeds from Sale of Property, Plant and Equipment	8	13	21	49	18	26	7
<b>Free Cash Flow</b>	<b>1,450</b>	<b>1,798</b>	<b>1,826</b>	<b>2,355</b>	<b>2,546</b>	<b>2,842</b>	<b>3,505</b>
<b>GAAP Return on Invested Capital (ROIC)</b>							
	7.1%	5.5%	5.9%	5.9%	5.9%	5.7%	5.4%
Cost of Revenues Charges (a)	0.4%	0.3%	0.1%	1.0%	0.0%	0.3%	0.3%
Selling, General and Administrative Costs (b)	0.3%	0.1%	0.3%	0.4%	0.1%	0.3%	0.2%
Restructuring and Other Costs (Income), Net (c)	0.5%	0.4%	0.4%	-1.8%	0.3%	0.5%	0.2%
Amortization of Acquisition-related Intangible Assets	3.5%	3.5%	3.5%	4.1%	3.9%	3.8%	3.9%
Net Interest Expense	0.7%	0.8%	1.0%	0.8%	0.7%	0.7%	0.8%
Other Expense (Income) (d)	-0.2%	0.0%	0.3%	0.0%	0.1%	0.1%	0.0%
Income Tax Benefit (e)	-1.4%	-1.7%	-1.4%	-0.9%	-1.5%	-1.5%	-0.8%
(Income) Loss from Discontinued Operations, Net of Tax	-1.7%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Adjusted ROIC</b>	<b>9.2%</b>	<b>9.3%</b>	<b>10.1%</b>	<b>9.5%</b>	<b>9.5%</b>	<b>9.9%</b>	<b>10.0%</b>
<b>GAAP Return on Equity (ROE)</b>							
	8.7%	7.7%	7.9%	9.5%	9.6%	9.5%	9.5%
Cost of Revenues Charges (a)	0.5%	0.4%	0.2%	1.7%	0.0%	0.5%	0.5%
Selling, General and Administrative Costs (b)	0.4%	0.1%	0.5%	0.7%	0.2%	0.5%	0.3%
Restructuring and Other Costs (Income), Net (c)	0.7%	0.6%	0.5%	-3.0%	0.6%	0.9%	0.4%
Amortization of Acquisition-related Intangible Assets	4.2%	4.9%	4.8%	6.7%	6.4%	6.4%	6.9%
Net Interest Expense	0.7%	1.2%	1.2%	1.3%	1.1%	1.2%	1.4%
Other Expense (Income) (d)	-0.2%	0.0%	0.4%	0.0%	0.1%	0.1%	0.1%
Income Tax Benefit (e)	-1.8%	-2.3%	-1.9%	-1.4%	-2.5%	-2.5%	-1.4%
(Income) Loss from Discontinued Operations, Net of Tax	-2.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Adjusted ROE</b>	<b>11.2%</b>	<b>13.1%</b>	<b>13.6%</b>	<b>15.5%</b>	<b>15.5%</b>	<b>16.6%</b>	<b>17.7%</b>

**Definitions:**

Invested capital is equity plus short-term and long-term debt and net liabilities of discontinued operations less cash and short-term investments.

Adjusted return on invested capital is annual adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average invested capital.

Adjusted return on equity is annual adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average shareholders equity.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition transaction costs and charges/credits for changes in estimates of contingent acquisition consideration; charges associated with product liability litigation; in 2012 gains due to settlement of certain product liability-related matters; in 2014, 2016 and 2017, charges to conform the accounting policies of recently acquired businesses with the company's accounting policies; and beginning in 2015, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; curtailments/settlements of pension plans; gains on the sale of businesses, product lines and property; and in 2016, environmental remediation costs.

(d) The excluded items from other expense (income), net, represent gains and losses on equity and available-for-sale investments; costs to obtain short-term financing commitments related to acquisitions; losses on the extinguishment of debt; in 2016 and prior years, amortization of acquisition-related intangible assets of the company's equity-method investments; and in 2015, costs associated with entering into interest rate swap arrangements.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, benefit from tax credit carryforwards, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes and in 2017, the impact of U.S. tax reform legislation.



## Segment Data

*(Dollars in millions)*

	Q1-16 †	Q2-16	Q3-16	Q4-16 †	2016	Q1-17	Q2-17	Q3-17	Q4-17	2017
<b>Life Sciences Solutions Segment</b>										
<b>Revenues</b>	<b>1,218</b>	<b>1,368</b>	<b>1,312</b>	<b>1,419</b>	<b>5,317</b>	<b>1,363</b>	<b>1,405</b>	<b>1,382</b>	<b>1,578</b>	<b>5,728</b>
Total Revenue Growth	11%	13%	13%	9%	11%	12%	3%	5%	11%	8%
Acquisitions net of Divestitures	1%	6%	6%	7%	5%	6%	1%	0%	0%	2%
Currency Translation	-2%	0%	0%	-1%	-1%	-1%	-1%	1%	3%	0%
<b>Organic Revenue Growth</b>	<b>11% **</b>	<b>7%</b>	<b>7%</b>	<b>4% **</b>	<b>7%</b>	<b>7%</b>	<b>3%</b>	<b>4%</b>	<b>8%</b>	<b>6%</b>
<b>Operating Income</b>	<b>351</b>	<b>389</b>	<b>389</b>	<b>467</b>	<b>1,596</b>	<b>434</b>	<b>448</b>	<b>453</b>	<b>561</b>	<b>1,896</b>
Operating Income Margin	28.9%	28.5%	29.6%	32.9%	30.0%	31.8%	31.9%	32.8%	35.6%	33.1%
Operating Income Margin Expansion	+0.2 pts	+0.1 pts	-0.6 pts	+1.9 pts	+0.4 pts	+2.9 pts	+3.4 pts	+3.2 pts	+2.7 pts	+3.1 pts
<b>Analytical Instruments Segment</b>										
<b>Revenues</b>	<b>759</b>	<b>794</b>	<b>898</b>	<b>1,217</b>	<b>3,668</b>	<b>1,052</b>	<b>1,166</b>	<b>1,189</b>	<b>1,414</b>	<b>4,821</b>
Total Revenue Growth	4%	2%	15%	32%	14%	39%	47%	32%	16%	31%
Acquisitions net of Divestitures	0%	0%	13%	31%	12%	35%	42%	20%	2%	22%
Currency Translation	-1%	-1%	0%	-1%	-1%	-2%	-1%	1%	3%	1%
<b>Organic Revenue Growth</b>	<b>6% **</b>	<b>3%</b>	<b>3% **</b>	<b>2%</b>	<b>3%</b>	<b>5% **</b>	<b>6%</b>	<b>11%</b>	<b>11%</b>	<b>9% **</b>
<b>Operating Income</b>	<b>112</b>	<b>145</b>	<b>190</b>	<b>298</b>	<b>745</b>	<b>192</b>	<b>232</b>	<b>257</b>	<b>346</b>	<b>1,027</b>
Operating Income Margin	14.7%	18.3%	21.2%	24.5%	20.3%	18.2%	20.0%	21.6%	24.5%	21.3%
Operating Income Margin Expansion	-2.0 pts	+0.3 pts	+2.4 pts	+2.4 pts	+1.2 pts	+3.5 pts	+1.7 pts	+0.4 pts	0.0 pts	+1.0 pts
<b>Specialty Diagnostics Segment</b>										
<b>Revenues</b>	<b>855</b>	<b>851</b>	<b>799</b>	<b>834</b>	<b>3,339</b>	<b>866</b>	<b>862</b>	<b>844</b>	<b>914</b>	<b>3,486</b>
Total Revenue Growth	9%	4%	3%	-4%	3%	1%	1%	6%	10%	4%
Acquisitions net of Divestitures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Currency Translation	-1%	0%	0%	-1%	-1%	-1%	-1%	1%	3%	0%
<b>Organic Revenue Growth</b>	<b>10%</b>	<b>4%</b>	<b>3%</b>	<b>-3%</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	<b>4% **</b>	<b>7%</b>	<b>4%</b>
<b>Operating Income</b>	<b>230</b>	<b>238</b>	<b>214</b>	<b>228</b>	<b>910</b>	<b>234</b>	<b>235</b>	<b>219</b>	<b>242</b>	<b>930</b>
Operating Income Margin	26.9%	27.9%	26.8%	27.2%	27.2%	27.0%	27.3%	25.9%	26.5%	26.7%
Operating Income Margin Expansion	-0.4 pts	+0.1 pts	+0.4 pts	+1.0 pts	+0.3 pts	+0.1 pts	-0.6 pts	-0.9 pts	-0.7 pts	-0.5 pts
<b>Laboratory Products &amp; Services Segment</b>										
<b>Revenues</b>	<b>1,649</b>	<b>1,719</b>	<b>1,675</b>	<b>1,681</b>	<b>6,724</b>	<b>1,699</b>	<b>1,792</b>	<b>1,933</b>	<b>2,401</b>	<b>7,825</b>
Total Revenue Growth	14%	6%	7%	-3%	6%	3%	4%	15%	43%	16%
Acquisitions net of Divestitures	2%	2%	2%	0%	1%	0%	0%	11%	31%	11%
Currency Translation	-2%	-1%	-1%	-1%	-1%	-1%	-1%	1%	2%	0%
<b>Organic Revenue Growth</b>	<b>14%</b>	<b>5%</b>	<b>6%</b>	<b>-2%</b>	<b>5% **</b>	<b>4%</b>	<b>5%</b>	<b>3%</b>	<b>9% **</b>	<b>5%</b>
<b>Operating Income</b>	<b>237</b>	<b>260</b>	<b>240</b>	<b>234</b>	<b>971</b>	<b>216</b>	<b>247</b>	<b>243</b>	<b>301</b>	<b>1,007</b>
Operating Income Margin	14.4%	15.1%	14.3%	14.0%	14.4%	12.7%	13.8%	12.6%	12.5%	12.9%
Operating Income Margin Expansion	+0.1 pts	+0.3 pts	-0.4 pts	-0.2 pts	-0.1 pts	-1.7 pts	-1.3 pts	-1.7 pts	-1.5 pts	-1.5 pts

† Revenues and organic revenue growth were impacted by four extra selling days in Q1 2016 versus Q1 2015 and four less selling days in Q4 2016 versus Q4 2015.

\*\* Results do not sum due to rounding.

## Balance Sheet and Leverage Ratios

(Dollars in millions)

	12/31/2014 <sup>(c)</sup>	12/31/2015	12/31/2016	4/1/2017	7/1/2017	9/30/2017	12/31/2017
<b>Assets</b>							
Current Assets:							
Cash and cash equivalents	1,343	452	786	713	611	741	1,335
Short-term investments	9	2	2	2	2	2	2
Accounts receivable, net	2,474	2,545	3,049	3,097	3,258	3,657	3,879
Inventories	1,860	1,992	2,213	2,327	2,422	3,126	2,971
Other current assets	854	750	971	1,109	1,159	1,318	1,234
<b>Total Current Assets</b>	<b>6,540</b>	<b>5,741</b>	<b>7,021</b>	<b>7,248</b>	<b>7,452</b>	<b>8,844</b>	<b>9,421</b>
Property, Plant and Equipment, Net	2,426	2,449	2,578	2,564	2,600	3,932	4,047
Acquisition-related Intangible Assets	14,110	12,758	13,969	13,822	13,576	17,030	16,684
Other Assets	933	1,058	1,012	1,020	1,040	1,050	1,227
Goodwill	18,843	18,828	21,328	21,560	21,846	25,129	25,290
	<b>42,852</b>	<b>40,834</b>	<b>45,908</b>	<b>46,214</b>	<b>46,514</b>	<b>55,985</b>	<b>56,669</b>
<b>Liabilities and Shareholders' Equity</b>							
Current Liabilities:							
Short-term obligations and current maturities of long-term obligations	2,212	1,052	1,255	1,882	1,540	2,762	2,135
Accounts payable	821	822	926	1,031	982	1,124	1,428
Other current liabilities	2,317	2,272	2,685	2,390	2,554	3,145	3,485
<b>Total Current Liabilities</b>	<b>5,350</b>	<b>4,146</b>	<b>4,866</b>	<b>5,303</b>	<b>5,076</b>	<b>7,031</b>	<b>7,048</b>
Other Long-term Liabilities	4,602	3,918	4,130	3,928	3,791	5,022	5,335
Long-term Obligations	12,352	11,420	15,372	15,188	15,256	19,230	18,873
<b>Total Shareholders' Equity</b>	<b>20,548</b>	<b>21,350</b>	<b>21,540</b>	<b>21,795</b>	<b>22,391</b>	<b>24,702</b>	<b>25,413</b>
	<b>42,852</b>	<b>40,834</b>	<b>45,908</b>	<b>46,214</b>	<b>46,514</b>	<b>55,985</b>	<b>56,669</b>
<b>Leverage Ratios</b>							
<b>Total Debt / TTM EBITDA</b>	<b>3.5X</b>	<b>3.1X</b>	<b>4.0X</b>	<b>3.9X</b>	<b>3.7X</b>	<b>4.7X</b>	<b>4.2X</b>
Effect of Adjusted Items	0.1X	-0.1X	-0.4X	-0.3X	-0.3X	-0.3X	-0.2X
<b>Total Debt / Adjusted TTM EBITDA (a)</b>	<b>3.6X</b>	<b>3.0X</b>	<b>3.6X</b>	<b>3.6X</b>	<b>3.4X</b>	<b>4.4X</b>	<b>4.0X</b>
<b>Net Debt (b) / TTM EBITDA</b>	<b>3.2X</b>	<b>3.0X</b>	<b>3.8X</b>	<b>3.8X</b>	<b>3.6X</b>	<b>4.5X</b>	<b>3.9X</b>
Effect of Adjusted Items	0.1X	-0.1X	-0.4X	-0.4X	-0.3X	-0.3X	-0.2X
<b>Net Debt (b) / Adjusted TTM EBITDA (a)</b>	<b>3.3X</b>	<b>2.9X</b>	<b>3.4X</b>	<b>3.4X</b>	<b>3.3X</b>	<b>4.2X</b>	<b>3.7X</b>

(a) Adjusted EBITDA equals adjusted operating income excluding depreciation.

(b) Net debt is short-term and long-term debt less cash and short-term investments.

(c) Periods prior to 12/31/15 have not been recast to reflect the adoption of ASU 2015-03. Under this new accounting guidance debt issuance costs are now recorded as a reduction in the carrying value of the debt instrument. Previously, deferred debt issuance costs were included in Other Assets on the balance sheet.

**Debt**
*(Dollars in millions)*

	Effective Interest Rate at 12/31/17	Maturity Date	12/31/2014 <sup>(c)</sup>	12/31/2015	12/31/2016	4/1/2017	7/1/2017	9/30/2017	12/31/2017
<b>Short-term</b>									
TMO Floating Rate Senior Notes (euro denominated)	0.37%	8/9/2018	0	0	0	0	0	707	720
TMO 2.15% Senior Notes	2.35%	12/14/2018	0	0	0	0	0	0	449
Term Loan			1,000	0	300	350	0	750	0
Commercial Paper	-0.26%		0	50	953	1,530	1,538	1,300	960
Other			1,212	1,002	3	2	2	5	6
<b>Total Short-term</b>			<b>2,212</b>	<b>1,052</b>	<b>1,256</b>	<b>1,882</b>	<b>1,540</b>	<b>2,762</b>	<b>2,135</b>
<b>Long-term</b>									
TMO Floating Rate Senior Notes (euro denominated)		8/9/2018	0	0	629	637	684	0	0
TMO 2.15% Senior Notes		12/14/2018	0	448	448	448	449	449	0
TMO 2.40% Senior Notes	2.59%	2/1/2019	898	895	897	897	897	898	898
TMO Floating Rate Senior Notes (euro denominated)	0.10%	7/24/2019	0	0	0	0	0	589	599
Life Technologies 6.00% Senior Notes	2.97%	3/1/2020	858	838	818	813	808	803	797
TMO 4.70% Senior Notes	4.23%	5/1/2020	300	300	304	304	304	303	303
TMO 1.50% Senior Notes (euro denominated)	1.62%	12/1/2020	0	459	445	451	484	500	509
Life Technologies 5.00% Senior Notes	3.24%	1/15/2021	438	432	426	425	423	422	420
TMO 4.50% Senior Notes (a)	5.37%	3/1/2021	996	995	990	988	992	991	984
TMO 3.60% Senior Notes (a)	5.19%	8/15/2021	1,098	1,096	1,088	1,086	1,091	1,090	1,081
TMO 3.30% Senior Notes	3.43%	2/15/2022	800	794	795	796	796	796	796
TMO 2.15% Senior Notes (euro denominated)	2.28%	7/21/2022	0	539	522	529	568	588	597
TMO 3.15% Senior Notes	3.31%	1/15/2023	797	792	793	793	794	794	794
TMO 3.00% Senior Notes (a)	5.42%	4/15/2023	0	0	943	942	948	950	941
TMO 4.15% Senior Notes	4.16%	2/1/2024	998	991	992	992	993	993	993
TMO 0.75% Senior Notes (euro denominated)	0.95%	9/12/2024	0	0	1,037	1,051	1,128	1,167	1,186
TMO 2.00% Senior Notes (euro denominated)	2.10%	4/15/2025	772	689	668	676	726	751	763
TMO 3.65% Senior Notes	3.77%	12/15/2025	0	347	347	347	347	347	347
TMO 1.40% Senior Notes (euro denominated)	1.53%	1/23/2026	0	0	0	0	0	819	832
TMO 2.95% Senior Notes	3.19%	9/19/2026	0	0	1,176	1,177	1,177	1,178	1,178
TMO 1.45% Senior Notes (euro denominated)	1.66%	3/16/2027	0	0	0	523	561	581	591
TMO 3.20% Senior Notes	3.39%	8/15/2027	0	0	0	0	0	739	739
TMO 1.375% Senior Notes (euro denominated)	1.46%	9/12/2028	0	0	625	633	680	703	715
TMO 1.95% Senior Notes (euro denominated)	2.08%	7/24/2029	0	0	0	0	0	816	830
TMO 2.875% Senior Notes (euro denominated)	2.94%	7/24/2037	0	0	0	0	0	819	833
TMO 5.30% Senior Notes	5.37%	2/1/2044	400	396	396	396	396	396	396
TMO 4.10% Senior Notes	4.23%	8/15/2047	0	0	0	0	0	734	733
Term Loan			275	0	523	274	0	0	0
Other			3,722	1,409	510	10	10	14	18
<b>Total Long-term</b>			<b>12,352</b>	<b>11,420</b>	<b>15,372</b>	<b>15,188</b>	<b>15,256</b>	<b>19,230</b>	<b>18,873</b>
<b>Total Debt</b>			<b>14,564</b>	<b>12,472</b>	<b>16,628</b>	<b>17,070</b>	<b>16,796</b>	<b>21,992</b>	<b>21,008</b>
<b>Total Cash and Short-term Investments</b>			<b>1,352</b>	<b>454</b>	<b>788</b>	<b>715</b>	<b>613</b>	<b>743</b>	<b>1,337</b>
<b>Net Debt (b)</b>			<b>13,212</b>	<b>12,018</b>	<b>15,840</b>	<b>16,355</b>	<b>16,183</b>	<b>21,249</b>	<b>19,671</b>

(a) Fixed rate interest has been swapped to variable rate.

(b) Net debt is short-term and long-term debt less cash and short-term investments.

(c) Periods prior to 12/31/15 have not been recast to reflect the adoption of ASU 2015-03. Under this new accounting guidance debt issuance costs are now recorded as a reduction in the carrying value of the debt instrument. Previously, deferred debt issuance costs were included in Other Assets on the balance sheet.

**2014 - 2017 Significant Acquisitions/Divestitures**

Transaction Closing Date	Entity	Acquisition or Divestiture	Business Description	Principal Segment	Revenue (a) (millions)
<b>2017</b>					
August 28	Patheon N.V.	Acquisition	Leading contract development and manufacturing organization serving the pharmaceutical and biotechnology sectors	LPS	\$1,867 (b)
March 2	Core Informatics	Acquisition	Provider of cloud-based platforms supporting scientific data management	AIS	\$10
February 14	Finesse Solutions, Inc.	Acquisition	Leader in development of scalable control automation systems and software for bioproduction	LSS	\$50
<b>2016</b>					
September 19	FEI	Acquisition	Leader in high-performance electron microscopy	AIS	\$930
March 31	Affymetrix	Acquisition	Leading provider of cellular and genetic analysis products	LSS	\$360
<b>2015</b>					
September 30	Alfa Aesar	Acquisition	Leading global manufacturer of research chemicals	LPS	£78
February 4	Advanced Scientifics, Inc.	Acquisition	Provider of customized single-use systems and process equipment for bioprocess production	LSS	\$80
<b>2014</b>					
August 15	Cole-Parmer	Divestiture	Customer channel business providing fluid handling, test and measurement, and electrochemistry products and services	LPS	\$232
March 21	Select businesses within Biosciences portfolio	Divestiture	Sera and media, gene modulation and magnetic beads businesses formerly in the Analytical Technologies Segment	LSS	\$250
February 3	Life Technologies	Acquisition	Global leader in life sciences	LSS	\$3,872
(a) Approximate revenue from prior full year reporting period as of the announcement date.					
(b) Fiscal year ended October 31, 2016.					

## Capital Deployment

<b>Share Buybacks</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Total Number of Shares Purchased (millions)</b>	—	4.0	9.0	5.0
<b>Average Price Paid per Share</b>	<u>\$0.00</u>	<u>\$127.66</u>	<u>\$138.28</u>	<u>\$148.59</u>
<b>Total Spend (\$ millions)</b>	<b>\$0</b>	<b>\$500</b>	<b>\$1,250</b>	<b>\$750</b>
<b>Remaining Share Repurchase Authorization (in millions) as of 1/31/2018: \$500</b>				

<b>Dividends Paid</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Amount per Share</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>
Future declarations of dividends are subject to board approval and may be adjusted as business needs or market conditions change.				

# Fiscal Calendar

## 2017 FISCAL CALENDAR

FIRST QUARTER								THIRD QUARTER									
Month	S	M	T	W	T	F	S	Week	Month	S	M	T	W	T	F	S	Week
<b>JAN</b> 5 Weeks	1	2	3	4	5	6	7	1	<b>JULY</b> 5 Weeks	2	3	4	5	6	7	8	27
	8	9	10	11	12	13	14	2		9	10	11	12	13	14	15	28
	15	16	17	18	19	20	21	3		16	17	18	19	20	21	22	29
	22	23	24	25	26	27	28	4		23	24	25	26	27	28	29	30
	29	30	31	1	2	3	4	5		30	31	1	2	3	4	5	31
<b>FEB</b> 4 Weeks	5	6	7	8	9	10	11	6	<b>AUG</b> 4 Weeks	6	7	8	9	10	11	12	32
	12	13	14	15	16	17	18	7		13	14	15	16	17	18	19	33
	19	20	21	22	23	24	25	8		20	21	22	23	24	25	26	34
	26	27	28	1	2	3	4	9		27	28	29	30	31	1	2	35
<b>MARCH</b> 4 Weeks	5	6	7	8	9	10	11	10	<b>SEPT</b> 4 Weeks	3	4	5	6	7	8	9	36
	12	13	14	15	16	17	18	11		10	11	12	13	14	15	16	37
	19	20	21	22	23	24	25	12		17	18	19	20	21	22	23	38
	26	27	28	29	30	31	1	13		24	25	26	27	28	29	30	39
SECOND QUARTER								FOURTH QUARTER									
<b>APRIL</b> 5 Weeks	2	3	4	5	6	7	8	14	<b>OCT</b> 5 Weeks	1	2	3	4	5	6	7	40
	9	10	11	12	13	14	15	15		8	9	10	11	12	13	14	41
	16	17	18	19	20	21	22	16		15	16	17	18	19	20	21	42
	23	24	25	26	27	28	29	17		22	23	24	25	26	27	28	43
	30	1	2	3	4	5	6	18		29	30	31	1	2	3	4	44
<b>MAY</b> 4 Weeks	7	8	9	10	11	12	13	19	<b>NOV</b> 4 Weeks	5	6	7	8	9	10	11	45
	14	15	16	17	18	19	20	20		12	13	14	15	16	17	18	46
	21	22	23	24	25	26	27	21		19	20	21	22	23	24	25	47
	28	29	30	31	1	2	3	22		26	27	28	29	30	1	2	48
<b>JUNE</b> 4 Weeks	4	5	6	7	8	9	10	23	<b>DEC</b> 4 Weeks	3	4	5	6	7	8	9	49
	11	12	13	14	15	16	17	24		10	11	12	13	14	15	16	50
	18	19	20	21	22	23	24	25		17	18	19	20	21	22	23	51
	25	26	27	28	29	30	1	26		24	25	26	27	28	29	30	52
									31								53

## 2018 FISCAL CALENDAR

FIRST QUARTER								THIRD QUARTER									
Month	S	M	T	W	T	F	S	Week	Month	S	M	T	W	T	F	S	Week
<b>JAN</b> 5 Weeks	1	2	3	4	5	6	7	1	<b>JULY</b> 5 Weeks	1	2	3	4	5	6	7	27
	7	8	9	10	11	12	13	2		8	9	10	11	12	13	14	28
	14	15	16	17	18	19	20	3		15	16	17	18	19	20	21	29
	21	22	23	24	25	26	27	4		22	23	24	25	26	27	28	30
	28	29	30	31	1	2	3	5		29	30	31	1	2	3	4	31
<b>FEB</b> 4 Weeks	4	5	6	7	8	9	10	6	<b>AUG</b> 4 Weeks	5	6	7	8	9	10	11	32
	11	12	13	14	15	16	17	7		12	13	14	15	16	17	18	33
	18	19	20	21	22	23	24	8		19	20	21	22	23	24	25	34
	25	26	27	28	1	2	3	9		26	27	28	29	30	31	1	35
<b>MARCH</b> 4 Weeks	4	5	6	7	8	9	10	10	<b>SEPT</b> 4 Weeks	2	3	4	5	6	7	8	36
	11	12	13	14	15	16	17	11		9	10	11	12	13	14	15	37
	18	19	20	21	22	23	24	12		16	17	18	19	20	21	22	38
	25	26	27	28	29	30	31	13		23	24	25	26	27	28	29	39
SECOND QUARTER								FOURTH QUARTER									
<b>APRIL</b> 5 Weeks	1	2	3	4	5	6	7	14	<b>OCT</b> 5 Weeks	30	1	2	3	4	5	6	40
	8	9	10	11	12	13	14	15		7	8	9	10	11	12	13	41
	15	16	17	18	19	20	21	16		14	15	16	17	18	19	20	42
	22	23	24	25	26	27	28	17		21	22	23	24	25	26	27	43
	29	30	1	2	3	4	5	18		28	29	30	31	1	2	3	44
<b>MAY</b> 4 Weeks	6	7	8	9	10	11	12	19	<b>NOV</b> 4 Weeks	4	5	6	7	8	9	10	45
	13	14	15	16	17	18	19	20		11	12	13	14	15	16	17	46
	20	21	22	23	24	25	26	21		18	19	20	21	22	23	24	47
	27	28	29	30	31	1	2	22		25	26	27	28	29	30	1	48
<b>JUNE</b> 4 Weeks	3	4	5	6	7	8	9	23	<b>DEC</b> 4 Weeks	2	3	4	5	6	7	8	49
	10	11	12	13	14	15	16	24		9	10	11	12	13	14	15	50
	17	18	19	20	21	22	23	25		16	17	18	19	20	21	22	51
	24	25	26	27	28	29	30	26		23	24	25	26	27	28	29	52
									30	31							53