



Condensed Consolidated Balance Sheets

(in millions)	2015				2016				2017		
	Unaudited				Unaudited				Unaudited		
	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 534	\$ 591	\$ 552	\$ 769	\$ 755	\$ 952	\$ 795	\$ 735	\$ 981	\$ 1,219	\$ 1,354
Short-term investments	833	919	888	617	588	474	742	824	797	674	687
Accounts receivable, net	350	369	413	386	403	372	382	381	368	372	383
Inventory	205	224	234	271	288	311	312	300	299	309	327
Deferred tax assets, current portion (a)	49	52	43	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	89	83	80	54	40	34	47	78	72	69	54
Total current assets	2,060	2,238	2,210	2,097	2,074	2,143	2,278	2,318	2,517	2,643	2,805
Property and equipment, net	281	303	309	343	385	511	634	713	734	837	862
Goodwill	725	725	757	753	776	776	776	776	771	771	771
Intangible assets, net	301	288	286	274	270	269	256	243	207	196	185
Deferred tax assets, long-term portion	63	66	87	134	196	186	182	123	83	103	117
Other assets	69	83	85	87	93	100	102	108	286	308	306
Total assets	\$ 3,499	\$ 3,703	\$ 3,734	\$ 3,688	\$ 3,794	\$ 3,985	\$ 4,228	\$ 4,281	\$ 4,598	\$ 4,858	\$ 5,046
LIABILITIES AND STOCKHOLDERS' EQUITY											
Current liabilities:											
Accounts payable	\$ 107	\$ 108	\$ 124	\$ 139	\$ 135	\$ 157	\$ 134	\$ 138	\$ 142	\$ 175	\$ 158
Accrued liabilities (b)	296	315	358	387	326	330	315	342	386	378	381
Build-to-suit lease liability (b)	-	-	-	9	20	94	179	223	192	124	124
Long-term debt, current portion	307	302	102	75	-	1	1	2	1	5	2
Total current liabilities	710	725	584	610	481	582	629	705	721	682	665
Long-term debt	994	1,001	1,008	1,016	1,023	1,031	1,041	1,056	1,055	1,169	1,180
Other long-term liabilities	172	183	173	180	186	198	204	206	212	212	222
Redeemable noncontrolling interest	-	-	32	33	33	34	34	44	59	80	124
Stockholders' equity	1,623	1,794	1,937	1,849	2,071	2,140	2,320	2,270	2,551	2,715	2,855
Total liabilities and stockholders' equity	\$ 3,499	\$ 3,703	\$ 3,734	\$ 3,688	\$ 3,794	\$ 3,985	\$ 4,228	\$ 4,281	\$ 4,598	\$ 4,858	\$ 5,046

(a) In November 2015, the FASB issued ASU No. 2015-17, which requires all deferred tax assets and liabilities to be classified as noncurrent on the balance sheet. The Company adopted ASU No. 2015-17 prospectively as of Q4 2015. Prior periods were not retrospectively adjusted for this change in accounting principle.

(b) Build-to-suit lease liabilities were reclassified from accrued liabilities for Q4 2015 and from accounts payable for Q1 and Q2 of 2016 to conform to current period presentation.



Condensed Consolidated Statements of Income

	2015					2016					2017		
	Unaudited				FY'15	Unaudited				FY'16	Unaudited		
(in millions, except per share amounts and %) (a)	1Q 15	2Q 15	3Q 15	4Q 15		1Q 16	2Q 16	3Q 16	4Q 16		1Q 17	2Q 17	3Q 17
Revenue:													
Product revenue	\$ 459	\$ 463	\$ 471	\$ 498	\$ 1,891	\$ 483	\$ 510	\$ 514	\$ 525	\$ 2,032	\$ 491	\$ 543	\$ 596
Service and other revenue	80	76	79	94	329	89	90	93	94	366	107	119	118
Total revenue	539	539	550	592	2,220	572	600	607	619	2,398	598	662	714
Cost of revenue:													
Cost of product revenue (a)	120	120	121	131	491	125	125	132	151	534	166	168	173
Cost of service and other revenue (a)	33	32	29	40	134	39	40	38	38	155	53	50	50
Amortization of acquired intangible assets	11	11	12	11	46	11	11	11	11	43	11	10	9
Total cost of revenue	164	163	162	182	671	175	176	181	200	732	230	228	232
Gross profit	375	376	388	410	1,549	397	424	426	419	1,666	368	434	482
Operating expense:													
Research and development (b)	92	96	99	115	401	124	125	126	130	504	145	130	134
Selling, general and administrative (b)	107	128	133	147	516	150	148	139	146	584	163	169	167
Legal contingencies	-	-	15	4	19	2	(11)	-	-	(9)	8	(8)	-
Total operating expense	199	224	247	266	936	276	262	265	276	1,079	316	291	301
Income from operations	176	152	141	144	613	121	162	161	143	587	52	143	181
Other income (expense), net	2	(11)	(12)	(9)	(30)	(5)	(5)	(7)	(9)	(26)	451	(2)	(6)
Income before income taxes	178	141	129	135	583	116	157	154	134	561	503	141	175
Provision for income taxes	41	39	13	32	125	28	41	37	26	133	155	21	23
Consolidated Net income	137	102	116	103	458	88	116	117	108	428	348	120	152
Net loss attributable to noncontrolling interests	-	-	2	2	4	2	4	12	16	35	19	8	11
Net income attributable to Illumina stockholders	\$ 137	\$ 102	\$ 118	\$ 105	\$ 462	\$ 90	\$ 120	\$ 129	\$ 124	\$ 463	\$ 367	\$ 128	\$ 163
Net income attributable to Illumina stockholders for earnings per share	\$ 137	\$ 102	\$ 118	\$ 105	\$ 462	\$ 90	\$ 122	\$ 129	\$ 124	\$ 454	\$ 366	\$ 128	\$ 163
Earnings per share attributable to Illumina Stockholders (b):													
Basic	\$0.95	\$0.71	\$0.81	\$0.72	\$3.19	\$0.61	\$0.83	\$0.88	\$0.84	\$3.09	\$2.50	\$0.87	\$1.12
Diluted	\$0.92	\$0.69	\$0.79	\$0.70	\$3.10	\$0.60	\$0.82	\$0.87	\$0.84	\$3.07	\$2.48	\$0.87	\$1.11
Shares used in computing earnings per common share:													
Basic	144	144	145	146	145	147	147	147	147	147	146	146	146
Diluted	149	149	150	149	149	148	148	148	148	148	147	147	148
Gross Margin	70%	70%	71%	69%	70%	69%	71%	70%	68%	69%	62%	66%	68%
R&D as % of revenue	17%	18%	18%	19%	18%	22%	21%	21%	21%	21%	24%	20%	19%
SG&A as % of revenue	20%	24%	24%	25%	23%	26%	25%	23%	24%	24%	27%	26%	24%
Operating Expenses as % of revenue	37%	42%	45%	45%	42%	48%	44%	44%	45%	45%	53%	44%	42%
Operating Margin	33%	28%	26%	24%	28%	21%	27%	27%	23%	24%	9%	22%	25%
Tax Rate	23%	28%	10%	24%	22%	25%	26%	24%	20%	24%	31%	15%	13%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) Includes stock-based compensation.

(b) Our consolidated VIEs' losses (GRAIL and Helix) are included in the Company's consolidated basic and diluted earnings per share computations based on Illumina's weighted average common shares as a percentage of the VIEs' weighted average common shares. In Q2 2016, Illumina exchanged 98 million shares of GRAIL Class B common stock held by Illumina for 98 million shares of GRAIL Series A-1 convertible preferred stock. This resulted in a significant difference in GRAIL's common stock outstanding and common stock owned by Illumina throughout the year. Therefore, for the fiscal year 2016, the sum of the quarterly earnings per share do not equal the annual earnings per share.



Non-GAAP Data

Unaudited

See "Reconciliation GAAP-non-GAAP" tabs within this workbook for reconciliations of the non-GAAP financial measures to GAAP

(in millions, except per share amounts and %)	2015 (a)					2016 (a)					2017		
	1Q 15	2Q 15	3Q 15	4Q 15	FY'15	1Q 16	2Q 16	3Q 16	4Q 16	FY'16	1Q 17	2Q 17	3Q 17
Revenue	\$ 538.6	\$ 539.4	\$ 550.3	\$ 591.5	\$ 2,219.8	\$ 571.8	\$ 600.1	\$ 607.1	\$ 619.3	\$ 2,398.4	\$ 598.2	\$ 662.4	\$ 714.0
Gross profit	386.4	387.7	399.7	421.2	1,595.1	407.4	434.3	437.1	430.4	1,709.3	397.2	443.7	491.3
Research and development expense	91.8	96.2	99.2	114.3	401.4	123.9	124.5	125.8	129.9	504.1	139.5	130.4	133.7
Selling, general and administrative expense	114.8	123.1	134.8	145.1	517.8	147.1	146.4	137.1	144.9	575.3	153.2	166.6	165.9
Income from operations	179.8	168.5	165.7	161.8	675.9	136.6	163.4	174.2	155.6	629.8	104.5	146.6	191.6
Consolidated net income	135.4	119.7	117.0	119.0	491.0	103.2	123.2	132.1	110.2	468.7	81.4	113.4	152.3
Net loss attributable to noncontrolling interests	-	-	2.6	1.6	4.2	2.4	4.0	12.0	16.2	34.6	12.8	7.9	10.9
Net income attributable to Illumina stockholders	135.4	119.7	119.6	120.6	495.2	105.5	127.2	144.1	126.4	503.2	94.2	121.3	163.3
Diluted EPS attributable to Illumina stockholders	0.91	0.80	0.80	0.81	3.32	0.71	0.86	0.97	0.85	3.33	0.64	0.82	1.11
Helix and GRAIL dilution	-	-	0.02	0.01	0.03	0.06	0.08	0.07	0.08	0.36	0.07	0.05	0.07
Tax rate	24.5%	28.9%	28.6%	26.5%	27.1%	25.5%	25.7%	24.6%	28.5%	26.1%	24.4%	25.1%	21.6%

All amounts in tables are rounded to the nearest one hundred thousands, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) 2015 and 2016 non-GAAP results have been restated to include stock-based compensation in order to conform to current period presentation.



Condensed Consolidated Statements of Operations (Reconciliation Between GAAP and Non-GAAP Results)

Unaudited

(in millions)	2015 (a)					2016 (a)					2017		
	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY'16	1Q 17	2Q 17	3Q 17
GAAP gross profit	\$ 375	\$ 376	\$ 388	\$ 410	\$ 1,549	\$ 397	\$ 424	\$ 426	\$ 419	\$ 1,666	\$ 368	\$ 434	\$ 482
Amortization of acquired intangible assets	11	11	12	11	46	10	10	11	11	43	11	10	9
Impairment of acquired intangible asset	-	-	-	-	-	-	-	-	-	-	18	-	-
Non-GAAP gross profit (b)	\$ 386	\$ 387	\$ 400	\$ 421	\$ 1,595	\$ 407	\$ 434	\$ 437	\$ 430	\$ 1,709	\$ 397	\$ 444	\$ 491
GAAP research and development expense	\$ 92	\$ 96	\$ 99	\$ 115	\$ 401	\$ 124	\$ 125	\$ 126	\$ 130	\$ 504	\$ 145	\$ 130	\$ 134
Impairment of in-process research and development (IPR&D)	-	-	-	-	-	-	-	-	-	-	(5)	-	-
Non-GAAP research and development expense	\$ 92	\$ 96	\$ 99	\$ 115	\$ 401	\$ 124	\$ 125	\$ 126	\$ 130	\$ 504	\$ 140	\$ 130	\$ 134
GAAP selling, general and administrative expense	\$ 107	\$ 128	\$ 133	\$ 147	\$ 516	\$ 150	\$ 148	\$ 139	\$ 146	\$ 584	\$ 163	\$ 169	\$ 167
Amortization of acquired intangible assets	(1)	(1)	(2)	(1)	(6)	(2)	(2)	(1)	(1)	(6)	(2)	(2)	(2)
Acquisition related gain (expense), net (c)	10	(2)	(1)	-	6	-	-	-	-	-	1	-	-
Headquarter relocation	(1)	(2)	5	-	3	-	-	-	-	(1)	-	-	-
Contingent compensation expense (d)	-	-	-	(1)	(1)	(1)	-	(1)	-	(2)	-	-	-
Performance-based compensation related to GRAIL series B financing (e)	-	-	-	-	-	-	-	-	-	-	(10)	-	-
Non-GAAP selling, general and administrative expense	\$ 115	\$ 123	\$ 135	\$ 145	\$ 518	\$ 147	\$ 146	\$ 137	\$ 145	\$ 575	\$ 152	\$ 167	\$ 165
GAAP operating profit	\$ 176	\$ 152	\$ 141	\$ 144	\$ 613	\$ 121	\$ 162	\$ 161	\$ 143	\$ 587	\$ 52	\$ 143	\$ 181
Amortization of acquired intangible assets	12	12	14	12	52	12	12	12	12	49	13	12	11
Acquisition related (gain) expense, net (c)	(10)	2	1	-	(6)	-	-	-	-	-	(1)	-	-
Headquarter relocation	1	2	(5)	-	(3)	-	-	-	-	1	-	-	-
Legal contingencies	-	-	15	4	19	2	(11)	-	-	(9)	8	(8)	-
Contingent compensation expense (d)	-	-	-	1	1	1	-	1	-	2	-	-	-
Performance-based compensation related to GRAIL series B financing (e)	-	-	-	-	-	-	-	-	-	-	10	-	-
Impairments of acquired intangible assets and IPR&D	-	-	-	-	-	-	-	-	-	-	23	-	-
Non-GAAP operating profit (b)	\$ 179	\$ 168	\$ 166	\$ 161	\$ 676	\$ 136	\$ 163	\$ 174	\$ 155	\$ 630	\$ 105	\$ 147	\$ 192
GAAP other income (expense), net	\$ 2	\$ (11)	\$ (12)	\$ (9)	\$ (30)	\$ (5)	\$ (5)	\$ (7)	\$ (9)	\$ (26)	\$ 451	\$ (2)	\$ (6)
Loss on extinguishment of debt	-	-	4	-	4	-	-	-	-	-	-	-	-
Non-cash interest expense	10	11	10	9	39	8	7	8	8	30	7	8	8
Cost/equity method investment related gain	(13)	-	(3)	-	(16)	-	-	-	-	-	(2)	(1)	1
Gain on deconsolidation of GRAIL (f)	-	-	-	-	-	-	-	-	-	-	(453)	-	-
Non-GAAP other (expense) income, net	\$ (1)	\$ -	\$ (1)	\$ -	\$ (3)	\$ 3	\$ 2	\$ 1	\$ (1)	\$ 4	\$ 3	\$ 5	\$ 3

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) 2015 and 2016 non-GAAP results have been restated to include stock-based compensation in order to conform to current period presentation.

(b) Non-GAAP gross profit, included within non-GAAP operating profit, is a key measure of the effectiveness and efficiency of manufacturing processes, product mix and the average selling prices of the company's products and services. Non-GAAP operating profit, and non-GAAP other income (expense), net, exclude the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing past and future operating performance.

(c) Acquisition related gain/expense consists of change in fair value of contingent consideration.

(d) Contingent compensation expense relates to contingent payments for post-combination services associated with an acquisition.

(e) Amount represents performance-based stock which vested as a result of the financing.



Condensed Consolidated Statements of Operations (Reconciliation Between GAAP and Non-GAAP Results)

Unaudited

	2015					2016					2017		
	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17
(in millions, except per share amounts)													
GAAP earnings per share attributable to Illumina stockholders - diluted	\$ 0.92	\$ 0.69	\$ 0.79	\$ 0.70	\$ 3.10	\$ 0.60	\$ 0.82	\$ 0.87	\$ 0.84	\$ 3.07	\$ 2.48	\$ 0.87	\$ 1.11
Adjustments to net income:													
Amortization of acquired intangible assets	0.09	0.08	0.09	0.09	0.35	0.09	0.08	0.08	0.08	0.33	0.09	0.08	0.07
Non-cash interest expense (a)	0.07	0.07	0.06	0.06	0.26	0.05	0.05	0.05	0.05	0.20	0.05	0.05	0.05
Acquisition related (expense) gain, net (b)	(0.07)	0.02	0.01	-	(0.04)	-	-	-	-	-	(0.01)	-	-
Cost/equity method investment related gain	(0.08)	-	(0.02)	-	(0.10)	-	-	-	-	-	(0.01)	(0.01)	0.01
Headquarter relocation	-	0.01	(0.03)	-	(0.02)	-	-	-	-	0.01	-	-	-
Legal contingencies	-	-	0.10	0.03	0.13	0.01	(0.07)	-	-	(0.06)	0.05	(0.05)	-
Loss on extinguishment of debt	-	-	0.03	-	0.03	-	-	-	-	-	-	-	-
Deemed dividend (c)	-	-	-	-	-	-	(0.01)	-	-	(0.01)	-	-	-
Contingent compensation expense (d)	-	-	-	-	-	-	-	0.01	-	0.01	-	-	-
Gain on deconsolidation of GRAIL (e)	-	-	-	-	-	-	-	-	-	-	(3.07)	-	-
Impairments of acquired intangible assets and IPR&D	-	-	-	-	-	-	-	-	-	-	0.15	-	-
Performance-based compensation related to GRAIL series B financing (f)	-	-	-	-	-	-	-	-	-	-	0.03	-	-
Incremental non-GAAP tax expense (g)	(0.02)	(0.07)	(0.06)	(0.07)	(0.22)	(0.04)	(0.01)	(0.04)	(0.07)	(0.17)	0.93	(0.03)	(0.05)
Tax benefit related to cost-sharing arrangement (h)	-	-	(0.17)	-	(0.17)	-	-	-	(0.05)	(0.05)	-	-	-
Excess tax benefit from share-based compensation (i)	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.09)	(0.08)
Non-GAAP earnings per share attributable to Illumina stockholders - diluted (j)	\$ 0.91	\$ 0.80	\$ 0.80	\$ 0.81	\$ 3.32	\$ 0.71	\$ 0.86	\$ 0.97	\$ 0.85	\$ 3.33	\$ 0.64	\$ 0.82	\$ 1.11
GAAP net income attributable to Illumina stockholders (k)	\$ 137	\$ 102	\$ 118	\$ 105	\$ 462	\$ 90	\$ 120	\$ 129	\$ 124	\$ 463	\$ 367	\$ 128	\$ 163
Amortization of acquired intangible assets	12	12	14	12	52	12	12	12	12	49	13	12	11
Non-cash interest expense (a)	10	11	10	9	39	8	7	8	8	30	7	8	8
Acquisition related (gain) expense, net (b)	(10)	2	1	-	(6)	-	-	-	-	-	(1)	-	-
Cost/equity method investment related gain	(13)	-	(3)	-	(16)	-	-	-	-	-	(2)	(1)	1
Headquarter relocation	1	2	(5)	-	(3)	-	-	-	-	1	-	-	-
Legal contingencies	-	-	15	4	19	2	(11)	-	-	(9)	8	(8)	-
Loss on extinguishment of debt	-	-	4	-	4	-	-	-	-	-	-	-	-
Contingent compensation expense (d)	-	-	-	1	1	1	-	1	-	2	-	-	-
Gain on deconsolidation of GRAIL (e)	-	-	-	-	-	-	-	-	-	-	(453)	-	-
Impairments of acquired intangible assets and IPR&D	-	-	-	-	-	-	-	-	-	-	23	-	-
Performance-based compensation related to GRAIL series B financing (e)	-	-	-	-	-	-	-	-	-	-	4	-	-
Incremental non-GAAP tax expense (f)	(2)	(9)	(9)	(10)	(32)	(7)	(1)	(6)	(11)	(26)	136	(5)	(8)
Tax benefit related to cost-sharing arrangement (g)	-	-	(25)	-	(25)	-	-	-	(7)	(7)	-	-	-
Excess tax benefit from share-based compensation (h)	-	-	-	-	-	-	-	-	-	-	(8)	(13)	(12)
Non-GAAP net income attributable to Illumina stockholders (j)	\$ 135	\$ 120	\$ 120	\$ 121	\$ 495	\$ 106	\$ 127	\$ 144	\$ 126	\$ 503	\$ 94	\$ 121	\$ 163

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) Non-cash interest expense is calculated in accordance with the authoritative accounting guidance for convertible debt instruments that may be settled in cash.

(b) Acquisition related gain consists of change in fair value of contingent consideration.

(c) Amount represents the impact of a deemed dividend, net of Illumina's portion of the losses incurred by GRAIL's common stockholders resulting from the company's common to preferred share exchange with GRAIL. The amount was added to net income attributable to Illumina stockholders for purposes of calculating Illumina's consolidated earnings per share. The deemed dividend, net of tax, was recorded through equity.

(d) Contingent compensation expense relates to contingent payments for post-combination services associated with an acquisition.

(e) The company sold a portion of its interest in GRAIL, resulting in the deconsolidation of GRAIL. The \$150 million tax effect of the gain is included in incremental non-GAAP tax expense. Subsequent to the transaction, the company's remaining interest is treated as a cost-method investment.

(f) Amount represents performance-based stock which vested as a result of the financing, net of attribution to noncontrolling interest.

(g) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed above.

(h) Tax benefit related to cost-sharing arrangement refers to the exclusion of stock compensation from prior period cost-sharing charges as a result of a tax court ruling.

(i) Excess tax benefits from share-based compensation are recorded as a discrete item within the provision for income taxes on the consolidated statement of income pursuant to ASU 2016-09, which was previously recognized in additional paid-in capital on the consolidated statement of stockholders' equity.

(j) Non-GAAP net income attributable to Illumina stockholders and diluted earnings per share attributable to Illumina stockholders exclude the effect of the pro forma adjustments as detailed above. Non-GAAP net income attributable to Illumina stockholders and diluted earnings per share attributable to Illumina stockholders are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future core operating performance.



Condensed Consolidated Statements of Operations (Reconciliation Between GAAP and Non-GAAP Results)

Unaudited

	2015					2016					2017		
(in millions, except percentages)	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17
GAAP tax provision %	23.2%	27.6%	10.3%	23.8%	21.6%	24.5%	25.9%	24.2%	19.9%	23.7%	30.8%	15.2%	12.9%
GAAP tax provision	\$ 41	\$ 39	\$ 13	\$ 32	\$ 125	\$ 28	\$ 41	\$ 37	\$ 26	\$ 133	\$ 155	\$ 21	\$ 23
Incremental non-GAAP tax expense (a)	2	9	9	10	32	7	1	6	11	25	(138)	5	8
Tax benefit related to cost-sharing arrangement (b)	-	-	25	-	25	-	-	-	7	7	-	-	-
Excess tax benefit from share-based compensation (c)	-	-	-	-	-	-	-	-	-	-	8	13	12
Non-GAAP tax provision	\$ 43	\$ 48	\$ 47	\$ 42	\$ 182	\$ 35	\$ 42	\$ 43	\$ 44	\$ 165	\$ 25	\$ 39	\$ 43
Non-GAAP tax provision %	24.5%	28.9%	28.6%	26.5%	27.1%	25.5%	25.7%	24.6%	28.5%	26.1%	24.4%	25.1%	21.6%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed above.

(b) Tax benefit related to cost-sharing arrangement refers to the exclusion of stock compensation from prior period cost-sharing charges as a result of a tax court ruling.

(c) Excess tax benefits from share-based compensation are recorded as a discrete item within the provision for income taxes on the consolidated statement of income pursuant to ASU 2016-09, which was previously recognized in additional paid-in capital on the consolidated statement of stockholders' equity.



Condensed Consolidated Statements of Cash Flows

(in millions)	2015 (a)					2016 (a)					2017		
	Unaudited					Unaudited					Unaudited		
	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17
Net cash provided by operating activities	\$ 143	\$ 201	\$ 197	\$ 245	\$ 786	\$ 99	\$ 242	\$ 176	\$ 262	\$ 779	\$ 168	\$ 178	\$ 235
Net cash (used in) provided by investing activities	(154)	(143)	(39)	229	(107)	(44)	44	(341)	(174)	(515)	163	36	(97)
Net cash (used in) provided by financing activities	(89)	(2)	(196)	(258)	(545)	(71)	(89)	9	(145)	(296)	(86)	23	(5)
Effect of exchange rate changes on cash and cash equivalents	(2)	1	(1)	1	(1)	2	-	(1)	(3)	(2)	1	1	2
Net (decrease) increase in cash and cash equivalents	(102)	57	(39)	217	133	(14)	197	(157)	(60)	(34)	246	238	135
Cash and cash equivalents, beginning of period	636	534	591	552	636	769	755	952	795	769	735	981	1,219
Cash and cash equivalents, end of period	\$ 534	\$ 591	\$ 552	\$ 769	\$ 769	\$ 755	\$ 952	\$ 795	\$ 735	\$ 735	\$ 981	\$ 1,219	\$ 1,354
Calculation of free cash flow:													
Net cash provided by operating activities	\$ 143	\$ 201	\$ 197	\$ 245	\$ 786	\$ 99	\$ 242	\$ 176	\$ 262	\$ 779	\$ 168	\$ 178	\$ 235
Purchases of property and equipment (b)	(37)	(41)	(29)	(36)	(143)	(53)	(68)	(57)	(82)	(260)	(83)	(69)	(82)
Free cash flow (c)	\$ 106	\$ 160	\$ 168	\$ 209	\$ 643	\$ 46	\$ 174	\$ 119	\$ 180	\$ 519	\$ 85	\$ 109	\$ 153

(a) Reflects the retrospective application of ASU 2016-09 adopted in Q1 2017, under which excess tax benefit related to stock-based compensation was reclassified from cash used in financing activities to cash provided by operating activities.

(b) Excludes property and equipment recorded under build-to-suit lease accounting, which are non-cash expenditures.

(c) Free cash flow, which is a non-GAAP financial measure, is calculated as net cash provided by operating activities reduced by purchases of property and equipment. Free cash flow is useful to management as it is one of the metrics used to evaluate our performance and to compare us with other companies in our industry. However, calculation of free cash flow may not be comparable to similar measures used by other companies.



Supplementary Data
Unaudited

(in millions)	2015					2016					2017		
	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17
CONSUMABLES													
Sequencing Consumables	\$ 240	\$ 248	\$ 269	\$ 277	\$ 1,034	\$ 296	\$ 311	\$ 333	\$ 331	\$ 1,271	\$ 318	\$ 338	\$ 380
Microarrays Consumables	69	55	52	69	245	65	68	63	76	272	69	64	71
Total Consumables	309	303	321	346	1,279	361	379	396	407	1,543	387	402	451
% Revenue	57%	56%	58%	58%	58%	63%	63%	65%	66%	64%	65%	61%	63%
INSTRUMENTS													
Sequencing Instruments	\$ 144	\$ 151	\$ 142	\$ 143	581	114	\$ 120	\$ 105	\$ 111	\$ 449	\$ 95	\$ 130	\$ 128
Microarrays Instruments	2	4	3	5	14	4	6	7	3	20	5	6	12
Total Instruments	146	155	145	148	595	118	126	112	114	469	100	136	140
% Revenue	27%	29%	26%	25%	27%	21%	21%	18%	18%	20%	17%	21%	20%
Other Product (a)	\$ 5	\$ 4	\$ 5	\$ 4	\$ 16	\$ 4	\$ 5	\$ 6	\$ 4	\$ 19	\$ 4	\$ 5	\$ 5
TOTAL PRODUCT REVENUE	\$ 460	\$ 462	\$ 471	\$ 498	\$ 1,890	\$ 483	\$ 510	\$ 514	\$ 525	\$ 2,031	\$ 491	\$ 543	\$ 596
SERVICE & OTHER													
Sequencing	65	62	65	78	271	69	68	68	71	277	78	77	80
Microarrays	14	15	14	16	58	20	22	25	23	89	29	42	38
Total Service & Other	79	77	79	94	329	89	90	93	94	366	107	119	118
% Revenue	15%	14%	14%	16%	15%	16%	15%	15%	15%	15%	18%	18%	17%
TOTAL REVENUE	\$ 539	\$ 539	\$ 550	\$ 592	\$ 2,219	\$ 572	\$ 600	\$ 607	\$ 619	\$ 2,397	\$ 598	\$ 662	\$ 714

(in millions)	2015					2016					2017		
	1Q 15	2Q 15	3Q 15	4Q 15	FY 15	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17
SEQUENCING													
Consumables	\$ 240	\$ 248	\$ 269	\$ 277	\$ 1,034	\$ 296	\$ 311	\$ 333	\$ 331	\$ 1,271	\$ 318	\$ 338	\$ 380
Instruments	144	151	142	143	581	114	120	105	111	450	95	130	128
Other product revenue (a)	3	4	4	4	14	4	4	6	4	17	4	5	5
Service & Other	65	62	65	78	271	69	68	68	71	277	78	77	80
Total Sequencing	\$ 452	\$ 465	\$ 480	\$ 502	\$ 1,900	\$ 483	\$ 503	\$ 512	\$ 517	\$ 2,015	\$ 495	\$ 550	\$ 593
% Revenue	84%	86%	87%	85%	86%	84%	84%	84%	84%	84%	83%	83%	83%
MICROARRAYS													
Consumables	\$ 69	\$ 55	\$ 52	\$ 69	\$ 246	\$ 65	\$ 68	\$ 63	\$ 76	\$ 272	\$ 69	\$ 64	\$ 71
Instruments	2	4	3	5	14	4	6	7	3	20	5	6	12
Other product revenue (a)	2	-	1	-	2	-	1	-	-	2	-	-	-
Service & Other	14	15	14	16	58	20	22	25	23	89	29	42	38
Total Microarrays	\$ 87	\$ 74	\$ 70	\$ 90	\$ 320	\$ 89	\$ 97	\$ 95	\$ 102	\$ 383	\$ 103	\$ 112	\$ 121
% Revenue	16%	14%	13%	15%	14%	16%	16%	16%	16%	16%	17%	17%	17%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

(a) Other Product includes freight and other