

Q2 2017 Highlights

July 27, 2017

Safe Harbor for forward-looking statements and Use of Document:

Safe Harbor for forward-looking statements:

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like “anticipate,” “expect,” “project,” “believe,” “plan,” “estimate,” “intend” and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could differ materially from the expectations and projections expressed or implied by our forward-looking statements.

Factors that may cause such differences can be found in our most recent Form 10-K and Forms 10-Q filed or to be filed with the Securities and Exchange Commission under the headings “Risk Factors” and “Safe Harbor for Forward-Looking Statements.” Accordingly, you are cautioned not to place undue reliance on any of our forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions, or circumstances on which they may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements.

Use of document:

This document contains certain highlights with respect to our second quarter 2017 performance and developments and does not purport to be a complete summary thereof. Accordingly, we encourage you to read our Earnings Release for the quarter ended June 30, 2017 located in the investor section of our website at www.bostonscientific.com and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed with the Securities and Exchange Commission.

Financial Highlights

- **Revenue growth Y/Y:**
 - +7% operational*, +6% as reported, +6% organic*
 - \$2,257M as reported revenue includes (\$23M) FX impact Y/Y
- **Earnings per share:**
 - \$0.32 adjusted* vs. \$0.27 Q2:16
 - \$0.11 GAAP vs. \$(0.15) Q2:16
- **Gross margin:**
 - Adjusted*: 72.8%, +210 bps Y/Y
 - Includes 50 bps negative FX impact Y/Y
 - GAAP: 72.0%, +200 bps Y/Y
- **Operating margin:**
 - Adjusted*: 26.0%, +260 bps Y/Y
 - GAAP: 10.0% vs. (15.7)% Q2:16

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document

Operational Highlights

- Delivered another quarter of strong results and **raised full year operational revenue guidance to 6%-8% and full year adjusted EPS to \$1.23-\$1.27**
- Announced **positive results** from the annual EuroPCR Scientific Congress, demonstrating **LOTUS™ Valve System™** superiority** over CoreValve® TAVR System platform™ for the primary effectiveness endpoints
- Completed **patient enrollment** of the SALUTE trial, designed to pursue regulatory approval of the **WATCHMAN™ LAAC Device** in Japan. Also presented **high implant success rates** for WATCHMAN™ from the EWOLUTION European registry at the HRS Annual Scientific Sessions
- Received **U.S. FDA Approval for the RESONATE™ family** of ICDs and CRT-Ds, featuring EnduraLife™, SmartCRT™, and HeartLogic™ compatibility
- Received **CE Mark for the Vercise™ Gevia™ DBS System**, the industry's first MRI-conditional directional DBS system

**LOTUS™ Valve System™ not available for use or sale worldwide

*** Vercise™ Gevia™ not available for use or sale in the U.S.

WW Sales by Segment and Business

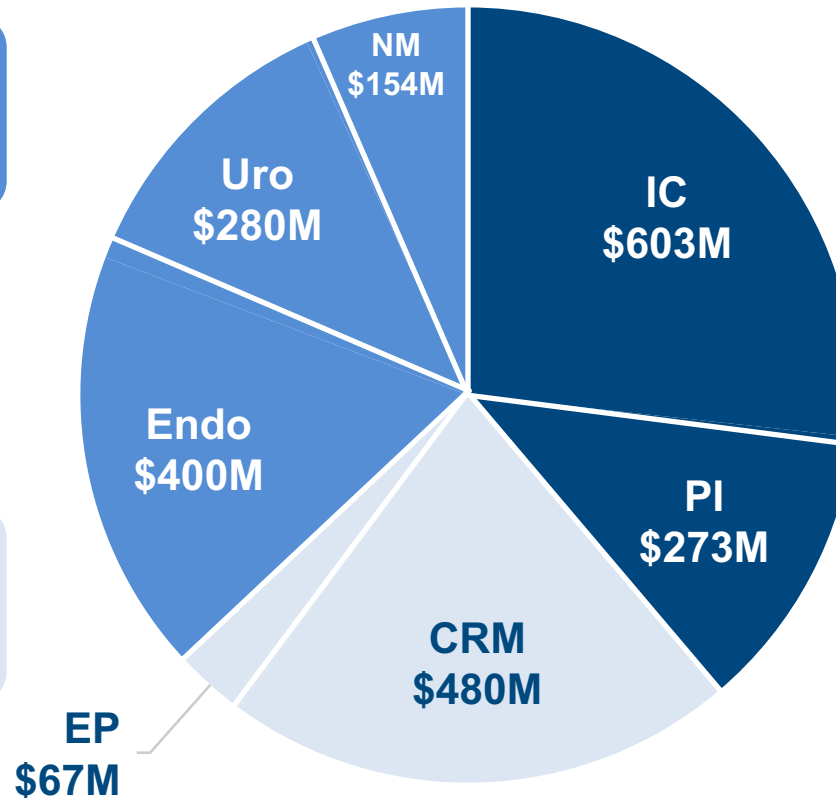
Boston
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Q2 2017 As Reported Revenue: \$2,257M

Revenue by business on an "as reported" basis

MedSurg
37%

Cardiovascular
39%



Percentages are based on actual, non-rounded amounts and may not recalculate precisely

WW Sales by Geography

Region	As Reported Revenue (\$M)		Year-over-Year Change		% of BSX	
	Q2 2017	Q2 2016	Reported	Constant Currency*	Reported	Constant Currency*
US	1,291	1,185	+9%	+9%	57%	57%
OUS	966	941	+3%	+5%	43%	43%
Total Company	2,257	2,126	+6%	+7%		
Emerging Markets ¹	228	202	+13%	+15%	10%	10%

¹We define Emerging Markets as including certain countries that we believe have strong growth potential based on their economic conditions, healthcare sectors, and our global capabilities. Currently, we include 20 countries in our definition of Emerging Markets.

*Non-GAAP measure; excludes impact from changes in foreign currency exchange rates. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document

Cardiovascular Performance Summary

Measure	Q2 2017 (\$ in Millions)	Operational* Change Y/Y	As Reported Change Y/Y
As Reported Revenue	876	+6%	+5%
Adjusted Operating Income*	268	+7%	
Adjusted Operating Income Margin*	30.1%	+40 bps	

Q2 2017 Highlights

- **Interventional Cardiology: Global revenue +5% Y/Y constant currency* (+4% as reported); +4% Y/Y organic**
 - Led by complex PCI and PCI guidance franchises, plus strong sales of WATCHMAN™ LAAC device
 - * PCI guidance again grew double digits with particular strength in IVUS franchise
 - Executed on market development activities and a key clinical milestone for WATCHMAN™:
 - * Piloting direct-to-patient awareness campaigns and increasing local medical education programs
 - * Completed patient enrollment in SALUTE, a trial specifically designed to pursue regulatory approval in Japan, which we expect in 2019
- **Peripheral Interventions: Global revenue +7% Y/Y constant currency* (+6% as reported)**
 - Another quarter of 7%+ constant currency growth, led by stent portfolio and strong growth in the atherectomy platform
 - Updates on two key clinical milestones in drug-eluting portfolio, which continues to drive growth in Europe:
 - * Enrollment in the U.S. IDE for Ranger** drug-coated balloon continues on pace
 - * Awaiting 12 month follow up for the U.S. IDE trial (IMPERAL) for Eluvia** drug-eluting stent

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document.

** Caution – In the U.S., the Eluvia peripheral drug-eluting stent system and Ranger drug-coated balloon are investigational devices, limited by federal law to investigational use only

Rhythm Management Performance Summary

Measure	Q2 2017 (\$ in Millions)	Operational* Change Y/Y	As Reported Change Y/Y
As Reported Revenue	547	+3%	+2%
Adjusted Operating Income*	115	+57%	
Adjusted Operating Income Margin*	20.9%	+720 bps	

Q2 2017 Highlights

- **Cardiac Rhythm Management: Global revenue +2% Y/Y constant currency* (+1% as reported)**
 - Continued to take share in Brady, despite Accolade MRI launch anniversary, and pleased with the strong global growth in Emblem S-ICD and our quad X4 CRT-P
 - Received encouraging initial feedback on new Resonate platform in Europe
 - Submitted clinical data for ENABLE MRI study to the FDA and continue to expect to launch transvenous MRI-compatible high voltage systems in the U.S. by year end
 - RM adjusted operating margin* of 20.9.% driven by progress on gross margin, focus on expense control, and leveraging improved top-line performance
- **Electrophysiology: Global revenue +13% Y/Y constant currency* (+12% as reported)**
 - EP revenue growth led by next-generation Rhythmia™ HDx platform, which is driving overall portfolio pull through
 - Expect to begin a limited market evaluation of Direct Sense™** catheters in the EU by year end

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document.

MedSurg Performance Summary

Measure	Q2 2017 (\$ in Millions)	Operational* Change Y/Y	As Reported Change Y/Y
As Reported Revenue	834	+12%	+11%
Adjusted Operating Income*	270	+16%	
Adjusted Operating Income Margin*	32.2%	+110 bps	

Q2 2017 Highlights

- **Endoscopy: Global revenue +12% Y/Y constant currency* (+11% as reported); +7% Y/Y organic***
 - Growth driven by strength in hemostasis, pathology franchises and Axios stent
 - * Mid-teens growth in hemostasis franchise driven by faster-than-expected conversion of Resolution 360 clip platform
 - Sales from EndoChoice acquisition are ahead of plan from expanding presence in pathology, infection prevention, and ASC markets
- **Urology and Pelvic Health: Global revenue +10% Y/Y constant currency* (+10% as reported)**
 - Despite 18% comparable period growth, saw strong sales in Men's Health and Pelvic Floor franchises as well as our stone business, driven by LithoVue™
 - Strong double-digit growth in AMEA, Latin America and Emerging Markets due to continued execution of our globalization strategy
- **Neuromodulation: Global revenue +14% Y/Y constant currency* (+14% as reported)**
 - Growth driven by multiple launches including Montage™ MRI system for SCS and Vercise™ Gevia™** MRI safe DBS system in Europe
 - PROCO randomized controlled trial data were presented at INS, showing frequency is not a determining factor in SCS pain relief: 1 kHz therapy had equivalent pain relief to 10 kHz

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Segment Information

SEGMENT NET SALES*	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016 (restated)	Change	2017	2016 (restated)	Change
<i>(in millions, constant currency)</i>						
Interventional Cardiology	\$ 612	\$ 580	5 %	\$ 1,217	\$ 1,140	7 %
Peripheral Interventions	277	260	7 %	545	508	7 %
Cardiovascular	889	840	6 %	1,762	1,648	7 %
Cardiac Rhythm Management	484	476	2 %	956	915	5 %
Electrophysiology	67	60	13 %	133	120	11 %
Rhythm Management	551	536	3 %	1,089	1,035	5 %
Endoscopy	405	361	12 %	792	700	13 %
Urology and Pelvic Health	282	255	10 %	546	485	13 %
Neuromodulation	154	135	14 %	296	257	16 %
MedSurg	841	751	12 %	1,634	1,442	13 %
Subtotal Core Businesses	2,281	2,127	7 %	4,485	4,125	9 %
Foreign currency	(24)	(1)	N/A	(67)	(35)	N/A
Net Sales	\$ 2,257	\$ 2,126	6 %	\$ 4,418	\$ 4,090	8 %

Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document.

Segment Information Continued

SEGMENT ADJUSTED OPERATING INCOME*	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016 (restated)	2017	2016 (restated)
<i>(in millions)</i>				
Segment operating income				
Cardiovascular	\$ 268	\$ 249	\$ 513	\$ 503
Rhythm Management	115	73	216	140
MedSurg	270	234	508	448
Operating income allocated to reportable segments	653	556	1,237	1,091
Corporate expenses and currency exchange	(66)	(58)	(153)	(99)
Acquisition-related, restructuring- and restructuring-related, and litigation-related net credits (charges)	(220)	(697)	(210)	(762)
Amortization expense	(142)	(135)	(285)	(271)
Operating income (loss)	\$ 225	\$ (334)	\$ 589	\$ (41)

*We measure and evaluate our reportable segments based on segment net sales and operating income, excluding the impact of changes in foreign currency. Sales generated from reportable segments, as well as operating results of reportable segments and corporate expenses, are based on internally-derived standard currency exchange rates, which may differ from year to year and do not include intersegment profits. We exclude from segment operating income certain corporate-related expenses and certain transactions or adjustments that our chief operating decision maker considers to be non-operational, such as amounts related to acquisition-related net charges and credits, restructuring- and restructuring-related net charges and credits, litigation-related net charges and credits and amortization expense. Although we exclude these amounts from segment operating income, they are included in reported consolidated operating income (loss) and

The company restated segment information for the prior period based on standard currency exchange rates used for the current period in order to remove the impact of foreign currency exchange fluctuation.

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Balance Sheet & Cash Flow Metrics

Days Sales Outstanding (DSO)

June 2017	Mar 2017	Dec 2016	Sept 2016	June 2016
58	60	64	61	59

Adjusted Free Cash Flow*

Q2 2017	Q2 2016	FY2017 Guidance
\$409M	\$464M	\$1,750M

Days Inventory on Hand (DIOH)

June 2017	Mar 2017	Dec 2016	Sept 2016	June 2016
147	134 ¹	142 ²	155	140

Capital Expenditures

Q2 2017	Q2 2016	FY2017 Guidance
\$68M	\$79M	\$300M

¹Improvement largely a result of Lotus field action

²Decrease due to tighter inventory management and higher COGS in the quarter

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document.

Q3 & FY2017 Guidance Summary

Issued July 27, 2017

Measure	Q3 2017	FY2017
As Reported Revenue (\$M)	\$2,180 to \$2,210	\$8,890 to \$8,990
FX Impact on Revenue (\$M)	(\$20M) headwind	(\$30M) headwind
Operational Growth*	+5% to +6% (includes 140 bps contribution from acquisitions)	+6% to +8% (includes 120 bps contribution from acquisitions)
As Reported Growth	+4% to +5%	+6% to +7%
Adjusted Gross Margin*	72% to 73%	72% to 72.5%
Adjusted SG&A % of Sales*	35% to 36%	35% to 36%
Adjusted R&D % of Sales*	10% to 11%	10% to 11%
Adjusted Operating Margin*	25% to 26%	25% to 26%
Adjusted Tax Rate*	13% to 14%	12.5% to 13%
Adjusted EPS*	\$0.29 to \$0.31	\$1.23 to \$1.27
FX Impact on EPS	(\$0.02)	(\$0.08)
Adjusted EPS Growth*	+9% to +16%	+11% to +14%
Adjusted EPS Growth ex-FX*	+16% to +24%	+18% to +21%
GAAP EPS	\$0.16 to \$0.18	\$0.70 to \$0.74

*Non-GAAP measure; excludes certain GAAP items. For reconciliations of non-GAAP financial measures to the most directly comparable GAAP figures, please refer to Appendix A of this document.

To supplement Boston Scientific's consolidated financial statements presented on a GAAP basis, the Company discloses certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with generally accepted accounting principles in the United States.

A reconciliation of the non-GAAP financial measures included in this document to the corresponding GAAP measures follows in Appendix A. In addition, an explanation of the ways in which Boston Scientific management uses these supplemental non-GAAP measures to evaluate its business, and the substantive reasons why Boston Scientific management believes that these non-GAAP measures provide useful information to investors is included under "Use of Non-GAAP Financial Measures" in the Company's most recent earnings release filed with the SEC on Form 8-K. This additional non-GAAP financial information is not meant to be considered in isolation from or as a substitute for financial information prepared in accordance with GAAP.

Appendix A

Non-GAAP Reconciliation

Three Months Ended June 30, 2017 (unaudited)

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QTD Rounded P&L

<i>In millions, except per share data</i>		QTD Rounded P&L					Adjusted Results
	GAAP Results	Amortization	Restructuring-Related Charges	Investment Impairment Charges	Acquisition-Related Charges (Credits)	Litigation-Related Charges	
Net sales	\$ 2,257						\$ 2,257
Cost of products sold	632		12		7		613
Gross profit	1,625	—	(12)	—	(7)	—	1,644
<i>Gross margin</i>	72.0%						72.8%
Selling, general and administrative expenses	815		3		11		801
<i>SG&A margin</i>	36.0%						35.5%
Research and development expenses	244				5		239
<i>R&D margin</i>	10.8%						10.6%
Royalty expense	17						17
<i>Royalty expense margin</i>	0.8%						0.8%
Amortization expense	142	142					—
Contingent consideration expense (benefit)	(24)				(24)		—
Restructuring charges	1		1				—
Litigation-related charges	205					205	—
	1,400	142	4	—	(8)	205	1,057
Operating income	225	(142)	(16)	—	1	(205)	587
<i>Operating margin</i>	10.0%						26.0%
Other income (expense):							
Interest expense	(58)						(58)
Other, net	(76)			(53)	(9)		(14)
Income before income taxes	91	(142)	(16)	(53)	(8)	(205)	515
Income tax expense	(55)	\$ (21)	\$ (3)	\$ (19)	\$ (9)	(74)	71
Net (loss) income	\$ 146	\$ (121)	\$ (13)	\$ (34)	\$ 1	\$ (131)	\$ 444
Net income per common share - assuming dilution	\$ 0.11	\$ (0.09)	\$ (0.01)	\$ (0.02)	0.00	\$ (0.09)	\$ 0.32
	1,391.1	1,391.1	1,391.1	1,391.1	1,391.1	1,391.1	1,391.1

Appendix A

Non-GAAP Reconciliation

Six Months Ended June 30, 2017 (unaudited)

Boston
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YTD Rounded P&L

In millions, except per share data		GAAP Results	Amortization	Restructuring-Related Charges	Investment Impairment Charges	Acquisition-Related Charges (Credits)	Litigation-Related Charges	Adjusted Results
Net sales		\$ 4,418						\$ 4,418
Cost of products sold		1,282		24		10		1,248
Gross profit		3,136	—	(24)	—	(10)	—	3,170
	<i>Gross margin</i>	71.0%						71.8%
Selling, general and administrative expenses		1,609		6		22		1,581
	<i>SG&A margin</i>	36.4%						35.8%
Research and development expenses		480				9		471
	<i>R&D margin</i>	10.9%						10.7%
Royalty expense		34						34
	<i>Royalty expense margin</i>	0.8%						0.8%
Amortization expense		285	285					—
Contingent consideration expense (benefit)		(74)				(74)		—
Restructuring charges		5		5				—
Litigation-related charges		208					208	—
		2,547	285	11	—	(43)	208	2,086
Operating income		589	(285)	(35)	—	33	(208)	1,084
	<i>Operating margin</i>	13.3%						24.5%
Other income (expense):								
Interest expense		(115)						(115)
Other, net		(78)			(53)	(9)		(16)
Income before income taxes		396	(285)	(35)	(53)	24	(208)	953
Income tax expense		(40)	\$ (42)	\$ (7)	\$ (19)	\$ (9)	(75)	112
Net (loss) income		\$ 436	\$ (243)	\$ (28)	\$ (34)	\$ 33	\$ (133)	\$ 841
Net income per common share - assuming dilution		\$ 0.31	\$ (0.17)	\$ (0.02)	\$ (0.02)	\$ 0.02	\$ (0.10)	\$ 0.60
Weighted average shares outstanding - assuming dilution		1,390.6	1,390.6	1,390.6	1,390.6	1,390.6	1,390.6	1,390.6

Appendix A

(Continued)

Revenue Growth Rate	Three Months Ended June 30, 2017 Percentage Change in Net Sales				
	As Reported Basis	Less: Impact of Foreign Currency	Operational Basis	Less: Significant Acquisitions	Organic Basis
Interventional Cardiology	4 %	(1) %	5 %	1 %	4 %
Peripheral Interventions	6 %	(1) %	7 %	0 %	7 %
Cardiovascular	5 %	(1) %	6 %	1 %	5 %
Cardiac Rhythm Management	1 %	(1) %	2 %	0 %	2 %
Electrophysiology	12 %	(1) %	13 %	0 %	13 %
Rhythm Management	2 %	(1) %	3 %	0 %	3 %
Endoscopy	11 %	(1) %	12 %	5 %	7 %
Urology and Pelvic Health	10 %	0 %	10 %	0 %	10 %
Neuromodulation	14 %	0 %	14 %	0 %	14 %
MedSurg	11 %	(1) %	12 %	2 %	10 %
Net Sales	6 %	(1) %	7 %	(1) %	6 %

*Numbers presented above may not foot due to rounding.
Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.*

Appendix A

(Continued)

<i>in millions, except per share data</i>	Three Months Ended June 30, 2017			
	Pre-Tax	Tax Impact	After-Tax	Impact per share
GAAP net income (loss)	\$ 91	\$ 55	\$ 146	\$ 0.11
Non-GAAP adjustments:				
Acquisition-related net charges	8	(9)	(1)	0.00
Restructuring and restructuring-related net charges	16	(3)	13	0.01
Litigation-related net charges	205	(74)	131	0.09
Investment impairment charges	53	(19)	34	0.02
Amortization expense	142	(21)	121	0.09
Adjusted net income	\$ 515	\$ (71)	\$ 444	\$ 0.32

<i>in millions, except per share data</i>	Three Months Ended June 30, 2016			
	Pre-Tax	Tax Impact	After-Tax	Impact per share
GAAP net income (loss)	\$ (397)	\$ 190	\$ (207)	\$ (0.15)
Non-GAAP adjustments:				
Acquisition-related net charges	53	(4)	49	0.04 *
Restructuring and restructuring-related net charges	26	(5)	21	0.02 *
Litigation-related net charges	618	(224)	394	0.28 *
Amortization expense	135	(19)	116	0.08 *
Adjusted net income	\$ 435	\$ (62)	\$ 373	\$ 0.27

Assumes dilution of 17.7 million shares for the three months ended June 30, 2016 for all or a portion of these non-GAAP adjustments.

*Numbers presented above may not foot due to rounding.
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Appendix A

(Continued)

Adjusted Gross Margin	Three Months Ended		
	6/30/2017	6/30/2016	Basis Points Change
Gross Margin, as reported	72.0 %	70.0 %	200
Less: Non-GAAP adjustments	(0.8)%	(0.7)%	
Adjusted Gross Margin	72.8 %	70.7 %	210

Adjusted Operating Margin	Three Months Ended		
	6/30/2017	6/30/2016	Basis Points Change
Operating Margin, as reported	10.0 %	(15.7)%	
Less: Non-GAAP adjustments	(16.0)%	(39.1)%	
Adjusted Operating Margin	26.0 %	23.4 %	260

*Numbers presented above may not foot due to rounding.
Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.*

Appendix A

(Continued)

Region: Year-over-Year Change	Three Months Ended June 30, 2017		
	Reported	Less: Impact of Foreign Currency Fluctuations	Operational
US	9%	0%	9%
OUS	3%	(2)%	5%
Emerging Markets	13%	(2)%	15%

Region: % of BSX	Three Months Ended June 30, 2017		
	Reported	Less: Impact of Foreign Currency Fluctuations	Operational
US	57%	0%	57%
OUS	43%	0%	43%
Emerging Markets	10%	0%	10%

*Numbers presented above may not foot due to rounding.
Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.*

Appendix A

(Continued)

in millions

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	
Segment Operating Income	Adjusted Operating Income	Adjusted Operating Income	%Change
Cardiovascular	\$ 268	\$ 249	7%
Rhythm Management	115	73	57%
MedSurg	270	234	16%
Segment Operating Income	653	556	
Corporate expenses and currency	(66)	(58)	
Acquisition-related, restructuring- and restructuring-related and litigation-related net credits (charges)	(220)	(697)	
Amortization expense	(142)	(135)	
Operating Income (Loss)	\$ 225	\$ (334)	

in millions

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	
Segment Operating Margin	Adjusted Operating Margin	Adjusted Operating Margin	Basis Point Change
Cardiovascular	30.1%	29.7%	40
Rhythm Management	20.9%	13.7%	720
MedSurg	32.2%	31.1%	110

Numbers presented above may not foot due to rounding.

Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.

Appendix A

(Continued)

Peripheral Interventions (PI) Revenue Growth	Three Months Ended		
	06/30/17	03/31/17	12/31/16
PI revenue growth, as reported	6 %	7%	10%
Less: Impact of foreign currency fluctuations	(1)%	—%	1%
PI Revenue Growth, constant currency	7 %	7%	9%

Urology and Pelvic Health (UroPH) Revenue Growth	Three Months Ended
	06/30/16
Revenue growth, as reported	89 %
Less: Impact of foreign currency fluctuations	(1)%
Revenue Growth, constant currency	90 %
Less: Impact of significant acquisitions	72 %
Estimated sales growth, organic	18 %

*Numbers presented above may not foot due to rounding.
Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.*

Appendix A

(Continued)

<i>in millions</i>		Three Months Ended	
Adjusted Free Cash Flow		6/30/2017	6/30/2016
Operating cash flow, reported	\$	186	\$ 422
Less: Purchases of PP&E		68	79
Add: Sales of PP&A		0	—
Free Cash Flow, reported		118	343
Plus: Restructuring Payments		17	16
Plus: Special Tax Refunds/Credits		(35)	(33)
Plus: Legal Settlements		291	127
Plus: Other		18	11
Adjusted Free Cash Flow	\$	409	\$ 464

	Q3 2017 Estimate		Full Year 2017 Estimate	
	(Low)	(High)	(Low)	(High)
Estimated GAAP sales growth	4 %	5 %	6%	7 %
Less: Estimated impact of foreign currency fluctuations	(1)%	(1)%	0%	(1)%
Estimated sales growth, operational	5 %	6 %	6%	8 %

Numbers presented above may not foot due to rounding.

Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.

Appendix A

(Continued)

	Q3 2017 Estimate		Estimated Growth	
	(Low)	(High)	(Low)	(High)
Estimated GAAP EPS	\$ 0.16	\$ 0.18		
Estimated acquisition-related net charges	0.02	0.02		
Estimated restructuring and restructuring-related charges	0.02	0.02		
Estimated amortization expense	0.09	0.09		
Estimated Adjusted EPS	\$ 0.29	\$ 0.31	9 %	16 %
Less: Estimated impact of foreign currency fluctuations			(7)%	(8)%
Estimated Adjusted EPS, excluding FX			16 %	24 %

	Full Year 2017 Estimate		Estimated Growth	
	(Low)	(High)	(Low)	(High)
Estimated GAAP EPS	\$ 0.70	\$ 0.74		
Estimated acquisition-related net charges	0.01	0.01		
Estimated restructuring and restructuring-related charges	0.05	0.05		
Estimated amortization expense	0.35	0.35		
Investment impairment charges	0.02	0.02		
Litigation-related charges	0.10	0.10		
Estimated Adjusted EPS	\$ 1.23	\$ 1.27	11 %	14 %
Less: Estimated impact of foreign currency fluctuations			(7)%	(7)%
Estimated Adjusted EPS, excluding FX			18 %	21 %

Numbers presented above may not foot due to rounding.

Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.

Appendix A

(Continued)

Forward-Looking Non-GAAP Financial Measures

The following is an explanation of the adjustments that management excluded from GAAP measures to calculate the following forward-looking non-GAAP financial measures for the third quarter and full year 2017:

Adjusted Gross Margin: Excludes from GAAP gross margin the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted SG&A: Excludes from GAAP SG&A the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted R&D: Excludes from GAAP R&D the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted Operating Margin: Excludes from GAAP operating margin the impacts of forecasted acquisition- and divestiture- and restructuring- and restructuring-related charges or credits, and amortization expense.

Adjusted Tax Rate: Excludes from GAAP tax rate the tax impacts related to forecasted acquisition- and divestiture- and restructuring- and restructuring-related charges or credits, and amortization expense.

Adjusted Free Cash Flow: Adjusts GAAP operating cash flow to include the impacts of forecasted capital expenditures and excludes the impact of estimated after-tax acquisition- and divestiture-, restructuring- and litigation-payments.

Please refer to our Safe Harbor for forward-looking statements disclosure on slide 2 in conjunction with any forward looking information presented within.