

# Non-GAAP Reconciliation

## Three Months Ended June 30, 2017 (unaudited)

### QTD Rounded P&L

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

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

# Non-GAAP Reconciliation

## Six Months Ended June 30, 2017 (unaudited)

### YTD Rounded P&L

<i>In millions, except per share data</i>		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
<b>Gross profit</b>		<b>3,136</b>		(24)		(10)		<b>3,170</b>
	<i>Gross margin</i>	<i>71.0%</i>						<i>71.8%</i>
Selling, general and administrative expenses		1,609		6		22		1,581
	<i>SG&amp;A margin</i>	<i>36.4%</i>						<i>35.8%</i>
Research and development expenses		480				9		471
	<i>R&amp;D margin</i>	<i>10.9%</i>						<i>10.7%</i>
Royalty expense		34						34
	<i>Royalty expense margin</i>	<i>0.8%</i>						<i>0.8%</i>
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
<b>Operating income</b>		<b>589</b>	(285)	(35)	—	33	(208)	<b>1,084</b>
	<i>Operating margin</i>	<i>13.3%</i>						<i>24.5%</i>
Other income (expense):								
Interest expense		(115)						(115)
Other, net		(78)			(53)	(9)		(16)
<b>Income before income taxes</b>		<b>396</b>	(285)	(35)	(53)	24	(208)	<b>953</b>
Income tax expense		(40)	\$ (42)	\$ (7)	\$ (19)	\$ (9)	(75)	112
<b>Net (loss) income</b>		<b>\$ 436</b>	<b>\$ (243)</b>	<b>\$ (28)</b>	<b>\$ (34)</b>	<b>\$ 33</b>	<b>\$ (133)</b>	<b>\$ 841</b>
<b>Net income per common share - assuming dilution</b>		<b>\$ 0.31</b>	<b>\$ (0.17)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ 0.02</b>	<b>\$ (0.10)</b>	<b>\$ 0.60</b>
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

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

# Use of Non-GAAP Measures

To supplement Boston Scientific's consolidated financial statements presented on a GAAP basis, the Company discloses certain non-GAAP financial measures, including adjusted net income and adjusted net income per share that exclude certain amounts. These non-GAAP financial measures are not in accordance with generally accepted accounting principles in the United States.

The GAAP financial measure most directly comparable to adjusted net income is GAAP net income and the GAAP financial measure most directly comparable to adjusted net income per share is GAAP net income per share. A reconciliation of the non-GAAP financial measures included in this document to the corresponding GAAP measures is included in Boston Scientific's most recent earnings release filed with the SEC on Form 8-K. 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.