



**Condensed Consolidated Balance Sheets**

	2016				2017				2018			
	Unaudited				Unaudited				Unaudited			
(in millions)	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18
<b>ASSETS</b>												
Current assets:												
Cash and cash equivalents	\$ 755	\$ 952	\$ 795	\$ 735	\$ 981	\$ 1,219	\$ 1,354	\$ 1,225	\$ 1,560	\$ 1,344	\$ 1,346	\$ 1,144
Short-term investments	588	474	742	824	797	674	687	920	813	1,168	2,043	\$ 2,368
Accounts receivable, net	403	372	382	381	368	372	383	411	400	395	433	\$ 514
Inventory	288	311	312	300	299	309	327	333	350	362	374	\$ 386
Prepaid expenses and other current assets	40	34	47	78	72	69	54	91	71	68	66	78
Total current assets	2,074	2,143	2,278	2,318	2,517	2,643	2,805	2,980	3,194	3,337	4,262	4,490
Property and equipment, net	385	511	634	713	734	837	862	931	983	1,036	1,060	1,075
Goodwill	776	776	776	776	771	771	771	771	775	831	831	831
Intangible assets, net	270	269	256	243	207	196	185	175	168	205	195	185
Deferred tax assets, long-term portion	196	186	182	123	83	103	117	88	100	108	86	70
Other assets	93	100	102	108	286	308	306	312	322	334	325	308
Total assets	\$ 3,794	\$ 3,985	\$ 4,228	\$ 4,281	\$ 4,598	\$ 4,858	\$ 5,046	\$ 5,257	\$ 5,542	\$ 5,851	\$ 6,759	\$ 6,959
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>												
Current liabilities:												
Accounts payable	\$ 135	\$ 157	\$ 134	\$ 138	\$ 142	\$ 175	\$ 158	\$ 160	\$ 151	\$ 149	\$ 156	\$ 184
Accrued liabilities	326	330	315	342	386	378	381	432	388	422	450	513
Build-to-suit lease liability	20	94	179	223	192	124	124	144	21	21	22	-
Long-term debt, current portion	-	1	1	2	1	5	2	10	620	625	1,107	1,107
Total current liabilities	481	582	629	705	721	682	665	746	1,180	1,217	1,735	1,804
Long-term debt	1,023	1,031	1,041	1,056	1,055	1,169	1,180	1,182	710	723	860	890
Other long-term liabilities	186	198	204	206	212	212	222	360	364	343	352	359
Redeemable noncontrolling interest	33	34	34	44	59	80	124	125	215	217	218	61
Stockholders' equity	2,071	2,140	2,320	2,270	2,551	2,715	2,855	2,844	3,073	3,351	3,594	3,845
Total liabilities and stockholders' equity	\$ 3,794	\$ 3,985	\$ 4,228	\$ 4,281	\$ 4,598	\$ 4,858	\$ 5,046	\$ 5,257	\$ 5,542	\$ 5,851	\$ 6,759	\$ 6,959



**Condensed Consolidated Statements of Income**

	2016					2017					2018				
	Unaudited				FY 16	Unaudited				FY 17	Unaudited				FY 18
(in millions, except per share amounts and %) (a)	1Q 16	2Q 16	3Q 16	4Q 16		1Q 17	2Q 17	3Q 17	4Q 17		1Q 18	2Q 18	3Q 18	4Q 18	
Revenue:															
Product revenue	\$ 483	\$ 510	\$ 514	\$ 525	\$ 2,032	\$ 491	\$ 543	\$ 596	\$ 659	\$ 2,289	\$ 628	\$ 673	\$ 710	\$ 738	\$ 2,749
Service and other revenue	89	90	93	94	366	107	119	118	119	463	154	157	143	129	584
Total revenue	572	600	607	619	2,398	598	662	714	778	2,752	782	830	853	867	3,333
Cost of revenue:															
Cost of product revenue (a)	125	125	132	151	534	166	168	173	172	679	174	181	184	198	738
Cost of service and other revenue (a)	39	40	38	38	155	53	50	50	55	208	62	65	62	70	260
Amortization of acquired intangible assets	11	11	11	11	43	11	10	9	9	39	8	9	10	9	35
Total cost of revenue	175	176	181	200	732	230	228	232	236	926	244	255	256	277	1,033
Gross profit	397	424	426	419	1,666	368	434	482	542	1,826	538	575	597	590	2,300
Operating expense:															
Research and development (b)	124	125	126	130	504	145	130	134	137	546	137	151	159	176	623
Selling, general and administrative (b)(c)	150	148	139	146	584	171	161	167	175	674	183	197	197	217	794
Legal contingencies (c)	2	(11)	-	-	(9)	-	-	-	-	-	-	-	-	-	-
Total operating expense	276	262	265	276	1,079	316	291	301	312	1,220	320	348	356	393	1,417
Income from operations	121	162	161	143	587	52	143	181	230	606	218	227	241	197	883
Other income (expense), net	(5)	(5)	(7)	(9)	(26)	451	(2)	(6)	(6)	437	3	5	(9)	13	11
Income before income taxes	116	157	154	134	561	503	141	175	224	1,043	221	232	232	210	894
Provision for income taxes	28	41	37	26	133	155	21	23	166	365	24	32	44	12	112
Consolidated Net income	88	116	117	108	428	348	120	152	58	678	197	200	188	198	782
Net loss attributable to noncontrolling interests	2	4	12	16	35	19	8	11	10	48	11	9	11	12	44
Net income attributable to Illumina stockholders	\$ 90	\$ 120	\$ 129	\$ 124	\$ 463	\$ 367	\$ 128	\$ 163	\$ 68	\$ 726	\$ 208	\$ 209	\$ 199	\$ 210	\$ 826
Net income attributable to Illumina stockholders for earnings per share	\$ 90	\$ 122	\$ 129	\$ 124	\$ 454	\$ 366	\$ 128	\$ 163	\$ 68	\$ 725	\$ 208	\$ 209	\$ 199	\$ 210	\$ 826
Earnings per share attributable to Illumina Stockholders (b):															
Basic	\$0.61	\$0.83	\$0.88	\$0.84	\$3.09	\$2.50	\$0.87	\$1.12	\$0.47	\$4.96	\$1.42	\$1.42	\$1.35	\$1.43	\$5.63
Diluted	\$0.60	\$0.82	\$0.87	\$0.84	\$3.07	\$2.48	\$0.87	\$1.11	\$0.46	\$4.92	\$1.41	\$1.41	\$1.33	\$1.41	\$5.56
Shares used in computing earnings per common share:															
Basic	147	147	147	147	147	146	146	146	146	146	147	147	147	147	147
Diluted	148	148	148	148	148	147	147	148	148	148	148	148	149	149	149
Gross Margin	69%	71%	70%	68%	69%	62%	66%	68%	70%	66%	69%	69%	70%	68%	69%
R&D as % of revenue	22%	21%	21%	21%	21%	24%	20%	19%	18%	20%	18%	18%	19%	20%	19%
SG&A as % of revenue	26%	25%	23%	24%	24%	29%	24%	24%	23%	25%	23%	24%	23%	25%	24%
Operating Expenses as % of revenue	48%	44%	44%	45%	45%	53%	44%	42%	40%	44%	41%	42%	42%	45%	43%
Operating Margin	21%	27%	27%	23%	24%	9%	22%	25%	30%	22%	28%	27%	28%	23%	26%
Tax Rate	25%	26%	24%	20%	24%	31%	15%	13%	74%	35%	11%	14%	19%	6%	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.

(c) Legal contingencies of \$8M and \$(8)M for Q1 2017 and Q2 2017, respectively, were reclassified to selling, general and administrative expenses.



**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 %)	2016 (a)					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
Revenue	\$ 571.8	\$ 600.1	\$ 607.1	\$ 619.3	\$ 2,398.4	\$ 598.2	\$ 662.4	\$ 714.0	\$ 777.7	\$ 2,752.3	\$ 782.0	\$ 830.3	\$ 853.4	\$ 866.8	\$ 3,332.5
Gross profit	407.4	434.3	437.1	430.4	1,709.3	397.2	443.7	491.3	551.4	1,883.5	546.1	583.5	606.6	599.2	2,335.4
Research and development expense	123.9	124.5	125.8	129.9	504.1	139.5	130.4	133.7	135.0	538.6	136.7	150.7	158.7	175.9	622.0
Selling, general and administrative expense	147.1	146.4	137.1	144.9	575.3	153.2	166.6	165.9	172.2	658.0	179.0	196.7	196.9	212.4	785.4
Income from operations	136.6	163.4	174.2	155.6	629.8	104.5	146.6	191.6	244.1	686.8	230.4	236.1	251.0	210.9	928.1
Consolidated net income	103.2	123.2	132.1	110.2	468.7	81.4	113.4	152.3	201.9	549.0	203.3	203.0	215.6	184.3	806.2
Net loss attributable to noncontrolling interests	2.4	4.0	12.0	16.2	34.6	12.8	7.9	10.9	10.2	41.8	10.7	9.5	11.2	12.5	43.9
Net income attributable to Illumina stockholders	105.5	127.2	144.1	126.4	503.2	94.2	121.3	163.3	212.1	590.8	214.0	212.5	226.8	196.8	850.1
Diluted EPS attributable to Illumina stockholders	0.71	0.86	0.97	0.85	3.33	0.64	0.82	1.11	1.44	4.00	1.45	1.43	1.52	1.32	5.72
Helix and GRAIL dilution (benefit)	0.06	0.08	0.07	0.08	0.36	0.07	0.05	0.07	0.06	0.25	(0.04)	0.03	0.05	0.05	0.09
Tax rate	25.5%	25.7%	24.6%	28.5%	26.1%	24.4%	25.1%	21.6%	18.0%	21.5%	12.9%	15.9%	17.3%	16.3%	15.6%

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) 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**

	2016 (a)					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
<b>(in millions)</b>															
GAAP gross profit	\$ 397	\$ 424	\$ 426	\$ 419	\$ 1,666	\$ 368	\$ 434	\$ 482	\$ 542	\$ 1,826	\$ 538	\$ 575	\$ 597	\$ 590	\$ 2,300
Amortization of acquired intangible assets	10	10	11	11	43	11	10	9	9	39	8	9	10	9	35
Impairment	-	-	-	-	-	18	-	-	-	18	-	-	-	-	-
Non-GAAP gross profit (b)	\$ 407	\$ 434	\$ 437	\$ 430	\$ 1,709	\$ 397	\$ 444	\$ 491	\$ 551	\$ 1,883	\$ 546	\$ 584	\$ 607	\$ 599	\$ 2,335
GAAP research and development expense	\$ 124	\$ 125	\$ 126	\$ 130	\$ 504	\$ 145	\$ 130	\$ 134	\$ 137	\$ 546	\$ 137	\$ 151	\$ 159	\$ 176	\$ 623
Restructuring (c)	-	-	-	-	-	-	-	-	(2)	(2)	-	-	-	-	(1)
Impairment	-	-	-	-	-	(5)	-	-	-	(5)	-	-	-	-	-
Non-GAAP research and development expense	\$ 124	\$ 125	\$ 126	\$ 130	\$ 504	\$ 140	\$ 130	\$ 134	\$ 135	\$ 539	\$ 137	\$ 151	\$ 159	\$ 176	\$ 622
GAAP selling, general and administrative expense (d)	\$ 150	\$ 148	\$ 139	\$ 146	\$ 584	\$ 171	\$ 161	\$ 167	\$ 175	\$ 674	\$ 183	\$ 197	\$ 197	\$ 217	\$ 794
Amortization of acquired intangible assets	(2)	(2)	(1)	(1)	(6)	(2)	(2)	(2)	(1)	(6)	(1)	-	-	-	(2)
Acquisition related gain (expense), net (e)	-	-	-	-	-	1	-	-	-	1	-	-	-	(2)	(2)
Headquarter relocation	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-
Contingent compensation expense	(1)	-	(1)	-	(2)	-	-	-	-	-	-	-	-	-	-
Performance-based compensation related to GRAIL series B financing (f)	-	-	-	-	-	(10)	-	-	-	(10)	-	-	-	-	-
Legal contingencies	-	-	-	-	-	(8)	8	-	-	-	-	-	-	-	-
Restructuring (c)	-	-	-	-	-	-	-	-	(2)	(2)	(3)	-	-	(3)	(5)
Non-GAAP selling, general and administrative expense	\$ 147	\$ 146	\$ 137	\$ 145	\$ 575	\$ 152	\$ 167	\$ 165	\$ 172	\$ 657	\$ 179	\$ 197	\$ 197	\$ 212	\$ 785
GAAP operating profit	\$ 121	\$ 162	\$ 161	\$ 143	\$ 587	\$ 52	\$ 143	\$ 181	\$ 230	\$ 606	\$ 218	\$ 227	\$ 241	\$ 197	\$ 883
Amortization of acquired intangible assets	12	12	12	12	49	13	12	11	10	45	9	9	10	10	37
Acquisition related (gain) expense, net (e)	-	-	-	-	-	(1)	-	-	-	(1)	-	-	-	2	2
Headquarter relocation	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Legal contingencies	2	(11)	-	-	(9)	8	(8)	-	-	-	-	-	-	-	-
Contingent compensation expense	1	-	1	-	2	-	-	-	-	-	-	-	-	-	-
Performance-based compensation related to GRAIL series B financing (f)	-	-	-	-	-	10	-	-	-	10	-	-	-	-	-
Impairments	-	-	-	-	-	23	-	-	-	23	-	-	-	-	-
Restructuring (c)	-	-	-	-	-	-	-	-	4	4	3	-	-	2	6
Non-GAAP operating profit (b)	\$ 136	\$ 163	\$ 174	\$ 155	\$ 630	\$ 105	\$ 147	\$ 192	\$ 244	\$ 687	\$ 230	\$ 236	\$ 251	\$ 211	\$ 928
GAAP other income (expense), net	\$ (5)	\$ (5)	\$ (7)	\$ (9)	\$ (26)	\$ 451	\$ (2)	\$ (6)	\$ (6)	\$ 437	\$ 3	\$ 5	\$ (9)	\$ 13	\$ 11
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash interest expense	8	7	8	8	30	7	8	8	8	30	8	7	11	15	41
Strategic investment related (gain) loss, net	-	-	-	-	-	(2)	(1)	1	-	(2)	(8)	(7)	8	(18)	(24)
Gain on deconsolidation of GRAIL (g)	-	-	-	-	-	(453)	-	-	-	(453)	-	-	-	-	-
Non-GAAP other (expense) income, net	\$ 3	\$ 2	\$ 1	\$ (1)	\$ 4	\$ 3	\$ 5	\$ 3	\$ 2	\$ 12	\$ 3	\$ 5	\$ 10	\$ 10	\$ 28

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) 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) Amount consists primarily of employee and lease exit costs related to the restructuring that occurred in Q1 2018 and Q4 2017.

(d) Legal contingencies of \$8M and \$(8)M for Q1 2017 and Q2 2017, respectively, were reclassified to selling, general and administrative expenses.

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

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

(g) The company sold a portion of its interest in GRAIL in Q1 2017, resulting in the deconsolidation of GRAIL. Subsequent to the transaction, the company's remaining interest is treated as a cost-method investment.



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

	2016					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
<b>(in millions, except per share amounts)</b>															
GAAP earnings per share attributable to Illumina stockholders - diluted	\$ 0.60	\$ 0.82	\$ 0.87	\$ 0.84	\$ 3.07	\$ 2.48	\$ 0.87	\$ 1.11	\$ 0.46	\$ 4.92	\$ 1.41	\$ 1.41	\$ 1.33	\$ 1.41	\$ 5.56
Adjustments to net income:															
Amortization of acquired intangible assets	0.09	0.08	0.08	0.08	0.33	0.09	0.08	0.07	0.07	0.30	0.06	0.06	0.07	0.07	0.25
Non-cash interest expense	0.05	0.05	0.05	0.05	0.20	0.05	0.05	0.05	0.05	0.20	0.05	0.05	0.08	0.10	0.28
Acquisition related (expense) gain, net (a)	-	-	-	-	-	(0.01)	-	-	-	(0.01)	-	-	-	0.01	0.01
Strategic investment related (gain) loss, net	-	-	-	-	-	(0.01)	(0.01)	0.01	-	(0.01)	(0.05)	(0.05)	0.05	(0.12)	(0.16)
Headquarter relocation	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
Legal contingencies	0.01	(0.07)	-	-	(0.06)	0.05	(0.05)	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deemed dividend (b)	-	(0.01)	-	-	(0.01)	-	-	-	-	-	-	-	-	-	-
Contingent compensation expense	-	-	0.01	-	0.01	-	-	-	-	-	-	-	-	-	-
Gain on deconsolidation of GRAIL (c)	-	-	-	-	-	(3.07)	-	-	-	(3.07)	-	-	-	-	-
Impairments	-	-	-	-	-	0.15	-	-	-	0.15	-	-	-	-	-
Performance-based compensation related to GRAIL series B financing (d)	-	-	-	-	-	0.03	-	-	-	0.03	-	-	-	-	-
Restructuring (e)	-	-	-	-	-	-	-	-	0.03	0.03	0.02	-	-	0.01	0.04
Incremental non-GAAP tax expense (f)	(0.04)	(0.01)	(0.04)	(0.07)	(0.17)	0.93	(0.03)	(0.05)	(0.05)	0.80	(0.02)	(0.02)	(0.05)	(0.01)	(0.10)
Tax benefit related to cost-sharing arrangement (g)	-	-	-	(0.05)	(0.05)	-	-	-	-	-	-	-	-	-	-
U.S. Tax Reform (h)	-	-	-	-	-	-	-	-	1.01	1.01	-	-	0.07	-	0.07
Excess tax benefit from share-based compensation (i)	-	-	-	-	-	(0.05)	(0.09)	(0.08)	(0.13)	(0.35)	(0.02)	(0.02)	(0.03)	(0.15)	(0.23)
Non-GAAP earnings per share attributable to Illumina stockholders - diluted (j)	\$ 0.71	\$ 0.86	\$ 0.97	\$ 0.85	\$ 3.33	\$ 0.64	\$ 0.82	\$ 1.11	\$ 1.44	\$ 4.00	\$ 1.45	\$ 1.43	\$ 1.52	\$ 1.32	\$ 5.72
GAAP net income attributable to Illumina stockholders	\$ 90	\$ 120	\$ 129	\$ 124	\$ 463	\$ 367	\$ 128	\$ 163	\$ 68	\$ 726	\$ 208	\$ 209	\$ 199	\$ 210	\$ 826
Amortization of acquired intangible assets	12	12	12	12	49	13	12	11	10	45	9	9	10	10	37
Non-cash interest expense	8	7	8	8	30	7	8	8	8	30	8	7	11	15	41
Acquisition related (gain) loss, net (a)	-	-	-	-	-	(1)	-	-	-	(1)	-	-	-	2	2
Strategic investment related gain (loss), net	-	-	-	-	-	(2)	(1)	1	-	(2)	(8)	(7)	8	(18)	(24)
Headquarter relocation	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Legal contingencies	2	(11)	-	-	(9)	8	(8)	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent compensation expense	1	-	1	-	2	-	-	-	-	-	-	-	-	-	-
Gain on deconsolidation of GRAIL (c)	-	-	-	-	-	(453)	-	-	-	(453)	-	-	-	-	-
Impairments	-	-	-	-	-	23	-	-	-	23	-	-	-	-	-
Performance-based compensation related to GRAIL series B financing (d)	-	-	-	-	-	4	-	-	-	4	-	-	-	-	-
Restructuring (e)	-	-	-	-	-	-	-	-	4	4	3	-	-	2	6
Incremental non-GAAP tax expense (f)	(7)	(1)	(6)	(11)	(26)	136	(5)	(8)	(7)	117	(3)	(3)	(7)	(2)	(15)
Tax benefit related to cost-sharing arrangement (g)	-	-	-	(7)	(7)	-	-	-	-	-	-	-	-	-	-
U.S. Tax Reform (h)	-	-	-	-	-	-	-	-	150	150	-	-	11	-	11
Excess tax benefit from share-based compensation (i)	-	-	-	-	-	(8)	(13)	(12)	(21)	(52)	(3)	(3)	(5)	(22)	(34)
Non-GAAP net income attributable to Illumina stockholders (j)	\$ 106	\$ 127	\$ 144	\$ 126	\$ 503	\$ 94	\$ 121	\$ 163	\$ 212	\$ 591	\$ 214	\$ 212	\$ 227	\$ 197	\$ 850

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

(b) 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.

(c) 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.

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

(e) Amount consists primarily of employee and lease exit costs related to the restructuring that occurred in Q1 2018 and Q4 2017.

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

(g) 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.

(h) Amount for 2017 primarily consists of the provisional estimate of the one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred. Amount for 2018 represents the discrete tax expense associated with updating prior year estimates of the impact of U.S. Tax Reform.

(i) Amount represents tax deductions taken in excess of stock compensation cost. Such amounts are recorded as a discrete item within the provision for income taxes on the consolidated statement of income pursuant to ASU 2016-09, which recognized in additional paid-in capital on the consolidated statement of stockholders' equity prior to FY2017.

(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**

	2016					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	Q4 18	FY18
<b>(in millions, except percentages)</b>															
GAAP tax provision %	24.5%	25.9%	24.2%	19.9%	23.7%	30.8%	15.2%	12.9%	74.1%	35.0%	10.6%	13.9%	19.0%	5.8%	12.5%
GAAP tax provision	\$ 28	\$ 41	\$ 37	\$ 26	\$ 133	\$ 155	\$ 21	\$ 23	\$ 166	\$ 365	\$ 24	\$ 32	\$ 44	\$ 12	\$ 112
Incremental non-GAAP tax expense (a)	7	1	6	11	25	(138)	5	8	7	(117)	3	3	7	2	15
Tax benefit related to cost-sharing arrangement (b)	-	-	-	7	7	-	-	-	-	-	-	-	-	-	-
Excess tax benefit from share-based compensation (c)	-	-	-	-	-	8	13	12	21	52	3	3	5	22	34
U.S. Tax Reform (d)	-	-	-	-	-	-	-	-	(150)	(150)	-	-	(11)	-	(11)
Non-GAAP tax provision	\$ 35	\$ 42	\$ 43	\$ 44	\$ 165	\$ 25	\$ 39	\$ 43	\$ 44	\$ 150	\$ 30	\$ 38	\$ 45	\$ 36	\$ 150
Non-GAAP tax provision %	25.5%	25.7%	24.6%	28.5%	26.1%	24.4%	25.1%	21.6%	18.0%	21.5%	12.9%	15.9%	17.3%	16.3%	15.6%

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) Amount represents tax deductions taken in excess of stock compensation cost. Such amounts are recorded as a discrete item within the provision for income taxes on the consolidated statement of income pursuant to ASU 2016-09, which recognized in additional paid-in capital on the consolidated statement of stockholders' equity prior to FY2017.

(d) In accordance with the Tax Cuts and Jobs Act enacted on December 22, 2017 (U.S. Tax Reform), amount for 2017 primarily represents the provisional estimate of the one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and the impact of revaluing our U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future. The 2018 amount represents the discrete tax expense associated with updating prior year estimates of the impact of U.S. Tax Reform.

**Condensed Consolidated Statements of Cash Flows**

	2016 (a)					2017					2018				
	Unaudited					Unaudited					Unaudited				
<b>(in millions)</b>	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	Q4 18	FY18
Net cash provided by operating activities	\$ 99	\$ 242	\$ 176	\$ 262	\$ 779	\$ 168	\$ 178	\$ 235	\$ 294	\$ 875	\$ 255	\$ 295	\$ 292	\$ 300	\$ 1,142
Net cash (used in) provided by investing activities	(44)	44	(341)	(174)	(515)	163	36	(97)	(315)	(214)	12	(536)	(940)	(349)	(1,813)
Net cash (used in) provided by financing activities	(71)	(89)	9	(145)	(296)	(86)	23	(5)	(109)	(176)	67	30	650	(153)	594
Effect of exchange rate changes on cash and cash equivalents	2	-	(1)	(3)	(2)	1	1	2	1	5	1	(5)	-	-	(4)
Net (decrease) increase in cash and cash equivalents	(14)	197	(157)	(60)	(34)	246	238	135	(129)	490	335	(216)	2	(202)	(81)
Cash and cash equivalents, beginning of period	769	755	952	795	769	735	981	1,219	1,354	735	1,225	1,560	1,344	1,346	1,225
Cash and cash equivalents, end of period	\$ 755	\$ 952	\$ 795	\$ 735	\$ 735	\$ 981	\$ 1,219	\$ 1,354	\$ 1,225	\$ 1,225	\$ 1,560	\$ 1,344	\$ 1,346	\$ 1,144	\$ 1,144
Calculation of free cash flow:															
Net cash provided by operating activities	\$ 99	\$ 242	\$ 176	\$ 262	\$ 779	\$ 168	\$ 178	\$ 235	\$ 294	\$ 875	\$ 255	\$ 295	\$ 292	\$ 300	\$ 1,142
Purchases of property and equipment (b)	(53)	(68)	(57)	(82)	(260)	(83)	(69)	(82)	(76)	(310)	(90)	(77)	(64)	(65)	(296)
Free cash flow (c)	\$ 46	\$ 174	\$ 119	\$ 180	\$ 519	\$ 85	\$ 109	\$ 153	\$ 218	\$ 565	\$ 165	\$ 218	\$ 228	\$ 235	\$ 846

(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.



**Revenue by Geographic Region**  
**Unaudited**

(in millions)	2017					2018				
	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
<b>REVENUE BY GEOGRAPHIC REGION (a)</b>										
AMR	\$ 345	\$ 391	\$ 417	\$ 433	\$ 1,586	\$ 440	\$ 466	\$ 474	\$ 484	\$ 1,864
EMEA	130	148	165	210	653	194	202	219	236	851
GREATER CHINA (b)	56	78	87	71	292	78	107	102	77	365
APJ	67	45	45	64	221	70	55	58	70	253
<b>Total Revenue</b>	<b>\$ 598</b>	<b>\$ 662</b>	<b>\$ 714</b>	<b>\$ 778</b>	<b>\$ 2,752</b>	<b>\$ 782</b>	<b>\$ 830</b>	<b>\$ 853</b>	<b>\$ 867</b>	<b>\$ 3,333</b>

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) Disclosure of quarterly revenue based on region of destination commenced in the first quarter of fiscal 2018. The quarterly data for fiscal year 2017 is disclosed for comparative period reporting purposes.

(b) Revenue for the Greater China region, which consists primarily of China, Taiwan, and Hong Kong, is reported separately from the APJ region.



**Supplementary Data**  
**Unaudited**

(in millions)	2016					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
<b>CONSUMABLES</b>															
Sequencing Consumables	\$ 296	\$ 311	\$ 333	\$ 331	\$ 1,271	\$ 318	\$ 338	\$ 380	\$ 432	\$ 1,468	\$ 417	\$ 455	\$ 467	\$ 466	\$ 1,806
Microarrays Consumables	65	68	63	76	272	69	64	71	82	285	87	85	83	96	350
Total Consumables	361	379	396	407	1,543	387	402	451	514	1,753	504	540	550	562	2,156
% Revenue	63%	63%	65%	66%	64%	65%	61%	63%	66%	64%	64%	65%	64%	65%	65%
<b>INSTRUMENTS</b>															
Sequencing Instruments	114	\$ 120	\$ 105	\$ 111	\$ 450	\$ 95	\$ 130	\$ 128	\$ 131	\$ 484	\$ 112	\$ 123	\$ 138	\$ 159	\$ 532
Microarrays Instruments	4	6	7	3	19	5	6	12	8	31	6	4	16	11	37
Total Instruments	118	126	112	114	469	100	136	140	139	515	118	127	154	170	569
% Revenue	21%	21%	18%	18%	20%	17%	21%	20%	18%	19%	15%	15%	18%	20%	17%
Other Product (a)	\$ 4	\$ 5	\$ 6	\$ 4	\$ 20	\$ 4	\$ 5	\$ 5	\$ 6	\$ 21	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24
<b>TOTAL PRODUCT REVENUE</b>	<b>\$ 483</b>	<b>\$ 510</b>	<b>\$ 514</b>	<b>\$ 525</b>	<b>\$ 2,032</b>	<b>\$ 491</b>	<b>\$ 543</b>	<b>\$ 596</b>	<b>\$ 659</b>	<b>\$ 2,289</b>	<b>\$ 628</b>	<b>\$ 673</b>	<b>\$ 710</b>	<b>\$ 738</b>	<b>\$ 2,749</b>
<b>SERVICE &amp; OTHER</b>															
Sequencing	69	68	68	71	277	78	77	80	87	322	96	106	109	104	416
Microarrays	20	22	25	23	89	29	42	38	32	141	58	51	34	25	168
Total Service & Other	89	90	93	94	366	107	119	118	119	463	154	157	143	129	584
% Revenue	16%	15%	15%	15%	15%	18%	18%	17%	15%	17%	20%	19%	17%	15%	18%
<b>TOTAL REVENUE</b>	<b>\$ 572</b>	<b>\$ 600</b>	<b>\$ 607</b>	<b>\$ 619</b>	<b>\$ 2,398</b>	<b>\$ 598</b>	<b>\$ 662</b>	<b>\$ 714</b>	<b>\$ 778</b>	<b>\$ 2,752</b>	<b>\$ 782</b>	<b>\$ 830</b>	<b>\$ 853</b>	<b>\$ 867</b>	<b>\$ 3,333</b>

  

(in millions)	2016					2017					2018				
	1Q 16	2Q 16	3Q 16	4Q 16	FY 16	1Q 17	2Q 17	3Q 17	4Q 17	FY 17	1Q 18	2Q 18	3Q 18	4Q 18	FY 18
<b>SEQUENCING</b>															
Consumables	\$ 296	\$ 311	\$ 333	\$ 331	\$ 1,271	\$ 318	\$ 338	\$ 380	\$ 432	\$ 1,468	\$ 417	\$ 455	\$ 467	\$ 466	\$ 1,806
Instruments	114	120	105	111	450	95	130	128	131	484	112	123	138	159	532
Other Product (a)	4	4	6	4	18	4	5	5	5	19	5	6	5	6	21
Service & Other	69	68	68	71	277	78	77	80	87	322	96	106	109	104	416
Total Sequencing	\$ 483	\$ 503	\$ 512	\$ 517	\$ 2,016	\$ 495	\$ 550	\$ 593	\$ 655	\$ 2,293	\$ 630	\$ 690	\$ 719	\$ 735	\$ 2,775
% Revenue	84%	84%	84%	84%	84%	83%	83%	83%	84%	83%	81%	83%	84%	85%	83%
<b>MICROARRAYS</b>															
Consumables	\$ 65	\$ 68	\$ 63	\$ 76	\$ 272	\$ 69	\$ 64	\$ 71	\$ 82	\$ 285	\$ 87	\$ 85	\$ 83	\$ 96	\$ 350
Instruments	4	6	7	3	19	5	6	12	8	31	6	4	16	11	37
Other Product (a)	-	1	-	-	2	-	-	-	1	2	1	-	1	-	3
Service & Other	20	22	25	23	89	29	42	38	32	141	58	51	34	25	168
Total Microarrays	\$ 89	\$ 97	\$ 95	\$ 102	\$ 382	\$ 103	\$ 112	\$ 121	\$ 123	\$ 459	\$ 152	\$ 140	\$ 134	\$ 132	\$ 558
% Revenue	16%	16%	16%	16%	16%	17%	17%	17%	16%	17%	19%	17%	16%	15%	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