

The world leader in serving science



ANNUAL REPORT

2016

ThermoFisher
SCIENTIFIC

ThermoFisher SCIENTIFIC

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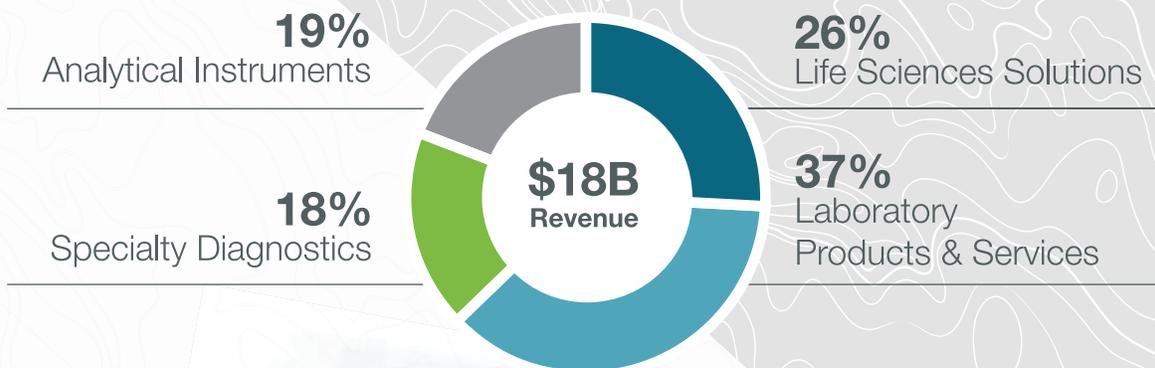
invitrogen

 fisher
scientific

unity
lab services

Our Mission is to enable our customers to make the world healthier, cleaner and safer.

Complementary Business Segments



Thermo Fisher Scientific is the world leader in serving science, generating \$18 billion in annual revenue. Customers worldwide trust the tools and solutions available through our premier brands to help them accelerate innovation and enhance productivity.

Marc N. Casper
President and CEO



Dear Shareholder,

I'm proud to say that 2016 marked the 10th anniversary of the creation of Thermo Fisher Scientific. Our goal at that time was to combine the leading science technology company, Thermo Electron, with the leading laboratory sales channel, Fisher Scientific, to effectively bring the most comprehensive solutions to our customers. It was a bold strategy in our industry and it has been incredibly successful. In that time frame, we:

- Doubled our revenue from \$9 billion to \$18 billion
- Grew GAAP earnings per share 13% on a compound annual basis
- Grew adjusted earnings per share* 14% on a compound annual basis
- Increased our annual R&D spend from \$240 million to more than \$750 million

- Expanded our presence in Asia-Pacific and emerging markets from less than 10% of total revenue to 20%
- Deployed \$30 billion on complementary acquisitions that strengthen our customer offering
- Returned \$8 billion to our shareholders through stock buybacks and dividends

We built a solid foundation in 2006 that established our company as the world leader in serving science. Today, we're known as the ultimate partner for our customers, a great place to work for our employees and a company that consistently creates value for our shareholders. And we're not stopping there. Our Vision for the future requires us to strengthen our leadership throughout the next decade, and every successful year is another important step toward that goal.

In 2016 we reinforced our commitment to achieving our Vision. As you'll read in this letter, we're making excellent progress in positioning our company for an even brighter future.

Consistent financial performance

A strong track record of performance is critical for any company that expects to create value and sustain growth over the long term. Yet changing market dynamics around the world are making this goal more challenging. We're living in a time of economic and political uncertainty. But industry leaders like Thermo Fisher look at the environment as an opportunity to further differentiate themselves from their competitors.

Adjusted earnings per share (EPS) is our primary metric of performance. It encapsulates our focus on creating value for our key

* Adjusted earnings per share is a non-GAAP financial measure that excludes certain items. For a reconciliation of non-GAAP financial measures to comparable GAAP measures, see accompanying consolidated statement of income on pages 10 and 11 of this annual report.

stakeholders, which we achieve through a well-executed growth strategy, operational discipline and effective capital deployment. By bringing these elements together, we've been able to deliver strong adjusted EPS growth over the past 10 years.

And we continued that trend in 2016. GAAP EPS grew 3% versus 2015 to \$5.09, and we achieved a 12% increase in adjusted EPS to \$8.27. We delivered strong bottom-line results on revenue growth of 8% for the year, to a record \$18.27 billion. All told, it was another very successful year in terms of our financial performance.

Our ability to steadily and significantly increase our profitability over the past decade has clearly set us apart in our industry, and this is a testament to the impact of our PPI Business System. PPI stands for Practical Process Improvement. It's the core of our operational discipline and a key differentiator for our company. PPI involves our more than 55,000 colleagues around the world in making our company better by improving our

processes and removing waste and inefficiency every day. The end result is not only greater productivity, but also higher-quality products and services and, ultimately, stronger customer allegiance. Our PPI Business System has been our mainstay in a world of uncertainty and will continue to ensure that we deliver strong earnings growth for many years to come.

Ultimate customer partner

We exist as a company for one purpose – to fulfill our Mission, which is to enable our customers to make the world healthier, cleaner and safer. This has been our source of inspiration since Thermo Fisher was created, and it is how we collectively make a positive impact on society.

Our customers are dealing with complex challenges, and our goal is to be the partner they can count on to find the best solutions. We achieve this by successfully executing a growth strategy that's based on high-impact innovation,

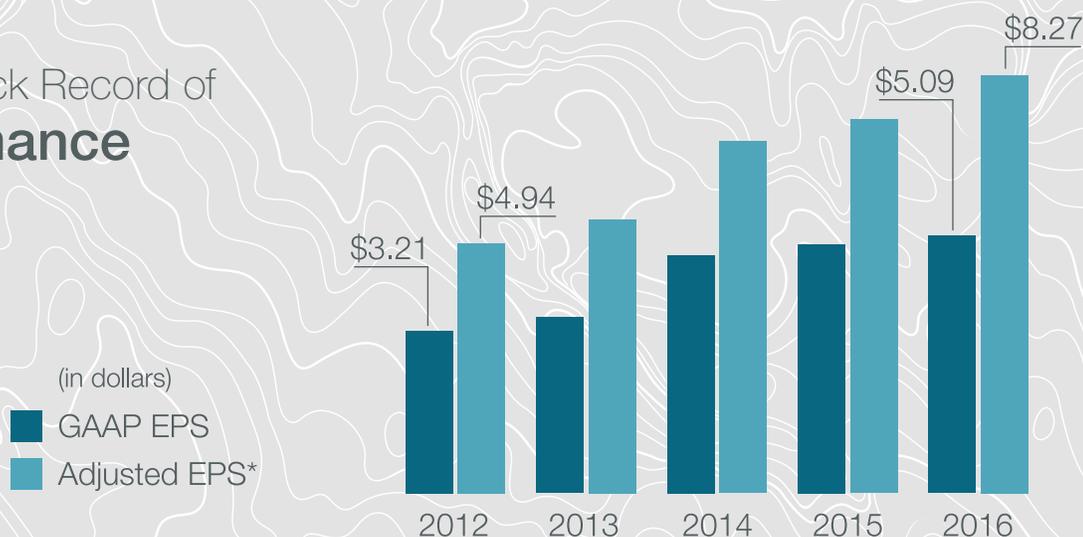
scale in emerging markets and a unique value proposition, and I'm pleased with the progress we made in 2016.

High-impact innovation

We have the largest R&D budget in our industry, and in 2016 we invested more than \$750 million on innovation that will support our future growth. Our past investments led to many product launches during the year for customers in a range of industries – I'll highlight just a few.

We continued to make our powerful analytical instrument technologies available to a broader customer base. In mass spectrometry, we extended our flagship Orbitrap platform with two new Thermo Scientific Q Exactive systems – one to help customers more efficiently discover and develop new drugs, and the other to improve accuracy and speed in applied markets such as food safety, forensics and environmental testing. We also set a new

Strong Track Record of Performance



* Adjusted earnings per share is a non-GAAP financial measure that excludes certain items. For a reconciliation of non-GAAP financial measures to comparable GAAP measures, see accompanying consolidated statement of income on pages 10 and 11 of this annual report.



Understanding the **Nature of Disease**

To improve patient care, we must understand the best treatment options at the time of diagnosis. Rather than today's "one disease, one drug" paradigm, we increasingly rely on individualized multi-marker, multi-drug approaches, also known as precision medicine.

Physicians can diagnose, monitor and treat diseases such as cancer by mapping a patient's unique molecular profile. And technologies from Thermo Fisher are enabling these critical advancements.

From genetic and protein analysis to biobanking and data-driven informatics, our offering is unmatched. We actively engage with industry, academia and governments globally to contribute our capabilities toward improving human health and individual well-being.

standard in ion chromatography by launching the Thermo Scientific Integrion HPIC system to increase workflow efficiency in high-volume laboratories.

In clinical research and diagnostics, we help our customers improve patient care while reducing healthcare costs. For example, we launched new assays that run on our Ion Torrent next-generation sequencing instruments to advance liquid biopsy research on colon, lung and breast cancers. We also broadened the use of our sepsis tests to reduce these life-threatening infections, and expanded our menu of tests that

detect autoimmune diseases and drugs of abuse.

In our Thermo Scientific laboratory equipment line, our new TSX refrigerators and freezers and Heratherm incubators run on natural refrigerants and consume significantly less energy so customers can meet their goals for both performance and sustainability.

Innovation encompasses the way we deliver our products and services to our customers as well. We've launched a gold-standard e-commerce platform that combines all of the products we manufacture onto one website.

The new thermofisher.com not only represents our complete portfolio but also features the deep scientific content and workflow support our customers have come to rely on as a result of our comprehensive applications expertise.

And we continue to extend our Thermo Fisher Cloud platform to help our customers manage, analyze and share massive volumes of data. Originally conceived to support our gene-sequencing platform, our cloud capability is now integrated with our qPCR and proteomics systems as well. We're enabling the way scientists want to work today – connecting colleagues, instruments and software in a collaborative global community.



Increasing Drug Discovery and Availability

Biologics – drugs developed from biological versus chemical sources – are transforming medicine, yet production complexity and cost can limit capacity and patient access to treatments. At the same time, the biopharma industry must keep pace with increasing global demand.

Producing biologics-based therapeutics and vaccines requires unprecedented rigor, from discovery through commercial production. Our broad offering – including single-use technologies, analytical instruments, cell culture media, and centrifugation and purification products – helps customers meet these challenges.

In bioproduction, “the product is the process,” putting a premium on consistency, quality and purity. We help industry improve product viability to accelerate the delivery of life-saving medicines.

Scale in emerging markets

We also need to be where our customers are. Great opportunities from a global perspective lie in emerging and high-growth markets, and this represents the second pillar of our growth strategy. I'm pleased to report that by the end of 2016 we generated 20% of our total revenue in these markets, with strong contributions from China, India, South Korea and Southeast Asia. This demonstrates that our size and scale in the region is a clear competitive advantage.

China was our star performer again in 2016. The investments we've made there over the years in infrastructure and talent have put us in an excellent position to meet the priorities outlined in China's Five-Year Plan. When I visit our colleagues and customers in China, I always leave even more

energized by our prospects. For example, we're partnering with West China Hospital of Sichuan University – one of the largest single-site hospitals in the world – to develop a joint platform for advancing research in precision medicine. And thanks to our next-generation sequencing technologies, last year more than a million pregnant women in China were able to gain access to non-invasive prenatal screening.

Our size and scale in emerging markets is a clear competitive advantage

We also continue to increase our capabilities to support new opportunities. For example, in 2016 we opened a bioproduction development lab within our China Innovation Center in Shanghai

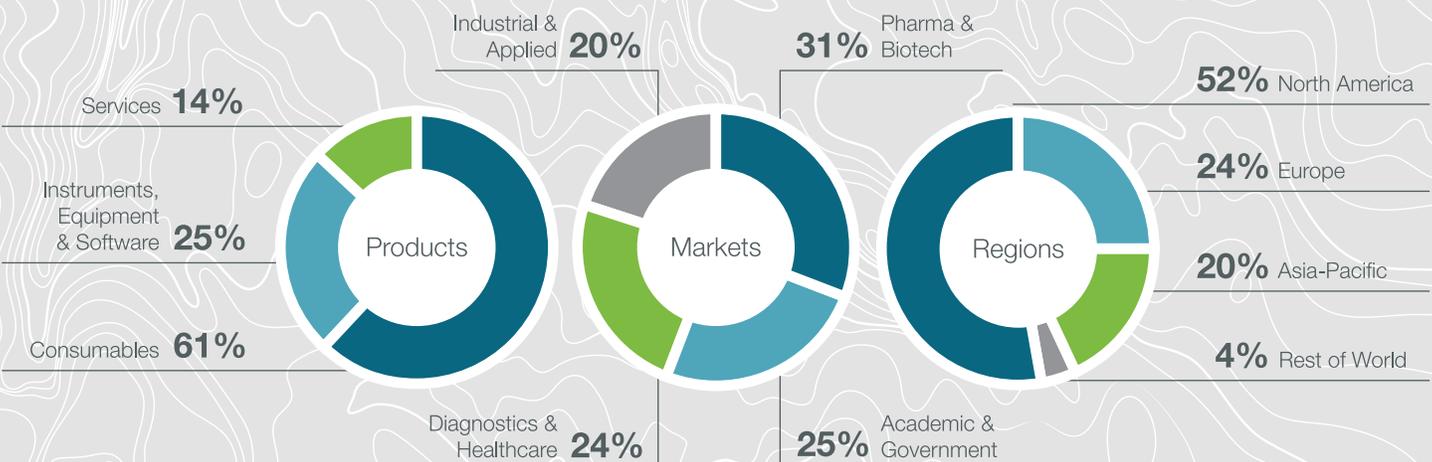
to help our customers meet processing and regulatory hurdles in the growing biopharma and vaccine industry. With its continued focus on innovation, healthcare and the environment, China will be a key growth engine for our company for years to come.

At the same time, we're applying what's worked well in China to other high-growth markets where we can leverage our scale to better serve our customers. For example, in South Korea, strong growth has been driven by our investments in a direct sales force, and we opened a new biopharma services facility in Seoul in 2016 to meet increasing demand from clinical trials. These are just a few examples of the progress we made last year in expanding our presence in high-growth regions.

Unique value proposition

The third pillar of our growth strategy is our unique customer value proposition. It's based on our ability to leverage the

Attractive Revenue Profile





Getting Critical Diagnoses Faster

Continued focus on accuracy, speed and cost of healthcare is accelerating demand for new diagnostics that help doctors get the right answer to a patient, faster. Too much time increases both the risk and cost of care.

In allergy testing, our blood-based tests, including *in vitro* kits for commonly misunderstood peanut

allergies, give doctors more accurate results that can improve a patient's quality of life.

Our specialty diagnostics innovation meets growing demand for a range of rapid, sensitive and cost-effective tests, including monitoring for opioid abuse, sepsis screening in the emergency room and the diagnosis of autoimmune diseases.

complementary nature of our businesses to differentiate Thermo Fisher in the markets we serve. Whether our customers are looking for reagents, lab supplies, instrumentation or services, they have access to the most comprehensive offering in the industry to help them meet their goals for innovation and productivity.

We continue to enhance our value proposition through the ongoing innovation and global expansion that I've highlighted, as well as acquisitions that complement our strengths.

In 2016, we deployed approximately \$5.5 billion on acquisitions that expanded our customer offering and strengthened our strategic position. Early in the year we acquired Affymetrix, which is now part of our Life Sciences Solutions business. Its strong position in flow cytometry and antibodies builds on our leadership in biosciences, while its innovative microarray technologies will open

new growth opportunities for us in genetic sciences.

Later in the year we acquired FEI Company, the leader in electron microscopy. This acquisition – the third largest in our history – adds highly complementary technologies to our Analytical Instruments portfolio. I'm especially excited

Our unique value proposition serves our customers well in a range of end markets

about FEI's innovative Cryo-EM system for the structural analysis of proteins. Our customers have come to rely on our leading Orbitrap mass spectrometry platform to conduct the protein research required to advance structural biology. With the addition of new technologies from FEI, we are in the best position to capitalize on this fast-growing market. This is a good example of how our

leadership in life sciences can help accelerate the adoption of FEI's products by these customers.

The strength of our value proposition serves our customers well in a range of end markets, from biopharma to academic. And as we increase our capabilities, we will create opportunities to help them meet new challenges and continue to gain market share.

Great place to work

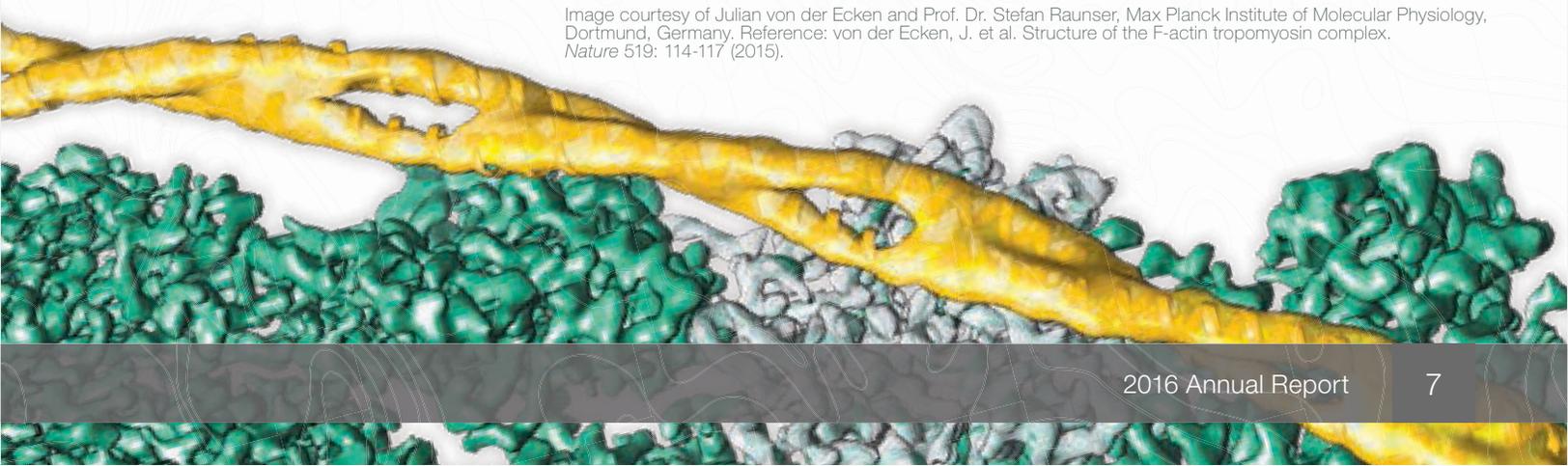
Our ability to be the best partner for our customers starts from within. I believe that our culture is our greatest resource. Our 4i Values – Integrity, Intensity, Innovation and Involvement – guide our interactions with our colleagues, our customers and our communities, and are integral to our continued growth.

If our colleagues are engaged and involved in our success, then our customers will be too. This is why, every year, we ask our employees how they feel about working for

Seeing the Invisible

Using electron microscopy technologies recently added through our acquisition of FEI Company, scientists can reveal sub-cellular biological structures critical in the development of new disease-fighting drugs.

Image courtesy of Julian von der Ecken and Prof. Dr. Stefan Raunser, Max Planck Institute of Molecular Physiology, Dortmund, Germany. Reference: von der Ecken, J. et al. Structure of the F-actin tropomyosin complex. *Nature* 519: 114-117 (2015).



Thermo Fisher Scientific – what we are doing well and where we can improve.

The feedback from our 2016 Employee Involvement Survey told us that we made good progress in each of the three indexes that we measure – Effective Leadership, Involvement and Inclusion. I was especially pleased that an even greater number of our colleagues feel that we’re an open and inclusive culture, where different views and experiences are not only welcomed, but valued. We’ve established 80 global chapters of our Employee Resource Groups, which bring colleagues together to share and learn from diverse perspectives. Creating a global workplace that embraces diversity will attract the innovative thinkers we need to take our company to the next level.

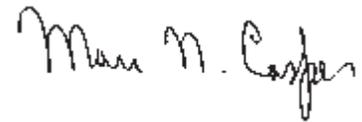
Our colleagues are inspired by our Mission, and they take that passion into the communities where they live and work. Thermo Fisher’s philanthropic goal is to ignite an interest among young students to pursue studies in science, technology, engineering and math (STEM). Through our growing number of non-profit STEM partnerships, we’re making good progress here as well.

Our corporate grants are supporting hands-on science learning through programs such as China’s Little Scientists, the Boys and Girls Clubs of America and Innovation Nation events in Brazil, India and Korea. In addition, our global scholarship programs for children of employees and students pursuing STEM degrees have made it possible for young people to follow their aspirations. Whether we’re donating funds, equipment or time, we believe

our responsibility as the world leader in serving science extends far beyond our walls.

I’m proud of all that we accomplished in the past year, but even more so of the track record of success we’ve achieved since Thermo Fisher Scientific was created a decade ago. By remaining true to everything that has brought us this far – our Vision, Mission, PPI Business System and 4i Values – I know our future will be even brighter. Every successful year positions us for greater accomplishments to come. We’re just getting started.

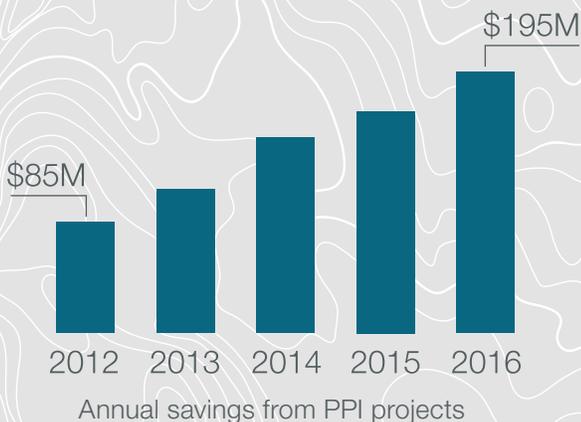
Sincerely,



Marc N. Casper
President and Chief Executive Officer

April 3, 2017

PPI Business System Fuels Profitable Growth



Our PPI Business System helps us to increase savings through greater productivity, but also leads to higher revenue growth through improved product quality and stronger customer allegiance.



Detection Beyond **Laboratory Limits**

New contaminants and pollutants in our environment, from hormones and pesticides to chemical additives and particulates, threaten consumer safety and public health. Globalization of our food supplies is driving demand for higher sensitivity and faster, more reliable analysis.

Our analytical technologies help customers address the unintended consequences of expanded trade.

As industry produces more, and distributes more broadly, it must increase monitoring without sacrificing productivity and accuracy of results.

From chromatography and mass spectrometry systems in the lab to portable elemental analyzers used in the field, our technologies help customers secure food supply, quality and integrity – wherever the source may be.

Consolidated Statement of Income

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, net of 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. The non-GAAP measures presented herein are not meant to be considered superior to or a substitute for our results of operations prepared in accordance with GAAP.

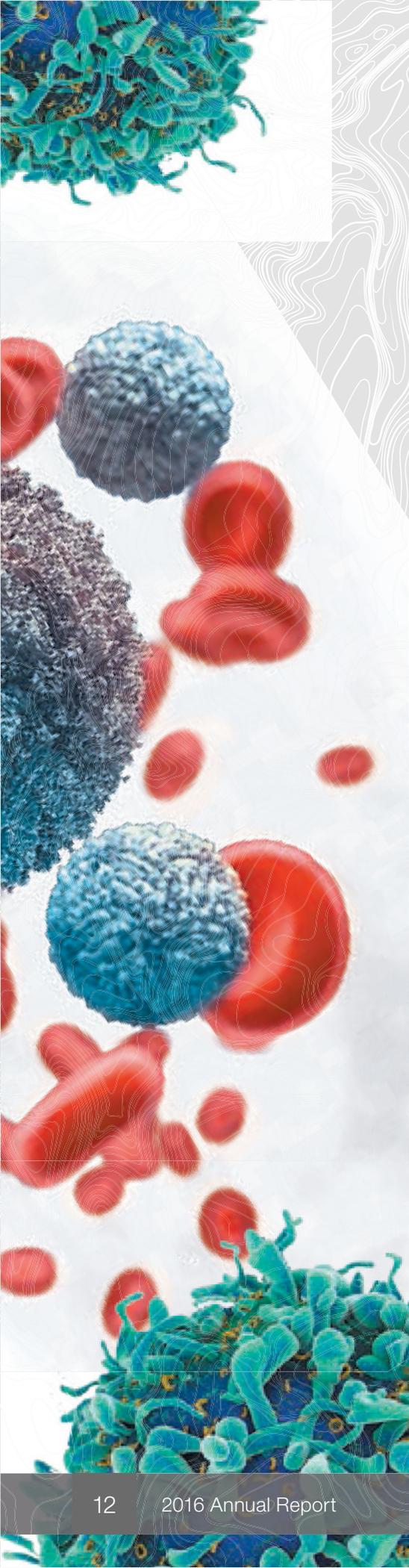
| (Dollars in millions, except per share amounts) | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-------------|-------------|-------------|-------------|-------------|
| Consolidated Statement of Income (a) (b) | | | | | |
| Revenues | \$ 18,274.1 | \$ 16,965.4 | \$ 16,889.6 | \$ 13,090.3 | \$ 12,509.9 |
| Costs and Operating Expenses: | | | | | |
| Cost of revenues (c) | 9,459.1 | 8,782.7 | 8,970.6 | 7,339.2 | 6,993.0 |
| Selling, general and administrative expenses (d) | 4,043.8 | 3,724.1 | 3,991.4 | 2,905.2 | 2,828.7 |
| Amortization of acquisition-related intangible assets | 1,378.0 | 1,314.8 | 1,331.7 | 763.1 | 747.6 |
| Research and development expenses | 754.8 | 692.3 | 691.1 | 395.5 | 376.4 |
| Restructuring and other costs (income), net (e) | 189.2 | 115.3 | (598.2) | 77.7 | 82.1 |
| | 15,824.9 | 14,629.2 | 14,386.6 | 11,480.7 | 11,027.8 |
| Operating Income | 2,449.2 | 2,336.2 | 2,503.0 | 1,609.6 | 1,482.1 |
| Other Expense, Net (f) | (425.3) | (399.8) | (415.8) | (290.1) | (212.7) |
| Income from Continuing Operations Before Income Taxes | 2,023.9 | 1,936.4 | 2,087.2 | 1,319.5 | 1,269.4 |
| Income Tax Benefit (Provision) (g) | 1.4 | 43.9 | (191.7) | (40.4) | (11.0) |
| Income from Continuing Operations | 2,025.3 | 1,980.3 | 1,895.5 | 1,279.1 | 1,258.4 |
| Loss from Discontinued Operations (net of income tax benefit of \$2.2, \$2.9, \$0.6, \$3.7 and \$44.0) | (3.5) | (4.9) | (1.1) | (5.8) | (80.5) |
| Net Income | \$ 2,021.8 | \$ 1,975.4 | \$ 1,894.4 | \$ 1,273.3 | \$ 1,177.9 |
| Earnings per Share from Continuing Operations: | | | | | |
| Basic | \$ 5.13 | \$ 4.97 | \$ 4.76 | \$ 3.55 | \$ 3.46 |
| Diluted | \$ 5.10 | \$ 4.93 | \$ 4.71 | \$ 3.50 | \$ 3.43 |
| Earnings per Share: | | | | | |
| Basic | \$ 5.12 | \$ 4.96 | \$ 4.76 | \$ 3.53 | \$ 3.24 |
| Diluted | \$ 5.09 | \$ 4.92 | \$ 4.71 | \$ 3.48 | \$ 3.21 |
| Weighted Average Shares: | | | | | |
| Basic | 394.8 | 398.7 | 398.2 | 360.3 | 363.8 |
| Diluted | 397.4 | 401.9 | 402.3 | 365.8 | 366.6 |

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Reconciliation of Adjusted Earnings per Share | | | | | | | | | | |
| GAAP Diluted EPS (a) | \$ 5.09 | \$ 4.92 | \$ 4.71 | \$ 3.48 | \$ 3.21 | \$ 3.46 | \$ 2.53 | \$ 2.01 | \$ 2.25 | \$ 1.69 |
| Cost of Revenues Charges, Net of Tax (c) | 0.16 | 0.01 | 0.55 | 0.05 | 0.11 | 0.13 | 0.02 | 0.01 | 0.00 | 0.07 |
| Selling, General and Administrative Charges, Net of Tax (d) | 0.18 | 0.05 | 0.24 | 0.16 | 0.03 | 0.13 | 0.01 | 0.00 | 0.00 | 0.00 |
| Restructuring and Other Costs (Income), Net of Tax (e) | 0.30 | 0.19 | (0.79) | 0.16 | 0.15 | 0.16 | 0.10 | 0.10 | 0.06 | 0.06 |
| Amortization of Acquisition-related Intangible Assets, Net of Tax | 2.41 | 2.27 | 2.27 | 1.45 | 1.36 | 1.12 | 0.89 | 0.88 | 0.87 | 0.81 |
| Other Expense (Income), Net of Tax (f) | 0.09 | 0.03 | (0.01) | 0.09 | 0.00 | (0.05) | 0.04 | 0.03 | 0.00 | 0.01 |
| Income Tax Benefit (Provision) (g) | 0.03 | (0.09) | (0.01) | 0.01 | (0.14) | 0.01 | (0.04) | (0.01) | (0.06) | (0.07) |
| Discontinued Operations, Net of Tax | 0.01 | 0.01 | 0.00 | 0.02 | 0.22 | (0.80) | (0.12) | (0.10) | (0.10) | (0.02) |
| Adjusted EPS (b) | \$ 8.27 | \$ 7.39 | \$ 6.96 | \$ 5.42 | \$ 4.94 | \$ 4.16 | \$ 3.43 | \$ 2.92 | \$ 3.02 | \$ 2.55 |

(Dollars in millions)

| | 2016 | | 2015 | | 2014 | | 2013 | | 2012 | |
|--|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| Reconciliation of Adjusted Operating Income and Adjusted Operating Margin | | | | | | | | | | |
| GAAP Operating Income (a) | \$2,449.2 | 13.4% | \$2,336.2 | 13.8% | \$2,503.0 | 14.8% | \$1,609.6 | 12.3% | \$1,482.1 | 11.8% |
| Cost of Revenues Charges (c) | 101.5 | 0.6% | 9.1 | 0.0% | 327.6 | 1.9% | 28.6 | 0.2% | 55.6 | 0.4% |
| Selling, General and Administrative Charges, Net (d) | 103.9 | 0.6% | 46.3 | 0.3% | 130.7 | 0.8% | 73.5 | 0.6% | 12.5 | 0.1% |
| Restructuring and Other Costs (Income), Net (e) | 189.2 | 1.0% | 115.3 | 0.7% | (598.2) | -3.5% | 77.7 | 0.6% | 82.1 | 0.7% |
| Amortization of Acquisition-related Intangible Assets | 1,378.0 | 7.5% | 1,314.8 | 7.7% | 1,331.7 | 7.9% | 763.1 | 5.8% | 747.6 | 6.0% |
| Adjusted Operating Income (b) | \$4,221.8 | 23.1% | \$3,821.7 | 22.5% | \$3,694.8 | 21.9% | \$2,552.5 | 19.5% | \$2,379.9 | 19.0% |
| Reconciliation of Free Cash Flow | | | | | | | | | | |
| GAAP Net Cash Provided by Operating Activities (a) | \$3,156.3 | | \$2,816.9 | | \$2,619.6 | | \$2,010.7 | | \$2,039.5 | |
| Net Cash Used in Discontinued Operations | 2.0 | | 8.7 | | 4.3 | | 4.9 | | 28.4 | |
| Purchases of Property, Plant and Equipment | (444.4) | | (422.9) | | (427.6) | | (282.4) | | (315.1) | |
| Proceeds from Sale of Property, Plant and Equipment | 26.3 | | 18.1 | | 49.3 | | 20.7 | | 12.8 | |
| Free Cash Flow (h) | \$2,740.2 | | \$2,420.8 | | \$2,245.6 | | \$1,753.9 | | \$1,765.6 | |

- (a) "GAAP" (reported) results were determined in accordance with U.S. generally accepted accounting principles (GAAP).
- (b) Adjusted results are non-GAAP measures and, for income measures, exclude certain charges to cost of revenues (see note (c) for details); certain charges/credits to selling, general and administrative expenses (see note (d) for details); amortization of acquisition-related intangible assets; restructuring and other costs (income), net (see note (e) for details); certain other gains or losses that are either isolated or cannot be expected to occur again with any predictability (see note (f) for details); the tax consequences of the preceding items and certain other tax items (see note (g) for details); and results of discontinued operations.
- (c) Reported results include \$75.0, \$6.9, \$303.4, \$23.9, \$52.4, \$69.5, \$11.4, \$3.7, \$1.0 and \$48.3 in 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008 and 2007, respectively, of charges for the sale of inventories revalued at the date of acquisition; \$1.8, \$2.2, \$2.8, \$4.7, \$3.2, \$3.1, \$1.8, \$3.0, \$0.5 and \$0.9 in 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008 and 2007, respectively, of accelerated depreciation on manufacturing assets to be abandoned due to facility consolidations; and \$24.7 and \$21.4 in 2016 and 2014, respectively, of charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.
- (d) Reported results include \$71.6, \$12.2, \$100.5, \$51.7, \$14.1, \$59.7, \$8.7 and \$3.4 in 2016, 2015, 2014, 2013, 2012, 2011, 2010 and 2009, respectively, of third-party transaction/integration costs related to acquisitions; (\$2.2), (\$2.8), \$8.2, \$13.5, (\$1.4), (\$1.2) and \$5.2, in 2016, 2015, 2014, 2013, 2012, 2011 and 2010, respectively, of (credits) charges, net, for changes in estimates of contingent consideration for acquisitions; \$17.2, \$19.4, \$5.2, \$8.3, (\$0.2), \$3.0, (\$10.9) and (\$1.9) in 2016, 2015, 2014, 2013, 2012, 2011, 2010 and 2009, respectively, of charges (gains), net, associated with product liability litigation; \$8.8, \$17.5 and \$0.6 in 2016, 2015 and 2014, respectively, of accelerated depreciation on fixed assets to be abandoned due to integration synergies; and \$8.5 and \$16.2 in 2016 and 2014, respectively, of charges to conform the accounting policies of recently acquired businesses with the company's accounting policies.
- (e) Reported results include restructuring and other costs (income), net, consisting principally of severance, abandoned facility and other expenses of headcount reductions within several businesses and real estate consolidations; \$24.0, \$20.0, (\$5.9), \$6.0, (\$7.4) and \$5.0 of net charges (gains) in 2016, 2015, 2012, 2010, 2009 and 2008, respectively, for litigation-related matters; \$8.3 in 2016 of environmental remediation costs; \$6.4, \$11.2, (\$14.0), (\$2.6) and \$19.2 in 2016, 2015, 2014, 2009 and 2008, respectively, of net gains (losses) on sales of product lines and real estate and settlement/curtailment of retirement plans; \$14.9, \$10.7, \$12.1, \$17.0 and \$7.0 in 2015, 2012, 2011, 2010 and 2008, respectively, of impairment of intangible assets; \$5.0 in 2015 of cash compensation contractually due to employees of an acquired business; \$895.4 in 2014 of gains on the sale of businesses, principally the sera and media, gene modulation, magnetic beads and Cole-Parmer businesses; \$91.7 and \$21.2 in 2014 and 2011, respectively, of charges for cash compensation to monetize certain equity awards held by employees of acquired businesses at the dates of acquisition; and \$8.0 in 2007 of merger-related professional fees.
- (f) Reported results include \$1.8, \$2.2, \$2.2, \$2.4, \$4.8, \$3.3, \$3.8, \$2.8, \$2.8 and \$1.6 in 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008 and 2007, respectively, of amortization of acquisition-related intangible assets and restructuring charges for the company's equity investments; \$22.0, \$1.0, \$73.9, \$10.3 and \$7.7 in 2016, 2014, 2013, 2011 and 2010, respectively, of charges related to fees paid to obtain bridge financing commitments for acquisitions; \$9.3, \$11.9, \$0.5, \$16.8 and \$15.1 in 2016, 2015, 2012, 2010 and 2009, respectively, of losses on the early extinguishment of debt; \$12.5, \$0.1, \$6.3, \$15.9, \$17.8, (\$2.5), (\$3.8) and (\$8.9) in 2016, 2015, 2014, 2013, 2011, 2009, 2008 and 2007, respectively, of net gains (losses) on investments; \$7.5 in 2015 of costs associated with entering into interest rate swap agreements; \$27.6 in 2011 of gains on currency hedging contracts related to an acquisition and repayment of its multi-currency debt; and \$9.8 and \$4.5 in 2008 and 2007, respectively, of currency transaction gains associated with an intercompany financing transaction.
- (g) Reported income tax provision includes \$543.3, \$478.3, \$277.8, \$306.1, \$299.1, \$271.4, \$225.2, \$234.3, \$215.5 and \$235.0 in 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008 and 2007, respectively, of incremental tax benefit for the pre-tax reconciling items between GAAP and adjusted net income; (\$1.5), \$37.5, \$5.5, (\$3.3), \$52.6, (\$11.7), \$11.0, \$2.5, \$27.9 and \$31.9 in 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008 and 2007, respectively, of incremental tax (provision) benefit from adjusting the company's deferred tax balances as a result of tax rate changes; (\$11.9), (\$2.1), \$1.5 and \$6.4 in 2016, 2013, 2011 and 2010, respectively, of incremental tax (provision) benefit due to the net impact of tax audits; \$7.9 in 2011 of incremental tax benefit from the ability to use tax loss carryforwards as a result of an acquisition; and \$3.0 in 2009 of incremental tax benefit for reversal of a tax reserve established at acquisition.
- (h) Free cash flow in 2014 and 2013 was reduced by \$325.1 and \$108.4, respectively, of cash outlays related to the acquisition of Life Technologies, including monetizing certain equity awards, severance obligations, third-party transaction/integration costs and in 2013, fees to obtain bridge financing commitments.



Shareholder Services

Shareholders of Thermo Fisher Scientific who desire information about the company are invited to contact the Investor Relations Department, Thermo Fisher Scientific Inc., 168 Third Avenue, Waltham, MA 02451, (781) 622-1111. You may also send an email to investorrelations@thermofisher.com. Material of interest to shareholders is available from the company's website at thermofisher.com, under "About Us", then "Investors."

Stock Transfer Agent

Thermo Fisher Scientific's stock transfer agent, AST, maintains shareholder activity records. The agent will respond to questions on issuance of stock certificates, change of ownership, lost stock certificates and change of address. For these and similar matters, please direct inquiries to: AST, 6201 15th Avenue, Brooklyn, NY 11219, (800) 937-5449. You may also send an email to info@amstock.com, or visit the transfer agent's website at astfinancial.com.

Annual Meeting

The annual meeting of shareholders will be held on Wednesday, May 17, 2017, at 1:00 p.m. at the Mandarin Oriental, New York, 80 Columbus Circle at 60th Street, New York, NY 10023.

Annual Report on Form 10-K

The accompanying Annual Report on Form 10-K for the fiscal year ended December 31, 2016, does not contain exhibits. Exhibits have been filed with the Securities and Exchange Commission. Upon request to the Investor Relations Department, the company will furnish, without charge, any such exhibits as well as copies of periodic reports filed with the Securities and Exchange Commission.

Forward-Looking Statements

This annual report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, earnings, margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position; cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions or divestitures; growth, declines and other trends in markets we sell into; new or modified laws, regulations and accounting pronouncements; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Thermo Fisher intends or believes will or may occur in the future. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. While the company may elect to update forward-looking statements in the future, it specifically disclaims any obligation to do so, even if the company's estimates change, and readers should not rely on those forward-looking statements as representing the company's views as of any date subsequent to the date of the filing of this report.

A number of important factors could cause the results of the company to differ materially from those indicated by such forward-looking statements, including those detailed under the heading, "Risk Factors" in Part I, Item 1A, in the accompanying Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Management Team

Marc N. Casper
President and Chief Executive Officer

Mark P. Stevenson
Executive Vice President and President,
Life Sciences Solutions

Stephen Williamson
Senior Vice President and Chief Financial Officer

Patrick M. Durbin
Senior Vice President and President,
Specialty Diagnostics

Gregory J. Herrema
Senior Vice President and President,
Customer Channels

Syed A. Jafry
Senior Vice President and President,
Asia-Pacific and Emerging Markets

Thomas W. Loewald
Senior Vice President and Chief Commercial Officer

Frederick M. Lowery
Senior Vice President and President, Laboratory Products
Senior Operating Officer, Life Sciences Solutions

Daniel P. Shine
Senior Vice President and President,
Analytical Instruments

Andrew J. Thomson
Senior Vice President and President,
Europe, Middle East and Africa

Joseph C. Beery
Senior Vice President and Chief Information Officer

Lisa P. Britt
Senior Vice President and Chief Human Resources Officer

Seth H. Hoogasian
Senior Vice President and General Counsel

Shiraz Ladiwala
Senior Vice President, Strategy and Corporate Development

Richard Spoor
Senior Vice President, Global Business Services

Alex G. Stachtiaris
Senior Vice President and Senior Operating Officer,
Customer Channels

Kenneth J. Apicerno
Vice President, Investor Relations

Sharon S. Briansky
Vice President and Secretary

Peter E. Hornstra
Vice President and Chief Accounting Officer

Karen A. Kirkwood
Vice President, Corporate Communications

Anthony H. Smith
Vice President, Tax and Treasury, and Treasurer

Board of Directors

Jim P. Manzi
Chairman of the Board; Chairman, Stonegate Capital
(private equity investments); Former Chairman,
President and Chief Executive Officer, Lotus Development
Corporation (computer software)

Marc N. Casper
President and Chief Executive Officer

Nelson J. Chai
President and Chief Executive Officer, The Warranty
Group (specialty insurance products)

C. Martin Harris
Associate Vice President of the Health Enterprise and
Chief Business Officer at the Dell Medical School at
The University of Texas at Austin (healthcare)

Tyler Jacks
David H. Koch Professor of Biology, Massachusetts
Institute of Technology; Director, David H. Koch Institute
for Integrative Cancer Research (research)

Judy C. Lewent
Former Executive Vice President and Chief Financial Officer,
Merck & Co., Inc. (pharmaceuticals)

Thomas J. Lynch
Executive Chairman of the Board of Directors,
TE Connectivity Ltd. (electronics)

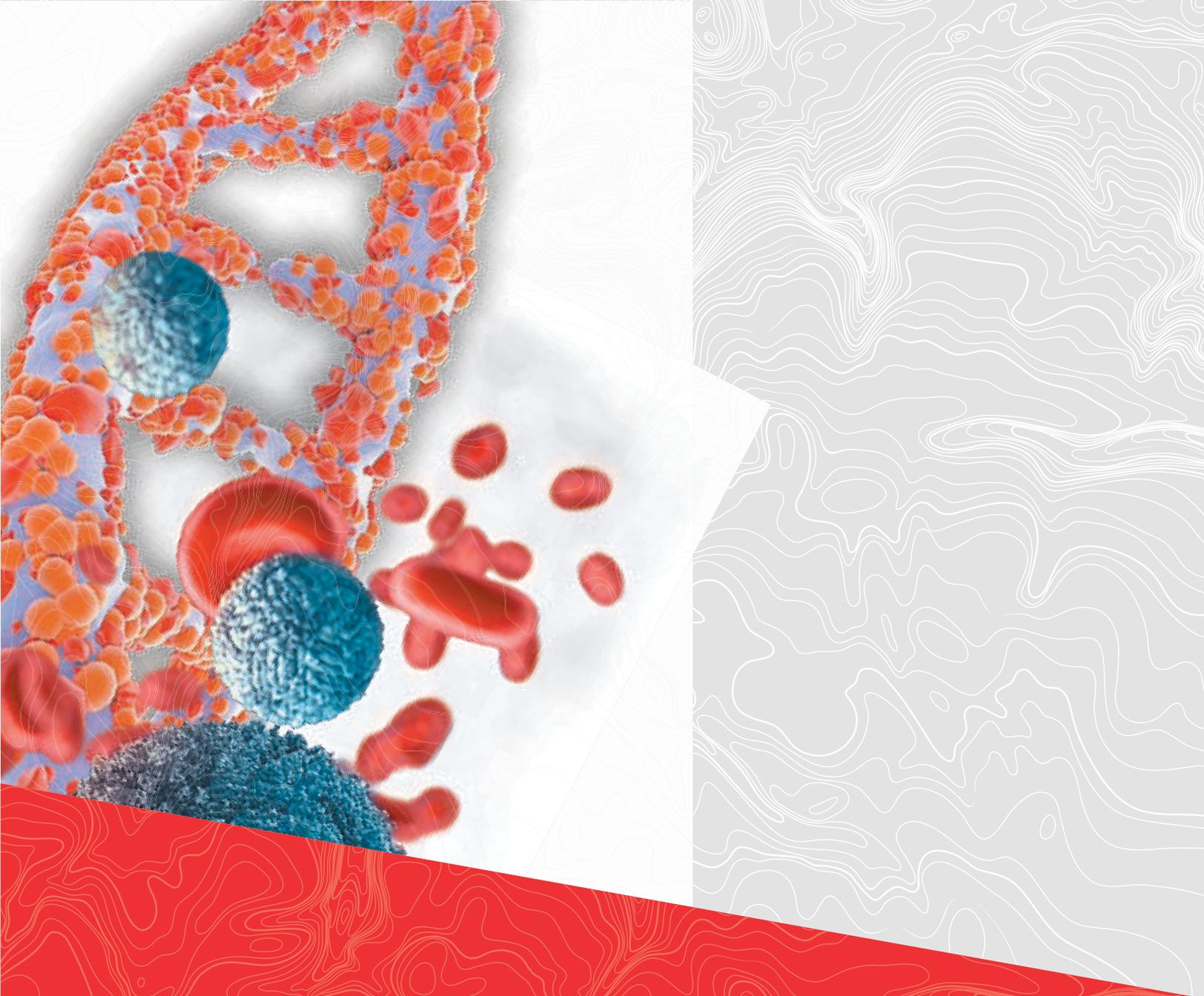
William G. Parrett
Former Global Chief Executive Officer,
Deloitte Touche Tohmatsu (accounting)

Lars R. Sørensen
Former President and Chief Executive Officer,
Novo Nordisk A/S (healthcare)

Scott M. Sperling
Co-President, Thomas H. Lee Partners, L.P.
(leveraged buyouts)

Elaine S. Ullian
Former President and Chief Executive Officer,
Boston Medical Center (healthcare)

Dion J. Weisler
President and Chief Executive Officer,
HP Inc. (information technology)



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