

Attachment 1: Reclassified Consolidated Financial Statements (GAAP Basis)

INTERNATIONAL BUSINESS MACHINES CORPORATION
RECLASSIFIED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in millions except per share amounts)

	Three Months Ended March 31		Three Months Ended June 30		Three Months Ended September 30		Three Months Ended December 31		Twelve Months Ended December 31	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	18,155	18,684	19,289	20,238	19,153	19,226	22,543	21,770	79,139	79,919
Gross Profit*	7,944	8,742	8,968	9,759	8,981	9,068	11,049	10,947	36,943	38,516
Expense and other (income):										
Selling, general and administrative*	5,027	5,970	5,033	5,287	4,606	4,693	5,013	4,920	19,680	20,869
Research, development and engineering*	1,484	1,450	1,436	1,459	1,291	1,391	1,378	1,426	5,590	5,726
Intellectual property and custom development income	(445)	(217)	(365)	(365)	(308)	(528)	(348)	(521)	(1,466)	(1,631)
Total other (income) and expense*	319	358	273	162	159	92	374	(19)	1,125	593
Other (income) and expense - retirement-related*	347	106	349	125	273	100	371	116	1,341	448
Other (income) and expense	(28)	253	(76)	37	(114)	(8)	2	(136)	(216)	145
Interest expense	135	147	147	167	168	158	164	157	615	630
Total expense and other (income)*	6,521	7,708	6,525	6,710	5,917	5,805	6,580	5,962	25,543	26,186
Income from continuing operations before income taxes	1,424	1,034	2,443	3,049	3,065	3,263	4,469	4,986	11,400	12,330
Provision for/(benefit from) income taxes	(329)	(983)	111	544	339	409	5,522	480	5,642	449
Income from continuing operations	1,753	2,016	2,332	2,505	2,726	2,854	(1,053)	4,505	5,758	11,881
Earnings/(loss) per share of common stock:										
Assuming dilution:										
Continuing operations	\$1.85	\$2.09	\$2.48	\$2.61	\$2.92	\$2.98	-\$1.14	\$4.73	\$6.14	\$12.39

*Reclassified to reflect adoption of the FASB guidance on presentation of net periodic pension and nonpension postretirement benefit costs