

Pro Forma Financial Information - 2017 Acquisition Activity (unaudited)

The acquired companies were consolidated into our financial statements starting on their respective acquisition dates. The aggregate net sales and operating loss of Whole Foods Market consolidated into our financial statements since the date of acquisition was \$5.8 billion and \$(24) million for the year ended December 31, 2017. The aggregate net sales and operating loss of other acquisitions consolidated into our financial statements since the respective dates of acquisition was \$482 million and \$(142) million for the year ended December 31, 2017. The following financial information, which excludes certain acquired companies for which the pro forma impact is not meaningful, presents our results as if the acquisitions during the year ended December 31, 2017 had occurred on January 1, 2016 (in millions):

	Twelve Months Ended December 31,	
	2016	2017
Net sales	\$ 152,283	\$ 187,890
Net income	\$ 2,148	\$ 2,940

These pro forma results are based on estimates and assumptions, which we believe are reasonable. They are not the results that would have been realized had the acquisitions actually occurred on January 1, 2016 and are not necessarily indicative of our consolidated results of operations in future periods. The pro forma results include adjustments related to purchase accounting, primarily interest expense related to the proceeds from the issuance of the August 2017 Notes used in connection with the acquisition of Whole Foods Market, depreciation of property and equipment, and amortization of intangible assets.

Goodwill

The goodwill of the acquired companies is primarily related to expected improvements in technology performance and functionality, as well as sales growth from future product and service offerings and new customers, together with certain intangible assets that do not qualify for separate recognition. The goodwill of the acquired companies is generally not deductible for tax purposes. The following summarizes our goodwill activity in 2016 and 2017 by segment (in millions):

	North America	International	AWS	Consolidated
Goodwill - January 1, 2016	\$ 2,012	\$ 719	\$ 1,028	\$ 3,759
New acquisitions	30	13	17	60
Other adjustments (1)	2	(38)	1	(35)
Goodwill - December 31, 2016	2,044	694	1,046	3,784
New acquisitions (2)	9,115	368	18	9,501
Other adjustments (1)	6	46	13	65
Goodwill - December 31, 2017	\$ 11,165	\$ 1,108	\$ 1,077	\$ 13,350

(1) Primarily includes changes in foreign exchange rates.

(2) Primarily includes the acquisition of Whole Foods Market in the North America segment and Souq in the International segment.