
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED March 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 1-16671

AMERISOURCEBERGEN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

23-3079390

(I.R.S. Employer
Identification No.)

1300 Morris Drive, Chesterbrook, PA

(Address of principal executive offices)

19087-5594

(Zip Code)

(610) 727-7000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock of AmerisourceBergen Corporation outstanding as of April 30, 2017 was 218,356,117 .

AMERISOURCEBERGEN CORPORATION

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PART I. FINANCIAL INFORMATION
ITEM I. Financial Statements (Unaudited)

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	March 31, 2017	September 30, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,404,433	\$ 2,741,832
Accounts receivable, less allowances for returns and doubtful accounts: \$901,755 at March 31, 2017 and \$905,345 at September 30, 2016	9,583,520	9,175,876
Merchandise inventories	11,335,816	10,723,920
Prepaid expenses and other	170,152	210,219
Total current assets	23,493,921	22,851,847
Property and equipment, at cost:		
Land	40,279	40,290
Buildings and improvements	975,405	859,148
Machinery, equipment, and other	1,880,048	1,717,298
Total property and equipment	2,895,732	2,616,736
Less accumulated depreciation	(1,193,672)	(1,086,054)
Property and equipment, net	1,702,060	1,530,682
Goodwill	5,987,729	5,991,497
Other intangible assets	2,888,920	2,967,849
Other assets	324,383	295,626
TOTAL ASSETS	\$ 34,397,013	\$ 33,637,501
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 24,276,019	\$ 23,926,320
Accrued expenses and other	639,560	743,839
Short-term debt	615,847	610,210
Total current liabilities	25,531,426	25,280,369
Long-term debt	3,478,214	3,576,493
Long-term financing obligation	361,384	275,991
Deferred income taxes	2,332,051	2,214,774
Other liabilities	164,646	160,470
Stockholders' equity:		
Common stock, \$0.01 par value - authorized, issued, and outstanding: 600,000,000 shares, 279,646,620 shares, and 218,314,621 shares at March 31, 2017, respectively, and 600,000,000 shares, 277,753,762 shares, and 220,050,502 shares at September 30, 2016, respectively	2,796	2,778
Additional paid-in capital	4,455,260	4,333,001
Retained earnings	2,849,630	2,303,941
Accumulated other comprehensive loss	(123,490)	(114,308)
Treasury stock, at cost: 61,331,999 shares at March 31, 2017 and 57,703,260 shares at September 30, 2016	(4,654,904)	(4,396,008)
Total stockholders' equity	2,529,292	2,129,404
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 34,397,013	\$ 33,637,501

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
		(As Revised)		(As Revised)
Revenue	\$ 37,147,402	\$ 35,698,357	\$ 75,316,667	\$ 72,407,403
Cost of goods sold	35,890,975	34,623,026	73,022,560	70,367,195
Gross profit	1,256,427	1,075,331	2,294,107	2,040,208
Operating expenses:				
Distribution, selling, and administrative	521,843	519,466	1,042,390	1,044,543
Depreciation	57,751	52,995	113,605	103,861
Amortization	39,918	39,841	80,144	71,937
Warrants	—	(503,946)	—	(36,571)
Employee severance, litigation, and other	11,934	17,617	33,000	36,485
Pension settlement	—	(1,124)	—	47,607
Operating income	624,981	950,482	1,024,968	772,346
Other income	(5,233)	(756)	(5,356)	(1,066)
Interest expense, net	37,299	35,966	74,271	69,707
Income before income taxes	592,915	915,272	956,053	703,705
Income tax expense (benefit)	181,442	311,822	297,334	(229,384)
Net income	\$ 411,473	\$ 603,450	\$ 658,719	\$ 933,089
Earnings per share:				
Basic	\$ 1.89	\$ 2.90	\$ 3.02	\$ 4.51
Diluted	\$ 1.86	\$ 2.68	\$ 2.97	\$ 4.13
Weighted average common shares outstanding:				
Basic	217,650	207,858	218,166	207,017
Diluted	221,221	225,450	221,611	226,082
Cash dividends declared per share of common stock	\$ 0.365	\$ 0.340	\$ 0.730	\$ 0.680

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in thousands)	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
	(As Revised)		(As Revised)	
Net income	\$ 411,473	\$ 603,450	\$ 658,719	\$ 933,089
Other comprehensive income (loss)				
Net change in foreign currency translation adjustments	18,545	13,911	(9,012)	3,477
Pension plan adjustment, net of tax of \$19,054	—	—	—	31,538
Other	(184)	(281)	(170)	(866)
Total other comprehensive income (loss)	18,361	13,630	(9,182)	34,149
Total comprehensive income	<u>\$ 429,834</u>	<u>\$ 617,080</u>	<u>\$ 649,537</u>	<u>\$ 967,238</u>

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Six months ended March 31,	
	2017	2016
OPERATING ACTIVITIES		(As Revised)
Net income	\$ 658,719	\$ 933,089
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, including amounts charged to cost of goods sold	127,184	112,844
Amortization, including amounts charged to interest expense	85,194	75,385
Provision for doubtful accounts	5,384	8,065
Provision (benefit) for deferred income taxes	159,397	(292,981)
Warrants income	—	(36,571)
Share-based compensation	41,250	39,787
LIFO (credit) expense	(58,196)	193,941
Pension settlement	—	47,607
Other	(6,809)	(193)
Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures:		
Accounts receivable	(417,705)	(472,074)
Merchandise inventories	(556,057)	(1,047,018)
Prepaid expenses and other assets	26,591	17,642
Accounts payable	350,960	2,070,716
Accrued expenses, income taxes, and other liabilities	(47,528)	(18,219)
NET CASH PROVIDED BY OPERATING ACTIVITIES	368,384	1,632,020
INVESTING ACTIVITIES		
Capital expenditures	(262,700)	(180,012)
Cost of acquired companies, net of cash acquired	(2,403)	(2,731,356)
Proceeds from sales of investment securities available-for-sale	36,128	88,829
Purchases of investment securities available-for-sale	(48,635)	(41,136)
Other	8,136	(10,878)
NET CASH USED IN INVESTING ACTIVITIES	(269,474)	(2,874,553)
FINANCING ACTIVITIES		
Term loan borrowings	—	1,000,000
Term loan repayments	(100,000)	(25,000)
Borrowings under revolving and securitization credit facilities	6,711,081	8,237,792
Repayments under revolving and securitization credit facilities	(6,705,964)	(8,217,849)
Purchases of common stock	(229,928)	(436,804)
Exercises of warrants	—	1,168,891
Exercises of stock options	61,383	37,285
Cash dividends on common stock	(160,093)	(141,829)
Tax withholdings related to restricted share vesting	(8,968)	(18,233)
Other	(3,820)	(3,875)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(436,309)	1,600,378
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(337,399)	357,845
Cash and cash equivalents at beginning of period	2,741,832	2,167,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 2,404,433	\$ 2,525,287

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements present the consolidated financial position, results of operations, and cash flows of AmerisourceBergen Corporation and its wholly-owned subsidiaries (the "Company") as of the dates and for the periods indicated. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information, the instructions to Form 10-Q, and Rule 10-01 of Regulation S-X. In the opinion of management, all adjustments (consisting only of normal recurring accruals, except as otherwise disclosed herein) considered necessary to present fairly the financial position as of March 31, 2017 and the results of operations and cash flows for the interim periods ended March 31, 2017 and 2016 have been included. Certain information and footnote disclosures normally included in financial statements presented in accordance with U.S. GAAP, but which are not required for interim reporting purposes, have been omitted. The accompanying unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual amounts could differ from these estimated amounts. Certain reclassifications have been made to prior-period amounts in order to conform to the current year presentation.

Recently Adopted Accounting Pronouncements

In April 2015, the FASB issued ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"). ASU 2015-03 specifies that debt issuance costs related to a debt liability shall be reported on the balance sheet as a direct reduction from the face amount of the debt liability. In August 2015, the FASB issued ASU No. 2015-15, "Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements" ("ASU 2015-15"). ASU 2015-15 specifies that debt issuance costs related to line-of-credit arrangements may be presented as an asset on the balance sheet and subsequently amortized ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. As of October 1, 2016, the Company adopted ASU 2015-03 and ASU 2015-15, which resulted in the reclassification of \$18.7 million of debt issuance costs from Other Assets to Short-Term Debt of \$0.9 million and to Long-Term Debt of \$17.8 million on the Company's September 30, 2016 Consolidated Balance Sheet. The adoption had no impact on the Company's results of operations or cash flows.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"). ASU 2016-09 requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled. It also allows an employer to repurchase more of an employee's shares than it may currently for tax withholding purposes without triggering liability accounting and to make a policy election to account for forfeitures as they occur. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016 and interim periods within those fiscal years. Entities are permitted to adopt the standard early in any interim or annual period. During the quarter ended December 31, 2016, the Company early adopted ASU 2016-09, which resulted in a cumulative adjustment to retained earnings and established a deferred tax asset as of October 1, 2016 of \$47.1 million for previously unrecognized tax benefits. The Company elected to adopt the Statement of Cash Flows presentation of the excess tax benefits prospectively. During the three and six months ended March 31, 2017, the Company recognized tax benefits of \$19.8 million and \$24.0 million, respectively, in Income Tax Expense on the Company's Consolidated Statement of Operations. The tax benefits recognized in the three and six months ended March 31, 2017 are not necessarily indicative of amounts that may arise in future periods.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). ASU 2014-09 supersedes the revenue recognition requirements in Accounting Standards Codification 605 — "Revenue Recognition" and most industry-specific guidance throughout the Codification. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard's core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects

the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 was originally scheduled to be effective for annual reporting periods beginning after December 15, 2016, including interim periods within those reporting periods. In July 2015, the Financial Accounting Standards Board deferred the effective date of ASU 2014-09 by one year.

In March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers (Topic 606) — Principal versus Agent Considerations" ("ASU 2016-08"), which clarifies the implementation guidance for principal versus agent considerations in ASU 2014-09. In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606) — Identifying Performance Obligations and Licensing" ("ASU 2016-10"), which amends the guidance in ASU 2014-09 related to identifying performance obligations and accounting for licenses of intellectual property. The Company must adopt ASU 2016-08 and ASU 2016-10 with ASU 2014-09. Entities are permitted to adopt the standards as early as the original public entity effective date of ASU 2014-09, and either full or modified retrospective application is required. The Company has not yet selected an adoption date or a transition method for ASU 2014-09, 2016-08, and 2016-10 and is currently evaluating the impact of adopting this new accounting guidance and, therefore, cannot reasonably estimate the impact that the adoption of the above standards will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 aims to increase transparency and comparability across organizations by requiring lease assets and lease liabilities to be recognized on the balance sheet as well as key information to be disclosed regarding lease arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within those fiscal years. Entities are permitted to adopt the standard early, and a modified retrospective application is required. The Company is currently evaluating the impact of adopting this new accounting guidance and, therefore, cannot reasonably estimate the impact that the adoption of this standard will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). ASU 2016-15 aims to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. ASU 2016-15 is effective for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years. Entities are permitted to adopt the standard early in any interim or annual period, and a retrospective application is required. The Company is currently evaluating the impact of adopting this new accounting guidance and, therefore, cannot reasonably estimate the impact that the adoption of this standard will have on its financial statements.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). ASU 2017-04 removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Entities are permitted to adopt the standard early for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect that the adoption of this standard will impact the Company's results of operations, cash flows, or financial position.

As of March 31, 2017, there were no other recently-issued accounting standards that may have a material impact on the Company's financial position, results of operations, or cash flows upon their adoption.

Note 2. Revision of Previously Issued Financial Statements

In fiscal 2016, the Company engaged in a review of the accounting treatment of leases. As part of this review, the Company assessed its historical application of Accounting Standards Codification 840, "Leases," ("ASC 840") regarding lessee involvement in the construction of leased assets and identified corrections to be made in its accounting for these leases. In a number of its leases, the Company made payments for certain structural components included in the lessor's construction of the leased assets, which resulted in the Company being deemed the owner of the leased assets for accounting purposes. As a result, regardless of the significance of the payments, ASC 840 defines those payments as automatic indicators of ownership and requires the Company to capitalize the lessor's total project cost on the balance sheet with a corresponding financing obligation. In these situations, the Company had not historically accounted for the total project costs of the lessor as owned assets. Additionally, upon completion of the lessor's project, the Company must perform a sale-leaseback analysis pursuant to ASC 840 to determine if it can derecognize these assets and the related financing obligations from its consolidated balance sheet. In a substantial number of its leases, due to many of the same factors that require it to account for the total project costs as owned assets during the construction period (for example, the Company funding a portion of the construction costs), it was deemed to have "continuing involvement," which precluded the Company from derecognizing these leased assets when construction was complete. In such cases, the leased assets

and the related financing obligations remain on the consolidated balance sheet and are amortized over the life of the assets and the lease term, respectively.

The Company revised the prior year's financial statements. The corrections had no impact on diluted earnings per share in the three and six months ended March 31, 2016. The Company no longer reports rent expense for the leased facilities that are owned for accounting purposes. Instead, rental payments under the leases are recognized as a reduction of the financing obligation and as interest expense. Additionally, depreciation expense is recorded as construction assets are depreciated over their useful lives. These corrections had no impact on the net increase in cash and cash equivalents in the six months ended March 31, 2016.

The following illustrates the impact the aforementioned adjustments had on the Company's previously issued financial statements:

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)	Three months ended March 31, 2016		
	As Previously Reported	Adjustments	As Revised
Revenue	\$ 35,698,357	\$ —	\$ 35,698,357
Cost of goods sold	34,623,026	—	34,623,026
Gross profit	1,075,331	—	1,075,331
Operating expenses:			
Distribution, selling, and administrative	522,760	(3,294)	519,466
Depreciation	51,471	1,524	52,995
Amortization	39,841	—	39,841
Warrants	(503,946)	—	(503,946)
Employee severance, litigation, and other	17,617	—	17,617
Pension settlement	(1,124)	—	(1,124)
Operating income	948,712	1,770	950,482
Other income	(756)	—	(756)
Interest expense, net	33,113	2,853	35,966
Income before income taxes	916,355	(1,083)	915,272
Income tax expense	312,220	(398)	311,822
Net income	\$ 604,135	\$ (685)	\$ 603,450
Earnings per share:			
Basic	\$ 2.91	\$ (0.01)	\$ 2.90
Diluted	\$ 2.68	\$ —	\$ 2.68
Weighted average common shares outstanding:			
Basic	207,858	—	207,858
Diluted	225,450	—	225,450

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)	Six months ended March 31, 2016		
	As Previously Reported	Adjustments	As Revised
Revenue	\$ 72,407,403	\$ —	\$ 72,407,403
Cost of goods sold	70,367,195	—	70,367,195
Gross profit	2,040,208	—	2,040,208
Operating expenses:			
Distribution, selling, and administrative	1,051,056	(6,513)	1,044,543
Depreciation	100,813	3,048	103,861
Amortization	71,937	—	71,937
Warrants	(36,571)	—	(36,571)
Employee severance, litigation, and other	36,485	—	36,485
Pension settlement	47,607	—	47,607
Operating income	768,881	3,465	772,346
Other income	(1,066)	—	(1,066)
Interest expense, net	63,992	5,715	69,707
Income before income taxes	705,955	(2,250)	703,705
Income tax benefit	(228,557)	(827)	(229,384)
Net income	\$ 934,512	\$ (1,423)	\$ 933,089
Earnings per share:			
Basic	\$ 4.51	\$ —	\$ 4.51
Diluted	\$ 4.13	\$ —	\$ 4.13
Weighted average common shares outstanding:			
Basic	207,017	—	207,017
Diluted	226,082	—	226,082

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Three months ended March 31, 2016		
	As Previously Reported	Adjustments	As Revised
Net income	\$ 604,135	\$ (685)	\$ 603,450
Other comprehensive income:			
Net change in foreign currency translation adjustments	13,911	—	13,911
Other	(281)	—	(281)
Total other comprehensive income	13,630	—	13,630
Total comprehensive income	<u>\$ 617,765</u>	<u>\$ (685)</u>	<u>\$ 617,080</u>

(in thousands)	Six months ended March 31, 2016		
	As Previously Reported	Adjustments	As Revised
Net income	\$ 934,512	\$ (1,423)	\$ 933,089
Other comprehensive income:			
Net change in foreign currency translation adjustments	3,477	—	3,477
Pension plan adjustment, net of tax of \$19,054	31,538	—	31,538
Other	(866)	—	(866)
Total other comprehensive income	34,149	—	34,149
Total comprehensive income	<u>\$ 968,661</u>	<u>\$ (1,423)</u>	<u>\$ 967,238</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)	Six months ended March 31, 2016		
	As Previously Reported	Adjustments	As Revised
OPERATING ACTIVITIES			
Net income	\$ 934,512	\$ (1,423)	\$ 933,089
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, including amounts charged to cost of goods sold	109,796	3,048	112,844
Amortization, including amounts charged to interest expense	75,144	241	75,385
Provision for doubtful accounts	8,065	—	8,065
Benefit for deferred income taxes	(292,154)	(827)	(292,981)
Warrants income	(36,571)	—	(36,571)
Share-based compensation	39,787	—	39,787
LIFO expense ¹	193,941	—	193,941
Pension settlement	47,607	—	47,607
Other	(193)	—	(193)
Changes in operating assets and liabilities, excluding the effects of acquisitions:			
Accounts receivable	(472,074)	—	(472,074)
Merchandise inventories ¹	(1,047,018)	—	(1,047,018)
Prepaid expenses and other assets	17,642	—	17,642
Accounts payable	2,070,716	—	2,070,716
Accrued expenses, income taxes, and other liabilities	(18,614)	395	(18,219)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,630,586	1,434	1,632,020
INVESTING ACTIVITIES			
Capital expenditures	(180,012)	—	(180,012)
Cost of acquired companies, net of cash acquired	(2,731,356)	—	(2,731,356)
Proceeds from sales of investment securities available-for-sale	88,829	—	88,829
Purchases of investment securities available-for-sale	(41,136)	—	(41,136)
Other	(10,878)	—	(10,878)
NET CASH USED IN INVESTING ACTIVITIES	(2,874,553)	—	(2,874,553)
FINANCING ACTIVITIES			
Term loan borrowings	1,000,000	—	1,000,000
Term loan repayments	(25,000)	—	(25,000)
Borrowings under revolving and securitization credit facilities	8,237,792	—	8,237,792
Repayments under revolving and securitization credit facilities	(8,217,849)	—	(8,217,849)
Purchases of common stock	(436,804)	—	(436,804)
Exercises of warrants	1,168,891	—	1,168,891
Exercises of stock options	37,285	—	37,285
Cash dividends on common stock	(141,829)	—	(141,829)
Tax withholdings related to restricted share vesting	(18,233)	—	(18,233)
Other	(2,441)	(1,434)	(3,875)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,601,812	(1,434)	1,600,378
INCREASE IN CASH AND CASH EQUIVALENTS	357,845	—	357,845
Cash and cash equivalents at beginning of period	2,167,442	—	2,167,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 2,525,287	\$ —	\$ 2,525,287

¹ Amounts as previously reported have been revised to report LIFO Expense separately from the change in Merchandise Inventories.

Note 3. Income Taxes

The Company files income tax returns in U.S. federal and state jurisdictions as well as various foreign jurisdictions. As of March 31, 2017, the Company had unrecognized tax benefits, defined as the aggregate tax effect of differences between tax return positions and the benefits recognized in the Company's financial statements, of \$99.2 million (\$71.1 million, net of federal benefit). If recognized, these tax benefits would reduce income tax expense and the effective tax rate. Included in this amount is \$14.0 million of interest and penalties, which the Company records in income tax expense. During the six months ended March 31, 2017, unrecognized tax benefits increased by \$11.0 million. Over the next 12 months, it is reasonably possible that state tax audit resolutions and the expiration of statutes of limitations could result in a reduction of unrecognized tax benefits by approximately \$4.7 million.

The Company's effective tax rates were 30.6% and 31.1% in the three and six months ended March 31, 2017, respectively. The Company's effective tax rates were 34.1% and (32.6)% in the three and six months ended March 31, 2016, respectively. The effective tax rates in the three and six months ended March 31, 2017 were favorably impacted due to growth of the Company's international businesses and also benefited from stock option exercises and restricted stock vesting. Prior to fiscal 2017, tax benefits resulting from share-based compensation were recorded as adjustments to Additional Paid-In Capital within Stockholders' Equity. The effective tax rate in the six months ended March 31, 2016 benefited from the receipt of an Internal Revenue Service private letter ruling that entitled the Company to an income tax deduction equal to the fair value of the Warrants on the dates of exercise.

Note 4. Goodwill and Other Intangible Assets

Following is a summary of the changes in the carrying value of goodwill, by reportable segment, for the six months ended March 31, 2017:

(in thousands)	Pharmaceutical Distribution Services	Other	Total
Goodwill at September 30, 2016	\$ 4,264,485	\$ 1,727,012	\$ 5,991,497
Goodwill recognized in connection with acquisition	—	1,044	1,044
Goodwill disposed in connection with divestiture	—	(3,564)	(3,564)
Foreign currency translation	—	(1,248)	(1,248)
Goodwill at March 31, 2017	<u>\$ 4,264,485</u>	<u>\$ 1,723,244</u>	<u>\$ 5,987,729</u>

Following is a summary of other intangible assets:

(in thousands)	March 31, 2017			September 30, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived trade names	\$ 684,965	\$ —	\$ 684,965	\$ 684,991	\$ —	\$ 684,991
Finite-lived:						
Customer relationships	2,320,994	(340,662)	1,980,332	2,322,404	(273,638)	2,048,766
Trade names and other	308,473	(84,850)	223,623	307,234	(73,142)	234,092
Total other intangible assets	<u>\$ 3,314,432</u>	<u>\$ (425,512)</u>	<u>\$ 2,888,920</u>	<u>\$ 3,314,629</u>	<u>\$ (346,780)</u>	<u>\$ 2,967,849</u>

Amortization expense for finite-lived intangible assets was \$40.2 million and \$39.8 million in the three months ended March 31, 2017 and 2016, respectively. Amortization expense for finite-lived intangible assets was \$80.4 million and \$71.9 million in the six months ended March 31, 2017 and 2016, respectively. Amortization expense for finite-lived intangible assets is estimated to be \$160.2 million in fiscal 2017, \$158.1 million in fiscal 2018, \$153.4 million in fiscal 2019, \$149.2 million in fiscal 2020, \$148.3 million in fiscal 2021, and \$1,515.2 million thereafter.

Note 5. Debt

Debt consisted of the following:

(in thousands)	March 31, 2017	September 30, 2016
Revolving credit note	\$ —	\$ —
Receivables securitization facility due 2019	500,000	500,000
Term loans due in 2020	597,458	697,055
Multi-currency revolving credit facility due 2021	—	—
Overdraft facility due 2021	16,053	11,275
\$600,000, 1.15% senior notes due 2017	599,794	598,935
\$400,000, 4.875% senior notes due 2019	398,034	397,669
\$500,000, 3.50% senior notes due 2021	497,619	497,361
\$500,000, 3.40% senior notes due 2024	496,521	496,276
\$500,000, 3.25% senior notes due 2025	494,608	494,266
\$500,000, 4.25% senior notes due 2045	493,974	493,866
Total debt	4,094,061	4,186,703
Less current portion	615,847	610,210
Total, net of current portion	\$ 3,478,214	\$ 3,576,493

The Company has a \$1.4 billion multi-currency senior unsecured revolving credit facility ("Multi-Currency Revolving Credit Facility"), which expires in November 2021, with a syndicate of lenders. Interest on borrowings under the Multi-Currency Revolving Credit Facility accrues at specified rates based on the Company's debt rating and ranges from 70 basis points to 110 basis points over CDOR/LIBOR/EURIBOR/Bankers Acceptance Stamping Fee, as applicable (91 basis points over CDOR/LIBOR/EURIBOR/Bankers Acceptance Stamping Fee at March 31, 2017) and from 0 basis points to 10 basis points over the alternate base rate and Canadian prime rate, as applicable. The Company pays facility fees to maintain the availability under the Multi-Currency Revolving Credit Facility at specified rates based on its debt rating, ranging from 5 basis points to 15 basis points, annually, of the total commitment (9 basis points at March 31, 2017). The Company may choose to repay or reduce its commitments under the Multi-Currency Revolving Credit Facility at any time. The Multi-Currency Revolving Credit Facility contains covenants, including compliance with a financial leverage ratio test, as well as others that impose limitations on, among other things, indebtedness of subsidiaries and asset sales, with which the Company was compliant as of March 31, 2017.

The Company has a commercial paper program whereby it may from time to time issue short-term promissory notes in an aggregate amount of up to \$1.4 billion at any one time. Amounts available under the program may be borrowed, repaid, and re-borrowed from time to time. The maturities on the notes will vary, but may not exceed 365 days from the date of issuance. The notes will bear interest, if interest bearing, or will be sold at a discount from their face amounts. The commercial paper program does not increase the Company's borrowing capacity as it is fully backed by the Company's Multi-Currency Revolving Credit Facility. There were no borrowings outstanding under the commercial paper program as of March 31, 2017.

The Company has a \$1,450 million receivables securitization facility ("Receivables Securitization Facility"), which expires in November 2019. The Company has available to it an accordion feature whereby the commitment on the Receivables Securitization Facility may be increased by up to \$250 million, subject to lender approval, for seasonal needs during the December and March quarters. Interest rates are based on prevailing market rates for short-term commercial paper or LIBOR, plus a program fee. The Company pays a customary unused fee at prevailing market rates, annually, to maintain the availability under the Receivables Securitization Facility. The Receivables Securitization Facility contains similar covenants to the Multi-Currency Revolving Credit Facility, with which the Company was compliant as of March 31, 2017.

The Company has an uncommitted, unsecured line of credit available to it pursuant to a revolving credit note ("Revolving Credit Note"). The Revolving Credit Note provides the Company with the ability to request short-term unsecured revolving credit loans from time to time in a principal amount not to exceed \$75 million. The Revolving Credit Note may be decreased or terminated by the bank or the Company at any time without prior notice. The Company also has a £30 million uncommitted U.K. overdraft facility ("Overdraft Facility"), which expires in February 2021, to fund short-term normal trading cycle fluctuations related to its MWI Animal Health ("MWI") business.

In February 2015, the Company entered into a \$1.0 billion variable-rate term loan ("February 2015 Term Loan"), which matures in 2020. Through March 31, 2017, the Company elected to make principal payments, prior to the scheduled repayment dates, of \$725 million on the February 2015 Term Loan, and as a result, the Company's next required principal payment is due

upon maturity. The February 2015 Term Loan bears interest at a rate equal either to a base rate plus a margin, or LIBOR, plus a margin. The margin is based on the public debt ratings of the Company and ranges from 75 basis points to 125 basis points over LIBOR (100 basis points at March 31, 2017) and 0 basis points to 25 basis points over a base rate. The February 2015 Term Loan contains similar covenants to the Multi-Currency Revolving Credit Facility, with which the Company was compliant as of March 31, 2017 .

In November 2015, the Company entered into a \$1.0 billion variable-rate term loan ("November 2015 Term Loan"), which matures in 2020. Through March 31, 2017 , the Company elected to make principal payments, prior to the scheduled repayment date, of \$650 million on the November 2015 Term Loan, and as a result, the Company's next required principal payment is due upon maturity. The November 2015 Term Loan bears interest at a rate equal either to a base rate, plus a margin, or LIBOR, plus a margin. The margin is based on the public debt ratings of the Company and ranges from 75 basis points to 125 basis points over LIBOR (100 basis points at March 31, 2017) and 0 basis points to 25 basis points over a base rate. The November 2015 Term Loan contains similar covenants to the Multi-Currency Revolving Credit Facility, with which the Company was compliant as of March 31, 2017 .

Note 6. Stockholders' Equity and Earnings per Share

In November 2016 , the Company's board of directors increased the quarterly cash dividend by 7% from \$0.340 per share to \$0.365 per share.

In May 2016, the Company's board of directors authorized a share repurchase program that, together with availability remaining under the previously approved August 2013 share repurchase program, permitted the Company to purchase up to \$750 million of its outstanding shares of common stock, subject to market conditions. During the three months ended December 31, 2016, the Company purchased 2.1 million shares of its common stock (includes 0.5 million shares of common stock received as part of the settlement of the September 2016 accelerated share repurchase transaction) for a total of \$118.8 million to complete its authorization under this program.

In November 2016, the Company's board of directors authorized a new share repurchase program allowing the Company to purchase up to \$1.0 billion of its outstanding shares of common stock, subject to market conditions. During the six months ended March 31, 2017 , the Company purchased 1.4 million shares of its common stock for a total of \$111.1 million . As of March 31, 2017 , the Company had \$888.9 million of availability remaining under the November 2016 share repurchase program.

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the periods presented. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the periods presented, plus the dilutive effect of stock options, restricted stock, restricted stock units, and Warrants.

(in thousands)	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
Weighted average common shares outstanding - basic	217,650	207,858	218,166	207,017
Dilutive effect of stock options, restricted stock, and restricted stock units	3,571	3,421	3,445	3,639
Dilutive effect of Warrants	—	14,171	—	15,426
Weighted average common shares outstanding - diluted	221,221	225,450	221,611	226,082

The potentially dilutive stock options, restricted stock, and restricted stock units that were antidilutive for the three and six months ended March 31, 2017 were 3.8 million and 4.6 million , respectively. The potentially dilutive stock options, restricted stock, restricted stock units, and Warrants that were antidilutive for the three and six months ended March 31, 2016 were 2.3 million and 1.9 million , respectively.

Note 7. Related Party Transactions

Walgreens Boots Alliance, Inc. ("WBA") owns more than 10% of the Company's outstanding common stock and is, therefore, considered a related party. The Company operates under various agreements and arrangements with WBA, including a pharmaceutical distribution agreement, pursuant to which the Company distributes branded and generic pharmaceutical products to WBA, and an agreement that provides the Company the ability to access generics and related pharmaceutical products through a global sourcing arrangement with Walgreens Boots Alliance Development GmbH. Both of these agreements expire in 2026.

Revenue from the various agreements and arrangements with WBA was \$11.0 billion and \$22.2 billion in the three and six months ended March 31, 2017, respectively. Revenue from the various agreements and arrangements with WBA was \$10.7 billion and \$21.7 billion in the three and six months ended March 31, 2016, respectively. The Company's receivable from WBA (after incentives owed to it) was \$4.6 billion and \$4.0 billion at March 31, 2017 and September 30, 2016, respectively.

Note 8 . Legal Matters and Contingencies

In the ordinary course of its business, the Company becomes involved in lawsuits, administrative proceedings, government subpoenas, and government investigations, including antitrust, commercial, environmental, product liability, intellectual property, regulatory, employment discrimination, and other matters. Significant damages or penalties may be sought from the Company in some matters, and some matters may require years for the Company to resolve. The Company records a reserve for these matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to the specific legal proceedings and claims described below, the amount or range of possible losses is not reasonably estimable. There can be no assurance that the settlement, resolution, or other outcome of one or more matters, including the matters set forth below, during any subsequent reporting period will not have a material adverse effect on the Company's results of operations for that period or on the Company's financial condition.

Government Enforcement and Related Litigation Matters

The Company is involved in government investigations and litigation arising from the marketing, promotion, sale, and dispensing of pharmaceutical products in the United States. Some of these investigations originate through what are known as *qui tam* complaints of the Federal False Claims Act. The *qui tam* provisions of the Federal Civil False Claims Act and various state and local civil False Claims Acts permit a private person, known as a "relator" or whistleblower, to file civil actions under these statutes on behalf of the federal, state, and local governments. *Qui tam* complaints are initially filed by the relator under seal (or on a confidential basis) and the filing of the complaint imposes obligations on government authorities to investigate the allegations in the complaint and to determine whether or not to intervene in the action. *Qui tam* complaints remain sealed until the court in which the case was filed orders otherwise.

Under the Federal False Claims Act, the government (or relators who pursue the claims without the participation of the government in the case) may seek to recover up to three times the amount of damages in addition to a civil penalty for each allegedly false claim submitted to the government for payment. Generally speaking, these cases take several years for the investigation to be completed and, ultimately, to be resolved (either through litigation or settlement) after the complaint is unsealed. In addition, some states have pursued investigations under state false claims statutes or consumer protection laws, either in conjunction with a government investigation or separately. There is often collateral litigation that arises from public disclosures of government investigations, including the filing of class action lawsuits by third party payors or by shareholders alleging violations of the securities laws.

The Federal Food, Drug, and Cosmetic Act ("FDCA") contains provisions relating to the sale and distribution of pharmaceutical products that are alleged to be adulterated or misbranded. The FDCA includes strict-liability criminal offenses that can be pursued by the government for violations of the FDCA and which can result in the imposition of substantial fines and penalties against corporations and individuals.

The Company has learned that there are filings in one or more federal district courts, including a *qui tam* complaint filed by one of its former employees, that are under seal and may involve allegations against the Company (and/or subsidiaries or businesses of the Company, including its group purchasing organization for oncologists and its oncology distribution business) relating to its distribution of certain pharmaceutical products to providers.

Subpoenas and Ongoing Investigations

From time to time, the Company receives subpoenas or requests for information from various government agencies relating to the Company's business or to the business of a customer, supplier, or other industry participant. The Company generally responds to such subpoenas and requests in a cooperative manner. These responses often require time and effort and can result in considerable costs being incurred by the Company. Most of these matters are resolved without incident; however, such subpoenas or requests can lead to the assertion of claims or the commencement of civil or criminal legal proceedings against the Company and other members of the health care industry, as well as to substantial settlements.

Since fiscal 2012, the Company and its subsidiary AmerisourceBergen Specialty Group ("ABSG") have been responding to subpoenas from the United States Attorney's Office for the Eastern District of New York ("USAO-EDNY") requesting production of documents and information relating to ABSG's oncology distribution center and former pharmacy in Dothan, Alabama (including the practices and procedures of the former pharmacy's pre-filled syringe program), its group purchasing organization for oncologists, and intercompany transfers of certain oncology products, which the Company believes could be related in whole or in part to one or more of the qui tam actions that remain under seal. The Company has produced documents and has engaged in ongoing dialogue with the USAO-EDNY. The USAO-EDNY has expressed an intention to pursue potential civil and criminal charges based upon the FDCA and the False Claims Act. The Company is engaged in discussions with both the criminal and civil divisions of the USAO-EDNY to attempt to reach negotiated settlements of the potential charges. Any settlement or other resolution of these matters could have an adverse effect on our business, results of operations, or cash flows. No conclusion can be drawn at this time as to any likely outcome in these matters.

In fiscal 2012, the Company's subsidiary AmerisourceBergen Drug Corporation ("ABDC") received a subpoena from the United States Attorney's Office for the District of New Jersey ("USAO-NJ") in connection with a grand jury proceeding requesting documents concerning ABDC's program for controlling and monitoring diversion of controlled substances into channels other than for legitimate medical, scientific, and industrial purposes. ABDC also received a subpoena from the Drug Enforcement Administration ("DEA") in connection with the matter. Since fiscal 2012, ABDC has received and responded to a number of subpoenas from both the USAO-NJ and DEA requesting grand jury testimony and additional information related to electronically stored information, documents concerning specific customers' purchases of controlled substances, and DEA audits. The Company continues to engage in dialogue with the USAO-NJ, including discussions to attempt to reach a negotiated settlement. No conclusion can be drawn at this time as to any likely outcome in this matter.

Since fiscal 2013, the Company or ABDC has received subpoenas from the United States Attorney's Office for the District of Kansas and the United States Attorney's Office for the Northern District of Ohio in connection with grand jury proceedings requesting documents concerning ABDC's program for controlling and monitoring diversion of controlled substances into channels other than for legitimate medical, scientific and industrial purposes. As in the USAO-NJ matter described above, in addition to requesting information on ABDC's diversion control program generally, the subpoenas have also requested documents concerning specific customers' purchases of controlled substances. The Company has responded to the subpoenas and requests for information.

Since fiscal 2016, the Company's subsidiary U.S. Bioservices ("US Bio") has received requests for information from the United States Attorney's Office for the Southern District of New York ("USAO-SDNY"), on behalf of itself and a number of states, relating to US Bio's dispensing of one product and US Bio's relationship with the manufacturer of the product. The Company is engaged in discussions with the USAO-SDNY and representatives on behalf of a number of states. No conclusion can be drawn at this time as to any likely outcome in this matter.

In January 2017, US Bio received a subpoena for information from the USAO-EDNY relating to US Bio's activities in connection with billing for products and making returns of potential overpayments to government payers. The Company is engaged in discussions with the USAO-EDNY and will be producing documents in response to the subpoena.

The Company cannot predict the outcome of these ongoing investigations or their impact on the Company as uncertainty remains with regard to whether such matters will proceed to trial, whether settlements will be reached and the amount and terms of any such settlements. Outcomes may include settlements in significant amounts that are not currently estimable, limitations on the Company's conduct, the imposition of corporate integrity obligations and/or other civil and criminal penalties.

State Proceedings

In June 2012, the Attorney General of the State of West Virginia ("West Virginia AG") filed complaints, which were amended, in the Circuit Court of Boone County, West Virginia, against a number of pharmaceutical wholesale distributors, including the Company's subsidiary ABDC, alleging, among other claims, that the distributors failed to provide effective controls and

procedures to guard against diversion of controlled substances for illegitimate purposes in West Virginia, acted negligently by distributing controlled substances to pharmacies that serve individuals who abuse controlled substances, and failed to report suspicious orders of uncontrolled substances in accordance with state regulations. The West Virginia AG was seeking monetary damages and injunctive and other equitable relief. This matter was dismissed with prejudice on January 9, 2017 pursuant to a settlement agreement that provided for the payment of \$16.0 million and express denial of the allegations in the complaints and any wrongdoing. During the six months ended March 31, 2017, the Company recognized the \$16.0 million settlement in Employee Severance, Litigation, and Other on the Company's Consolidated Statement of Operations.

ABDC was sued in state court by McDowell County, West Virginia on December 23, 2016, with an Amended Complaint filed on February 24, 2017, asserting substantially similar claims to the West Virginia AG action, including for negligence, violation of the West Virginia Controlled Substances Act, unjust enrichment, public nuisance, and "Intentional Acts and Omissions." ABDC filed a notice of removal of this matter on January 26, 2017 and a motion to dismiss the Amended Complaint with prejudice on March 17, 2017. ABDC was sued in state court by the City of Huntington, West Virginia on January 20, 2017, with an Amended Complaint filed on January 26, 2017 but not served, asserting similar claims to the West Virginia AG and McDowell County actions, including for negligence, violation of the West Virginia Controlled Substances Act, and unjust enrichment. ABDC filed a notice of removal of this matter on February 23, 2017 and a motion to dismiss on March 2, 2017. Two additional cities, Kermit and Welch, have filed suit against ABDC asserting similar claims, but have not yet served their complaint on ABDC or any other defendant. Additionally, seven County Commissions (Boone, Cabell, Fayette, Kanawha, Logan, Wayne and Wyoming) have filed suit in Federal Court, each asserting a single claim for public nuisance. ABDC has filed a motion to dismiss each complaint for which a responsive pleading has been due and intends to file a motion to dismiss in each remaining case. Other jurisdictions, including West Virginia County Commissions, have indicated their intent to sue. ABDC intends to vigorously defend itself against the pending and any threatened lawsuits. The Company is not in a position to assess the likely outcome or its exposure, if any, with respect to these matters.

Other Litigation

On September 10, 2014, PharMerica Corp., Pharmacy Corporation of America and Chem Rx Pharmacy Services, LLC (collectively, "PMC"), customers of ABDC until March 3, 2015, filed a complaint in Jefferson Circuit Court in Louisville, Kentucky against ABDC. The original complaint alleged that ABDC failed to pay in excess of \$8 million in rebates pursuant to a prime vendor agreement between PMC and ABDC under which ABDC distributed pharmaceuticals and other products to PMC. PMC subsequently amended its complaint three times. PMC's current complaint alleges unpaid-rebate claims in excess of \$33 million and additional breaches and damages for unspecified amounts, which amounts may exceed \$100 million.

ABDC answered all of the complaints, denied PMC's allegations, and filed counterclaims alleging, among other things, that PMC failed to pay nearly \$50 million in invoices related to pharmaceutical products it received from ABDC. On April 1, 2016, the Jefferson Circuit Court granted ABDC's motion for partial summary judgment on one counterclaim and entered judgment in the amount of \$48.6 million against PMC. The Court determined that its ruling will not be final and appealable until after the other issues in the case are resolved, so the \$48.6 million judgment is not collectible at this time. Fact and expert discovery have ended and the parties are currently preparing dispositive motions, which are scheduled to be briefed and argued by the end of August 2017. Trial is currently scheduled for January 30, 2018. The Company is not in a position to assess the likely outcome or its exposure, if any, with respect to this matter.

Note 9. Litigation Settlements

Antitrust Settlements

Numerous class action lawsuits have been filed against certain brand pharmaceutical manufacturers alleging that the manufacturer, by itself or in concert with others, took improper actions to delay or prevent generic drugs from entering the market. The Company has not been named a plaintiff in any of these class actions, but has been a member of the direct purchasers' class (i.e., those purchasers who purchase directly from these pharmaceutical manufacturers). None of the class actions have gone to trial, but some have settled in the past with the Company receiving proceeds from the settlement funds. During the six months ended March 31, 2017 and 2016, the Company recognized gains of \$1.4 million and \$12.8 million, respectively, related to these class action lawsuits. These gains, which are net of attorney fees and estimated payments due to other parties, were recorded as reductions to cost of goods sold in the Company's consolidated statements of operations.

Note 10. Fair Value of Financial Instruments

The recorded amounts of the Company's cash and cash equivalents, accounts receivable, and accounts payable at March 31, 2017 and September 30, 2016 approximate fair value based upon the relatively short-term nature of these financial instruments. Within cash and cash equivalents, the Company had \$1,000.0 million and \$650.0 million of investments in money market accounts as of March 31, 2017 and September 30, 2016, respectively. The fair value of the money market accounts was determined based on unadjusted quoted prices in active markets for identical assets, otherwise known as Level 1 inputs.

The Company had \$119.0 million of investment securities available-for-sale, \$80.4 million of which were within cash and cash equivalents, at March 31, 2017. The amortized cost of the investments was \$119.0 million at March 31, 2017. The Company had \$39.1 million of investment securities available-for-sale, \$13.0 million of which were within cash and cash equivalents, at September 30, 2016. The amortized cost of the investments was \$39.1 million at September 30, 2016. The fair value of the investments was based on inputs other than quoted market prices, otherwise known as Level 2 inputs. The investments held as of March 31, 2017 consisted of fixed-income securities with maturities ranging from April 2017 to July 2017.

The recorded amount of long-term debt (see Note 5) and the corresponding fair value as of March 31, 2017 were \$3,478.2 million and \$3,546.4 million, respectively. The recorded amount of long-term debt and the corresponding fair value as of September 30, 2016 were \$3,576.5 million and \$3,750.9 million, respectively. The fair value of long-term debt was determined based on Level 2 inputs, as defined above.

Note 11. Business Segment Information

The Company is organized based upon the products and services it provides to its customers. The Company's operations are comprised of the Pharmaceutical Distribution Services reportable segment and Other. The Pharmaceutical Distribution Services reportable segment consists of the ABDC and ABSG operating segments. Other consists of operating segments that focus on manufacturer and other services and includes AmerisourceBergen Consulting Services ("ABCS"), World Courier, and MWI.

The following tables illustrate reportable segment information for the three and six months ended March 31, 2017 and 2016:

(in thousands)	Revenue			
	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
Pharmaceutical Distribution Services	\$ 35,518,955	\$ 34,165,733	\$ 72,094,922	\$ 69,360,412
Other	1,696,137	1,599,805	3,359,791	3,177,620
Intersegment eliminations	(67,690)	(67,181)	(138,046)	(130,629)
Revenue	\$ 37,147,402	\$ 35,698,357	\$ 75,316,667	\$ 72,407,403

Intersegment eliminations primarily represent the elimination of certain ABCS sales to the Pharmaceutical Distribution Services reportable segment.

(in thousands)	Segment Operating Income			
	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
		(As Revised)		(As Revised)
Pharmaceutical Distribution Services	\$ 482,265	\$ 500,165	\$ 856,267	\$ 881,419
Other	106,206	93,956	218,412	189,521
Intersegment eliminations	(1)	—	(14)	—
Total segment operating income	\$ 588,470	\$ 594,121	\$ 1,074,665	\$ 1,070,940

The following table reconciles total segment operating income to income before income taxes:

(in thousands)	Income Before Income Taxes			
	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
	(As Revised)		(As Revised)	
Total segment operating income	\$ 588,470	\$ 594,121	\$ 1,074,665	\$ 1,070,940
Gain from antitrust litigation settlements	—	7	1,395	12,798
LIFO credit (expense)	86,504	(92,379)	58,196	(193,941)
Acquisition-related intangibles amortization	(38,059)	(38,720)	(76,288)	(69,930)
Warrants income	—	503,946	—	36,571
Employee severance, litigation, and other	(11,934)	(17,617)	(33,000)	(36,485)
Pension settlement	—	1,124	—	(47,607)
Operating income	624,981	950,482	1,024,968	772,346
Other income	(5,233)	(756)	(5,356)	(1,066)
Interest expense, net	37,299	35,966	74,271	69,707
Income before income taxes	\$ 592,915	\$ 915,272	\$ 956,053	\$ 703,705

Segment operating income is evaluated by the chief operating decision maker of the Company before gain from antitrust litigation settlements; LIFO credit (expense); acquisition-related intangibles amortization; Warrants income; employee severance, litigation, and other; pension settlement; other income; and interest expense, net. All corporate office expenses are allocated to each operating segment.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The following discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto contained herein and in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

We are one of the largest global pharmaceutical sourcing and distribution services companies, helping both healthcare providers and pharmaceutical and biotech manufacturers improve patient access to products and enhance patient care. We deliver innovative programs and services designed to increase the effectiveness and efficiency of the pharmaceutical supply chain in both human and animal health. We are organized based upon the products and services we provide to our customers. Our operations are comprised of the Pharmaceutical Distribution Services reportable segment and Other.

Pharmaceutical Distribution Services Segment

The Pharmaceutical Distribution Services reportable segment is comprised of two operating segments, which include the operations of AmerisourceBergen Drug Corporation ("ABDC") and AmerisourceBergen Specialty Group ("ABSG"). Servicing healthcare providers in the pharmaceutical supply channel, the Pharmaceutical Distribution Services segment's operations provide drug distribution and related services designed to reduce healthcare costs and improve patient outcomes.

ABDC distributes a comprehensive offering of brand-name and generic pharmaceuticals (including specialty pharmaceutical products), over-the-counter healthcare products, home healthcare supplies and equipment, outsourced compounded sterile preparations, and related services to a wide variety of healthcare providers, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order pharmacies, medical clinics, long-term care and alternate site pharmacies, and other customers. ABDC also provides pharmacy management, staffing and additional consulting services, and supply management software to a variety of retail and institutional healthcare providers. Additionally, ABDC delivers packaging solutions to institutional and retail healthcare providers.

ABSG, through a number of operating businesses, provides pharmaceutical distribution and additional services to physicians who specialize in a variety of disease states, especially oncology, and to other healthcare providers, including hospitals and dialysis clinics. ABSG also distributes plasma and other blood products, injectible pharmaceuticals, vaccines, and other specialty products. Additionally, ABSG provides third party logistics, outcomes research, and additional services for biotechnology and pharmaceutical manufacturers.

Our use of the term "specialty" and "specialty pharmaceutical products" refers to drugs used to treat complex diseases, such as cancer, diabetes, and multiple sclerosis. Specialty pharmaceutical products are part of complex treatment regimens for serious conditions and diseases that generally require ongoing clinical monitoring. We believe the terms "specialty" and "specialty pharmaceutical products" are used consistently by industry participants and our competitors. However, we cannot be certain that other distributors of specialty products define these and other similar terms in exactly the same manner as we do.

Both ABDC and ABSG distribute specialty drugs to their customers, with the principal difference between these two operating segments being that ABSG operates distribution facilities that focus primarily on complex disease treatment regimens. Therefore, a product distributed from one of ABSG's distribution facilities results in revenue reported under ABSG, and a product distributed from one of ABDC's distribution centers results in revenue reported under ABDC. Essentially all of ABSG's sales consist of specialty pharmaceutical products.

Other

Other consists of operating segments that focus on manufacturer and other services and includes AmerisourceBergen Consulting Services ("ABCS"), World Courier, and MWI Animal Health ("MWI"). The results of operations of these operating segments are not significant enough to require separate reportable segment disclosure, and therefore, have been included in "Other" for the purpose of our reportable segment presentation.

ABCS, through a number of operating businesses, provides a full suite of integrated manufacturer services that range from clinical trial support to product post-approval and commercialization support. World Courier, which operates in over 50 countries, is a leading global specialty transportation and logistics provider for the biopharmaceutical industry. MWI is a leading animal health distribution company in the United States and in the United Kingdom. MWI sells pharmaceuticals, vaccines, parasiticides, diagnostics, micro feed ingredients, and various other products to customers in both the companion animal and production animal markets. Additionally, MWI offers demand-creating sales force services to manufacturers.

Recent Development

Our contract with Express Scripts was scheduled to expire in September 2017. In April 2017, we signed a new five-year agreement with Express Scripts that expires in September 2022. The fiscal 2016 revenue from our current agreement with Express Scripts was approximately \$23 billion.

Executive Summary

This executive summary provides highlights from the results of operations that follow:

- Revenue increased 4.1% and 4.0% from the prior year quarter and six month period, respectively, as a result of increased sales to some of ABDC's larger customers and the strong revenue growth of certain business units within ABSG;
- Pharmaceutical Distribution Services gross profit decreased 1.5% and 1.8% from the prior year quarter and six month period, respectively. Gross profit in the current year quarter was adversely impacted by prior year contract renewals in the second half of fiscal 2016 at less favorable terms with a significant group purchasing organization ("GPO") customer and Kaiser Permanente ("Kaiser") and a lower contribution from PharMEDium as it shipped fewer units while we increased our investment in quality control and quality assurance systems to enhance product quality and patient safety and to meet all of PharMEDium's commitments to the U.S. Food and Drug Administration ("FDA") pursuant to the new federal requirements for outsourcing facilities. Gross profit growth in the current year six month period was adversely impacted by the above-mentioned contract renewals and lower price appreciation, offset in part by the incremental contribution from PharMEDium, which was acquired on November 6, 2015;
- Total gross profit increased 16.8% in the current year quarter primarily due to the reduction of last-in, first-out ("LIFO") expense, which was a credit of \$86.5 million in the current year quarter, in comparison to an expense charge of \$92.4 million in the prior year quarter. Total gross profit increased 12.4% in the current year six month period primarily due to the reduction of LIFO expense, which was a credit of \$58.2 million in the current year six month period, in comparison to an expense charge of \$193.9 million in the prior year six month period. The LIFO credit in the current year quarter and six month period was primarily driven by lower expected brand inflation and greater generic deflation for fiscal 2017 in comparison to those expectations at March 31, 2016 for the prior fiscal year;
- Distribution, selling, and administrative expenses were relatively flat compared to the prior year quarter and six month period. Distribution, selling, and administrative expenses as a percentage of revenue were 1.40% and 1.38% in the current year quarter and six month period, respectively, and represent a decrease of 6 basis points compared to the prior year periods. The decreases in expense as a percentage of revenue in comparison to the prior year periods were primarily due to initiatives taken in second half of fiscal 2016 to improve operating efficiency across many of our businesses and certain administrative functions;
- Total operating expenses increased \$506.6 million from the prior year quarter, which included Warrants income of \$503.9 million. There was no comparable income in the current year quarter;
- Total segment operating income decreased by 1.0% compared to the prior year quarter primarily due to the decline in ABDC's operating income due to the gross profit factors noted above and was partially offset by increased contributions from ABSG and our businesses in Other. Total segment operating income increased by 0.3% compared to the prior year six month period due to increased contributions from ABSG and our businesses in Other and was partially offset by the decline in ABDC's operating income due to the gross profit factors noted above, and;
- Our effective tax rates were 30.6% and 31.1% in the three and six months ended March 31, 2017, respectively. Our effective tax rates were 34.1% and (32.6)% in the three and six months ended March 31, 2016, respectively. Our effective tax rates in the three and six months ended March 31, 2017 were favorably impacted due to growth of our international businesses and also benefited from stock option exercises and restricted stock vesting. Prior to fiscal 2017, tax benefits resulting from share-based compensation were recorded as adjustments to Additional Paid-In Capital within Stockholders' Equity (see Note 1 of the Notes to Consolidated Financial Statements). Our effective tax rate in the six months ended March 31, 2016 benefited from the receipt of an Internal Revenue Service ("IRS") private letter ruling that entitled us to an income tax deduction equal to the fair value of the Warrants on the dates of exercise.

Results of Operations

Revenue

(dollars in thousands)		Three months ended March 31,			Six months ended March 31,		
		2017	2016	Change	2017	2016	Change
Pharmaceutical Distribution	Services	\$ 35,518,955	\$ 34,165,733	4.0%	\$ 72,094,922	\$ 69,360,412	3.9%
Other		1,696,137	1,599,805	6.0%	3,359,791	3,177,620	5.7%
Intersegment eliminations		(67,690)	(67,181)	0.8%	(138,046)	(130,629)	5.7%
Revenue		\$ 37,147,402	\$ 35,698,357	4.1%	\$ 75,316,667	\$ 72,407,403	4.0%

Revenue increased by 4.1% and 4.0% from the prior year quarter and six month period, respectively. See discussions below under "Pharmaceutical Distribution Services Segment" and "Other" for commentary regarding our revenue growth.

We currently expect our revenue in fiscal 2017 to increase between 5.5% and 6.5%. Our future revenue growth will continue to be affected by various factors such as industry growth trends, including drug utilization, the introduction of new innovative brand therapies, the likely increase in the number of generic drugs that will be available over the next few years as a result of the expiration of certain drug patents held by brand-name pharmaceutical manufacturers and the rate of conversion from brand products to those generic drugs, price increases and price deflation, general economic conditions in the United States, competition within the industry, customer consolidation, changes in pharmaceutical manufacturer pricing and distribution policies and practices, increased downward pressure on government and other third party reimbursement rates to our customers, and changes in Federal government rules and regulations.

Pharmaceutical Distribution Services Segment

The Pharmaceutical Distribution Services segment grew its revenue by 4.0% and 3.9% from the prior year quarter and six month period, respectively. Intra-segment revenue between ABDC and ABSG has been eliminated in the presentation of total Pharmaceutical Distribution Services revenue. Intra-segment revenue primarily consisted of ABSG sales directly to ABDC customer sites or ABSG sales to ABDC facilities. Intra-segment revenue was \$2.2 billion and \$1.8 billion in the quarters ended March 31, 2017 and 2016, respectively, and \$4.4 billion and \$3.5 billion in the six month periods ended March 31, 2017 and 2016, respectively.

ABDC's revenue of \$30.1 billion and \$61.3 billion in the quarter and six months ended March 31, 2017 increased 3.6% from the prior year periods (before intra-segment eliminations). The increases in ABDC's revenue were primarily due to the growth of some of ABDC's larger customers and due to overall market growth within the retail customer segment, offset in part by a decline in sales of products that treat Hepatitis C.

ABSG's revenue of \$7.6 billion and \$15.1 billion in the quarter and six months ended March 31, 2017 increased 11.0% and 10.7%, respectively, from the prior year periods (before intra-segment eliminations). The increases in ABSG's revenue were primarily due to strong overall performance, especially in the sale of oncology products, and increased sales in our third party logistics business.

A number of our contracts with customers, including GPOs, are typically subject to expiration each year. We may lose a significant customer if any existing contract with such customer expires without being extended, renewed, or replaced. During the six months ended March 31, 2017, no significant contracts expired. Our contract with Express Scripts was scheduled to expire in September 2017; however, in April 2017, we signed a new five-year agreement with Express Scripts that expires in September 2022. Over the next twelve months, there are no significant contracts scheduled to expire. Additionally, from time to time, other significant contracts may be renewed prior to their expiration dates. If those contracts are renewed at less favorable terms, they may also negatively impact our revenue, results of operations, and cash flows.

Other

Revenue in Other increased 6.0% and 5.7% from the prior year quarter and six month period, respectively, primarily due to increased revenue from MWI primarily due to strong growth in its companion animal business and ABCS due to its growth in manufacturer service programs.

Gross Profit

(dollars in thousands)		Three months ended March 31,			Six months ended March 31,		
		2017	2016	Change	2017	2016	Change
Pharmaceutical Distribution	Services	\$ 868,847	882,209	(1.5)%	1,624,092	1,654,177	(1.8)%
Other		301,077	285,494	5.5%	610,438	567,174	7.6%
Intersegment eliminations		(1)	—		(14)	—	
Gain from antitrust litigation settlements		—	7		1,395	12,798	
LIFO credit (expense)		86,504	(92,379)		58,196	(193,941)	
Gross profit		\$ 1,256,427	\$ 1,075,331	16.8%	\$ 2,294,107	\$ 2,040,208	12.4%

Gross profit increased 16.8% , or \$181.1 million , and 12.4% , or \$253.9 million , from the prior year quarter and six month period, respectively. The increases were primarily due to the \$178.9 million and \$252.1 million decrease in LIFO expense from the prior year quarter and six month period, respectively. Additionally, increases in gross profit in Other were offset by decrease s in gross profit of Pharmaceutical Distribution Services. The LIFO credit in the current year quarter and six month period was primarily driven by lower expected brand inflation and greater generic deflation for fiscal 2017 in comparison to those expectations at March 31, 2016 for the prior fiscal year.

Our cost of goods sold for interim periods includes a LIFO provision that is based on our estimated annual LIFO provision. The annual LIFO provision, which we estimate on a quarterly basis, is affected by expected changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences, many of which are difficult to predict. The generic deflation rate used for estimating our LIFO provision is typically greater than our base generic deflation rate (currently at -7% to -9% for fiscal 2017) due to various factors, including but not limited to declining prices on new generic products and changes in generic volumes and/or mix of products. Changes to any of the above factors may have a material impact to our annual LIFO provision.

Pharmaceutical Distribution Services gross profit decreased 1.5% , or \$13.4 million , and 1.8% , or \$30.1 million , from the prior year quarter and six month period, respectively. Gross profit in the current year quarter was adversely impacted by prior year contract renewals in the second half of fiscal 2016 at less favorable terms with a significant GPO customer and Kaiser and a lower contribution from PharMEDium as it shipped fewer units while we increased our investment in quality control and quality assurance systems to enhance product quality and patient safety and to meet all of PharMEDium's commitments to the FDA pursuant to the new federal requirements for outsourcing facilities. We expect a lower contribution from PharMEDium in the second half of fiscal 2017 until the aforementioned procedures have been fully implemented. Gross profit in the current year six month period was adversely impacted by the above-mentioned contract renewals and lower price appreciation, offset in part by the incremental contribution from PharMEDium, which was acquired on November 6, 2015. As a percentage of revenue, Pharmaceutical Distribution Services gross profit margin of 2.45% and 2.25% in the quarter and six months ended March 31, 2017 , respectively, decreased 13 basis points from the prior year periods primarily due to contract renewals at less favorable terms and increased sales to some of our larger customers that typically have a lower gross profit margin.

Gross profit in Other increased 5.5% , or \$15.6 million , and 7.6% , or \$43.3 million , from the prior year quarter and six month period, respectively. The increase s from the prior year periods were primarily due to revenue growth of ABCS and MWI. As a percentage of revenue, gross profit margin in Other of 17.75% in the quarter ended March 31, 2017 decreased from 17.85% in the prior year quarter. As a percentage of revenue, gross profit margin in Other of 18.17% in the six months ended March 31, 2017 increased from 17.85% in the prior year six month period primarily due to improved gross profit margin at ABCS and MWI.

No significant gains from antitrust litigation settlements with pharmaceutical manufacturers were recognized in the quarters ended March 31, 2017 and 2016. We recognized gains of \$1.4 million and \$12.8 million from antitrust litigation settlements with pharmaceutical manufacturers during the six months ended March 31, 2017 and 2016 , respectively. The gains were recorded as reductions to cost of goods sold.

Operating Expenses

(dollars in thousands)	Three months ended March 31,			Six months ended March 31,		
	2017	2016	Change	2017	2016	Change
	(As Revised)			(As Revised)		
Distribution, selling, and administrative	\$ 521,843	\$ 519,466	0.5%	\$ 1,042,390	\$ 1,044,543	(0.2)%
Depreciation and amortization	97,669	92,836	5.2%	193,749	175,798	10.2%
Warrants income	—	(503,946)		—	(36,571)	
Employee severance, litigation, and other	11,934	17,617		33,000	36,485	
Pension settlement charge	—	(1,124)		—	47,607	
Total operating expenses	<u>\$ 631,446</u>	<u>\$ 124,849</u>	405.8%	<u>\$ 1,269,139</u>	<u>\$ 1,267,862</u>	0.1%

Distribution, selling, and administrative expenses increased 0.5% , or \$2.4 million , from the prior year quarter. Distribution, selling, and administrative expenses decreased 0.2% , or \$2.2 million , from the prior year six month period. As a percentage of revenue, distribution, selling, and administrative expenses were 1.40% and 1.38% in the current year quarter and six month period, respectively, and represent a decrease of 6 basis points compared to the prior year periods. The decrease s in expense as a percentage of revenue in comparison to the prior year periods were primarily due to initiatives taken in the second half of fiscal 2016 to improve operating efficiency across many of our businesses and certain administrative functions.

Depreciation expense increased 9.0% and 9.4% from the prior year quarter and six month period, respectively, due to an increase in the amount of capital projects being depreciated. Amortization expense increased 0.2% and 11.4% from the prior year quarter and prior year six month period, respectively. The increase in amortization expense from the prior year six month period was primarily due to the amortization of intangible assets originating from our November 6, 2015 acquisition of PharMEDium.

There was no Warrants income in the current fiscal year quarter as the Warrants were exercised in March 2016 and August 2016.

Employee severance, litigation, and other for the quarter ended March 31, 2017 included \$7.6 million of costs primarily related to facility closures and certain acquisition-related integration costs, and \$4.3 million of deal-related transaction costs. Employee severance, litigation, and other for the six months ended March 31, 2017 included a \$16.0 million settlement of a state litigation proceeding (see Note 8 of the Notes to the Consolidated Financial Statements for further details), \$12.2 million of costs primarily related to facility closures and certain acquisition-related integration costs, and \$4.8 million of deal-related transaction costs. Employee severance, litigation, and other for the quarter ended March 31, 2016 included \$13.0 million of costs related to customer contract extensions (primarily related to the settlement of certain disputed items), \$2.6 million of employee severance and other costs, and \$2.0 million of deal-related transaction costs. Employee severance, litigation, and other for the six months ended March 31, 2016 included \$18.1 million of deal-related transaction costs (primarily related to professional fees with respect to the PharMEDium acquisition), \$13.0 million of cost related to customer contract extensions, and \$5.4 million of employee severance and other costs.

Operating Income

(dollars in thousands)	Three months ended March 31,			Six months ended March 31,		
	2017	2016	Change	2017	2016	Change
	(As Revised)			(As Revised)		
Pharmaceutical Distribution Services	\$ 482,265	\$ 500,165	(3.6)%	\$ 856,267	\$ 881,419	(2.9)%
Other	106,206	93,956	13.0%	218,412	189,521	15.2%
Intersegment eliminations	(1)	—		(14)	—	
Total segment operating income	588,470	594,121	(1.0)%	1,074,665	1,070,940	0.3%
Gain from antitrust litigation settlements	—	7		1,395	12,798	
LIFO credit (expense)	86,504	(92,379)		58,196	(193,941)	
Acquisition-related intangibles amortization	(38,059)	(38,720)		(76,288)	(69,930)	
Warrants income	—	503,946		—	36,571	
Employee severance, litigation, and other	(11,934)	(17,617)		(33,000)	(36,485)	
Pension settlement	—	1,124		—	(47,607)	
Operating income	\$ 624,981	\$ 950,482		\$ 1,024,968	\$ 772,346	

Segment operating income is evaluated before gain from antitrust litigation settlements; LIFO credit (expense); acquisition-related intangibles amortization; Warrants income; employee severance, litigation, and other; and pension settlement.

Pharmaceutical Distribution Services operating income decreased 3.6% , or \$17.9 million , and 2.9% , or \$25.2 million , from the prior year quarter and six month period, respectively, primarily due to the decrease in gross profit. As a percentage of revenue, Pharmaceutical Distribution Services operating income margin decreased 10 basis points and 8 basis points from the prior year quarter and six month period, respectively, primarily due to the prior year contract renewals at less favorable terms and increased sales to some of our larger customers that typically have a lower gross profit margin, offset in part by our initiatives to improve operating efficiency.

Operating income in Other increased 13.0% , or \$12.3 million , and 15.2% , or \$28.9 million , from the prior year quarter and six month period, respectively, primarily due to the gross profit increases of ABCS and MWI, offset in part by an increase in operating expenses.

Interest expense, net and the respective weighted average interest rates in the quarters ended March 31, 2017 and 2016 were as follows:

(dollars in thousands)	2017		2016	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
	(As Revised)			
Interest expense	\$ 37,885	2.84%	\$ 36,712	2.67%
Interest income	(586)	0.41%	(746)	0.80%
Interest expense, net	\$ 37,299		\$ 35,966	

Interest expense, net and the respective weighted average interest rates in the six months ended March 31, 2017 and 2016 were as follows:

(dollars in thousands)	2017		2016	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
	(As Revised)			
Interest expense	\$ 75,872	2.83%	\$ 71,161	2.71%
Interest income	(1,601)	0.40%	(1,454)	0.42%
Interest expense, net	\$ 74,271		\$ 69,707	

Interest expense, net increased 3.7% , or \$1.3 million , from the prior year quarter and 6.5% , or \$4.6 million , from the prior year six month period. The increase in interest expense, net from the prior year quarter and six month period was primarily due to an increase in our financing obligations related to leased construction assets.

Our effective tax rates were 30.6% and 31.1% in the three and six months ended March 31, 2017, respectively. Our effective tax rates were 34.1% and (32.6)% in the three and six months ended March 31, 2016, respectively. Our effective income tax rates in the three and six months ended March 31, 2017 were favorably impacted due to growth of our international businesses and also benefited from stock option exercises and restricted stock vesting. Prior to fiscal 2017, tax benefits resulting from share-based compensation were recorded as adjustments to Additional Paid-In Capital within Stockholders' Equity. Our effective tax rate in the six months ended March 31, 2016 benefited from the receipt of an IRS private letter ruling that entitled us to an income tax deduction equal to the fair value of the Warrants on the dates of exercise.

Net income was \$411.5 million and \$658.7 million in the quarter and six months ended March 31, 2017 , respectively, as compared to net income of \$603.5 million and \$933.1 million in the prior year quarter and six months ended March 31, 2016 , respectively. Net income was higher in the prior year quarter primarily due to Warrants income, offset in part by a decrease in LIFO expense. Net income was higher in the prior year six month period primarily due to the large income tax benefit, as described above, offset in part by a decrease in LIFO expense.

Liquidity and Capital Resources

The following table illustrates our debt structure at March 31, 2017 , including availability under the multi-currency revolving credit facility, the receivables securitization facility, the revolving credit note, and the overdraft facility:

(in thousands)	Outstanding Balance	Additional Availability
Fixed-Rate Debt:		
\$600,000, 1.15% senior notes due 2017	\$ 599,794	\$ —
\$400,000, 4.875% senior notes due 2019	398,034	—
\$500,000, 3.50% senior notes due 2021	497,619	—
\$500,000, 3.40% senior notes due 2024	496,521	—
\$500,000, 3.25% senior notes due 2025	494,608	—
\$500,000, 4.25% senior notes due 2045	493,974	—
Total fixed-rate debt	2,980,550	—
Variable-Rate Debt:		
Revolving credit note	—	75,000
Receivables securitization facility due 2019	500,000	950,000
Term loans due 2020	597,458	—
Multi-currency revolving credit facility due 2021	—	1,400,000
Overdraft facility due 2021 (£30,000)	16,053	21,603
Total variable-rate debt	1,113,511	2,446,603
Total debt	\$ 4,094,061	\$ 2,446,603

Our operating results have generated cash flows, which, together with availability under our debt agreements and credit terms from suppliers, have provided sufficient capital resources to finance working capital and cash operating requirements, and to fund capital expenditures, acquisitions, repayment of debt, the payment of interest on outstanding debt, dividends, and repurchases of shares of our common stock.

Our primary ongoing cash requirements will be to finance working capital, fund the repayment of debt, fund the payment of interest on debt, fund repurchases of our common stock, fund the payment of dividends, finance acquisitions, and fund capital expenditures and routine growth and expansion through new business opportunities. Future cash flows from operations and borrowings are expected to be sufficient to fund our ongoing cash requirements.

As of March 31, 2017 and September 30, 2016, our cash and cash equivalents held by foreign subsidiaries were \$715.3 million and \$582.9 million, respectively. We expect that our cash and cash equivalents held by foreign subsidiaries will grow, but it is generally based in U.S. dollar denominated holdings. Amounts held by foreign subsidiaries are generally subject to U.S. income taxation on repatriation to the U.S. We do not have any plans to repatriate these amounts to the U.S., as our foreign subsidiaries intend to indefinitely reinvest this cash in foreign investments or foreign operations.

We have increased seasonal needs related to our inventory build during the December and March quarters that, depending on our cash balance, can require the use of our credit facilities to fund short-term capital needs. The largest amount of intra-period borrowings under our revolving and securitization credit facilities that was outstanding at any one time during the six months ended March 31, 2017 was \$626.1 million. We had \$6,706.0 million of cumulative intra-period borrowings that were repaid under our credit facilities during the six months ended March 31, 2017.

We have a \$1.4 billion multi-currency senior unsecured revolving credit facility ("Multi-Currency Revolving Credit Facility"), which expires in November 2021, with a syndicate of lenders. Interest on borrowings under the Multi-Currency Revolving Credit Facility accrues at specified rates based on our debt rating and ranges from 70 basis points to 110 basis points over CDOR/LIBOR/EURIBOR/Bankers Acceptance Stamping Fee, as applicable (91 basis points over CDOR/LIBOR/EURIBOR/Bankers Acceptance Stamping Fee at March 31, 2017) and from 0 basis points to 10 basis points over the alternate base rate and Canadian prime rate, as applicable. We pay facility fees to maintain the availability under the Multi-Currency Revolving Credit Facility at specified rates based on our debt rating, ranging from 5 basis points to 15 basis points, annually, of the total commitment (9 basis points at March 31, 2017). We may choose to repay or reduce our commitments under the Multi-Currency Revolving Credit Facility at any time. The Multi-Currency Revolving Credit Facility contains covenants, including compliance with a financial leverage ratio test, as well as others that impose limitations on, among other things, indebtedness of subsidiaries and asset sales, with which we were compliant as of March 31, 2017.

We have a commercial paper program whereby we may from time to time issue short-term promissory notes in an aggregate amount of up to \$1.4 billion at any one time. Amounts available under the program may be borrowed, repaid, and re-borrowed from time to time. The maturities on the notes will vary, but may not exceed 365 days from the date of issuance. The notes will bear interest, if interest bearing, or will be sold at a discount from their face amounts. The commercial paper program does not increase our borrowing capacity as it is fully backed by our Multi-Currency Revolving Credit Facility. There were no borrowings outstanding under our commercial paper program as of March 31, 2017.

We have a \$1,450 million receivables securitization facility ("Receivables Securitization Facility"), which expires in November 2019. We have available to us an accordion feature whereby the commitment on the Receivables Securitization Facility may be increased by up to \$250 million, subject to lender approval, for seasonal needs during the December and March quarters. Interest rates are based on prevailing market rates for short-term commercial paper or LIBOR plus a program fee. We pay a customary unused fee at prevailing market rates, annually, to maintain the availability under the Receivables Securitization Facility. The Receivables Securitization Facility contains similar covenants to the Multi-Currency Revolving Credit Facility, with which we were compliant as of March 31, 2017.

We have an uncommitted, unsecured line of credit available to us pursuant to a revolving credit note ("Revolving Credit Note"). The Revolving Credit Note provides us with the ability to request short-term unsecured revolving credit loans from time to time in a principal amount not to exceed \$75 million. The Revolving Credit Note may be decreased or terminated by the bank or us at any time without prior notice. We also have a £30 million uncommitted U.K. overdraft facility ("Overdraft Facility"), which expires in February 2021, to fund short term normal trading cycle fluctuations related to our MWI business.

In February 2015, we entered into a \$1.0 billion variable-rate term loan ("February 2015 Term Loan"), which matures in 2020. Through March 31, 2017, we elected to make principal payments, prior to the scheduled repayment dates, of \$725 million on the February 2015 Term Loan, and as a result, our next required principal payment is due upon maturity. The February 2015 Term Loan bears interest at a rate equal either to a base rate plus a margin, or LIBOR, plus a margin. The margin is based on our public debt ratings and ranges from 75 basis points to 125 basis points over LIBOR (100 basis points at March 31, 2017) and 0 basis points to 25 basis points over a base rate. The February 2015 Term Loan contains similar covenants to the Multi-Currency Revolving Credit Facility, with which we were compliant as of March 31, 2017.

In November 2015, we entered into a \$1.0 billion variable-rate term loan (the "November 2015 Term Loan"), which matures in 2020. Through March 31, 2017, we elected to make principal payments, prior to the scheduled repayment dates, of \$650 million on the November 2015 Term Loan, and as a result, our next scheduled principal payment is due upon maturity. The November 2015 Term Loan bears interest at a rate equal either to a base rate, plus a margin, or LIBOR, plus a margin. The margin is based on our public debt ratings and ranges from 75 basis points to 125 basis points over LIBOR (100 basis points at March 31, 2017) and 0 basis points to 25 basis points over a base rate. The November 2015 Term Loan contains similar covenants to the Multi-Currency Revolving Credit Facility, with which we were compliant as of March 31, 2017 .

In May 2016, our board of directors authorized a share repurchase program that, together with availability remaining under the previously approved August 2013 share repurchase program, permitted us to purchase up to \$750 million in shares of our common stock, subject to market conditions. During the three months ended December 31, 2016, we purchased \$118.8 million to complete our authorization under this program.

In November 2016, our board of directors authorized a new share repurchase program allowing us to purchase up to \$1.0 billion in shares of our common stock, subject to market conditions. During the six months ended March 31, 2017, we purchased \$111.1 million of our common stock under this program. As of March 31, 2017, we had \$888.9 million of availability remaining under the November 2016 share repurchase program.

We have market risk exposure to interest rate fluctuations relating to our debt. We manage interest rate risk by using a combination of fixed-rate and variable-rate debt. The amount of variable-rate debt fluctuates during the year based on our working capital requirements. We periodically evaluate financial instruments to manage our exposure to fixed and variable interest rates. However, there are no assurances that such instruments will be available in the combinations we want and/or on terms acceptable to us. There were no such financial instruments in effect at March 31, 2017 .

We also have market risk exposure to interest rate fluctuations relating to our cash and cash equivalents. We had \$2,404.4 million in cash and cash equivalents at March 31, 2017 . The unfavorable impact of a hypothetical decrease in interest rates on cash and cash equivalents would be partially offset by the favorable impact of such a decrease on variable-rate debt. For every \$100 million of cash invested that is in excess of variable-rate debt, a 10 basis point decrease in interest rates would increase our annual net interest expense by \$0.1 million.

We have minimal exposure to foreign currency and exchange rate risk from our non-U.S. operations. Our largest exposure to foreign exchange rates exists primarily with the Euro, the U.K. Pound Sterling, the Canadian Dollar, and the Brazilian Real. Revenue from our foreign operations is less than one percent of our consolidated revenue. We may utilize foreign currency denominated forward contracts to hedge against changes in foreign exchange rates. We may use derivative instruments to hedge our foreign currency exposure, but not for speculative or trading purposes. As of March 31, 2017 , we had one foreign currency denominated contract outstanding that hedges the foreign currency exchange risk of a C\$32.5 million outstanding note.

Following is a summary of our contractual obligations for future principal and interest payments on our debt, minimum rental payments on our noncancelable operating leases and financing obligations, and minimum payments on our other commitments at March 31, 2017 :

Payments Due by Period (in thousands)	Debt, Including Interest Payments	Operating Leases	Financing Obligations ¹	Other Commitments	Total
Within 1 year	\$ 731,634	\$ 61,464	\$ 26,218	\$ 118,946	\$ 938,262
1-3 years	1,399,262	97,657	59,967	45,060	1,601,946
4-5 years	975,175	64,216	58,214	13,384	1,110,989
After 5 years	2,080,000	64,099	167,383	—	2,311,482
Total	\$ 5,186,071	\$ 287,436	\$ 311,782	\$ 177,390	\$ 5,962,679

¹ Represents the portion of future minimum lease payments relating to facility leases where we were determined to be the accounting owner (see Note 1 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 for a more detailed description of our accounting for leases). These payments are recognized as reductions to the financing obligation and as interest expense and exclude the future non-cash termination of the financing obligation.

We outsource to IBM Global Services a significant portion of our corporate and ABDC data center operations. The remaining commitment under our arrangement, which expires in January 2021 , is approximately \$90.2 million as of March 31, 2017 , of which \$43.2 million represents our commitment over the next twelve months, and is included in "Other commitments" in the above table.

We have commitments to purchase non-returnable product from pharmaceutical manufacturers. We are required to purchase product at prices that we believe will represent market prices. We currently estimate that our remaining purchase commitment under these agreements is approximately \$66.2 million as of March 31, 2017, all of which represents our commitment over the next twelve months, and is included in "Other commitments" in the above table.

Our liability for uncertain tax positions was \$99.2 million (including interest and penalties) as of March 31, 2017. This liability represents an estimate of tax positions that we have taken in our tax returns which may ultimately not be sustained upon examination by taxing authorities. Since the amount and timing of any future cash settlements cannot be predicted with reasonable certainty, the estimated liability has been excluded from the above contractual obligations table.

During the six months ended March 31, 2017, our operating activities provided \$368.4 million of cash in comparison to cash provided of \$1,632.0 million in the prior year period. Cash provided by operations during the six months ended March 31, 2017 was principally the result of net income of \$658.7 million, non-cash items of \$353.4 million, and an increase in accounts payable of \$351.0 million, offset, in part, by an increase in merchandise inventories of \$556.1 million and an increase in accounts receivable of \$417.7 million. The non-cash items were comprised primarily of \$159.4 million of deferred income tax expense, \$127.2 million of depreciation expense, and \$85.2 million of amortization expense. The increase in accounts payable was primarily driven by the increase in merchandise inventories and the timing of payments to our suppliers. We increased our merchandise inventories at March 31, 2017 to support the increase in business volume and, consistent with prior years, due to seasonal needs. The increase in accounts receivable was the result of our revenue growth and a gradual change in payment terms with our largest customer that began in May 2016 as part of a contract amendment that, among other things, extended the term of our relationship with the customer.

We use days sales outstanding, days inventory on hand, and days payable outstanding to evaluate our working capital performance. The below financial metrics are calculated based upon a quarterly average and can be impacted by the timing of cash receipts and disbursements, which can vary significantly depending upon the day of the week in which the month ends.

	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
Days sales outstanding	23.6	21.7	23.1	21.3
Days inventory on hand	30.3	31.2	30.3	30.3
Days payable outstanding	56.4	57.3	56.4	56.2

The increase in days sales outstanding from the prior year periods was the result of a gradual change in payment terms with our largest customer that began in May 2016 and ended in February 2017. We currently expect cash flows from operating activities in fiscal 2017 to be between \$1.6 billion and \$1.9 billion.

Our cash flows from operating activities can vary significantly from period to period based on fluctuations in our period end working capital. Additionally, any changes to payment terms with a significant customer or manufacturer supplier could have a material impact to our cash flows from operations. Operating cash flows during the six months ended March 31, 2017 included \$62.1 million of interest payments and \$32.5 million of income tax payments, net of refunds. Operating cash flows during the six months ended March 31, 2016 included \$58.9 million of interest payments and \$6.9 million of income tax refunds, net of payments.

During the six months ended March 31, 2016, our operating activities provided \$1,632.0 million of cash. Cash provided by operations during the six months ended March 31, 2016 was principally the result of net income of \$933.1 million and an increase in accounts payable of \$2,070.7 million, offset, in part, by an increase in merchandise inventories of \$1,047.0 million and an increase in accounts receivable of \$472.1 million. The increase in accounts payable was primarily driven by the increase in merchandise inventories and the timing of payments to our suppliers. We increased our merchandise inventories at March 31, 2016 to support the increase in business volume and due to seasonal needs. Accounts receivable increased as a result of our increased revenue volume, including additional sales to WBA.

Capital expenditures for the six months ended March 31, 2017 and 2016 were \$262.7 million and \$180.0 million, respectively. Significant capital expenditures in the six months ended March 31, 2017 included costs associated with expanding distribution capacity and technology initiatives, including costs related to enhancing and upgrading our enterprise resource planning systems. We currently expect to invest approximately \$500 million for capital expenditures during fiscal 2017. Significant capital expenditures in the six months ended March 31, 2016 included technology initiatives, including costs related to the development of track-and-trace technology, costs associated with expanding distribution capacity, and expansion of support facilities.

Cost of acquired companies, net of cash acquired, in the six months ended March 31, 2016 was \$2,731.4 million and primarily consisted of our PharMEDium acquisition.

Net cash used in financing activities in the six months ended March 31, 2017 principally included \$229.9 million in purchases of our common stock and \$160.1 million in cash dividends paid on our common stock. Net cash provided by financing activities in the six months ended March 31, 2016 principally included \$1.2 billion received upon the exercises of the 2016 Warrants by WBA and \$1.0 billion of borrowings under our November 2015 Term Loan, offset, in part, by \$436.8 million in purchases of our common stock.

In November 2016, our board of directors increased the quarterly cash dividend by 7% from \$0.340 per share to \$0.365 per share. We anticipate that we will continue to pay quarterly cash dividends in the future. However, the payment and amount of future dividends remains within the discretion of our board of directors and will depend upon our future earnings, financial condition, capital requirements, and other factors.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "continue," "sustain," "synergy," "on track," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words, and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and change in circumstances. These statements are not guarantees of future performance and are based on assumptions that could prove incorrect or could cause actual results to vary materially from those indicated. Among the factors that could cause actual results to differ materially from those projected, anticipated, or implied are the following: unfavorable trends in brand and generic pharmaceutical pricing, including in rate or frequency of price inflation or deflation; competition and industry consolidation of both customers and suppliers resulting in increasing pressure to reduce prices for our products and services; changes in pharmaceutical market growth rates; substantial defaults in payment, material reduction in purchases by or the loss, bankruptcy or insolvency of a major customer; changes to the customer or supplier mix; the retention of key customer or supplier relationships under less favorable economics or the adverse resolution of any contract or other dispute with customers or suppliers; changes to customer or supplier payment terms; the disruption of AmerisourceBergen's cash flow and ability to return value to its stockholders in accordance with its past practices; risks associated with the strategic, long-term relationship between Walgreens Boots Alliance, Inc. and AmerisourceBergen, including with respect to the pharmaceutical distribution agreement and/or the global sourcing arrangement; changes in the United States healthcare and regulatory environment, including changes that could impact prescription drug reimbursement under Medicare and Medicaid; increasing governmental regulations regarding the pharmaceutical supply channel and pharmaceutical compounding; federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; federal and state prosecution of alleged violations of related laws and regulations, and any related litigation, including shareholder derivative lawsuits or other disputes relating to our distribution of controlled substances; increased federal scrutiny and qui tam litigation for alleged violations of fraud and abuse laws and regulations and/or any other laws and regulations governing the marketing, sale, purchase and/or dispensing of pharmaceutical products or services and any related litigation; material adverse resolution of pending legal proceedings; declining reimbursement rates for pharmaceuticals; the acquisition of businesses that do not perform as expected, or that are difficult to integrate or control, including the integration of PharMEDium, or the inability to capture all of the anticipated synergies related thereto; regulatory action in connection with the production, labeling or packaging of products compounded by our compounded sterile preparations (CSP) business; declining economic conditions in the United States and abroad; financial market volatility and disruption; the loss, bankruptcy or insolvency of a major supplier; interest rate and foreign currency exchange rate fluctuations; managing foreign expansion, including non-compliance with the U.S. Foreign Corrupt Practices Act, anti-bribery laws and economic sanctions and import laws and regulations; malfunction, failure or breach of sophisticated information systems to operate as designed; risks generally associated with data privacy regulation and the international transfer of personal data; changes in tax laws or legislative initiatives that could adversely affect AmerisourceBergen's tax positions and/or AmerisourceBergen's tax liabilities or adverse resolution of challenges to AmerisourceBergen's tax positions; natural disasters or other unexpected events that affect AmerisourceBergen's operations; the impairment of goodwill or other intangible assets, resulting in a charge to earnings; and other economic, business, competitive, legal, tax, regulatory and/or operational factors affecting AmerisourceBergen's business generally. Certain additional factors that management believes could cause actual outcomes and results to differ materially from those described in forward-looking statements are set forth (i) elsewhere in this report, (ii) in Item 1A (Risk Factors), in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016 and elsewhere in that report and (iii) in other reports filed by the Company pursuant to the Securities Exchange Act.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's most significant market risks are the effects of changing interest rates, foreign currency risk, and changes in the price and volatility of the Company's common stock. See the discussion under "Liquidity and Capital Resources" in Item 2 on page 26.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are intended to ensure that information required to be disclosed in the Company's reports submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also are intended to ensure that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

The Company's Chief Executive Officer and Chief Financial Officer, with the participation of other members of the Company's management, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a — 15(e) and 15d — 15(e) under the Exchange Act) and have concluded that the Company's disclosure controls and procedures were effective for their intended purposes as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

During the second quarter of fiscal 2017, there was no change in AmerisourceBergen Corporation's internal control over financial reporting that materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. Legal Proceedings**

See Note 8 (Legal Matters and Contingencies) of the Notes to the Consolidated Financial Statements set forth under Item 1 of Part I of this report for the Company's current description of legal proceedings.

ITEM 1A. Risk Factors

Our significant business risks are described in Item 1A to Form 10-K for the year ended September 30, 2016 to which reference is made herein.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**(c) Issuer Purchases of Equity Securities**

The following table sets forth the number of shares purchased, the average price paid per share, the total number of shares purchased as part of publicly announced programs, and the approximate dollar value of shares that may yet be purchased under the programs during each month in the quarter ended March 31, 2017 .

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
January 1 to January 31	—	\$ —	—	\$ 888,885,792
February 1 to February 28	328	\$ 89.28	—	\$ 888,885,792
March 1 to March 31	—	\$ —	—	\$ 888,885,792
Total	328		—	

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

(a) Exhibits:

- 3.1 Amended and Restated Certificate of Incorporation of the Registrant, as amended (pursuant to Item 601(b)(3)(i) of Regulation S-K, this Exhibit 3.1 contains a complete copy of the Amended and Restated Certificate of Incorporation of the Registrant, as amended to date and as currently in effect).
- 3.2 Amended and Restated Bylaws of the Registrant, dated as of March 2, 2017 (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on March 8, 2017).
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
- 32 Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.
- 101 Financial statements from the Quarterly Report on Form 10-Q of AmerisourceBergen Corporation for the quarter ended March 31, 2017, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, and (v) the Notes to Consolidated Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	AMERISOURCEBERGEN CORPORATION
May 4, 2017	/s/ Steven H. Collis _____ Steven H. Collis Chairman, President & Chief Executive Officer
May 4, 2017	/s/ Tim G. Guttman _____ Tim G. Guttman Executive Vice President & Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended (pursuant to Item 601(b)(3)(i) of Regulation S-K, this Exhibit 3.1 contains a complete copy of the Amended and Restated Certificate of Incorporation of the Registrant, as amended to date and as currently in effect).
3.2	Amended and Restated Bylaws of the Registrant, dated as of March 2, 2017 (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on March 8, 2017).
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Filed pursuant to Item 601(b)(3)(i) of Regulation S-K, Exhibit 3.1 contains a complete conformed copy of the Amended and Restated Certificate of Incorporation of AmerisourceBergen Corporation, dated March 4, 2010, as amended by the Certificate of Amendment, dated February 17, 2011 (which amended Sections 5.03, 5.05 and 5.06 of the Amended and Restated Certificate of Incorporation), the Certificate of Amendment, dated March 6, 2014 (which amended Section 6.03 of the Amended and Restated Certificate of Incorporation) and the Certificate of Amendment, dated March 2, 2017 (which further amended Section 5.05 of the Amended and Restated Certificate of Incorporation).

AMERISOURCEBERGEN CORPORATION

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

AmerisourceBergen Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is AmerisourceBergen Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was March 16, 2001 and the name under which the corporation was originally incorporated is AABB Corporation.
2. Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware (the “DGCL”), and having been duly proposed by the Corporation’s Board of Directors and duly adopted in accordance therewith, this Amended and Restated Certificate of Incorporation (this “Certificate”) restates and integrates and further amends the provisions of the Amended and Restated Certificate of Incorporation of AmerisourceBergen Corporation. The amendments contained herein have been duly adopted by the holders of a majority of the outstanding stock of AmerisourceBergen Corporation entitled to vote thereon at the annual meeting of the stockholders of AmerisourceBergen Corporation.
3. The text of the Amended and Restated Certificate of Incorporation of AmerisourceBergen Corporation, together with all subsequent amendments, is hereby amended and restated in its entirety to read as follows:

ARTICLE I

NAME

The name of the corporation is AmerisourceBergen Corporation (hereinafter referred to as the “Corporation”).

ARTICLE II

REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Corporation in the State of Delaware shall be The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801, and the registered agent in charge thereof shall be The Corporation Trust Company.

ARTICLE III

CORPORATE PURPOSE

Section 3.01. Purpose. The purposes for which the Corporation is formed are to engage in any lawful act or activity for which corporations may be organized under the DGCL, as amended from time to time, and to possess and exercise all of the powers and privileges granted by such law and other law of Delaware.

Section 3.02. Term. The Corporation is to have perpetual existence.

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ARTICLE IV

CAPITALIZATION

Section 4.01. Authorized Capital. The aggregate number of shares of stock which the Corporation shall have authority to issue is 610,000,000 shares, divided into two (2) classes consisting of 600,000,000 shares of Common Stock, par value \$0.01 per share (the “Common Stock”) and 10,000,000 shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

Section 4.02. Common Stock. The Common Stock shall be subject to the express terms of any series of Preferred Stock.

(a) Voting. Except as may be provided in this Certificate or in a Preferred Stock Certificate of Designation (as defined below), if any, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes as provided by law, and holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. The election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

(b) Dividends. Subject to any other provisions of this Certificate, and to the rights of holders of Preferred Stock, if any, holders of Common Stock shall be entitled to receive ratably on a per share basis such dividends and other distributions in cash, stock or property of the Corporation as may be declared by the Board of Directors (the “Board”) of the Corporation from time to time out of the assets or funds of the Corporation legally available therefor.

(c) Distribution of Assets. Subject to the express terms of any series of Preferred Stock, in the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, holders of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders.

Section 4.03. Preferred Stock. (a) The Board is authorized to provide for the issuance of shares of Preferred Stock in one or more series and, by filing a certificate pursuant to the applicable provisions of the DGCL (a “Preferred Stock Certificate of Designation”), to establish from time to time the number of shares to be included in each such series, with such designations, preferences, and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed in the resolution or resolutions providing for the issue thereof adopted by the Board (as such resolutions may be amended by a resolution or resolutions subsequently adopted by the Board), and as are not stated and expressed in this Certificate including, but not limited to, determination of any of the following:

(i) the distinctive designation of the series, whether by number, letter or title, and the number of shares which will constitute the series, which number may be increased or decreased (but not below the number of shares then outstanding and except where otherwise provided in the applicable Preferred Stock Certificate of Designation) from time to time by action of the Board;

(ii) the dividend rate and the times of payment of dividends, if any, on the shares of the series, whether such dividends will be cumulative, and if so, from what date or dates, and the relation which such dividends, if any, shall bear to the dividends payable on any other class or classes of stock;

(iii) the price or prices at which, and the terms and conditions on which, the shares of the series may be redeemed at the option of the Corporation;

(iv) whether or not the shares of the series will be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the terms and provisions relative to the operation thereof;

(v) whether or not the shares of the series will be convertible into, or exchangeable for, any other shares of stock of the Corporation or other securities, and if so convertible or exchangeable, the

conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(vi) the rights of the shares of the series in the event of voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(vii) whether or not the shares of the series will have priority over or be on a parity with or be junior to the shares of any other series or class of stock in any respect, or will be entitled to the benefit of limitations restricting the issuance of shares of any other series or class of stock, restricting the payment of dividends on or the making of other distributions in respect of shares of any other series or class of stock ranking junior to the shares of the series as to dividends or assets, or restricting the purchase or redemption of the shares of any such junior series or class, and the terms of any such restriction;

(viii) whether the series will have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may provide, among other things and subject to the other provisions of this Certificate, that each share of such series shall carry one vote or more or less than one vote per share, that the holders of such series shall be entitled to vote on certain matters as a separate class (which for such purpose may be comprised of such series or of such series and one or more other series or classes of stock of the Corporation) and that all the shares of such series entitled to vote on a particular matter shall be deemed to be voted on such matter in the manner that a specified portion of the voting power of the shares of such series or separate class are voted on such matter; and

(ix) any other preferences, qualifications, privileges, options and other relative or special rights and limitations of that series.

(b) Voting Rights. Except as otherwise required by law, as otherwise provided herein or as otherwise determined by the Board in the applicable Preferred Stock Certificate of Designation as to the shares of any series of Preferred Stock prior to the issuance of any such shares, the holders of Preferred Stock shall have no voting rights and shall not be entitled to any notice of meeting of stockholders.

(c) Dividends. Holders of Preferred Stock shall be entitled to receive, when and as declared by the Board, out of funds legally available for the payment thereof, dividends at the rates fixed by the Board for the respective series, and no more, before any dividends shall be declared and paid, or set apart for payment, on Common Stock with respect to the same dividend period.

(d) Preference on Liquidation. In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, holders of each series of Preferred Stock will be entitled to receive the amount fixed for such series plus, in the case of any series on which dividends will have been determined by the Board to be cumulative, an amount equal to all dividends accumulated and unpaid thereon to the date of final distribution whether or not earned or declared before any distribution shall be paid, or set aside for payment, to holders of Common Stock. If the assets of the Corporation are not sufficient to pay such amounts in full, holders of all shares of Preferred Stock will participate in the distribution of assets ratably in proportion to the full amounts to which they are entitled or in such order or priority, if any, as will have been fixed in the resolution or resolutions providing for the issue of the series of Preferred Stock. Neither the merger nor consolidation of the Corporation into or with any other corporation, nor a sale, transfer or lease of all or part of its assets, will be deemed a liquidation, dissolution or winding up of the Corporation within the meaning of this paragraph except to the extent specifically provided for herein or in the applicable Preferred Stock Certificate of Designation.

(e) Redemption. The Corporation, at the option of the Board, may redeem all or part of the shares of any series of Preferred Stock on the terms and conditions fixed in the applicable Preferred Stock Certificate of Designation for such series.

(f) Certificate of Designations. For all purposes, this Certificate shall include each certificate of designations, if any, setting forth the terms of a series of Preferred Stock.

(g) Authorized Shares. Subject to the rights, if any, of the holders of any series of Preferred Stock set forth in a certificate of designations, an amendment of this Certificate to increase or decrease the

number of authorized shares of any series of Preferred Stock (but not below the number of shares thereof then outstanding) may be adopted by resolution adopted by the Board of the Corporation and approved by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of Common Stock of the Corporation, and all other outstanding shares of stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the DGCL or any similar provisions hereafter enacted, with such outstanding shares of Common Stock and other stock considered for this purpose as a single class, and no vote of the holders of any series of Preferred Stock, voting as a separate class, shall be required therefore.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01. Election of Directors. Election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide. Except as may be provided in this Certificate or in a Preferred Stock Certificate of Designation, if any, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote.

Section 5.02. Number of Directors. The number of directors on the Board shall be fixed from time to time by a bylaw or amendment thereof duly adopted by the Board or the stockholders.

Section 5.03. Annual Election of Directors. Commencing with the 2012 annual meeting of the stockholders of the Corporation, the directors of the Corporation shall be elected annually for terms expiring at the next annual meeting of stockholders. Directors elected at the 2010 annual meeting of stockholders to a three-year term shall hold office until the 2013 annual meeting of stockholders and directors elected at the 2011 annual meeting of stockholders to a three-year term shall hold office until the 2014 annual meeting of stockholders. Each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Section 5.04. Nominations. Subject to the rights of holders of any series of Preferred Stock or any other class of stock of the Corporation (other than the Common Stock) then outstanding, nominations for the election of directors may be made by the affirmative vote of a majority of the entire Board or by any stockholder of record entitled to vote generally in the election of directors subject to Article VI, Section 6.04.

Section 5.05. Removal. Any director may be removed, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors. In the event of any increase or decrease in the authorized number of directors, each director then serving as such shall nevertheless continue as a director until the expiration of his or her current term, or his or her earlier death, resignation or removal.

Section 5.06. Vacancies. Subject to the rights of the holders of any series of Preferred Stock or any other class of stock of the Corporation (other than the Common Stock) then outstanding, any vacancies in the Board for any reason, including by reason of any increase in the number of directors, shall be filled only by the Board, acting by the affirmative vote of a majority of the remaining directors then in office, although less than a quorum, and any directors so elected shall hold office until the next election of directors and until their successors are duly elected and qualified.

Section 5.07. Directors' Meetings, Consents and Elections. Meetings of the Board and of any committee thereof may be held outside the State of Delaware if the Bylaws so provide. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting as provided by statute, if the Bylaws of the Corporation so provide. The elections of directors need not be by written ballot unless the Bylaws of the Corporation so provide.

ARTICLE VI

STOCKHOLDERS

Section 6.01. Cumulative Voting. No stockholder of the Corporation shall be entitled to exercise any right of cumulative voting.

Section 6.02. No Preemptive Rights. Except for rights issued pursuant to Article VIII hereof, no stockholder of the Corporation shall have any preemptive or preferential right, nor be entitled to such as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of the Corporation of any class or series, whether issued for money or for consideration other than money, or of any issue of securities convertible into stock of the Corporation.

Section 6.03. Stockholder Action. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is specifically denied. Special meetings of the stockholders of the Corporation may be called only by (a) the Board pursuant to a resolution duly adopted by a majority of the members of the Board or (b) the stockholders of the Corporation holding at least 25% of the outstanding shares of Common Stock, subject to the procedures and other requirements set forth in the Bylaws.

Section 6.04. Notice. Advance notice of new business and stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

ARTICLE VII

LIMITATION OF DIRECTORS' LIABILITY; INDEMNIFICATION BY THE CORPORATION

Section 7.01. Limitation on Liability. The directors of the Corporation shall be entitled to the benefits of all limitations on the liability of directors generally that are now or hereafter become available under the DGCL. Without limiting the generality of the foregoing, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, or (d) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article VII, Section 7.01 shall be prospective only, and shall not affect, to the detriment of any director, any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

Section 7.02. Indemnification. The Corporation shall indemnify any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation, trust or other enterprise, with respect to actions taken or omitted by such person in any capacity in which such person serves the Corporation or such other corporation, trust or other enterprise, to the full extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director, officer or trustee, as the case may be, and shall inure to the benefit of such person's heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any person in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized in advance, or unanimously consented to, by the Board of the Corporation. Any person who is or was a director, officer, trustee, employee or agent of a subsidiary of the Corporation shall be deemed to be serving in such capacity at the request of the Corporation for purposes of this Article VII, Section 7.02. Any repeal or modification of this Article VII, Section 7.02, shall not adversely affect any rights to indemnification that any person may have at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

Section 7.03. Expenses. Directors and officers of the Corporation shall have the right to be paid by the Corporation expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition. The Corporation may, to the extent authorized from time to time by the Board, advance such expenses to any person who is or was serving at the request of the Corporation as a director, officer or trustee of another corporation, trust or other enterprise.

Section 7.04. Miscellaneous. (a) The Corporation may, to the extent authorized from time to time by the Board, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation and to any person serving at the request of the Corporation as an employee or agent of another corporation, trust or other enterprise.

(a) The rights to indemnification and to the advancement of expenses conferred in this section shall not be exclusive of any other right that any person may have or hereafter acquire under this Certificate, the Bylaws, any statute, agreement, vote of stockholders or disinterested directors, or otherwise.

(b) Any repeal or modification of this section by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to advancement of expenses that any person may have at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

(c) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of another corporation, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of such person's status as such, whether or not the Corporation shall have the power to indemnify such person against such liability under the provisions of this Article VII. Any person who is or was a director, officer, employee or agent of the Corporation or a subsidiary of the Corporation shall be deemed to be serving in such capacity at the request of the Corporation for purposes of this Article VII, Section 7.04.

ARTICLE VIII

STOCKHOLDER RIGHTS

Section 8.01. Stockholder Rights. The Board is hereby authorized to create and issue, whether or not in connection with the issuance and sale of any of its stock or other securities or property, rights entitling the holders thereof to purchase from the Corporation shares of stock or other securities of the Corporation or any other corporation. The times at which and the terms upon which such rights are to be issued shall be determined by the Board and set forth in the contracts or instruments that evidence such rights. The authority of the Board with respect to such rights shall include, but not be limited to, determination of the following:

(a) the initial purchase price per share or other unit of the stock or other securities or property to be purchased upon exercise of such rights;

(b) provisions relating to the times at which and the circumstances under which such rights may be exercised or sold or otherwise transferred, either together with or separately from, any other stock or securities of the Corporation;

(c) provisions which adjust the number or exercise price of such rights, or amount or nature of the stock or other securities or property receivable upon exercise of such rights, in the event of a combination, split or recapitalization of any stock of the Corporation, a change in ownership of the Corporation's stock or other securities or a reorganization, merger, consolidation, sale of assets or other occurrence relating to the Corporation or any stock of the Corporation, and provisions restricting the ability of the Corporation to enter into any such transaction absent an assumption by the other party or parties thereof of the obligations of the Corporation under such rights;

(d) provisions which deny the holder of a specified percentage of the outstanding stock or other securities of the Corporation the right to exercise such rights and/or cause the rights held by such holder to become void;

(e) provisions which permit the Corporation to redeem such rights; and

(f) the appointment of a rights agent with respect to such rights.

ARTICLE IX

BUSINESS COMBINATIONS

Section 9.01. Section 203 of the DGCL. In accordance with Section 203(b) of the DGCL, the Corporation shall be governed by the provisions contained in Section 203(a) of the DGCL regarding restrictions on business combinations with interested stockholders.

ARTICLE X

TRANSACTION WITH DIRECTORS AND OFFICERS

Section 10.01. Transaction With Directors and Officers. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (a) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or the committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum, or (b) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders, or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE XI

AMENDMENTS

Section 11.01. Bylaws. In furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, alter, amend or repeal the Bylaws of the Corporation without the assent or vote of the stockholders of the Corporation. The stockholders may, at any annual or special meeting of the stockholders of the Corporation, duly called and upon proper notice thereof, make, alter, amend or repeal the Bylaws by the affirmative vote of a majority of the votes cast for and against the adoption, alteration, amendment or repeal by the holders of shares of stock of the Corporation present in person or represented by proxy at the meeting and entitled to vote on the adoption, alteration, amendment or repeal.

Section 11.02. Certificate. The Corporation reserves the right to amend, alter, change or repeal the provisions in this Certificate and in any certificate amendatory hereof in the manner now or hereafter prescribed by law, and all rights conferred on in this Certificate on stockholders, directors and officers are subject to this reserved power.

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

I, Steven H. Collis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (the "Report") of AmerisourceBergen Corporation (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 4, 2017

/s/ Steven H. Collis

Steven H. Collis

Chairman, President & Chief Executive Officer

Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

I, Tim G. Guttman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (the "Report") of AmerisourceBergen Corporation (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 4, 2017

/s/ Tim G. Guttman

Tim G. Guttman

Executive Vice President & Chief Financial Officer

Section 1350 Certification of Chief Executive Officer

In connection with the Quarterly Report of AmerisourceBergen Corporation (the “Company”) on Form 10-Q for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven H. Collis, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven H. Collis

Steven H. Collis

Chairman, President & Chief Executive Officer

May 4, 2017

Section 1350 Certification of Chief Financial Officer

In connection with the Quarterly Report of AmerisourceBergen Corporation (the “Company”) on Form 10-Q for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tim G. Guttman, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tim G. Guttman

Tim G. Guttman

Executive Vice President & Chief Financial Officer

May 4, 2017