



January 26, 2016

Johnson & Johnson Reports 2015 Fourth-Quarter Results:

2015 Fourth-Quarter Sales of \$17.8 Billion decreased 2.4%; EPS was \$1.15

2015 Full-Year Sales of \$70.1 Billion decreased 5.7%, Full-Year EPS was \$5.48

Adjusted 2015 Fourth-Quarter EPS was \$1.44, an increase of 5.1%*, and Adjusted 2015 Full-Year EPS was \$6.20, a decrease of 3.0%*

Strong Operational Sales Growth Excluding Acquisitions/Divestitures and Hepatitis C Impact

NEW BRUNSWICK, N.J., Jan. 26, 2016 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$17.8 billion for the fourth quarter of 2015, a decrease of 2.4% as compared to the fourth quarter of 2014. Operational sales results increased 4.4% and the negative impact of currency was 6.8%. Domestic sales increased 8.0%. International sales decreased 11.7%, reflecting operational growth of 1.2% and a negative currency impact of 12.9%. Excluding the net impact of acquisitions, divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 7.8%, domestic sales increased 13.4% and international sales increased 2.9%.*

Worldwide sales for the full-year 2015 were \$70.1 billion, a decrease of 5.7% versus 2014. Operational results increased 1.8% and the negative impact of currency was 7.5%. Domestic sales increased 2.6%. International sales decreased 13.1%, reflecting operational growth of 1.1% and a negative currency impact of 14.2%. Excluding the net impact of acquisitions, divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 6.5%, domestic sales increased 10.6% and international sales increased 3.0%.*

Net earnings and diluted earnings per share for the fourth quarter of 2015 were \$3.2 billion and \$1.15, respectively.

Fourth-quarter 2015 net earnings included after-tax intangible amortization expense of approximately \$0.2 billion and a charge for after-tax special items of approximately \$0.6 billion. Fourth-quarter 2014 net earnings included after-tax intangible amortization expense of approximately \$0.3 billion and a charge for after-tax special items of approximately \$1.1 billion. A reconciliation of non-GAAP financial measures is included as an accompanying schedule. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$4.0 billion and adjusted diluted earnings per share were \$1.44, representing increases of 4.0% and 5.1%, respectively, as compared to the same period in 2014.* On an operational basis, adjusted diluted earnings per share increased 12.4%.*

Net earnings and diluted earnings per share for the full-year 2015 were \$15.4 billion and \$5.48, respectively. Full-year net earnings included after-tax intangible amortization expense of approximately \$1.1 billion and a net charge for after-tax special items of approximately \$0.9 billion. Full-year 2014 net earnings included after-tax intangible amortization expense of approximately \$1.2 billion and a net charge for after-tax special items of approximately \$0.8 billion. A reconciliation of non-GAAP financial measures is included as an accompanying schedule. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the full-year of 2015 were \$17.4 billion and adjusted diluted earnings per share were \$6.20, representing decreases of 4.8% and 3.0%, respectively, as compared to the full year of 2014.* On an operational basis, adjusted diluted earnings per share increased 5.8%.*

"Johnson & Johnson delivered strong underlying growth in 2015, driven by the performance of our Pharmaceutical business and iconic Consumer brands," said Alex Gorsky, Chairman and Chief Executive Officer. "As we enter 2016, our core business is very healthy, and the recent decisive actions we've taken in support of each of our businesses position us well to drive sustainable long-term growth, faster than the markets we compete in."

Mr. Gorsky continued, "I want to thank all of our colleagues for contributing to these results through their commitment and dedication to the people around the world who rely on our products."

The company announced its 2016 full-year guidance for sales of \$70.8 billion to \$71.5 billion reflecting expected operational growth in the range of 2.5% to 3.5%. Excluding the impact of acquisitions, divestitures and hepatitis C sales, operational sales growth is expected to be in the range of 4.5% to 6.0%.* Additionally, the company announced adjusted earnings guidance for full-year 2016 of \$6.43 to \$6.58 per share reflecting expected operational growth in the range of 5.3% to 7.7%.* Adjusted earnings guidance excludes the impact of after-tax intangible amortization expense and special items.

Worldwide Consumer sales of \$13.5 billion for the full-year 2015 represented a decrease of 6.8% versus the prior year, consisting of an operational increase of 2.7% and a negative impact from currency of 9.5%. Domestic sales increased 2.5%; international sales decreased 11.9%, which reflected an operational increase of 2.7% and a negative currency impact of 14.6%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 4.1%, domestic sales increased 4.6% and international sales increased 3.8%.*

Positive contributors to Consumer operational results were sales of over-the-counter products including TYLENOL[®] and MOTRIN[®] analgesics, upper respiratory products including ZYRTEC[®] allergy medications, and digestive health products; international feminine protection products; LISTERINE[®] oral care products; and NEUTROGENA[®] skin care products.

Worldwide Pharmaceutical sales of \$31.4 billion for the full-year 2015 represented a decrease of 2.7% versus the prior year with an operational increase of 4.2% and a negative impact from currency of 6.9%. Domestic sales increased 5.2%; international sales decreased 12.0%, which reflected an operational increase of 3.0% and a negative currency impact of 15.0%. Excluding the net impact of acquisitions, divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 11.0%, domestic sales increased 18.1% and international sales increased 3.3%.*

Worldwide operational sales growth was driven by new products and the strength of core products. New product sales growth was negatively impacted by lower sales of OLYSIO[®]/SOVRIAD[®] (simeprevir) due to competitive entrants. Strong growth in new products include INVOKANA[®]/INVOKAMET[®] (canagliflozin), for the treatment of adults with type 2 diabetes; IMBRUVICA[®] (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, or blood cancers; XARELTO[®] (rivaroxaban), an oral anticoagulant; and ZYTIGA[®] (abiraterone acetate), an oral, once-daily

medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer.

Additional contributors to operational sales growth were STELARA[®] (ustekinumab), a biologic approved for the treatment of moderate to severe plaque psoriasis and psoriatic arthritis; INVEGA[®] SUSTENNA[®]/XEPLION[®]/TRINZA[®] (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults; CONCERTA[®] (methylphenidate HCl), for the treatment of attention deficit hyperactivity disorder; and SIMPONI[®]/SIMPONI ARIA[®] (golimumab), biologics approved for the treatment of a number of immune-mediated inflammatory diseases.

During the quarter, the U.S. Food and Drug Administration (FDA) approved DARZALEX[™] (daratumumab) for the treatment of double refractory multiple myeloma. Additionally, the FDA approved YONDELIS[®] (trabectedin) for the treatment of patients with unresectable or metastatic liposarcoma or leiomyosarcoma. The European Commission approved EDURANT[®] (rilpivirine) in combination with other anti-retroviral agents, for treatment-naïve adolescent patients aged 12 to 18 years with human immunodeficiency virus-1 (HIV-1) infection.

In the U.S., a New Drug Application (NDA) was submitted for INVOKAMET[®] XR, a once-daily therapy combining fixed doses of canagliflozin and metformin hydrochloride extended release for the treatment of adults with type 2 diabetes. Additionally, regulatory applications were submitted for STELARA[®] (ustekinumab) for the treatment of adult patients with moderately to severely active Crohn's disease to the FDA and the European Medicines Agency (EMA). Several regulatory submissions were completed for additional indications of IMBRUVICA[®] (ibrutinib) including for patients with relapsed or refractory chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma in combination with bendamustine and rituximab in both the U.S. and the European Union (EU) as well as for use in treatment-naïve patients with CLL and relapsed/refractory patients with mantle cell lymphoma in the EU.

Also in the quarter, the acquisition of Novira Therapeutics, Inc., a privately held clinical-stage biopharmaceutical company developing innovative therapies for curative treatment of chronic hepatitis B virus infection, was completed.

Worldwide Medical Devices sales of \$25.1 billion for the full-year represented a decrease of 8.7% versus the prior year consisting of an operational decrease of 1.4% and a negative currency impact of 7.3%. Domestic sales decreased 1.0%; international sales decreased 14.8%, which reflected an operational decrease of 1.7% and a negative currency impact of 13.1%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 2.5%, domestic sales increased 3.3% and international sales increased 2.0%.*

Primary contributors to operational growth were sales of endocutters and biosurgical products in the Advanced Surgery business; electrophysiology products in the Cardiovascular business; joint reconstruction products in the Orthopaedics business; and insulin pump products in the Diabetes Care business.

During the quarter, the pediatric indication for the Animas[®] Vibe[®] insulin pump was approved by the FDA. Also in the quarter, the acquisition of Coherex Medical, Inc., a privately held medical device company focused on the development of the Coherex WaveCrest[®] left atrial appendage occlusion system, was completed.

Subsequent to the quarter, the company announced on January 19th, a restructuring of certain Medical Devices businesses. The company's Consumer Medical Devices businesses, Vision Care and Diabetes Care, are not impacted by these actions. The restructuring is being undertaken to accelerate the pace of innovation, address unmet patient needs and drive growth. The actions are expected to result in ongoing annualized, pre-tax cost savings of \$0.8 billion to \$1.0 billion, the majority of which is expected to be realized by the end of 2018, including approximately \$200 million in 2016.

About Johnson & Johnson

Caring for the world, one person at a time, inspires and unites the people of Johnson & Johnson. We embrace research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Our approximately 127,000 employees at more than 250 Johnson & Johnson operating companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

* Operational sales growth excluding the net impact of acquisitions, divestitures and hepatitis C sales, as well as adjusted net earnings, adjusted diluted earnings per share and operational adjusted diluted earnings per share excluding after-tax intangible amortization expense and special items, are non-GAAP financial measures and should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Except for guidance measures, reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the accompanying financial schedules of the earnings release and the Investor Relations section of the company's website at www.investor.jnj.com.

Johnson & Johnson will conduct a conference call with investors to discuss this news release today at 8:30 a.m., Eastern Time. A simultaneous webcast of the call for investors and other interested parties may be accessed by visiting the Johnson & Johnson website at www.investor.jnj.com. A replay and podcast will be available approximately two hours after the live webcast by visiting www.investor.jnj.com.

Copies of the financial schedules accompanying this press release are available at www.investor.jnj.com/historical-sales.cfm. These schedules include supplementary sales data, a condensed consolidated statement of earnings, reconciliations of non-GAAP financial measures, and sales of key products/franchises. Additional information on Johnson & Johnson, including adjusted income before tax by segment, a pharmaceutical pipeline of selected compounds in late stage development and a copy of today's earnings call presentation can be found on the company's website at www.investor.jnj.com.

NOTE TO INVESTORS

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, future operating and financial performance, product development, market position, business strategy and restructuring plans. The reader is cautioned not to rely on these forward-looking statements. These

statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to, economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges and uncertainties inherent in new product development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; impact of business combinations and divestitures; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans, including restructuring plans; any required consultation procedures relating to the restructuring workforce actions; the potential that the expected benefits and opportunities related to the restructuring may not be realized or may take longer to realize than expected; market conditions and the possibility that the on-going share repurchase program may be suspended or discontinued; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including global health care reforms; trends toward health care cost containment; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; financial instability of international economies and legal systems and sovereign risk; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; increased scrutiny of the health care industry by government agencies; and the potential failure to meet obligations in compliance agreements with government bodies. A further list and description of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 28, 2014, including Exhibit 99 thereto, and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.investor.jnj.com, or on request from Johnson & Johnson. Any forward-looking statement made in this release speaks only as of the date of this release. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.

Johnson & Johnson and Subsidiaries

Supplementary Sales Data

	(Unaudited; Dollars in Millions)						(Unaudited; Dollars in Millions)					
	FOURTH QUARTER			TWELVE MONTHS			FOURTH QUARTER			TWELVE MONTHS		
	2015	2014	Percent Change	2015	2014	Percent Change	2015	2014	Percent Change	2015	2014	Percent Change
		Total	Operations	Currency		Total	Operations	Currency		Total	Operations	Currency
Sales to customers by segment of business												
Consumer												
U.S.	\$ 1,231	1,294	(4.9) %	(4.9)	-	\$ 5,222	5,096	2.5 %	2.5	-		
International	2,089	2,312	(9.6)	5.5	(15.1)	8,285	9,400	(11.9)	2.7	(14.6)		
	3,320	3,606	(7.9)	1.8	(9.7)	13,507	14,496	(6.8)	2.7	(9.5)		
Pharmaceutical												
U.S.	4,910	4,356	12.7	12.7	-	18,333	17,432	5.2	5.2	-		
International	3,154	3,643	(13.4)	(0.9)	(12.5)	13,097	14,881	(12.0)	3.0	(15.0)		
	8,064	7,999	0.8	6.5	(5.7)	31,430	32,313	(2.7)	4.2	(6.9)		
Medical Devices												
U.S.	3,152	2,954	6.7	6.7	-	12,132	12,254	(1.0)	(1.0)	-		
International	3,275	3,695	(11.4)	0.6	(12.0)	13,005	15,268	(14.8)	(1.7)	(13.1)		
	6,427	6,649	(3.3)	3.4	(6.7)	25,137	27,522	(8.7)	(1.4)	(7.3)		
U.S.	9,293	8,604	8.0	8.0	-	35,687	34,782	2.6	2.6	-		
International	8,518	9,650	(11.7)	1.2	(12.9)	34,387	39,549	(13.1)	1.1	(14.2)		
Worldwide	\$ 17,811	18,254	(2.4) %	4.4	(6.8)	\$ 70,074	74,331	(5.7) %	1.8	(7.5)		

Johnson & Johnson and Subsidiaries

Supplementary Sales Data

	(Unaudited; Dollars in Millions)						(Unaudited; Dollars in Millions)					
	FOURTH QUARTER			TWELVE MONTHS			FOURTH QUARTER			TWELVE MONTHS		
	2015	2014	Percent Change	2015	2014	Percent Change	2015	2014	Percent Change	2015	2014	Percent Change
		Total	Operations	Currency		Total	Operations	Currency		Total	Operations	Currency
Sales to customers by geographic area												
U.S.	\$ 9,293	8,604	8.0 %	8.0	-	\$ 35,687	34,782	2.6 %	2.6	-		
Europe	4,002	4,560	(12.2)	0.8	(13.0)	15,995	18,947	(15.6)	1.1	(16.7)		
Western Hemisphere excluding U.S.	1,442	1,782	(19.1)	2.8	(21.9)	6,045	7,160	(15.6)	2.6	(18.2)		
Asia-Pacific, Africa	3,074	3,308	(7.1)	0.9	(8.0)	12,347	13,442	(8.1)	0.3	(8.4)		
International	8,518	9,650	(11.7)	1.2	(12.9)	34,387	39,549	(13.1)	1.1	(14.2)		
Worldwide	\$ 17,811	18,254	(2.4) %	4.4	(6.8)	\$ 70,074	74,331	(5.7) %	1.8	(7.5)		

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FOURTH QUARTER

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,811	100.0	\$ 18,254	100.0	(2.4)
Cost of products sold	5,673	31.8	5,853	32.1	(3.1)
Selling, marketing and administrative expenses	5,891	33.1	5,822	31.9	1.2
Research and development expense	2,864	16.1	2,635	14.4	8.7
In-process research and development	214	1.2	156	0.8	
Interest (income) expense, net	107	0.6	122	0.7	
Other (income) expense, net	(1,205)	(6.8)	963	5.3	
Restructuring	509	2.9	-	-	
Earnings before provision for taxes on income	3,758	21.1	2,703	14.8	39.0
Provision for taxes on income	543	3.0	182	1.0	
Net earnings	\$ 3,215	18.1	\$ 2,521	13.8	27.5

Net earnings per share (Diluted) \$ 1.15 \$ 0.89 29.2

Average shares outstanding (Diluted) 2,803.3 2,845.3

Effective tax rate 14.4 % 6.7 %

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 4,913	27.6	\$ 4,296	23.5	14.4
Net earnings	\$ 4,043	22.7	\$ 3,887	21.3	4.0
Net earnings per share (Diluted)	\$ 1.44		\$ 1.37		5.1
Effective tax rate	17.7 %		9.5 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

TWELVE MONTHS

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 70,074	100.0	\$ 74,331	100.0	(5.7)
Cost of products sold	21,536	30.7	22,746	30.6	(5.3)
Selling, marketing and administrative expenses	21,203	30.3	21,954	29.5	(3.4)
Research and development expense	9,046	12.9	8,494	11.4	6.5
In-process research and development	224	0.3	178	0.3	
Interest (income) expense, net	424	0.6	466	0.6	
Other (income) expense, net	(2,064)	(2.9)	(70)	(0.1)	
Restructuring	509	0.7	-	-	
Earnings before provision for taxes on income	19,196	27.4	20,563	27.7	(6.6)
Provision for taxes on income	3,787	5.4	4,240	5.7	(10.7)
Net earnings	\$ 15,409	22.0	\$ 16,323	22.0	(5.6)

Net earnings per share (Diluted) \$ 5.48 \$ 5.70 (3.9)

Average shares outstanding (Diluted) 2,812.9 2,863.9

Effective tax rate 19.7 % 20.6 %

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 22,003	31.4	\$ 22,825	30.7	(3.6)
Net earnings	\$ 17,445	24.9	\$ 18,318	24.6	(4.8)
Net earnings per share (Diluted)	\$ 6.20		\$ 6.39		(3.0)
Effective tax rate	20.7 %		19.7 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measures

	Fourth Quarter		% Incr. / (Decr.)	Twelve Months		% Incr. / (Decr.)
	2015	2014		2015	2014	
Earnings before provision for taxes on income - as reported	\$ 3,758	2,703	39.0 %	\$ 19,196	20,563	(6.6) %
Intangible asset amortization expense	301	371		1,570	1,630	

(Dollars in Millions Except Per Share Data)

Restructuring ⁽¹⁾	590	-		590	-	
In-process research and development	214	156		224	178	
Synthes integration costs	83	325		196	754	
DePuy ASR™ Hip program	-	-		148	126	
Litigation expense, net	-	692		141	1,253	
Ortho-Clinical Diagnostics divestiture net (gain)/expense	(33)	49		(62)	(1,899)	
Additional year of Branded Prescription Drug Fee	-	-		-	220	
Earnings before provision for taxes on income - as adjusted	<u>\$ 4,913</u>	<u>4,296</u>	<u>14.4 %</u>	<u>\$ 22,003</u>	<u>22,825</u>	<u>(3.6) %</u>
Net Earnings - as reported	\$ 3,215	2,521	27.5 %	\$ 15,409	16,323	(5.6) %
Intangible asset amortization expense	220	275		1,113	1,213	
Restructuring	415	-		415	-	
In-process research and development	156	115		162	131	
Synthes integration costs	59	237		144	555	
DePuy ASR™ Hip program	-	-		130	111	
Litigation expense, net	-	652		118	1,225 ⁽²⁾	
Ortho-Clinical Diagnostics divestiture net (gain)/expense	(22)	87		(46)	(1,062)	
Additional year of Branded Prescription Drug Fee	-	-		-	220	
Tax benefit associated with Conor Medsystems	-	-		-	(398)	
Net Earnings - as adjusted	<u>\$ 4,043</u>	<u>3,887</u>	<u>4.0 %</u>	<u>\$ 17,445</u>	<u>18,318</u>	<u>(4.8) %</u>
Diluted Net Earnings per share - as reported	\$ 1.15	0.89	29.2 %	\$ 5.48	5.70	(3.9) %
Intangible asset amortization expense	0.07	0.10		0.39	0.42	
Restructuring	0.15	-		0.15	-	
In-process research and development	0.06	0.04		0.06	0.04	
Synthes integration costs	0.02	0.08		0.05	0.19	
DePuy ASR™ Hip program	-	-		0.05	0.04	
Litigation expense, net	-	0.23		0.04	0.43	
Ortho-Clinical Diagnostics divestiture net (gain)/expense	(0.01)	0.03		(0.02)	(0.37)	
Additional year of Branded Prescription Drug Fee	-	-		-	0.08	
Tax benefit associated with Conor Medsystems	-	-		-	(0.14)	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.44</u>	<u>1.37</u>	<u>5.1 %</u>	<u>\$ 6.20</u>	<u>6.39</u>	<u>(3.0) %</u>
Operational Diluted Net Earnings per share - as adjusted*	<u>\$ 1.54</u>	<u>1.37</u>	<u>12.4 %</u>	<u>\$ 6.76</u>	<u>6.39</u>	<u>5.8 %</u>

*Excludes the effect of translational currency

⁽¹⁾Includes \$81 million recorded in cost of products sold

⁽²⁾Includes adjustment to deferred tax asset related to deductibility by tax jurisdiction

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C Sales ⁽¹⁾
FOURTH QUARTER 2015 ACTUAL vs. 2014 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
WW As Reported:	1.8%	6.5%	3.4%	4.4%
U.S.	(4.9)%	12.7%	6.7%	8.0%
International	5.5%	(0.9)%	0.6%	1.2%
			Operational % ⁽²⁾	

Wound Care/Other				
SPLENDA®	2.6			0.5
U.S.	6.5			1.0
International	0.3			0.1
Wound Care / Other				
BENECOL®	0.3			0.1
U.S.	0.1			0.0
International	0.5			0.1
Diagnostics				
Ortho-Clinical Diagnostics			(0.3)	(0.1)
U.S.			0.0	0.0
International			(0.5)	(0.2)
Cardiovascular				
Cordis			2.6	0.9
U.S.			1.3	0.5
International			3.6	1.3
Other Neuroscience				
NUCYNTA®		0.5		0.2
U.S.		1.1		0.5
International		0.0		0.0
All Other Acquisitions and Divestitures			0.1	0.1
U.S.			0.0	0.0
International			0.2	0.1
WW Ops excluding Acquisitions and Divestitures	4.7%	7.0%	5.8%	6.1%
U.S.	1.7%	13.8%	8.0%	10.0%
International	6.3%	(0.9)%	3.9%	2.6%
Hepatitis C		4.1		1.7
U.S.		7.2		3.4
International		0.7		0.3
WW Ops excluding Hepatitis C only		10.6%		6.1%
U.S.		19.9%		11.4%
International		(0.2)%		1.5%
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	4.7%	11.1%	5.8%	7.8%
U.S.	1.7%	21.0%	8.0%	13.4%
International	6.3%	(0.2)%	3.9%	2.9%

(1) Hepatitis C products include OLYSIO®/SOVRIAD® and INCIVO®

(2) Operational growth excludes the effect of translational currency

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C Sales ⁽¹⁾
TWELVE MONTHS 2015 ACTUAL vs. 2014 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽²⁾			
WW As Reported:	2.7%	4.2%	(1.4)%	1.8%
U.S.	2.5%	5.2%	(1.0)%	2.6%
International	2.7%	3.0%	(1.7)%	1.1%
Wound Care/Other				
SPLENDA®	0.6			0.1
U.S.	1.7			0.2
International	0.1			0.0
Women's Health				
K-Y®	0.3			0.1
U.S.	0.4			0.1
International	0.2			0.0
Wound Care / Other				
BENECOL®	0.6			0.1
U.S.	0.0			0.0
International	0.9			0.2
Diagnostics				
Ortho-Clinical Diagnostics			3.2	1.2
U.S.			3.9	1.4
International			2.6	1.0

Cardiovascular				
Cordis			0.6	0.3
U.S.			0.4	0.2
International			0.9	0.4
Other Neuroscience				
NUCYNTA®		0.3		0.2
U.S.		0.6		0.3
International		0.0		0.0
All Other Acquisitions and Divestitures				
	(0.1)		0.1	0.0
U.S.	0.0		0.0	0.0
International	(0.1)		0.2	0.1
WW Ops excluding Acquisitions and Divestitures				
	4.1%	4.5%	2.5%	3.8%
U.S.	4.6%	5.8%	3.3%	4.8%
International	3.8%	3.0%	2.0%	2.8%
Hepatitis C				
		6.5		2.7
U.S.		12.3		5.8
International		0.3		0.2
WW Ops excluding Hepatitis C only				
		10.7%		4.5%
U.S.		17.5%		8.4%
International		3.3%		1.3%
WW Ops excluding Acquisitions, Divestitures and Hepatitis C				
	4.1%	11.0%	2.5%	6.5%
U.S.	4.6%	18.1%	3.3%	10.6%
International	3.8%	3.3%	2.0%	3.0%

(1) Hepatitis C products include OLYSIO® /SOVRIAD® and INCIVO®

(2) Operational growth excludes the effect of translational currency

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	FOURTH QUARTER					TWELVE MONTHS				
	2015	2014	% Change			2015	2014	% Change		
			Reported	Operational ⁽¹⁾	Currency			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT⁽²⁾										
BABY CARE										
US	\$ 103	96	7.3%	7.3%	-	\$ 421	407	3.4%	3.4%	-
Intl	381	428	-11.0%	2.8%	-13.8%	1,623	1,832	-11.4%	0.7%	-12.1%
WW	484	524	-7.6%	3.7%	-11.3%	2,044	2,239	-8.7%	1.2%	-9.9%
ORAL CARE										
US	170	150	13.3%	13.3%	-	629	600	4.8%	4.8%	-
Intl	238	264	-9.8%	5.2%	-15.0%	951	1,047	-9.2%	5.5%	-14.7%
WW	408	414	-1.4%	8.2%	-9.6%	1,580	1,647	-4.1%	5.2%	-9.3%
OTC										
US	382	362	5.5%	5.5%	-	1,536	1,357	13.2%	13.2%	-
Intl	663	711	-6.8%	9.4%	-16.2%	2,439	2,749	-11.3%	5.5%	-16.8%
WW	1,045	1,073	-2.6%	8.2%	-10.8%	3,975	4,106	-3.2%	8.1%	-11.3%
SKIN CARE										
US	439	471	-6.8%	-6.8%	-	1,857	1,834	1.3%	1.3%	-
Intl	432	485	-10.9%	4.6%	-15.5%	1,674	1,924	-13.0%	1.2%	-14.2%
WW	871	956	-8.9%	-1.1%	-7.8%	3,531	3,758	-6.0%	1.3%	-7.3%
WOMEN'S HEALTH										
US	7	7	0.0%	0.0%	-	26	50	-48.0%	-48.0%	-
Intl	276	301	-8.3%	7.5%	-15.8%	1,174	1,252	-6.2%	9.8%	-16.0%
WW	283	308	-8.1%	7.4%	-15.5%	1,200	1,302	-7.8%	7.6%	-15.4%
WOUND CARE / OTHER										
US	130	208	-37.5%	-37.5%	-	753	848	-11.2%	-11.2%	-
Intl	99	123	-19.5%	-8.4%	-11.1%	424	596	-28.9%	-18.3%	-10.6%
WW	229	331	-30.8%	-26.7%	-4.1%	1,177	1,444	-18.5%	-14.1%	-4.4%
TOTAL CONSUMER										
US	1,231	1,294	-4.9%	-4.9%	-	5,222	5,096	2.5%	2.5%	-
Intl	2,089	2,312	-9.6%	5.5%	-15.1%	8,285	9,400	-11.9%	2.7%	-14.6%
WW	\$ 3,320	3,606	-7.9%	1.8%	-9.7%	\$ 13,507	14,496	-6.8%	2.7%	-9.5%

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	FOURTH QUARTER					TWELVE MONTHS				
	2015	2014	% Change			2015	2014	% Change		
			Reported	Operational ⁽¹⁾	Currency			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT^{(2) (3)}										
IMMUNOLOGY										
US	\$ 2,101	1,816	15.7%	15.7%	-	\$ 7,642	7,111	7.5%	7.5%	-
Intl	670	762	-12.1%	2.0%	-14.1%	2,760	3,082	-10.4%	5.5%	-15.9%
WW	2,771	2,578	7.5%	11.7%	-4.2%	10,402	10,193	2.1%	6.9%	-4.8%

REMICADE										
US	1,193	1,052	13.4%	13.4%	-	4,453	4,155	7.2%	7.2%	-
US Exports (4)	180	244	-26.2%	-26.2%	-	782	1,078	-27.5%	-27.5%	-
Intl	307	376	-18.4%	-3.9%	-14.5%	1,326	1,635	-18.9%	-4.7%	-14.2%
WW	1,680	1,672	0.5%	3.8%	-3.3%	6,561	6,868	-4.5%	-1.1%	-3.4%
SIMPONI / SIMPONI ARIA										
US	204	164	24.4%	24.4%	-	730	544	34.2%	34.2%	-
Intl	136	182	-25.3%	-14.8%	-10.5%	598	643	-7.0%	10.2%	-17.2%
WW	340	346	-1.7%	3.8%	-5.5%	1,328	1,187	11.9%	21.2%	-9.3%
STELARA										
US	524	356	47.2%	47.2%	-	1,677	1,334	25.7%	25.7%	-
Intl	218	189	15.3%	32.4%	-17.1%	797	738	8.0%	27.0%	-19.0%
WW	742	545	36.1%	42.0%	-5.9%	2,474	2,072	19.4%	26.2%	-6.8%
OTHER IMMUNOLOGY										
US	-	-	-	-	-	-	-	-	-	-
Intl	9	15	-40.0%	-27.7%	-12.3%	39	66	-40.9%	-30.6%	-10.3%
WW	9	15	-40.0%	-27.7%	-12.3%	39	66	-40.9%	-30.6%	-10.3%
INFECTIOUS DISEASES										
US	363	564	-35.6%	-35.6%	-	1,535	3,112	-50.7%	-50.7%	-
Intl	438	512	-14.5%	-3.6%	-10.9%	2,121	2,487	-14.7%	1.2%	-15.9%
WW	801	1,076	-25.6%	-20.4%	-5.2%	3,656	5,599	-34.7%	-27.6%	-7.1%
EDURANT										
US	12	6	100.0%	100.0%	-	41	24	70.8%	70.8%	-
Intl	95	84	13.1%	29.3%	-16.2%	369	341	8.2%	29.2%	-21.0%
WW	107	90	18.9%	34.0%	-15.1%	410	365	12.3%	31.9%	-19.6%
OLYSIO / SOVRIAD										
US	(1)	256	**	**	-	173	1,943	-91.1%	-91.1%	-
Intl	45	65	-30.8%	-27.0%	-3.8%	448	359	24.8%	49.1%	-24.3%
WW	44	321	-86.3%	-85.5%	-0.8%	621	2,302	-73.0%	-69.2%	-3.8%
PREZISTA / PREZCOBIX / REZOLSTA										
US	287	243	18.1%	18.1%	-	1,064	930	14.4%	14.4%	-
Intl	180	205	-12.2%	-0.2%	-12.0%	746	901	-17.2%	-1.6%	-15.6%
WW	467	448	4.2%	9.7%	-5.5%	1,810	1,831	-1.1%	6.6%	-7.7%
OTHER INFECTIOUS DISEASES										
US	65	59	10.2%	10.2%	-	257	215	19.5%	19.5%	-
Intl	118	158	-25.3%	-15.6%	-9.7%	558	886	-37.0%	-26.2%	-10.8%
WW	183	217	-15.7%	-8.7%	-7.0%	815	1,101	-26.0%	-17.3%	-8.7%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	FOURTH QUARTER					TWELVE MONTHS				
	2015	2014	% Change			2015	2014	% Change		
			Reported	Operational ⁽¹⁾	Currency			Reported	Operational ⁽¹⁾	Currency
NEUROSCIENCE										
US	752	645	16.6%	16.6%	-	2,850	2,452	16.2%	16.2%	-
Intl	849	1,006	-15.6%	-4.2%	-11.4%	3,409	4,035	-15.5%	-1.8%	-13.7%
WW	1,601	1,651	-3.0%	3.9%	-6.9%	6,259	6,487	-3.5%	5.0%	-8.5%
CONCERTA / METHYLPHENIDATE										
US	117	55	*	*	-	434	152	*	*	-
Intl	96	114	-15.8%	-4.0%	-11.8%	387	447	-13.4%	-0.3%	-13.1%
WW	213	169	26.0%	33.9%	-7.9%	821	599	37.1%	46.9%	-9.8%
INVEGA / PALIPERIDONE										
US	58	96	-39.6%	-39.6%	-	339	360	-5.8%	-5.8%	-
Intl	55	65	-15.4%	-5.6%	-9.8%	234	280	-16.4%	-2.9%	-13.5%
WW	113	161	-29.8%	-25.9%	-3.9%	573	640	-10.5%	-4.6%	-5.9%
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA										
US	327	226	44.7%	44.7%	-	1,085	825	31.5%	31.5%	-
Intl	197	192	2.6%	17.7%	-15.1%	745	763	-2.4%	14.9%	-17.3%
WW	524	418	25.4%	32.4%	-7.0%	1,830	1,588	15.2%	23.5%	-8.3%
RISPERDAL CONSTA										
US	103	104	-1.0%	-1.0%	-	409	427	-4.2%	-4.2%	-
Intl	131	190	-31.1%	-21.2%	-9.9%	561	763	-26.5%	-12.9%	-13.6%
WW	234	294	-20.4%	-14.0%	-6.4%	970	1,190	-18.5%	-9.8%	-8.7%
OTHER NEUROSCIENCE										
US	147	164	-10.4%	-10.4%	-	583	688	-15.3%	-15.3%	-
Intl	370	445	-16.9%	-6.3%	-10.6%	1,482	1,782	-16.8%	-4.5%	-12.3%
WW	517	609	-15.1%	-7.4%	-7.7%	2,065	2,470	-16.4%	-7.5%	-8.9%
ONCOLOGY										
US	457	334	36.8%	36.8%	-	1,547	1,157	33.7%	33.7%	-
Intl	816	878	-7.1%	6.5%	-13.6%	3,148	3,300	-4.6%	12.2%	-16.8%
WW	1,273	1,212	5.0%	14.8%	-9.8%	4,695	4,457	5.3%	17.7%	-12.4%
IMBRUVICA										
US	122	64	90.6%	90.6%	-	375	145	*	*	-
Intl	113	28	*	*	**	314	55	*	*	**
WW	235	92	*	*	**	689	200	*	*	**
VELCADE										
US	-	-	-	-	-	-	-	-	-	-
Intl	321	418	-23.2%	-13.5%	-9.7%	1,333	1,618	-17.6%	-4.2%	-13.4%
WW	321	418	-23.2%	-13.5%	-9.7%	1,333	1,618	-17.6%	-4.2%	-13.4%
ZYTIGA										
US	286	255	12.2%	12.2%	-	1,070	971	10.2%	10.2%	-
Intl	295	340	-13.2%	0.2%	-13.4%	1,161	1,266	-8.3%	9.0%	-17.3%
WW	581	595	-2.4%	5.3%	-7.7%	2,231	2,237	-0.3%	9.5%	-9.8%
OTHER ONCOLOGY										

US	239	195	22.6%	22.6%	-	997	975	2.3%	2.3%	-
Intl	409	451	-9.3%	2.3%	-11.6%	1,611	1,843	-12.6%	1.5%	-14.1%
WW	648	646	0.3%	8.4%	-8.1%	2,608	2,818	-7.5%	1.7%	-9.2%
TOTAL MEDICAL DEVICES										
US	3,152	2,954	6.7%	6.7%	-	12,132	12,254	-1.0%	-1.0%	-
Intl	3,275	3,695	-11.4%	0.6%	-12.0%	13,005	15,268	-14.8%	-1.7%	-13.1%
WW	<u>\$ 6,427</u>	<u>6,649</u>	-3.3%	3.4%	-6.7%	<u>\$ 25,137</u>	<u>27,522</u>	-8.7%	-1.4%	-7.3%

* Percentage greater than 100%

** Not meaningful

(1) Operational growth excludes the effect of translational currency

(2) Unaudited

(3) Prior year amounts have been reclassified to conform to current year product disclosure

(4) Reported as U.S. sales

(5) Previously referred to as Other

(6) Reflects Diagnostics divestiture June 30, 2014

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