

**Johnson & Johnson and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. / (Decr.)	Twelve Months		% Incr. / (Decr.)
	2016	2015		2016	2015	
Earnings before provision for taxes on income - as reported	\$4,324	3,758	15.1 %	\$19,803	19,196	3.2 %
Intangible asset amortization expense	344	301		1,271	1,570	
Restructuring/Other <sup>(1)</sup>	298	590		685	590	
Litigation expense, net	96	-		817	141	
DePuy ASR™ Hip program	9	-		9	148	
In-process research and development	-	214		29	224	
Other	32	50		145	134	
Earnings before provision for taxes on income - as adjusted	<u>\$5,103</u>	<u>4,913</u>	<u>3.9 %</u>	<u>\$22,759</u>	<u>22,003</u>	<u>3.4 %</u>
Net Earnings - as reported	\$3,814	3,215	18.6 %	\$16,540	15,409	7.3 %
Intangible asset amortization expense	252	220		931	1,113	
Restructuring/Other	251	415		544	415	
Litigation expense, net	80	-		675	118	
DePuy ASR™ Hip program	7	-		7	130	
In-process research and development	-	156		23	162	
Other	(43)	37		44	98	
Net Earnings - as adjusted	<u>\$4,361</u>	<u>4,043</u>	<u>7.9 %</u>	<u>\$18,764</u>	<u>17,445</u>	<u>7.6 %</u>
Diluted Net Earnings per share - as reported	\$ 1.38	1.15	20.0 %	\$ 5.93	5.48	8.2 %
Intangible asset amortization expense	0.09	0.07		0.33	0.39	
Restructuring/Other	0.09	0.15		0.20	0.15	
Litigation expense, net	0.03	-		0.24	0.04	
DePuy ASR™ Hip program	-	-		-	0.05	
In-process research and development	-	0.06		0.01	0.06	
Other	(0.01)	0.01		0.02	0.03	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.58</u>	<u>1.44</u>	<u>9.7 %</u>	<u>\$ 6.73</u>	<u>6.20</u>	<u>8.5 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2014 foreign currency exchange rates		1.54			6.76	
Impact of currency at 2015 foreign currency exchange rates	0.01	(0.10)		0.05	(0.56)	
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates	<u>\$ 1.59</u>	<u>1.44</u>	<u>10.4 %</u>	<u>\$ 6.78</u>	<u>6.20</u>	<u>9.4 %</u>

(1) Includes \$18M recorded in cost of products sold and \$85M recorded in other (income) expense for the fourth quarter 2016, and \$81M recorded in cost of products sold for the fourth quarter 2015.

Includes \$45M recorded in cost of products sold and \$149M recorded in other (income) expense for twelve months YTD 2016, and \$81M recorded in cost of products sold for twelve months YTD 2015.

**Operational Sales Growth Excluding Acquisitions, Divestitures, Hepatitis C Sales<sup>(1)</sup>, Venezuela and Additional 2015 Shipping Days**  
**FOURTH QUARTER 2016 ACTUAL vs. 2015 ACTUAL**

Segments				
	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
	Operational % <sup>(2)</sup>			
<b>WW As Reported:</b>	<b>4.9%</b>	<b>2.6%</b>	<b>0.6%</b>	<b>2.3%</b>
U.S.	12.7%	1.9%	(0.1)%	2.6%
International	0.2%	3.7%	1.3%	1.9%
<b>Wound Care/Other</b>				
<b>SPLENDA<sup>®</sup></b>	<b>0.5</b>			<b>0.1</b>
U.S.	0.0			0.0
International	0.8			0.2
<b>Cardiovascular</b>				
<b>Cordis</b>			<b>0.0</b>	<b>0.0</b>
U.S.			0.1	0.0
International			(0.1)	0.0
<b>Beauty</b>				
<b>Vogue</b>	<b>(2.7)</b>			<b>(0.5)</b>
U.S.	(5.7)			(0.8)
International	(1.0)			(0.3)
<b>Other Neuroscience</b>				
<b>Controlled Substance Raw Material and API Business</b>		<b>1.2</b>		<b>0.5</b>
U.S.		1.4		0.8
International		0.8		0.3
<b>All Other Acquisitions and Divestitures</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>
U.S.	(0.3)	(0.1)	(0.4)	(0.2)
International	0.1	0.0	1.0	0.4
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>2.6%</b>	<b>3.8%</b>	<b>0.9%</b>	<b>2.5%</b>
U.S.	6.7%	3.2%	(0.4)%	2.4%
International	0.1%	4.5%	2.2%	2.5%
<b>Hepatitis C</b>		<b>0.4</b>		<b>0.2</b>
U.S.		(0.1)		0.0
International		1.2		0.5
<b>Venezuela</b>	<b>0.4</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
U.S.	0.0	0.0	0.0	0.0
International	0.7	0.2	0.2	0.3
<b>Additional 2015 Shipping Days</b>	<b>4.6</b>	<b>5.7</b>	<b>3.7</b>	<b>4.8</b>
U.S.	7.0	8.7	4.9	7.1
International	3.3	1.2	2.6	2.3
<b>WW Ops excluding Acquisitions, Divestitures, Hepatitis C, Venezuela &amp; Shipping Days</b>	<b>7.6%</b>	<b>9.9%</b>	<b>4.7%</b>	<b>7.6%</b>
U.S.	13.7%	11.8%	4.5%	9.5%
International	4.1%	7.1%	5.0%	5.6%

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

<sup>(2)</sup> Operational growth excludes the effect of translational currency

**Operational Sales Growth Excluding Acquisitions, Divestitures, Hepatitis C Sales<sup>(1)</sup>, Venezuela and Additional 2015 Shipping Days**  
**TWELVE MONTHS 2016 ACTUAL vs. 2015 ACTUAL**

<b>Segments</b>				
	<b>Consumer</b>	<b>Pharmaceutical</b>	<b>Medical Devices</b>	<b>Total</b>
	<b>Operational %<sup>(2)</sup></b>			
<b>WW As Reported:</b>	<b>1.5%</b>	<b>7.4%</b>	<b>0.9%</b>	<b>3.9%</b>
U.S.	3.8%	9.8%	1.1%	6.0%
International	0.1%	4.0%	0.7%	1.8%
<b>Wound Care/Other</b>				
<b>SPLENDA<sup>®</sup></b>	<b>1.8</b>			<b>0.3</b>
U.S.	3.4			0.5
International	0.8			0.2
<b>Cardiovascular</b>				
<b>Cordis</b>			<b>1.7</b>	<b>0.7</b>
U.S.			0.8	0.3
International			2.6	1.0
<b>Beauty</b>	<b>(1.2)</b>			
<b>Vogue</b>	<b>(2.8)</b>			<b>(0.2)</b>
U.S.	(0.3)			(0.4)
International				0.0
<b>Other Neuroscience</b>				
<b>Controlled Substance Raw Material and API Business</b>		<b>0.5</b>		<b>0.2</b>
U.S.		0.7		0.3
International		0.2		0.1
<b>All Other Acquisitions and Divestitures</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
U.S.	(0.3)	0.2	(0.2)	0.0
International	0.1	0.1	0.3	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>2.0%</b>	<b>8.0%</b>	<b>2.7%</b>	<b>5.0%</b>
U.S.	4.1%	10.7%	1.7%	6.7%
International	0.7%	4.3%	3.6%	3.2%
<b>Hepatitis C</b>		<b>1.9</b>		<b>0.8</b>
U.S.		0.7		0.4
International		3.4		1.2
<b>Venezuela</b>	<b>1.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>
U.S.	0.0	0.0	0.0	0.0
International	1.9	0.3	0.4	0.7
<b>Additional 2015 Shipping Days</b>	<b>1.1</b>	<b>1.5</b>	<b>0.9</b>	<b>1.3</b>
U.S.	1.5	2.4	1.2	1.8
International	0.8	0.3	0.7	0.6
<b>WW Ops excluding Acquisitions, Divestitures, Hepatitis C, Venezuela &amp; Shipping Days</b>	<b>4.3%</b>	<b>11.5%</b>	<b>3.8%</b>	<b>7.4%</b>
U.S.	5.6%	13.8%	2.9%	8.9%
International	3.4%	8.3%	4.7%	5.7%

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

<sup>(2)</sup> Operational growth excludes the effect of translational currency

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

Q4 YTD - Income Before Tax by Segment\*  
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Reported Income Before Tax by Segment	\$ 2,441	1,787	12,827	11,734	5,578	6,826	(1,043)	(1,151)	19,803	19,196
<b>% to Sales</b>	<b>18.3%</b>	<b>13.2%</b>	<b>38.3%</b>	<b>37.3%</b>	<b>22.2%</b>	<b>27.2%</b>	<b>-1.5%</b>	<b>-1.6%</b>	<b>27.5%</b>	<b>27.4%</b>
Intangible asset amortization expense	202	142	214	193	855	1,235	-	-	1,271	1,570
Restructuring/Other	-	-	-	-	685	590	-	-	685	590
Litigation expense, net	5	-	6	136	806	5	-	-	817	141
DePuy ASR™ Hip program	-	-	-	-	9	148	-	-	9	148
In-process research & development	-	-	29	214	-	10	-	-	29	224
Other	-	-	-	-	145	134	-	-	145	134
Adjusted Income Before Tax by Segment	\$ <u>2,648</u>	<u>1,929</u>	<u>13,076</u>	<u>12,277</u>	<u>8,078</u>	<u>8,948</u>	<u>(1,043)</u>	<u>(1,151)</u>	<u>22,759</u>	<u>22,003</u>
<b>% to Sales</b>	<b>19.9%</b>	<b>14.3%</b>	<b>39.1%</b>	<b>39.1%</b>	<b>32.2%</b>	<b>35.6%</b>	<b>-1.5%</b>	<b>-1.6%</b>	<b>31.7%</b>	<b>31.4%</b>

\*Estimated as of 1/24/17.