

**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.)
	2017	2016		2017	2016	
Earnings before provision for taxes on income - as reported	\$ 2,560	4,324	(40.8) %	\$ 17,673	19,803	(10.8) %
Intangible asset amortization expense	1,077	344		2,963	1,271	
Litigation expense, net	645	96		1,256	817	
Actelion acquisition related cost	217	-		797	-	
Restructuring/Other <sup>(1)</sup>	284	298		760	685	
In-process research and development	408	-		408	29	
Diabetes asset impairment	35	-		215	-	
AMO acquisition related cost	25	-		140	-	
DePuy ASR™ Hip program	-	9		-	9	
Other	-	32		-	145	
Earnings before provision for taxes on income - as adjusted	\$ 5,251	5,103	2.9 %	\$ 24,212	22,759	6.4 %
Net Earnings/(Loss) - as reported	\$ (10,713)	3,814	(380.9) %	\$ 1,300	16,540	(92.1) %
Impact of tax legislation	13,556	-		13,556	-	
Intangible asset amortization expense	926	252		2,481	931	
Litigation expense, net	506	80		955	675	
Actelion acquisition related cost	313	-		767	-	
Restructuring/Other	237	251		595	544	
In-process research and development	266	-		266	23	
Diabetes asset impairment	(116)	-		4	-	
AMO acquisition related cost	(198)	-		116	-	
DePuy ASR™ Hip program	-	7		-	7	
Other	-	(43)		-	44	
Net Earnings - as adjusted	\$ 4,777	4,361	9.5 %	\$ 20,040	18,764	6.8 %
Diluted Net Earnings/(Loss) per share - as reported	\$ (3.99)	1.38	(389.1) %	\$ 0.47	5.93	(92.1) %
Dilutive impact of shares excluded due to net loss position	0.08	-		-	-	
Impact of tax legislation	4.94	-		4.94	-	
Intangible asset amortization expense	0.34	0.09		0.90	0.33	
Litigation expense, net	0.19	0.03		0.35	0.24	
Actelion acquisition related cost	0.11	-		0.28	-	
Restructuring/Other	0.08	0.09		0.22	0.20	
In-process research and development	0.10	-		0.10	0.01	
Diabetes asset impairment	(0.04)	-		-	-	
AMO acquisition related cost	(0.07)	-		0.04	-	
DePuy ASR™ Hip program	-	-		-	-	
Other	-	(0.01)		-	0.02	
Diluted Net Earnings per share - as adjusted	\$ 1.74	1.58	10.1 %	\$ 7.30	6.73	8.5 %
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		1.59			6.78	
Impact of currency at 2016 foreign currency exchange rates	(0.07)	(0.01)		(0.06)	(0.05)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	\$ 1.67	1.58	5.7 %	\$ 7.24	6.73	7.6 %

(1) Includes \$42M recorded in cost of products sold and \$98M recorded in other (income) expense for the fourth quarter 2017, and \$18M recorded in cost of products sold and \$85M recorded in other (income) expense for the fourth quarter 2016.

Includes \$88M recorded in cost of products sold and \$363M recorded in other (income) expense for twelve months YTD 2017, and \$45M recorded in cost of products sold and \$149M recorded in other (income) expense for twelve months YTD 2016.

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Operational Sales Growth Excluding Acquisitions and Divestitures  
FOURTH QUARTER 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % <sup>(1)</sup>			
<b>WW As Reported:</b>	<b>0.4%</b>	<b>15.5%</b>	<b>6.5%</b>	<b>9.4%</b>
U.S.	(0.6)%	15.5%	5.3%	9.8%
International	1.2%	15.5%	7.5%	9.0%
<b>Vision Care</b>				
<b>Abbott Medical Optics</b>			<b>(5.4)</b>	<b>(1.9)</b>
U.S.			(4.9)	(1.7)
International			(5.8)	(2.2)
<b>Pulmonary Hypertension</b>				
<b>Actelion</b>		<b>(7.4)</b>		<b>(3.4)</b>
U.S.		(7.3)		(3.8)
International		(7.6)		(2.8)
<b>Cardiovascular / Metabolism / Other</b>				
<b>Actelion</b>		<b>(0.5)</b>		<b>(0.2)</b>
U.S.		(0.3)		(0.2)
International		(0.7)		(0.3)
<b>Spine &amp; Other</b>				
<b>Codman Neuroscience</b>			<b>1.2</b>	<b>0.5</b>
U.S.			0.8	0.2
International			1.6	0.6
<b>All Other Acquisitions and Divestitures</b>	<b>(0.2)</b>		<b>(0.3)</b>	<b>(0.2)</b>
U.S.	0.0		(0.9)	(0.2)
International	(0.5)		0.3	0.0
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>0.2%</b>	<b>7.6%</b>	<b>2.0%</b>	<b>4.2%</b>
U.S.	(0.6)%	7.9%	0.3%	4.1%
International	0.7%	7.2%	3.6%	4.3%

<sup>(1)</sup> Operational growth excludes the effect of translational currency

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

Operational Sales Growth Excluding Acquisitions and Divestitures  
TWELVE MONTHS 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % <sup>(1)</sup>			
<b>WW As Reported:</b>	<b>1.3%</b>	<b>8.0%</b>	<b>5.7%</b>	<b>6.0%</b>
U.S.	2.7%	6.7%	4.5%	5.4%
International	0.4%	10.1%	6.7%	6.6%
<b>Beauty</b>				
<b>Vogue</b>	<b>(1.5)</b>			<b>(0.3)</b>
U.S.	(3.1)			(0.4)
International	(0.4)			(0.1)
<b>Other Neuroscience</b>				
<b>Controlled Substance Raw Material and API Business</b>		<b>0.4</b>		<b>0.2</b>
U.S.		0.5		0.2
International		0.2		0.1
<b>Diagnostics</b>				
<b>Ortho-Clinical Diagnostics</b>			<b>0.2</b>	<b>0.0</b>
U.S.			0.0	0.0
International			0.5	0.1
<b>Beauty</b>				
<b>Dr. Ci: Labo</b>	<b>(0.3)</b>			<b>(0.1)</b>
U.S.	0.0			0.0
International	(0.6)			(0.1)
<b>Vision Care</b>				
<b>Abbott Medical Optics</b>			<b>(4.5)</b>	<b>(1.5)</b>
U.S.			(4.0)	(1.3)
International			(4.9)	(1.8)
<b>Pulmonary Hypertension</b>				
<b>Actelion</b>		<b>(4.0)</b>		<b>(1.9)</b>
U.S.		(3.8)		(2.0)
International		(4.2)		(1.7)
<b>Cardiovascular / Metabolism / Other</b>				
<b>Actelion</b>		<b>(0.2)</b>		<b>(0.1)</b>
U.S.		(0.3)		(0.1)
International		(0.3)		(0.1)
<b>Spine &amp; Other</b>				
<b>Codman Neuroscience</b>			<b>0.3</b>	<b>0.1</b>
U.S.			0.2	0.1
International			0.5	0.2
<b>All Other Acquisitions and Divestitures</b>	<b>0.0</b>		<b>(0.2)</b>	<b>0.0</b>
U.S.	(0.3)		(0.7)	(0.3)
International	0.3		0.2	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>(0.5)%</b>	<b>4.2%</b>	<b>1.5%</b>	<b>2.4%</b>
U.S.	(0.7)%	3.1%	0.0%	1.6%
International	(0.3)%	5.8%	3.0%	3.3%

<sup>(1)</sup> Operational growth excludes the effect of translational currency

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

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Reported Income Before Tax by Segment	\$ 2,524	2,441	11,083	12,827	5,392	5,578	(1,326)	(1,043)	17,673	19,803
<b>% to Sales</b>	<b>18.6%</b>	<b>18.3%</b>	<b>30.6%</b>	<b>38.3%</b>	<b>20.3%</b>	<b>22.2%</b>	<b>-1.7%</b>	<b>-1.5%</b>	<b>23.1%</b>	<b>27.5%</b>
Intangible asset amortization expense	239	202	1,688	214	1,036	855	-	-	2,963	1,271
Litigation expense, net	-	5	117	6	1,139	806	-	-	1,256	817
Actelion acquisition related cost	-	-	797	-	-	-	-	-	797	-
Restructuring / Other	-	-	-	-	760	685	-	-	760	685
In-process research and development	-	-	396	29	12	-	-	-	408	29
Diabetes asset impairment	-	-	-	-	215	-	-	-	215	-
AMO acquisition related cost	-	-	-	-	140	-	-	-	140	-
DePuy ASR™ Hip program	-	-	-	-	-	9	-	-	-	9
Other	-	-	-	-	-	145	-	-	-	145
Adjusted Income Before Tax by Segment	\$ 2,763	2,648	14,081	13,076	8,694	8,078	(1,326)	(1,043)	24,212	22,759
<b>% to Sales</b>	<b>20.3%</b>	<b>19.9%</b>	<b>38.8%</b>	<b>39.1%</b>	<b>32.7%</b>	<b>32.2%</b>	<b>-1.7%</b>	<b>-1.5%</b>	<b>31.7%</b>	<b>31.7%</b>

\*Estimated as of 01/23/2018

**Johnson & Johnson and Subsidiaries**  
**Net Income and Diluted EPS GAAP to Non-GAAP Reconciliation**  
**\$ in Millions Except Per Share Data**  
**(Unaudited)**

	Fourth Quarter Dec. 31, 2017		A	Fourth Quarter Dec. 31, 2017		B	Fourth Quarter Jan. 1, 2017		C	Fourth Quarter Jan. 1, 2017	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 7,243	(1,300)		5,943	\$ 5,534		(344)			5,190	
Other (Income) / Expense	(9)	(839)		(848)	20		(240)			(220)	
In-process research and development	408	(408)		-	-		-			-	
Restructuring	144	(144)		-	195		(195)			-	
Provision for taxes on income	13,273	(12,799)		474	510		232			742	
Net Earnings/(Loss)	(10,713)	15,490		4,777	3,814		547			4,361	
Diluted Net Earnings/(Loss) per Share	\$ (3.99)	5.73		1.74	\$ 1.38		0.20			1.58	

(A) Includes \$1,077 Intangible asset amortization expense, \$180 Actelion acquisition related cost, \$1 AMO acquisition related cost and \$42 Restructuring/Other

(B) Includes \$645 Litigation expense, \$98 Restructuring/Other, \$37 Actelion acquisition related cost, \$35 Diabetes Asset Impairment and \$24 AMO acquisition related cost

(C) Includes \$408 In-process research and development

(D) Includes \$144 Restructuring/Other

(E) Includes \$13,556 related to impact of tax legislation

(F) Includes \$326 Intangible asset amortization expense and \$18 Restructuring/Other

(G) Includes \$18 Intangible asset amortization expense, \$96 Litigation expense, \$85 Restructuring/Other, \$9M DePuy ASR™ Hip program and \$32 Other

(H) Includes \$195 Restructuring/Other

	Twelve Months Dec. 31, 2017		A	Twelve Months Dec. 31, 2017		B	Twelve Months Jan. 1, 2017		C	Twelve Months Jan. 1, 2017	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 25,354	(3,640)		21,714	\$ 21,685		(1,266)			20,419	
Other (Income) / Expense	183	(2,182)		(1,999)	484		(1,170)			(686)	
In-process research and development	408	(408)		-	29		(29)			-	
Restructuring	309	(309)		-	491		(491)			-	
Provision for taxes on income	16,373	(12,201)		4,172	3,263		732			3,995	
Net Earnings	1,300	18,740		20,040	16,540		2,224			18,764	
Diluted Net Earnings per Share	\$ 0.47	6.83		7.30	\$ 5.93		0.80			6.73	

(A) Includes \$2,963 Intangible asset amortization expense, \$531 Actelion acquisition related cost, \$58 AMO acquisition related cost and \$88 Restructuring/Other

(B) Includes \$1,256 Litigation expense, \$363 Restructuring/Other, \$266 Actelion acquisition related cost, \$215 Diabetes Asset Impairment and \$82 AMO acquisition related cost

(C) Includes \$408 In-process research and development

(D) Includes \$309 Restructuring/Other

(E) Includes \$13,556 related to impact of tax legislation

(F) Includes \$1,221 Intangible asset amortization expense and \$45 Restructuring/Other

(G) Includes \$50 Intangible asset amortization expense, \$817 Litigation expense, \$149 Restructuring/Other, \$9M DePuy ASR™ Hip program and \$145 Other

(H) Includes \$29 In-process research and development

(I) Includes \$491 Restructuring/Other