

JOHNSON & JOHNSON

FORM 8-K (Current report filing)

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Address	ONE JOHNSON & JOHNSON PLZ NEW BRUNSWICK, NJ, 08933
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of report (Date of earliest event reported):

October 17, 2017



(Exact name of registrant as specified in its charter)

New Jersey
(State or Other Jurisdiction of
Incorporation)

I-3215
(Commission File Number)

22-1024240
(IRS Employer Identification No.)

One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933

(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code:
732-524-0400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On October 17, 2017, Johnson & Johnson issued the attached press release announcing its sales and earnings for the third quarter ended October 1, 2017.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.15	Press Release dated October 17, 2017 for the period ended October 1, 2017.
99.20	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the third quarter.

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 hereunto duly authorized.

Johnson & Johnson
(Registrant)

Date: October 17, 2017

By: /s/ Ronald A. Kapusta
Ronald A. Kapusta
Controller
(Principal Accounting Officer)

Johnson & Johnson Reports 2017 Third-Quarter Results:

2017 Third-Quarter Sales of \$19.7 Billion Increased 10.3% versus 2016

2017 Third-Quarter EPS was \$1.37

2017 Adjusted Third-Quarter EPS of \$1.90 increased 13.1%*

***Accelerated Sales and Adjusted EPS Growth
Increased Full-Year Sales and Adjusted EPS Guidance***

New Brunswick, N.J. (October 17, 2017) - Johnson & Johnson (NYSE: JNJ) today announced sales of \$19.7 billion for the third quarter of 2017, an increase of 10.3% as compared to the third quarter of 2016. Operational sales results increased 9.5% and the positive impact of currency was 0.8%. Domestic sales increased 9.7%. International sales increased 10.9%, reflecting operational growth of 9.3% and a positive currency impact of 1.6%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide, domestic and international sales each increased 3.8%. *

Net earnings and diluted earnings per share for the third quarter of 2017 were \$3.8 billion and \$1.37, respectively. Third-quarter 2017 net earnings included after-tax intangible amortization expense of approximately \$0.9 billion and a charge for after-tax special items of approximately \$0.5 billion. Third-quarter 2016 net earnings included after-tax intangible amortization expense of approximately \$0.2 billion and a charge for after-tax special items of approximately \$0.2 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$5.2 billion and adjusted diluted earnings per share were \$1.90, representing increases of 11.2% and 13.1%, respectively, as compared to the same period in 2016. * On an operational basis, adjusted diluted earnings per share also increased 10.1%. * A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

“Johnson & Johnson accelerated growth in the third quarter. This is driven by the strong performance of our Pharmaceutical business, and augmented by Actelion and other recent acquisitions across the enterprise that will continue to fuel growth,” said Alex Gorsky, Chairman and Chief Executive Officer. “Our dedicated colleagues continue to focus on advancing our pipelines to bring innovative solutions to patients and consumers around the globe.”

The Company increased its sales guidance for the full-year 2017 to a range of \$76.2 billion to \$76.5 billion. Additionally, the Company increased its adjusted earnings guidance for full-year 2017 to \$7.25 - \$7.30 per share.*

Worldwide Consumer sales of \$3.4 billion for the third quarter 2017 represented an increase of 2.9% versus the prior year, consisting of an operational increase of 1.6% and a positive impact from currency of 1.3%. Domestic sales decreased 0.5%, international sales increased 5.1%, which reflected an operational increase of 3.0% and a positive currency impact of 2.1%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 1.1%, domestic sales decreased 0.7% and international sales increased 2.3% *

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by over-the-counter products primarily TYLENOL[®] analgesic products and international smoking cessation aids; as well as OGX[®] and NEUTROGENA[®] beauty products partially offset by the negative impact of domestic baby care products.

During the quarter, the divestiture of COMPEED[®] to HRA Pharma was completed.

Worldwide Pharmaceutical sales of \$9.7 billion for the third quarter 2017 represented an increase of 15.4% versus the prior year with an operational increase of 14.6% and a positive impact from currency of 0.8%. Domestic sales increased 15.4%; international sales increased 15.5%, which reflected an operational increase of 13.5% and a positive currency impact of 2.0%. Sales included the impact of the first full quarter of the acquisition of Actelion Ltd. which contributed 7.9%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 6.7%, domestic sales increased 7.7% and international sales increased 5.1%. *

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by new products and the strength of core products. Strong growth in new products include DARZALEX[®] (daratumumab), for the treatment of patients with multiple myeloma and IMBRUVICA[®] (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer. Additional contributors to operational sales growth included STELARA[®] (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, XARELTO[®] (rivaroxaban), an oral anticoagulant, ZYTIGA[®] (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer and INVEGA[®] SUSTENNA[®] /XEPLION[®] /TRINZA[®] (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults.

During the quarter, the U.S. Food and Drug Administration (FDA) approved an additional indication for IMBRUVICA[®] (ibrutinib) for the treatment of adult patients with chronic graft-versus-host-disease after failure of one or more lines of systemic therapy. The European Commission granted approval for SYMTUZA[®] (darunavir/cobicistat/ emtricitabine/tenofovir alafenamide) for the treatment of human immunodeficiency virus type 1 (HIV-1) infection in adults and pediatric patients aged 12 years and older.

New Drug Applications were submitted to the FDA for apalutamide, an oral androgen receptor inhibitor for men with non-metastatic castration-resistant prostate cancer and also for darunavir/cobicistat/emtricitabine/tenofovir alafenamide for the treatment of HIV-1 infection in adults and pediatric patients aged 12 years and older. In addition, a supplemental New Drug Application (sNDA) was submitted to the FDA to expand the indication for ZYTIGA[®] (abiraterone acetate), in combination with prednisone and ADT to include treatment of patients with high-risk metastatic hormone naïve prostate cancer or newly diagnosed, high-risk metastatic hormone sensitive prostate cancer.

The Company has made a decision not to pursue global approvals of sirukumab for the treatment of moderately to severely active rheumatoid arthritis. In addition, the clinical trial for talacotuzumab, an investigational compound being studied in patients with acute myeloid leukemia, has been discontinued.

Worldwide Medical Devices sales of \$6.6 billion for the third quarter 2017 represented an increase of 7.1% versus the prior year consisting of an operational increase of 6.6% and a positive currency impact of 0.5%. Domestic sales increased 4.6%; international sales increased 9.6%, which reflected an operational increase of 8.6% and a positive

currency impact of 1.0%. Sales included the impact of the acquisition of Abbott Medical Optics which contributed 5.2%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 1.2%, domestic sales decreased 0.8% and international sales increased 3.2%. *

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by electrophysiology products in the Cardiovascular business, ACUVUE[®] contact lenses in the Vision Care business, and wound closure products in the General Surgery business, partially offset by declines in the Diabetes Care business.

During the quarter, the acquisitions of TearScience, Inc., a manufacturer of products dedicated to treating meibomian gland dysfunction and Sightbox, Inc., an e-commerce company that provides subscription vision care services connecting consumers with eye care professionals for their contact lens needs, were completed.

Subsequent to the quarter, the Company announced the completion of the divestiture of its Codman Neurosurgery business to Integra LifeSciences Holding Corporation.

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 134,100 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 and divestitures, 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 does not provide GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, acquisition-related expenses and purchase accounting fair value adjustments without unreasonable effort. These items are uncertain, depend on various factors, and could be material to Johnson & Johnson's results computed in accordance with GAAP.

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 CONCERNING FORWARD-LOOKING STATEMENTS

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 and business strategy. 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 and financial market factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans, including restructuring plans; the impact of business combinations and divestitures, including the Company's ability to successfully integrate Actelion Ltd.'s products and operations and realize the expected benefits and opportunities of the transaction in the expected time frame or at all; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and global health care reforms; trends toward health care cost containment; changes in behavior and spending patterns 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 descriptions 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 January 1, 2017, including under "Item 1A. Risk Factors," its most recently filed Quarterly Report on Form 10-Q, including in the section captioned "Cautionary Note Regarding Forward-Looking Statements," 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 statement as a result of new information or future events or developments.

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 19,650	100.0	\$ 17,820	100.0	10.3
Cost of products sold	6,902	35.1	5,486	30.8	25.8
Selling, marketing and administrative expenses	5,396	27.5	4,772	26.8	13.1
Research and development expense	2,574	13.1	2,178	12.2	18.2
Interest (income) expense, net	155	0.8	95	0.5	
Other (income) expense, net	(236)	(1.2)	(54)	(0.2)	
Restructuring	69	0.3	62	0.3	
Earnings before provision for taxes on income	4,790	24.4	5,281	29.6	(9.3)
Provision for taxes on income	1,026	5.2	1,009	5.6	1.7
Net earnings	\$ 3,764	19.2	\$ 4,272	24.0	(11.9)
Net earnings per share (Diluted)	\$ 1.37		\$ 1.53		(10.5)
Average shares outstanding (Diluted)	2,737.7		2,785.4		
Effective tax rate	21.4 %		19.1 %		
Adjusted earnings before provision for taxes and net earnings ^{(1)(A)}					
Earnings before provision for taxes on income	\$ 6,573	33.5	\$ 5,831	32.7	12.7
Net earnings	\$ 5,208	26.5	\$ 4,683	26.3	11.2
Net earnings per share (Diluted)	\$ 1.90		\$ 1.68		13.1
Effective tax rate	20.8 %		19.7 %		

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

^(A) NON-GAAP FINANCIAL MEASURES "Adjusted earnings before provision for taxes on income," "adjusted net earnings," "adjusted net earnings per share (diluted)," and "adjusted effective tax rate" are non-GAAP financial measures and should not be considered replacements for GAAP results. The Company provides earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate on an adjusted basis because management believes that these measures provide useful information to investors. Among other things, these measures may assist investors in evaluating the Company's results of operations period over period. In various periods, these measures may exclude such items as intangible asset amortization expense, significant costs associated with acquisitions, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters). Special items may be highly variable, difficult to predict, and of a size that sometimes has substantial impact on the Company's reported results of operations for a period. Management uses these measures internally for planning, forecasting and evaluating the performances of the Company's businesses, including allocating resources and evaluating results relative to employee performance compensation targets. Unlike earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate prepared in accordance with GAAP, adjusted earnings before provision for taxes on income, adjusted net earnings, adjusted net earnings per share (diluted), and adjusted effective tax rate may not be comparable with the calculation of similar measures for other companies. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of the Company's results of operations without including all events during a period, such as intangible asset amortization expense, the effects of an acquisition, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters) and do not provide a comparable view of the Company's performance to other companies in the health care industry. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.



Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

NINE MONTHS

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 56,255	100.0	\$ 53,784	100.0	4.6
Cost of products sold	18,111	32.2	16,151	30.0	12.1
Selling, marketing and administrative expenses	15,395	27.4	14,636	27.2	5.2
Research and development expense	6,919	12.3	6,455	12.0	7.2
In-process research and development	—	—	29	0.1	
Interest (income) expense, net	360	0.6	274	0.5	
Other (income) expense, net	192	0.3	464	0.9	
Restructuring	165	0.3	296	0.5	
Earnings before provision for taxes on income	15,113	26.9	15,479	28.8	(2.4)
Provision for taxes on income	3,100	5.5	2,753	5.1	12.6
Net earnings	\$ 12,013	21.4	\$ 12,726	23.7	(5.6)
Net earnings per share (Diluted)	\$ 4.37		\$ 4.55		(4.0)
Average shares outstanding (Diluted)	2,746.4		2,796.6		
Effective tax rate	20.5 %		17.8 %		
Adjusted earnings before provision for taxes and net earnings ^{(1)(A)}					
Earnings before provision for taxes on income	\$ 18,961	33.7	\$ 17,656	32.8	7.4
Net earnings	\$ 15,263	27.1	\$ 14,403	26.8	6.0
Net earnings per share (Diluted)	\$ 5.56		\$ 5.15		8.0
Effective tax rate	19.5 %		18.4 %		

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

^(A) NON-GAAP FINANCIAL MEASURES "Adjusted earnings before provision for taxes on income," "adjusted net earnings," "adjusted net earnings per share (diluted)," and "adjusted effective tax rate" are non-GAAP financial measures and should not be considered replacements for GAAP results. The Company provides earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate on an adjusted basis because management believes that these measures provide useful information to investors. Among other things, these measures may assist investors in evaluating the Company's results of operations period over period. In various periods, these measures may exclude such items as intangible asset amortization expense, significant costs associated with acquisitions, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters). Special items may be highly variable, difficult to predict, and of a size that sometimes has substantial impact on the Company's reported results of operations for a period. Management uses these measures internally for planning, forecasting and evaluating the performances of the Company's businesses, including allocating resources and evaluating results relative to employee performance compensation targets. Unlike earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate prepared in accordance with GAAP, adjusted earnings before provision for taxes on income, adjusted net earnings, adjusted net earnings per share (diluted), and adjusted effective tax rate may not be comparable with the calculation of similar measures for other companies. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of the Company's results of operations without including all events during a period, such as intangible asset amortization expense, the effects of an acquisition, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters) and do not provide a comparable view of the Company's performance to other companies in the health care industry. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.

Johnson & Johnson and Subsidiaries**Supplementary Sales Data**

(Unaudited; Dollars in Millions)

THIRD QUARTER

	2017	2016	Total	Percent Change	
				Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 1,285	\$ 1,291	(0.5) %	(0.5)	—
International	2,071	1,970	5.1	3.0	2.1
	3,356	3,261	2.9	1.6	1.3
Pharmaceutical					
U.S.	5,816	5,042	15.4	15.4	—
International	3,879	3,358	15.5	13.5	2.0
	9,695	8,400	15.4	14.6	0.8
Medical Devices					
U.S.	3,189	3,048	4.6	4.6	—
International	3,410	3,111	9.6	8.6	1.0
	6,599	6,159	7.1	6.6	0.5
U.S.	10,290	9,381	9.7	9.7	—
International	9,360	8,439	10.9	9.3	1.6
Worldwide	\$ 19,650	\$ 17,820	10.3 %	9.5	0.8

Johnson & Johnson and Subsidiaries**Supplementary Sales Data**

(Unaudited; Dollars in Millions)

NINE MONTHS

				Percent Change	
	2017	2016	Total	Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 4,186	\$ 4,033	3.8 %	3.8	—
International	5,876	5,842	0.6	0.2	0.4
	10,062	9,875	1.9	1.6	0.3
Pharmaceutical					
U.S.	15,698	15,123	3.8	3.8	—
International	10,877	10,109	7.6	8.4	(0.8)
	26,575	25,232	5.3	5.6	(0.3)
Medical Devices					
U.S.	9,510	9,118	4.3	4.3	—
International	10,108	9,559	5.7	6.3	(0.6)
	19,618	18,677	5.0	5.3	(0.3)
U.S.	29,394	28,274	4.0	4.0	—
International	26,861	25,510	5.3	5.8	(0.5)
Worldwide	\$ 56,255	\$ 53,784	4.6 %	4.8	(0.2)

Johnson & Johnson and Subsidiaries**Supplementary Sales Data**

(Unaudited; Dollars in Millions)

THIRD QUARTER

	2017	2016	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,290	\$ 9,381	9.7 %	9.7	—
Europe	4,308	3,832	12.4	7.9	4.5
Western Hemisphere excluding U.S.	1,569	1,396	12.4	10.1	2.3
Asia-Pacific, Africa	3,483	3,211	8.5	10.6	(2.1)
International	9,360	8,439	10.9	9.3	1.6
Worldwide	\$ 19,650	\$ 17,820	10.3 %	9.5	0.8

Johnson & Johnson and Subsidiaries**Supplementary Sales Data**

(Unaudited; Dollars in Millions)

NINE MONTHS

	2017	2016	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 29,394	\$ 28,274	4.0 %	4.0	—
Europe	12,398	11,769	5.3	6.2	(0.9)
Western Hemisphere excluding U.S.	4,522	4,269	5.9	3.1	2.8
Asia-Pacific, Africa	9,941	9,472	5.0	6.4	(1.4)
International	26,861	25,510	5.3	5.8	(0.5)
Worldwide	\$ 56,255	\$ 53,784	4.6 %	4.8	(0.2)

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. / (Decr.)
	2017	2016	
Earnings before provision for taxes on income - as reported	\$ 4,790	5,281	(9.3) %
Intangible asset amortization expense	1,077	319	
Litigation expense, net	118	55	
Restructuring/Other ⁽¹⁾	187	109	
Actelion acquisition related cost	367	—	
Diabetes asset impairment	(2)	—	
AMO acquisition related cost	36	—	
Other	—	67	
Earnings before provision for taxes on income - as adjusted	\$ 6,573	5,831	12.7 %
Net Earnings - as reported	\$ 3,764	4,272	(11.9) %
Intangible asset amortization expense	933	236	
Litigation expense, net	97	46	
Restructuring/Other	136	76	
Actelion acquisition related cost	255	—	
Diabetes asset impairment	(5)	—	
AMO acquisition related cost	28	—	
Other	—	53	
Net Earnings - as adjusted	\$ 5,208	4,683	11.2 %
Diluted Net Earnings per share - as reported	\$ 1.37	1.53	(10.5) %
Intangible asset amortization expense	0.34	0.08	
Litigation expense, net	0.04	0.02	
Restructuring/Other	0.05	0.03	
Actelion acquisition related cost	0.09	—	
Diabetes asset impairment	—	—	
AMO acquisition related cost	0.01	—	
Other	—	0.02	
Diluted Net Earnings per share - as adjusted	\$ 1.90	1.68	13.1 %
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		1.68	
Impact of currency at 2016 foreign currency exchange rates	(0.05)	—	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	\$ 1.85	1.68	10.1 %

⁽¹⁾ Includes \$29M recorded in cost of products sold and \$89M recorded in other (income) expense for the third quarter 2017. Includes \$3M recorded in cost of products sold and \$44M recorded in other (income) expense for the third quarter 2016.

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

<i>(Dollars in Millions Except Per Share Data)</i>	Nine Months YTD		% Incr. / (Decr.)
	2017	2016	
Earnings before provision for taxes on income - as reported	\$ 15,113	15,479	(2.4) %
Intangible asset amortization expense	1,886	927	
Litigation expense, net	611	721	
Restructuring/Other ⁽¹⁾	476	387	
Actelion acquisition related cost	580	—	
Diabetes asset impairment	180	—	
AMO acquisition related cost	115	—	
In-process research and development	—	29	
Other	—	113	
Earnings before provision for taxes on income - as adjusted	\$ 18,961	17,656	7.4 %
Net Earnings - as reported	\$ 12,013	12,726	(5.6) %
Intangible asset amortization expense	1,555	679	
Litigation expense, net	449	595	
Restructuring/Other	358	293	
Actelion acquisition related cost	454	—	
Diabetes asset impairment	120	—	
AMO acquisition related cost	314	—	
In-process research and development	—	23	
Other	—	87	
Net Earnings - as adjusted	\$ 15,263	14,403	6.0 %
Diluted Net Earnings per share - as reported	\$ 4.37	4.55	(4.0) %
Intangible asset amortization expense	0.57	0.24	
Litigation expense, net	0.16	0.21	
Restructuring/Other	0.14	0.11	
Actelion acquisition related cost	0.16	—	
Diabetes asset impairment	0.05	—	
AMO acquisition related cost	0.11	—	
In-process research and development	—	0.01	
Other	—	0.03	
Diluted Net Earnings per share - as adjusted	\$ 5.56	5.15	8.0 %
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		5.19	
Impact of currency at 2016 foreign currency exchange rates	0.01	(0.04)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	\$ 5.57	5.15	8.2 %

⁽¹⁾ Includes \$46M recorded in cost of products sold and \$265M recorded in other (income) expense for nine months 2017 YTD. Includes \$27M recorded in cost of products sold and \$64M recorded in other (income) expense for nine months 2016 YTD.



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

Operational Sales Growth Excluding Acquisitions and Divestitures ^(A)
THIRD QUARTER 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	1.6%	14.6%	6.6%	9.5%
U.S.	(0.5)%	15.4%	4.6%	9.7%
International	3.0%	13.5%	8.6%	9.3%
Beauty				
<i>Dr. Ci: Labo</i>	(0.6)			(0.1)
U.S.	0.0			0.0
International	(1.0)			(0.2)
Vision Care				
<i>Abbott Medical Optics</i>			(5.2)	(1.8)
U.S.			(4.6)	(1.5)
International			(5.7)	(2.1)
Pulmonary Hypertension				
<i>Actelion</i>		(7.9)		(3.7)
U.S.		(7.7)		(4.1)
International		(8.4)		(3.3)
All Other Acquisitions and Divestitures	0.1		(0.2)	(0.1)
U.S.	(0.2)		(0.8)	(0.3)
International	0.3		0.3	0.1
WW Ops excluding Acquisitions and Divestitures	1.1%	6.7%	1.2%	3.8%
U.S.	(0.7)%	7.7%	(0.8)%	3.8%
International	2.3%	5.1%	3.2%	3.8%

⁽¹⁾ Operational growth excludes the effect of translational currency

^(A) NON-GAAP FINANCIAL MEASURE "Operational sales growth excluding the net impact of acquisitions and divestitures" is a non-GAAP financial measure. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP. Due to the variable nature of acquisitions and divestitures, and the impact they may have on the analysis of underlying business performance and trends, management believes that providing this measure enhances an investor's understanding of the Company's performance and may assist in the evaluation of ongoing business operations period over period. This non-GAAP financial measure is presented to permit investors to more fully understand how management assesses the performance of the Company, including for internal evaluation of the performance of the Company's businesses and planning and forecasting for future periods. The use of this non-GAAP financial measure as a performance measure is limited in that it provides a view of the Company's results of operations without including all events during a period and may not provide a comparable view of the Company's performance to that of other companies in the health care industry.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures ^(A)
NINE MONTHS 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	1.6%	5.6%	5.3%	4.8%
U.S.	3.8%	3.8%	4.3%	4.0%
International	0.2%	8.4%	6.3%	5.8%
Beauty				
<i>Vogue</i>	(1.9)			(0.4)
U.S.	(4.1)			(0.6)
International	(0.5)			(0.1)
Other Neuroscience				
<i>Controlled Substance Raw Material and API Business</i>		0.5		0.2
U.S.		0.6		0.3
International		0.3		0.1
Diagnostics				
<i>Ortho-Clinical Diagnostics</i>			0.4	0.1
U.S.			0.0	0.0
International			0.8	0.3
Beauty				
<i>Dr. Ci: Labo</i>	(0.3)			(0.1)
U.S.	0.0			0.0
International	(0.5)			(0.1)
Vision Care				
<i>Abbott Medical Optics</i>			(4.1)	(1.4)
U.S.			(3.7)	(1.2)
International			(4.6)	(1.7)
Pulmonary Hypertension				
<i>Actelion</i>		(3.0)		(1.4)
U.S.		(2.8)		(1.5)
International		(3.3)		(1.3)
All Other Acquisitions and Divestitures	(0.1)		(0.3)	0.0
U.S.	(0.4)		(0.7)	(0.3)
International	0.2		0.2	0.0
WW Ops excluding Acquisitions and Divestitures	(0.7)%	3.1%	1.3%	1.8%
U.S.	(0.7)%	1.6%	(0.1)%	0.7%
International	(0.6)%	5.4%	2.7%	3.0%

⁽¹⁾ Operational growth excludes the effect of translational currency

^(A) NON-GAAP FINANCIAL MEASURE "Operational sales growth excluding the net impact of acquisitions and divestitures" is a non-GAAP financial measure. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP. Due to the variable nature of acquisitions and divestitures, and the impact they may have on the analysis of underlying business performance and trends, management believes that providing this measure enhances an investor's understanding of the Company's performance and may assist in the evaluation of ongoing business operations period over period. This non-GAAP financial measure is presented to permit investors to more fully understand how management assesses the performance of the

Company, including for internal evaluation of the performance of the Company's businesses and planning and forecasting for future periods. The use of this non-GAAP financial measure as a performance measure is limited in that it provides a view of the Company's results of operations without including all events during a period and may not provide a comparable view of the Company's performance to that of other companies in the health care industry.

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾⁽³⁾					
BABY CARE					
US	\$ 100	118	(15.3)%	(15.3)%	—%
Intl	377	377	0.0	0.0	0.0
WW	477	495	(3.6)	(3.6)	0.0
BEAUTY					
US	523	517	1.2	1.2	—
Intl	510	462	10.4	8.0	2.4
WW	1,033	979	5.5	4.4	1.1
ORAL CARE					
US	154	156	(1.3)	(1.3)	—
Intl	228	227	0.4	(1.4)	1.8
WW	382	383	(0.3)	(1.3)	1.0
OTC					
US	401	386	3.9	3.9	—
Intl	601	557	7.9	4.7	3.2
WW	1,002	943	6.3	4.4	1.9
WOMEN'S HEALTH					
US	3	3	0.0	0.0	—
Intl	267	266	0.4	(1.9)	2.3
WW	270	269	0.4	(1.8)	2.2
WOUND CARE/OTHER					
US	104	111	(6.3)	(6.3)	—
Intl	88	81	8.6	5.9	2.7
WW	192	192	0.0	(1.2)	1.2
TOTAL CONSUMER					
US	1,285	1,291	(0.5)	(0.5)	—
Intl	2,071	1,970	5.1	3.0	2.1
WW	\$ 3,356	3,261	2.9 %	1.6 %	1.3%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

PHARMACEUTICAL SEGMENT ^{(2) (3)}

IMMUNOLOGY

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 2,420	2,294	5.5 %	5.5 %	—%
Intl	849	790	7.5	4.9	2.6
WW	<u>3,269</u>	<u>3,084</u>	6.0	5.3	0.7
<u>REMICADE</u>					
US	1,206	1,222	(1.3)	(1.3)	—
US Exports ⁽⁴⁾	156	255	(38.8)	(38.8)	—
Intl	285	306	(6.9)	(10.2)	3.3
WW	<u>1,647</u>	<u>1,783</u>	(7.6)	(8.2)	0.6
<u>SIMPONI / SIMPONI ARIA</u>					
US	242	256	(5.5)	(5.5)	—
Intl	234	225	4.0	3.2	0.8
WW	<u>476</u>	<u>481</u>	(1.0)	(1.4)	0.4
<u>STELARA</u>					
US	800	561	42.6	42.6	—
Intl	324	253	28.1	24.7	3.4
WW	<u>1,124</u>	<u>814</u>	38.1	37.0	1.1
<u>OTHER IMMUNOLOGY</u>					
US	16	—	*	*	—
Intl	6	6	0.0	0.0	0.0
WW	<u>22</u>	<u>6</u>	*	*	0.0

INFECTIOUS DISEASES

US	353	387	(8.8)	(8.8)	—
Intl	460	455	1.1	(2.3)	3.4
WW	<u>813</u>	<u>842</u>	(3.4)	(5.3)	1.9
<u>EDURANT</u>					
US	15	13	15.4	15.4	—
Intl	179	136	31.6	26.0	5.6
WW	<u>194</u>	<u>149</u>	30.2	25.1	5.1
<u>PREZISTA / PREZCOBIX / REZOLSTA</u>					
US	287	310	(7.4)	(7.4)	—
Intl	180	183	(1.6)	(5.5)	3.9
WW	<u>467</u>	<u>493</u>	(5.3)	(6.7)	1.4
<u>OTHER INFECTIOUS DISEASES</u>					
US	51	64	(20.3)	(20.3)	—
Intl	101	136	(25.7)	(26.4)	0.7
WW	<u>152</u>	<u>200</u>	(24.0)	(24.5)	0.5

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	THIRD QUARTER				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ ⁽³⁾ (Continued)					
NEUROSCIENCE					
US	\$ 647	622	4.0 %	4.0 %	— %
Intl	851	842	1.1	0.6	0.5
WW	1,498	1,464	2.3	2.0	0.3
<u>CONCERTA / METHYLPHENIDATE</u>					
US	100	102	(2.0)	(2.0)	—
Intl	98	88	11.4	10.5	0.9
WW	198	190	4.2	3.8	0.4
<u>INVEGA SUSTENNA / XEPLION / TRINZA</u>					
US	395	339	16.5	16.5	—
Intl	248	217	14.3	11.0	3.3
WW	643	556	15.6	14.3	1.3
<u>RISPERDAL CONSTA</u>					
US	87	94	(7.4)	(7.4)	—
Intl	107	128	(16.4)	(18.0)	1.6
WW	194	222	(12.6)	(13.5)	0.9
<u>OTHER NEUROSCIENCE</u>					
US	65	87	(25.3)	(25.3)	—
Intl	398	409	(2.7)	(1.4)	(1.3)
WW	463	496	(6.7)	(5.6)	(1.1)
ONCOLOGY					
US	846	622	36.0	36.0	—
Intl	1,052	895	17.5	15.2	2.3
WW	1,898	1,517	25.1	23.8	1.3
<u>DARZALEX</u>					
US	230	124	85.5	85.5	—
Intl	87	39	*	*	*
WW	317	163	94.5	92.0	2.5
<u>IMBRUVICA</u>					
US	230	179	28.5	28.5	—
Intl	282	170	65.9	61.8	4.1
WW	512	349	46.7	44.7	2.0
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	273	304	(10.2)	(11.2)	1.0
WW	273	304	(10.2)	(11.2)	1.0
<u>ZYTIGA</u>					
US	352	282	24.8	24.8	—
Intl	317	300	5.7	4.4	1.3
WW	669	582	14.9	14.2	0.7
<u>OTHER ONCOLOGY</u>					
US	34	37	(8.1)	(8.1)	—
Intl	93	82	13.4	11.1	2.3
WW	127	119	6.7	5.1	1.6

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3) (Continued)}					
PULMONARY HYPERTENSION ⁽⁵⁾					
US	\$ 387	—	*	*	—
Intl	283	—	*	*	—
WW	<u>670</u>	<u>—</u>	*	*	—
<u>OPSUMIT</u>					
US	150	—	*	*	—
Intl	109	—	*	*	—
WW	<u>259</u>	<u>—</u>	*	*	—
<u>TRACLEER</u>					
US	83	—	*	*	—
Intl	127	—	*	*	—
WW	<u>210</u>	<u>—</u>	*	*	—
<u>UPTRAVI</u>					
US	113	—	*	*	—
Intl	11	—	*	*	—
WW	<u>124</u>	<u>—</u>	*	*	—
<u>OTHER</u>					
US	41	—	*	*	—
Intl	36	—	*	*	—
WW	<u>77</u>	<u>—</u>	*	*	—

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

PHARMACEUTICAL SEGMENT ^{(2) (3)} (Continued)

CARDIOVASCULAR / METABOLISM / OTHER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 1,163	1,117	4.1 %	4.1 %	—%
Intl	384	376	2.1	1.0	1.1
WW	1,547	1,493	3.6	3.3	0.3
<u>XARELTO</u>					
US	635	529	20.0	20.0	—
Intl	—	—	—	—	—
WW	635	529	20.0	20.0	—
<u>INVOKANA / INVOKAMET</u>					
US	220	294	(25.2)	(25.2)	—
Intl	45	34	32.4	31.6	0.8
WW	265	328	(19.2)	(19.3)	0.1
<u>PROCIT / EPREX</u>					
US	168	168	0.0	0.0	—
Intl	70	82	(14.6)	(17.6)	3.0
WW	238	250	(4.8)	(5.8)	1.0
<u>OTHER</u>					
US	140	126	11.1	11.1	—
Intl	269	260	3.5	2.9	0.6
WW	409	386	6.0	5.6	0.4
TOTAL PHARMACEUTICAL					
US	5,816	5,042	15.4	15.4	—
Intl	3,879	3,358	15.5	13.5	2.0
WW	\$ 9,695	8,400	15.4 %	14.6 %	0.8%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾					
CARDIOVASCULAR					
US	\$ 261	235	11.1 %	11.1 %	— %
Intl	245	216	13.4	13.9	(0.5)
WW	506	451	12.2	12.5	(0.3)
DIABETES CARE					
US	168	191	(12.0)	(12.0)	—
Intl	237	236	0.4	(2.6)	3.0
WW	405	427	(5.2)	(6.9)	1.7
DIAGNOSTICS					
US	—	—	—	—	—
Intl	—	7	*	*	*
WW	—	7	*	*	*
ORTHOPAEDICS					
US	1,326	1,343	(1.3)	(1.3)	—
Intl	925	908	1.9	0.0	1.9
WW	2,251	2,251	0.0	(0.8)	0.8
<u>HIPS</u>					
US	195	190	2.6	2.6	—
Intl	133	130	2.3	(0.1)	2.4
WW	328	320	2.5	1.5	1.0
<u>KNEES</u>					
US	220	223	(1.3)	(1.3)	—
Intl	123	132	(6.8)	(9.5)	2.7
WW	343	355	(3.4)	(4.4)	1.0
<u>TRAUMA</u>					
US	398	389	2.3	2.3	—
Intl	264	248	6.5	4.6	1.9
WW	662	637	3.9	3.1	0.8
<u>SPINE & OTHER</u>					
US	513	541	(5.2)	(5.2)	—
Intl	405	398	1.8	0.3	1.5
WW	918	939	(2.2)	(2.8)	0.6

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

MEDICAL DEVICES SEGMENT ⁽²⁾ (Continued)

SURGERY

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 1,002	1,002	0.0 %	0.0 %	— %
Intl	1,344	1,282	4.8	3.7	1.1
WW	2,346	2,284	2.7	2.1	0.6

ADVANCED

US	398	390	2.1	2.1	—
Intl	525	494	6.3	5.3	1.0
WW	923	884	4.4	3.9	0.5

GENERAL

US	430	414	3.9	3.9	—
Intl	675	649	4.0	2.8	1.2
WW	1,105	1,063	4.0	3.2	0.8

SPECIALTY

US	174	198	(12.1)	(12.1)	—
Intl	144	139	3.6	2.8	0.8
WW	318	337	(5.6)	(5.9)	0.3

VISION CARE

US	432	277	56.0	56.0	—
Intl	659	462	42.6	43.9	(1.3)
WW	1,091	739	47.6	48.4	(0.8)

CONTACT LENSES / OTHER

US	302	277	9.0	9.0	—
Intl	498	462	7.8	9.1	(1.3)
WW	800	739	8.3	9.1	(0.8)

SURGICAL

US	130	—	*	*	—
Intl	161	—	*	*	—
WW	291	—	*	*	—

TOTAL MEDICAL DEVICES

US	3,189	3,048	4.6	4.6	—
Intl	3,410	3,111	9.6	8.6	1.0
WW	\$ 6,599	6,159	7.1 %	6.6 %	0.5 %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾⁽³⁾					
BABY CARE					
US	\$ 326	365	(10.7)%	(10.7)%	—%
Intl	1,100	1,143	(3.8)	(3.8)	0.0
WW	1,426	1,508	(5.4)	(5.4)	0.0
BEAUTY					
US	1,739	1,555	11.8	11.8	—
Intl	1,351	1,279	5.6	5.4	0.2
WW	3,090	2,834	9.0	8.9	0.1
ORAL CARE					
US	460	485	(5.2)	(5.2)	—
Intl	678	686	(1.2)	(1.6)	0.4
WW	1,138	1,171	(2.8)	(3.0)	0.2
OTC					
US	1,310	1,257	4.2	4.2	—
Intl	1,711	1,681	1.8	1.4	0.4
WW	3,021	2,938	2.8	2.6	0.2
WOMEN'S HEALTH					
US	9	16	(43.8)	(43.8)	—
Intl	779	787	(1.0)	(2.6)	1.6
WW	788	803	(1.9)	(3.5)	1.6
WOUND CARE/OTHER					
US	342	355	(3.7)	(3.7)	—
Intl	257	266	(3.4)	(4.0)	0.6
WW	599	621	(3.5)	(3.8)	0.3
TOTAL CONSUMER					
US	4,186	4,033	3.8	3.8	—
Intl	5,876	5,842	0.6	0.2	0.4
WW	\$ 10,062	9,875	1.9 %	1.6 %	0.3%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	NINE MONTHS				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3)}					
IMMUNOLOGY					
US	\$ 6,644	6,689	(0.7)%	(0.7)%	— %
Intl	2,514	2,343	7.3	7.3	0.0
WW	9,158	9,032	1.4	1.4	0.0
<u>REMICADE</u>					
US	3,452	3,669	(5.9)	(5.9)	—
US Exports ⁽⁴⁾	448	673	(33.4)	(33.4)	—
Intl	949	1,000	(5.1)	(5.9)	0.8
WW	4,849	5,342	(9.2)	(9.4)	0.2
<u>SIMPONI / SIMPONI ARIA</u>					
US	701	716	(2.1)	(2.1)	—
Intl	642	603	6.5	6.6	(0.1)
WW	1,343	1,319	1.8	1.9	(0.1)
<u>STELARA</u>					
US	2,027	1,631	24.3	24.3	—
Intl	903	722	25.1	26.1	(1.0)
WW	2,930	2,353	24.5	24.8	(0.3)
<u>OTHER IMMUNOLOGY</u>					
US	16	—	*	*	—
Intl	20	18	11.1	9.4	1.7
WW	36	18	100.0	98.3	1.7
INFECTIOUS DISEASES					
US	1,020	1,107	(7.9)	(7.9)	—
Intl	1,334	1,340	(0.4)	(0.4)	0.0
WW	2,354	2,447	(3.8)	(3.8)	0.0
<u>EDURANT</u>					
US	44	38	15.8	15.8	—
Intl	478	370	29.2	28.9	0.3
WW	522	408	27.9	27.7	0.2
<u>PREZISTA / PREZCOBIX / REZOLSTA</u>					
US	824	860	(4.2)	(4.2)	—
Intl	527	544	(3.1)	(2.7)	(0.4)
WW	1,351	1,404	(3.8)	(3.7)	(0.1)
<u>OTHER INFECTIOUS DISEASES</u>					
US	152	209	(27.3)	(27.3)	—
Intl	329	426	(22.8)	(23.1)	0.3
WW	481	635	(24.3)	(24.5)	0.2

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	NINE MONTHS				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ ⁽³⁾ (Continued)					
NEUROSCIENCE					
US	\$ 1,931	1,997	(3.3)%	(3.3)%	— %
Intl	2,531	2,618	(3.3)	(2.2)	(1.1)
WW	4,462	4,615	(3.3)	(2.7)	(0.6)
<u>CONCERTA / METHYLPHENIDATE</u>					
US	284	365	(22.2)	(22.2)	—
Intl	304	294	3.4	4.1	(0.7)
WW	588	659	(10.8)	(10.5)	(0.3)
<u>INVEGA SUSTENNA / XEPLION / TRINZA</u>					
US	1,154	983	17.4	17.4	—
Intl	722	646	11.8	12.8	(1.0)
WW	1,876	1,629	15.2	15.6	(0.4)
<u>RISPERDAL CONSTA</u>					
US	273	289	(5.5)	(5.5)	—
Intl	335	394	(15.0)	(14.0)	(1.0)
WW	608	683	(11.0)	(10.4)	(0.6)
<u>OTHER NEUROSCIENCE</u>					
US	220	360	(38.9)	(38.9)	—
Intl	1,170	1,284	(8.9)	(7.7)	(1.2)
WW	1,390	1,644	(15.5)	(14.5)	(1.0)
ONCOLOGY					
US	2,207	1,740	26.8	26.8	—
Intl	3,012	2,605	15.6	16.8	(1.2)
WW	5,219	4,345	20.1	20.8	(0.7)
<u>DARZALEX</u>					
US	643	320	*	*	—
Intl	228	52	*	*	*
WW	871	372	*	*	*
<u>IMBRUVICA</u>					
US	622	455	36.7	36.7	—
Intl	749	450	66.4	67.7	(1.3)
WW	1,371	905	51.5	52.1	(0.6)
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	843	950	(11.3)	(9.8)	(1.5)
WW	843	950	(11.3)	(9.8)	(1.5)
<u>ZYTIGA</u>					
US	826	840	(1.7)	(1.7)	—
Intl	924	901	2.6	3.5	(0.9)
WW	1,750	1,741	0.5	1.0	(0.5)
<u>OTHER ONCOLOGY</u>					
US	116	125	(7.2)	(7.2)	—
Intl	268	252	6.3	7.3	(1.0)
WW	384	377	1.9	2.6	(0.7)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3) (Continued)}					
PULMONARY HYPERTENSION ⁽⁵⁾					
US	\$ 427	—	*	*	—
Intl	334	—	*	*	—
WW	<u>761</u>	<u>—</u>	*	*	—
<u>OPSUMIT</u>					
US	174	—	*	*	—
Intl	130	—	*	*	—
WW	<u>304</u>	<u>—</u>	*	*	—
<u>TRACLEER</u>					
US	85	—	*	*	—
Intl	151	—	*	*	—
WW	<u>236</u>	<u>—</u>	*	*	—
<u>UPTRAVI</u>					
US	121	—	*	*	—
Intl	12	—	*	*	—
WW	<u>133</u>	<u>—</u>	*	*	—
<u>OTHER</u>					
US	47	—	*	*	—
Intl	41	—	*	*	—
WW	<u>88</u>	<u>—</u>	*	*	—

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

PHARMACEUTICAL SEGMENT ^{(2) (3)} (Continued)

CARDIOVASCULAR / METABOLISM / OTHER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 3,469	3,590	(3.4)%	(3.4)%	— %
Intl	1,152	1,203	(4.2)	(2.2)	(2.0)
WW	4,621	4,793	(3.6)	(3.1)	(0.5)
<u>XARELTO</u>					
US	1,790	1,690	5.9	5.9	—
Intl	—	—	—	—	—
WW	1,790	1,690	5.9	5.9	—
<u>INVOKANA / INVOKAMET</u>					
US	723	939	(23.0)	(23.0)	—
Intl	121	97	24.7	26.5	(1.8)
WW	844	1,036	(18.5)	(18.3)	(0.2)
<u>PROCIT / EPREX</u>					
US	511	581	(12.0)	(12.0)	—
Intl	229	265	(13.6)	(13.3)	(0.3)
WW	740	846	(12.5)	(12.4)	(0.1)
<u>OTHER</u>					
US	445	380	17.1	17.1	—
Intl	802	841	(4.6)	(2.1)	(2.5)
WW	1,247	1,221	2.1	3.8	(1.7)
TOTAL PHARMACEUTICAL					
US	15,698	15,123	3.8	3.8	—
Intl	10,877	10,109	7.6	8.4	(0.8)
WW	\$ 26,575	25,232	5.3 %	5.6 %	(0.3)%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾					
CARDIOVASCULAR					
US	\$ 785	701	12.0 %	12.0 %	— %
Intl	743	663	12.1	13.5	(1.4)
WW	<u>1,528</u>	<u>1,364</u>	12.0	12.7	(0.7)
DIABETES CARE					
US	482	548	(12.0)	(12.0)	—
Intl	743	779	(4.6)	(4.6)	0.0
WW	<u>1,225</u>	<u>1,327</u>	(7.7)	(7.7)	0.0
DIAGNOSTICS					
US	—	—	—	—	—
Intl	1	66	*	*	*
WW	<u>1</u>	<u>66</u>	*	*	*
ORTHOPAEDICS					
US	4,092	4,099	(0.2)	(0.2)	—
Intl	2,827	2,848	(0.7)	(0.2)	(0.5)
WW	<u>6,919</u>	<u>6,947</u>	(0.4)	(0.2)	(0.2)
<u>HIPS</u>					
US	612	590	3.7	3.7	—
Intl	418	421	(0.7)	(0.1)	(0.6)
WW	<u>1,030</u>	<u>1,011</u>	1.9	2.2	(0.3)
<u>KNEES</u>					
US	702	696	0.9	0.9	—
Intl	424	433	(2.1)	(1.4)	(0.7)
WW	<u>1,126</u>	<u>1,129</u>	(0.3)	0.0	(0.3)
<u>TRAUMA</u>					
US	1,179	1,151	2.4	2.4	—
Intl	768	764	0.5	0.8	(0.3)
WW	<u>1,947</u>	<u>1,915</u>	1.7	1.8	(0.1)
<u>SPINE & OTHER</u>					
US	1,599	1,662	(3.8)	(3.8)	—
Intl	1,217	1,230	(1.1)	(0.5)	(0.6)
WW	<u>2,816</u>	<u>2,892</u>	(2.6)	(2.3)	(0.3)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾ (Continued)					
SURGERY					
US	\$ 3,009	3,003	0.2 %	0.2 %	— %
Intl	3,992	3,906	2.2	2.9	(0.7)
WW	7,001	6,909	1.3	1.7	(0.4)
<u>ADVANCED</u>					
US	1,190	1,131	5.2	5.2	—
Intl	1,543	1,478	4.4	5.4	(1.0)
WW	2,733	2,609	4.8	5.3	(0.5)
<u>GENERAL</u>					
US	1,276	1,254	1.8	1.8	—
Intl	2,017	2,006	0.5	1.1	(0.6)
WW	3,293	3,260	1.0	1.4	(0.4)
<u>SPECIALTY</u>					
US	543	618	(12.1)	(12.1)	—
Intl	432	422	2.4	2.1	0.3
WW	975	1,040	(6.3)	(6.4)	0.1
VISION CARE					
US	1,142	767	48.9	48.9	—
Intl	1,802	1,297	38.9	39.8	(0.9)
WW	2,944	2,064	42.6	43.2	(0.6)
<u>CONTACT LENSES / OTHER</u>					
US	832	767	8.5	8.5	—
Intl	1,404	1,297	8.2	9.1	(0.9)
WW	2,236	2,064	8.3	8.9	(0.6)
<u>SURGICAL</u>					
US	310	—	*	*	—
Intl	398	—	*	*	—
WW	708	—	*	*	—
TOTAL MEDICAL DEVICES					
US	9,510	9,118	4.3	4.3	—
Intl	10,108	9,559	5.7	6.3	(0.6)
WW	\$ 19,618	18,677	5.0 %	5.3 %	(0.3)%

* Percentage greater than 100% or 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⁾ Actelion acquisition completed June 16, 2017