

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

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2017	2016	
Earnings before provision for taxes on income - as reported	\$ 5,575	5,294	5.3 %
Intangible asset amortization expense	329	282	
Restructuring/Other ⁽¹⁾	161	137	
Litigation expense, net	-	66	
AMO acquisition related cost	38	-	
Other	-	22	
Earnings before provision for taxes on income - as adjusted	<u>\$ 6,103</u>	<u>5,801</u>	<u>5.2 %</u>
Net Earnings - as reported	\$ 4,422	4,457	(0.8) %
Intangible asset amortization expense	244	205	
Restructuring/Other	121	120	
Litigation expense, net	-	56	
AMO acquisition related cost	251	-	
Other	-	16	
Net Earnings - as adjusted	<u>\$ 5,038</u>	<u>4,854</u>	<u>3.8 %</u>
Diluted Net Earnings per share - as reported	\$ 1.61	1.59	1.3 %
Intangible asset amortization expense	0.09	0.07	
Restructuring/Other	0.04	0.04	
Litigation expense, net	-	0.02	
AMO acquisition related cost	0.09	-	
Other	-	0.01	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.83</u>	<u>1.73</u>	<u>5.8 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		1.77	
Impact of currency at 2016 foreign currency exchange rates	0.03	(0.04)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	<u>\$ 1.86</u>	<u>1.73</u>	<u>7.5 %</u>

⁽¹⁾ Includes \$4M recorded in cost of products sold and \$72M recorded in other (income) expense in the first quarter 2017 and \$17M recorded in cost of products sold in the first quarter 2016.

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

	Segments			
	Consumer	Pharmaceutical Operational % ⁽¹⁾	Medical Devices	Total
WW As Reported:	0.8%	1.4%	3.4%	2.0%
U.S.	4.1%	(1.3)%	2.2%	0.6%
International	(1.6)%	5.6%	4.7%	3.6%
Beauty				
Vogue	(3.0)			(0.6)
U.S.	(6.3)			(0.9)
International	(0.7)			(0.1)
Other Neuroscience				
Controlled Substance Raw Material and API Business		0.8		0.4
U.S.		0.9		0.5
International		0.5		0.2
Diagnostics				
Ortho-Clinical Diagnostics			0.5	0.2
U.S.			0.0	0.0
International			1.0	0.4
Vision Care				
Abbott Medical Optics			(2.0)	(0.7)
U.S.			(1.7)	(0.6)
International			(2.3)	(0.9)
All Other Acquisitions and Divestitures	(0.1)		(0.2)	(0.1)
U.S.	(0.7)		(0.7)	(0.3)
International	0.4		0.3	0.2
WW Ops excluding Acquisitions and Divestitures	(2.3)%	2.2%	1.7%	1.2%
U.S.	(2.9)%	(0.4)%	(0.2)%	(0.7)%
International	(1.9)%	6.1%	3.7%	3.4%

⁽¹⁾ Operational growth excludes the effect of translational currency

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Q1 - 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	\$ 596	566	3,663	3,344	1,563	1,576	(247)	(192)	5,575	5,294
% to Sales	18.5%	17.7%	44.4%	40.9%	24.8%	25.8%	-1.4%	-1.1%	31.4%	30.3%
Intangible asset amortization expense	56	32	44	45	229	205	-	-	329	282
Restructuring/Other	-	-	-	-	161	137	-	-	161	137
Litigation expense, net	-	-	-	(40)	-	106	-	-	-	66
AMO acquisition related cost	-	-	-	-	38	-	-	-	38	-
Other	-	-	-	-	-	22	-	-	-	22
Adjusted Income Before Tax by Segment	\$ <u>652</u>	<u>598</u>	<u>3,707</u>	<u>3,349</u>	<u>1,991</u>	<u>2,046</u>	<u>(247)</u>	<u>(192)</u>	<u>6,103</u>	<u>5,801</u>
% to Sales	20.2%	18.7%	45.0%	41.0%	31.6%	33.5%	-1.4%	-1.1%	34.4%	33.2%

*Estimated as of 4/18/17.