

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):

January 23, 2018



(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 January 23, 2018, Johnson & Johnson issued the attached press release announcing its sales and earnings for the fourth quarter and full year ended December 31, 2017.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description of Exhibit
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99.15	Press Release dated January 23, 2018 for the period ended December 31, 2017.
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99.20	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the fourth quarter and full year.
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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: January 23, 2018

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

Johnson & Johnson Reports 2017 Fourth-Quarter Results:

2017 Fourth-Quarter Sales of \$20.2 Billion Increased 11.5%; EPS was a Loss of \$3.99
2017 Full-Year Sales of \$76.5 Billion Increased 6.3%, Full-Year EPS was \$0.47
Adjusted 2017 Fourth-Quarter EPS was \$1.74, an Increase of 10.1%*, and
Adjusted 2017 Full-Year EPS was \$7.30, an Increase of 8.5%*

Continued Sales Acceleration in Fourth Quarter
*Strong 2017 Full-Year Adjusted EPS Growth of Approximately 8.5%**
Company Records Special Item Charge of Approximately \$13.6 Billion Related to
Recently Enacted Tax Legislation

New Brunswick, N.J. (Jan. 23, 2018) - Johnson & Johnson (NYSE: JNJ) today announced sales of \$20.2 billion for the fourth quarter of 2017, an increase of 11.5% as compared to the fourth quarter of 2016. Operational sales results increased 9.4% and the positive impact of currency was 2.1%. Domestic sales increased 9.8%. International sales increased 13.5%, reflecting operational growth of 9.0% and a positive currency impact of 4.5%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales for the fourth quarter of 2017 increased 4.2%, domestic sales increased 4.1% and international sales increased 4.3%. *

Worldwide sales for the full-year 2017 were \$76.5 billion, an increase of 6.3% versus 2016. Operational results increased 6.0% and the positive impact of currency was 0.3%. Domestic sales increased 5.4%. International sales increased 7.4%, reflecting operational growth of 6.6% and a positive currency impact of 0.8%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales for the full-year 2017 increased 2.4%, domestic sales increased 1.6% and international sales increased 3.3%. *

Net loss and diluted loss per share for the fourth quarter of 2017 were \$10.7 billion and \$3.99, respectively. Fourth-quarter 2017 net loss included after-tax intangible amortization expense of approximately \$0.9 billion and a net charge for after-tax special items of approximately \$14.6 billion. Included in these special items is a provisional amount of approximately \$13.6 billion associated with the recent enactment of tax legislation. ** Fourth-quarter 2016 net earnings included after-tax intangible amortization expense of approximately \$0.3 billion and a net charge for after-tax special items of approximately \$0.3 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$4.8 billion and adjusted diluted earnings per share were \$1.74, representing increases of 9.5% and 10.1%, respectively, as compared to the same period in 2016. * On an operational basis, adjusted diluted earnings per share increased 5.7%. * A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

Net earnings and diluted earnings per share for the full-year 2017 were \$1.3 billion and \$0.47, respectively. Full-year net earnings included after-tax intangible amortization expense of approximately \$2.5 billion and a charge for after-tax special items of approximately \$16.2 billion. Included in these special items is a provisional amount of approximately \$13.6 billion associated with the recent enactment of tax legislation. ** Full-year 2016 net earnings included after-tax intangible amortization expense of approximately \$0.9 billion and a charge for after-tax special

items of approximately \$1.3 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the full-year of 2017 were \$20.0 billion and adjusted diluted earnings per share were \$7.30, representing increases of 6.8% and 8.5%, respectively, as compared to the same period in 2016. * On an operational basis, adjusted diluted earnings per share also increased 7.6%. * A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

"Johnson & Johnson delivered strong adjusted earnings per share growth of 8.5% and total shareholder return of greater than 24% in 2017, driven by the robust performance of our Pharmaceutical business, while continuing to make investments in acquisitions, innovation and strategic partnerships to accelerate growth in each of our businesses," said Alex Gorsky, Chairman and Chief Executive Officer. "As we enter 2018 and look beyond, we are experiencing an incredible pace of change in health care. Johnson & Johnson is uniquely positioned to lead during this dynamic era and deliver innovative solutions for patients and consumers that drive sustainable, long-term growth. We are pleased with the passage of recent legislation modernizing the U.S. tax system, which enables Johnson & Johnson to invest in innovation at higher levels to help address the most challenging unmet medical needs facing health care today."

Mr. Gorsky continued, "I want to thank all of our talented colleagues for their commitment, passion and dedication to transforming the lives of patients and consumers worldwide."

The Company announced its 2018 full-year guidance for sales of \$80.6 billion to \$81.4 billion reflecting expected operational growth in the range of 3.5% to 4.5%. The Company also announced adjusted earnings guidance for full-year 2018 of \$8.00 to \$8.20 per share reflecting expected operational growth in the range of 6.8% to 9.6%. * Adjusted earnings guidance excludes the impact of after-tax intangible amortization expense and special items.

Segment Sales Performance

Worldwide Consumer sales of \$13.6 billion for the full-year 2017 represented an increase of 2.2% versus the prior year, consisting of an operational increase of 1.3% and a positive impact from currency of 0.9%. Domestic sales increased 2.7%; international sales increased 1.9%, which reflected an operational increase of 0.4% and a positive currency impact of 1.5%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales decreased 0.5%, domestic sales decreased 0.7% and international sales decreased 0.3% *

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were negatively impacted by declines in the Baby Care and Oral Care businesses, mostly offset by growth in over-the-counter products, including TYLENOL[®] analgesics and upper respiratory products, and NEUTROGENA[®] beauty products.

Worldwide Pharmaceutical sales of \$36.3 billion for the full-year 2017 represented an increase of 8.3% versus the prior year with an operational increase of 8.0% and a positive impact from currency of 0.3%. Domestic sales increased 6.7%; international sales increased 10.8%, which reflected an operational increase of 10.1% and a positive currency impact of 0.7%. Sales included the impact of the acquisition of Actelion Ltd. which was completed in June 2017 and contributed 4.2% to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 4.2%, domestic sales increased 3.1% and international sales increased 5.8%. * Worldwide operational sales growth was negatively impacted by approximately 1.8 points due to a positive adjustment of U.S. rebate accruals in the first half of 2016, which did not repeat in the first half of 2017.

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, IMBRUVICA[®] (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer and TREMFYA[®] (guselkumab), for the treatment of adults living with moderate to severe plaque psoriasis.

Additional contributors to operational sales growth included STELARA[®] (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, INVEGA[®] SUSTENNA[®] /XEPLION[®] /TRINZA[®] (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, ZYTIGA[®] (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer, and XARELTO[®] (rivaroxaban), an oral anticoagulant, partially offset by declines in REMICADE[®] (infliximab), a biologic approved for the treatment of a number of immune-mediated inflammatory diseases, due to biosimilar entrants.

During the quarter, the U.S. Food and Drug Administration (FDA) approved JULUCA[®] (rilpivirine and dolutegravir), the first, complete, single-pill, two-drug regimen for the treatment of human immunodeficiency virus type 1 (HIV-1) infection; a 10 mg once-daily dose of XARELTO[®] (rivaroxaban) for reducing the continued risk for recurrent venous thromboembolism after completing at least six months of initial anticoagulation therapy; and SIMPONI ARIA[®] (golimumab) for the treatment of adults with active psoriatic arthritis or active ankylosing spondylitis. The European Commission approved TREMFYA[®] (guselkumab) for the treatment of adults with moderate to severe plaque psoriasis and granted approval to broaden the existing marketing authorization for ZYTIGA[®] (abiraterone acetate) plus prednisone / prednisolone to include the treatment of newly-diagnosed high-risk metastatic hormone-sensitive prostate cancer.

Regulatory applications for approval were submitted to the FDA and European Medicines Agency to expand the current indication of DARZALEX[®] (daratumumab) for use in combination with bortezomib, melphalan and prednisone, as a treatment for newly diagnosed patients with multiple myeloma ineligible for autologous stem cell transplantation. In addition, a supplemental New Drug Application was submitted to the FDA for two new XARELTO[®] (rivaroxaban) vascular indications: reducing the risk of major cardiovascular (CV) events such as CV death, heart attack or stroke in patients with chronic coronary and/or peripheral artery disease (CAD/PAD), and for reducing the risk of acute limb ischemia in patients with PAD.

Also in the quarter, a worldwide collaboration and license agreement was executed with Legend Biotech, a subsidiary of GenScript Biotech Corporation, to develop, manufacture and commercialize a chimeric antigen receptor (CAR) T-cell therapy, LCAR-B38M, targeting BCMA for the treatment of multiple myeloma.

Worldwide Medical Devices sales of \$26.6 billion for the full-year 2017 represented an increase of 5.9% versus the prior year consisting of an operational increase of 5.7% and a positive currency impact of 0.2%. Domestic sales increased 4.5%; international sales increased 7.1%, which reflected an operational increase of 6.7% and a positive currency impact of 0.4%. Sales included the impact of the acquisition of Abbott Medical Optics which contributed 4.5%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 1.5%, domestic sales were flat and international sales increased 3.0%.*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by electrophysiology products in the Cardiovascular business; endocutters and biosurgicals in the Advanced Surgery 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 and spine products in the Orthopaedics business.

About Johnson & Johnson

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That's why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity.

* 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.

** The provisional estimates are based on the Company's initial analysis of the Tax Cuts and Jobs Act (the "Act") as of January 18, 2018. Given the significant complexity of the Act, anticipated guidance from the U. S. Treasury about implementing the Act, and the potential for additional guidance from the Securities and Exchange Commission or the Financial Accounting Standards Board related to the Act, these estimates may be adjusted during 2018.

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; significant adverse litigation or government action, including related to product liability claims and allegations concerning opioid marketing practices; 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)

FOURTH QUARTER

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,195	100.0	\$ 18,106	100.0	11.5
Cost of products sold	7,243	35.9	5,534	30.5	30.9
Selling, marketing and administrative expenses	6,025	29.8	5,309	29.3	13.5
Research and development expense	3,635	18.0	2,640	14.6	37.7
In-process research and development	408	2.0	—	—	
Interest (income) expense, net	189	0.9	84	0.5	
Other (income) expense, net	(9)	0.0	20	0.1	
Restructuring	144	0.7	195	1.1	
Earnings before provision for taxes on income	2,560	12.7	4,324	23.9	(40.8)
Provision for taxes on income	13,273	65.7	510	2.8	
Net earnings/(Loss)	\$ (10,713)	(53.0)	\$ 3,814	21.1	(380.9)
Net earnings/(Loss) per share (Basic/Diluted)*	\$ (3.99)		\$ 1.38		(389.1)
Average shares outstanding (Basic/Diluted)*	2,684.9		2,764.5		
Effective tax rate	518.5 %		11.8 %		

Adjusted earnings before provision for taxes and net earnings ^{(1)(A)}					
Earnings before provision for taxes on income	\$ 5,251	26.0	\$ 5,103	28.2	2.9
Net earnings	\$ 4,777	23.7	\$ 4,361	24.1	9.5
Net earnings per share (Diluted)	\$ 1.74		\$ 1.58		10.1
Average shares outstanding (Diluted)**	2,740.7		2,764.5		
Effective tax rate	9.0 %		14.5 %		

*Basic shares are used to calculate loss per share as use of diluted shares when in a loss position would be anti-dilutive.

**Difference of 55.8 shares due to anti-dilutive impact on net loss position.

⁽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)

TWELVE MONTHS

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 76,450	100.0	\$ 71,890	100.0	6.3
Cost of products sold	25,354	33.2	21,685	30.2	16.9
Selling, marketing and administrative expenses	21,420	28.0	19,945	27.7	7.4
Research and development expense	10,554	13.8	9,095	12.7	16.0
In-process research and development	408	0.6	29	0.0	
Interest (income) expense, net	549	0.7	358	0.5	
Other (income) expense, net	183	0.2	484	0.7	
Restructuring	309	0.4	491	0.7	
Earnings before provision for taxes on income	17,673	23.1	19,803	27.5	(10.8)
Provision for taxes on income	16,373	21.4	3,263	4.5	401.8
Net earnings	\$ 1,300	1.7	\$ 16,540	23.0	(92.1)
Net earnings per share (Diluted)	\$ 0.47		\$ 5.93		(92.1)
Average shares outstanding (Diluted)	2,745.3		2,788.9		
Effective tax rate	92.6 %		16.5 %		

Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 24,212	31.7	\$ 22,759	31.7	6.4
Net earnings	\$ 20,040	26.2	\$ 18,764	26.1	6.8
Net earnings per share (Diluted)	\$ 7.30		\$ 6.73		8.5
Effective tax rate	17.2 %		17.6 %		

⁽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)

FOURTH QUARTER

	2017	2016	Total	Percent Change	
				Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 1,379	1,387	(0.6) %	(0.6)	—
International	2,161	2,045	5.7	1.2	4.5
	3,540	3,432	3.1	0.4	2.7
Pharmaceutical					
U.S.	5,776	5,002	15.5	15.5	—
International	3,905	3,230	20.9	15.5	5.4
	9,681	8,232	17.6	15.5	2.1
Medical Devices					
U.S.	3,314	3,148	5.3	5.3	—
International	3,660	3,294	11.1	7.5	3.6
	6,974	6,442	8.3	6.5	1.8
U.S.	10,469	9,537	9.8	9.8	—
International	9,726	8,569	13.5	9.0	4.5
Worldwide	\$ 20,195	18,106	11.5 %	9.4	2.1

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

(Unaudited; Dollars in Millions)

TWELVE MONTHS

				Percent Change	
	2017	2016	Total	Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 5,565	5,420	2.7 %	2.7	—
International	8,037	7,887	1.9	0.4	1.5
	13,602	13,307	2.2	1.3	0.9
Pharmaceutical					
U.S.	21,474	20,125	6.7	6.7	—
International	14,782	13,339	10.8	10.1	0.7
	36,256	33,464	8.3	8.0	0.3
Medical Devices					
U.S.	12,824	12,266	4.5	4.5	—
International	13,768	12,853	7.1	6.7	0.4
	26,592	25,119	5.9	5.7	0.2
U.S.	39,863	37,811	5.4	5.4	—
International	36,587	34,079	7.4	6.6	0.8
Worldwide	\$ 76,450	71,890	6.3 %	6.0	0.3

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

(Unaudited; Dollars in Millions)

FOURTH QUARTER

	Percent Change				
	2017	2016	Total	Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,469	9,537	9.8 %	9.8	—
Europe	4,728	4,001	18.2	10.1	8.1
Western Hemisphere excluding U.S.	1,519	1,465	3.7	1.8	1.9
Asia-Pacific, Africa	3,479	3,103	12.1	11.1	1.0
International	9,726	8,569	13.5	9.0	4.5
Worldwide	\$ 20,195	18,106	11.5 %	9.4	2.1

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

(Unaudited; Dollars in Millions)

TWELVE MONTHS

	2017	2016	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 39,863	37,811	5.4 %	5.4	—
Europe	17,126	15,770	8.6	7.2	1.4
Western Hemisphere excluding U.S.	6,041	5,734	5.4	2.8	2.6
Asia-Pacific, Africa	13,420	12,575	6.7	7.5	(0.8)
International	36,587	34,079	7.4	6.6	0.8
Worldwide	\$ 76,450	71,890	6.3 %	6.0	0.3

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

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. /
	2017	2016	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 2,560	4,324	(40.8) %
Intangible asset amortization expense	1,077	344	
Litigation expense, net	645	96	
Actelion acquisition related cost	217	—	
Restructuring/Other ⁽¹⁾	284	298	
In-process research and development	408	—	
Diabetes asset impairment	35	—	
AMO acquisition related cost	25	—	
DePuy ASR TM Hip program	—	9	
Other	—	32	
Earnings before provision for taxes on income - as adjusted	\$ 5,251	5,103	2.9 %
Net Earnings/(Loss) - as reported	\$ (10,713)	3,814	(380.9) %
Impact of tax legislation	13,556	—	
Intangible asset amortization expense	926	252	
Litigation expense, net	506	80	
Actelion acquisition related cost	313	—	
Restructuring/Other	237	251	
In-process research and development	266	—	
Diabetes asset impairment	(116)	—	
AMO acquisition related cost	(198)	—	
DePuy ASR TM Hip program	—	7	
Other	—	(43)	
Net Earnings - as adjusted	\$ 4,777	4,361	9.5 %
Diluted Net Earnings/(Loss) per share - as reported	\$ (3.99)	1.38	(389.1) %
Dilutive impact of shares excluded due to net loss position	0.08	—	
Impact of tax legislation	4.94	—	
Intangible asset amortization expense	0.34	0.09	
Litigation expense, net	0.19	0.03	
Actelion acquisition related cost	0.11	—	
Restructuring/Other	0.08	0.09	
In-process research and development	0.10	—	
Diabetes asset impairment	(0.04)	—	
AMO acquisition related cost	(0.07)	—	
DePuy ASR TM Hip program	—	—	
Other	—	(0.01)	
Diluted Net Earnings per share - as adjusted	\$ 1.74	1.58	10.1 %
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		1.59	
Impact of currency at 2016 foreign currency exchange rates	(0.07)	(0.01)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	\$ 1.67	1.58	5.7 %

⁽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.

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

<i>(Dollars in Millions Except Per Share Data)</i>	Twelve Months		% Incr. /
	2017	2016	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 17,673	19,803	(10.8) %
Intangible asset amortization expense	2,963	1,271	
Litigation expense, net	1,256	817	
Actelion acquisition related cost	797	—	
Restructuring/Other ⁽¹⁾	760	685	
In-process research and development	408	29	
Diabetes asset impairment	215	—	
AMO acquisition related cost	140	—	
DePuy ASR™ Hip program	—	9	
Other	—	145	
Earnings before provision for taxes on income - as adjusted	\$ 24,212	22,759	6.4 %
Net Earnings/(Loss) - as reported	\$ 1,300	16,540	(92.1) %
Impact of tax legislation	13,556	—	
Intangible asset amortization expense	2,481	931	
Litigation expense, net	955	675	
Actelion acquisition related cost	767	—	
Restructuring/Other	595	544	
In-process research and development	266	23	
Diabetes asset impairment	4	—	
AMO acquisition related cost	116	—	
DePuy ASR™ Hip program	—	7	
Other	—	44	
Net Earnings - as adjusted	\$ 20,040	18,764	6.8 %
Diluted Net Earnings/(Loss) per share - as reported	\$ 0.47	5.93	(92.1) %
Dilutive impact of shares excluded due to loss position	—	—	
Impact of tax legislation	4.94	—	
Intangible asset amortization expense	0.90	0.33	
Litigation expense, net	0.35	0.24	
Actelion acquisition related cost	0.28	—	
Restructuring/Other	0.22	0.20	
In-process research and development	0.10	0.01	
Diabetes asset impairment	—	—	
AMO acquisition related cost	0.04	—	
DePuy ASR™ Hip program	—	—	
Other	—	0.02	
Diluted Net Earnings per share - as adjusted	\$ 7.30	6.73	8.5 %
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		6.78	
Impact of currency at 2016 foreign currency exchange rates	(0.06)	(0.05)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	\$ 7.24	6.73	7.6 %

⁽¹⁾ 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.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measure

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

Segments

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

⁽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)
 TWELVE MONTHS 2017 ACTUAL vs. 2016 ACTUAL

Segments

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

WW Ops excluding Acquisitions and Divestitures	(0.5)%	4.2%	1.5%	2.4%
U.S.	(0.7)%	3.1%	0.0%	1.6%
International	(0.3)%	5.8%	3.0%	3.3%

(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)

FOURTH QUARTER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 123	123	0.0 %	0.0 %	—%
Intl	367	370	(0.8)	(3.2)	2.4
WW	<u>490</u>	<u>493</u>	(0.6)	(2.4)	1.8
BEAUTY					
US	596	580	2.8	2.8	—
Intl	514	483	6.4	2.0	4.4
WW	<u>1,110</u>	<u>1,063</u>	4.4	2.4	2.0
ORAL CARE					
US	156	163	(4.3)	(4.3)	—
Intl	237	234	1.3	(2.6)	3.9
WW	<u>393</u>	<u>397</u>	(1.0)	(3.3)	2.3
OTC					
US	406	418	(2.9)	(2.9)	—
Intl	699	621	12.6	6.3	6.3
WW	<u>1,105</u>	<u>1,039</u>	6.4	2.6	3.8
WOMEN'S HEALTH					
US	3	3	0.0	0.0	—
Intl	259	261	(0.8)	(4.5)	3.7
WW	<u>262</u>	<u>264</u>	(0.8)	(4.4)	3.6
WOUND CARE/OTHER					
US	95	100	(5.0)	(5.0)	—
Intl	85	76	11.8	6.1	5.7
WW	<u>180</u>	<u>176</u>	2.3	(0.1)	2.4
TOTAL CONSUMER					
US	1,379	1,387	(0.6)	(0.6)	—
Intl	2,161	2,045	5.7	1.2	4.5
WW	<u>\$ 3,540</u>	<u>3,432</u>	3.1 %	0.4 %	2.7%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	FOURTH QUARTER				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3)}					
IMMUNOLOGY					
US	\$ 2,227	2,157	3.2 %	3.2 %	—%
Intl	859	779	10.3	5.2	5.1
WW	3,086	2,936	5.1	3.7	1.4
<u>REMICADE</u>					
US	1,073	1,173	(8.5)	(8.5)	—
US Exports ⁽⁴⁾	115	109	5.5	5.5	—
Intl	278	342	(18.7)	(22.6)	3.9
WW	1,466	1,624	(9.7)	(10.5)	0.8
<u>SIMPONI / SIMPONI ARIA</u>					
US	253	243	4.1	4.1	—
Intl	237	183	29.5	25.1	4.4
WW	490	426	15.0	13.1	1.9
<u>STELARA</u>					
US	740	632	17.1	17.1	—
Intl	341	247	38.1	30.6	7.5
WW	1,081	879	23.0	20.9	2.1
<u>OTHER IMMUNOLOGY</u>					
US	46	—	*	*	—
Intl	3	7	(57.1)	(57.1)	0.0
WW	49	7	*	*	0.0
INFECTIOUS DISEASES					
US	338	354	(4.5)	(4.5)	—
Intl	462	407	13.5	5.9	7.6
WW	800	761	5.1	1.0	4.1
<u>EDURANT / rilpivirine</u>					
US	14	14	0.0	0.0	—
Intl	178	151	17.9	8.9	9.0
WW	192	165	16.4	8.2	8.2
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	285	283	0.7	0.7	—
Intl	185	164	12.8	5.5	7.3
WW	470	447	5.1	2.4	2.7
<u>OTHER INFECTIOUS DISEASES</u>					
US	39	57	(31.6)	(31.6)	—
Intl	99	92	7.6	1.5	6.1
WW	138	149	(7.4)	(11.1)	3.7

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	FOURTH QUARTER				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3)} (Continued)					
NEUROSCIENCE					
US	\$ 699	631	10.8 %	10.8 %	—%
Intl	825	839	(1.7)	(5.3)	3.6
WW	1,524	1,470	3.7	1.6	2.1
<u>CONCERTA / METHYLPHENIDATE</u>					
US	100	103	(2.9)	(2.9)	—
Intl	103	101	2.0	(0.6)	2.6
WW	203	204	(0.5)	(1.8)	1.3
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	436	360	21.1	21.1	—
Intl	257	225	14.2	8.0	6.2
WW	693	585	18.5	16.1	2.4
<u>RISPERDAL CONSTA</u>					
US	87	92	(5.4)	(5.4)	—
Intl	110	118	(6.8)	(11.5)	4.7
WW	197	210	(6.2)	(8.8)	2.6
<u>OTHER NEUROSCIENCE</u>					
US	76	76	0.0	0.0	—
Intl	355	395	(10.1)	(12.2)	2.1
WW	431	471	(8.5)	(10.2)	1.7
ONCOLOGY					
US	891	595	49.7	49.7	—
Intl	1,148	867	32.4	26.0	6.4
WW	2,039	1,462	39.5	35.7	3.8
<u>DARZALEX</u>					
US	241	151	59.6	59.6	—
Intl	130	49	*	*	*
WW	371	200	85.5	82.3	3.2
<u>IMBRUVICA</u>					
US	219	158	38.6	38.6	—
Intl	303	188	61.2	52.2	9.0
WW	522	346	50.9	46.0	4.9
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	271	274	(1.1)	(5.6)	4.5
WW	271	274	(1.1)	(5.6)	4.5
<u>ZYTIGA</u>					
US	402	249	61.4	61.4	—
Intl	353	270	30.7	25.0	5.7
WW	755	519	45.5	42.5	3.0
<u>OTHER ONCOLOGY</u>					
US	29	37	(21.6)	(21.6)	—
Intl	91	86	5.8	0.5	5.3
WW	120	123	(2.4)	(6.1)	3.7

Johnson & Johnson

Segment Sales
(Dollars in Millions)

FOURTH QUARTER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3) (Continued)}					
PULMONARY HYPERTENSION ⁽⁵⁾					
US	\$ 365	—	*	*	—
Intl	245	—	*	*	—
WW	<u>610</u>	<u>—</u>	*	*	—
<u>OPSUMIT</u>					
US	146	—	*	*	—
Intl	123	—	*	*	—
WW	<u>269</u>	<u>—</u>	*	*	—
<u>TRACLEER</u>					
US	76	—	*	*	—
Intl	91	—	*	*	—
WW	<u>167</u>	<u>—</u>	*	*	—
<u>UPTRAVI</u>					
US	117	—	*	*	—
Intl	13	—	*	*	—
WW	<u>130</u>	<u>—</u>	*	*	—
<u>OTHER</u>					
US	26	—	*	*	—
Intl	18	—	*	*	—
WW	<u>44</u>	<u>—</u>	*	*	—

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

FOURTH QUARTER

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

CARDIOVASCULAR / METABOLISM / OTHER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 1,256	1,265	(0.7)%	(0.7)%	—%
Intl	366	338	8.3	3.2	5.1
WW	1,622	1,603	1.2	0.1	1.1
<u>XARELTO</u>					
US	710	598	18.7	18.7	—
Intl	—	—	—	—	—
WW	710	598	18.7	18.7	—
<u>INVOKANA / INVOKAMET</u>					
US	221	334	(33.8)	(33.8)	—
Intl	46	37	24.3	16.4	7.9
WW	267	371	(28.0)	(28.8)	0.8
<u>PROCIT / EPREX</u>					
US	164	186	(11.8)	(11.8)	—
Intl	68	73	(6.8)	(12.1)	5.3
WW	232	259	(10.4)	(11.9)	1.5
<u>OTHER</u>					
US	161	147	9.5	9.5	—
Intl	252	228	10.5	5.9	4.6
WW	413	375	10.1	7.3	2.8
TOTAL PHARMACEUTICAL					
US	5,776	5,002	15.5	15.5	—
Intl	3,905	3,230	20.9	15.5	5.4
WW	\$ 9,681	8,232	17.6 %	15.5 %	2.1%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	FOURTH QUARTER				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾					
CARDIOVASCULAR					
US	\$ 286	247	15.8 %	15.8 %	—%
Intl	282	238	18.5	15.6	2.9
WW	<u>568</u>	<u>485</u>	17.1	15.7	1.4
DIABETES CARE					
US	130	191	(31.9)	(31.9)	—
Intl	260	271	(4.1)	(9.3)	5.2
WW	<u>390</u>	<u>462</u>	(15.6)	(18.7)	3.1
DIAGNOSTICS					
US	—	—	—	—	—
Intl	—	—	—	—	—
WW	<u>—</u>	<u>—</u>	—	—	—
ORTHOPAEDICS					
US	1,389	1,422	(2.3)	(2.3)	—
Intl	950	965	(1.6)	(5.8)	4.2
WW	<u>2,339</u>	<u>2,387</u>	(2.0)	(3.7)	1.7
<u>HIPS</u>					
US	215	208	3.4	3.4	—
Intl	149	142	4.9	0.4	4.5
WW	<u>364</u>	<u>350</u>	4.0	2.2	1.8
<u>KNEES</u>					
US	246	247	(0.4)	(0.4)	—
Intl	151	148	2.0	(2.5)	4.5
WW	<u>397</u>	<u>395</u>	0.5	(1.2)	1.7
<u>TRAUMA</u>					
US	397	394	0.8	0.8	—
Intl	272	260	4.6	0.4	4.2
WW	<u>669</u>	<u>654</u>	2.3	0.6	1.7
<u>SPINE & OTHER</u>					
US	531	573	(7.3)	(7.3)	—
Intl	378	415	(8.9)	(13.0)	4.1
WW	<u>909</u>	<u>988</u>	(8.0)	(9.7)	1.7

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	FOURTH QUARTER				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾ (Continued)					
SURGERY					
US	\$ 1,076	1,023	5.2 %	5.2 %	—%
Intl	1,482	1,364	8.7	5.4	3.3
WW	2,558	2,387	7.2	5.3	1.9
<u>ADVANCED</u>					
US	430	393	9.4	9.4	—
Intl	593	515	15.1	11.7	3.4
WW	1,023	908	12.7	10.8	1.9
<u>GENERAL</u>					
US	452	415	8.9	8.9	—
Intl	718	687	4.5	1.0	3.5
WW	1,170	1,102	6.2	4.0	2.2
<u>SPECIALTY</u>					
US	194	215	(9.8)	(9.8)	—
Intl	171	162	5.6	3.1	2.5
WW	365	377	(3.2)	(4.3)	1.1
VISION CARE					
US	433	265	63.4	63.4	—
Intl	686	456	50.4	48.2	2.2
WW	1,119	721	55.2	53.8	1.4
<u>CONTACT LENSES / OTHER</u>					
US	290	265	9.4	9.4	—
Intl	510	456	11.8	9.6	2.2
WW	800	721	11.0	9.6	1.4
<u>SURGICAL</u>					
US	143	—	*	*	—
Intl	176	—	*	*	—
WW	319	—	*	*	—
TOTAL MEDICAL DEVICES					
US	3,314	3,148	5.3	5.3	—
Intl	3,660	3,294	11.1	7.5	3.6
WW	\$ 6,974	6,442	8.3 %	6.5 %	1.8%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

TWELVE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 449	488	(8.0)%	(8.0)%	—%
Intl	1,467	1,513	(3.0)	(3.6)	0.6
WW	1,916	2,001	(4.2)	(4.7)	0.5
BEAUTY					
US	2,335	2,135	9.4	9.4	—
Intl	1,865	1,762	5.8	4.5	1.3
WW	4,200	3,897	7.8	7.2	0.6
ORAL CARE					
US	616	648	(4.9)	(4.9)	—
Intl	915	920	(0.5)	(1.8)	1.3
WW	1,531	1,568	(2.4)	(3.2)	0.8
OTC					
US	1,716	1,675	2.4	2.4	—
Intl	2,410	2,302	4.7	2.7	2.0
WW	4,126	3,977	3.7	2.6	1.1
WOMEN'S HEALTH					
US	12	19	(36.8)	(36.8)	—
Intl	1,038	1,048	(1.0)	(3.1)	2.1
WW	1,050	1,067	(1.6)	(3.7)	2.1
WOUND CARE/OTHER					
US	437	455	(4.0)	(4.0)	—
Intl	342	342	0.0	(1.7)	1.7
WW	779	797	(2.3)	(3.0)	0.7
TOTAL CONSUMER					
US	5,565	5,420	2.7	2.7	—
Intl	8,037	7,887	1.9	0.4	1.5
WW	\$ 13,602	13,307	2.2 %	1.3 %	0.9%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	TWELVE MONTHS				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾⁽³⁾					
IMMUNOLOGY					
US	\$ 8,871	8,846	0.3 %	0.3 %	—%
Intl	3,373	3,122	8.0	6.7	1.3
WW	12,244	11,968	2.3	2.0	0.3
<u>REMICADE</u>					
US	4,525	4,842	(6.5)	(6.5)	—
US Exports ⁽⁴⁾	563	782	(28.0)	(28.0)	—
Intl	1,227	1,342	(8.6)	(10.2)	1.6
WW	6,315	6,966	(9.3)	(9.6)	0.3
<u>SIMPONI / SIMPONI ARIA</u>					
US	954	959	(0.5)	(0.5)	—
Intl	879	786	11.8	10.9	0.9
WW	1,833	1,745	5.0	4.6	0.4
<u>STELARA</u>					
US	2,767	2,263	22.3	22.3	—
Intl	1,244	969	28.4	27.2	1.2
WW	4,011	3,232	24.1	23.7	0.4
<u>OTHER IMMUNOLOGY</u>					
US	62	—	*	*	—
Intl	23	25	(8.0)	(9.3)	1.3
WW	85	25	*	*	1.3
INFECTIOUS DISEASES					
US	1,358	1,461	(7.0)	(7.0)	—
Intl	1,796	1,747	2.8	1.0	1.8
WW	3,154	3,208	(1.7)	(2.7)	1.0
<u>EDURANT / rilpivirine</u>					
US	58	52	11.5	11.5	—
Intl	656	521	25.9	23.1	2.8
WW	714	573	24.6	22.1	2.5
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	1,109	1,143	(3.0)	(3.0)	—
Intl	712	708	0.6	(0.8)	1.4
WW	1,821	1,851	(1.6)	(2.1)	0.5
<u>OTHER INFECTIOUS DISEASES</u>					
US	191	266	(28.2)	(28.2)	—
Intl	428	518	(17.4)	(18.7)	1.3
WW	619	784	(21.0)	(21.9)	0.9

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	TWELVE MONTHS				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (3)} (Continued)					
NEUROSCIENCE					
US	\$ 2,630	2,628	0.1 %	0.1 %	— %
Intl	3,356	3,457	(2.9)	(3.0)	0.1
WW	<u>5,986</u>	<u>6,085</u>	(1.6)	(1.6)	0.0
<u>CONCERTA / METHYLPHENIDATE</u>					
US	384	468	(17.9)	(17.9)	—
Intl	407	395	3.0	2.8	0.2
WW	<u>791</u>	<u>863</u>	(8.3)	(8.4)	0.1
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	1,590	1,343	18.4	18.4	—
Intl	979	871	12.4	11.6	0.8
WW	<u>2,569</u>	<u>2,214</u>	16.0	15.7	0.3
<u>RISPERDAL CONSTA</u>					
US	360	381	(5.5)	(5.5)	—
Intl	445	512	(13.1)	(13.4)	0.3
WW	<u>805</u>	<u>893</u>	(9.9)	(10.1)	0.2
<u>OTHER NEUROSCIENCE</u>					
US	296	436	(32.1)	(32.1)	—
Intl	1,525	1,679	(9.2)	(8.7)	(0.5)
WW	<u>1,821</u>	<u>2,115</u>	(13.9)	(13.5)	(0.4)
ONCOLOGY					
US	3,098	2,335	32.7	32.7	—
Intl	4,160	3,472	19.8	19.1	0.7
WW	<u>7,258</u>	<u>5,807</u>	25.0	24.6	0.4
<u>DARZALEX</u>					
US	884	471	87.7	87.7	—
Intl	358	101	*	*	*
WW	<u>1,242</u>	<u>572</u>	*	*	*
<u>IMBRUVICA</u>					
US	841	613	37.2	37.2	—
Intl	1,052	638	64.9	63.2	1.7
WW	<u>1,893</u>	<u>1,251</u>	51.3	50.4	0.9
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	1,114	1,224	(9.0)	(8.8)	(0.2)
WW	<u>1,114</u>	<u>1,224</u>	(9.0)	(8.8)	(0.2)
<u>ZYTIGA</u>					
US	1,228	1,089	12.8	12.8	—
Intl	1,277	1,171	9.1	8.5	0.6
WW	<u>2,505</u>	<u>2,260</u>	10.8	10.5	0.3
<u>OTHER ONCOLOGY</u>					
US	145	162	(10.5)	(10.5)	—
Intl	359	338	6.2	5.6	0.6
WW	<u>504</u>	<u>500</u>	0.8	0.4	0.4

Johnson & Johnson

Segment Sales
(Dollars in Millions)

TWELVE MONTHS

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

PULMONARY HYPERTENSION ⁽⁵⁾

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 773	—	*	*	—
Intl	554	—	*	*	—
WW	<u>1,327</u>	<u>—</u>	*	*	—
<u>OPSUMIT</u>					
US	320	—	*	*	—
Intl	253	—	*	*	—
WW	<u>573</u>	<u>—</u>	*	*	—
<u>TRACLEER</u>					
US	161	—	*	*	—
Intl	242	—	*	*	—
WW	<u>403</u>	<u>—</u>	*	*	—
<u>UPTRAVI</u>					
US	238	—	*	*	—
Intl	25	—	*	*	—
WW	<u>263</u>	<u>—</u>	*	*	—
<u>OTHER</u> ⁽⁶⁾					
US	54	—	*	*	—
Intl	34	—	*	*	—
WW	<u>88</u>	<u>—</u>	*	*	—

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

TWELVE MONTHS

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

CARDIOVASCULAR / METABOLISM / OTHER

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 4,744	4,855	(2.3)%	(2.3)%	— %
Intl	1,543	1,541	0.1	0.5	(0.4)
WW	<u>6,287</u>	<u>6,396</u>	(1.7)	(1.6)	(0.1)
<u>XARELTO</u>					
US	2,500	2,288	9.3	9.3	—
Intl	—	—	—	—	—
WW	<u>2,500</u>	<u>2,288</u>	9.3	9.3	—
<u>INVOKANA / INVOKAMET</u>					
US	944	1,273	(25.8)	(25.8)	—
Intl	167	134	24.6	23.7	0.9
WW	<u>1,111</u>	<u>1,407</u>	(21.0)	(21.1)	0.1
<u>PROCIT / EPREX</u>					
US	675	767	(12.0)	(12.0)	—
Intl	297	338	(12.1)	(13.0)	0.9
WW	<u>972</u>	<u>1,105</u>	(12.0)	(12.3)	0.3
<u>OTHER ⁽⁶⁾</u>					
US	625	527	18.6	18.6	—
Intl	1,079	1,069	0.9	1.9	(1.0)
WW	<u>1,704</u>	<u>1,596</u>	6.8	7.5	(0.7)
TOTAL PHARMACEUTICAL					
US	21,474	20,125	6.7	6.7	—
Intl	14,782	13,339	10.8	10.1	0.7
WW	<u>\$ 36,256</u>	<u>33,464</u>	8.3 %	8.0 %	0.3 %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

TWELVE MONTHS

	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾					
CARDIOVASCULAR					
US	\$ 1,071	948	13.0 %	13.0 %	— %
Intl	1,025	901	13.8	14.0	(0.2)
WW	2,096	1,849	13.4	13.5	(0.1)
DIABETES CARE					
US	612	739	(17.2)	(17.2)	—
Intl	1,003	1,050	(4.5)	(5.8)	1.3
WW	1,615	1,789	(9.7)	(10.5)	0.8
DIAGNOSTICS					
US	—	—	—	—	—
Intl	1	66	*	*	*
WW	1	66	*	*	*
ORTHOPAEDICS					
US	5,481	5,521	(0.7)	(0.7)	—
Intl	3,777	3,813	(0.9)	(1.6)	0.7
WW	9,258	9,334	(0.8)	(1.1)	0.3
<u>HIPS</u>					
US	827	798	3.6	3.6	—
Intl	567	563	0.7	0.0	0.7
WW	1,394	1,361	2.4	2.1	0.3
<u>KNEES</u>					
US	948	943	0.5	0.5	—
Intl	575	581	(1.0)	(1.6)	0.6
WW	1,523	1,524	(0.1)	(0.3)	0.2
<u>TRAUMA</u>					
US	1,576	1,545	2.0	2.0	—
Intl	1,040	1,024	1.6	0.7	0.9
WW	2,616	2,569	1.8	1.5	0.3
<u>SPINE & OTHER</u>					
US	2,130	2,235	(4.7)	(4.7)	—
Intl	1,595	1,645	(3.0)	(3.6)	0.6
WW	3,725	3,880	(4.0)	(4.2)	0.2

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	TWELVE MONTHS				
	2017	2016	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾ (Continued)					
SURGERY					
US	\$ 4,085	4,026	1.5 %	1.5 %	— %
Intl	5,474	5,270	3.9	3.5	0.4
WW	9,559	9,296	2.8	2.6	0.2
<u>ADVANCED</u>					
US	1,620	1,524	6.3	6.3	—
Intl	2,136	1,993	7.2	7.0	0.2
WW	3,756	3,517	6.8	6.7	0.1
<u>GENERAL</u>					
US	1,728	1,669	3.5	3.5	—
Intl	2,735	2,693	1.6	1.2	0.4
WW	4,463	4,362	2.3	2.0	0.3
<u>SPECIALTY</u>					
US	737	833	(11.5)	(11.5)	—
Intl	603	584	3.3	2.4	0.9
WW	1,340	1,417	(5.4)	(5.8)	0.4
VISION CARE					
US	1,575	1,032	52.6	52.6	—
Intl	2,488	1,753	41.9	42.0	(0.1)
WW	4,063	2,785	45.9	46.0	(0.1)
<u>CONTACT LENSES / OTHER</u>					
US	1,122	1,032	8.7	8.7	—
Intl	1,914	1,753	9.2	9.3	(0.1)
WW	3,036	2,785	9.0	9.1	(0.1)
<u>SURGICAL</u>					
US	453	—	*	*	—
Intl	574	—	*	*	—
WW	1,027	—	*	*	—
TOTAL MEDICAL DEVICES					
US	12,824	12,266	4.5	4.5	—
Intl	13,768	12,853	7.1	6.7	0.4
WW	\$ 26,592	25,119	5.9 %	5.7 %	0.2 %

* 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

⁽⁶⁾ All non-PAH Actelion products were reclassified to Other within the Cardiovascular/Metabolism/Other therapeutic area.

See supplementary schedule.

Johnson & Johnson
Supplemental Sales Information
(Dollars in Millions)

Prior quarter amounts have been reclassified to conform to current quarter product disclosure

	2017	
	Q3	Q2
PHARMACEUTICAL SEGMENT ⁽¹⁾		
PULMONARY HYPERTENSION		
US	\$ 371	37
Intl	261	48
WW	632	85
 <u>OTHER ⁽²⁾</u>		
US	25	3
Intl	14	2
WW	39	5
 CARDIOVASCULAR / METABOLISM / OTHER		
US	1,179	1,214
Intl	406	391
WW	1,585	1,605
 <u>OTHER ⁽³⁾</u>		
US	156	142
Intl	291	271
WW	\$ 447	413

⁽¹⁾ Unaudited

⁽²⁾ All non-PAH Actelion products removed; Previously included All Other PAH & Non-PAH products.

⁽³⁾ Includes Actelion non-PAH products; Previously included in Pulmonary Hypertension Other.