



October 18, 2016

## Johnson & Johnson Reports 2016 Third-Quarter Results:

**Sales of \$17.8 Billion Increased 4.2% versus 2015 Third Quarter**

**Third-Quarter EPS was \$1.53**

**Adjusted 2016 Third-Quarter EPS of \$1.68 Increased 12.8%\***

**Strong Operational Sales Growth of 5.9%, Excluding Acquisitions/Divestitures and Hepatitis C Impact  
Continued Progress of Robust Pharmaceutical Pipeline**

NEW BRUNSWICK, N.J., Oct. 18, 2016 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$17.8 billion for the third quarter of 2016, an increase of 4.2% as compared to the third quarter of 2015. Operational sales results increased 4.3% and the negative impact of currency was 0.1%. Domestic sales increased 6.7%. International sales increased 1.5%, reflecting operational growth of 1.7% and a negative currency impact of 0.2%. Excluding the net impact of acquisitions, divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 5.9%, domestic sales increased 7.3% and international sales increased 4.2%. \* Operations in Venezuela negatively impacted worldwide operational sales growth by 30 basis points, and international sales growth by 70 basis points.

Net earnings and diluted earnings per share for the third quarter of 2016 were \$4.3 billion and \$1.53, respectively. 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. Third quarter 2015 net earnings included after-tax intangible amortization expense of approximately \$0.4 billion and a charge for after-tax special items of approximately \$0.4 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$4.7 billion and adjusted diluted earnings per share were \$1.68, representing increases of 12.2% and 12.8%, respectively, as compared to the same period in 2015. \* On an operational basis, adjusted diluted earnings per share also increased 12.8%. \* A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

"Our third-quarter results reflect the success of our new product launches and the strength of our core businesses, driven by strong growth in our Pharmaceuticals business. With a number of regulatory approvals, several new drug application submissions and new breakthrough therapy designations from the FDA, we are increasingly confident in our pipeline expectation of filing 10 new pharmaceutical products between 2015 and 2019, each with revenue potential over \$1 billion," said Alex Gorsky, Chairman and Chief Executive Officer. "Our broad-based business model, strategic investments and talented colleagues position us well for continued leadership in health care."

The Company maintained its sales guidance for the full-year 2016 of \$71.5 billion to \$72.2 billion. Additionally, the Company increased its adjusted earnings guidance for full-year 2016 to \$6.68 - \$6.73 per share.\*

Worldwide Consumer sales of \$3.3 billion for the third quarter 2016 represented a decrease of 1.6% versus the prior year, consisting of an operational increase of 0.1% and a negative impact from currency of 1.7%. Domestic sales increased 1.1%; international sales decreased 3.3%, which reflected an operational decrease of 0.6% and a negative currency impact of 2.7%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales decreased 0.4%, domestic sales decreased 1.5% and international sales increased 0.3%\*. Operations in Venezuela negatively impacted worldwide Consumer operational sales growth by 110 basis points and international sales growth by 180 basis points.

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were negatively impacted by lower trade inventory levels, primarily in the U.S. Positive contributors to Consumer operational sales results included LISTERINE® oral care products; AVEENO® skin care products and digestive health products and international smoking aids in over-the-counter products.

Worldwide Pharmaceutical sales of \$8.4 billion for the third quarter 2016 represented an increase of 9.2% versus the prior year with an operational increase of 9.0% and a positive impact from currency of 0.2%. Domestic sales increased 11.8%; international sales increased 5.4%, which reflected an operational increase of 5.0% and a positive currency impact of 0.4%. Excluding the net impact of acquisitions, divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 10.7%, domestic sales increased 13.0% and international sales increased 7.0%.\*

Worldwide operational results, excluding the net impact of acquisitions, divestitures and hepatitis C sales, were driven by new products and the strength of core products. Strong growth in new products include IMBRUVICA® (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer; DARZALEX® (daratumumab), for the treatment of patients with multiple myeloma; and XARELTO® (rivaroxaban), an oral anticoagulant.

Additional contributors to operational sales growth included STELARA® (ustekinumab), REMICADE® (infliximab) and SIMPONI®/SIMPONI ARIA® (golimumab), biologics approved for the treatment of a number of immune-mediated inflammatory diseases; 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 INVOKAMET® XR (canagliflozin/metformin HCl

extended-release) for first-line treatment of adults with type 2 diabetes, and STELARA<sup>®</sup> (ustekinumab) for the treatment of adults with moderately to severely active Crohn's disease. The Committee for Medicinal Products for Human Use issued a positive opinion recommending approval of STELARA<sup>®</sup> for the treatment of adults with moderately to severely active Crohn's disease.

Additionally, regulatory applications for approval were submitted to the FDA and European Medicines Agency (EMA) for DARZALEX<sup>®</sup> in combination with standard-of-care regimens for patients with multiple myeloma who have received at least one prior therapy. DARZALEX<sup>®</sup> also received Breakthrough Therapy Designation from the FDA for this pending indication. The FDA also granted Breakthrough Therapy Designation to esketamine for major depressive disorder with imminent risk for suicide. Regulatory applications for approval were also submitted to the FDA for sirukumab in rheumatoid arthritis, and to EMA for a darunavir-based single tablet regimen for the treatment of HIV-1.

Worldwide Medical Devices sales of \$6.2 billion for the third quarter 2016 represented an increase of 1.1% versus the prior year consisting of an operational increase of 0.7% and a positive currency impact of 0.4%. Domestic sales increased 1.4%; international sales increased 0.7%, which reflected an operational decline of 0.2% and a positive currency impact of 0.9%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 3.1%, domestic sales increased 2.3% and international sales increased 3.9%.<sup>\*</sup>

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by electrophysiology products in the Cardiovascular business; endocutters and energy in the Advanced Surgery business; ACUVUE<sup>®</sup> contact lenses in the Vision Care business; and joint reconstruction and trauma products in the Orthopaedics business.

During the quarter, a definitive agreement was announced to acquire Abbott Medical Optics, a wholly-owned subsidiary of Abbott Laboratories, for \$4.325 billion in cash. Acclarent announced the U.S. launch of ACCLARENT AERA<sup>™</sup>, the first balloon dilation intervention approved by the FDA for Eustachian Tube Dysfunction.

### **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 126,900 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.

<sup>\*</sup> Operational sales growth excluding the net impact of acquisitions, divestitures and hepatitis C sales, 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](http://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](http://www.investor.jnj.com). A replay and podcast will be available approximately two hours after the live webcast by visiting [www.investor.jnj.com](http://www.investor.jnj.com).

Copies of the financial schedules accompanying this press release are available at [www.investor.jnj.com/historical-sales.cfm](http://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](http://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 factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new 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; market conditions and the possibility that the on-going share repurchase program may be delayed, suspended or discontinued; the impact of business combinations and divestitures; 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 or financial distress 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 description 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 3, 2016, including in Exhibit 99 thereto, and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.investor.jnj.com](http://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**

**Supplementary Sales Data**

	(Unaudited; Dollars in Millions)						(Unaudited; Dollars in Millions)					
	THIRD QUARTER			NINE MONTHS			THIRD QUARTER			NINE MONTHS		
	2016	2015	Total	2016	2015	Total	2016	2015	Total	2016	2015	Total
				Percent Change					Percent Change			
				Operations					Operations			
				Currency					Currency			
<b>Sales to customers by segment of business</b>												
Consumer												
U.S.	\$ 1,291	1,277	1.1 %	1.1	-	\$ 4,033	3,991	1.1 %	1.1	-		
International	1,970	2,037	(3.3)	(0.6)	(2.7)	5,842	6,196	(5.7)	0.1	(5.8)		
	3,261	3,314	(1.6)	0.1	(1.7)	9,875	10,187	(3.1)	0.4	(3.5)		
Pharmaceutical												
U.S.	5,042	4,509	11.8	11.8	-	15,123	13,423	12.7	12.7	-		
International	3,358	3,185	5.4	5.0	0.4	10,109	9,943	1.7	4.2	(2.5)		
	8,400	7,694	9.2	9.0	0.2	25,232	23,366	8.0	9.1	(1.1)		
Medical Devices												
U.S.	3,048	3,005	1.4	1.4	-	9,118	8,980	1.5	1.5	-		
International	3,111	3,089	0.7	(0.2)	0.9	9,559	9,730	(1.8)	0.5	(2.3)		
	6,159	6,094	1.1	0.7	0.4	18,677	18,710	(0.2)	1.0	(1.2)		
U.S.	9,381	8,791	6.7	6.7	-	28,274	26,394	7.1	7.1	-		
International	8,439	8,311	1.5	1.7	(0.2)	25,510	25,869	(1.4)	1.8	(3.2)		
Worldwide	\$ 17,820	17,102	4.2 %	4.3	(0.1)	\$ 53,784	52,263	2.9 %	4.5	(1.6)		

**Johnson & Johnson and Subsidiaries**

**Supplementary Sales Data**

	(Unaudited; Dollars in Millions)						(Unaudited; Dollars in Millions)					
	THIRD QUARTER			NINE MONTHS			THIRD QUARTER			NINE MONTHS		
	2016	2015	Total	2016	2015	Total	2016	2015	Total	2016	2015	Total
				Percent Change					Percent Change			
				Operations					Operations			
				Currency					Currency			
<b>Sales to customers by geographic area</b>												
U.S.	\$ 9,381	8,791	6.7 %	6.7	-	\$ 28,274	26,394	7.1 %	7.1	-		
Europe	3,832	3,802	0.8	3.2	(2.4)	11,769	11,993	(1.9)	0.5	(2.4)		
Western Hemisphere excluding U.S.	1,396	1,463	(4.6)	(1.3)	(3.3)	4,269	4,603	(7.3)	4.4	(11.7)		
Asia-Pacific, Africa	3,211	3,046	5.4	1.4	4.0	9,472	9,273	2.1	2.1	0.0		
International	8,439	8,311	1.5	1.7	(0.2)	25,510	25,869	(1.4)	1.8	(3.2)		
Worldwide	\$ 17,820	17,102	4.2 %	4.3	(0.1)	\$ 53,784	52,263	2.9 %	4.5	(1.6)		

**Johnson & Johnson and Subsidiaries**

**Condensed Consolidated Statement of Earnings**

	(Unaudited; in Millions Except Per Share Figures)			THIRD QUARTER		
	2016		Percent Increase	2015		Percent Increase
	2016	2015		2016	2015	
			Percent		Percent	

	Amount	to Sales	Amount	to Sales	(Decrease)
Sales to customers	\$ 17,820	100.0	\$ 17,102	100.0	4.2
Cost of products sold	5,486	30.8	5,224	30.5	5.0
Selling, marketing and administrative expenses	4,772	26.8	5,081	29.7	(6.1)
Research and development expense	2,178	12.2	2,154	12.6	1.1
In-process research and development	-	-	10	0.1	
Interest (income) expense, net	95	0.5	91	0.5	
Other (income) expense, net	(54)	(0.2)	420	2.5	
Restructuring	62	0.3	-	-	
Earnings before provision for taxes on income	5,281	29.6	4,122	24.1	28.1
Provision for taxes on income	1,009	5.6	764	4.5	32.1
Net earnings	\$ 4,272	24.0	\$ 3,358	19.6	27.2
Net earnings per share (Diluted)	\$ 1.53		\$ 1.20		27.5
Average shares outstanding (Diluted)	2,785.4		2,807.2		
Effective tax rate	19.1 %		18.5 %		

Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>					
Earnings before provision for taxes on income	\$ 5,831	32.7	\$ 5,212	30.5	11.9
Net earnings	\$ 4,683	26.3	\$ 4,172	24.4	12.2
Net earnings per share (Diluted)	\$ 1.68		\$ 1.49		12.8
Effective tax rate	19.7 %		20.0 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

#### Johnson & Johnson and Subsidiaries

##### Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

NINE MONTHS

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 53,784	100.0	\$ 52,263	100.0	2.9
Cost of products sold	16,151	30.0	15,863	30.4	1.8
Selling, marketing and administrative expenses	14,636	27.2	15,312	29.3	(4.4)
Research and development expense	6,455	12.0	6,182	11.8	4.4
In-process research and development	29	0.1	10	0.0	
Interest (income) expense, net	274	0.5	317	0.6	
Other (income) expense, net	464	0.9	(859)	(1.6)	
Restructuring	296	0.5	-	-	
Earnings before provision for taxes on income	15,479	28.8	15,438	29.5	0.3
Provision for taxes on income	2,753	5.1	3,244	6.2	(15.1)
Net earnings	\$ 12,726	23.7	\$ 12,194	23.3	4.4
Net earnings per share (Diluted)	\$ 4.55		\$ 4.33		5.1
Average shares outstanding (Diluted)	2,796.6		2,817.1		
Effective tax rate	17.8 %		21.0 %		

Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>					
Earnings before provision for taxes on income	\$ 17,656	32.8	\$ 17,090	32.7	3.3
Net earnings	\$ 14,403	26.8	\$ 13,402	25.6	7.5
Net earnings per share (Diluted)	\$ 5.15		\$ 4.76		8.2
Effective tax rate	18.4 %		21.6 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

#### Johnson & Johnson and Subsidiaries

##### Reconciliation of Non-GAAP Financial Measures

Third Quarter

% Incr. /

Nine Months YTD

% Incr. /

<i>(Dollars in Millions Except Per Share Data)</i>	2016	2015	(Decr.)	2016	2015	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 5,281	4,122	28.1 %	\$ 15,479	15,438	0.3 %
Intangible asset amortization expense	319	639		927	1,269	
Restructuring/Other <sup>(1)</sup>	109	-		387	-	
Litigation expense, net	55	409		721	141	
DePuy ASR™ Hip program	-	-		-	148	
In-process research and development	-	10		29	10	
Other	67	32		113	84	
Earnings before provision for taxes on income - as adjusted	<u>\$ 5,831</u>	<u>5,212</u>	<u>11.9 %</u>	<u>\$ 17,656</u>	<u>17,090</u>	<u>3.3 %</u>
Net Earnings - as reported	\$ 4,272	3,358	27.2 %	\$ 12,726	12,194	4.4 %
Intangible asset amortization expense	236	437		679	893	
Restructuring/Other	76	-		293	-	
Litigation expense, net	46	348		595	118	
DePuy ASR™ Hip program	-	-		-	130	
In-process research and development	-	6		23	6	
Other	53	23		87	61	
Net Earnings - as adjusted	<u>\$ 4,683</u>	<u>4,172</u>	<u>12.2 %</u>	<u>\$ 14,403</u>	<u>13,402</u>	<u>7.5 %</u>
Diluted Net Earnings per share - as reported	\$ 1.53	1.20	27.5 %	\$ 4.55	4.33	5.1 %
Intangible asset amortization expense	0.08	0.16		0.24	0.32	
Restructuring/Other	0.03	-		0.11	-	
Litigation expense, net	0.02	0.12		0.21	0.04	
DePuy ASR™ Hip program	-	-		-	0.05	
In-process research and development	-	-		0.01	-	
Other	0.02	0.01		0.03	0.02	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.68</u>	<u>1.49</u>	<u>12.8 %</u>	<u>\$ 5.15</u>	<u>4.76</u>	<u>8.2 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2014 foreign currency exchange rates		1.63			5.22	
Impact of currency at 2015 foreign currency exchange rates	\$ -	(0.14)		\$ 0.04	(0.46)	
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates	<u>\$ 1.68</u>	<u>1.49</u>	<u>12.8 %</u>	<u>\$ 5.19</u>	<u>4.76</u>	<u>9.0 %</u>

<sup>(1)</sup> Includes \$3M recorded in cost of products sold and \$44M recorded in other (income) expense for the third quarter.  
Includes \$27M recorded in cost of products sold and \$64M recorded in other (income) expense for nine months YTD.

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

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

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	<b>Operational %<sup>(2)</sup></b>			
<b>WW As Reported:</b>	<b>0.1%</b>	<b>9.0%</b>	<b>0.7%</b>	<b>4.3%</b>
U.S.	1.1%	11.8%	1.4%	6.7%
International	(0.6)%	5.0%	(0.2)%	1.7%

<b>Wound Care/Other</b>				
<b>SPLENDA®</b>	<b>2.1</b>			<b>0.4</b>
U.S.	4.0			0.6
International	1.0			0.2
<b>Cardiovascular</b>				
<b>Cordis</b>			<b>2.3</b>	<b>0.9</b>
U.S.			1.1	0.4
International			3.7	1.4
<b>Skin Care</b>	<b>(2.3)</b>			
<b>Vogue</b>	<b>(5.8)</b>			<b>(0.4)</b>
U.S.	0.0			(0.8)
International				0.0
<b>Other Neuroscience</b>				
<b>Controlled Substance Raw Material and API Business</b>		<b>0.7</b>		<b>0.3</b>
U.S.		0.9		0.4
International		0.4		0.1
<b>All Other Acquisitions and Divestitures</b>	<b>(0.3)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
U.S.	(0.8)	0.0	(0.2)	(0.2)
International	(0.1)	0.0	0.4	0.2
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>(0.4)%</b>	<b>9.7%</b>	<b>3.1%</b>	<b>5.5%</b>
U.S.	(1.5)%	12.7%	2.3%	7.1%
International	0.3%	5.4%	3.9%	3.6%
<b>Hepatitis C</b>		<b>1.0</b>		<b>0.4</b>
U.S.		0.3		0.2
International		1.6		0.6
<b>WW Ops excluding Hepatitis C only</b>		<b>10.0%</b>		<b>4.7%</b>
U.S.		12.1%		6.9%
International		6.6%		2.3%
<b>WW Ops excluding Acquisitions, Divestitures and Hepatitis C</b>	<b>(0.4)%</b>	<b>10.7%</b>	<b>3.1%</b>	<b>5.9%</b>
U.S.	(1.5)%	13.0%	2.3%	7.3%
International	0.3%	7.0%	3.9%	4.2%

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

(2) Operational growth excludes the effect of translational currency

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

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

**Segments**

	<b>Consumer</b>	<b>Pharmaceutical</b>	<b>Medical Devices</b>	<b>Total</b>
	<b>Operational %<sup>(2)</sup></b>			
<b>WW As Reported:</b>	<b>0.4%</b>	<b>9.1%</b>	<b>1.0%</b>	<b>4.5%</b>
U.S.	1.1%	12.7%	1.5%	7.1%
International	0.1%	4.2%	0.5%	1.8%
<b>Wound Care/Other</b>				
<b>SPLENDA®</b>	<b>2.2</b>			<b>0.4</b>
U.S.	4.3			0.7
International	0.9			0.2
<b>Cardiovascular</b>				
<b>Cordis</b>			<b>2.4</b>	<b>0.9</b>
U.S.			1.1	0.4
International			3.5	1.3
<b>Skin Care</b>	<b>(0.7)</b>			
<b>Vogue</b>	<b>(1.9)</b>			<b>(0.1)</b>
U.S.	0.0			(0.3)
International				0.0

<b>All Other Acquisitions and Divestitures</b>	<b>(0.1)</b>	<b>0.4</b>	<b>0.0</b>	<b>0.1</b>
U.S.	(0.3)	0.7	(0.1)	0.2
International	0.0	0.0	0.1	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>1.8%</b>	<b>9.5%</b>	<b>3.4%</b>	<b>5.8%</b>
U.S.	3.2%	13.4%	2.5%	8.1%
International	1.0%	4.2%	4.1%	3.4%
<b>Hepatitis C</b>		<b>2.4</b>		<b>1.1</b>
U.S.		1.1		0.6
International		4.2		1.6
<b>WW Ops excluding Hepatitis C only</b>		<b>11.5%</b>		<b>5.6%</b>
U.S.		13.8%		7.7%
International		8.4%		3.4%
<b>WW Ops excluding Acquisitions, Divestitures, and Hepatitis C</b>	<b>1.8%</b>	<b>11.9%</b>	<b>3.4%</b>	<b>6.9%</b>
U.S.	3.2%	14.5%	2.5%	8.7%
International	1.0%	8.4%	4.1%	5.0%

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

(2) Operational growth excludes the effect of translational currency

**REPORTED SALES vs. PRIOR PERIOD (\$MM)**

	THIRD QUARTER					NINE MONTHS				
	2016	2015	% Change			2016	2015	% Change		
			Reported	Operational <sup>(1)</sup>	Currency			Reported	Operational <sup>(1)</sup>	Currency
<b>CONSUMER SEGMENT<sup>(2)</sup></b>										
<b>BABY CARE</b>										
US	\$ 96	103	-6.8%	-6.8%	-	\$ 293	\$ 318	-7.9%	-7.9%	-
Intl	370	403	-8.2%	-5.3%	-2.9%	1,124	1,242	-9.5%	-2.5%	-7.0%
WW	466	506	-7.9%	-5.6%	-2.3%	1,417	1,560	-9.2%	-3.6%	-5.6%
<b>ORAL CARE</b>										
US	156	154	1.3%	1.3%	-	485	459	5.7%	5.7%	-
Intl	227	224	1.3%	3.1%	-1.8%	686	713	-3.8%	1.8%	-5.6%
WW	383	378	1.3%	2.3%	-1.0%	1,171	1,172	-0.1%	3.3%	-3.4%
<b>OTC</b>										
US	380	383	-0.8%	-0.8%	-	1,230	1,154	6.6%	6.6%	-
Intl	584	580	0.7%	3.5%	-2.8%	1,761	1,776	-0.8%	4.2%	-5.0%
WW	964	963	0.1%	1.8%	-1.7%	2,991	2,930	2.1%	5.1%	-3.0%
<b>SKIN CARE</b>										
US	517	435	18.9%	18.9%	-	1,560	1,418	10.0%	10.0%	-
Intl	438	428	2.3%	5.3%	-3.0%	1,210	1,242	-2.6%	2.7%	-5.3%
WW	955	863	10.7%	12.2%	-1.5%	2,770	2,660	4.1%	6.6%	-2.5%
<b>WOMEN'S HEALTH</b>										
US	3	6	-50.0%	-50.0%	-	16	19	-15.8%	-15.8%	-
Intl	266	304	-12.5%	-9.1%	-3.4%	787	898	-12.4%	-5.1%	-7.3%
WW	269	310	-13.2%	-9.9%	-3.3%	803	917	-12.4%	-5.3%	-7.1%
<b>WOUND CARE / OTHER</b>										
US	139	196	-29.1%	-29.1%	-	449	623	-27.9%	-27.9%	-
Intl	85	98	-13.3%	-13.2%	-0.1%	274	325	-15.7%	-12.0%	-3.7%
WW	224	294	-23.8%	-23.8%	0.0%	723	948	-23.7%	-22.4%	-1.3%
<b>TOTAL CONSUMER</b>										
US	1,291	1,277	1.1%	1.1%	-	4,033	3,991	1.1%	1.1%	-
Intl	1,970	2,037	-3.3%	-0.6%	-2.7%	5,842	6,196	-5.7%	0.1%	-5.8%
WW	\$ 3,261	3,314	-1.6%	0.1%	-1.7%	\$ 9,875	10,187	-3.1%	0.4%	-3.5%

**REPORTED SALES vs. PRIOR PERIOD (\$MM)**

	THIRD QUARTER					NINE MONTHS				
	2016	2015	% Change			2016	2015	% Change		
			Reported	Operational <sup>(1)</sup>	Currency			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT<sup>(2)</sup></b>										
<b>IMMUNOLOGY</b>										
US	\$ 2,294	1,910	20.1%	20.1%	-	\$ 6,689	5,541	20.7%	20.7%	-
Intl	790	704	12.2%	11.6%	0.6%	2,343	2,090	12.1%	15.7%	-3.6%
WW	3,084	2,614	18.0%	17.8%	0.2%	9,032	7,631	18.4%	19.4%	-1.0%
<b>REMICADE</b>										
US	1,222	1,117	9.4%	9.4%	-	3,669	3,260	12.5%	12.5%	-

US Exports <sup>(3)</sup>	255	180	41.7%	41.7%	-	673	602	11.8%	11.8%	-
Intl	306	316	-3.2%	-2.9%	-0.3%	1,000	1,019	-1.9%	3.4%	-5.3%
WW	1,783	1,613	10.5%	10.6%	-0.1%	5,342	4,881	9.4%	10.5%	-1.1%
<u>SIMPONI / SIMPONIA</u>										
US	256	199	28.6%	28.6%	-	716	526	36.1%	36.1%	-
Intl	225	181	24.3%	20.6%	3.7%	603	462	30.5%	31.3%	-0.8%
WW	481	380	26.6%	24.8%	1.8%	1,319	988	33.5%	33.9%	-0.4%
<u>STELARA</u>										
US	561	414	35.5%	35.5%	-	1,631	1,153	41.5%	41.5%	-
Intl	253	199	27.1%	27.8%	-0.7%	722	579	24.7%	27.2%	-2.5%
WW	814	613	32.8%	33.0%	-0.2%	2,353	1,732	35.9%	36.7%	-0.8%
<u>OTHER IMMUNOLOGY</u>										
US	-	-	-	-	-	-	-	-	-	-
Intl	6	8	-25.0%	-22.6%	-2.4%	18	30	-40.0%	-32.9%	-7.1%
WW	6	8	-25.0%	-22.6%	-2.4%	18	30	-40.0%	-32.9%	-7.1%
<u>INFECTIOUS DISEASES</u>										
US	387	379	2.1%	2.1%	-	1,107	1,172	-5.5%	-5.5%	-
Intl	455	469	-3.0%	-2.2%	-0.8%	1,340	1,683	-20.4%	-18.5%	-1.9%
WW	842	848	-0.7%	-0.3%	-0.4%	2,447	2,855	-14.3%	-13.2%	-1.1%
<u>EDURANT</u>										
US	13	11	18.2%	18.2%	-	38	29	31.0%	31.0%	-
Intl	136	100	36.0%	35.4%	0.6%	370	274	35.0%	35.2%	-0.2%
WW	149	111	34.2%	33.7%	0.5%	408	303	34.7%	34.9%	-0.2%
<u>OLYSIO / SOVRIAD</u>										
US	13	26	-50.0%	-50.0%	-	50	174	-71.3%	-71.3%	-
Intl	8	53	-84.9%	-85.7%	0.8%	46	403	-88.6%	-88.2%	-0.4%
WW	21	79	-73.4%	-73.9%	0.5%	96	577	-83.4%	-83.1%	-0.3%
<u>PREZISTA / PREZCOBIX / REZOLSTA</u>										
US	310	285	8.8%	8.8%	-	860	777	10.7%	10.7%	-
Intl	183	183	0.0%	2.0%	-2.0%	544	566	-3.9%	-1.1%	-2.8%
WW	493	468	5.3%	6.1%	-0.8%	1,404	1,343	4.5%	5.7%	-1.2%
<u>OTHER INFECTIOUS DISEASES</u>										
US	51	57	-10.5%	-10.5%	-	159	192	-17.2%	-17.2%	-
Intl	128	133	-3.8%	-3.0%	-0.8%	380	440	-13.6%	-10.6%	-3.0%
WW	179	190	-5.8%	-5.2%	-0.6%	539	632	-14.7%	-12.6%	-2.1%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	THIRD QUARTER					NINE MONTHS				
	2016	2015	% Change			2016	2015	% Change		
			Reported	Operational <sup>(1)</sup>	Currency			Reported	Operational <sup>(1)</sup>	Currency
<u>NEUROSCIENCE</u>										
US	622	655	-5.0%	-5.0%	-	1,997	2,098	-4.8%	-4.8%	-
Intl	842	821	2.6%	0.0%	2.6%	2,618	2,560	2.3%	3.5%	-1.2%
WW	1,464	1,476	-0.8%	-2.2%	1.4%	4,615	4,658	-0.9%	-0.2%	-0.7%
<u>CONCERTA / METHYLPHENIDATE</u>										
US	102	89	14.6%	14.6%	-	365	317	15.1%	15.1%	-
Intl	88	89	-1.1%	-2.5%	1.4%	294	291	1.0%	4.4%	-3.4%
WW	190	178	6.7%	6.0%	0.7%	659	608	8.4%	10.0%	-1.6%
<u>INVEGA</u>										
US	28	82	-65.9%	-65.9%	-	70	281	-75.1%	-75.1%	-
Intl	59	57	3.5%	-1.0%	4.5%	185	179	3.4%	2.7%	0.7%
WW	87	139	-37.4%	-39.2%	1.8%	255	460	-44.6%	-44.9%	0.3%
<u>INVEGA SUSTENNA / XEPLION / INVEGA TRINZA</u>										
US	339	277	22.4%	22.4%	-	983	758	29.7%	29.7%	-
Intl	217	182	19.2%	18.8%	0.4%	646	548	17.9%	19.8%	-1.9%
WW	556	459	21.1%	20.9%	0.2%	1,629	1,306	24.7%	25.5%	-0.8%
<u>RISPERDAL CONSTA</u>										
US	94	103	-8.7%	-8.7%	-	289	306	-5.6%	-5.6%	-
Intl	128	132	-3.0%	-3.9%	0.9%	394	430	-8.4%	-7.1%	-1.3%
WW	222	235	-5.5%	-6.0%	0.5%	683	736	-7.2%	-6.4%	-0.8%
<u>OTHER NEUROSCIENCE</u>										
US	59	104	-43.3%	-43.3%	-	290	436	-33.5%	-33.5%	-
Intl	350	361	-3.0%	-7.3%	4.3%	1,099	1,112	-1.2%	-0.6%	-0.6%
WW	409	465	-12.0%	-15.3%	3.3%	1,389	1,548	-10.3%	-9.9%	-0.4%
<u>ONCOLOGY</u>										
US	622	394	57.9%	57.9%	-	1,740	1,090	59.6%	59.6%	-
Intl	895	776	15.3%	15.4%	-0.1%	2,605	2,332	11.7%	14.1%	-2.4%
WW	1,517	1,170	29.7%	29.7%	0.0%	4,345	3,422	27.0%	28.7%	-1.7%
<u>IMBRUVICA</u>										
US	179	98	82.7%	82.7%	-	455	253	79.8%	79.8%	-
Intl	170	86	97.7%	*	**	450	201	*	*	**
WW	349	184	89.7%	92.1%	-2.4%	905	454	99.3%	*	**



<u>VELCADE</u>										
US	-	-	-	-	-	-	-	-	-	-
Intl	<u>304</u>	<u>329</u>	-7.6%	-7.4%	-0.2%	<u>950</u>	<u>1,012</u>	-6.1%	-3.7%	-2.4%
WW	<u>304</u>	<u>329</u>	-7.6%	-7.4%	-0.2%	<u>950</u>	<u>1,012</u>	-6.1%	-3.7%	-2.4%
<u>ZYTIGA</u>										
US	<u>282</u>	<u>276</u>	2.2%	2.2%	-	<u>840</u>	<u>784</u>	7.1%	7.1%	-
Intl	<u>300</u>	<u>272</u>	10.3%	8.5%	1.8%	<u>901</u>	<u>866</u>	4.0%	5.4%	-1.4%
WW	<u>582</u>	<u>548</u>	6.2%	5.3%	0.9%	<u>1,741</u>	<u>1,650</u>	5.5%	6.3%	-0.8%
<u>OTHER ONCOLOGY</u>										
US	<u>161</u>	<u>20</u>	*	*	-	<u>445</u>	<u>53</u>	*	*	-
Intl	<u>121</u>	<u>89</u>	36.0%	36.6%	-0.6%	<u>304</u>	<u>253</u>	20.2%	23.0%	-2.8%
WW	<u>282</u>	<u>109</u>	*	*	**	<u>749</u>	<u>306</u>	*	*	**
<u>CARDIOVASCULAR / METABOLISM / OTHER</u>										
US	<u>1,117</u>	<u>1,171</u>	-4.6%	-4.6%	-	<u>3,590</u>	<u>3,522</u>	1.9%	1.9%	-
Intl	<u>376</u>	<u>415</u>	-9.4%	-7.4%	-2.0%	<u>1,203</u>	<u>1,278</u>	-5.9%	-1.5%	-4.4%
WW	<u>1,493</u>	<u>1,586</u>	-5.9%	-5.4%	-0.5%	<u>4,793</u>	<u>4,800</u>	-0.1%	1.1%	-1.2%
<u>XARELTO</u>										
US	<u>529</u>	<u>461</u>	14.8%	14.8%	-	<u>1,690</u>	<u>1,374</u>	23.0%	23.0%	-
Intl	<u>-</u>	<u>-</u>	-	-	-	<u>-</u>	<u>-</u>	-	-	-
WW	<u>529</u>	<u>461</u>	14.8%	14.8%	-	<u>1,690</u>	<u>1,374</u>	23.0%	23.0%	-
<u>INVOKANA / INVOKAMET</u>										
US	<u>294</u>	<u>322</u>	-8.7%	-8.7%	-	<u>939</u>	<u>890</u>	5.5%	5.5%	-
Intl	<u>34</u>	<u>18</u>	88.9%	94.3%	-5.4%	<u>97</u>	<u>46</u>	*	*	**
WW	<u>328</u>	<u>340</u>	-3.5%	-3.2%	-0.3%	<u>1,036</u>	<u>936</u>	10.7%	11.3%	-0.6%
<u>PROCIT / EPREX</u>										
US	<u>168</u>	<u>177</u>	-5.1%	-5.1%	-	<u>581</u>	<u>519</u>	11.9%	11.9%	-
Intl	<u>82</u>	<u>86</u>	-4.7%	-4.7%	0.0%	<u>265</u>	<u>289</u>	-8.3%	-5.5%	-2.8%
WW	<u>250</u>	<u>263</u>	-4.9%	-4.9%	0.0%	<u>846</u>	<u>808</u>	4.7%	5.7%	-1.0%
<u>OTHER</u>										
US	<u>126</u>	<u>211</u>	-40.3%	-40.3%	-	<u>380</u>	<u>739</u>	-48.6%	-48.6%	-
Intl	<u>260</u>	<u>311</u>	-16.4%	-14.1%	-2.3%	<u>841</u>	<u>943</u>	-10.8%	-6.3%	-4.5%
WW	<u>386</u>	<u>522</u>	-26.1%	-24.7%	-1.4%	<u>1,221</u>	<u>1,682</u>	-27.4%	-24.9%	-2.5%
<u>TOTAL PHARMACEUTICAL</u>										
US	<u>5,042</u>	<u>4,509</u>	11.8%	11.8%	-	<u>15,123</u>	<u>13,423</u>	12.7%	12.7%	-
Intl	<u>3,358</u>	<u>3,185</u>	5.4%	5.0%	0.4%	<u>10,109</u>	<u>9,943</u>	1.7%	4.2%	-2.5%
WW	<u>\$ 8,400</u>	<u>\$ 7,694</u>	9.2%	9.0%	0.2%	<u>\$ 25,232</u>	<u>\$ 23,366</u>	8.0%	9.1%	-1.1%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	THIRD QUARTER					NINE MONTHS				
	2016	2015	% Change			2016	2015	% Change		
			Reported	Operational <sup>(1)</sup>	Currency			Reported	Operational <sup>(1)</sup>	Currency
<u>MEDICAL DEVICES SEGMENT (2),(4)</u>										
<u>CARDIOVASCULAR</u>										
US	\$ 235	239	-1.7%	-1.7%	-	\$ 701	702	-0.1%	-0.1%	-
Intl	<u>216</u>	<u>285</u>	-24.2%	-26.8%	2.6%	<u>663</u>	<u>895</u>	-25.9%	-25.6%	-0.3%
WW	<u>451</u>	<u>524</u>	-13.9%	-15.3%	1.4%	<u>1,364</u>	<u>1,597</u>	-14.6%	-14.4%	-0.2%
<u>DIABETES CARE</u>										
US	<u>191</u>	<u>205</u>	-6.8%	-6.8%	-	<u>548</u>	<u>631</u>	-13.2%	-13.2%	-
Intl	<u>236</u>	<u>265</u>	-10.9%	-11.2%	0.3%	<u>779</u>	<u>817</u>	-4.7%	-2.2%	-2.5%
WW	<u>427</u>	<u>470</u>	-9.1%	-9.2%	0.1%	<u>1,327</u>	<u>1,448</u>	-8.4%	-7.0%	-1.4%
<u>DIAGNOSTICS</u>										
US	-	-	-	-	-	-	-	-	-	-
Intl	<u>7</u>	<u>16</u>	-56.3%	-55.8%	-0.5%	<u>66</u>	<u>62</u>	6.5%	21.1%	-14.6%
WW	<u>7</u>	<u>16</u>	-56.3%	-55.8%	-0.5%	<u>66</u>	<u>62</u>	6.5%	21.1%	-14.6%
<u>ORTHOPAEDICS</u>										
US	<u>1,343</u>	<u>1,312</u>	2.4%	2.4%	-	<u>4,099</u>	<u>3,942</u>	4.0%	4.0%	-
Intl	<u>908</u>	<u>869</u>	4.5%	4.5%	0.0%	<u>2,848</u>	<u>2,897</u>	-1.7%	0.9%	-2.6%
WW	<u>2,251</u>	<u>2,181</u>	3.2%	3.2%	0.0%	<u>6,947</u>	<u>6,839</u>	1.6%	2.7%	-1.1%
<u>HIPS</u>										
US	<u>190</u>	<u>185</u>	2.7%	2.7%	-	<u>590</u>	<u>568</u>	3.9%	3.9%	-
Intl	<u>130</u>	<u>124</u>	4.8%	6.4%	-1.6%	<u>421</u>	<u>410</u>	2.7%	6.5%	-3.8%
WW	<u>320</u>	<u>309</u>	3.6%	4.2%	-0.6%	<u>1,011</u>	<u>978</u>	3.4%	5.0%	-1.6%
<u>KNEES</u>										
US	<u>223</u>	<u>214</u>	4.2%	4.2%	-	<u>696</u>	<u>662</u>	5.1%	5.1%	-
Intl	<u>132</u>	<u>129</u>	2.3%	4.0%	-1.7%	<u>433</u>	<u>429</u>	0.9%	4.3%	-3.4%
WW	<u>355</u>	<u>343</u>	3.5%	4.1%	-0.6%	<u>1,129</u>	<u>1,091</u>	3.5%	4.8%	-1.3%
<u>TRAUMA</u>										
US	<u>389</u>	<u>368</u>	5.7%	5.7%	-	<u>1,151</u>	<u>1,083</u>	6.3%	6.3%	-
Intl	<u>248</u>	<u>239</u>	3.8%	3.1%	0.7%	<u>764</u>	<u>801</u>	-4.6%	-2.1%	-2.5%
WW	<u>637</u>	<u>607</u>	4.9%	4.6%	0.3%	<u>1,915</u>	<u>1,884</u>	1.6%	2.7%	-1.1%
<u>SPINE &amp; OTHER</u>										

US	541	545	-0.7%	-0.7%	-	1,662	1,629	2.0%	2.0%	-
Intl	398	377	5.6%	5.0%	0.6%	1,230	1,257	-2.1%	0.0%	-2.1%
WW	939	922	1.8%	1.6%	0.2%	2,892	2,886	0.2%	1.1%	-0.9%
<b><u>SURGERY</u></b>										
US	1,002	987	1.5%	1.5%	-	3,003	2,947	1.9%	1.9%	-
Intl	1,282	1,233	4.0%	3.9%	0.1%	3,906	3,857	1.3%	4.3%	-3.0%
WW	2,284	2,220	2.9%	2.9%	0.0%	6,909	6,804	1.5%	3.2%	-1.7%
<b><u>ADVANCED</u></b>										
US	390	357	9.2%	9.2%	-	1,131	1,046	8.1%	8.1%	-
Intl	494	438	12.8%	13.0%	-0.2%	1,478	1,359	8.8%	11.9%	-3.1%
WW	884	795	11.2%	11.3%	-0.1%	2,609	2,405	8.5%	10.3%	-1.8%
<b><u>GENERAL</u></b>										
US	414	427	-3.0%	-3.0%	-	1,254	1,272	-1.4%	-1.4%	-
Intl	649	656	-1.1%	-1.1%	0.0%	2,006	2,063	-2.8%	0.0%	-2.8%
WW	1,063	1,083	-1.8%	-1.8%	0.0%	3,260	3,335	-2.2%	-0.5%	-1.7%
<b><u>SPECIALTY</u></b>										
US	198	203	-2.5%	-2.5%	-	618	629	-1.7%	-1.7%	-
Intl	139	139	0.0%	-1.2%	1.2%	422	435	-3.0%	0.3%	-3.3%
WW	337	342	-1.5%	-2.0%	0.5%	1,040	1,064	-2.3%	-1.0%	-1.3%
<b><u>VISION CARE</u></b>										
US	277	262	5.7%	5.7%	-	767	758	1.2%	1.2%	-
Intl	462	421	9.7%	5.3%	4.4%	1,297	1,202	7.9%	7.7%	0.2%
WW	739	683	8.2%	5.5%	2.7%	2,064	1,960	5.3%	5.2%	0.1%
<b><u>TOTAL MEDICAL DEVICES</u></b>										
US	3,048	3,005	1.4%	1.4%	-	9,118	8,980	1.5%	1.5%	-
Intl	3,111	3,089	0.7%	-0.2%	0.9%	9,559	9,730	-1.8%	0.5%	-2.3%
WW	<u>\$ 6,159</u>	<u>6,094</u>	1.1%	0.7%	0.4%	<u>\$ 18,677</u>	<u>18,710</u>	-0.2%	1.0%	-1.2%

\* Percentage greater than 100%

\*\* Not meaningful

(1) Operational growth excludes the effect of translational currency

(2) Unaudited

(3) Reported as U.S. sales

(4) Prior year amounts have been reclassified to conform to current year product disclosure

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