

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

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. / (Decr.)	Nine Months YTD		% Incr. / (Decr.)
	2016	2015		2016	2015	
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 ⁽¹⁾	109	-		387	-	
Litigation expense, net	55	409		721	141	
DePuy ASR ^{LM} 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 TM 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 ^{LM} 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>

⁽¹⁾ 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⁽¹⁾
THIRD QUARTER 2016 ACTUAL vs. 2015 ACTUAL

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽²⁾			
WW As Reported:	0.1%	9.0%	0.7%	4.3%
U.S.	1.1%	11.8%	1.4%	6.7%
International	(0.6)%	5.0%	(0.2)%	1.7%
Wound Care/Other				
SPLENDA[®]	2.1			0.4
U.S.	4.0			0.6
International	1.0			0.2
Cardiovascular				
Cordis			2.3	0.9
U.S.			1.1	0.4
International			3.7	1.4
Skin Care	(2.3)			
Vogue	(5.8)			(0.4)
U.S.	0.0			(0.8)
International				0.0
Other Neuroscience				
Controlled Substance Raw Material and API Business		0.7		0.3
U.S.		0.9		0.4
International		0.4		0.1
All Other Acquisitions and Divestitures	(0.3)	0.0	0.1	0.0
U.S.	(0.8)	0.0	(0.2)	(0.2)
International	(0.1)	0.0	0.4	0.2
WW Ops excluding Acquisitions and Divestitures	(0.4)%	9.7%	3.1%	5.5%
U.S.	(1.5)%	12.7%	2.3%	7.1%
International	0.3%	5.4%	3.9%	3.6%
Hepatitis C		1.0		0.4
U.S.		0.3		0.2
International		1.6		0.6
WW Ops excluding Hepatitis C only		10.0%		4.7%
U.S.		12.1%		6.9%
International		6.6%		2.3%
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	(0.4)%	10.7%	3.1%	5.9%
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

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Reconciliation of Non-GAAP Financial Measure

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

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽²⁾			
WW As Reported:	0.4%	9.1%	1.0%	4.5%
U.S.	1.1%	12.7%	1.5%	7.1%
International	0.1%	4.2%	0.5%	1.8%
Wound Care/Other				
SPLENDA[®]	2.2			0.4
U.S.	4.3			0.7
International	0.9			0.2
Cardiovascular				
Cordis			2.4	0.9
U.S.			1.1	0.4
International			3.5	1.3
Skin Care	(0.7)			
Vogue	(1.9)			(0.1)
U.S.	0.0			(0.3)
International				0.0
All Other Acquisitions and Divestitures	(0.1)	0.4	0.0	0.1
U.S.	(0.3)	0.7	(0.1)	0.2
International	0.0	0.0	0.1	0.1
WW Ops excluding Acquisitions and Divestitures	1.8%	9.5%	3.4%	5.8%
U.S.	3.2%	13.4%	2.5%	8.1%
International	1.0%	4.2%	4.1%	3.4%
Hepatitis C		2.4		1.1
U.S.		1.1		0.6
International		4.2		1.6
WW Ops excluding Hepatitis C only		11.5%		5.6%
U.S.		13.8%		7.7%
International		8.4%		3.4%
WW Ops excluding Acquisitions, Divestitures, and Hepatitis C	1.8%	11.9%	3.4%	6.9%
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

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Reconciliation of Non-GAAP Financial Measures

Q3 QTD - Income Before Tax by Segment*
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Reported Income Before Tax by Segment	\$ 679	811	3,309	2,732	1,526	835	(233)	(256)	5,281	4,122
% to Sales	20.8%	24.5%	39.4%	35.5%	24.8%	13.7%	-1.3%	-1.5%	29.6%	24.1%
Intangible asset amortization expense	59	35	43	44	217	560	-	-	319	639
Restructuring/Other	-	-	-	-	109	-	-	-	109	-
Litigation expense/(gain)	-	-	-	-	55	409	-	-	55	409
In-process research & development	-	-	-	-	-	10	-	-	-	10
Other	-	-	-	-	67	32	-	-	67	32
Adjusted Income Before Tax by Segment	\$ <u>738</u>	<u>846</u>	<u>3,352</u>	<u>2,776</u>	<u>1,974</u>	<u>1,846</u>	<u>(233)</u>	<u>(256)</u>	<u>5,831</u>	<u>5,212</u>
% to Sales	22.6%	25.5%	39.9%	36.1%	32.1%	30.3%	-1.3%	-1.5%	32.7%	30.5%

*Estimated as of 10/18/16.

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Q3 YTD - Income Before Tax by Segment*
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Reported Income Before Tax by Segment	\$ 1,816	1,772	10,340	9,816	4,041	4,640	(718)	(790)	15,479	15,438
% to Sales	18.4%	17.4%	41.0%	42.0%	21.6%	24.8%	-1.3%	-1.5%	28.8%	29.5%
Intangible asset amortization expense	124	106	164	148	639	1,015	-	-	927	1,269
Restructuring/Other	-	-	-	-	387	-	-	-	387	-
Litigation expense/(gain)	5	-	(15)	136	731	5	-	-	721	141
DePuy ASR™ Hip program	-	-	-	-	-	148	-	-	-	148
In-process research & development	-	-	29	-	-	10	-	-	29	10
Other	-	-	-	-	113	84	-	-	113	84
Adjusted Income Before Tax by Segment	\$ <u>1,945</u>	<u>1,878</u>	<u>10,518</u>	<u>10,100</u>	<u>5,911</u>	<u>5,902</u>	<u>(718)</u>	<u>(790)</u>	<u>17,656</u>	<u>17,090</u>
% to Sales	19.7%	18.4%	41.7%	43.2%	31.6%	31.5%	-1.3%	-1.5%	32.8%	32.7%

*Estimated as of 10/18/16.