

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

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2016	2015	
Earnings before provision for taxes on income - as reported	\$ 5,294	5,575	(5.0) %
Intangible asset amortization expense	282	312	
Restructuring ⁽¹⁾	137	-	
Litigation expense/(gain), net	66	(402)	
DePuy ASR™ Hip program	-	139	
Other	22	6	
Earnings before provision for taxes on income - as adjusted	<u>\$ 5,801</u>	<u>5,630</u>	<u>3.0 %</u>
Net Earnings - as reported	\$ 4,292	4,320	(0.6) %
Intangible asset amortization expense	205	226	
Restructuring	120	-	
Litigation expense/(gain), net	56	(253)	
DePuy ASR™ Hip program	-	122	
Other	16	3	
Net Earnings - as adjusted	<u>\$ 4,689</u>	<u>4,418</u>	<u>6.1 %</u>
Diluted Net Earnings per share - as reported	\$ 1.54	1.53	0.7 %
Intangible asset amortization expense	0.07	0.08	
Restructuring	0.04	-	
Litigation expense/(gain), net	0.02	(0.09)	
DePuy ASR™ Hip program	-	0.04	
Other	0.01	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.68</u>	<u>1.56</u>	<u>7.7 %</u>
Operational Diluted Net Earnings per share - as adjusted*	<u>\$ 1.72</u>	<u>1.56</u>	<u>10.3 %</u>

* Excludes the effect of translational currency

⁽¹⁾ Includes \$17M recorded in cost of products sold

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Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C Sales ⁽¹⁾ (Underlying Sales Growth)
FIRST QUARTER 2016 ACTUAL vs. 2015 ACTUAL

Segments

	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
	Operational % ⁽²⁾			
WW As Reported:	(0.2)%	8.5%	0.5%	3.9%
U.S.	(0.1)%	12.9%	2.2%	7.2%
International	(0.3)%	2.6%	(1.0)%	0.6%
Wound Care/Other				
SPLENDA ®	2.0			0.5
U.S.	4.1			0.7
International	0.7			0.2
Cardiovascular				
Cordis			2.4	0.9
U.S.			1.1	0.4
International			3.5	1.3
Other Neuroscience				
NUCYNTA ®		0.5		0.2
U.S.		1.0		0.5
International		0.0		0.0
All Other Acquisitions and Divestitures	0.1		0.1	0.1
U.S.	0.1		0.0	0.0
International	0.1		0.3	0.1
WW Ops excluding Acquisitions and Divestitures	1.9%	9.0%	3.0%	5.6%
U.S.	4.1%	13.9%	3.3%	8.8%
International	0.5%	2.6%	2.8%	2.2%
Hepatitis C		3.3		1.3
U.S.		2.3		1.0
International		4.5		1.6
WW Ops excluding Hepatitis C only		11.8%		5.2%
U.S.		15.2%		8.2%
International		7.1%		2.2%
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	1.9%	12.3%	3.0%	6.9%
U.S.	4.1%	16.2%	3.3%	9.8%
International	0.5%	7.1%	2.8%	3.8%

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

⁽²⁾ Operational growth excludes the effect of translational currency

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Q1 - Income Before Tax by Segment*
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Reported Income Before Tax by Segment	\$ 566	644	3,344	2,962	1,576	2,221	(192)	(252)	5,294	5,575
% to Sales	17.7%	19.0%	40.9%	38.3%	25.8%	35.5%	-1.1%	-1.5%	30.3%	32.1%
Intangible asset amortization expense	32	35	45	49	205	228	-	-	282	312
Restructuring	-	-	-	-	137	-	-	-	137	-
Litigation expense/(gain)	-	-	(40)	136	106	(538)	-	-	66	(402)
Synthes integration costs	-	-	-	-	22	32	-	-	22	32
DePuy ASR™ Hip program	-	-	-	-	-	139	-	-	-	139
Ortho-Clinical Diagnostics divestiture net gain	-	-	-	-	-	(26)	-	-	-	(26)
Adjusted Income Before Tax by Segment	\$ <u>598</u>	<u>679</u>	<u>3,349</u>	<u>3,147</u>	<u>2,046</u>	<u>2,056</u>	<u>(192)</u>	<u>(252)</u>	<u>5,801</u>	<u>5,630</u>
% to Sales	18.7%	20.0%	41.0%	40.7%	33.5%	32.9%	-1.1%	-1.5%	33.2%	32.4%

*Estimated as of 4/19/16.