

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

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2018	2017	
Earnings before provision for taxes on income - as reported	\$ 5,481	5,575	(1.7) %
Intangible asset amortization expense	1,115	329	
Restructuring/Other ⁽¹⁾	107	161	
Actelion acquisition related cost	96	-	
Unrealized loss/(gain) on securities	27	-	
AMO acquisition related cost	21	38	
Other	11	-	
Earnings before provision for taxes on income - as adjusted	<u>\$ 6,858</u>	<u>6,103</u>	<u>12.4 %</u>
Net Earnings - as reported	\$ 4,367	4,422	(1.2) %
Intangible asset amortization expense	996	244	
Restructuring/Other	81	121	
Actelion acquisition related cost	92	-	
Unrealized loss/(gain) on securities	21	-	
AMO acquisition related cost	17	251	
Impact of tax legislation ⁽²⁾	52	-	
Other	9	-	
Net Earnings - as adjusted	<u>\$ 5,635</u>	<u>5,038</u>	<u>11.8 %</u>
Diluted Net Earnings per share - as reported	\$ 1.60	1.61	(0.6) %
Intangible asset amortization expense	0.36	0.09	
Restructuring/Other	0.03	0.04	
Actelion acquisition related cost	0.03	-	
Unrealized loss/(gain) on securities	0.01	-	
AMO acquisition related cost	0.01	0.09	
Impact of tax legislation	0.02	-	
Other	-	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 2.06</u>	<u>1.83</u>	<u>12.6 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		1.86	
Impact of currency at 2017 foreign currency exchange rates	(0.13)	(0.03)	
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates	<u>\$ 1.93</u>	<u>1.83</u>	<u>5.5 %</u>

⁽¹⁾ Includes \$6M recorded in cost of products sold and \$59M recorded in other (income) expense in the first quarter 2018, and \$4M recorded in cost of products sold and \$72M recorded in other (income) expense in the first quarter 2017

⁽²⁾ Includes foreign currency translation

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Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures

FIRST QUARTER 2018 ACTUAL vs. 2017 ACTUAL

	Segments			Total
	Consumer	Pharmaceutical	Medical Devices	
	Operational % ⁽¹⁾			
WW As Reported:	1.3%	15.1%	3.2%	8.4%
U.S.	1.6%	9.9%	2.2%	6.1%
International	1.2%	22.5%	4.2%	10.9%
Vision Care				
<i>Vision Surgical & Eye Health Business</i> ⁽²⁾			(3.1)	(1.1)
U.S.			(2.8)	(0.9)
International			(3.4)	(1.3)
Pulmonary Hypertension				
<i>Actelion</i>		(7.1)		(3.3)
U.S.		(7.4)		(3.8)
International		(6.6)		(2.7)
Cardiovascular / Metabolism / Other				
<i>Actelion</i>		(0.5)		(0.2)
U.S.		(0.3)		(0.2)
International		(0.6)		(0.3)
Spine & Other				
<i>Codman Neuroscience</i>			1.0	0.4
U.S.			0.7	0.2
International			1.4	0.6
Wound Care / Other				
<i>Compeed</i>	0.7			0.1
U.S.	0.0			0.0
International	1.2			0.3
All Other Acquisitions and Divestitures	0.0		0.0	0.0
U.S.	0.0		(0.3)	(0.1)
International	(0.1)		0.2	0.1
WW Ops excluding Acquisitions and Divestitures	2.0%	7.5%	1.1%	4.3%
U.S.	1.6%	2.2%	(0.2)%	1.3%
International	2.3%	15.3%	2.4%	7.6%

⁽¹⁾ Operational growth excludes the effect of translational currency

⁽²⁾ Previously referred to as Medical Optics

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Reconciliation of Non-GAAP Financial Measures

Q1 - Income Before Tax by Segment*
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Reported Income Before Tax by Segment <i>% to Sales</i>	\$ 548 16.1%	596 18.5%	3,666 37.2%	3,663 44.4%	1,579 23.3%	1,563 24.8%	(312) -1.6%	(247) -1.4%	5,481 27.4%	5,575 31.4%
Intangible asset amortization expense	64	56	780	44	271	229	-	-	1,115	329
Restructuring / Other	-	-	-	-	107	161	-	-	107	161
Actelion acquisition related cost	-	-	96	-	-	-	-	-	96	-
Unrealized loss/(gain) on securities	-	-	31	-	(4)	-	-	-	27	-
AMO acquisition related cost	-	-	-	-	21	38	-	-	21	38
Other	-	-	-	-	11	-	-	-	11	-
Adjusted Income Before Tax by Segment <i>% to Sales</i>	\$ <u>612</u> 18.0%	<u>652</u> 20.2%	<u>4,573</u> 46.5%	<u>3,707</u> 45.0%	<u>1,985</u> 29.3%	<u>1,991</u> 31.6%	<u>(312)</u> -1.6%	<u>(247)</u> -1.4%	<u>6,858</u> 34.3%	<u>6,103</u> 34.4%

*Estimated as of 04/17/2018.

Johnson & Johnson and Subsidiaries
Net Income and Diluted EPS GAAP to Non-GAAP Reconciliation
\$ in Millions Except Per Share Data
(Unaudited)

	First Quarter April 1, 2018			First Quarter April 1, 2018			First Quarter April 2, 2017			First Quarter April 2, 2017	
	GAAP	Adjustment		Non-GAAP		GAAP	Adjustment		Non-GAAP		Non-GAAP
Cost of products sold	\$ 6,614	(1,198) A		5,416		\$ 5,409	(342) D		5,067		
Other (Income) / Expense	60	(137) B		(77)		(219)	(101) E		(320)		
Restructuring	42	(42) C		-		85	(85) F		-		
Provision for taxes on income	1,114	109		1,223		1,153	(88)		1,065		
Net Earnings/(Loss)	4,367	1,268		5,635		4,422	616		5,038		
Diluted Net Earnings/(Loss) per Share	\$ 1.60	0.46		2.06		\$ 1.61	0.22		1.83		

(A) Includes \$1,115 Intangible asset amortization expense, \$77 Actelion acquisition related cost and \$6 Restructuring/Other

(B) Includes \$59 Restructuring/Other, \$19 Actelion acquisition related cost, \$27 Unrealized loss on securities, \$21 AMO acquisition related cost and \$11 Other

(C) Includes \$42 Restructuring/Other

(D) Includes \$329 Intangible asset amortization expense, \$4 Restructuring/Other and \$9 AMO acquisition related cost

(E) Includes \$72 Restructuring/Other and \$29 AMO acquisition related cost

(F) Includes \$85 Restructuring/Other