

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):

October 16, 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 October 16, 2018, Johnson & Johnson issued the attached press release announcing its sales and earnings for the third quarter ended September 30, 2018.

Item 8.01 Other Events

On October 11, 2018, Johnson & Johnson (the Company) determined that it will record an intangible asset impairment charge related to an in-process research and development asset, AL-8176, an investigational drug for the treatment of Respiratory Syncytial Virus (RSV) and human metapneumovirus (hMPV), with a carrying value of \$1.7 billion acquired in the acquisition of Alios Biopharma Inc. in 2014.

Late in the fiscal second quarter of 2018, information became available which led the Company to suspend on-going Phase 2B trials on AL-8176 until an analysis of this information was completed. The Company disclosed the trial suspension in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 2, 2018.

In the fiscal third quarter of 2018, further information became available to the Company enabling the Company to reassess the carrying value of the AL-8176 in-process research and development asset. On October 16, 2018, the Company announced that in the fiscal third quarter of 2018 the Company recorded a non-cash after-tax impairment charge of approximately \$630 million to the AL-8176 asset primarily representing the impact of the ongoing analysis of the activities related to the development of AL-8176. The charge will be reflected in the Company's fiscal third quarter 2018 financial results and will be excluded for purposes of adjusted earnings. The Company continues to evaluate information with respect to the development program and will monitor the remaining \$900 million intangible asset for further impairment.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.15	Press Release dated October 16, 2018 for the period ended September 30, 2018.
99.20	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the third quarter.

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: October 16, 2018

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

Johnson & Johnson Reports 2018 Third-Quarter Results:

2018 Third-Quarter Sales of \$20.3 Billion Increased 3.6% versus 2017

2018 Third-Quarter EPS was \$1.44

2018 Adjusted Third-Quarter EPS of \$2.05 increased 7.9%*

***Strong Operational Sales and Adjusted EPS Growth*
Company Increased Sales and EPS Guidance***

New Brunswick, N.J. (October 16, 2018) - Johnson & Johnson (NYSE: JNJ) today announced sales of \$20.3 billion for the third quarter of 2018, an increase of 3.6% as compared to the third quarter of 2017. Operational sales results increased 5.5%, partially offset by the negative impact of currency of 1.9%. Domestic sales increased 3.6%. International sales increased 3.5%, reflecting operational growth of 7.5% and a negative currency impact of 4.0%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 6.1%, domestic sales increased 3.9% and international sales increased 8.5%. *

Net earnings and diluted earnings per share for the third quarter of 2018 were \$3.9 billion and \$1.44, respectively. Third-quarter 2018 net earnings included after-tax intangible amortization expense of approximately \$1.0 billion and a net charge for after-tax special items of approximately \$0.7 billion, primarily consisting of a non-cash charge attributed to a partial write-down of an in-process research and development asset associated with the acquisition of Alios BioPharma Inc. Third-quarter 2017 net earnings included after-tax intangible amortization expense of approximately \$0.9 billion and a charge for after-tax special items of approximately \$0.5 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$5.6 billion and adjusted diluted earnings per share were \$2.05, representing increases of 7.3% and 7.9%, respectively, as compared to the same period in 2017. * On an operational basis, adjusted diluted earnings per share also increased 9.5%. * A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

“We are pleased with our strong third-quarter performance, which reflects continued above-market growth in our Pharmaceutical business, accelerating sales momentum in our Consumer business and consistent progress in our Medical Devices business,” said Alex Gorsky, Chairman and Chief Executive Officer. “I’m confident that with our collaborative and inspired J&J colleagues around the world, unique broad-based business model and strategic investments in innovation, we are well positioned for success today and into the future.”

The Company issued sales guidance for the full-year 2018 in a range of \$81.0 to \$81.4 billion. This reflects an increase in expected operational growth to a range of 5.5% to 6.0%, partially offset by the estimated lower favorable impact of currency. Additionally, the Company increased its adjusted earnings guidance for full-year 2018 to a range of \$8.13 to \$8.18 per share. This reflects an increase in expected operational EPS growth to a range of 9.3% to 10.0%.

Segment Sales Performance

Worldwide Consumer sales of \$3.4 billion for the third quarter 2018 represented an increase of 1.8% versus the prior year, consisting of an operational increase of 4.9% and a negative impact from currency of 3.1%. Domestic sales increased 6.6%, while international sales decreased 1.3%, which reflected an operational increase of 3.7% and a negative currency impact of 5.0%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 6.1%, with domestic sales increasing 6.4% and international sales increasing 5.9%.*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by over-the-counter products including MOTRIN and TYLENOL analgesics, ZYRTEC upper respiratory and IMODIUM digestive health products; beauty products including NEUTROGENA, OGX and DR. CI LABO; as well as domestic sales of JOHNSON's baby care products.

During the quarter, the acquisition of Zarbee's, Inc., a leader in naturally-based healthcare products, was completed.

Worldwide Pharmaceutical sales of \$10.3 billion for the third quarter 2018 represented an increase of 6.7% versus the prior year with an operational increase of 8.2% and a negative impact from currency of 1.5%. Domestic sales increased 4.8%, international sales increased 9.5%, which reflected an operational increase of 13.2% and a negative currency impact of 3.7%. Acquisitions and divestitures had a negligible impact to sales growth in the quarter.

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by ZYTIGA (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer, IMBRUVICA (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer, STELARA (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, DARZALEX (daratumumab), for the treatment of multiple myeloma, TREMFYA (guselkumab), for the treatment of adults living with moderate to severe plaque psoriasis, INVEGA SUSTENNA/XEPLION/INVEGA TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, SIMPONI/SIMPONI ARIA (golimumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, OPSUMIT (macitentan), an oral endothelin receptor antagonist indicated for the treatment of pulmonary arterial hypertension to delay disease progression, and UPTRAVI (selexipag), an oral prostacyclin receptor agonist used to treat pulmonary arterial hypertension and reduce hospitalization.

During the quarter, the U.S. Food and Drug Administration (FDA) approved an additional indication for IMBRUVICA (ibrutinib) in combination with rituximab as a non-chemotherapy combination regimen for patients with Waldenström's Macroglobulinemia, a rare blood cancer. The European Commission (EC) granted marketing authorization for DARZALEX (daratumumab) in combination with VELCADE (bortezomib), a proteasome inhibitor, melphalan, an alkylating agent, and prednisone for the treatment of newly diagnosed multiple myeloma patients who are ineligible for autologous stem cell transplant. In addition, the FDA approved and the EC granted marketing authorization for SYMTUZA (D/C/F/TAF), a complete darunavir-based single-tablet regimen for the treatment of HIV-1 infection.

A New Drug Application was submitted to the FDA for esketamine nasal spray, a rapidly acting antidepressant for treatment-resistant depression in adults and erdafitinib, a once-daily, oral pan-fibroblast growth factor receptor (FGFR) inhibitor for the treatment of locally advanced or metastatic urothelial cancer. A supplemental New Drug Application was submitted to the FDA seeking to broaden the use of IMBRUVICA (ibrutinib) in chronic lymphocytic leukemia or small lymphocytic lymphoma to include combination use with a non-chemotherapy agent, obinutuzumab, in the frontline setting. A Type II Variation was submitted to the European Medicines Agency (EMA) seeking to expand the indication of OPSUMIT (macitentan) to include the treatment of adults with inoperable chronic thromboembolic pulmonary hypertension (CTEPH), WHO Group 4, to improve exercise capacity and pulmonary vascular resistance. In addition, the Company also submitted a supplemental Biologics License Application to the FDA and a Type II Variation to the EMA seeking approval of a split dosing regimen for DARZALEX (daratumumab).

Subsequent to the quarter, the FDA approved an additional indication for XARELTO (rivaroxaban) to reduce the risk of major cardiovascular (CV) events, such as CV death, myocardial infarction and stroke, in people with chronic coronary or peripheral artery disease. Additionally, a Marketing Authorization Application was submitted to the EMA for esketamine nasal spray, a rapidly acting antidepressant for treatment-resistant depression in adults. The Company also entered into an exclusive worldwide license agreement with Arrowhead Pharmaceuticals, Inc. to develop and commercialize a new treatment for chronic Hepatitis B viral infection.

Worldwide Medical Devices sales of \$6.6 billion for the third quarter 2018 represented a decrease of 0.2% versus the prior year consisting of an operational increase of 1.7% and a negative currency impact of 1.9%. Domestic sales increased 0.3%, while international sales decreased 0.6%, which reflected an operational increase of 3.0% and a negative currency impact of 3.6%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 2.9%, domestic sales increased 1.2% and international sales increased 4.4%. *

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by the growth of electrophysiology products in the Interventional Solutions business; ACUVUE contact lenses in the Vision business; endocutters and biosurgicals in the Advanced Surgery business; and wound closure products in the General Surgery business, partially offset by declines in the Diabetes Care business.

During the quarter, the Company received European CE mark approval for its BRAVO Flow Diverter for use in the treatment of patients suffering from intracranial aneurysms. In addition, the acquisition of Emerging Implant Technologies GmbH, a privately held manufacturer of 3D-printed titanium interbody implants for spinal fusion surgery, was completed. Lastly, the Company accepted the binding offer from Fortive Corporation to acquire its Advanced Sterilization Products business for an aggregate value of approximately \$2.8 billion, subject to customary adjustments.

Subsequent to the quarter, the Company announced the completion of the divestiture of its LifeScan business to Platinum Equity for approximately \$2.1 billion, subject to customary adjustments.

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.

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 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 unexpected clinical trial results, additional analysis of existing clinical data, uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; the impact of business combinations and divestitures; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans, including restructuring plans; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws, global health care reforms and import/export and trade laws; 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; increased scrutiny of the health care industry by government agencies. 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 December 31, 2017, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” in the company’s most recently filed Quarterly Report on Form 10-Q and in the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.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)

THIRD QUARTER

	2018		2017*		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,348	100.0	\$ 19,650	100.0	3.6
Cost of products sold	6,589	32.4	6,925	35.2	(4.9)
Gross Profit	13,759	67.6	12,725	64.8	8.1
Selling, marketing and administrative expenses	5,543	27.3	5,423	27.6	2.2
Research and development expense	2,508	12.3	2,585	13.2	(3.0)
In-process research and development	1,126	5.6	—	—	
Interest (income) expense, net	68	0.3	155	0.8	
Other (income) expense, net	3	0.0	(297)	(1.5)	
Restructuring	88	0.4	69	0.3	
Earnings before provision for taxes on income	4,423	21.7	4,790	24.4	(7.7)
Provision for taxes on income	489	2.4	1,026	5.2	(52.3)
Net earnings	\$ 3,934	19.3	\$ 3,764	19.2	4.5
Net earnings per share (Diluted)	\$ 1.44		\$ 1.37		5.1
Average shares outstanding (Diluted)	2,727.6		2,737.7		
Effective tax rate	11.1 %		21.4 %		
Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 6,780	33.3	\$ 6,573	33.5	3.1
Net earnings	\$ 5,590	27.5	\$ 5,208	26.5	7.3
Net earnings per share (Diluted)	\$ 2.05		\$ 1.90		7.9
Effective tax rate	17.6 %		20.8 %		

⁽¹⁾ See Reconciliation of Non-GAAP Financial Measures.

*2017 Statement of Earnings line items have been restated to reflect impact of ASU 2017-07

^(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)

NINE MONTHS

	2018		2017*		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 61,187	100.0	\$ 56,255	100.0	8.8
Cost of products sold	20,130	32.9	18,180	32.3	10.7
Gross Profit	41,057	67.1	38,075	67.7	7.8
Selling, marketing and administrative expenses	16,549	27.1	15,475	27.5	6.9
Research and development expense	7,551	12.3	6,951	12.4	8.6
In-process research and development	1,126	1.8	—	—	
Interest (income) expense, net	340	0.6	360	0.6	
Other (income) expense, net	427	0.7	11	0.0	
Restructuring	187	0.3	165	0.3	
Earnings before provision for taxes on income	14,877	24.3	15,113	26.9	(1.6)
Provision for taxes on income	2,622	4.3	3,100	5.5	(15.4)
Net earnings	\$ 12,255	20.0	\$ 12,013	21.4	2.0
Net earnings per share (Diluted)	\$ 4.49		\$ 4.37		2.7
Average shares outstanding (Diluted)	2,729.6		2,746.4		
Effective tax rate	17.6 %		20.5 %		
Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 20,652	33.8	\$ 18,961	33.7	8.9
Net earnings	\$ 16,943	27.7	\$ 15,263	27.1	11.0
Net earnings per share (Diluted)	\$ 6.21		\$ 5.56		11.7
Effective tax rate	18.0 %		19.5 %		

⁽¹⁾ See Reconciliation of Non-GAAP Financial Measures.

*2017 Statement of Earnings line items have been restated to reflect impact of ASU 2017-07

^(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)	THIRD QUARTER				
	2018	2017	Total	Percent Change	
				Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 1,370	1,285	6.6 %	6.6	—
International	2,045	2,071	(1.3)	3.7	(5.0)
	3,415	3,356	1.8	4.9	(3.1)
Pharmaceutical					
U.S.	6,097	5,816	4.8	4.8	—
International	4,249	3,879	9.5	13.2	(3.7)
	10,346	9,695	6.7	8.2	(1.5)
Medical Devices					
U.S.	3,197	3,189	0.3	0.3	—
International	3,390	3,410	(0.6)	3.0	(3.6)
	6,587	6,599	(0.2)	1.7	(1.9)
U.S.	10,664	10,290	3.6	3.6	—
International	9,684	9,360	3.5	7.5	(4.0)
Worldwide	\$ 20,348	19,650	3.6 %	5.5	(1.9)

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

(Unaudited; Dollars in Millions)

NINE MONTHS

Percent Change

	2018	2017	Total	Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 4,282	4,186	2.3 %	2.3	—
International	6,035	5,876	2.7	1.6	1.1
	10,317	10,062	2.5	1.9	0.6
Pharmaceutical					
U.S.	17,350	15,698	10.5	10.5	—
International	13,194	10,877	21.3	17.5	3.8
	30,544	26,575	14.9	13.4	1.5
Medical Devices					
U.S.	9,623	9,510	1.2	1.2	—
International	10,703	10,108	5.9	3.2	2.7
	20,326	19,618	3.6	2.2	1.4
U.S.	31,255	29,394	6.3	6.3	—
International	29,932	26,861	11.4	8.6	2.8
Worldwide	\$ 61,187	56,255	8.8 %	7.5	1.3

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

(Unaudited; Dollars in Millions)

THIRD QUARTER

	2018	2017	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,664	10,290	3.6 %	3.6	—
Europe	4,416	4,308	2.5	5.1	(2.6)
Western Hemisphere excluding U.S.	1,550	1,569	(1.2)	11.2	(12.4)
Asia-Pacific, Africa	3,718	3,483	6.7	8.6	(1.9)
International	9,684	9,360	3.5	7.5	(4.0)
Worldwide	\$ 20,348	19,650	3.6 %	5.5	(1.9)

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

(Unaudited; Dollars in Millions)

NINE MONTHS

	2018	2017	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 31,255	29,394	6.3 %	6.3	—
Europe	14,023	12,398	13.1	7.1	6.0
Western Hemisphere excluding U.S.	4,657	4,522	3.0	8.4	(5.4)
Asia-Pacific, Africa	11,252	9,941	13.2	10.8	2.4
International	29,932	26,861	11.4	8.6	2.8
Worldwide	\$ 61,187	56,255	8.8 %	7.5	1.3

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

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. /
	2018	2017	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 4,423	4,790	(7.7) %
Intangible asset amortization expense	1,085	1,077	
In-process research and development	1,126	—	
Litigation expense, net	—	118	
Restructuring/Other ⁽¹⁾	190	187	
Actelion acquisition related cost	40	367	
Contingent liability reversal	(184)	—	
AMO acquisition related cost	36	36	
Diabetes asset impairment	—	(2)	
Unrealized loss/(gain) on securities	9	—	
Other	55	—	
Earnings before provision for taxes on income - as adjusted	\$ 6,780	6,573	3.1 %
Net Earnings - as reported	\$ 3,934	3,764	4.5 %
Intangible asset amortization expense	968	933	
In-process research and development	859	—	
Litigation expense, net	—	97	
Restructuring/Other	162	136	
Actelion acquisition related cost	37	255	
Contingent liability reversal	(184)	—	
AMO acquisition related cost	29	28	
Diabetes asset impairment	—	(5)	
Unrealized loss/(gain) on securities	8	—	
Impact of tax legislation ⁽²⁾	(265)	—	
Other	42	—	
Net Earnings - as adjusted	\$ 5,590	5,208	7.3 %
Diluted Net Earnings per share - as reported	\$ 1.44	1.37	5.1 %
Intangible asset amortization expense	0.35	0.34	
In-process research and development	0.32	—	
Litigation expense, net	—	0.04	
Restructuring/Other	0.06	0.05	
Actelion acquisition related cost	0.02	0.09	
Contingent liability reversal	(0.07)	—	
AMO acquisition related cost	0.01	0.01	
Diabetes asset impairment	—	—	
Unrealized loss/(gain) on securities	—	—	
Impact of tax legislation	(0.10)	—	
Other	0.02	—	
Diluted Net Earnings per share - as adjusted	\$ 2.05	1.90	7.9 %
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		1.85	
Impact of currency at 2017 foreign currency exchange rates	0.03	0.05	

Operational Diluted Net Earnings per share - as adjusted

at 2017 foreign currency exchange rates

\$ 2.08

1.90

9.5 %

⁽¹⁾ Includes \$23M recorded in cost of products sold and \$79M recorded in other (income) expense for the third quarter 2018. Includes \$29M recorded in cost of products sold and \$89M recorded in other (income) expense for the third quarter 2017.

⁽²⁾ Includes foreign currency translation

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

<i>(Dollars in Millions Except Per Share Data)</i>	Nine Months YTD		% Incr. /
	2018	2017	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 14,877	15,113	(1.6) %
Intangible asset amortization expense	3,284	1,886	
In-process research and development	1,126	—	
Litigation expense, net	703	611	
Restructuring/Other ⁽¹⁾	473	476	
Actelion acquisition related cost	200	580	
Contingent liability reversal	(184)	—	
AMO acquisition related cost	82	115	
Diabetes asset impairment	4	180	
Unrealized loss/(gain) on securities	(3)	—	
Other	90	—	
Earnings before provision for taxes on income - as adjusted	\$ 20,652	18,961	8.9 %
Net Earnings - as reported	\$ 12,255	12,013	2.0 %
Intangible asset amortization expense	2,931	1,555	
In-process research and development	859	—	
Litigation expense, net	609	449	
Restructuring/Other	395	358	
Actelion acquisition related cost	193	454	
Contingent liability reversal	(184)	—	
AMO acquisition related cost	68	314	
Diabetes asset impairment	3	120	
Unrealized loss/(gain) on securities	(2)	—	
Impact of tax legislation ⁽²⁾	(253)	—	
Other	69	—	
Net Earnings - as adjusted	\$ 16,943	15,263	11.0 %
Diluted Net Earnings per share - as reported	\$ 4.49	4.37	2.7 %
Intangible asset amortization expense	1.07	0.57	
In-process research and development	0.32	—	
Litigation expense, net	0.22	0.16	
Restructuring/Other	0.15	0.14	
Actelion acquisition related cost	0.07	0.16	
Contingent liability reversal	(0.07)	—	
AMO acquisition related cost	0.02	0.11	
Diabetes asset impairment	—	0.05	
Unrealized loss/(gain) on securities	—	—	
Impact of tax legislation	(0.09)	—	
Other	0.03	—	
Diluted Net Earnings per share - as adjusted	\$ 6.21	5.56	11.7 %
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		5.57	
Impact of currency at 2017 foreign currency exchange rates	(0.17)	(0.01)	
Operational Diluted Net Earnings per share - as adjusted			

at 2017 foreign currency exchange rates

\$ 6.04

5.56

8.6 %

⁽¹⁾ Includes \$73M recorded in cost of products sold and \$213M recorded in other (income) expense for nine months 2018 YTD. Includes \$46M recorded in cost of products sold and \$265M recorded in other (income) expense for nine months 2017 YTD.

⁽²⁾ Includes foreign currency translation

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures ^(A)
 THIRD QUARTER 2018 ACTUAL vs. 2017 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	4.9%	8.2%	1.7%	5.5%
U.S.	6.6%	4.8%	0.3%	3.6%
International	3.7%	13.2%	3.0%	7.5%
Spine & Other				
<i>Codman Neuroscience</i>			1.0	0.4
U.S.			0.6	0.2
International			1.4	0.5
Wound Care / Other				
<i>Compeed</i>	0.8			0.1
U.S.	0.0			0.0
International	1.3			0.3
Beauty				
<i>Nizoral</i>	0.5			0.1
U.S.	0.3			0.0
International	0.7			0.1
All Other Acquisitions and Divestitures				
	(0.1)	0.0	0.2	0.0
U.S.	(0.5)	0.0	0.3	0.1
International	0.2	0.0	0.0	0.1
WW Ops excluding Acquisitions and Divestitures	6.1%	8.2%	2.9%	6.1%
U.S.	6.4%	4.8%	1.2%	3.9%
International	5.9%	13.2%	4.4%	8.5%

⁽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)
NINE MONTHS 2018 ACTUAL vs. 2017 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	1.9%	13.4%	2.2%	7.5%
U.S.	2.3%	10.5%	1.2%	6.3%
International	1.6%	17.5%	3.2%	8.6%
Pulmonary Hypertension				
<i>Actelion</i>		(4.3)		(2.0)
U.S.		(4.7)		(2.5)
International		(3.8)		(1.6)
Cardiovascular / Metabolism / Other				
<i>Actelion</i>		(0.2)		(0.1)
U.S.		(0.1)		(0.1)
International		(0.3)		(0.1)
Spine & Other				
<i>Codman Neuroscience</i>			1.0	0.4
U.S.			0.6	0.3
International			1.4	0.6
Wound Care / Other				
<i>Compeed</i>	0.9			0.2
U.S.	0.0			0.0
International	1.5			0.3
Vision				
<i>Vision Surgical & Eye Health Business</i>			(1.0)	(0.4)
U.S.			(0.9)	(0.3)
International			(1.1)	(0.4)
Beauty				
<i>Nizoral</i>	0.2			0.0
U.S.	0.1			0.0
International	0.3			0.1
All Other Acquisitions and Divestitures				
U.S.	(0.1)	0.0	0.0	0.0
International	0.2	0.0	0.2	0.1
WW Ops excluding Acquisitions and Divestitures	3.0%	8.9%	2.3%	5.6%
U.S.	2.3%	5.7%	0.9%	3.7%
International	3.6%	13.4%	3.7%	7.6%

⁽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)

THIRD QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 120	100	20.0 %	20.0 %	— %
Intl	352	377	(6.6)	0.1	(6.7)
WW	472	477	(1.0)	4.3	(5.3)
BEAUTY					
US	543	523	3.8	3.8	—
Intl	535	510	4.9	9.2	(4.3)
WW	1,078	1,033	4.4	6.5	(2.1)
ORAL CARE					
US	158	154	2.6	2.6	—
Intl	226	228	(0.9)	3.6	(4.5)
WW	384	382	0.5	3.2	(2.7)
OTC					
US	440	401	9.7	9.7	—
Intl	608	601	1.2	4.8	(3.6)
WW	1,048	1,002	4.6	6.8	(2.2)
WOMEN'S HEALTH					
US	3	3	0.0	0.0	—
Intl	266	267	(0.4)	8.0	(8.4)
WW	269	270	(0.4)	7.9	(8.3)
WOUND CARE / OTHER					
US	106	104	1.9	1.9	—
Intl	58	88	(34.1)	(31.3)	(2.8)
WW	164	192	(14.6)	(13.3)	(1.3)
TOTAL CONSUMER					
US	1,370	1,285	6.6	6.6	—
Intl	2,045	2,071	(1.3)	3.7	(5.0)
WW	\$ 3,415	3,356	1.8 %	4.9 %	(3.1)%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	THIRD QUARTER				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5)}					
IMMUNOLOGY					
US	\$ 2,400	2,420	(0.8)%	(0.8)%	— %
Intl	998	849	17.6	21.7	(4.1)
WW	3,398	3,269	3.9	5.0	(1.1)
<u>REMICADE</u>					
US	987	1,206	(18.2)	(18.2)	—
US Exports ⁽³⁾	100	156	(35.9)	(35.9)	—
Intl	292	285	2.5	8.2	(5.7)
WW	1,379	1,647	(16.3)	(15.3)	(1.0)
<u>SIMPONI / SIMPONI ARIA</u>					
US	281	242	16.1	16.1	—
Intl	255	234	9.0	13.5	(4.5)
WW	536	476	12.6	14.8	(2.2)
<u>STELARA</u>					
US	889	800	11.1	11.1	—
Intl	421	324	29.9	33.0	(3.1)
WW	1,310	1,124	16.5	17.4	(0.9)
<u>OTHER IMMUNOLOGY</u>					
US	143	16	*	*	—
Intl	30	6	*	*	*
WW	173	22	*	*	*
INFECTIOUS DISEASES					
US	345	353	(2.3)	(2.3)	—
Intl	478	460	3.9	7.4	(3.5)
WW	823	813	1.2	3.2	(2.0)
<u>EDURANT / rilpivirine</u>					
US	13	15	(13.3)	(13.3)	—
Intl	189	179	5.6	6.8	(1.2)
WW	202	194	4.1	5.2	(1.1)
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	297	287	3.5	3.5	—
Intl	193	180	7.2	12.4	(5.2)
WW	490	467	4.9	6.9	(2.0)
<u>OTHER INFECTIOUS DISEASES</u>					
US	35	51	(31.4)	(31.4)	—
Intl	96	101	(5.0)	(0.3)	(4.7)
WW	131	152	(13.8)	(10.7)	(3.1)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	THIRD QUARTER				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT (2) (5) (Continued)					
NEUROSCIENCE					
US	\$ 651	647	0.6 %	0.6 %	— %
Intl	839	851	(1.4)	2.1	(3.5)
WW	1,490	1,498	(0.5)	1.5	(2.0)
<u>CONCERTA / methylphenidate</u>					
US	57	100	(43.0)	(43.0)	—
Intl	100	98	2.0	7.3	(5.3)
WW	157	198	(20.7)	(18.1)	(2.6)
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	468	395	18.5	18.5	—
Intl	281	248	13.3	16.6	(3.3)
WW	749	643	16.5	17.8	(1.3)
<u>RISPERDAL CONSTA</u>					
US	76	87	(12.6)	(12.6)	—
Intl	99	107	(7.5)	(4.0)	(3.5)
WW	175	194	(9.8)	(7.9)	(1.9)
<u>OTHER NEUROSCIENCE</u>					
US	50	65	(23.1)	(23.1)	—
Intl	359	398	(9.8)	(6.6)	(3.2)
WW	409	463	(11.7)	(9.0)	(2.7)
ONCOLOGY					
US	1,250	846	47.8	47.8	—
Intl	1,338	1,052	27.2	31.2	(4.0)
WW	2,588	1,898	36.4	38.6	(2.2)
<u>DARZALEX</u>					
US	318	230	38.3	38.3	—
Intl	180	87	*	*	*
WW	498	317	57.1	60.0	(2.9)
<u>IMBRUVICA</u>					
US	334	230	45.2	45.2	—
Intl	371	282	31.6	36.6	(5.0)
WW	705	512	37.7	40.4	(2.7)
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	271	273	(0.7)	1.8	(2.5)
WW	271	273	(0.7)	1.8	(2.5)
<u>ZYTIGA</u>					
US	527	352	49.7	49.7	—
Intl	431	317	36.0	38.8	(2.8)
WW	958	669	43.2	44.5	(1.3)
<u>OTHER ONCOLOGY</u>					
US	71	34	*	*	—
Intl	85	93	(8.6)	(4.7)	(3.9)
WW	156	127	22.8	25.6	(2.8)

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
PULMONARY HYPERTENSION ⁽⁴⁾					
US	\$ 425	371	14.6 %	14.6 %	— %
Intl	231	261	(11.5)	(8.9)	(2.6)
WW	<u>656</u>	<u>632</u>	3.8	4.9	(1.1)
<u>OPSUMIT</u>					
US	182	150	21.3	21.3	—
Intl	128	109	17.4	20.9	(3.5)
WW	<u>310</u>	<u>259</u>	19.7	21.2	(1.5)
<u>TRACLEER</u>					
US	69	83	(16.9)	(16.9)	—
Intl	70	127	(44.9)	(43.6)	(1.3)
WW	<u>139</u>	<u>210</u>	(33.8)	(33.0)	(0.8)
<u>UPTRAVI</u>					
US	154	113	36.3	36.3	—
Intl	17	11	54.5	57.3	(2.8)
WW	<u>171</u>	<u>124</u>	37.9	38.1	(0.2)
<u>OTHER</u>					
US	20	25	(20.0)	(20.0)	—
Intl	16	14	14.3	21.2	(6.9)
WW	<u>36</u>	<u>39</u>	(7.7)	(5.2)	(2.5)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

PHARMACEUTICAL SEGMENT ^{(2) (5)} (Continued)

CARDIOVASCULAR / METABOLISM / OTHER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 1,026	1,179	(13.0)%	(13.0)%	— %
Intl	365	406	(10.1)	(6.5)	(3.6)
WW	<u>1,391</u>	<u>1,585</u>	(12.2)	(11.3)	(0.9)
<u>XARELTO</u>					
US	612	635	(3.6)	(3.6)	—
Intl	—	—	—	—	—
WW	<u>612</u>	<u>635</u>	(3.6)	(3.6)	—
<u>INVOKANA / INVOKAMET</u>					
US	150	220	(31.8)	(31.8)	—
Intl	40	45	(11.1)	(6.7)	(4.4)
WW	<u>190</u>	<u>265</u>	(28.3)	(27.6)	(0.7)
<u>PROCIT / EPREX</u>					
US	178	168	6.0	6.0	—
Intl	77	70	10.0	12.8	(2.8)
WW	<u>255</u>	<u>238</u>	7.1	7.9	(0.8)
<u>OTHER</u>					
US	86	156	(44.9)	(44.9)	—
Intl	248	291	(14.8)	(11.1)	(3.7)
WW	<u>334</u>	<u>447</u>	(25.3)	(22.9)	(2.4)
TOTAL PHARMACEUTICAL					
US	6,097	5,816	4.8	4.8	—
Intl	4,249	3,879	9.5	13.2	(3.7)
WW	<u>\$ 10,346</u>	<u>9,695</u>	6.7 %	8.2 %	(1.5)%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

THIRD QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
DIABETES CARE					
US	\$ 125	168	(25.6)%	(25.6)%	— %
Intl	190	237	(19.8)	(16.0)	(3.8)
WW	315	405	(22.2)	(20.0)	(2.2)
INTERVENTIONAL SOLUTIONS					
US	320	279	14.7	14.7	—
Intl	333	274	21.5	24.1	(2.6)
WW	653	553	18.1	19.4	(1.3)
ORTHOPAEDICS					
US	1,284	1,308	(1.8)	(1.8)	—
Intl	827	896	(7.7)	(4.4)	(3.3)
WW	2,111	2,204	(4.2)	(2.9)	(1.3)
<u>HIPS</u>					
US	201	195	3.1	3.1	—
Intl	129	133	(3.0)	1.0	(4.0)
WW	330	328	0.6	2.2	(1.6)
<u>KNEES</u>					
US	215	220	(2.3)	(2.3)	—
Intl	126	123	2.4	6.8	(4.4)
WW	341	343	(0.6)	1.0	(1.6)
<u>TRAUMA</u>					
US	395	398	(0.8)	(0.8)	—
Intl	259	264	(1.9)	1.0	(2.9)
WW	654	662	(1.2)	0.0	(1.2)
<u>SPINE & OTHER</u>					
US	473	495	(4.4)	(4.4)	—
Intl	313	376	(16.8)	(13.9)	(2.9)
WW	786	871	(9.8)	(8.6)	(1.2)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	THIRD QUARTER				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5) (Continued)}					
SURGERY					
US	\$ 1,016	1,002	1.4 %	1.4 %	— %
Intl	1,360	1,344	1.2	5.6	(4.4)
WW	<u>2,376</u>	<u>2,346</u>	1.3	3.8	(2.5)
<u>ADVANCED</u>					
US	421	398	5.8	5.8	—
Intl	555	525	5.7	10.0	(4.3)
WW	<u>976</u>	<u>923</u>	5.7	8.1	(2.4)
<u>GENERAL</u>					
US	423	430	(1.6)	(1.6)	—
Intl	657	675	(2.7)	1.6	(4.3)
WW	<u>1,080</u>	<u>1,105</u>	(2.3)	0.3	(2.6)
<u>SPECIALTY</u>					
US	172	174	(1.1)	(1.1)	—
Intl	148	144	2.8	7.9	(5.1)
WW	<u>320</u>	<u>318</u>	0.6	2.9	(2.3)
VISION					
US	452	432	4.6	4.6	—
Intl	680	659	3.2	6.2	(3.0)
WW	<u>1,132</u>	<u>1,091</u>	3.8	5.6	(1.8)
<u>CONTACT LENSES / OTHER</u>					
US	319	302	5.6	5.6	—
Intl	516	498	3.6	6.4	(2.8)
WW	<u>835</u>	<u>800</u>	4.4	6.2	(1.8)
<u>SURGICAL</u>					
US	133	130	2.3	2.3	—
Intl	164	161	1.9	5.5	(3.6)
WW	<u>297</u>	<u>291</u>	2.1	4.1	(2.0)
TOTAL MEDICAL DEVICES					
US	3,197	3,189	0.3	0.3	—
Intl	3,390	3,410	(0.6)	3.0	(3.6)
WW	<u>\$ 6,587</u>	<u>6,599</u>	(0.2)%	1.7 %	(1.9)%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 306	326	(6.1)%	(6.1)%	— %
Intl	<u>1,079</u>	<u>1,100</u>	(1.9)	(0.5)	(1.4)
WW	<u>1,385</u>	<u>1,426</u>	(2.9)	(1.8)	(1.1)
BEAUTY					
US	1,791	1,739	3.0	3.0	—
Intl	<u>1,480</u>	<u>1,351</u>	9.5	7.7	1.8
WW	<u>3,271</u>	<u>3,090</u>	5.9	5.1	0.8
ORAL CARE					
US	472	460	2.6	2.6	—
Intl	<u>684</u>	<u>678</u>	0.9	(0.5)	1.4
WW	<u>1,156</u>	<u>1,138</u>	1.6	0.7	0.9
OTC					
US	1,359	1,310	3.7	3.7	—
Intl	<u>1,827</u>	<u>1,711</u>	6.8	3.8	3.0
WW	<u>3,186</u>	<u>3,021</u>	5.5	3.8	1.7
WOMEN'S HEALTH					
US	10	9	11.1	11.1	—
Intl	<u>782</u>	<u>779</u>	0.4	2.0	(1.6)
WW	<u>792</u>	<u>788</u>	0.5	2.1	(1.6)
WOUND CARE / OTHER					
US	344	342	0.6	0.6	—
Intl	<u>183</u>	<u>257</u>	(28.8)	(30.0)	1.2
WW	<u>527</u>	<u>599</u>	(12.0)	(12.5)	0.5
TOTAL CONSUMER					
US	4,282	4,186	2.3	2.3	—
Intl	<u>6,035</u>	<u>5,876</u>	2.7	1.6	1.1
WW	<u>\$ 10,317</u>	<u>10,062</u>	2.5 %	1.9 %	0.6 %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	NINE MONTHS				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5)}					
IMMUNOLOGY					
US	\$ 6,717	6,644	1.1 %	1.1 %	—%
Intl	3,061	2,514	21.8	18.6	3.2
WW	9,778	9,158	6.8	5.9	0.9
<u>REMICADE</u>					
US	2,821	3,452	(18.3)	(18.3)	—
US Exports ⁽³⁾	346	448	(22.8)	(22.8)	—
Intl	921	949	(3.0)	(3.9)	0.9
WW	4,088	4,849	(15.7)	(15.9)	0.2
<u>SIMPONI / SIMPONI ARIA</u>					
US	779	701	11.1	11.1	—
Intl	823	642	28.2	25.3	2.9
WW	1,602	1,343	19.3	17.9	1.4
<u>STELARA</u>					
US	2,460	2,027	21.4	21.4	—
Intl	1,252	903	38.6	32.9	5.7
WW	3,712	2,930	26.7	24.9	1.8
<u>OTHER IMMUNOLOGY</u>					
US	311	16	*	*	—
Intl	65	20	*	*	*
WW	376	36	*	*	*
INFECTIOUS DISEASES					
US	1,006	1,020	(1.4)	(1.4)	—
Intl	1,496	1,334	12.1	8.1	4.0
WW	2,502	2,354	6.3	4.0	2.3
<u>EDURANT / rilpivirine</u>					
US	42	44	(4.5)	(4.5)	—
Intl	581	478	21.5	14.2	7.3
WW	623	522	19.3	12.6	6.7
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	847	824	2.8	2.8	—
Intl	613	527	16.3	13.5	2.8
WW	1,460	1,351	8.1	7.0	1.1
<u>OTHER INFECTIOUS DISEASES</u>					
US	117	152	(23.0)	(23.0)	—
Intl	302	329	(8.2)	(9.3)	1.1
WW	419	481	(12.9)	(13.7)	0.8

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	NINE MONTHS				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
NEUROSCIENCE					
US	\$ 1,914	1,931	(0.9)%	(0.9)%	—%
Intl	2,663	2,531	5.2	2.3	2.9
WW	4,577	4,462	2.6	0.9	1.7
<u>CONCERTA / methylphenidate</u>					
US	191	284	(32.7)	(32.7)	—
Intl	322	304	5.9	4.4	1.5
WW	513	588	(12.8)	(13.6)	0.8
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	1,306	1,154	13.2	13.2	—
Intl	859	722	19.0	14.2	4.8
WW	2,165	1,876	15.4	13.5	1.9
<u>RISPERDAL CONSTA</u>					
US	238	273	(12.8)	(12.8)	—
Intl	321	335	(4.2)	(7.3)	3.1
WW	559	608	(8.1)	(9.8)	1.7
<u>OTHER NEUROSCIENCE</u>					
US	179	220	(18.6)	(18.6)	—
Intl	1,161	1,170	(0.8)	(2.9)	2.1
WW	1,340	1,390	(3.6)	(5.4)	1.8
ONCOLOGY					
US	3,268	2,207	48.1	48.1	—
Intl	4,087	3,012	35.7	30.9	4.8
WW	7,355	5,219	40.9	38.1	2.8
<u>DARZALEX</u>					
US	880	643	36.9	36.9	—
Intl	561	228	*	*	*
WW	1,441	871	65.4	63.6	1.8
<u>IMBRUVICA</u>					
US	811	622	30.4	30.4	—
Intl	1,101	749	47.0	42.2	4.8
WW	1,912	1,371	39.5	36.9	2.6
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	864	843	2.5	(1.7)	4.2
WW	864	843	2.5	(1.7)	4.2
<u>ZYTIGA</u>					
US	1,420	826	71.9	71.9	—
Intl	1,292	924	39.8	34.2	5.6
WW	2,712	1,750	55.0	52.0	3.0
<u>OTHER ONCOLOGY</u>					
US	157	116	35.3	35.3	—
Intl	269	268	0.4	(2.5)	2.9
WW	426	384	10.9	8.9	2.0

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
PULMONARY HYPERTENSION ⁽⁴⁾					
US	\$ 1,215	408	*	*	—%
Intl	691	309	*	*	*
WW	1,906	717	*	*	*
<u>OPSUMIT</u>					
US	511	174	*	*	—
Intl	381	130	*	*	*
WW	892	304	*	*	*
<u>TRACLEER</u>					
US	208	85	*	*	—
Intl	214	151	41.7	37.5	4.2
WW	422	236	78.8	76.1	2.7
<u>UPTRAVI</u>					
US	433	121	*	*	—
Intl	49	12	*	*	*
WW	482	133	*	*	*
<u>OTHER</u>					
US	63	28	*	*	—
Intl	47	16	*	*	*
WW	110	44	*	*	*

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
CARDIOVASCULAR / METABOLISM / OTHER					
US	\$ 3,230	3,488	(7.4)%	(7.4)%	—%
Intl	1,196	1,177	1.6	(1.1)	2.7
WW	4,426	4,665	(5.1)	(5.8)	0.7
<u>XARELTO</u>					
US	1,869	1,790	4.4	4.4	—
Intl	—	—	—	—	—
WW	1,869	1,790	4.4	4.4	—
<u>INVOKANA / INVOKAMET</u>					
US	523	723	(27.7)	(27.7)	—
Intl	130	121	7.4	4.8	2.6
WW	653	844	(22.6)	(23.0)	0.4
<u>PROCRI / EPREX</u>					
US	523	511	2.3	2.3	—
Intl	244	229	6.6	2.9	3.7
WW	767	740	3.6	2.4	1.2
<u>OTHER</u>					
US	315	464	(32.1)	(32.1)	—
Intl	822	827	(0.6)	(3.1)	2.5
WW	1,137	1,291	(11.9)	(13.5)	1.6
TOTAL PHARMACEUTICAL					
US	17,350	15,698	10.5	10.5	—
Intl	13,194	10,877	21.3	17.5	3.8
WW	\$ 30,544	26,575	14.9 %	13.4 %	1.5%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
DIABETES CARE					
US	\$ 371	482	(23.0)%	(23.0)%	—%
Intl	638	743	(14.1)	(16.3)	2.2
WW	<u>1,009</u>	<u>1,225</u>	(17.6)	(19.0)	1.4
DIAGNOSTICS					
US	—	—	—	—	—
Intl	—	1	*	*	*
WW	<u>—</u>	<u>1</u>	*	*	*
INTERVENTIONAL SOLUTIONS					
US	947	843	12.3	12.3	—
Intl	1,013	832	21.8	17.5	4.3
WW	<u>1,960</u>	<u>1,675</u>	17.0	14.9	2.1
ORTHOPAEDICS					
US	3,923	4,034	(2.8)	(2.8)	—
Intl	2,700	2,738	(1.4)	(4.6)	3.2
WW	<u>6,623</u>	<u>6,772</u>	(2.2)	(3.5)	1.3
<u>HIPS</u>					
US	621	612	1.5	1.5	—
Intl	432	418	3.3	0.1	3.2
WW	<u>1,053</u>	<u>1,030</u>	2.2	0.9	1.3
<u>KNEES</u>					
US	672	702	(4.3)	(4.3)	—
Intl	438	424	3.3	0.2	3.1
WW	<u>1,110</u>	<u>1,126</u>	(1.4)	(2.6)	1.2
<u>TRAUMA</u>					
US	1,196	1,179	1.4	1.4	—
Intl	829	768	7.9	4.4	3.5
WW	<u>2,025</u>	<u>1,947</u>	4.0	2.6	1.4
<u>SPINE & OTHER</u>					
US	1,434	1,541	(6.9)	(6.9)	—
Intl	1,001	1,128	(11.3)	(14.3)	3.0
WW	<u>2,435</u>	<u>2,669</u>	(8.8)	(10.1)	1.3

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

NINE MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ⁽²⁾ ⁽⁵⁾ (Continued)					
SURGERY					
US	\$ 3,031	3,009	0.7 %	0.7 %	—%
Intl	4,283	3,992	7.3	5.0	2.3
WW	7,314	7,001	4.5	3.2	1.3
<u>ADVANCED</u>					
US	1,216	1,190	2.2	2.2	—
Intl	1,731	1,543	12.2	9.5	2.7
WW	2,947	2,733	7.8	6.3	1.5
<u>GENERAL</u>					
US	1,282	1,276	0.5	0.5	—
Intl	2,094	2,017	3.8	1.5	2.3
WW	3,376	3,293	2.5	1.1	1.4
<u>SPECIALTY</u>					
US	533	543	(1.8)	(1.8)	—
Intl	458	432	6.0	4.9	1.1
WW	991	975	1.6	1.1	0.5
VISION					
US	1,351	1,142	18.3	18.3	—
Intl	2,069	1,802	14.8	12.6	2.2
WW	3,420	2,944	16.2	14.9	1.3
<u>CONTACT LENSES / OTHER</u>					
US	948	832	13.9	13.9	—
Intl	1,538	1,404	9.5	7.4	2.1
WW	2,486	2,236	11.2	9.9	1.3
<u>SURGICAL</u>					
US	403	310	30.0	30.0	—
Intl	531	398	33.4	31.0	2.4
WW	934	708	31.9	30.5	1.4
TOTAL MEDICAL DEVICES					
US	9,623	9,510	1.2	1.2	—
Intl	10,703	10,108	5.9	3.2	2.7
WW	\$ 20,326	19,618	3.6 %	2.2 %	1.4%

*Percentage greater than 100% or not meaningful

⁽¹⁾ Operational growth excludes the effect of translational currency

⁽²⁾ Unaudited

⁽³⁾ Reported as U.S. sales

⁽⁴⁾ Products acquired from Actelion acquisition on June 16, 2017

⁽⁵⁾ Prior year amounts have been reclassified to conform to current year product disclosure