

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

<i>(Dollars in Millions Except Per Share Data)</i>	Second Quarter		% Incr. / (Decr.)	Six Months YTD		% Incr. / (Decr.)
	2016	2015		2016	2015	
Earnings before provision for taxes on income - as reported	\$ 4,904	5,741	(14.6) %	\$ 10,198	11,316	(9.9) %
Intangible asset amortization expense	326	318		608	630	
Restructuring/Other ⁽¹⁾	141	-		278	-	
Litigation expense/(gain), net	600	134		666	(268)	
DePuy ASR™ Hip program	-	9		-	148	
In-process research and development	29	-		29	-	
Other	24	46		46	52	
Earnings before provision for taxes on income - as adjusted	<u>\$ 6,024</u>	<u>6,248</u>	<u>(3.6) %</u>	<u>\$ 11,825</u>	<u>11,878</u>	<u>(0.4) %</u>
Net Earnings - as reported	\$ 3,997	4,516	(11.5) %	\$ 8,454	8,836	(4.3) %
Intangible asset amortization expense	238	230		443	456	
Restructuring/Other	97	-		217	-	
Litigation expense/(gain), net	493	23		549	(230)	
DePuy ASR™ Hip program	-	8		-	130	
In-process research and development	23	-		23	-	
Other	18	35		34	38	
Net Earnings - as adjusted	<u>\$ 4,866</u>	<u>4,812</u>	<u>1.1 %</u>	<u>\$ 9,720</u>	<u>9,230</u>	<u>5.3 %</u>
Diluted Net Earnings per share - as reported	\$ 1.43	1.61	(11.2) %	\$ 3.02	3.13	(3.5) %
Intangible asset amortization expense	0.08	0.08		0.16	0.16	
Restructuring/Other	0.03	-		0.08	-	
Litigation expense/(gain), net	0.18	0.01		0.19	(0.08)	
DePuy ASR™ Hip program	-	-		-	0.05	
In-process research and development	0.01	-		0.01	-	
Other	0.01	0.01		0.01	0.01	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.74</u>	<u>1.71</u>	<u>1.8 %</u>	<u>\$ 3.47</u>	<u>3.27</u>	<u>6.1 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2014 foreign currency exchange rates		1.90			3.59	
Impact of currency at 2015 foreign currency exchange rates	\$ -	(0.19)		\$ 0.04	(0.32)	
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates	<u>\$ 1.74</u>	<u>1.71</u>	<u>1.8 %</u>	<u>\$ 3.51</u>	<u>3.27</u>	<u>7.3 %</u>

⁽¹⁾ Includes \$7M recorded in cost of products sold and \$20M recorded in other (income) expense for the second quarter.
Includes \$24M recorded in cost of products sold and \$20M recorded in other (income) expense for six months YTD.

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

Operational Sales Growth Excluding Acquisitions, Divestitures, Hepatitis C Sales⁽¹⁾ and Venezuela Impact
SECOND QUARTER 2016 ACTUAL vs. 2015 ACTUAL

	Segments			
	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Med Devices</u>	<u>Total</u>
	Operational % ⁽²⁾			
WW As Reported:	1.5%	9.7%	1.8%	5.3%
U.S.	2.1%	13.2%	1.0%	7.4%
International	1.0%	4.9%	2.6%	3.1%
Wound Care/Other				
SPLENDA[®]	2.5			0.5
U.S.	4.9			0.7
International	1.0			0.2
Cardiovascular				
Cordis			2.3	0.8
U.S.			1.1	0.4
International			3.5	1.3
All Other Acquisitions and Divestitures	(0.1)	(0.1)	(0.2)	(0.1)
U.S.	(0.2)	(0.1)	(0.2)	(0.1)
International	0.0	0.0	(0.3)	(0.1)
WW Ops excluding Acquisitions and Divestitures	3.9%	9.6%	3.9%	6.5%
U.S.	6.8%	13.1%	1.9%	8.4%
International	2.0%	4.9%	5.8%	4.5%
Hepatitis C		3.2		1.4
U.S.		0.8		0.4
International		6.3		2.4
WW Ops excluding Hepatitis C only		12.9%		6.7%
U.S.		14.0%		7.8%
International		11.2%		5.5%
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	3.9%	12.8%	3.9%	7.9%
U.S.	6.8%	13.9%	1.9%	8.8%
International	2.0%	11.2%	5.8%	6.9%
Venezuela	1.2	0.0	0.3	0.3
U.S.	0.0	0.0	0.0	0.0
International	2.0	0.1	0.5	0.7
WW Ops excluding Acquisitions, Divestitures, Hepatitis C, and Venezuela Impact	5.1%	12.8%	4.2%	8.2%
U.S.	6.8%	13.9%	1.9%	8.8%
International	4.0%	11.3%	6.3%	7.6%

⁽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, Hepatitis C Sales⁽¹⁾ and Venezuela Impact
SIX MONTHS 2016 ACTUAL vs. 2015 ACTUAL

	Segments			
	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Med Devices</u>	<u>Total</u>
	Operational % ⁽²⁾			
WW As Reported:	0.6%	9.1%	1.2%	4.6%
U.S.	1.0%	13.1%	1.6%	7.3%
International	0.4%	3.8%	0.8%	1.8%
Wound Care/Other				
SPLENDA[®]	2.3			0.4
U.S.	4.5			0.7
International	0.8			0.2
Cardiovascular				
Cordis			2.3	0.9
U.S.			1.1	0.4
International			3.5	1.4
All Other Acquisitions and Divestitures	0.0	0.2	(0.1)	0.1
U.S.	(0.1)	0.4	(0.1)	0.2
International	0.1	0.0	0.0	0.0
WW Ops excluding Acquisitions and Divestitures	2.9%	9.3%	3.4%	6.0%
U.S.	5.4%	13.5%	2.6%	8.6%
International	1.3%	3.8%	4.3%	3.4%
Hepatitis C		3.2		1.4
U.S.		1.5		0.7
International		5.4		2.0
WW Ops excluding Hepatitis C only		12.3%		6.0%
U.S.		14.6%		8.0%
International		9.2%		3.8%
WW Ops excluding Acquisitions, Divestitures, and Hepatitis C	2.9%	12.5%	3.4%	7.4%
U.S.	5.4%	15.0%	2.6%	9.3%
International	1.3%	9.2%	4.3%	5.4%
Venezuela	1.6	0.2	0.3	0.5
U.S.	0.0	0.0	0.0	0.0
International	2.6	0.3	0.5	0.9
WW Ops excluding Acquisitions, Divestitures, Hepatitis C, and Venezuela Impact	4.5%	12.7%	3.7%	7.9%
U.S.	5.4%	15.0%	2.6%	9.3%
International	3.9%	9.5%	4.8%	6.3%

⁽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

Q2 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	\$ 571	317	3,687	4,122	939	1,584	(293)	(282)	4,904	5,741
% to Sales	16.7%	9.1%	42.6%	51.9%	14.7%	24.9%	-1.6%	-1.6%	26.5%	32.3%
Intangible asset amortization expense	33	36	76	55	217	227	-	-	326	318
Restructuring	-	-	-	-	141	-	-	-	141	-
Litigation expense/(gain)	5	-	25	-	570	134	-	-	600	134
DePuy ASR™ Hip program	-	-	-	-	-	9	-	-	-	9
In-process research and development	-	-	29	-	-	-	-	-	29	-
Other	-	-	-	-	24	46	-	-	24	46
Adjusted Income Before Tax by Segment	\$ <u>609</u>	<u>353</u>	<u>3,817</u>	<u>4,177</u>	<u>1,891</u>	<u>2,000</u>	<u>(293)</u>	<u>(282)</u>	<u>6,024</u>	<u>6,248</u>
% to Sales	17.8%	10.1%	44.1%	52.6%	29.5%	31.5%	-1.6%	-1.6%	32.6%	35.1%

*Estimated as of 7/19/16

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Q2 YTD - 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	\$ 1,137	961	7,031	7,084	2,515	3,805	(485)	(534)	10,198	11,316
% to Sales	17.2%	14.0%	41.8%	45.2%	20.1%	30.2%	-1.3%	-1.5%	28.4%	32.2%
Intangible asset amortization expense	65	71	121	104	422	455	-	-	608	630
Restructuring	-	-	-	-	278	-	-	-	278	-
Litigation expense/(gain)	5	-	(15)	136	676	(404)	-	-	666	(268)
DePuy ASR™ Hip program	-	-	-	-	-	148	-	-	-	148
In-process research and development	-	-	29	-	-	-	-	-	29	-
Other	-	-	-	-	46	52	-	-	46	52
Adjusted Income Before Tax by Segment	\$ <u>1,207</u>	<u>1,032</u>	<u>7,166</u>	<u>7,324</u>	<u>3,937</u>	<u>4,056</u>	<u>(485)</u>	<u>(534)</u>	<u>11,825</u>	<u>11,878</u>
% to Sales	18.2%	15.0%	42.6%	46.7%	31.5%	32.1%	-1.3%	-1.5%	32.9%	33.8%

*Estimated as of 7/19/16