

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.)
	2015	2014		2015	2014	
Earnings before provision for taxes on income - as reported	\$ 5,741	5,626	2.0 %	\$ 11,316	11,050	2.4 %
Intangible asset amortization expense	318	474		630	842	
Litigation expense/(gain), net	134	276		(268)	276	
Synthes integration costs	49	144		81	262	
DePuy ASR™ Hip program	9	-		148	-	
In-process research and development	-	4		-	22	
Ortho-Clinical Diagnostics divestiture net gain	(3)	-		(29)	-	
Earnings before provision for taxes on income - as adjusted	<u>\$ 6,248</u>	<u>6,524</u>	<u>(4.2) %</u>	<u>\$ 11,878</u>	<u>12,452</u>	<u>(4.6) %</u>
Net Earnings - as reported	\$ 4,516	4,326	4.4 %	\$ 8,836	9,053	(2.4) %
Intangible asset amortization expense	230	358		456	625	
Litigation expense/(gain), net	23	342 (1)		(230)	342	
Synthes integration costs	37	104		62	188	
DePuy ASR™ Hip program	8	-		130	-	
In-process research and development	-	3		-	16	
Tax benefit associated with Conor Medsystems	-	-		-	(398)	
Ortho-Clinical Diagnostics divestiture net gain	(2)	-		(24)	-	
Net Earnings - as adjusted	<u>\$ 4,812</u>	<u>5,133</u>	<u>(6.3) %</u>	<u>\$ 9,230</u>	<u>9,826</u>	<u>(6.1) %</u>
Diluted Net Earnings per share - as reported	\$ 1.61	1.51	6.6 %	\$ 3.13	3.15	(0.6) %
Intangible asset amortization expense	0.08	0.12		0.16	0.21	
Litigation expense/(gain), net	0.01	0.12		(0.08)	0.12	
Synthes integration costs	0.01	0.03		0.02	0.06	
DePuy ASR™ Hip program	-	-		0.05	-	
In-process research and development	-	-		-	0.01	
Tax benefit associated with Conor Medsystems	-	-		-	(0.14)	
Ortho-Clinical Diagnostics divestiture net gain	-	-		(0.01)	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.71</u>	<u>1.78</u>	<u>(3.9) %</u>	<u>\$ 3.27</u>	<u>3.41</u>	<u>(4.1) %</u>
Operational Diluted Net Earnings per share - as adjusted*	<u>\$ 1.90</u>	<u>1.78</u>	<u>6.7 %</u>	<u>\$ 3.59</u>	<u>3.41</u>	<u>5.3 %</u>

*Excludes the effect of translational currency

(1) Includes adjustment to deferred tax asset related to deductibility by tax jurisdiction

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Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C ⁽¹⁾
SECOND QUARTER 2015 ACTUAL vs. 2014 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽²⁾			
WW As Reported:	2.3%	1.0%	(4.7)%	(0.9)%
U.S.	2.7%	(1.5)%	(5.8)%	(2.4)%
International	2.1%	3.8%	(3.9)%	0.5%
Wound Care / Other				
BENECOL ®	0.8			0.1
U.S.	0.0			0.0
International	1.1			0.2
Diagnostics				
Ortho-Clinical Diagnostics			6.1	2.3
U.S.			7.4	2.5
International			5.3	2.0
Other Neuroscience				
NUCYNTA ®		0.5		0.2
U.S.		0.9		0.5
International		0.1		0.0
All Other Acquisitions and Divestitures	0.0			0.0
U.S.	0.2			0.0
International	0.0			0.0
WW Ops excluding Acquisitions and Divestitures	3.1%	1.5%	1.4%	1.7%
U.S.	2.9%	(0.6)%	1.6%	0.6%
International	3.2%	3.9%	1.4%	2.7%
Hepatitis C		8.2		3.3
U.S.		17.1		7.8
International		(1.4)		(0.6)
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	3.1%	9.7%	1.4%	5.0%
U.S.	2.9%	16.5%	1.6%	8.4%
International	3.2%	2.5%	1.4%	2.1%

⁽¹⁾ Hepatitis C includes OLYSIO ® /SOVRIAD ® and INCIVO ®

⁽²⁾ Operational growth excludes the effect of translational currency

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Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C ⁽¹⁾
SIX MONTHS 2015 ACTUAL vs. 2014 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
WW As Reported:	2.8%	5.3%	(4.6)%	1.1%
U.S.	3.2%	6.7%	(6.0)%	1.5%
International	2.6%	3.8%	(3.5)%	0.6%
Women's Health				
K-Y®	0.5			0.1
U.S.	0.8			0.1
International	0.3			0.1
Wound Care / Other				
BENECOL®	0.7			0.1
U.S.	0.0			0.0
International	1.1			0.3
Diagnostics				
Ortho-Clinical Diagnostics			6.0	2.3
U.S.			7.3	2.8
International			4.9	2.0
Other Neuroscience				
NUCYNTA®		0.3		0.1
U.S.		0.6		0.2
International		0.0		0.0
All Other Acquisitions and Divestitures	(0.1)			0.0
U.S.	0.0			0.0
International	(0.2)			(0.1)
WW Ops excluding Acquisitions and Divestitures	3.9%	5.6%	1.4%	3.7%
U.S.	4.0%	7.3%	1.3%	4.6%
International	3.8%	3.8%	1.4%	2.9%
Hepatitis C		5.7		2.2
U.S.		12.8		5.4
International		(1.2)		(0.5)
WW Ops excluding Acquisitions, Divestitures and Hepatitis C	3.9%	11.3%	1.4%	5.9%
U.S.	4.0%	20.1%	1.3%	10.0%
International	3.8%	2.6%	1.4%	2.4%

⁽¹⁾ Hepatitis C includes OLYSIO® /SOVRIAD® and INCIVO®

⁽²⁾ Operational growth excludes the effect of translational currency

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**Consumer Pre-Tax Profit
(Dollars in Millions)**

	<u>2014</u>	<u>2013</u>
As Reported Pre-Tax Profit	\$ 1,941	1,973
Intangible asset amortization expense	209	148
Litigation expense	87	-
Other	-	(55)
Adjusted Pre-Tax Profit	<u>\$ 2,237</u>	<u>2,066</u>
Sales	\$ 14,496	14,697
Adjusted Pre-Tax Profit Margin	15.4%	14.1%