

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

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. / (Decr.)	Nine Months YTD		% Incr. / (Decr.)
	2018	2017		2018	2017	
Earnings before provision for taxes on income - as reported	\$ 4,423	4,790	(7.7) %	\$ 14,877	15,113	(1.6) %
Intangible asset amortization expense	1,085	1,077		3,284	1,886	
In-process research and development	1,126	-		1,126	-	
Litigation expense, net	-	118		703	611	
Restructuring/Other <sup>(1)</sup>	190	187		473	476	
Actelion acquisition related cost	40	367		200	580	
Contingent liability reversal	(184)	-		(184)	-	
AMO acquisition related cost	36	36		82	115	
Diabetes asset impairment	-	(2)		4	180	
Unrealized loss/(gain) on securities	9	-		(3)	-	
Other	55	-		90	-	
<b>Earnings before provision for taxes on income - as adjusted</b>	<b>\$ 6,780</b>	<b>6,573</b>	<b>3.1 %</b>	<b>\$ 20,652</b>	<b>18,961</b>	<b>8.9 %</b>
Net Earnings - as reported	\$ 3,934	3,764	4.5 %	\$ 12,255	12,013	2.0 %
Intangible asset amortization expense	968	933		2,931	1,555	
In-process research and development	859	-		859	-	
Litigation expense, net	-	97		609	449	
Restructuring/Other	162	136		395	358	
Actelion acquisition related cost	37	255		193	454	
Contingent liability reversal	(184)	-		(184)	-	
AMO acquisition related cost	29	28		68	314	
Diabetes asset impairment	-	(5)		3	120	
Unrealized loss/(gain) on securities	8	-		(2)	-	
Impact of tax legislation <sup>(2)</sup>	(265)	-		(253)	-	
Other	42	-		69	-	
<b>Net Earnings - as adjusted</b>	<b>\$ 5,590</b>	<b>5,208</b>	<b>7.3 %</b>	<b>\$ 16,943</b>	<b>15,263</b>	<b>11.0 %</b>
Diluted Net Earnings per share - as reported	\$ 1.44	1.37	5.1 %	\$ 4.49	4.37	2.7 %
Intangible asset amortization expense	0.35	0.34		1.07	0.57	
In-process research and development	0.32	-		0.32	-	
Litigation expense, net	-	0.04		0.22	0.16	
Restructuring/Other	0.06	0.05		0.15	0.14	
Actelion acquisition related cost	0.02	0.09		0.07	0.16	
Contingent liability reversal	(0.07)	-		(0.07)	-	
AMO acquisition related cost	0.01	0.01		0.02	0.11	
Diabetes asset impairment	-	-		-	0.05	
Unrealized loss/(gain) on securities	-	-		-	-	
Impact of tax legislation	(0.10)	-		(0.09)	-	
Other	0.02	-		0.03	-	
<b>Diluted Net Earnings per share - as adjusted</b>	<b>\$ 2.05</b>	<b>1.90</b>	<b>7.9 %</b>	<b>\$ 6.21</b>	<b>5.56</b>	<b>11.7 %</b>
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		1.85			5.57	
Impact of currency at 2017 foreign currency exchange rates	0.03	0.05		(0.17)	(0.01)	
<b>Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates</b>	<b>\$ 2.08</b>	<b>1.90</b>	<b>9.5 %</b>	<b>\$ 6.04</b>	<b>5.56</b>	<b>8.6 %</b>

<sup>(1)</sup> Includes \$23M recorded in cost of products sold and \$79M recorded in other (income) expense for the third quarter 2018. Includes \$73M recorded in cost of products sold and \$213M recorded in other (income) expense for nine months 2018 YTD. Includes \$29M recorded in cost of products sold and \$89M recorded in other (income) expense for the third quarter 2017. Includes \$46M recorded in cost of products sold and \$265M recorded in other (income) expense for nine months 2017 YTD.

<sup>(2)</sup> Includes foreign currency translation

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

**Operational Sales Growth Excluding Acquisitions and Divestitures**  
**THIRD QUARTER 2018 ACTUAL vs. 2017 ACTUAL**

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

<sup>(1)</sup> Operational growth excludes the effect of translational currency

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

Operational Sales Growth Excluding Acquisitions and Divestitures  
NINE MONTHS 2018 ACTUAL vs. 2017 ACTUAL

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

<sup>(1)</sup> Operational growth excludes the effect of translational currency

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Q3 QTD - Income Before Tax by Segment\*  
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Reported Income Before Tax by Segment	\$ 510	878	2,876	2,857	1,267	1,383	(230)	(328)	4,423	4,790
<b>% to Sales</b>	<b>14.9%</b>	<b>26.2%</b>	<b>27.8%</b>	<b>29.5%</b>	<b>19.2%</b>	<b>21.0%</b>	<b>-1.1%</b>	<b>-1.7%</b>	<b>21.7%</b>	<b>24.4%</b>
Intangible asset amortization expense	64	63	749	749	272	265	-	-	1,085	1,077
In-process research and development	-	-	1,126	-	-	-	-	-	1,126	-
Litigation expense, net	-	-	-	-	-	118	-	-	-	118
Restructuring / Other	9	-	16	-	165	187	-	-	190	187
Actelion acquisition related cost	-	-	40	367	-	-	-	-	40	367
Contingent Liability Reversal	-	-	(184)	-	-	-	-	-	(184)	-
AMO acquisition related cost	-	-	-	-	36	36	-	-	36	36
Diabetes asset impairment	-	-	-	-	-	(2)	-	-	-	(2)
Unrealized loss/(gain) on securities	1	-	17	-	(9)	-	-	-	9	-
Other	-	-	-	-	55	-	-	-	55	-
Adjusted Income Before Tax by Segment	\$ 584	941	4,640	3,973	1,786	1,987	(230)	(328)	6,780	6,573
<b>% to Sales</b>	<b>17.1%</b>	<b>28.0%</b>	<b>44.8%</b>	<b>41.0%</b>	<b>27.1%</b>	<b>30.1%</b>	<b>-1.1%</b>	<b>-1.7%</b>	<b>33.3%</b>	<b>33.5%</b>

\*Estimated as of 10/16/2018.

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

	Third Quarter Sept. 30, 2018		A	Third Quarter Sept. 30, 2018		B	Third Quarter Oct. 1, 2017		C	Third Quarter Oct. 1, 2017	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 6,589	(1,108)		5,481			\$ 6,925	(1,433)		5,492	
Other (Income) / Expense	3	(35)		(32)			(297)	(281)		(578)	
In-process research and development	1,126	(1,126)		-			-	-		-	
Restructuring	88	(88)		-			69	(69)		-	
Provision for taxes on income	489	701		1,190			1,026	339		1,365	
Net Earnings	3,934	1,656		5,590			3,764	1,444		5,208	
Diluted Net Earnings per Share	\$ 1.44	0.61		2.05			\$ 1.37	0.53		1.90	

(A) Includes \$1,085 Intangible asset amortization expense and \$23 Restructuring/Other

(B) Includes \$79 Restructuring/Other, \$40 Actelion acquisition related cost, \$184 Contingent liability reversal, \$36 AMO acquisition related cost, \$9 Unrealized loss on securities and \$55 Other

(C) Includes \$1,126 In-process research and development

(D) Includes \$88 Restructuring/Other

(E) Includes \$1,077 Intangible asset amortization expense, \$304 Actelion acquisition related cost, \$23 AMO acquisition related cost and \$29 Restructuring/Other

(F) Includes \$118 Litigation expense, \$89 Restructuring/Other, \$63 Actelion acquisition related cost, (\$2) Diabetes asset impairment and \$13 AMO acquisition related cost

(G) Includes \$69 Restructuring/Other

	Nine Months Sept. 30, 2018		A	Nine Months Sept. 30, 2018		B	Nine Months Oct. 1, 2017		C	Nine Months Oct. 1, 2017	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 20,130	(3,465)		16,665			\$ 18,180	(2,340)		15,840	
Other (Income) / Expense	427	(997)		(570)			11	(1,343)		(1,332)	
In-process research and development	1,126	(1,126)		-			-	-		-	
Restructuring	187	(187)		-			165	(165)		-	
Provision for taxes on income	2,622	1,087		3,709			3,100	598		3,698	
Net Earnings	12,255	4,688		16,943			12,013	3,250		15,263	
Diluted Net Earnings per Share	\$ 4.49	1.72		6.21			\$ 4.37	1.19		5.56	

(A) Includes \$3,284 Intangible asset amortization expense, \$108 Actelion acquisition related cost and \$73 Restructuring/Other

(B) Includes \$703 Litigation expense, \$213 Restructuring/Other, \$92 Actelion acquisition related cost, \$184 Contingent liability reversal, \$82 AMO acquisition related cost, \$4 Diabetes asset impairment, \$3 Unrealized gain on securities and \$90 Other

(C) Includes \$1,126 In-process research and development

(D) Includes \$187 Restructuring/Other

(E) Includes \$1,886 Intangible asset amortization expense, \$351 Actelion acquisition related cost, \$57 AMO acquisition related cost and \$46 Restructuring/Other

(F) Includes \$611 Litigation expense, \$265 Restructuring/Other, \$229 Actelion acquisition related cost, \$180 Diabetes asset impairment and \$58 AMO acquisition related cost

(G) Includes \$165 Restructuring/Other