

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

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2016	2015	
Earnings before provision for taxes on income - as reported	\$ 5,294	5,575	(5.0) %
Intangible asset amortization expense	282	312	
Restructuring <sup>(1)</sup>	137	-	
Litigation expense/(gain), net	66	(402)	
DePuy ASR™ Hip program	-	139	
Other	22	6	
Earnings before provision for taxes on income - as adjusted	<u>\$ 5,801</u>	<u>5,630</u>	<u>3.0 %</u>
Net Earnings - as reported	\$ 4,292	4,320	(0.6) %
Intangible asset amortization expense	205	226	
Restructuring	120	-	
Litigation expense/(gain), net	56	(253)	
DePuy ASR™ Hip program	-	122	
Other	16	3	
Net Earnings - as adjusted	<u>\$ 4,689</u>	<u>4,418</u>	<u>6.1 %</u>
Diluted Net Earnings per share - as reported	\$ 1.54	1.53	0.7 %
Intangible asset amortization expense	0.07	0.08	
Restructuring	0.04	-	
Litigation expense/(gain), net	0.02	(0.09)	
DePuy ASR™ Hip program	-	0.04	
Other	0.01	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.68</u>	<u>1.56</u>	<u>7.7 %</u>
Operational Diluted Net Earnings per share - as adjusted*	<u>\$ 1.72</u>	<u>1.56</u>	<u>10.3 %</u>

\* Excludes the effect of translational currency

<sup>(1)</sup> Includes \$17M recorded in cost of products sold

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Operational Sales Growth Excluding Acquisitions, Divestitures and Hepatitis C Sales <sup>(1)</sup> (Underlying Sales Growth)  
FIRST QUARTER 2016 ACTUAL vs. 2015 ACTUAL

Segments

	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
	Operational % <sup>(2)</sup>			
<b>WW As Reported:</b>	<b>(0.2)%</b>	<b>8.5%</b>	<b>0.5%</b>	<b>3.9%</b>
U.S.	(0.1)%	12.9%	2.2%	7.2%
International	(0.3)%	2.6%	(1.0)%	0.6%
<b>Wound Care/Other</b>				
<b>SPLENDA</b> ®	<b>2.0</b>			<b>0.5</b>
U.S.	4.1			0.7
International	0.7			0.2
<b>Cardiovascular</b>				
<b>Cordis</b>			<b>2.4</b>	<b>0.9</b>
U.S.			1.1	0.4
International			3.5	1.3
<b>Other Neuroscience</b>				
<b>NUCYNTA</b> ®		<b>0.5</b>		<b>0.2</b>
U.S.		1.0		0.5
International		0.0		0.0
<b>All Other Acquisitions and Divestitures</b>	<b>0.1</b>		<b>0.1</b>	<b>0.1</b>
U.S.	0.1		0.0	0.0
International	0.1		0.3	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>1.9%</b>	<b>9.0%</b>	<b>3.0%</b>	<b>5.6%</b>
U.S.	4.1%	13.9%	3.3%	8.8%
International	0.5%	2.6%	2.8%	2.2%
<b>Hepatitis C</b>		<b>3.3</b>		<b>1.3</b>
U.S.		2.3		1.0
International		4.5		1.6
<b>WW Ops excluding Hepatitis C only</b>		<b>11.8%</b>		<b>5.2%</b>
U.S.		15.2%		8.2%
International		7.1%		2.2%
<b>WW Ops excluding Acquisitions, Divestitures and Hepatitis C</b>	<b>1.9%</b>	<b>12.3%</b>	<b>3.0%</b>	<b>6.9%</b>
U.S.	4.1%	16.2%	3.3%	9.8%
International	0.5%	7.1%	2.8%	3.8%

<sup>(1)</sup> Hepatitis C products include OLYSIO ® /SOVRIAD ® and INCIVO ®

<sup>(2)</sup> Operational growth excludes the effect of translational currency

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Q1 - 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	\$ 566	644	3,344	2,962	1,576	2,221	(192)	(252)	5,294	5,575
<b>% to Sales</b>	<b>17.7%</b>	<b>19.0%</b>	<b>40.9%</b>	<b>38.3%</b>	<b>25.8%</b>	<b>35.5%</b>	<b>-1.1%</b>	<b>-1.5%</b>	<b>30.3%</b>	<b>32.1%</b>
Intangible asset amortization expense	32	35	45	49	205	228	-	-	282	312
Restructuring	-	-	-	-	137	-	-	-	137	-
Litigation expense/(gain)	-	-	(40)	136	106	(538)	-	-	66	(402)
Synthes integration costs	-	-	-	-	22	32	-	-	22	32
DePuy ASR™ Hip program	-	-	-	-	-	139	-	-	-	139
Ortho-Clinical Diagnostics divestiture net gain	-	-	-	-	-	(26)	-	-	-	(26)
Adjusted Income Before Tax by Segment	\$ <u>598</u>	<u>679</u>	<u>3,349</u>	<u>3,147</u>	<u>2,046</u>	<u>2,056</u>	<u>(192)</u>	<u>(252)</u>	<u>5,801</u>	<u>5,630</u>
<b>% to Sales</b>	<b>18.7%</b>	<b>20.0%</b>	<b>41.0%</b>	<b>40.7%</b>	<b>33.5%</b>	<b>32.9%</b>	<b>-1.1%</b>	<b>-1.5%</b>	<b>33.2%</b>	<b>32.4%</b>

\*Estimated as of 4/19/16.