

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.) |
|--|----------------|--------------|----------------------|-----------------|---------------|----------------------|
| | 2016 | 2015 | | 2016 | 2015 | |
| Earnings before provision for taxes on income - as reported | \$5,281 | 4,122 | 28.1 % | \$15,479 | 15,438 | 0.3 % |
| Intangible asset amortization expense | 319 | 639 | | 927 | 1,269 | |
| Restructuring/Other ⁽¹⁾ | 109 | - | | 387 | - | |
| Litigation expense, net | 55 | 409 | | 721 | 141 | |
| DePuy ASR ^{LM} Hip program | - | - | | - | 148 | |
| In-process research and development | - | 10 | | 29 | 10 | |
| Other | 67 | 32 | | 113 | 84 | |
| Earnings before provision for taxes on income - as adjusted | <u>\$5,831</u> | <u>5,212</u> | <u>11.9 %</u> | <u>\$17,656</u> | <u>17,090</u> | <u>3.3 %</u> |
| Net Earnings - as reported | \$4,272 | 3,358 | 27.2 % | \$12,726 | 12,194 | 4.4 % |
| Intangible asset amortization expense | 236 | 437 | | 679 | 893 | |
| Restructuring/Other | 76 | - | | 293 | - | |
| Litigation expense, net | 46 | 348 | | 595 | 118 | |
| DePuy ASR TM Hip program | - | - | | - | 130 | |
| In-process research and development | - | 6 | | 23 | 6 | |
| Other | 53 | 23 | | 87 | 61 | |
| Net Earnings - as adjusted | <u>\$4,683</u> | <u>4,172</u> | <u>12.2 %</u> | <u>\$14,403</u> | <u>13,402</u> | <u>7.5 %</u> |
| Diluted Net Earnings per share - as reported | \$ 1.53 | 1.20 | 27.5 % | \$ 4.55 | 4.33 | 5.1 % |
| Intangible asset amortization expense | 0.08 | 0.16 | | 0.24 | 0.32 | |
| Restructuring/Other | 0.03 | - | | 0.11 | - | |
| Litigation expense, net | 0.02 | 0.12 | | 0.21 | 0.04 | |
| DePuy ASR ^{LM} Hip program | - | - | | - | 0.05 | |
| In-process research and development | - | - | | 0.01 | - | |
| Other | 0.02 | 0.01 | | 0.03 | 0.02 | |
| Diluted Net Earnings per share - as adjusted | <u>\$ 1.68</u> | <u>1.49</u> | <u>12.8 %</u> | <u>\$ 5.15</u> | <u>4.76</u> | <u>8.2 %</u> |
| Operational Diluted Net Earnings per share - as adjusted at 2014 foreign currency exchange rates | | 1.63 | | | 5.22 | |
| Impact of currency at 2015 foreign currency exchange rates | \$ - | (0.14) | | \$ 0.04 | (0.46) | |
| Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates | <u>\$ 1.68</u> | <u>1.49</u> | <u>12.8 %</u> | <u>\$ 5.19</u> | <u>4.76</u> | <u>9.0 %</u> |

⁽¹⁾ Includes \$3M recorded in cost of products sold and \$44M recorded in other (income) expense for the third quarter.
Includes \$27M recorded in cost of products sold and \$64M recorded in other (income) expense for nine months YTD.

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

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

| Segments | | | | |
|--|------------------------------|----------------|-----------------|--------------|
| | Consumer | Pharmaceutical | Medical Devices | Total |
| | Operational % ⁽²⁾ | | | |
| WW As Reported: | 0.1% | 9.0% | 0.7% | 4.3% |
| U.S. | 1.1% | 11.8% | 1.4% | 6.7% |
| International | (0.6)% | 5.0% | (0.2)% | 1.7% |
| Wound Care/Other | | | | |
| SPLENDA[®] | 2.1 | | | 0.4 |
| U.S. | 4.0 | | | 0.6 |
| International | 1.0 | | | 0.2 |
| Cardiovascular | | | | |
| Cordis | | | 2.3 | 0.9 |
| U.S. | | | 1.1 | 0.4 |
| International | | | 3.7 | 1.4 |
| Skin Care | (2.3) | | | |
| Vogue | (5.8) | | | (0.4) |
| U.S. | 0.0 | | | (0.8) |
| International | | | | 0.0 |
| Other Neuroscience | | | | |
| Controlled Substance Raw Material and API Business | | 0.7 | | 0.3 |
| U.S. | | 0.9 | | 0.4 |
| International | | 0.4 | | 0.1 |
| All Other Acquisitions and Divestitures | (0.3) | 0.0 | 0.1 | 0.0 |
| U.S. | (0.8) | 0.0 | (0.2) | (0.2) |
| International | (0.1) | 0.0 | 0.4 | 0.2 |
| WW Ops excluding Acquisitions and Divestitures | (0.4)% | 9.7% | 3.1% | 5.5% |
| U.S. | (1.5)% | 12.7% | 2.3% | 7.1% |
| International | 0.3% | 5.4% | 3.9% | 3.6% |
| Hepatitis C | | 1.0 | | 0.4 |
| U.S. | | 0.3 | | 0.2 |
| International | | 1.6 | | 0.6 |
| WW Ops excluding Hepatitis C only | | 10.0% | | 4.7% |
| U.S. | | 12.1% | | 6.9% |
| International | | 6.6% | | 2.3% |
| WW Ops excluding Acquisitions, Divestitures and Hepatitis C | (0.4)% | 10.7% | 3.1% | 5.9% |
| U.S. | (1.5)% | 13.0% | 2.3% | 7.3% |
| International | 0.3% | 7.0% | 3.9% | 4.2% |

⁽¹⁾ Hepatitis C products include OLYSIO[®]/SOVRIAD[®] and INCIVO[®]

⁽²⁾ Operational growth excludes the effect of translational currency

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

Operational Sales Growth Excluding Acquisitions, Divestitures, and Hepatitis C Sales⁽¹⁾
NINE MONTHS 2016 ACTUAL vs. 2015 ACTUAL

| | Segments | | | |
|---|------------------------------|----------------|-----------------|--------------|
| | Consumer | Pharmaceutical | Medical Devices | Total |
| | Operational % ⁽²⁾ | | | |
| WW As Reported: | 0.4% | 9.1% | 1.0% | 4.5% |
| U.S. | 1.1% | 12.7% | 1.5% | 7.1% |
| International | 0.1% | 4.2% | 0.5% | 1.8% |
| Wound Care/Other | | | | |
| SPLENDA[®] | 2.2 | | | 0.4 |
| U.S. | 4.3 | | | 0.7 |
| International | 0.9 | | | 0.2 |
| Cardiovascular | | | | |
| Cordis | | | 2.4 | 0.9 |
| U.S. | | | 1.1 | 0.4 |
| International | | | 3.5 | 1.3 |
| Skin Care | (0.7) | | | |
| Vogue | (1.9) | | | (0.1) |
| U.S. | 0.0 | | | (0.3) |
| International | | | | 0.0 |
| All Other Acquisitions and Divestitures | (0.1) | 0.4 | 0.0 | 0.1 |
| U.S. | (0.3) | 0.7 | (0.1) | 0.2 |
| International | 0.0 | 0.0 | 0.1 | 0.1 |
| WW Ops excluding Acquisitions and Divestitures | 1.8% | 9.5% | 3.4% | 5.8% |
| U.S. | 3.2% | 13.4% | 2.5% | 8.1% |
| International | 1.0% | 4.2% | 4.1% | 3.4% |
| Hepatitis C | | 2.4 | | 1.1 |
| U.S. | | 1.1 | | 0.6 |
| International | | 4.2 | | 1.6 |
| WW Ops excluding Hepatitis C only | | 11.5% | | 5.6% |
| U.S. | | 13.8% | | 7.7% |
| International | | 8.4% | | 3.4% |
| WW Ops excluding Acquisitions, Divestitures, and Hepatitis C | 1.8% | 11.9% | 3.4% | 6.9% |
| U.S. | 3.2% | 14.5% | 2.5% | 8.7% |
| International | 1.0% | 8.4% | 4.1% | 5.0% |

⁽¹⁾ Hepatitis C products include OLYSIO[®]/SOVRIAD[®] and INCIVO[®]

⁽²⁾ Operational growth excludes the effect of translational currency

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

Q3 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 | \$ 679 | 811 | 3,309 | 2,732 | 1,526 | 835 | (233) | (256) | 5,281 | 4,122 |
| % to Sales | 20.8% | 24.5% | 39.4% | 35.5% | 24.8% | 13.7% | -1.3% | -1.5% | 29.6% | 24.1% |
| Intangible asset amortization expense | 59 | 35 | 43 | 44 | 217 | 560 | - | - | 319 | 639 |
| Restructuring/Other | - | - | - | - | 109 | - | - | - | 109 | - |
| Litigation expense/(gain) | - | - | - | - | 55 | 409 | - | - | 55 | 409 |
| In-process research & development | - | - | - | - | - | 10 | - | - | - | 10 |
| Other | - | - | - | - | 67 | 32 | - | - | 67 | 32 |
| Adjusted Income Before Tax by Segment | \$ <u>738</u> | <u>846</u> | <u>3,352</u> | <u>2,776</u> | <u>1,974</u> | <u>1,846</u> | <u>(233)</u> | <u>(256)</u> | <u>5,831</u> | <u>5,212</u> |
| % to Sales | 22.6% | 25.5% | 39.9% | 36.1% | 32.1% | 30.3% | -1.3% | -1.5% | 32.7% | 30.5% |

*Estimated as of 10/18/16.

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

Q3 YTD - 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 | \$ 1,816 | 1,772 | 10,340 | 9,816 | 4,041 | 4,640 | (718) | (790) | 15,479 | 15,438 |
| % to Sales | 18.4% | 17.4% | 41.0% | 42.0% | 21.6% | 24.8% | -1.3% | -1.5% | 28.8% | 29.5% |
| Intangible asset amortization expense | 124 | 106 | 164 | 148 | 639 | 1,015 | - | - | 927 | 1,269 |
| Restructuring/Other | - | - | - | - | 387 | - | - | - | 387 | - |
| Litigation expense/(gain) | 5 | - | (15) | 136 | 731 | 5 | - | - | 721 | 141 |
| DePuy ASR™ Hip program | - | - | - | - | - | 148 | - | - | - | 148 |
| In-process research & development | - | - | 29 | - | - | 10 | - | - | 29 | 10 |
| Other | - | - | - | - | 113 | 84 | - | - | 113 | 84 |
| Adjusted Income Before Tax by Segment | \$ <u>1,945</u> | <u>1,878</u> | <u>10,518</u> | <u>10,100</u> | <u>5,911</u> | <u>5,902</u> | <u>(718)</u> | <u>(790)</u> | <u>17,656</u> | <u>17,090</u> |
| % to Sales | 19.7% | 18.4% | 41.7% | 43.2% | 31.6% | 31.5% | -1.3% | -1.5% | 32.8% | 32.7% |

*Estimated as of 10/18/16.