



NEWS RELEASE

## Johnson & Johnson Reports 2017 Second-Quarter Results:

7/18/2017

NEW BRUNSWICK, NJ., July 18, 2017 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$18.8 billion for the second quarter of 2017, an increase of 1.9% as compared to the second quarter of 2016. Operational sales results increased 2.9% and the negative impact of currency was 1.0%. Domestic sales increased 1.6%. International sales increased 2.3%, reflecting operational growth of 4.4% and a negative currency impact of 2.1%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 0.5%, domestic sales decreased 1.0% and international sales increased 2.0%.\*

Net earnings and diluted earnings per share for the second quarter of 2017 were \$3.8 billion and \$1.40, respectively. Second-quarter 2017 net earnings included after-tax intangible amortization expense of approximately \$0.4 billion and a charge for after-tax special items of approximately \$0.8 billion. Second-quarter 2016 net earnings included after-tax intangible amortization expense of approximately \$0.2 billion and a charge for after-tax special items of approximately \$0.7 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$5.0 billion and adjusted diluted earnings per share were \$1.83, representing increases of 3.1% and 5.2%, respectively, as compared to the same period in 2016. \* On an operational basis, adjusted diluted earnings per share also increased 6.9%.\* A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

"Our second-quarter results reflect strong adjusted earnings growth and we are optimistic that the investments we are making will accelerate our sales growth in the second half of this year. Our pharmaceutical pipeline continued its strong momentum with the approval of TREMFYA™ as well as the submission and approval of several key line extensions," said Alex Gorsky, Chairman and Chief Executive Officer. "The Actelion acquisition establishes a new therapeutic area as well as another engine for growth and we are pleased to welcome the Actelion colleagues to the Johnson & Johnson Family of Companies. Together with all of our businesses, we will continue to transform the lives of patients around the world."

The Company increased its sales guidance for the full-year 2017 to \$75.8 billion to \$76.1 billion. Additionally, the Company increased its adjusted earnings guidance for full-year 2017 to \$7.12 - \$7.22 per share.\*

Worldwide Consumer sales of \$3.5 billion for the second quarter 2017 represented an increase of 1.7% versus the prior year, consisting of an operational increase of 2.3% and a negative impact from currency of 0.6%. Domestic sales increased 7.4%, international sales decreased 2.2%, which reflected an operational decrease of 1.1% and a negative currency impact of 1.1%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales decreased 0.8%, domestic sales increased 1.2% and international sales decreased 2.3%.\*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were negatively impacted by baby care products, partially offset by domestic over-the-counter products, including upper respiratory products and international anti-smoking aids, and NEUTROGENA® beauty products.

Worldwide Pharmaceutical sales of \$8.6 billion for the second quarter 2017 represented a decrease of 0.2% versus the prior year with an operational increase of 1.0% and a negative impact from currency of 1.2%. Domestic sales decreased 2.6%; international sales increased 3.3%, which reflected an operational increase of 6.1% and a negative currency impact of 2.8%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 0.5%, domestic sales decreased 2.6% and international sales increased 5.1%.\* Worldwide operational sales growth was negatively impacted by approximately 4 points due to a positive adjustment of U.S. rebate accruals in the second quarter of 2016, which did not repeat in the second quarter of 2017.

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by new products and the strength of core products. Strong growth in new products include DARZALEX® (daratumumab), for the treatment of patients with multiple myeloma and IMBRUVICA® (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer. Additional contributors to operational sales growth included STELARA® (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, and INVEGA® SUSTENNA®/XEPLION®/TRINZA® (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults.

During the quarter, the Company announced the completion of the acquisition of Actelion Ltd., a leading biopharmaceutical company, for a total purchase price of approximately \$30 billion in cash.

Also in the quarter, the U.S. Food and Drug Administration (FDA) approved an additional indication for DARZALEX<sup>®</sup> (daratumumab) in combination with pomalidomide and dexamethasone for the treatment of patients with multiple myeloma who have received at least two prior therapies. The European Commission (EC) granted approval for DARZALEX<sup>®</sup> (daratumumab) for use in combination with lenalidomide and dexamethasone, or bortezomib (VELCADE<sup>®</sup>) and dexamethasone, for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

In addition, a supplemental New Drug Application was submitted to the FDA to update the prescribing information for XARELTO<sup>®</sup> (rivaroxaban) to add a 10mg dose to reduce patients' risk of recurrent venous thromboembolism (VTE) after at least six months of standard anticoagulation therapy and regulatory submissions were made to both the European Medicines Agency and the FDA for a single-tablet, two-drug regimen of dolutegravir and rilpivirine for the maintenance treatment of HIV-1 infection.

In July, subsequent to the quarter, the FDA approved TREMPYA<sup>™</sup> (guselkumab) for the treatment of adults living with moderate to severe plaque psoriasis.

Worldwide Medical Devices sales of \$6.7 billion for the second quarter 2017 represented an increase of 4.9% versus the prior year consisting of an operational increase of 5.9% and a negative currency impact of 1.0%. Domestic sales increased 6.1%; international sales increased 3.9%, which reflected an operational increase of 5.8% and a negative currency impact of 1.9%. Sales included the impact of the first full quarter of the recently completed acquisition of Abbott Medical Optics which contributed 5.1%, to worldwide operational sales growth. Excluding the net impact of all acquisitions and divestitures, on an operational basis, worldwide sales increased 1.1%, domestic sales increased 0.8% and international sales increased 1.4%.\*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by electrophysiology products in the Cardiovascular business, ACUVUE<sup>®</sup> contact lenses in the Vision Care business, and Advanced Surgery products, partially offset by declines in the Diabetes Care business.

During the quarter, FDA clearance was received for the 30-minute STERRAD VELOCITY<sup>™</sup> Biological Indicator System for low temperature H<sub>2</sub>O<sub>2</sub> sterilization as well as approval for the SURGICEL<sup>®</sup> Powder Absorbable Hemostat for adjunctive hemostasis during surgery.

#### About Johnson & Johnson

Caring for the world, one person at a time, inspires and unites the people of Johnson & Johnson. We embrace research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Our approximately 132,500 employees at more than 250 Johnson & Johnson operating companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

\* Operational sales growth excluding the net impact of acquisitions and divestitures, as well as adjusted net earnings, adjusted diluted earnings per share and operational adjusted diluted earnings per share excluding after-tax intangible amortization expense and special items, are non-GAAP financial measures and should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Except for guidance measures, reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the accompanying financial schedules of the earnings release and the Investor Relations section of the company's website at [www.investor.jnj.com](http://www.investor.jnj.com). Johnson & Johnson does not provide GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, acquisition-related expenses and purchase accounting fair value adjustments without unreasonable effort. These items are uncertain, depend on various factors, and could be material to Johnson & Johnson's results computed in accordance with GAAP.

Johnson & Johnson will conduct a conference call with investors to discuss this news release today at 8:30 a.m., Eastern Time. A simultaneous webcast of the call for investors and other interested parties may be accessed by visiting the Johnson & Johnson website at [www.investor.jnj.com](http://www.investor.jnj.com). A replay and podcast will be available approximately two hours after the live webcast by visiting [www.investor.jnj.com](http://www.investor.jnj.com).

Copies of the financial schedules accompanying this press release are available at [www.investor.jnj.com/historical-sales.cfm](http://www.investor.jnj.com/historical-sales.cfm). These schedules include supplementary sales data, a condensed consolidated statement of earnings, reconciliations of non-GAAP financial measures, and sales of key products/franchises. Additional information on Johnson & Johnson, including adjusted income before tax by segment, a pharmaceutical pipeline of selected compounds in late stage development and a copy of today's earnings call presentation can be found on the company's website at [www.investor.jnj.com](http://www.investor.jnj.com).

#### NOTE TO INVESTORS CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act

of 1995 regarding, among other things, future operating and financial performance, product development, market position and business strategy. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to: economic and financial market factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans, including restructuring plans; the impact of business combinations and divestitures, including the Company's ability to successfully integrate Actelion Ltd.'s products and operations and realize the expected benefits and opportunities of the transaction in the expected time frame or at all; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and global health care reforms; trends toward health care cost containment; changes in behavior and spending patterns of purchasers of health care products and services; financial instability of international economies and legal systems and sovereign risk; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; increased scrutiny of the health care industry by government agencies; and the potential failure to meet obligations in compliance agreements with government bodies. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 1, 2017, including under "Item 1A. Risk Factors," its most recently filed Quarterly Report on Form 10-Q, including in the section captioned "Cautionary Note Regarding Forward-Looking Statements," and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.investor.jnj.com](http://www.investor.jnj.com), or on request from Johnson & Johnson. Any forward-looking statement made in this release speaks only as of the date of this release. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

Johnson & Johnson and Subsidiaries										
Supplementary Sales Data										
(Unaudited; Dollars in Millions)										
	SECOND QUARTER					SIX MONTHS				
	2017	2016	Total	Percent Change		2017	2016	Total	Percent Change	
Sales to customers by segment of business				Operations	Currency				Operations	Currency
<b>Consumer</b>										
U.S.	\$ 1,487	1,384	7.4	%	7.4	\$ 2,901	2,742	5.8	%	5.8
International	1,991	2,035	(2.2)		(1.1)	3,805	3,872	(1.7)		(1.3)
	3,478	3,419	1.7		2.3	6,706	6,614	1.4		1.6
<b>Pharmaceutical</b>										
U.S.	5,010	5,144	(2.6)		(2.6)	9,882	10,081	(2.0)		(2.0)
International	3,625	3,510	3.3		6.1	6,998	6,751	3.7		5.9
	8,635	8,654	(0.2)		1.0	16,880	16,832	0.3		1.2
<b>Medical Devices</b>										
U.S.	3,229	3,044	6.1		6.1	6,321	6,070	4.1		4.1
International	3,497	3,365	3.9		5.8	6,698	6,448	3.9		5.3
	6,726	6,409	4.9		5.9	13,019	12,518	4.0		4.7
<b>U.S.</b>	9,726	9,572	1.6		1.6	19,104	18,893	1.1		1.1
<b>International</b>	9,113	8,910	2.3		4.4	17,501	17,071	2.5		4.0
<b>Worldwide</b>	\$ 18,839	18,482	1.9	%	2.9	\$ 36,605	35,964	1.8	%	2.5

Johnson & Johnson and Subsidiaries										
Supplementary Sales Data										
(Unaudited; Dollars in Millions)										
	SECOND QUARTER					SIX MONTHS				
	2017	2016	Total	Percent Change		2017	2016	Total	Percent Change	
Sales to customers by geographic area				Operations	Currency				Operations	Currency
<b>U.S.</b>	\$ 9,726	9,572	1.6	%	1.6	\$ 19,104	18,893	1.1	%	1.1
Europe	4,232	4,090	3.5		6.7	8,090	7,937	1.9		5.4
Western Hemisphere excluding U.S.	1,499	1,542	(2.8)		(2.7)	2,953	2,873	2.8		(0.2)
Asia-Pacific, Africa	3,382	3,278	3.2		4.9	6,458	6,261	3.1		4.1
International	9,113	8,910	2.3		4.4	17,501	17,071	2.5		4.0
<b>Worldwide</b>	\$ 18,839	18,482	1.9	%	2.9	\$ 36,605	35,964	1.8	%	2.5

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,839	100.0	\$ 18,482	100.0	1.9
Cost of products sold	5,823	30.9	5,336	28.9	9.1
Selling, marketing and administrative expenses	5,262	28.0	5,176	28.0	1.7
Research and development expense	2,285	12.1	2,264	12.2	0.9
In-process research and development	-	-	29	0.2	-
Interest (income) expense, net	122	0.6	102	0.6	19.6
Other (income) expense, net	588	3.1	557	3.0	5.5
Restructuring	11	0.1	114	0.6	(90.4)
Earnings before provision for taxes on income	4,748	25.2	4,904	26.5	(3.2)
Provision for taxes on income	921	4.9	907	4.9	1.5
Net earnings	\$ 3,827	20.3	\$ 3,997	21.6	(4.3)
Net earnings per share (Diluted)	\$ 1.40		\$ 1.43		(2.1)
Average shares outstanding (Diluted)	2,741.5		2,794.2		
Effective tax rate	19.4 %		18.5 %		

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 6,285	33.4	\$ 6,024	32.6	4.3
Net earnings	\$ 5,017	26.6	\$ 4,866	26.3	3.1
Net earnings per share (Diluted)	\$ 1.83		\$ 1.74		5.2
Effective tax rate	20.2 %		19.2 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 36,605	100.0	\$ 35,964	100.0	1.8
Cost of products sold	11,209	30.6	10,665	29.6	5.1
Selling, marketing and administrative expenses	9,999	27.3	9,864	27.4	1.4
Research and development expense	4,345	11.9	4,277	11.9	1.6
In-process research and development	-	-	29	0.1	-
Interest (income) expense, net	205	0.6	179	0.5	14.5
Other (income) expense, net	428	1.2	518	1.4	(18.3)
Restructuring	96	0.2	234	0.7	(59.4)
Earnings before provision for taxes on income	10,323	28.2	10,198	28.4	1.2
Provision for taxes on income	2,074	5.7	1,744	4.9	18.9
Net earnings	\$ 8,249	22.5	\$ 8,454	23.5	(2.4)
Net earnings per share (Diluted)	\$ 3.00		\$ 3.02		(0.7)
Average shares outstanding (Diluted)	2,749.4		2,800.9		
Effective tax rate	20.1 %		17.1 %		

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 12,388	33.8	\$ 11,825	32.9	4.8
Net earnings	\$ 10,055	27.5	\$ 9,720	27.0	3.4
Net earnings per share (Diluted)	\$ 3.66		\$ 3.47		5.5
Effective tax rate	18.8 %		17.8 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measures

(Dollars in Millions Except Per Share Data)	Second Quarter		% Incr. / (Decr.)	Six Months YTD		% Incr. / (Decr.)
	2017	2016		2017	2016	
Earnings before provision for taxes on income - as reported	\$ 4,748	4,904	(3.2) %	\$ 10,323	10,198	1.2 %
Intangible asset amortization expense	480	326		809	608	
Litigation expense, net	493	600		493	666	
Restructuring/Other <sup>(1)</sup>	128	141		289	278	
Actelion acquisition related cost	213	-		213	-	
Diabetes asset impairment	182	-		182	-	
AMO acquisition related cost	41	-		79	-	
In-process research and development	-	29		-	29	
Other	-	24		-	46	
Earnings before provision for taxes on income - as adjusted	\$ 6,285	6,024	4.3 %	\$ 12,388	11,825	4.8 %
Net Earnings - as reported	\$ 3,827	3,997	(4.3) %	\$ 8,249	8,454	(2.4) %

Intangible asset amortization expense	378	238		622	443	
Litigation expense, net	352	493		352	549	
Restructuring/Other	101	97		222	217	
Actelion acquisition related cost	199	-		199	-	
Diabetes asset impairment	125	-		125	-	
AMO acquisition related cost	35	-		286	-	
In-process research and development	-	23		-	23	
Other	-	18		-	34	
Net Earnings - as adjusted	<u>\$ 5,017</u>	<u>4,866</u>	<u>3.1 %</u>	<u>\$ 10,056</u>	<u>9,720</u>	<u>3.4 %</u>
Diluted Net Earnings per share - as reported	\$ 1.40	1.43	(2.1) %	\$ 3.00	3.02	(0.7) %
Intangible asset amortization expense	0.14	0.08		0.23	0.16	
Litigation expense, net	0.13	0.18		0.13	0.19	
Restructuring/Other	0.03	0.03		0.08	0.08	
Actelion acquisition related cost	0.07	-		0.07	-	
Diabetes asset impairment	0.05	-		0.05	-	
AMO acquisition related cost	0.01	-		0.10	-	
In-process research and development	-	0.01		-	0.01	
Other	-	0.01		-	0.01	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.83</u>	<u>1.74</u>	<u>5.2 %</u>	<u>\$ 3.66</u>	<u>3.47</u>	<u>5.6 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates		1.74			3.51	
Impact of currency at 2016 foreign currency exchange rates	0.03	-		0.06	(0.04)	
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates	<u>\$ 1.86</u>	<u>1.74</u>	<u>6.9 %</u>	<u>\$ 3.72</u>	<u>3.47</u>	<u>7.2 %</u>

<sup>(1)</sup>Includes \$13M recorded in cost of products sold and \$104M recorded in other (income) expense for the second quarter 2017. Includes \$17M recorded in cost of products sold and \$176M recorded in other (income) expense for six months 2017 YTD. Includes \$7M recorded in cost of products sold and \$20M recorded in other (income) expense for the second quarter 2016. Includes \$24M recorded in cost of products sold and \$20M recorded in other (income) expense for six months 2016 YTD.

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

Operational Sales Growth Excluding Acquisitions and Divestitures  
SECOND QUARTER 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % <sup>(1)</sup>			
<b>WW As Reported:</b>	2.3%	1.0%	5.9%	2.9%
<b>U.S.</b>	7.4%	(2.6)%	6.1%	1.6%
<b>International</b>	(1.1)%	6.1%	5.8%	4.4%
Beauty				
Vogue	(2.7)			(0.5)
<b>U.S.</b>	(5.9)			(0.9)
<b>International</b>	(0.6)			(0.1)
Other Neuroscience				
Controlled Substance Raw Material and API Business		0.6		0.3
<b>U.S.</b>		0.8		0.4
<b>International</b>		0.5		0.2
Diagnostics				
Ortho-Clinical Diagnostics			0.5	0.2
<b>U.S.</b>			0.0	0.0
<b>International</b>			1.0	0.3
Vision Care				
Abbott Medical Optics			(5.1)	(1.8)
<b>U.S.</b>			(4.6)	(1.5)
<b>International</b>			(5.6)	(2.1)
Pulmonary Hypertension				
Actelion		(1.1)		(0.5)
<b>U.S.</b>		(0.8)		(0.4)
<b>International</b>		(1.5)		(0.6)
All Other Acquisitions and Divestitures	(0.4)		(0.2)	(0.1)
<b>U.S.</b>	(0.3)		(0.7)	(0.2)
<b>International</b>	(0.6)		0.2	(0.1)
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>(0.8)%</b>	<b>0.5%</b>	<b>1.1%</b>	<b>0.5%</b>
<b>U.S.</b>	<b>1.2%</b>	<b>(2.6)%</b>	<b>0.8%</b>	<b>(1.0)%</b>
<b>International</b>	<b>(2.3)%</b>	<b>5.1%</b>	<b>1.4%</b>	<b>2.0%</b>

<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  
SIX MONTHS 2017 ACTUAL vs. 2016 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % <sup>(1)</sup>			
<b>WW As Reported:</b>	1.6%	1.2%	4.7%	2.5%
<b>U.S.</b>	5.8%	(2.0)%	4.1%	1.1%
<b>International</b>	(1.3)%	5.9%	5.3%	4.0%

Beauty				
Vogue	(2.9)			(0.5)
U.S.	(6.1)			(0.9)
International	(0.7)			(0.2)
Other Neuroscience				
Controlled Substance Raw Material and API Business		0.7		0.3
U.S.		0.9		0.5
International		0.4		0.2
Diagnostics				
Ortho-Clinical Diagnostics			0.5	0.2
U.S.			0.0	0.0
International			1.0	0.4
Vision Care				
Abbott Medical Optics			(3.6)	(1.3)
U.S.			(3.2)	(1.0)
International			(4.0)	(1.5)
Pulmonary Hypertension				
Actelion		(0.6)		(0.3)
U.S.		(0.4)		(0.2)
International		(0.8)		(0.3)
All Other Acquisitions and Divestitures	(0.3)		(0.2)	(0.1)
U.S.	(0.5)		(0.7)	(0.4)
International	(0.1)		0.2	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>(1.6)%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>0.8%</b>
U.S.	(0.8)%	(1.5)%	0.2%	(0.9)%
International	(2.1)%	5.5%	2.5%	2.7%

(1) Operational growth excludes the effect of translational currency

	REPORTED SALES vs. PRIOR PERIOD (\$MM)					
	SECOND QUARTER			SIX MONTHS		
	2017	2016	% Change Reported Operational <sup>(1)</sup> Currency	2017	2016	% Change Reported Operational <sup>(1)</sup> Currency
<b>CONSUMER SEGMENT (2)(3)</b>						
<b>BABY CARE</b>						
US	\$ 113	\$ 126	-10.3%	\$ 226	\$ 247	-8.5%
Intl	381	404	-5.7%	723	766	-5.6%
WW	494	530	-6.8%	949	1,013	-6.3%
<b>BEAUTY</b>						
US	649	554	17.1%	1,216	1,038	17.1%
Intl	427	422	1.2%	841	817	2.9%
WW	1,076	976	10.2%	2,057	1,855	10.9%
<b>ORAL CARE</b>						
US	150	159	-5.7%	306	329	-7.0%
Intl	244	244	0.0%	450	459	-2.0%
WW	394	403	-2.2%	756	788	-4.1%
<b>OTC</b>						
US	432	405	6.7%	909	871	4.4%
Intl	574	591	-2.9%	1,110	1,124	-1.2%
WW	1,006	996	1.0%	2,019	1,995	1.2%
<b>WOMEN'S HEALTH</b>						
US	3	7	-57.1%	6	13	-53.8%
Intl	273	276	-1.1%	512	521	-1.7%
WW	276	283	-2.5%	518	534	-3.0%
<b>WOUND CARE / OTHER</b>						
US	140	133	5.3%	238	244	-2.5%
Intl	92	98	-6.1%	169	185	-8.6%
WW	232	231	0.4%	407	429	-5.1%
<b>TOTAL CONSUMER</b>						
US	1,487	1,384	7.4%	2,901	2,742	5.8%
Intl	1,991	2,035	-2.2%	3,805	3,872	-1.7%
WW	\$ 3,478	\$ 3,419	1.7%	\$ 6,706	\$ 6,614	1.4%

	REPORTED SALES vs. PRIOR PERIOD (\$MM)					
	SECOND QUARTER			SIX MONTHS		
	2017	2016	% Change Reported Operational <sup>(1)</sup> Currency	2017	2016	% Change Reported Operational <sup>(1)</sup> Currency
<b>PHARMACEUTICAL SEGMENT (2)(3)</b>						
<b>IMMUNOLOGY</b>						
US	\$ 2,101	\$ 2,224	-5.5%	\$ 4,224	\$ 4,395	-3.9%
Intl	858	814	5.4%	1,665	1,553	7.2%
WW	2,959	3,038	-2.6%	5,889	5,948	-1.0%
<b>REMICADE</b>						
US						
US Exports (4)	1,064	1,236	-13.9%	2,246	2,447	-8.2%
Intl	127	185	-31.4%	292	418	-30.1%
WW	339	359	-5.6%	664	694	-4.3%
<b>SIMPONI / SIMPONI ARIA</b>						
US						
Intl	230	244	-5.7%	459	460	-0.2%
WW	209	204	2.5%	408	378	7.9%
<b>STELARA</b>						
US						
Intl	680	559	21.6%	1,227	1,070	14.7%
WW	303	245	23.7%	579	469	23.5%
<b>OTHER IMMUNOLOGY</b>						
US						
Intl	983	804	22.3%	1,806	1,539	17.3%
US						
Intl	-	-	-	-	-	-

	7	6	16.7%	15.8%	0.9%	14	12	16.7%	14.0%	2.7%
WW	7	6	16.7%	15.8%	0.9%	14	12	16.7%	14.0%	2.7%
<u>INFECTIOUS DISEASES</u>										
US	341	362	-5.8%	-5.8%	-	667	720	-7.4%	-7.4%	-
Intl	451	467	-3.4%	-1.5%	-1.9%	874	885	-1.2%	0.6%	-1.8%
WW	792	829	-4.5%	-3.4%	-1.1%	1,541	1,605	-4.0%	-3.0%	-1.0%
<u>EDURANT</u>										
US										
Intl	17	14	21.4%	21.4%	-	29	25	16.0%	16.0%	-
WW	162	126	28.6%	30.9%	-2.3%	299	234	27.8%	30.6%	-2.8%
<u>PREZISTA / PREZCOBIX / REZOLSTA</u>										
US										
Intl	278	273	1.8%	1.8%	-	537	550	-2.4%	-2.4%	-
WW	176	186	-5.4%	-2.9%	-2.5%	347	361	-3.9%	-1.4%	-2.5%
<u>OTHER INFECTIOUS DISEASES</u>										
US										
Intl	454	459	-1.1%	-0.1%	-1.0%	884	911	-3.0%	-2.0%	-1.0%
WW	46	75	-38.7%	-38.7%	-	101	145	-30.3%	-30.3%	-
Intl	113	155	-27.1%	-26.3%	-0.8%	228	290	-21.4%	-21.5%	0.1%
WW	159	230	-30.9%	-30.4%	-0.5%	329	435	-24.4%	-24.4%	0.0%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	SECOND QUARTER					SIX MONTHS				
	2017	2016	Reported	% Change Operational <sup>1,2</sup>	Currency <sup>3</sup>	2017	2016	Reported	% Change Operational <sup>1,2</sup>	Currency <sup>3</sup>
<u>NEUROSCIENCE</u>										
US	620	695	-10.8%	-10.8%	-	1,284	1,375	-6.6%	-6.6%	-
Intl	847	907	-6.6%	-4.1%	-2.5%	1,680	1,776	-5.4%	-3.5%	-1.9%
WW	1,467	1,602	-8.4%	-7.0%	-1.4%	2,964	3,151	-5.9%	-4.9%	-1.0%
<u>CONCERTA / METHYLPHENIDATE</u>										
US										
Intl	76	129	-41.1%	-41.1%	-	184	263	-30.0%	-30.0%	-
WW	105	109	-3.7%	-1.3%	-2.4%	206	206	0.0%	1.3%	-1.3%
<u>INVEGA SUSTENNA / XEPLION / TRINZA</u>										
US										
Intl	387	339	14.2%	14.2%	-	759	644	17.9%	17.9%	-
WW	242	221	9.5%	13.1%	-3.6%	474	429	10.5%	13.7%	-3.2%
<u>RISPERDAL CONSTA</u>										
US										
Intl	91	100	-9.0%	-9.0%	-	186	195	-4.6%	-4.6%	-
WW	116	130	-10.8%	-8.1%	-2.7%	228	266	-14.3%	-12.0%	-2.3%
<u>OTHER NEUROSCIENCE</u>										
US										
Intl	66	127	-48.0%	-48.0%	-	155	273	-43.2%	-43.2%	-
WW	384	447	-14.1%	-12.1%	-2.0%	772	875	-11.8%	-10.6%	-1.2%
<u>ONCOLOGY</u>										
US	450	574	-21.6%	-20.0%	-1.6%	927	1,148	-19.3%	-18.4%	-0.9%
Intl	697	569	22.5%	22.5%	-	1,361	1,118	21.7%	21.7%	-
WW	1,030	905	13.8%	17.0%	-3.2%	1,980	1,710	14.6%	17.6%	-3.0%
<u>DARZALEX</u>										
US	1,727	1,474	17.2%	19.2%	-2.0%	3,321	2,828	17.4%	19.2%	-1.8%
<u>IMBRUVICA</u>										
US										
Intl	212	95	*	*	-	413	196	*	*	-
WW	87	13	*	*	**	141	13	*	*	**
<u>VELCADE</u>										
US										
Intl	299	108	*	*	**	554	209	*	*	**
<u>ZYTIGA</u>										
US										
Intl	202	144	40.3%	40.3%	-	392	276	42.0%	42.0%	-
WW	248	151	64.2%	69.4%	-5.2%	467	280	66.8%	71.4%	-4.6%
<u>VELCADE</u>										
US										
Intl	450	295	52.5%	55.1%	-2.6%	859	556	54.5%	56.8%	-2.3%
<u>OTHER ONCOLOGY</u>										
US										
Intl	-	-	-	-	-	-	-	-	-	-
WW	290	342	-15.2%	-12.6%	-2.6%	570	646	-11.8%	-9.0%	-2.8%
<u>OTHER ONCOLOGY</u>										
US										
Intl	290	342	-15.2%	-12.6%	-2.6%	570	646	-11.8%	-9.0%	-2.8%
<u>OTHER ONCOLOGY</u>										
US										
Intl	241	286	-15.7%	-15.7%	-	474	558	-15.1%	-15.1%	-
WW	317	315	0.6%	3.2%	-2.6%	607	601	1.0%	3.0%	-2.0%
<u>OTHER ONCOLOGY</u>										
US										
Intl	558	601	-7.2%	-5.8%	-1.4%	1,081	1,159	-6.7%	-5.7%	-1.0%

US	42	44	-4.5%	-4.5%	-	82	88	-6.8%	-6.8%	-
Intl	88	84	4.8%	7.1%	-2.3%	175	170	2.9%	5.5%	-2.6%
WW	130	128	1.6%	3.1%	-1.5%	257	258	-0.4%	1.3%	-1.7%
<u>PIJLMONARY HYPERTENSION (5)</u>										
US	40	-	**	**	-	40	-	**	**	-
Intl	51	-	**	**	-	51	-	**	**	-
WW	91	-	**	**	-	91	-	**	**	-
<u>OPSUMIT</u>										
US	24	-	**	**	-	24	-	**	**	-
Intl	21	-	**	**	-	21	-	**	**	-
WW	45	-	**	**	-	45	-	**	**	-
<u>TRACLEER</u>										
US	2	-	**	**	-	2	-	**	**	-
Intl	24	-	**	**	-	24	-	**	**	-
WW	26	-	**	**	-	26	-	**	**	-
<u>UPTRAVI</u>										
US	8	-	**	**	-	8	-	**	**	-
Intl	1	-	**	**	-	1	-	**	**	-
WW	9	-	**	**	-	9	-	**	**	-
<u>OTHER(6)</u>										
US	6	-	**	**	-	6	-	**	**	-
Intl	5	-	**	**	-	5	-	**	**	-
WW	11	-	**	**	-	11	-	**	**	-
<u>CARDIOVASCULAR / METABOLISM / OTHER</u>										
US	1,211	1,294	-6.4%	-6.4%	-	2,306	2,473	-6.8%	-6.8%	-
Intl	388	417	-7.0%	-3.0%	-4.0%	768	827	-7.1%	-3.7%	-3.4%
WW	1,599	1,711	-6.5%	-5.5%	-1.0%	3,074	3,300	-6.8%	-6.0%	-0.8%
<u>XARELTO</u>										
US	642	594	8.1%	8.1%	-	1,155	1,161	-0.5%	-0.5%	-
Intl	-	-	-	-	-	-	-	-	-	-
WW	642	594	8.1%	8.1%	-	1,155	1,161	-0.5%	-0.5%	-
<u>INVOKANA / INVOKAMET</u>										
US	256	348	-26.4%	-26.4%	-	503	645	-22.0%	-22.0%	-
Intl	39	35	11.4%	16.8%	-5.4%	76	63	20.6%	23.9%	-3.3%
WW	295	383	-23.0%	-22.5%	-0.5%	579	708	-18.2%	-17.9%	-0.3%
<u>PROCRI / EPREX</u>										
US	174	230	-24.3%	-24.3%	-	343	413	-16.9%	-16.9%	-
Intl	81	92	-12.0%	-9.7%	-2.3%	159	183	-13.1%	-11.3%	-1.8%
WW	255	322	-20.8%	-20.1%	-0.7%	502	596	-15.8%	-15.3%	-0.5%
<u>OTHER</u>										
US	139	122	13.9%	13.9%	-	305	254	20.1%	20.1%	-
Intl	268	290	-7.6%	-3.3%	-4.3%	533	581	-8.3%	-4.4%	-3.9%
WW	407	412	-1.2%	1.9%	-3.1%	838	835	0.4%	3.1%	-2.7%
<u>TOTAL PHARMACEUTICAL</u>										
US	5,010	5,144	-2.6%	-2.6%	-	9,882	10,081	-2.0%	-2.0%	-
Intl	3,625	3,510	3.3%	6.1%	-2.8%	6,998	6,751	3.7%	5.9%	-2.2%
WW	\$ 8,635	\$ 8,654	-0.2%	1.0%	-1.2%	\$ 16,880	\$ 16,832	0.3%	1.2%	-0.9%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	SECOND QUARTER					SIX MONTHS				
	2017	2016	% Change Reported	Operational <sup>(1)</sup>	Currency	2017	2016	% Change Reported	Operational <sup>(1)</sup>	Currency
<u>MEDICAL DEVICES SEGMENT (2)</u>										
<u>CARDIOVASCULAR</u>										
US	\$ 265	235	12.8%	12.8%	-	\$ 524	466	12.4%	12.4%	-
Intl	258	235	9.8%	12.3%	-2.5%	498	447	11.4%	13.2%	-1.8%
WW	523	470	11.3%	12.6%	-1.3%	1,022	913	11.9%	12.8%	-0.9%
<u>DIABETES CARE</u>										
US	160	177	-9.6%	-	-	314	357	-12.0%	-12.0%	-
Intl	261	294	-11.2%	-9.5%	-1.7%	506	543	-6.8%	-5.5%	-1.3%
WW	421	471	-10.6%	-9.5%	-1.1%	820	900	-8.9%	-8.8%	-0.1%
<u>DIAGNOSTICS</u>										
US	-	-	-	-	-	-	-	-	-	-
Intl	-	31	**	**	**	1	59	**	**	**
WW	-	31	**	**	**	1	59	**	**	**
<u>ORTHOPAEDICS</u>										
US	1,387	1,364	1.7%	1.7%	-	2,766	2,756	0.4%	0.4%	-
Intl	956	991	-3.5%	-1.4%	-2.1%	1,902	1,940	-2.0%	-0.3%	-1.7%
WW	2,343	2,355	-0.5%	0.4%	-0.9%	4,668	4,696	-0.6%	0.1%	-0.7%
<u>HIPS</u>										
US	208	197	5.6%	5.6%	-	417	400	4.3%	4.3%	-
Intl	142	152	-6.6%	-4.3%	-2.3%	285	291	-2.1%	-0.1%	-2.0%

<b>KNEES</b>	350	349	0.3%	1.3%	-1.0%	702	691	1.6%	2.4%	-0.8%
US										
Intl	236	229	3.1%	3.1%	-	482	473	1.9%	1.9%	-
WW	149	156	-4.5%	-2.5%	-2.0%	301	301	0.0%	2.1%	-2.1%
<b>TRAUMA</b>	385	385	0.0%	0.8%	-0.8%	783	774	1.2%	2.0%	-0.8%
US										
Intl	390	381	2.4%	2.4%	-	781	762	2.5%	2.5%	-
WW	253	255	-0.8%	1.1%	-1.9%	504	516	-2.3%	-1.0%	-1.3%
<b>SPINE &amp; OTHER</b>	643	636	1.1%	1.9%	-0.8%	1,285	1,278	0.5%	1.0%	-0.5%
US										
Intl	553	557	-0.7%	-0.7%	-	1,086	1,121	-3.1%	-3.1%	-
WW	412	428	-3.7%	-1.6%	-2.1%	812	832	-2.4%	-0.7%	-1.7%
<b>SURGERY</b>	965	985	-2.0%	-1.1%	-0.9%	1,898	1,953	-2.8%	-2.1%	-0.7%
US	1,012	1,020	-0.8%	-0.8%	-	2,007	2,001	0.3%	0.3%	-
Intl	1,372	1,377	-0.4%	1.6%	-2.0%	2,648	2,624	0.9%	2.4%	-1.5%
WW	2,384	2,397	-0.5%	0.6%	-1.1%	4,655	4,625	0.6%	1.5%	-0.9%
<b>ADVANCED</b>										
US										
Intl	400	389	2.8%	2.8%	-	792	741	6.9%	6.9%	-
WW	533	520	2.5%	4.9%	-2.4%	1,018	984	3.5%	5.4%	-1.9%
<b>GENERAL</b>	933	909	2.6%	4.0%	-1.4%	1,810	1,725	4.9%	6.0%	-1.1%
US										
Intl	423	421	0.5%	0.5%	-	846	840	0.7%	0.7%	-
WW	691	706	-2.1%	-0.2%	-1.9%	1,342	1,357	-1.1%	0.4%	-1.5%
<b>SPECIALTY</b>	1,114	1,127	-1.2%	0.0%	-1.2%	2,188	2,197	-0.4%	0.5%	-0.9%
US										
Intl	189	210	-10.0%	-10.0%	-	369	420	-12.1%	-12.1%	-
WW	148	151	-2.0%	-1.0%	-1.0%	288	283	1.8%	1.7%	0.1%
<b>VISION CARE</b>	337	361	-6.6%	-6.2%	-0.4%	657	703	-6.5%	-6.5%	0.0%
US	405	248	63.3%	63.3%	-	710	490	44.9%	44.9%	-
Intl	650	437	48.7%	50.3%	-1.6%	1,143	835	36.9%	37.6%	-0.7%
WW	1,055	685	54.0%	55.0%	-1.0%	1,853	1,325	39.8%	40.2%	-0.4%
<b>CONTACT LENSES / OTHER</b>										
US										
Intl	274	248	10.5%	10.5%	-	530	490	8.2%	8.2%	-
WW	479	437	9.6%	11.2%	-1.6%	906	835	8.5%	9.2%	-0.7%
<b>SURGICAL</b>	753	685	9.9%	10.9%	-1.0%	1,436	1,325	8.4%	8.8%	-0.4%
US										
Intl	131	-	**	**	-	180	-	**	**	-
WW	171	-	**	**	-	237	-	**	**	-
<b>TOTAL MEDICAL DEVICES</b>	302	-	**	**	-	417	-	**	**	-
US	3,229	3,044	6.1%	6.1%	-	6,321	6,070	4.1%	4.1%	-
Intl	3,497	3,365	3.9%	5.8%	-1.9%	6,698	6,448	3.9%	5.3%	-1.4%
WW	\$ 6,726	\$ 6,409	4.9%	5.9%	-1.0%	\$ 13,019	\$ 12,518	4.0%	4.7%	-0.7%

\* Percentage greater than 100%  
\*\* Not meaningful  
(1) Operational growth excludes the effect of translational currency  
(2) Unaudited  
(3) Prior year amounts have been reclassified to conform to current year product disclosure  
(4) Reported as U.S. sales  
(5) Aclison acquisition completed June 16, 2017  
(6) Includes Non-Pulmonary Hypertension products

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