

Adjusted 2016 Fourth-Quarter EPS was \$1.50, an increase of 9.7% , and Adjusted 2016 Full-Year EPS was \$6.73, an increase of 8.5%*
Strong 2016 Full-Year Adjusted Operational Sales and EPS Growth of Approximately 7% and 9%, Respectively*

NEW BRUNSWICK, N.J., Jan. 24, 2017 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$18.1 billion for the fourth quarter of 2016, an increase of 1.7% as compared to the fourth quarter of 2015. Operational sales results increased 2.3% and the negative impact of currency was 0.6%. Domestic sales increased 2.6%. International sales increased 0.6%, reflecting operational growth of 1.9% and a negative currency impact of 1.3%. As a reminder, there were additional shipping days in the fourth quarter of 2015 that negatively impacted the current quarter by 480 basis points. Excluding the net impact of acquisitions, divestitures, hepatitis C, Venezuela, and the additional shipping days in 2015, on an operational basis, worldwide sales increased 7.6%, domestic sales increased 9.5% and international sales increased 5.6%.*



Worldwide sales for the full-year 2016 were \$71.9 billion, an increase of 2.6% versus 2015. Operational results increased 3.9% and the negative impact of currency was 1.3%. Domestic sales increased 6.0%. International sales decreased 0.9%, reflecting operational growth of 1.8% and a negative currency impact of 2.7%. The additional shipping days in 2015 negatively impacted the current year by 130 basis points. Excluding the net impact of acquisitions, divestitures, hepatitis C, Venezuela, and the additional shipping days in 2015, on an operational basis, worldwide sales increased 7.4%, domestic sales increased 8.9% and international sales increased 5.7%.*

Net earnings and diluted earnings per share for the fourth quarter of 2016 were \$3.8 billion and \$1.38, respectively. Fourth-quarter 2016 net earnings included after-tax intangible amortization expense of approximately \$0.3 billion and a net charge for after-tax special items of approximately \$0.3 billion. Fourth-quarter 2015 net earnings included after-tax intangible amortization expense of approximately \$0.2 billion and a net charge for after-tax special items of approximately \$0.6 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$4.4 billion and adjusted diluted earnings per share were \$1.58, representing increases of 7.9% and 9.7%, respectively, as compared to the same period in 2015.* On an operational basis, adjusted diluted earnings per share also increased 10.4%.* A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

Net earnings and diluted earnings per share for the full-year 2016 were \$16.5 billion and \$5.93, respectively. Full-year net earnings included after-tax intangible amortization expense of approximately \$0.9 billion and a charge for after-tax special items of approximately \$1.3 billion. Full-year 2015 net earnings included after-tax intangible amortization expense of approximately \$1.1 billion and a charge for after-tax special items of approximately \$0.9 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the full-year of 2016 were \$18.8 billion and adjusted diluted earnings per share were \$6.73, representing increases of 7.6% and 8.5%, respectively, as compared to the same period in 2015.* On an operational basis, adjusted diluted earnings per share also increased 9.4%.* A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

"We are pleased to report that we accelerated our adjusted growth for 2016 over the prior year, and delivered a strong total shareholder return of greater than 15 percent. The strong adjusted sales and EPS growth was driven by the impressive performance of our Pharmaceutical business and continued momentum in our Medical Device business and share gains while improving profitability in our Consumer business," said Alex Gorsky, Chairman and Chief Executive Officer. "Looking forward to 2017, we expect to continue driving sustainable, long-term growth through the new products, science and innovation that our talented colleagues and partners of Johnson & Johnson are advancing to positively impact human health."

The Company announced its 2017 full-year guidance for sales of \$74.1 billion to \$74.8 billion reflecting expected operational growth in the range of 4.0% to 5.0%. Excluding the impact of acquisitions and divestitures, operational sales growth is expected to be in the range of 3.0% to 3.5%.* Additionally, the Company announced adjusted earnings guidance for full-year 2017 of \$6.93 to \$7.08 per share reflecting expected operational growth in the range of 4.8% to 7.0%.* Adjusted earnings guidance excludes the impact of after-tax intangible amortization expense and special items.

Additionally, as part of the Company's ongoing portfolio management, the Company is announcing it is engaging in a process to evaluate potential strategic options for the Johnson & Johnson Diabetes Care Companies, specifically LifeScan, Inc., Animas Corporation, and Calibra Medical, Inc. Strategic options may include the formation of operating partnerships, joint ventures or strategic alliances, a sale of the businesses, or other alternatives either separately or together. All options will be evaluated to determine the best opportunity to drive future growth and maximize shareholder value. There can be no assurance that this process will result in any transaction or other strategic alternative of any kind.

Exhibit	2014
Wit	J&J
Date	2-10-17
Leslie Rockwood CSR RPR	

JANSSEN EXHIBIT 2014
Wockhardt v. Janssen IPR2016-01582

2.2%. Excluding the net impact of acquisitions, divestitures, hepatitis C, Venezuela, and the additional shipping days in 2015, on an operational basis, worldwide sales increased 11.5%, domestic sales increased 13.8% and international sales increased 8.3%.*

Worldwide operational results, excluding the net impact of acquisitions, divestitures and hepatitis C sales, were driven by new products and the strength of core products. Strong growth in new products include IMBRUVICA[®] (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer; DARZALEX[®] (daratumumab), for the treatment of patients with multiple myeloma; XARELTO[®] (rivaroxaban), an oral anticoagulant and INVOKANA[®]/INVOKAMET[®] (canagliflozin), for the treatment of adults with type 2 diabetes.

Additional contributors to operational sales growth included STELARA[®] (ustekinumab), REMICADE[®] (infliximab) and SIMPONI[®]/SIMPONI ARIA[®] (golimumab), biologics approved for the treatment of a number of immune-mediated inflammatory diseases; INVEGA[®] SUSTENNA[®]/XEPLION[®]/TRINZA[®] (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults and EDURANT[®] (rilpivirine) for the treatment of HIV.

Sales results were negatively impacted by generic entrants for ORTHO TRI-CYCLEN[®] LO (norgestimate/ethinyl estradiol) oral contraceptive and INVEGA[®] (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults.

During the quarter, the U.S. Food and Drug Administration (FDA) approved DARZALEX[®] (daratumumab) in combination with lenalidomide and dexamethasone, or bortezomib and dexamethasone, for the treatment of patients with multiple myeloma who have received at least one prior therapy. The European Commission approved STELARA[®] for the treatment of adults with moderately to severely active Crohn's disease. Subsequent to the quarter, in January, the FDA approved IMBRUVICA[®] (ibrutinib) for the treatment of patients with marginal zone lymphoma who require systemic therapy and have received at least one prior anti-CD20- based therapy.

Additionally, regulatory applications for approval were submitted to the FDA and European Medicines Agency (EMA) for guselkumab for the treatment of adults living with moderate to severe plaque psoriasis. Regulatory applications for approval were also submitted to the FDA for SIMPONI ARIA[®] (golimumab) for the treatment of adults living with active psoriatic arthritis and the treatment of adults living with active ankylosing spondylitis and for STELARA[®] (ustekinumab) for the treatment of adolescents (12 to 17 years of age) with moderate to severe plaque psoriasis.

Worldwide Medical Devices sales of \$25.1 billion for the full-year 2016 represented a decrease of 0.1% versus the prior year consisting of an operational increase of 0.9% and a negative currency impact of 1.0%. Domestic sales increased 1.1%; international sales decreased 1.2%, which reflected an operational increase of 0.7% and a negative currency impact of 1.9%. Excluding the net impact of acquisitions, divestitures, Venezuela and the additional shipping days in 2015, on an operational basis, worldwide sales increased 3.8%, domestic sales increased 2.9% and international sales increased 4.7%.*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by electrophysiology products in the Cardiovascular business; endocutters, energy and biosurgicals in the Advanced Surgery business; ACUVUE[®] contact lenses in the Vision Care business; and joint reconstruction and trauma products in the Orthopaedics business.

During the quarter, the FDA approved OneTouch Vibe™ Plus Insulin Pump and Continuous Glucose Monitoring System for the treatment of patients age two and older living with diabetes.

Also during the quarter, the purchase of expandable cage technologies for spinal fusion was completed, and a development agreement was entered into, with Interventional Spine, Inc.

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 126,400 employees at more than 230 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, divestitures, hepatitis C, Venezuela and the additional shipping days in 2015, 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

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 factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new 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 business plans, transactions and restructuring plans; market conditions and the possibility that the on-going share repurchase program may be delayed, suspended or discontinued; the impact of business combinations and divestitures; 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 or financial distress 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 description 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 3, 2016, including in Exhibit 99 thereto, and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, 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)											
	FOURTH QUARTER						TWELVE MONTHS					
	2016	2015	Total	Percent Change		Currency	2016	2015	Total	Percent Change		Currency
Operations					Operations							
Sales to customers by segment of business												
Consumer												
U.S.	\$ 1,387	1,231	12.7	%	12.7	-	\$ 5,420	5,222	3.8	%	3.8	-
International	2,045	2,089	(2.1)		0.2	(2.3)	7,887	8,285	(4.8)		0.1	(4.9)
	3,432	3,320	3.4		4.9	(1.5)	13,307	13,507	(1.5)		1.5	(3.0)
Pharmaceutical												
U.S.	5,002	4,910	1.9		1.9	-	20,125	18,333	9.8		9.8	-
International	3,230	3,154	2.4		3.7	(1.3)	13,339	13,097	1.8		4.0	(2.2)
	8,232	8,064	2.1		2.6	(0.5)	33,464	31,430	6.5		7.4	(0.9)
Medical Devices												
U.S.	3,148	3,152	(0.1)		(0.1)	-	12,266	12,132	1.1		1.1	-
International	3,294	3,275	0.6		1.3	(0.7)	12,853	13,005	(1.2)		0.7	(1.9)
	6,442	6,427	0.2		0.6	(0.4)	25,119	25,137	(0.1)		0.9	(1.0)
U.S.	9,537	9,293	2.6		2.6	-	37,811	35,687	6.0		6.0	-
International	8,569	8,518	0.6		1.9	(1.3)	34,079	34,387	(0.9)		1.8	(2.7)
Worldwide	\$ 18,106	17,811	1.7	%	2.3	(0.6)	\$ 71,890	70,074	2.6	%	3.9	(1.3)

Johnson & Johnson and Subsidiaries

Worldwide	\$ 18,106	17,811	1.7	%	2.3	(0.6)	\$ 71,890	70,074	2.6	%	3.9	(1.3)
-----------	-----------	--------	-----	---	-----	-------	-----------	--------	-----	---	-----	-------

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FOURTH QUARTER

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,106	100.0	\$ 17,811	100.0	1.7
Cost of products sold	5,534	30.5	5,673	31.8	(2.5)
Selling, marketing and administrative expenses	5,309	29.3	5,891	33.1	(9.9)
Research and development expense	2,640	14.6	2,864	16.1	(7.8)
In-process research and development	-	-	214	1.2	
Interest (income) expense, net	84	0.5	107	0.6	
Other (income) expense, net	20	0.1	(1,205)	(6.8)	
Restructuring	195	1.1	509	2.9	
Earnings before provision for taxes on income	4,324	23.9	3,758	21.1	15.1
Provision for taxes on income	510	2.8	543	3.0	(6.1)
Net earnings	\$ 3,814	21.1	\$ 3,215	18.1	18.6
Net earnings per share (Diluted)	\$ 1.38		\$ 1.15		20.0
Average shares outstanding (Diluted)	2,764.5		2,803.3		
Effective tax rate	11.8	%	14.4	%	
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 5,103	28.2	\$ 4,913	27.6	3.9
Net earnings	\$ 4,361	24.1	\$ 4,043	22.7	7.9
Net earnings per share (Diluted)	\$ 1.58		\$ 1.44		9.7
Effective tax rate	14.5	%	17.7	%	

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

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

TWELVE MONTHS

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 71,890	100.0	\$ 70,074	100.0	2.6
Cost of products sold	21,685	30.2	21,536	30.7	0.7
Selling, marketing and administrative expenses	19,945	27.7	21,203	30.3	(5.9)
Research and development expense	9,095	12.7	9,046	12.9	0.5
In-process research and development	29	0.0	224	0.3	
Interest (income) expense, net	358	0.5	424	0.6	
Other (income) expense, net	484	0.7	(2,064)	(2.9)	
Restructuring	491	0.7	509	0.7	
Earnings before provision for taxes on income	19,803	27.5	19,196	27.4	3.2
Provision for taxes on income	3,263	4.5	3,787	5.4	(13.8)
Net earnings	\$ 16,540	23.0	\$ 15,409	22.0	7.3
Net earnings per share (Diluted)	\$ 5.93		\$ 5.48		8.2

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

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. / (Decr.)	Twelve Months		% Incr. / (Decr.)
	2016	2015		2016	2015	
Earnings before provision for taxes on income - as reported	\$ 4,324	3,758	15.1 %	\$ 19,803	19,196	3.2 %
Intangible asset amortization expense	344	301		1,271	1,570	
Restructuring/Other ⁽¹⁾	298	590		685	590	
Litigation expense, net	96	-		817	141	
DePuy ASR™ Hip program	9	-		9	148	
In-process research and development	-	214		29	224	
Other	32	50		145	134	
Earnings before provision for taxes on income - as adjusted	<u>\$ 5,103</u>	<u>4,913</u>	<u>3.9 %</u>	<u>\$ 22,759</u>	<u>22,003</u>	<u>3.4 %</u>
Net Earnings - as reported	\$ 3,814	3,215	18.6 %	\$ 16,540	15,409	7.3 %
Intangible asset amortization expense	252	220		931	1,113	
Restructuring/Other	251	415		544	415	
Litigation expense, net	80	-		675	118	
DePuy ASR™ Hip program	7	-		7	130	
In-process research and development	-	156		23	162	
Other	(43)	37		44	98	
Net Earnings - as adjusted	<u>\$ 4,361</u>	<u>4,043</u>	<u>7.9 %</u>	<u>\$ 18,764</u>	<u>17,445</u>	<u>7.6 %</u>
Diluted Net Earnings per share - as reported	\$ 1.38	1.15	20.0 %	\$ 5.93	5.48	8.2 %
Intangible asset amortization expense	0.09	0.07		0.33	0.39	
Restructuring/Other	0.09	0.15		0.20	0.15	
Litigation expense, net	0.03	-		0.24	0.04	
DePuy ASR™ Hip program	-	-		-	0.05	
In-process research and development	-	0.06		0.01	0.06	
Other	(0.01)	0.01		0.02	0.03	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.58</u>	<u>1.44</u>	<u>9.7 %</u>	<u>\$ 6.73</u>	<u>6.20</u>	<u>8.5 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2014 foreign currency exchange rates		1.54			6.76	
Impact of currency at 2015 foreign currency exchange rates	0.01	(0.10)		0.05	(0.56)	
Operational Diluted Net Earnings per share - as adjusted at 2015 foreign currency exchange rates	<u>\$ 1.59</u>	<u>1.44</u>	<u>10.4 %</u>	<u>\$ 6.78</u>	<u>6.20</u>	<u>9.4 %</u>

(1) Includes \$18M recorded in cost of products sold and \$85M recorded in other (income) expense for the fourth quarter 2016, and \$81M recorded in cost of products sold for the fourth quarter 2015.
Includes \$45M recorded in cost of products sold and \$149M recorded in other (income) expense for twelve months YTD 2016.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.