JOHNSON & JOHNSON AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS At December 30, 2018 and December 31, 2017

(Dollars in Millions Except Share and Per Share Amounts) (Note 1)

Komer Tourist Tourist Tourist Tourist Seas and equivalents (Notes I and 2) 1 R1,000 1 R1,00		2018		2017
Cash and cash equivalents (Notes I and 2) 1,826 47.24 Maccountires (Notes I and 2) 1,508 47.2 Accounts receivable trade, less allowances for doubtful accounts \$248 (2017, \$291) 14,008 13,409 Inventories (Notes I and 3) 8,509 8,505 Pepaid expenses and other receivables 2,609 2,537 Acests held for sale (Note 20) 6,003 3,038 Property, plant and equipment, net (Notes I and 4) 7,010 1,013 3,000 Integright assess, net (Notes I and 5) 4,010 7,010 1,013 3,000 Deferred taxes on income (Note 8) Type your text 4,012 <td< th=""><th>Assets</th><th></th><th></th><th></th></td<>	Assets			
Marketable securities (Notes 1 and 2) 1,580 47.2 Accounts receivable trade, less allowances for doubtful accounts \$248 (2017, \$291) 1,698 13,490 Inventiories (Notes 1 and 3) 8,599 8,575 Prepaid expenses and other receivables 2,699 2,537 Asset held for sale (Note 20)	Current assets			
Accounts receivable trade, less allowances for doubtful accounts \$248 (2017, \$291) 14,098 13,490 Inventories (Notes I and 3) 8,595 8,565 Perpaid expense and other receivables 2,699 2,537 Assets held for sale (Note 20) 50 Total current assets 46,033 43,088 Property, plant and equipment, net (Notes I and 4) 17,035 17,005 Intagible assets, net (Notes I and 5) 30,453 31,006 Oedwill (Notes I and 5) 7,640 7,106 Oberferred taxes on income (Note 8) 7,900 1,000 Other assets 4,182 4,97 Total asset 4,182 4,97 Total asset 5,27,96 3,006 Cherred taxes on income (Note 8) 7,000 3,006 Total taxes 7,507 3,006 Accounts payable (Note 7) 7,504 3,006 Accounts payable (Note 7) 7,504 3,00 Account chase, returns and promotions 7,60 3,04 Accurued compensation and employee related obligations 3,13 3,05	Cash and cash equivalents (Notes 1 and 2)	\$	18,107	17,824
Inventories (Notes I and 3) 8,59 8,76 Pequid expenses and other receivables 2,69 2,537 Asses Ished for sale (Note 20) 9.0 - Total current assets 46,033 34,088 Proper Ly plant and equipment, et (Notes I and 4) 17,005 32,228 Goodwill (Notes I and 5) 45,61 32,228 Goodwill (Notes I and 5) 7,604 7,105 Cerrent daxes on income (Note 8) Type your text 7,604 7,105 Oblides 41,025 4,102 1,102 Other saxes 12,229 1,270 1,202 Iter trainstillies 7,504 3,008 3,008 Accounts payable 7,507 3,008 3,	Marketable securities (Notes 1 and 2)		1,580	472
Prepaid expense and other receivables 2,699 2,537 Asset held for sale (Note 20) 950 ————————————————————————————————————	Accounts receivable trade, less allowances for doubtful accounts \$248 (2017, \$291)		14,098	13,490
Assets held for sale (Note 20) 950 46,033 43,088 Total current assets 46,033 43,088 Property, plant and equipment, net (Notes 1 and 4) 17,035 13,036 Intangible assets, net (Notes 1 and 5) 30,453 31,906 Codwill (Notes 1 and 5) 7,640 7,108 Deferred taxes on income (Notes) Type your text 7,640 7,010 Total asset 5 12,954 157,303 Total asset 5 2,796 3,906 Horrent liabilities 7,537 3,910 Accounts payable (Note 7) \$ 2,796 3,906 Accounts payable (Note 7) \$ 2,796 3,906 Accounts payable (Note 7) \$ 2,796 3,906 Accounct payable (Note 7) \$ 2,796 3,906 Accounct payable (Note 7) \$ 2,909 3,908 Accounct payable (Note 8) \$ 2,009 2,203 Accounct payable (Note 8) \$ 2,009 2,203 Accounct payable (Note 8) \$ 2,009 2,203 Account payable (Note 8) \$ 2,009 3,005 <t< td=""><td>Inventories (Notes 1 and 3)</td><td></td><td>8,599</td><td>8,765</td></t<>	Inventories (Notes 1 and 3)		8,599	8,765
Total current assets 46,033 43,088 Property, plant and equipment, net (Notes 1 and 4) 17,035 17,005 Intangible assets, net (Notes 1 and 5) 47,611 53,228 Goodwill (Notes 1 and 5) 30,433 31,906 Deferred taxes on income (Note 8) Type your text 7,640 7,105 Other assets 5 152,954 157,303 Total assets 5 152,954 157,303 Total assets 5 2,796 3,006 Total asset Shareholders' Equity Euror Hiabilities 7,501 3,006 Comment is and notes payable (Note 7) 2,796 3,006 Account japable (Note 7) 7,501 7,301 Account japable (Note 7) 7,501 3,008 2,953 Account japable (Note 8) 8,18 3,543 Account japable (Note 8) 2,81 3,008 2,953 Account japable (Note 8) 2,81 3,008 2,953 Account japable (Note 8) 2,82 3,009	Prepaid expenses and other receivables		2,699	2,537
Properly, plant and equipment, net (Notes 1 and 5) 17,005 Intangible assets, net (Notes 1 and 5) 47,611 53,228 Goodwill (Notes 1 and 5) 7,640 7,016 Deferred taxes on income (Notes) 17,905 4,182 4,971 Total assets 4,182 4,971 Total assets 5 152,954 157,303 Liabilities and Shareholders' Equity Urrent Liabilities 2,766 3,906 Accounts payable (Note 7) \$ 2,796 3,906 Accounts payable (Note 7) \$ 2,796 3,906 Accounts payable (Note 7) 9,380 7,210 Account compensation and employee related obligations 9,380 2,923 Account compensation and employee related obligations 3,098 2,925 Account compensation and employee related obligations 3,088 2,925 Account compensation and employee related obligations (Note 8) 2,268 3,068 Deferred taxes on income (Note 8) 2,268 3,088 Equipment taxes payable (No	Assets held for sale (Note 20)		950	_
Intangible assets, net (Notes I and 5) 47,611 53,228 Goodwill (Notes I and 5) 30,653 31,906 Deferred taxes on income (Note 8) Type your text 7,640 7,105 Other assets 4,182 4,971 Total asset 5 152,954 157,303 Italities and Sharcholders' Equity Current Itabilities Coan and notes payable (Note 7) \$ 2,706 3,906 Accounts payable 7,537 7,310 Accounts payable 7,537 7,310 Account devalues, returns and promotions 9,380 7,210 Accrued rebates, returns and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 3,08 2,953 Accrued taxes on income (Note 8) 31,23 30,537 Iong-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 7) 8,589 9,017 Total Itabilities	Total current assets		46,033	43,088
Goodwill (Notes I and 5) 30,453 31,906 Deferred taxes on income (Note 8) Type your text 7,640 7,105 Total assets 4,182 4,971 Total asset 5 152,954 157,303 Liabilities and Shareholders' Equity Total liabilities Consens and notes payable (Note 7) \$ 2,796 3,906 Accounts payable 7,537 7,310 Accured liabilities 7,601 7,304 Accured rebates, returns and promotions 9,380 7,210 Accured compensation and employee related obligations 9,380 7,210 Accured compensation and employee related obligations 3,098 2,953 Accured taxes on income (Note 8) 818 8,84 Englered taxes on income (Note 8) 7,506 8,368 Deferred taxes on income (Note 8) 7,506 8,368 Englered taxes on income (Note 8) 8,242 8,472 Other liabilities 9,951 10,074 Long-term taxes payable (Note 8) 9,017 Total liability 3,20 <td>Property, plant and equipment, net (Notes 1 and 4)</td> <td></td> <td>17,035</td> <td>17,005</td>	Property, plant and equipment, net (Notes 1 and 4)		17,035	17,005
Deferred taxes on income (Note 8) Type your text 7,640 7,105 Chear sexts 4,182 4,971 Total assets 5 15,954 157,303 Liabilities and Shareholders' Equity Urrent liabilities Loans and notes payable (Note 7) \$ 2,796 3,906 Accound payable 7,537 7,310 Accound liabilities 7,601 7,304 Accound chaptes, returns and promotions 9,386 7,210 Accound chaptes, returns and promotions 9,388 2,953 Accound chaptes, returns and promotions 3,098 2,953 Accound chaptes (Note 8) 3,098 2,953 Accound taxes on income (Note 8) 3,039 2,953 Cong-term debt (Note 7) 27,568 3,658 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 7,506 8,588 Employee related obligations (Notes 9 and 10) 8,589 9,017 Intellide 8,589 9,017 Total liabilities 8,589	Intangible assets, net (Notes 1 and 5)		47,611	53,228
Other assets 4,182 4,971 Total assets 5 152,954 157,303 Listilities and Shareholders' Equity Current liabilities Loans and notes payable (Note 7) \$ 2,796 3,906 Accounts payable 7,531 7,310 Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,252 Accrued compensation and employee related obligations 3,133 30,537 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 7,506 8,368 Employee related obligations (Notes 9 and 10) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,704 Long-term taxes payable (Note 8) 8,242 8,722 Other liabilities 3,202 9,7143 Total liabilities 3,202 9,7143 Total liabilities 3,202 9,7143 Common stock— par value (authorized a			30,453	31,906
Other assets 4,182 4,971 Total assets \$ 152,954 157,303 Liabilities and Shareholders' Equity Current Liabilities Loans and notes payable (Note 7) \$ 2,796 3,906 Accound liabilities 7,537 7,310 Accound liabilities 7,501 7,301 Accound compensation and employee related obligations 9,380 2,953 Accrued taxes on income (Note 8) 818 1,854 Conducturent Liabilities 31,230 30,575 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 9,320 9,714 Total liabilities 9,320 9,714 Total liabilities 3,242 8,472 Cheffered stock — without par value (authorized 4,320,000,000 shares; issued 3,120 3,120 3,119,843,000 shares) 3,120 <td>Deferred taxes on income (Note 8) Type your text</td> <td></td> <td>7,640</td> <td>7,105</td>	Deferred taxes on income (Note 8) Type your text		7,640	7,105
Current liabilities Current liabilities			4,182	4,971
Current liabilities Loans and notes payable (Note 7) \$ 2,796 3,906 Accounts payable 7,537 7,310 Accrued liabilities 7,601 7,304 Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,637 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,242 8,472 Other liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accuudiated other comprehensive income (loss) (Note 13)	Total assets	\$	152,954	157,303
Loans and notes payable (Note 7) 3,906 Accounts payable 7,537 7,310 Accrued liabilities 7,601 7,304 Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1,00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,120 3,120 3,119,843,000 shares) 3,120 3,120 <t< td=""><td>Liabilities and Shareholders' Equity</td><td></td><td></td><td></td></t<>	Liabilities and Shareholders' Equity			
Accounts payable 7,537 7,310 Accrued liabilities 7,601 7,304 Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Prefered stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less:	Current liabilities			
Accrued liabilities 7,601 7,304 Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 3,289 9,017 Total liabilities 35,89 9,017 Total liabilities 35,89 9,017 Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares	Loans and notes payable (Note 7)	\$	2,796	3,906
Accrued rebates, returns and promotions 9,380 7,210 Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity - - Preferred stock — without par value (authorized and unissued 2,000,000 shares) - - Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares a	Accounts payable		7,537	7,310
Accrued compensation and employee related obligations 3,098 2,953 Accrued taxes on income (Note 8) 818 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 3,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,120 3,120 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752	Accrued liabilities		7,601	7,304
Accrued taxes on income (Note 8) 1,854 Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 33,202 97,143 Shareholders' equity Preferred stock—without par value (authorized and unissued 2,000,000 shares) — — Common stock—par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Accrued rebates, returns and promotions		9,380	7,210
Total current liabilities 31,230 30,537 Long-term debt (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Accrued compensation and employee related obligations		3,098	2,953
Deferred town (Note 7) 27,684 30,675 Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — — — — — — — — — — — — — — — — —	Accrued taxes on income (Note 8)		818	1,854
Deferred taxes on income (Note 8) 7,506 8,368 Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Total current liabilities		31,230	30,537
Employee related obligations (Notes 9 and 10) 9,951 10,074 Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Retained earnings 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Long-term debt (Note 7)		27,684	30,675
Long-term taxes payable (Note 8) 8,242 8,472 Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Petained earnings 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Deferred taxes on income (Note 8)		7,506	8,368
Other liabilities 8,589 9,017 Total liabilities 93,202 97,143 Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 4,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Employee related obligations (Notes 9 and 10)		9,951	10,074
Total liabilities 93,202 97,143 Shareholders' equity Preferred stock—without par value (authorized and unissued 2,000,000 shares) — — Common stock—par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Long-term taxes payable (Note 8)		8,242	8,472
Shareholders' equity Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Other liabilities		8,589	9,017
Preferred stock — without par value (authorized and unissued 2,000,000 shares) — — Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Total liabilities		93,202	97,143
Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,120 3,120 3,119,843,000 shares) (15,222) (13,199) Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Shareholders' equity			
3,119,843,000 shares) 3,120 3,120 Accumulated other comprehensive income (loss) (Note 13) (15,222) (13,199) Retained earnings 106,216 101,793 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Preferred stock — without par value (authorized and unissued 2,000,000 shares)		_	_
Retained earnings 106,216 101,793 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160			3,120	3,120
Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 94,114 91,714 Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Accumulated other comprehensive income (loss) (Note 13)		(15,222)	(13,199)
Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares) 34,362 31,554 Total shareholders' equity 59,752 60,160	Retained earnings		106,216	101,793
Total shareholders' equity 59,752 60,160			94,114	91,714
	Less: common stock held in treasury, at cost (Note 12) (457,519,000 shares and 437,318,000 shares)		34,362	31,554
Total liabilities and shareholders' equity \$ 152,954 157,303	Total shareholders' equity		59,752	60,160
	Total liabilities and shareholders' equity	\$	152,954	157,303

See Notes to Consolidated Financial Statements

JOHNSON & JOHNSON AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS

(Dollars and Shares in Millions Except Per Share Amounts) (Note 1)*

	2018	2017	2016
Sales to customers	\$ 81,581	76,450	71,890
Cost of products sold	27,091	25,439	21,789
Gross profit	54,490	51,011	50,101
Selling, marketing and administrative expenses	22,540	21,520	20,067
Research and development expense	10,775	10,594	9,143
In-process research and development	1,126	408	29
Interest income	(611)	(385)	(368)
Interest expense, net of portion capitalized	1,005	934	726
Other (income) expense, net	1,405	(42)	210
Restructuring (Note 22)	251	309	491
Earnings before provision for taxes on income	17,999	17,673	19,803
Provision for taxes on income	2,702	16,373	3,263
Net earnings	\$ 15,297	1,300	16,540
Net earnings per share (Notes 1 and 15)			
Basic	\$ 5.70	0.48	6.04
Diluted	\$ 5.61	0.47	5.93
Average shares outstanding (Notes 1 and 15)			
Basic	2,681.5	2,692.0	2,737.3
Diluted	2,728.7	2,745.3	2,788.9

^{*}Prior years amounts were reclassified to conform to current year presentation (adoption of ASU 2017-07)

See Notes to Consolidated Financial Statements

JOHNSON & JOHNSON AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (Dollars in Millions) (Note 1)

		2018	2017	2016
Cash flows from operating activities				
Net earnings	\$	15,297	1,300	16,540
Adjustments to reconcile net earnings to cash flows from operating activities:				
Depreciation and amortization of property and intangibles		6,929	5,642	3,754
Stock based compensation		978	962	878
Asset write-downs		1,258	795	283
Gain on sale of assets/businesses		(1,217)	(1,307)	(563)
Deferred tax provision		(1,016)	2,406	(341)
Accounts receivable allowances		(31)	17	(11)
Changes in assets and liabilities, net of effects from acquisitions and divestitures:				
Increase in accounts receivable		(1,185)	(633)	(1,065)
(Increase)/Decrease in inventories		(644)	581	(249)
Increase in accounts payable and accrued liabilities		3,951	2,725	656
Increase in other current and non-current assets		(275)	(411)	(529)
(Decrease)/Increase in other current and non-current liabilities		(1,844)	8,979	(586)
Net cash flows from operating activities		22,201	21,056	18,767
Cash flows from investing activities				
Additions to property, plant and equipment		(3,670)	(3,279)	(3,226)
Proceeds from the disposal of assets/businesses, net		3,203	1,832	1,267
Acquisitions, net of cash acquired (Note 20)		(899)	(35,151)	(4,509)
Purchases of investments		(5,626)	(6,153)	(33,950)
Sales of investments		4,289	28,117	35,780
Other (primarily intangibles)		(464)	(234)	(123)
Net cash used by investing activities		(3,167)	(14,868)	(4,761)
Cash flows from financing activities				
Dividends to shareholders		(9,494)	(8,943)	(8,621)
Repurchase of common stock		(5,868)	(6,358)	(8,979)
Proceeds from short-term debt		80	869	111
Retirement of short-term debt		(2,479)	(1,330)	(2,017)
Proceeds from long-term debt, net of issuance costs		5	8,992	12,004
Retirement of long-term debt		(1,555)	(1,777)	(2,223)
Proceeds from the exercise of stock options/employee withholding tax on stock awards, net		949	1,062	1,189
Other		(148)	(188)	(15)
Net cash used by financing activities		(18,510)	(7,673)	(8,551)
Effect of exchange rate changes on cash and cash equivalents	_	(241)	337	(215)
Increase/(Decrease) in cash and cash equivalents		283	(1,148)	5,240
Cash and cash equivalents, beginning of year (Note 1)		17,824	18,972	13,732
Cash and cash equivalents, end of year (Note 1)	\$	18,107	17,824	18,972
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Supplemental cash flow data				
Cash paid during the year for:				
Interest	\$	1,049	960	730
Interest, net of amount capitalized	•	963	866	628
Income taxes		4,570	3,312	2,843
		1,570	3,312	2,043