

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.)
	2011	2010		2011	2010	
Earnings before provision for taxes on income - as reported	\$ 318	2,228	(85.7) %	\$ 12,361	16,947	(27.1) %
Net litigation settlements loss (gain)	1,134	374		1,710	(966)	
Product liability expenses	1,522	569		1,600	569	
Restructuring	(20)	-		656	-	
DePuy ASR TM Hip recall program	412	280		521	280	
Currency option adjustment and costs related to planned acquisition of Synthes	277	-		491	-	
In-process research and development	14	-		14	-	
Earnings before provision for taxes on income - as adjusted	<u>\$ 3,657</u>	<u>3,451</u>	<u>6.0 %</u>	<u>\$ 17,353</u>	<u>16,830</u>	<u>3.1 %</u>
Net Earnings - as reported	\$ 218	1,942	(88.8) %	\$ 9,672	13,334	(27.5) %
Net litigation settlements loss (gain)	1,022	279		1,466	(698)	
Product liability expenses	1,217	404		1,279	404	
Restructuring	(13)	-		536	-	
DePuy ASR TM Hip recall program	336	239		426	239	
Currency option adjustment and costs related to planned acquisition of Synthes	338	-		477	-	
In-process research and development	11	-		11	-	
Net Earnings - as adjusted	<u>\$ 3,129</u>	<u>2,864</u>	<u>9.3 %</u>	<u>\$ 13,867</u>	<u>13,279</u>	<u>4.4 %</u>
Diluted Net Earnings per share - as reported	\$ 0.08	0.70	(88.6) %	\$ 3.49	4.78	(27.0) %
Net litigation settlements loss (gain)	0.37	0.10		0.53	(0.25)	
Product liability expenses	0.44	0.14		0.46	0.14	
Restructuring	-	-		0.19	-	
DePuy ASR TM Hip recall program	0.12	0.09		0.16	0.09	
Currency option adjustment and costs related to planned acquisition of Synthes	0.12	-		0.17	-	
In-process research and development	-	-		-	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.13</u>	<u>1.03</u>	<u>9.7 %</u>	<u>\$ 5.00</u>	<u>4.76</u>	<u>5.0 %</u>

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of earnings before provision for taxes on income, net earnings and diluted net earnings per share that excludes special items in order to evaluate ongoing business operations.