

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.)
	2013	2012		2013	2012	
Earnings before provision for taxes on income - as reported	\$ 3,667	3,595	2.0 %	\$ 12,721	\$ 10,675	19.2 %
Litigation expenses	872	89		1,776	758	
In-process research and development	178	679		242	1,108	
Synthes integration/transaction costs and currency related	122	165 (1)		502	622	
DePuy ASR™ Hip program	35	27		117	27	
Intangible asset write-downs	-	-		-	939	
Other	(43)	(30)		(98)	(30)	
Earnings before provision for taxes on income - as adjusted	<u>\$ 4,831</u>	<u>4,525</u>	<u>6.8 %</u>	<u>\$ 15,260</u>	<u>14,099</u>	<u>8.2 %</u>
Net Earnings attributable to Johnson & Johnson - as reported	\$ 2,982	2,968	0.5 %	\$ 10,312	8,286	24.5 %
Litigation expenses	720	70		1,419	681	
In-process research and development	126	340 (2)		168	684	
Synthes integration/transaction costs and currency related	103	135		373	593	
DePuy ASR™ Hip program	31	24		122	24	
Intangible asset write-downs	-	-		-	717	
Other	(43)	(16)		(79)	(16)	
Net Earnings attributable to Johnson & Johnson - as adjusted	<u>\$ 3,919</u>	<u>3,521</u>	<u>11.3 %</u>	<u>\$ 12,315</u>	<u>10,969</u>	<u>12.3 %</u>
Diluted Net Earnings per share attributable to Johnson & Johnson - as reported	\$ 1.04	1.05	(1.0) %	\$ 3.58	2.96	20.9 %
Litigation expenses	0.25	0.02		0.49	0.24	
In-process research and development	0.04	0.13		0.06	0.24	
Synthes integration/transaction costs and currency related	0.04	0.05		0.13	0.21	
DePuy ASR™ Hip program	0.01	0.01		0.04	0.01	
Intangible asset write-downs	-	-		-	0.26	
Other	(0.02)	(0.01)		(0.02)	(0.01)	
Diluted Net Earnings per share attributable to Johnson & Johnson - as adjusted	<u>\$ 1.36</u>	<u>1.25</u>	<u>8.8 %</u>	<u>\$ 4.28</u>	<u>3.91</u>	<u>9.5 %</u>

(1) Represents inventory step-up recorded in cost of products sold

(2) In-process research and development of \$679M offset by \$339M reported as net loss attributable to noncontrolling interest

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.