

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.)
	2012	2011		2012	2011	
Earnings before provision for taxes on income - as reported	\$ 3,595	4,111	(12.6) %	\$ 10,675	\$ 12,043	(11.4) %
Intangible asset write-downs/adjustments	(30)	-		909	-	
Net litigation	-	-		669	576	
Synthes integration/transaction costs and currency related	165	(1)	316	622	214	
In-process research and development	679	-		1,108	-	
Restructuring - Cordis	-	-		-	676	
DePuy ASR™ Hip related costs	116	-		116	187	
Earnings before provision for taxes on income - as adjusted	<u>\$ 4,525</u>	<u>4,427</u>	<u>2.2 %</u>	<u>\$ 14,099</u>	<u>13,696</u>	<u>2.9 %</u>
Net Earnings attributable to Johnson & Johnson - as reported	\$ 2,968	3,202	(7.3) %	\$ 8,286	9,454	(12.4) %
Intangible asset write-downs	(16)	-		701	-	
Net litigation	-	-		611	444	
Synthes integration/transaction costs and currency related	135	241		593	139	
In-process research and development	340	(2)	-	684	-	
Restructuring - Cordis	-	-		-	549	
DePuy ASR™ Hip related costs	94	-		94	152	
Net Earnings attributable to Johnson & Johnson - as adjusted	<u>\$ 3,521</u>	<u>3,443</u>	<u>2.3 %</u>	<u>\$ 10,969</u>	<u>10,738</u>	<u>2.2 %</u>
Diluted Net Earnings per share attributable to Johnson & Johnson - as reported	\$ 1.05	1.15	(8.7) %	\$ 2.96	3.40	(12.9) %
Intangible asset write-downs	(0.01)	-		0.25	-	
Net litigation	-	-		0.22	0.16	
Synthes integration/transaction costs and currency related	0.05	0.09		0.21	0.05	
In-process research and development	0.13	-		0.24	-	
Restructuring - Cordis	-	-		-	0.20	
DePuy ASR™ Hip related costs	0.03	-		0.03	0.06	
Diluted Net Earnings per share attributable to Johnson & Johnson - as adjusted	<u>\$ 1.25</u>	<u>1.24</u>	<u>0.8 %</u>	<u>\$ 3.91</u>	<u>3.87</u>	<u>1.0 %</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.