



Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		'10 vs. '09 % Change	Twelve Months		'10 vs. '09 % Change
	2010	2009		2010	2009	
Net Earnings - as reported	\$ 1,942	2,206	(12.0) %	\$ 13,334	12,266	8.7 %
Net Litigation Settlements loss (gain)	279	(212)		(698)	(212)	
Product Liability expense	404	-		404	-	
DePuy ASR [®] Hip recall program	239	-		239	-	
Restructuring expense	-	852		-	852	
Net Earnings - as adjusted	<u>\$ 2,864</u>	<u>2,846</u>	<u>0.6 %</u>	<u>\$ 13,279</u>	<u>12,906</u>	<u>2.9 %</u>
Diluted Net Earnings Per Share - as reported	\$ 0.70	0.79	(11.4) %	\$ 4.78	4.40	8.6 %
Net Litigation Settlements loss (gain)	0.10	(0.08)		(0.25)	(0.08)	
Product Liability expense	0.14	-		0.14	-	
DePuy ASR [®] Hip recall program	0.09	-		0.09	-	
Restructuring expense	-	0.31		-	0.31	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.03</u>	<u>1.02</u>	<u>1.0 %</u>	<u>\$ 4.76</u>	<u>4.63</u>	<u>2.8 %</u>

(Dollars in Billions)

Net Cash Flows from operating activities	\$ 16.4	\$ 16.6	
Additions to property, plant and equipment	(2.4)	(2.4)	
Free Cash Flow	<u>\$ 14.0</u>	<u>\$ 14.2</u>	<u>(1.4) %</u>

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

Johnson & Johnson
Operating Profit by Segment of Business
Reconciliation - Reported vs. Excluding Special Items
(\$ in millions)

	2010 TWELVE MONTHS			2009 TWELVE MONTHS		
	As Reported	Adjs.	Adj. Op Prof	As Reported	Adjs.	Adj. Op Prof
Operating Profit						
Consumer	\$ 2,342	-	\$ 2,342	\$ 2,475	369	\$ 2,844
Pharmaceutical	7,086	447	7,533	6,413	588	7,001
Med Devices & Diagnostics	8,272	(564)	7,708	7,694	(157)	7,536
Total segments	17,700	(117)	17,583	16,582	800	17,382
Expenses not allocated to segments	(753)	-	(753)	(827)	-	(827)
Worldwide total	\$ 16,947	(117)	\$ 16,830	\$ 15,755	800	\$ 16,555

	2010 TWELVE MONTHS			2009 TWELVE MONTHS		
	As Reported	Adjs.	Adj. Op Margin	As Reported	Adjs.	Adj. Op Margin
Operating Margin						
Consumer	16.1%		16.1%	15.7%		18.0%
Pharmaceutical	31.6%		33.6%	28.5%		31.1%
Med Devices & Diagnostics	33.6%		31.3%	32.6%		32.0%
Total segments	28.7%		28.5%	26.8%		28.1%
Worldwide total	27.5%		27.3%	25.4%		26.7%