



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.)
	2014	2013		2014	2013	
Earnings before provision for taxes on income - as reported	\$ 2,703	2,750	(1.7) %	\$ 20,563	15,471	32.9 %
Ortho-Clinical Diagnostics divestiture net (gain)/expense	49	-		(1,899)	-	
Litigation expenses	692	506		1,253	2,282	
Synthes integration/transaction costs	325	181		754	683	
Additional year of Branded Prescription Drug Fee	-	-		220	-	
In-process research and development	156	338		178	580	
DePuy ASR™ Hip program	-	134		126	251	
Other	-	-		-	(98)	
Earnings before provision for taxes on income - as adjusted	<u>\$ 3,925</u>	<u>3,909</u>	<u>0.4 %</u>	<u>\$ 21,195</u>	<u>19,169</u>	<u>10.6 %</u>
Net Earnings - as reported	\$ 2,521	3,519	(28.4) %	\$ 16,323	13,831	18.0 %
Ortho-Clinical Diagnostics divestiture net (gain)/expense	87	-		(1,062)	-	
Litigation expenses	652	227		1,225 (1)	1,646	
Synthes integration/transaction costs	237	110		555	483	
Additional year of Branded Prescription Drug Fee	-	-		220	-	
In-process research and development	115	294		131	462	
DePuy ASR™ Hip program	-	118		111	240	
Tax benefit associated with Conor Medsystems	-	-		(398)	-	
Scios tax benefit	-	(707)		-	(707)	
Other	-	-		-	(79)	
Net Earnings - as adjusted	<u>\$ 3,612</u>	<u>3,561</u>	<u>1.4 %</u>	<u>\$ 17,105</u>	<u>15,876</u>	<u>7.7 %</u>
Diluted Net Earnings per share - as reported	\$ 0.89	1.23	(27.6) %	\$ 5.70	4.81	18.5 %
Ortho-Clinical Diagnostics divestiture net (gain)/expense	0.03	-		(0.37)	-	
Litigation expenses	0.23	0.08		0.43	0.57	
Synthes integration/transaction costs	0.08	0.04		0.19	0.17	
Additional year of Branded Prescription Drug Fee	-	-		0.08	-	
In-process research and development	0.04	0.10		0.04	0.16	
DePuy ASR™ Hip program	-	0.04		0.04	0.08	
Tax benefit associated with Conor Medsystems	-	-		(0.14)	-	
Scios Tax Benefit	-	(0.25)		-	(0.25)	
Other	-	-		-	(0.02)	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.27</u>	<u>1.24</u>	<u>2.4 %</u>	<u>\$ 5.97</u>	<u>5.52</u>	<u>8.2 %</u>

(1) Includes adjustment to deferred tax asset related to deductibility by tax jurisdiction

Note - See Page 4 for 2014 Reconciliation of Non-GAAP Financial Measures adjusted for intangible asset amortization expense

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures

FOURTH QUARTER 2014 ACTUAL vs. 2013 ACTUAL

	Operational % ⁽¹⁾			
	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
Segments				
WW As Reported:	0.9%	13.9%	(4.7)%	3.9%
U.S.	2.5%	22.7%	(7.7)%	7.4%
International	0.1%	5.8%	(2.3)%	1.2%
Women's Health				
<i>Sanitary Protection</i>	0.5			0.1
U.S.	1.4			0.2
International	0.1			0.0
Women's Health				
<i>K-Y</i> [®]	0.5			0.2
U.S.	1.0			0.2
International	0.3			0.1
Diagnostics				
<i>Ortho-Clinical Diagnostics</i>			6.2	2.5
U.S.			6.7	2.9
International			5.8	2.3
All Other Acquisitions and Divestitures	0.2			0.0
U.S.	0.0			0.0
International	0.2			0.0
WW Ops excluding Acquisitions and Divestitures	2.1%	13.9%	1.5%	6.7%
U.S.	4.9%	22.7%	(1.0)%	10.7%
International	0.7%	5.8%	3.5%	3.6%

⁽¹⁾ Operational growth excludes the effect of translational currency

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures
TWELVE MONTHS 2014 ACTUAL vs. 2013 ACTUAL

	Segments			
	Operational % ⁽¹⁾			
	<u>Consumer</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
WW As Reported:	1.0%	16.5%	(1.6)%	6.1%
U.S.	(1.3)%	25.0%	(4.3)%	9.0%
International	2.3%	8.3%	0.5%	3.7%
Women's Health				
<i>Sanitary Protection</i>	1.4			0.3
U.S.	3.8			0.6
International	0.1			0.0
Women's Health				
<i>K-Y</i>®	0.3			0.1
U.S.	0.6			0.1
International	0.1			0.0
Diagnostics				
<i>Ortho-Clinical Diagnostics</i>			3.2	1.4
U.S.			3.7	1.8
International			3.0	1.2
All Other Acquisitions and Divestitures	0.1	0.1		0.1
U.S.	0.0	0.1		0.1
International	0.1	0.1		0.2
WW Ops excluding Acquisitions and Divestitures	2.8%	16.6%	1.6%	8.0%
U.S.	3.1%	25.1%	(0.6)%	11.6%
International	2.6%	8.4%	3.5%	5.1%

⁽¹⁾ Operational growth excludes the effect of translational currency



Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measures - Adjusted for Intangible Asset Amortization Expense

(Dollars in Millions Except Per Share Data)

	2014				
	Q1	Q2	Q3	Q4	Full Year
Earnings before provision for taxes on income - as reported	\$ 5,424	5,626	6,810	2,703	20,563
Special Items*	136	424	(1,150)	1,222	632
Earnings before provision for taxes on income - as adjusted	5,560	6,050	5,660	3,925	21,195
Amortization expense (Includes accelerated amortization)	368	474	417	371	1,630
Adjusted Earnings before provision for taxes on income - adjusted for amortization expense	\$ 5,928	6,524	6,077	4,296	22,825
Net Earnings - as reported	\$ 4,727	4,326	4,749	2,521	16,323
Special Items*	(301)	449	(457)	1,091	782
Net Earnings - as adjusted	4,426	4,775	4,292	3,612	17,105
Amortization expense (Includes accelerated amortization)	267	358	313	275	1,213
Adjusted Net Earnings - adjusted for amortization expense	\$ 4,693	5,133	4,605	3,887	18,318
Diluted Net Earnings per Share - as reported	\$ 1.64	1.51	1.66	0.89	5.70
Special Items*	(0.10)	0.15	(0.16)	0.38	0.27
Diluted Net Earnings per share - as adjusted	1.54	1.66	1.50	1.27	5.97
Amortization expense (Includes accelerated amortization)	0.09	0.12	0.11	0.10	0.42
Adjusted Diluted Net Earnings for share - adjusted for amortization expense	\$ 1.63	1.78	1.61	1.37	6.39

*Detailed on quarterly Reconciliation of Non-GAAP Financial Measures



Reconciliation of Earnings Before Provision for Taxes on Income - By Segment
\$ in Billions

	2014*			2013		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
Consumer	\$ 1.9	0.1	2.0	\$ 2.0	(0.1)	1.9
Pharmaceutical	11.7	0.6	12.3	9.2	0.8	10.0
Medical Devices	8.0	(0.1)	7.9	5.2	3.0	8.2
Total Segments	<u>21.6</u>	<u>0.6</u>	<u>22.2</u>	<u>16.4</u>	<u>3.7</u>	<u>20.1</u>
Expenses not allocated to Segments	(1.0)	0.0	(1.0)	(0.9)	0.0	(0.9)
Worldwide Total	<u>\$ 20.6</u>	<u>0.6</u>	<u>21.2</u>	<u>\$ 15.5</u>	<u>3.7</u>	<u>19.2</u>

*Estimated as of 1/20/15