

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

<i>(Dollars in Millions Except Per Share Data)</i>	Second Quarter		% Incr. / (Decr.)	Six Months YTD		% Incr. / (Decr.)
	2014	2013		2014	2013	
Earnings before provision for taxes on income - as reported	\$ 5,626	4,793	17.4 %	\$ 11,050	9,054	22.0 %
Litigation expenses	276	375		276	904	
Synthes integration/transaction costs	144	122		262	380	
In-process research and development	4	-		22	64	
DePuy ASR™ Hip program	-	69		-	82	
Other	-	-		-	(55)	
Earnings before provision for taxes on income - as adjusted	<u>\$ 6,050</u>	<u>5,359</u>	<u>12.9 %</u>	<u>\$ 11,610</u>	<u>10,429</u>	<u>11.3 %</u>
Net Earnings - as reported	\$ 4,326	3,833	12.9 %	\$ 9,053	7,330	23.5 %
Litigation expenses	342 (1)	308		342	699	
Synthes integration/transaction costs	104	87		188	270	
In-process research and development	3	-		16	42	
DePuy ASR™ Hip program	-	61		-	91	
Tax benefit associated with Conor Medsystems	-	-		(398)	-	
Other	-	-		-	(36)	
Net Earnings - as adjusted	<u>\$ 4,775</u>	<u>4,289</u>	<u>11.3 %</u>	<u>\$ 9,201</u>	<u>8,396</u>	<u>9.6 %</u>
Diluted Net Earnings per share - as reported	\$ 1.51	1.33	13.5 %	\$ 3.15	2.55	23.5 %
Litigation expenses	0.12	0.10		0.12	0.24	
Synthes integration/transaction costs	0.03	0.03		0.06	0.09	
In-process research and development	-	-		0.01	0.02	
DePuy ASR™ Hip program	-	0.02		-	0.03	
Tax benefit associated with Conor Medsystems	-	-		(0.14)	-	
Other	-	-		-	(0.01)	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.66</u>	<u>1.48</u>	<u>12.2 %</u>	<u>\$ 3.20</u>	<u>2.92</u>	<u>9.6 %</u>

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

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.