



Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. / (Decr.)	Twelve Months YTD		% Incr. / (Decr.)
	2009	2008		2009	2008	
Net Earnings - as reported	\$ 2,206	2,714	-18.7%	\$ 12,266	12,949	-5.3%
In-process research & development (IPR&D)	-	141		-	181	
Net Gain on Fourth Quarter Litigation	(212)	(229)		(212)	(229)	
Restructuring Charges	852	-		852	-	
Net Earnings - as adjusted	<u>\$ 2,846</u>	<u>2,626</u>	<u>8.4%</u>	<u>12,906</u>	<u>12,901</u>	<u>0.0%</u>
Diluted Net earnings per share - as reported	\$ 0.79	0.97	-18.6%	\$ 4.40	4.57	-3.7%
In-process research & development (IPR&D)	-	0.05		-	0.06	
Net Gain on Fourth Quarter Litigation	(0.08)	(0.08)		(0.08)	(0.08)	
Restructuring Charges	0.31	-		0.31	-	
Diluted Net earnings per share - as adjusted	<u>\$ 1.02</u>	<u>0.94</u>	<u>8.5%</u>	<u>4.63</u>	<u>4.55</u>	<u>1.8%</u>
Net Cash Flows from operating activities				\$ 16,571	\$ 14,972	
Additions to property, plant and equipment				(2,365)	(3,066)	
Free Cash Flow				<u>\$ 14,206</u>	<u>\$ 11,906</u>	<u>19.3%</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 IPR&D in order to evaluate ongoing business operations.

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

	2009 Twelve Months			2008 Twelve Months		
	As Reported	Adjs.	As Adjusted	As Reported	Adjs.	As Adjusted
Operating Profit						
Consumer	\$ 2,475	369	2,844	\$ 2,674	57	2,731
Pharmaceutical	6,413	588	7,001	7,605	-	7,605
Med Devices & Diagnostics	7,694	(157)	7,536	7,223	(255)	6,968
Total segments	16,582	800	17,382	17,502	(198)	17,304
Expenses not allocated to segments	(827)	-	(827)	(573)	-	(573)
Worldwide total	\$ 15,755	800	16,555	\$ 16,929	(198)	16,731

	2009 Twelve Months		2008 Twelve Months	
	As Reported	Adj. Op Margin	As Reported	Adj. Op Margin
Operating Margin				
Consumer	15.7%	18.0%	16.7%	17.0%
Pharmaceutical	28.5%	31.1%	31.0%	31.0%
Med Devices & Diagnostics	32.6%	32.0%	31.2%	30.1%
Total segments	26.8%	28.1%	27.4%	27.1%
Worldwide total	25.4%	26.7%	26.5%	26.2%