



Free Cash Flow
(Dollars in Billions)

	Full Year <u>2012*</u>	Full Year <u>2011</u>	'12 vs. '11 <u>% change</u>
Net Cash flows from operating activities	\$ 15.4	14.3	
Additions to property, plant and equipment	<u>(2.9)</u>	<u>(2.9)</u>	
Free Cash Flow	<u>\$ 12.5</u>	<u>11.4</u>	9.6%

*Estimate as of January 22, 2013; Subject to change



Reconciliation of Segment Pre-Tax Profit
(Dollars in Millions)

	Full Year 2012	Full Year 2011
Adjusted earnings before provision for taxes on income	\$ 18,214	\$ 17,353
Interest expense	468	480
Other expenses not allocated to segments	468	474
Segment Pre-Tax Profit as adjusted	<u>\$ 19,150</u>	<u>\$ 18,307</u>
<u>Adjustments allocated to segments:</u>		
Net litigation loss	\$ (1,218)	\$ (3,310)
In-process research and development	(1,163)	(14)
Intangible asset write-downs and other adjustments	(909)	-
Synthes integration/transaction costs	(795)	(41)
DePuy ASR™ Hip program	(110)	(521)
Restructuring	-	(656)
Segment Pre-Tax Profit as reported	<u><u>\$ 14,955</u></u>	<u><u>\$ 13,765</u></u>