“Safe Harbor” Statement

These presentations contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. You are cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson.

Risks and uncertainties include, but are not limited to, general industry conditions and competition; economic factors, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; domestic and foreign health care reforms and governmental laws and regulations; trends toward health care cost containment; and increased scrutiny of the healthcare industry by government agencies.

A further list and description of these risks, uncertainties and other factors can be found in Exhibit 99 of Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended January 2, 2011. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.

Note on Non-GAAP Financial Measures

These presentations may refer to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Investor Relations section of the Company’s website at www.investor.jnj.com.
Content Overview

- Operating Model
- Historical Performance
- Segment Overview
- Fourth Quarter 2011 Results
- Summary
STRATEGIC PRINCIPLES
Operating Model

- Broadly Based in Human Health Care
- Managed for the Long Term
- Decentralized Management Approach
- Focused on People and Values
Broadly Based in Human Health Care

- 2011 Sales of $65.0 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical devices and diagnostics and a variety of consumer products
2011 Segment Operating Profit*

<table>
<thead>
<tr>
<th>Segment</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>16.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>MD&amp;D</td>
<td>31.3%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>33.6%</td>
<td>33.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28.5%</td>
<td>28.2%</td>
</tr>
</tbody>
</table>

*Non-GAAP measure; excludes special items
Broadly Based – A Strategic Advantage

• Rapidly capitalize on attractive opportunities
• Knowledge and capability transfer
• Development of converging technologies
• Accelerating growth through geographic breadth
• Leveraging scale
Operating Model

• Broadly Based in Human Health Care
• **Managed for the Long Term**
• Decentralized Management Approach
• Focused on People and Values
Leadership in Major Markets
70% of sales from #1 or #2 global market share position

**Johnson & Johnson #1 or #2**

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>MD&amp;D</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antineoplastic Antibiotics</td>
<td>Blood Glucose Monitoring</td>
<td>Baby &amp; Kids Care</td>
</tr>
<tr>
<td>Antipsychotics (Injectables)</td>
<td>Blood Screening &amp; Typing</td>
<td>Lo-Cal Sweeteners</td>
</tr>
<tr>
<td>Anti-TNFs</td>
<td>Breast Aesthetics</td>
<td>Oral Rinses</td>
</tr>
<tr>
<td>Oral Fluoroquinolones</td>
<td>Disposable Contact Lenses</td>
<td>Sanitary Protection</td>
</tr>
<tr>
<td>Psychostimulants</td>
<td>Electrophysiology diagnostics &amp; catheters</td>
<td>Wound Care</td>
</tr>
<tr>
<td></td>
<td>Endovascular</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimally Invasive Surgery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Orthopaedics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sutures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sterilization products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Biosurgicals</td>
<td></td>
</tr>
</tbody>
</table>

*As of Dec 2011*
Growth Strategies
Delivering Meaningful Innovations for Patients and Customers
Organic and Collaborative Approach to Innovation

Leverage Internal Capabilities
- Platforms
- Research & development
- Global breadth
- Talent & leadership

Capitalize on New Technology
- Biomarkers
- Companion diagnostics
- Imaging
- Informatics

Harness Latest Science
- Strategic alliances
- Licensing & acquisitions
- External collaborations
- Leverage venture capital
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 2001-2005 reported financial statements have been restated accordingly.
Partner of Choice

- Over 100 new third party relationships annually
- In house venture capital (JJDC)
- Focus on early stage product development
Mergers, Acquisitions & Significant Equity Investments – Recent Examples

*Strategic moves to enhance growth and create long-term value*

Typically modest in size

- **SterilMed (11/11)** - a leading reprocessor of single-use medical devices and a provider of small equipment repair services for healthcare providers in the U.S. and Canada

- **Micrus Endovascular (9/10)** – global developer and manufacturer of minimally invasive devices for hemorrhagic and ischemic stroke

- **Respivert (5/10)** - privately held drug discovery company focused on developing small-molecule, inhaled therapies for the treatment of pulmonary diseases

- **Finsbury Orthopaedics Ltd (12/09)** – privately held manufacturer and global distributor of orthopaedic implants

- **Crucell N.V. (9/09)** – 18% equity investment in Crucell and strategic collaboration to develop innovative products, including therapies for Influenza prevention/treatment and other diseases

- **Omrix Biopharmaceuticals (12/08)** – a fully-integrated biopharmaceutical company that develops and markets biosurgical and immunotherapy products.

- **Surg RX, Inc (8/08)** - a privately held developer of the advanced bipolar tissue sealing system used in the ENSEAL® family of devices.
Mergers, Acquisitions & Significant Equity Investments
Occasionally Substantial

- **Synthes (pending - $21.3B)** – premier global medical device company, specialized in the development, manufacturing and marketing of instruments, implants and biomaterials for the surgical fixation, correction and regeneration of the human skeleton and its soft tissues.

- **Crucell (2/11 - $2B)** – global biopharmaceutical company focused on research, development, production and marketing of vaccines, proteins and antibodies that prevent and/or treat infectious diseases.

- **Acclarent Inc (1/10 - $.8B)** – privately held company dedicated to designing, developing, and commercializing devices that address conditions affecting the ear, nose, and throat.

- **Alzheimer Immunotherapy Program (9/09 - $1.0B)** – acquired substantially all of the assets and rights of Elan related to its Alzheimer's Immunotherapy Program (AIP Program) and an 18.4% equity investment in Elan.

- **Cougar Biotechnology Inc (7/09 - $1.0B)** – development stage biopharmaceutical company with a specific focus on oncology.

- **Mentor Corporation (1/09 - $1.1B)** – leading supplier of medical products for the global aesthetic market.

- **Pfizer Consumer Healthcare (12/06 - $16.6B)** – global business of personal care and over-the-counter (OTC) products.

- **ALZA Corporation (6/01 - $12.3B)** – Research-based pharmaceutical company with leading drug delivery technologies.

- **Centocor, Inc. (10/99 - $4.9B)** – Leader in monoclonal antibody technology, acute vascular care and immunology products.

- **DePuy, Inc. (11/98 - $3.7B)** – Combined with existing orthopaedics business established Johnson & Johnson as the leader in third largest medical device category.
Operating Model

- Broadly Based in Human Health Care
- Managed for the Long Term
- Decentralized Management Approach
- Focused on People and Values
Decentralized Management Approach

• Most effective management structure for our broadly based business
• Fosters engagement
  – Sense of ownership
  – Entrepreneurship
  – Collaboration
• Enables customer and patient-focused decision making
Operating Model

- Broadly Based in Human Health Care
- Managed for the Long Term
- Decentralized Management Approach
- Focused on People and Values
Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs, everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvement and better health education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

The Four Tenets

- Customers
- Employees
- Community
- Stockholders
HISTORICAL PERFORMANCE
Worldwide Net Trade Sales
2011 $65B Total Sales By Geographic Area

- U.S. $28.9B (44.5%)
- Europe $17.1B (26.3%)
- W. Hemisphere $6.4B (9.9%)
- Asia-Pacific, Africa $12.6B (19.3%)
2011 Sales by Segment
Total Sales $65.0 Billion**

- MD&D 40%
  - $25.8B (1.7%*)
- Pharmaceuticals 37%
  - $24.4B (6.2%*)
- Consumer 23%
  - $14.9B (0.7%*)

*Operational YOY change

**Due to rounding the sum of the segments is greater than the total
2011 Performance Highlights

- **Solid financial results**
  - Returned to sales growth
  - Strong growth in emerging markets
- **Significant free cash flow**
  - Maintained AAA credit rating
- **Advanced robust pipeline**
- **Disciplined portfolio management**
  - Investing in strategic acquisitions and collaborations
- **McNeil Consumer remediation on track**
- **Focus on market leadership in high growth areas**
2011 - Cash Flow

Free Cash Flow* $11.4B
Net Cash/(Debt) Position $12.6B

One of Only 4 U.S. Industrial Companies With Triple A Credit Rating

*Non-GAAP financial measure: defined as operating cash flow less capital spending.
28 Consecutive years of Adjusted Earnings increases\(^{(1)}\)
49 Consecutive years of Dividend increases

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported Sales Growth</th>
<th>Operational Sales Growth</th>
<th>Adjusted Net Earnings Growth(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>+10.1%</td>
<td>+10.5%</td>
<td>+10.7%</td>
</tr>
<tr>
<td>50</td>
<td>+10.6</td>
<td>+11.1</td>
<td>+14.3</td>
</tr>
<tr>
<td>20</td>
<td>+8.7</td>
<td>+8.8</td>
<td>+12.0</td>
</tr>
<tr>
<td>10</td>
<td>+7.2</td>
<td>+5.6</td>
<td>+9.4</td>
</tr>
<tr>
<td>5</td>
<td>+4.0</td>
<td>+2.7</td>
<td>+4.5</td>
</tr>
<tr>
<td>1</td>
<td>+5.6</td>
<td>+2.8</td>
<td>++4.4</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non GAAP; excludes In-process R&D and other special items
# Total Shareholder Return

As of 12/31/2011

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>9.9%</td>
<td>3.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>2.1%</td>
<td>-0.2%</td>
<td>2.9%</td>
</tr>
<tr>
<td>S&amp;P Pharmaceutical</td>
<td>17.8%</td>
<td>3.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>S&amp;P H/C Equipment</td>
<td>-0.8%</td>
<td>-1.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Dow Jones Index</td>
<td>8.4%</td>
<td>2.4%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Note: Data source - Bloomberg
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 2001-2005 reported financial statements have been restated accordingly.
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 2001-2005 reported financial statements have been restated accordingly.
SEGMENT OVERVIEW
Consumer Segment Overview

• Worldwide annual sales in 2011 of $14.9 billion
• Principal products in:
  – Over-the-Counter Pharmaceuticals and Nutritionals
  – Skin Care
  – Baby Care
  – Wound Care
  – Oral Care
  – Women’s Health
Consumer Highlights

2011 Sales: $14.9 Billion
Ops Change: -0.7%

6th Largest Consumer Health Care Company

- Growth impacted by OTC supply
- Strong results in skin care, oral care
- Continued expansion in emerging markets
- Continued innovation
- Iconic brands
Consumer Segment Sales – Major Franchise & Operational Growth Rates

2011 Sales: $14.9 Billion  
2011 Ops Growth Rate: -0.7%

$ U.S. Billions

- McNeil OTC & Nutritionals: $4.4 billion, -6%
- Skin Care: $3.7 billion, 5%
- Baby Care*: $2.4 billion, 3%
- Women's Health: $1.8 billion, -6%
- All Other: $1.0 billion, -2%
- Oral Care: $1.6 billion, 4%

*Rounded for visual accuracy
Medical Devices & Diagnostics Segment Overview

- Worldwide annual sales in 2011 of $25.8 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- Seven large franchises
- 80% of sales coming from #1 or #2 market position
MD&D Highlights

2011 Sales: $25.8 Billion
Ops Change: +1.7%

- Strong double-digit growth in BRIC markets
- Innovative new products
- Continued advancement of pipeline
- Investing for growth in emerging markets
- Sustained leadership positions (#1 or #2) in key segments
- Disciplined portfolio approach
MD&D D Major Franchise
Sales & Operational Growth Rates

2011 Sales: $25.8 Billion  2011 Ops Growth Rate: 1.7%

$ U.S. Billions

- Diabetes Care*: $2.6 (5%)$  
- Vision Care: $2.9 (4%)$  
- OCD: $2.2 (3%)$  
- Cardiovascular Care**: $2.3 (-13%)$  
- EES: $5.1 (3%)$  
- Ethicon: $4.9 (5%)$  
- DePuy: $5.8 (1%)$

* Rounded for visual accuracy  
** Previously Cordis
Pharmaceutical Segment Overview

- Worldwide annual sales in 2011 of $24.4 billion
- Over 100 drugs marketed in approximately 125 countries
- Six products with revenues over $1 billion
- Robust R&D pipeline
- Key licensing & strategic partnerships
Pharmaceutical Highlights

2011 Sales: $24.4 Billion
Ops Change: 6.2%

#8 Worldwide Market Rank*
#6 Global Biotech Market Rank*

- Success of recently introduced products
- Significant pipeline advancements
- U.S. industry leader in NME approvals in both 2009 and 2011
- Transforming our product portfolio

*Source: 3QMAT IMS Data
Pharmaceuticals Segment

- Leading in Research capabilities
  - Biologics
  - Small molecules
  - Drug delivery, form & formulations

- World-class global operations

- Outcomes based development

- Innovative technologies
Pharmaceutical Segment Sales – Major Products & Operational Growth Rates

2011 Sales: $24.4 Billion  
2011 Ops Growth Rate: 6.2%

$ U.S. Billions

- CONCERTA: $1.3, -6%
- ACIPHEX/PARIET: $1.0, -6%
- LEVAQUIN/FLOXIN: $0.6, -26%
- DURAGESIC: $0.6, -54%
- VELCADE: $1.3, +13%
- INVEGA: $0.5, +16%
- PREZISTA: $1.2, +39%
- TOPAMAX: $0.5
- REMICADE: $5.5, +19%
- EPREX/PROCRIT: $1.6, -18%
- RISPERDAL CONSTA: $1.6
- RISPERDAL OTHER: $8.3, +22%

Note: For presentation purposes, all products have been rounded to billions.
Recent Pharmaceutical Approvals

New Molecular Entities

- INCIVO – treatment of genotype-1 chronic hepatitis C virus in adults (EU 9/11)
- NUCYNTA ER – oral analgesic for the management of moderate to severe chronic pain in adults (US 8/11)
- XARELTO - once-daily, oral anticoagulant for the prevention of deep vein thrombosis (DVT) which may lead to a pulmonary embolism (PE) in people undergoing knee or hip replacement surgery. (US 7/11)
- EDURANT- treatment of HIV Type I in treatment-naïve adults (US 5/11, EU 11/11)
- ZYTIGA – oral, once daily treatment for men with metastatic castration-resistant prostate cancer (US 4/11, EU 9/11)
- INVEGA SUSTENNA (US) / XEPLION (EU) – extended-release injectable suspension for the acute and maintenance treatment of schizophrenia in adults (US 7/09; EU 3/11)

Significant Line Extensions

- XARELTO – stroke prevention in atrial fibrillation (US 11/11)
- REMICADE – treatment for moderately to severely active ulcerative colitis in pediatric patients (US 9/11)
- INVEGA – extended-release tablets for the treatment of schizophrenia in adolescents 12 to 17 years of age (US 4/11)
- SIMPONI - treatment of structural damage in RA (EU 1/11) and PsA (EU 5/11)
- PREZISTA -HIV combination therapy in treatment-naïve adults and treatment-experienced adult patients (US 10/08, EU 1/09); full approval in combination with ritonavir and other antiretroviral medicinal products for the treatment of HIV-1 infection. (EU 12/08, US 10/08); QD Dosing in treatment experienced (US 12/10; EU 3/11)
- INVEGA – acute treatment of schizoaffective disorder either as monotherapy or adjunctive therapy to mood stabilizers and or/ antidepressants (US 7/09; EU 12/10)
Johnson & Johnson

4Q 2011 Results
### 4Q 2011 Highlights

<table>
<thead>
<tr>
<th>Sales</th>
<th>Growth % Change</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>3.9%</td>
<td>4.0%</td>
<td>-0.1%</td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>-3.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>10.2%</td>
<td>10.4%</td>
<td>-0.2%</td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted Net Earnings*** 9.3%

**Adjusted EPS*** 9.7%

*Non-GAAP measure; excludes special items
## 4Q 2011 Sales Growth by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>1.6%</td>
<td>2.7%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Med Device &amp; Diagnostics</td>
<td>2.7%</td>
<td>2.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>6.7%</td>
<td>6.6%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total Company</td>
<td>3.9%</td>
<td>4.0%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>
4Q 2011 Consumer Sales (+2.7%)

Key Drivers:

• Skin & Hair Care (+6.6%)
  – NEUTROGENA®

• Oral Care (+7.0%)
  – LISTERINE®

• OTC/Nutritionals (+4.6%)
  – US Sales impacted by supply constraints
  – International Sales contributed positively; recent acquisition of Doktor Mom and Rinza brands

• Baby Care (+0.6%)
  – Haircare and cleansers

All growth %’s noted are operational growth
4Q 2011 Medical Devices & Diagnostics
Sales (+2.4%)

Growth Drivers:

- Ethicon (+7.3%)
  - Surgical care products; Acclarent products
- Vision Care (+5.8%)
  - Disposable contact lenses
- Ethicon Endo-Surgery (+5.6%)
  - Advanced Sterilization Products; recent SterilMed acquisition
  - International sales of minimally invasive products
- Diabetes Care (+4.1%)
  - Blood glucose monitoring and insulin delivery products
- Ortho Clinical Diagnostics (+3.1%)
  - Vitros 5600 platform

All growth %’s noted are operational growth
4Q 2011 Pharmaceutical Sales (+6.6%)

Key Growth Products

- SIMPONI® for rheumatoid arthritis  + 82%
- STELARA® for psoriasis  + 73%
- PREZISTA® for HIV  + 34%
- INTELENCE® for HIV  + 28%
- REMICADE® for immune mediated inflammatory diseases  + 34%
- VELCADE® for multiple myeloma  + 22%

All growth %’s noted are operational growth
SUMMARY
Delivering Sustainable Growth
Built On Meaningful Innovations

- Extraordinary progress
- Adapted well to challenges
- Launched new products and strengthened market leadership
- Advanced our pipelines
- Maintained a disciplined approach to investments
- Stayed true to our operating model and values
# Non-GAAP Reconciliation

## 2011 Operating Profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011 TWELVE MONTHS</th>
<th>2010 TWELVE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Adj. Op Prof</td>
</tr>
<tr>
<td>Consumer</td>
<td>$2,096</td>
<td>-</td>
</tr>
<tr>
<td>Pharmaceutical (1)</td>
<td>6,406</td>
<td>1,729</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics (2)</td>
<td>5,263</td>
<td>2,813</td>
</tr>
<tr>
<td>Total segments (3)</td>
<td>13,765</td>
<td>4,542</td>
</tr>
<tr>
<td>Expenses not allocated to segments</td>
<td>(1,404)</td>
<td>450</td>
</tr>
<tr>
<td>Worldwide total (4)</td>
<td>$12,361</td>
<td>4,992</td>
</tr>
</tbody>
</table>

## Operating Margin

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011 TWELVE MONTHS</th>
<th>2010 TWELVE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Adj. Op Margin</td>
</tr>
<tr>
<td>Consumer</td>
<td>14.1%</td>
<td>-</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>26.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics</td>
<td>20.4%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Total segments</td>
<td>21.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Worldwide total</td>
<td>19.0%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>
# Non-GAAP Reconciliation
## 2011 Q4 Net Earnings and EPS

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

<table>
<thead>
<tr>
<th>(Dollars in Millions Except Per Share Data)</th>
<th>Fourth Quarter</th>
<th>% Incr. / (Decr.)</th>
<th>Twelve Months</th>
<th>% Incr. / (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before provision for taxes on income - as reported</td>
<td>$318</td>
<td>$2,228</td>
<td>(85.7)%</td>
<td>$12,361</td>
</tr>
<tr>
<td>Net litigation settlements loss (gain)</td>
<td>1,134</td>
<td>374</td>
<td>1,710</td>
<td>(966)</td>
</tr>
<tr>
<td>Product liability expenses</td>
<td>1,522</td>
<td>569</td>
<td>1,600</td>
<td>569</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(20)</td>
<td>-</td>
<td>656</td>
<td>-</td>
</tr>
<tr>
<td>DePuy ASR™ Hip recall program</td>
<td>412</td>
<td>280</td>
<td>521</td>
<td>280</td>
</tr>
<tr>
<td>Currency option adjustment and costs related to planned acquisition of Synthes</td>
<td>277</td>
<td>-</td>
<td>491</td>
<td>-</td>
</tr>
<tr>
<td>In-process research and development</td>
<td>14</td>
<td>-</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before provision for taxes on income - as adjusted</td>
<td>$3,657</td>
<td>$3,451</td>
<td>6.0%</td>
<td>$17,353</td>
</tr>
<tr>
<td>Net Earnings - as reported</td>
<td>$218</td>
<td>$1,942</td>
<td>(88.8)%</td>
<td>$9,672</td>
</tr>
<tr>
<td>Net litigation settlements loss (gain)</td>
<td>1,022</td>
<td>279</td>
<td>1,466</td>
<td>(696)</td>
</tr>
<tr>
<td>Product liability expenses</td>
<td>1,217</td>
<td>404</td>
<td>1,279</td>
<td>404</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(13)</td>
<td>-</td>
<td>536</td>
<td>-</td>
</tr>
<tr>
<td>DePuy ASR™ Hip recall program</td>
<td>336</td>
<td>239</td>
<td>426</td>
<td>239</td>
</tr>
<tr>
<td>Currency option adjustment and costs related to planned acquisition of Synthes</td>
<td>338</td>
<td>-</td>
<td>477</td>
<td>-</td>
</tr>
<tr>
<td>In-process research and development</td>
<td>11</td>
<td>-</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Net Earnings - as adjusted</td>
<td>$3,129</td>
<td>$2,864</td>
<td>9.3%</td>
<td>$13,867</td>
</tr>
<tr>
<td>Diluted Net Earnings per share - as reported</td>
<td>$0.08</td>
<td>$0.70</td>
<td>(88.6)%</td>
<td>$3.49</td>
</tr>
<tr>
<td>Net litigation settlements loss (gain)</td>
<td>0.37</td>
<td>0.10</td>
<td>0.53</td>
<td>(0.25)</td>
</tr>
<tr>
<td>Product liability expenses</td>
<td>0.44</td>
<td>0.14</td>
<td>0.46</td>
<td>0.14</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>0.19</td>
<td>-</td>
</tr>
<tr>
<td>DePuy ASR™ Hip recall program</td>
<td>0.12</td>
<td>0.09</td>
<td>0.16</td>
<td>0.09</td>
</tr>
<tr>
<td>Currency option adjustment and costs related to planned acquisition of Synthes</td>
<td>0.12</td>
<td>-</td>
<td>0.17</td>
<td>-</td>
</tr>
<tr>
<td>In-process research and development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Diluted Net Earnings per share - as adjusted</td>
<td>$1.13</td>
<td>$1.03</td>
<td>9.7%</td>
<td>$5.00</td>
</tr>
</tbody>
</table>

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.