Johnson & Johnson
Note on Forward-looking statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The viewer is 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, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; challenges to patents; significant adverse litigation or government action; impact of business combinations; financial distress and bankruptcies experienced by significant customers and suppliers; changes to governmental laws and regulations and domestic and foreign health care reforms; trends toward health care cost containment; increased scrutiny of the health care industry by government agencies; the effects of a continued federal government shutdown including the FDA’s ability to take new regulatory submissions and continue review of our existing submissions without delays; changes in behavior and spending patterns of purchasers of health care products and services; financial instability of international economies and sovereign risk; disruptions due to natural disasters; manufacturing difficulties or delays; complex global supply chains with increasing regulatory requirements; and product efficacy or safety concerns resulting in product recalls or regulatory action. 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 December 30, 2012. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.investor.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

This presentation 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.

Note: Operational sales growth excludes currency impact and is a non-GAAP financial measure.
• 2012 Sales of $67.2 Billion

• Over 275 operating companies worldwide

• Leadership positions in ethical pharmaceuticals, medical devices and diagnostics and a variety of consumer products
Content Overview

- Strategic Framework
- Historical Performance
- Segment Overview
- Third Quarter 2013 Results
- Summary
Strategic Framework
Strategic Framework

OUR FOUNDATION

- Our Credo
- Our Aspiration

OUR STRATEGIC PRINCIPLES

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

OUR GROWTH DRIVERS

- Creating Value through Innovation
- Global Reach / Local Focus
- Excellence in Execution
- Leading with Purpose
Our Growth Drivers

- Creating Value through Innovation
- Global Reach / Local Focus
- Excellence in Execution
- Leading with Purpose
Creating Value Through Innovation

- Our distinct model
  - Accessing the best science
  - Leveraging capabilities, collaborations, and convergent opportunities

- A lifecycle approach
  - Building out platforms, brands, and products

- Broad partnerships
  - Providing solutions and unique offerings to patients, insurers and providers
Global Reach/Local Focus

2012 Johnson & Johnson Sales: $67.2 Billion

* Developed = US; Canada; Australia; New Zealand; Western Europe; and Japan

** Emerging = all other remaining countries
Meeting Needs of Emerging Markets

- Capitalizing on our broad base of product offerings
- Selectively acquiring and developing local products
- Optimizing infrastructure
- Training institutes
- Localized health care solutions
Excellence in Execution
An Enterprise Approach

Operational Excellence

- Optimizing Enterprise Supply Chain
- Enhancing R&D productivity
- Best-in-class new product launches
- Creating Go-to-Market Models
Excellence in Execution
An Enterprise Approach

Portfolio Management

- Decisions focused on accelerating our growth
- Investing for the long term
- Exited/divested certain businesses
Leading with Purpose

- **Expanding Access to Care**
  - Generic versions of Prezista available to help address HIV epidemic in world’s poorest countries

- **Transforming Patient Lives and Communities**
  - Monetary & product contributions of ~$900MM that address major health-related issues in more than 50 countries

- **HEALTHY FUTURE – 2015 Sustainability Goals**
  - Great progress towards sustainability goals
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 their family responsibilities. Employees must feel free to make suggestions and 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 improvements and better health and 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.

Johnson & Johnson
Historical Performance
2012 Twelve Month Sales: $67.2 Billion
$ US Billions

2012 Sales by Segment

Medical Devices & Diagnostics
41%

Pharmaceutical
38%

Consumer
21%

$25.4B
6.8%*

$27.4B
8.7%*

$14.4B
0.5%*

* Operational change

Note: Inclusive of Synthes June – December, excluding the net impact of the Synthes acquisition. MD&D Operational sales change is 0.8%
2012 Sales by Region

2012 Twelve Month Sales: $67.2 Billion
$ US Billions

- W. Hemisphere: $7.2B, 19%* (11%)
- Europe: $17.0B**, 25% (6%*)
- Asia-Pacific, Africa: $13.2B, 20% (7%*)
- U.S.: $29.8B, 3%* (44%)

Note: Inclusive of Synthes June – December, excluding the net impact of the Synthes acquisition. MD&D Operational sales change is 0.8%.

* Operational change
** Rounded for visual accuracy
2012 Performance Highlights

• Delivered on financial commitments

• Advanced near-term priorities
  – Restoring reliable supply of our OTC products
  – Successfully integrating Synthes
  – Building on the strong momentum in pharmaceuticals

• Strengthened our focus on the future
  – Investing in innovation
  – Progressing enterprise initiatives
  – Expanding our global presence
2012 Segment Pre-Tax Profit*

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer</th>
<th>MD&amp;D</th>
<th>Pharmaceuticals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$2.0</td>
<td>$8.8</td>
<td>$8.3</td>
<td>$18.3B</td>
</tr>
<tr>
<td>2011</td>
<td>$2.1</td>
<td>$8.1</td>
<td>$8.1</td>
<td>$19.1B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>13.5%</td>
<td>14.1%</td>
</tr>
<tr>
<td>MD&amp;D</td>
<td>32.3%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>32.9%</td>
<td>33.4%</td>
</tr>
<tr>
<td>Total</td>
<td>28.5%</td>
<td>28.2%</td>
</tr>
</tbody>
</table>

* Non-GAAP measure; excludes special items
2012 Cash Flow

Free Cash Flow* $12.5B
Net Cash/(Debt) Position $4.9B

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
Consistent Performance

29 Consecutive years of Adjusted Earnings increases\(^1\)

51 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>+10.4%</td>
<td>+10.0%</td>
</tr>
<tr>
<td>50</td>
<td>+10.5</td>
<td>+10.8</td>
<td>+14.1</td>
</tr>
<tr>
<td>20</td>
<td>+8.3</td>
<td>+8.5</td>
<td>+11.7</td>
</tr>
<tr>
<td>10</td>
<td>+6.4</td>
<td>+5.1</td>
<td>+8.3</td>
</tr>
<tr>
<td>5</td>
<td>+1.9</td>
<td>+1.8</td>
<td>+3.5</td>
</tr>
<tr>
<td>1</td>
<td>+3.4</td>
<td>+6.1</td>
<td>+3.4</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>3Q13</th>
<th>1 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johnson &amp; Johnson</td>
<td>26.6%</td>
<td>10.8%</td>
<td>4.4%</td>
<td>5.5%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>20.5%</td>
<td>16.0%</td>
<td>1.7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>S&amp;P Pharmaceutical</td>
<td>23.4%</td>
<td>14.4%</td>
<td>5.7%</td>
<td>4.5%</td>
</tr>
<tr>
<td>S&amp;P H/C Equipment</td>
<td>15.6%</td>
<td>17.3%</td>
<td>1.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Dow Jones Index</td>
<td>18.6%</td>
<td>10.2%</td>
<td>2.6%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

Note: Data Source – Bloomberg
3Q13 is the YTD return as of September 27, 2013
Segment Overview
Consumer Segment Overview

- Worldwide annual sales in 2012 of $14.4 billion

- Principal products in:
  - Over-the-Counter Pharmaceuticals
  - Skin Care
  - Baby Care
  - Wound Care/Other
  - Oral Care
  - Women’s Health
Consumer Highlights

2012 Sales: $14.4 Billion
Ops Change: 0.5%

#6 Largest Consumer Health Care Company*

- Continued momentum in restoring a reliable supply of McNeil OTC products
- Focused portfolio management
- Continued expansion in emerging markets
  - Market specific products
  - Iconic brands

* 12 months rolling sales through Q2 2013
Consumer Segment

Sales & Operational Change – Twelve Months 2012

2012 Sales: $14.4 Billion
2012 Ops Change: 0.5%
$ US Billions

Growth rates represent operational YOY Change
*Rounded for visual accuracy
**Nutritionals is now included in Wound Care/Other
Medical Devices & Diagnostics Segment Overview

- Worldwide annual sales in 2012 of $27.4 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- Eight large franchises
- 80% of sales coming from #1 or #2 market position
MD&D Highlights

2012 Sales: $27.4 Billion
Ops Change: 8.7%

• Focusing on driving competitiveness in a dynamic global market
  – Market leading Products – #1 or #2 Leadership positions in ~85% of key platforms
  – Sustaining our share in the majority of key platforms

• Bringing innovation to patients and providers
  – Meaningful product launches to sustain growth
  – Focusing on local market offerings

• Optimizing our broad portfolio for unique solutions
  – Serving large chronic disease states
  – Delivering clinical and economical value
  – Executing smart portfolio decisions
Medical Devices & Diagnostics Segment

Sales & Operational Change – Twelve Months 2012

2012 Sales: $27.4 Billion
2012 Ops Change: 8.7%

$ US Billions

- Specialty Surgery: $2.5 billion, +7%
- Vision Care: $3.0 billion, +4%
- Orthopaedics: $7.8 billion, +36%
- Cardiovascular Care: $2.0 billion (11%)
- Diabetes Care: $2.6 billion, +1%
- Diagnostics: $2.1 billion (3%)
- Infection Prevention / Other: $6.5 billion, +1%
- Surgical Care: $0.9 billion* (7%)

Growth rates represent operational YOY Change
* Rounded for visual accuracy
Note: Excluding the net impact of the Synthes acquisition, MD&D Operational change = 0.8%
Pharmaceutical Segment Overview

- Worldwide annual sales in 2012 of $25.4 billion
- Over 100 drugs marketed in approximately 150 countries
- Seven products with revenues over $1 billion
- Robust R&D pipeline
- Key licensing & strategic partnerships
Pharmaceutical Highlights

2012 Sales: $25.4 Billion
Ops Change: 6.8%

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

- Revitalizing our portfolio
  - 11 new product launches in last 4 years

- Combining superior science with best-in-class commercial capabilities

- Delivering robust growth and outpacing our peers in markets where we compete
  - Fastest growing top 10 Pharmaceutical Company¹
  - US leader in new product sales²

- Advancing diverse portfolio to sustain future growth
  - Potential for >10 NMEs & >25 LEs by 2017

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* WW Pharm – IMS Midas, Q2 2013
** Biotech Source: IMS Health, MIDAS, MAT Q2-2013
¹ IMS MIDAS as of 2Q 2013 vs. prior year respective quarter
² IMS National Sales Perspectives, Mar 2013, Rx only
3rd Quarter
Financial Highlights
Financial Highlights

3Q 2013 vs. 3Q 2012

<table>
<thead>
<tr>
<th>TOTAL COMPANY</th>
<th>3Q13</th>
<th>3Q12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>TOTAL</td>
</tr>
<tr>
<td>Sales</td>
<td>$17.6B</td>
<td>$17.1B</td>
<td>3.1%</td>
</tr>
<tr>
<td>Adjusted Earnings*</td>
<td>$3.9B</td>
<td>$3.5B</td>
<td>11.3%</td>
</tr>
<tr>
<td>Diluted EPS*</td>
<td>$1.36</td>
<td>$1.25</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

* Non-GAAP measure; excludes special items
3Q 2013 Sales by Segment

3Q 2013 Sales: $17.6* Billion
$ US Billions

- **Pharmaceuticals**: $7.0B, +10.9%, 40%
- **Medical Devices & Diagnostics**: $6.9B, +0.3%, 39%
- **Consumer**: $3.6B, +2.0%, 21%

*The sum of the segments does not equal WW total due to rounding
Note: Growth rates represent operational YOY change
3Q 2013 Sales by Region

3Q 2013 Sales: $17.6 Billion
$ US Billions

- **W. Hemisphere (excluding U.S.)**: 26%
  - $4.5B, +8.4%

- **Europe**: 26%
  - $1.9B*, +8%

- **Asia-Pacific, Africa**: 19%
  - $3.3B, +5%

- **U.S.**: 45%
  - $7.9B, +1.7%

Growth rates represent operational YOY change
* Rounded for visual accuracy
Consumer Segment – 3Q13

Sales $3.6 Billion Operational Change +2%

$ US Billions

Growth rates represent operational YOY change
3Q 2013 Consumer Sales (+2%)

Key Drivers:

• OTC (+7%)
  – US sales driven by strong growth in analgesics and other key brands as we continue to make progress in returning a reliable supply of products to the marketplace

• Skin Care (+3%)
  – Strong results for Aveeno partially offset by the impact of divestitures

• Women’s Health (+3%)
  – Strong growth in international women’s sanitary protection products

All growth %’s noted are operational growth
Medical Devices & Diagnostics Segment

Sales $6.9 Billion Operational Change +0%

$ US Billions

- Specialty Surgery: $2.3 billion (+1%)
- Vision Care: $1.5 billion (+1%)
- Cardiovascular Care: $1.5 billion (+4%)
- Diabetes Care: $0.6 billion (+7%)
- Diagnostics: $0.5 billion (+4%)
- Surgical Care: $0.5 billion (8%)
- Orthopaedics: $0.2 billion (1%)

Growth rates represent operational YOY Change.
3Q 2013 Medical Devices & Diagnostics
Sales (+0%)

Key Drivers:

- **Cardiovascular Care (+4%)**
  - Strong results for Biosense Webster and endovascular products

- **Vision Care (+4%)**
  - Growth driven by daily lenses and astigmatism lenses

- **Specialty Surgery (+7%)**
  - Strong sales of biosurgical products and international sales of energy products

All growth %’s noted are operational growth
Pharmaceutical Segment

Sales $7.0 Billion Operational Change +11%

$ US Billions

- Immunology: $2.3 billion (13%)
- Oncology: $1.0 billion (+57%)
- Neuroscience: $1.6 billion (2%)
- Infectious Diseases: $.8 billion (+2%)
- Total Other: $1.3 billion (6%)

Growth rates represent operational YOY change.
3Q 2013 Pharmaceutical Sales (+11%)

Key Growth Products: % Change

- Invega® Sustenna® /Xeplion® for treatment of schizophrenia in adults + 52%
- SIMPONI® for rheumatoid arthritis + 47%
- STELARA® for psoriasis + 29%
- VELCADE® for multiple myeloma and mantle cell lymphoma + 26%
- REMICADE® for immune mediated inflammatory diseases + 7%

Recently Launched Products:

- XARELTO® an oral anticoagulant > 100%
- INVOKANA® for the treatment of type 2 diabetes, approved in March > 100%
- ZYTIGA® for metastatic, castration-resistant prostate cancer + 73%

All growth %’s noted are operational growth
We are committed to:

- Patients, employees, communities, shareholders
- Achieving our financial targets
- Focusing on our near-term priorities
- Implementing our long-term growth drivers

2013 and Beyond...
## Reconciliation of Non-GAAP Measures

### 2012 Operating Profit

**Johnson & Johnson**

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

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2012</th>
<th>Full Year 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted earnings before provision for taxes on income</td>
<td>$18,214</td>
<td>$17,353</td>
</tr>
<tr>
<td>Interest expense</td>
<td>468</td>
<td>480</td>
</tr>
<tr>
<td>Other expenses not allocated to segments</td>
<td>468</td>
<td>474</td>
</tr>
<tr>
<td><strong>Segment Pre-Tax Profit as adjusted</strong></td>
<td><strong>$19,150</strong></td>
<td><strong>$18,307</strong></td>
</tr>
</tbody>
</table>

### Adjustments allocated to segments:

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2012</th>
<th>Full Year 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net litigation loss</td>
<td>$(1,218)</td>
<td>$(3,310)</td>
</tr>
<tr>
<td>In-process research and development</td>
<td>(1,163)</td>
<td>(14)</td>
</tr>
<tr>
<td>Intangible asset write-downs and other adjustments</td>
<td>(909)</td>
<td>-</td>
</tr>
<tr>
<td>Synthes integration/transaction costs</td>
<td>(795)</td>
<td>(41)</td>
</tr>
<tr>
<td>DePuy ASR™ Hip program</td>
<td>(110)</td>
<td>(521)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>(656)</td>
</tr>
<tr>
<td><strong>Segment Pre-Tax Profit as reported</strong></td>
<td><strong>$14,955</strong></td>
<td><strong>$13,765</strong></td>
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</tbody>
</table>
## Reconciliation of Non-GAAP Measures

### 2012 Free Cash Flow

**Johnson & Johnson**

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2012</th>
<th>Full Year 2011</th>
<th>'12 vs. '11 % change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$15.4</td>
<td>$14.3</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>(Dollars in Billions)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash flows from operating activities</strong></td>
<td>$12.5</td>
<td>$11.4</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Additions to property, plant and equipment</strong></td>
<td>$(2.9)</td>
<td>$(2.9)</td>
<td></td>
</tr>
</tbody>
</table>
## Reconciliation of Non-GAAP Measures

### 2012 Net Earnings and EPS

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

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter</th>
<th>Twelve Months</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Earnings before provision for taxes on income - as reported</td>
<td>$3,100</td>
<td>$318</td>
<td>874.8 %</td>
<td>$13,775</td>
</tr>
<tr>
<td>Net litigation loss (gain)</td>
<td>471</td>
<td>2,656</td>
<td></td>
<td>1,229</td>
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<tr>
<td>In-process research and development</td>
<td>55</td>
<td>14</td>
<td></td>
<td>1,163</td>
</tr>
<tr>
<td>Synthes integration/transaction costs and currency related</td>
<td>406</td>
<td>277</td>
<td></td>
<td>1,028</td>
</tr>
<tr>
<td>Intangible asset write-downs and other adjustments</td>
<td>-</td>
<td>-</td>
<td></td>
<td>909</td>
</tr>
<tr>
<td>DePuy ASR™ Hip program</td>
<td>83</td>
<td>412</td>
<td></td>
<td>110</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(20)</td>
<td></td>
<td></td>
<td>656</td>
</tr>
<tr>
<td>Earnings before provision for taxes on income - as adjusted</td>
<td>$4,115</td>
<td>$3,657</td>
<td>12.5 %</td>
<td>$18,214</td>
</tr>
<tr>
<td>Net Earnings attributable to Johnson &amp; Johnson - as reported</td>
<td>$2,567</td>
<td>$218</td>
<td>1,077.5 %</td>
<td>$10,853</td>
</tr>
<tr>
<td>Net litigation loss (gain)</td>
<td>371</td>
<td>2,239</td>
<td></td>
<td>1,052</td>
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<tr>
<td>In-process research and development</td>
<td>59</td>
<td>11</td>
<td></td>
<td>743</td>
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<tr>
<td>Synthes integration/transaction costs and currency related</td>
<td>306</td>
<td>338</td>
<td></td>
<td>899</td>
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<tr>
<td>Intangible asset write-downs and other adjustments</td>
<td>-</td>
<td>-</td>
<td></td>
<td>701</td>
</tr>
<tr>
<td>DePuy ASR™ Hip program</td>
<td>73</td>
<td>336</td>
<td></td>
<td>97</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(13)</td>
<td></td>
<td></td>
<td>536</td>
</tr>
<tr>
<td>Net Earnings attributable to Johnson &amp; Johnson - as adjusted</td>
<td>$3,376</td>
<td>$3,129</td>
<td>7.9 %</td>
<td>$14,345</td>
</tr>
<tr>
<td>Diluted Net Earnings per share attributable to Johnson &amp; Johnson - as reported</td>
<td>$0.91</td>
<td>0.08</td>
<td>1,037.5 %</td>
<td>$3.86</td>
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<tr>
<td>Net litigation loss (gain)</td>
<td>0.13</td>
<td>0.81</td>
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<td>0.37</td>
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<tr>
<td>In-process research and development</td>
<td>0.02</td>
<td>-</td>
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<td>0.27</td>
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<tr>
<td>Synthes integration/transaction costs and currency related</td>
<td>0.11</td>
<td>0.12</td>
<td></td>
<td>0.32</td>
</tr>
<tr>
<td>Intangible asset write-downs and other adjustments</td>
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<td>-</td>
<td></td>
<td>0.25</td>
</tr>
<tr>
<td>DePuy ASR™ Hip program</td>
<td>0.02</td>
<td>0.12</td>
<td></td>
<td>0.03</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td></td>
<td>0.19</td>
</tr>
<tr>
<td>Diluted Net Earnings per share attributable to Johnson &amp; Johnson - as adjusted</td>
<td>$1.19</td>
<td>1.13</td>
<td>5.3 %</td>
<td>$5.19</td>
</tr>
</tbody>
</table>

(1) Amount includes third quarter in-process research and development charge of $679M related to bapineuzumab IV offset by $339M reported as net loss attributable to noncontrolling interest.

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.
## Reconciliation of Non-GAAP Measures

### 2013 3Q Net Earnings and EPS

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>% Incr. / Decr.</th>
<th>Nine Months YTD</th>
<th>% Incr. / Decr.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td></td>
<td>2013</td>
</tr>
<tr>
<td><strong>Earnings before provision for taxes on income - as reported</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings before provision for taxes on income - as reported</td>
<td>$3,667</td>
<td>$3,595</td>
<td>2.0%</td>
<td>$12,721</td>
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<tr>
<td>Litigation expenses</td>
<td>672</td>
<td>89</td>
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<td>1,776</td>
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<tr>
<td>In-process research and development</td>
<td>175</td>
<td>679</td>
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<td>242</td>
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<tr>
<td>Synthes integration/transaction costs and currency related</td>
<td>122</td>
<td>165  (4)</td>
<td></td>
<td>502</td>
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<tr>
<td>DePuy ASR™ Hip program</td>
<td>35</td>
<td>27</td>
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<td>117</td>
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<tr>
<td>Intangible asset write-downs</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
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<tr>
<td>Other</td>
<td>(45)</td>
<td>(30)</td>
<td></td>
<td>(88)</td>
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<tr>
<td><strong>Earnings before provision for taxes on income - as adjusted</strong></td>
<td>$4,831</td>
<td>$4,525</td>
<td>6.8%</td>
<td>$15,280</td>
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<tr>
<td>Net Earnings attributable to Johnson &amp; Johnson - as reported</td>
<td>$2,962</td>
<td>$2,968</td>
<td>0.5%</td>
<td>$10,312</td>
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<td>Litigation expenses</td>
<td>720</td>
<td>70</td>
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<td>In-process research and development</td>
<td>126</td>
<td>340  (2)</td>
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<td>Synthes integration/transaction costs and currency related</td>
<td>103</td>
<td>135</td>
<td></td>
<td>373</td>
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<tr>
<td>DePuy ASR™ Hip program</td>
<td>31</td>
<td>24</td>
<td></td>
<td>122</td>
</tr>
<tr>
<td>Intangible asset write-downs</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(43)</td>
<td>(30)</td>
<td></td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Net Earnings attributable to Johnson &amp; Johnson - as adjusted</strong></td>
<td>$3,919</td>
<td>$3,521</td>
<td>11.3%</td>
<td>$12,315</td>
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<tr>
<td>Diluted Net Earnings per share attributable to Johnson &amp; Johnson - as reported</td>
<td>$1.04</td>
<td>1.05 (1.0)%</td>
<td>$3.58</td>
<td>2.96</td>
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<td>Litigation expenses</td>
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<td>0.02</td>
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<td>0.49</td>
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<tr>
<td>In-process research and development</td>
<td>0.04</td>
<td>0.13</td>
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<tr>
<td>Synthes integration/transaction costs and currency related</td>
<td>0.04</td>
<td>0.05</td>
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<td>0.13</td>
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<tr>
<td>DePuy ASR™ Hip program</td>
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<td>0.01</td>
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<td>0.04</td>
</tr>
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<td>Intangible asset write-downs</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(0.02)</td>
<td>(0.01)</td>
<td></td>
<td>(0.02)</td>
</tr>
<tr>
<td><strong>Diluted Net Earnings per share attributable to Johnson &amp; Johnson - as adjusted</strong></td>
<td>$1.56</td>
<td>1.26 8.8%</td>
<td>$4.28</td>
<td>3.01</td>
</tr>
</tbody>
</table>

(1) Represents inventory step-up recorded in cost of products sold
(2) In-process research and development of $679M offset by $229M reported as net loss attributable to noncontrolling interest

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.