

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2012		2011		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 16,475	100.0	\$ 16,597	100.0	(0.7)
Cost of products sold	5,143	31.2	5,172	31.2	(0.6)
Selling, marketing and administrative expenses	4,965	30.1	5,215	31.4	(4.8)
Research and development expense	1,766	10.7	1,882	11.3	(6.2)
In-process research and development	429	2.6	-	-	
Interest (income) expense, net	129	0.8	111	0.7	
Other (income) expense, net	2,008	12.2	206	1.3	
Restructuring expense	-	-	589	3.5	
Earnings before provision for taxes on income	2,035	12.4	3,422	20.6	(40.5)
Provision for taxes on income	627	3.9	646	3.9	(2.9)
Net earnings	\$ 1,408	8.5	\$ 2,776	16.7	(49.3)
Net earnings per share (Diluted)	\$ 0.50		\$ 1.00		(50.0)
Average shares outstanding (Diluted)	2,798.2		2,781.3		
Effective tax rate	30.8 %		18.9 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 4,646	28.2	\$ 4,413	26.6	5.3
Net earnings	\$ 3,644	22.1	\$ 3,548	21.4	2.7
Net earnings per share (Diluted)	\$ 1.30		\$ 1.28		1.6
Effective tax rate	21.6 %		19.6 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

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SIX MONTHS

	2012		2011		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 32,614	100.0	\$ 32,770	100.0	(0.5)
Cost of products sold	10,058	30.8	9,950	30.4	1.1
Selling, marketing and administrative expenses	9,980	30.6	10,271	31.3	(2.8)
Research and development expense	3,411	10.5	3,620	11.0	(5.8)
In-process research and development	429	1.3	-	-	
Interest (income) expense, net	259	0.8	215	0.7	
Other (income) expense, net	1,397	4.3	193	0.6	
Restructuring expense	-	-	589	1.8	
Earnings before provision for taxes on income	7,080	21.7	7,932	24.2	(10.7)
Provision for taxes on income	1,762	5.4	1,680	5.1	4.9
Net earnings	\$ 5,318	16.3	\$ 6,252	19.1	(14.9)
Net earnings per share (Diluted)	\$ 1.91		\$ 2.25		(15.1)
Average shares outstanding (Diluted)	2,792.4		2,778.1		
Effective tax rate	24.9 %		21.2 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 9,574	29.4	\$ 9,269	28.3	3.3
Net earnings	\$ 7,448	22.8	\$ 7,295	22.3	2.1
Net earnings per share (Diluted)	\$ 2.67		\$ 2.63		1.5
Effective tax rate	22.2 %		21.3 %		

(1) See Reconciliation of Non-GAAP Financial Measures.