

**Johnson & Johnson and Subsidiaries**
**Condensed Consolidated Statement of Earnings**

(Unaudited; in Millions Except Per Share Figures)

**SECOND QUARTER**

|  | 2007            |                  | 2006            |                  | Percent Increase (Decrease) |
|--|-----------------|------------------|-----------------|------------------|-----------------------------|
|  | Amount          | Percent to Sales | Amount          | Percent to Sales |                             |
| <b>Sales to customers</b>                      | \$ 15,131       | 100.0            | \$ 13,363       | 100.0            | 13.2                        |
| Cost of products sold                          | 4,358           | 28.8             | 3,788           | 28.3             | 15.0                        |
| Selling, marketing and administrative expenses | 5,029           | 33.3             | 4,351           | 32.6             | 15.6                        |
| Research expense                               | 1,866           | 12.3             | 1,828           | 13.7             | 2.1                         |
| In-process research & development (IPR&D)      | -               | -                | 87              | 0.6              |                             |
| Interest (income)expense, net                  | (36)            | (0.2)            | (196)           | (1.5)            |                             |
| Other (income)expense, net                     | (117)           | (0.8)            | (98)            | (0.7)            |                             |
| Earnings before provision for taxes on income  | 4,031           | 26.6             | 3,603           | 27.0             | 11.9                        |
| Provision for taxes on income                  | 950             | 6.2              | 783             | 5.9              | 21.3                        |
| <b>Net earnings</b>                            | <b>\$ 3,081</b> | <b>20.4</b>      | <b>\$ 2,820</b> | <b>21.1</b>      | <b>9.3</b>                  |
| <br>   |                 |                  |                 |                  |                             |
| <b>Net earnings per share (Diluted)</b>        | <b>\$ 1.05</b>  |                  | <b>\$ 0.95</b>  |                  | <b>10.5</b>                 |
| <br>   |                 |                  |                 |                  |                             |
| <b>Average shares outstanding (Diluted)</b>    | <b>2,922.5</b>  |                  | <b>2,974.4</b>  |                  |                             |
| <br>   |                 |                  |                 |                  |                             |
| <b>Effective tax rate</b>                      | <b>23.6 %</b>   |                  | <b>21.7 %</b>   |                  |                             |

| <b>Adjusted earnings before provision for taxes and net earnings</b> |              |      |              |      |     |
|--|--------------|------|--------------|------|-----|
| <b>Earnings before provision for taxes on income</b>                 | \$ 4,031     | 26.6 | \$ 3,690 (1) | 27.6 | 9.2 |
| <b>Net earnings</b>  | \$ 3,081     | 20.4 | \$ 2,907 (1) | 21.7 | 6.0 |
| <b>Net earnings per share (Diluted)</b>                              | \$ 1.05      |      | \$ 0.98 (1)  |      | 7.1 |
| <b>Effective tax rate</b>  | <b>23.6%</b> |      | <b>21.2%</b> |      |     |

(1) The difference between as reported earnings before provision for taxes on income and net earnings and adjusted earnings before provision for taxes on income and net earnings is the exclusion of IPR&D of \$87 million before tax with no tax benefit, or \$0.03 per share.

**Johnson & Johnson and Subsidiaries**
**Condensed Consolidated Statement of Earnings**

(Unaudited; in Millions Except Per Share Figures)

**SIX MONTHS**

|  | 2007             |                  | 2006             |                  | Percent Increase (Decrease) |
|--|------------------|------------------|------------------|------------------|-----------------------------|
|  | Amount           | Percent to Sales | Amount           | Percent to Sales |                             |
| <b>Sales to customers</b>                      | <b>\$ 30,168</b> | <b>100.0</b>     | <b>\$ 26,355</b> | <b>100.0</b>     | 14.5                        |
| Cost of products sold                          | 8,743            | 29.0             | 7,400            | 28.1             | 18.1                        |
| Selling, marketing and administrative expenses | 9,831            | 32.5             | 8,446            | 32.0             | 16.4                        |
| Research expense                               | 3,518            | 11.7             | 3,360            | 12.7             | 4.7                         |
| In-process research & development (IPR&D)      | 807              | 2.7              | 124              | 0.5              |                             |
| Interest (income)expense, net                  | (69)             | (0.2)            | (377)            | (1.4)            |                             |
| Other (income)expense, net                     | (345)            | (1.1)            | (816)            | (3.1)            |                             |
| Earnings before provision for taxes on income  | 7,683            | 25.4             | 8,218            | 31.2             | (6.5)                       |
| Provision for taxes on income                  | 2,029            | 6.7              | 2,093            | 8.0              | (3.1)                       |
| <b>Net earnings</b>                            | <b>\$ 5,654</b>  | <b>18.7</b>      | <b>\$ 6,125</b>  | <b>23.2</b>      | <b>(7.7)</b>                |

|   |                |                |              |
|---|----------------|----------------|--------------|
| <b>Net earnings per share (Diluted)</b> | <b>\$ 1.93</b> | <b>\$ 2.05</b> | <b>(5.9)</b> |
|---|----------------|----------------|--------------|

|   |                |                |
|---|----------------|----------------|
| <b>Average shares outstanding (Diluted)</b> | <b>2,924.9</b> | <b>2,982.5</b> |
|---|----------------|----------------|

|                           |               |               |
|---------------------------|---------------|---------------|
| <b>Effective tax rate</b> | <b>26.4 %</b> | <b>25.5 %</b> |
|---------------------------|---------------|---------------|

| <b>Adjusted earnings before provision for taxes and net earnings</b> |                 |            |             |                 |            |             |      |
|--|-----------------|------------|-------------|-----------------|------------|-------------|------|
| <b>Earnings before provision for taxes on income</b>                 | <b>\$ 8,490</b> | <b>(1)</b> | <b>28.1</b> | <b>\$ 7,720</b> | <b>(2)</b> | <b>29.3</b> | 10.0 |
| <b>Net earnings</b>  | <b>\$ 6,461</b> | <b>(1)</b> | <b>21.4</b> | <b>\$ 5,873</b> | <b>(2)</b> | <b>22.3</b> | 10.0 |
| <b>Net earnings per share (Diluted)</b>                              | <b>\$ 2.21</b>  | <b>(1)</b> |             | <b>\$ 1.97</b>  | <b>(2)</b> |             | 12.2 |
| <b>Effective tax rate</b>  | <b>23.9%</b>    |            |             | <b>23.9%</b>    |            |             |      |

(1) The difference between as reported earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is IPR&D of \$807 million with no tax benefit and \$0.28 per share, respectively.

(2) The difference between as reported earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is the Guidant acquisition termination fee of \$622 million and \$368 million and \$0.12 per share, respectively, and IPR&D of \$124 million and \$116 million and \$0.04 per share, respectively.