

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2009		2008		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 15,239	100.0	\$ 16,450	100.0	(7.4)
Cost of products sold	4,450	29.2	4,751	28.9	(6.3)
Selling, marketing and administrative expenses	4,797	31.5	5,507	33.5	(12.9)
Research & development expense	1,638	10.7	1,896	11.5	(13.6)
In-process research & development	-	-	40	0.2	
Interest (income) expense, net	85	0.6	16	0.1	
Other (income) expense, net	6	-	(135)	(0.8)	
Earnings before provision for taxes on income	4,263	28.0	4,375	26.6	(2.6)
Provision for taxes on income	1,055	6.9	1,048	6.4	0.7
Net earnings	\$ 3,208	21.1	\$ 3,327	20.2	(3.6)

Net earnings per share (Diluted) \$ 1.15 \$ 1.17 (1.7)

Average shares outstanding (Diluted) 2,782.0 2,844.8

Effective tax rate 24.7 % 24.0 %

Adjusted earnings before provision for taxes and net earnings					
Earnings before provision for taxes on income	\$ 4,263	28.0	\$ 4,415 (1)	26.8	(3.4)
Net earnings	\$ 3,208	21.1	\$ 3,367 (1)	20.5	(4.7)
Net earnings per share (Diluted)	\$ 1.15		\$ 1.18 (1)		(2.5)
Effective tax rate	24.7%		23.7%		

(1) The difference between as reported and as adjusted earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is IPR&D of \$40 million with no tax benefit and \$0.01 per share, respectively.

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SIX MONTHS

	2009		2008		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 30,265	100.0	\$ 32,644	100.0	(7.3)
Cost of products sold	8,701	28.7	9,365	28.7	(7.1)
Selling, marketing and administrative expenses	9,405	31.1	10,630	32.6	(11.5)
Research & development expense	3,156	10.4	3,608	11.1	(12.5)
In-process research & development	-	-	40	0.1	
Interest (income) expense, net	166	0.6	32	0.1	
Other (income) expense, net	(69)	(0.2)	(153)	(0.5)	
Earnings before provision for taxes on income	8,906	29.4	9,122	27.9	(2.4)
Provision for taxes on income	2,191	7.2	2,197	6.7	(0.3)
Net earnings	\$ 6,715	22.2	\$ 6,925	21.2	(3.0)

Net earnings per share (Diluted) \$ 2.41 \$ 2.43 (0.8)

Average shares outstanding (Diluted) 2,785.5 2,856.1

Effective tax rate 24.6 % 24.1 %

Adjusted earnings before provision for taxes and net earnings

Earnings before provision for taxes on income	\$ 8,906	29.4	\$ 9,162 (1)	28.1	(2.8)
Net earnings	\$ 6,715	22.2	\$ 6,965 (1)	21.3	(3.6)
Net earnings per share (Diluted)	\$ 2.41		\$ 2.44 (1)		(1.2)
Effective tax rate	24.6%		24.0%		

(1) The difference between as reported and as adjusted earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is IPR&D of \$40 million with no tax benefit and \$0.01 per share, respectively.