

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2008		2007		Percent Increase (Decrease)	
	Amount	Percent to Sales	Amount	Percent to Sales		
Sales to customers	\$ 16,450	100.0	\$ 15,131	100.0	8.7	
Cost of products sold	4,751	28.9	4,358	28.8	9.0	
Selling, marketing and administrative expenses	5,507	33.5	5,029	33.3	9.5	
Research expense	1,896	11.5	1,866	12.3	1.6	
In-process research & development	40	0.2	-	-		
Interest (income)expense, net	16	0.1	(36)	(0.2)		
Other (income)expense, net	(135)	(0.8)	(117)	(0.8)		
Earnings before provision for taxes on income	4,375	26.6	4,031	26.6	8.5	
Provision for taxes on income	1,048	6.4	950	6.2	10.3	
Net earnings	\$ 3,327	20.2	\$ 3,081	20.4	8.0	
Net earnings per share (Diluted)	\$ 1.17		\$ 1.05		11.4	
Average shares outstanding (Diluted)	2,844.8		2,922.5			
Effective tax rate	24.0 %		23.6 %			
Adjusted earnings before provision for taxes and net earnings						
Earnings before provision for taxes on income	\$ 4,415	(1)	26.8	\$ 4,031	26.6	9.5
Net earnings	\$ 3,367	(1)	20.5	\$ 3,081	20.4	9.3
Net earnings per share (Diluted)	\$ 1.18	(1)		\$ 1.05		12.4
Effective tax rate	23.7%			23.6%		

(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 \$40 million with no tax benefit and \$0.01 per share, respectively.

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SIX MONTHS

	2008		2007		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 32,644	100.0	\$ 30,168	100.0	8.2
Cost of products sold	9,365	28.7	8,743	29.0	7.1
Selling, marketing and administrative expenses	10,630	32.6	9,831	32.5	8.1
Research expense	3,608	11.1	3,518	11.7	2.6
In-process research & development	40	0.1	807	2.7	
Interest (income)expense, net	32	0.1	(69)	(0.2)	
Other (income)expense, net	(153)	(0.5)	(345)	(1.1)	
Earnings before provision for taxes on income	9,122	27.9	7,683	25.4	18.7
Provision for taxes on income	2,197	6.7	2,029	6.7	8.3
Net earnings	\$ 6,925	21.2	\$ 5,654	18.7	22.5
Net earnings per share (Diluted)	\$ 2.43		\$ 1.93		25.9
Average shares outstanding (Diluted)	2,856.1		2,924.9		
Effective tax rate	24.1 %		26.4 %		

Adjusted earnings before provision for taxes and net earnings							
Earnings before provision for taxes on income	\$	9,162	(1)	28.1	\$ 8,490 (2)	28.1	7.9
Net earnings	\$	6,965	(1)	21.3	\$ 6,461 (2)	21.4	7.8
Net earnings per share (Diluted)	\$	2.44	(1)		\$ 2.21 (2)		10.4
Effective tax rate		24.0%			23.9%		

(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 \$40 million with no tax benefit and \$0.01 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 IPR&D of \$807 million with no tax benefit and \$0.28 per share, respectively.