

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

(Unaudited; in Millions Except Per Share Figures)

**THIRD QUARTER**

	2008		2007		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	\$ 15,921	100.0	\$ 14,970	100.0	6.4
Cost of products sold	4,774	30.0	4,274	28.5	11.7
Selling, marketing and administrative expenses	5,195	32.6	4,899	32.7	6.0
Research expense	1,861	11.7	1,834	12.3	1.5
Restructuring	-	-	745	5.0	
Interest (income)expense, net	25	0.2	(52)	(0.3)	
Other (income)expense, net	(224)	(1.4)	2	-	
Earnings before provision for taxes on income	4,290	26.9	3,268	21.8	31.3
Provision for taxes on income	980	6.1	720	4.8	36.1
<b>Net earnings</b>	\$ 3,310	20.8	\$ 2,548	17.0	29.9
<b>Net earnings per share (Diluted)</b>	\$ 1.17		\$ 0.88		33.0
<b>Average shares outstanding (Diluted)</b>	2,831.3		2,912.9		
<b>Effective tax rate</b>	22.8 %		22.0 %		

**Adjusted earnings before provision for taxes and net earnings**

<b>Earnings before provision for taxes on income</b>	\$ 4,290	26.9	\$ 4,013 (1)	26.8	6.9
<b>Net earnings</b>	\$ 3,310	20.8	\$ 3,076 (1)	20.5	7.6
<b>Net earnings per share (Diluted)</b>	\$ 1.17		\$ 1.06 (1)		10.4
<b>Effective tax rate</b>	22.8%		23.3%		

(1) The difference between as reported earnings and as adjusted earnings before provision for taxes on income, net earnings and net earnings per share (diluted) is the exclusion of the restructuring expense of \$745 million, \$528 million and \$0.18 per share, respectively.

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

(Unaudited; in Millions Except Per Share Figures)

**NINE MONTHS**

	2008		2007		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	<b>\$ 48,565</b>	<b>100.0</b>	<b>\$ 45,138</b>	<b>100.0</b>	7.6
Cost of products sold	14,139	29.1	13,017	28.8	8.6
Selling, marketing and administrative expenses	15,825	32.6	14,730	32.6	7.4
Research expense	5,469	11.3	5,352	11.9	2.2
In-process research & development	40	0.1	807	1.8	
Restructuring	-	-	745	1.7	
Interest (income)expense, net	57	0.1	(121)	(0.3)	
Other (income)expense, net	(377)	(0.8)	(343)	(0.8)	
Earnings before provision for taxes on income	13,412	27.6	10,951	24.3	22.5
Provision for taxes on income	3,177	6.5	2,749	6.1	15.6
<b>Net earnings</b>	<b>\$ 10,235</b>	<b>21.1</b>	<b>\$ 8,202</b>	<b>18.2</b>	24.8
<b>Net earnings per share (Diluted)</b>	<b>\$ 3.60</b>		<b>\$ 2.81</b>		28.1
<b>Average shares outstanding (Diluted)</b>	<b>2,847.8</b>		<b>2,919.3</b>		
<b>Effective tax rate</b>	<b>23.7 %</b>		<b>25.1 %</b>		

**Adjusted earnings before provision for taxes and net earnings**

<b>Earnings before provision for taxes on income</b>	<b>\$ 13,452</b>	<b>(1)</b>	<b>27.7</b>	<b>\$ 12,503</b>	<b>(2)</b>	<b>27.7</b>	7.6
<b>Net earnings</b>	<b>\$ 10,275</b>	<b>(1)</b>	<b>21.2</b>	<b>\$ 9,537</b>	<b>(2)</b>	<b>21.1</b>	7.7
<b>Net earnings per share (Diluted)</b>	<b>\$ 3.61</b>	<b>(1)</b>		<b>\$ 3.27</b>	<b>(2)</b>		10.4
<b>Effective tax rate</b>	<b>23.6%</b>			<b>23.7%</b>			

(1) The difference between as reported earnings 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.

(2) The difference between as reported earnings and as adjusted earnings before provision for taxes on income, net earnings and net earnings per share (diluted) is the exclusion of IPR&D of \$807 million with no tax benefit and \$0.28 per share, respectively, and the exclusion of the restructuring expense of \$745 million, \$528 million and \$0.18 per share, respectively.