

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,839	100.0	\$ 18,482	100.0	1.9
Cost of products sold	5,823	30.9	5,336	28.9	9.1
Selling, marketing and administrative expenses	5,262	28.0	5,176	28.0	1.7
Research and development expense	2,285	12.1	2,264	12.2	0.9
In-process research and development	-	-	29	0.2	
Interest (income) expense, net	122	0.6	102	0.6	
Other (income) expense, net	588	3.1	557	3.0	
Restructuring	11	0.1	114	0.6	
Earnings before provision for taxes on income	4,748	25.2	4,904	26.5	(3.2)
Provision for taxes on income	921	4.9	907	4.9	1.5
Net earnings	\$ 3,827	20.3	\$ 3,997	21.6	(4.3)
Net earnings per share (Diluted)	\$ 1.40		\$ 1.43		(2.1)
Average shares outstanding (Diluted)	2,741.5		2,794.2		
Effective tax rate	19.4 %		18.5 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 6,285	33.4	\$ 6,024	32.6	4.3
Net earnings	\$ 5,017	26.6	\$ 4,866	26.3	3.1
Net earnings per share (Diluted)	\$ 1.83		\$ 1.74		5.2
Effective tax rate	20.2 %		19.2 %		

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

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SIX MONTHS

	2017		2016		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 36,605	100.0	\$ 35,964	100.0	1.8
Cost of products sold	11,209	30.6	10,665	29.6	5.1
Selling, marketing and administrative expenses	9,999	27.3	9,864	27.4	1.4
Research and development expense	4,345	11.9	4,277	11.9	1.6
In-process research and development	-	-	29	0.1	
Interest (income) expense, net	205	0.6	179	0.5	
Other (income) expense, net	428	1.2	518	1.4	
Restructuring	96	0.2	234	0.7	
Earnings before provision for taxes on income	10,323	28.2	10,198	28.4	1.2
Provision for taxes on income	2,074	5.7	1,744	4.9	18.9
Net earnings	\$ 8,249	22.5	\$ 8,454	23.5	(2.4)
Net earnings per share (Diluted)	\$ 3.00		\$ 3.02		(0.7)
Average shares outstanding (Diluted)	2,749.4		2,800.9		
Effective tax rate	20.1 %		17.1 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 12,388	33.8	\$ 11,825	32.9	4.8
Net earnings	\$ 10,055	27.5	\$ 9,720	27.0	3.4
Net earnings per share (Diluted)	\$ 3.66		\$ 3.47		5.5
Effective tax rate	18.8 %		17.8 %		

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