

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

(Unaudited; in Millions Except Per Share Figures)

**FOURTH QUARTER**

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,254	100.0	\$ 18,355	100.0	(0.6)
Cost of products sold	5,853	32.1	5,955	32.5	(1.7)
Selling, marketing and administrative expenses	5,822	31.9	5,917	32.2	(1.6)
Research and development expense	2,635	14.4	2,411	13.1	9.3
In-process research and development	156	0.8	338	1.9	
Interest (income) expense, net	122	0.7	116	0.6	
Other (income) expense, net	963	5.3	868	4.7	
Earnings before provision for taxes on income	2,703	14.8	2,750	15.0	(1.7)
Provision for/(Benefit from) taxes on income	182	1.0	(769)	(4.2)	
Net earnings	\$ 2,521	13.8	\$ 3,519	19.2	(28.4)
Net earnings per share (Diluted)	\$ 0.89		\$ 1.23		(27.6)
Average shares outstanding (Diluted)	2,845.3		2,872.0		
Effective tax rate	6.7 %		(28.0) %		
<b>Adjusted earnings before provision for taxes and net earnings<sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 3,925	21.5	\$ 3,909	21.3	0.4
Net earnings	\$ 3,612	19.8	\$ 3,561	19.4	1.4
Net earnings per share (Diluted)	\$ 1.27		\$ 1.24		2.4
Effective tax rate	8.0 %		8.9 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

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

(Unaudited; in Millions Except Per Share Figures)

**TWELVE MONTHS**

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	<b>\$ 74,331</b>	<b>100.0</b>	<b>\$ 71,312</b>	<b>100.0</b>	4.2
<b>Cost of products sold</b>	<b>22,746</b>	<b>30.6</b>	<b>22,342</b>	<b>31.3</b>	1.8
<b>Selling, marketing and administrative expenses</b>	<b>21,954</b>	<b>29.5</b>	<b>21,830</b>	<b>30.6</b>	0.6
<b>Research and development expense</b>	<b>8,494</b>	<b>11.4</b>	<b>8,183</b>	<b>11.5</b>	3.8
<b>In-process research and development</b>	<b>178</b>	<b>0.3</b>	<b>580</b>	<b>0.8</b>	
<b>Interest (income) expense, net</b>	<b>466</b>	<b>0.6</b>	<b>408</b>	<b>0.6</b>	
<b>Other (income) expense, net</b>	<b>(70)</b>	<b>(0.1)</b>	<b>2,498</b>	<b>3.5</b>	
<b>Earnings before provision for taxes on income</b>	<b>20,563</b>	<b>27.7</b>	<b>15,471</b>	<b>21.7</b>	32.9
<b>Provision for taxes on income</b>	<b>4,240</b>	<b>5.7</b>	<b>1,640</b>	<b>2.3</b>	
<b>Net earnings</b>	<b>\$ 16,323</b>	<b>22.0</b>	<b>\$ 13,831</b>	<b>19.4</b>	18.0
<b>Net earnings per share (Diluted)</b>	<b>\$ 5.70</b>		<b>\$ 4.81</b>		18.5
<b>Average shares outstanding (Diluted)</b>	<b>2,863.9</b>		<b>2,877.0</b>		
<b>Effective tax rate</b>	<b>20.6 %</b>		<b>10.6 %</b>		
<b>Adjusted earnings before provision for taxes and net earnings<sup>(1)</sup></b>					
<b>Earnings before provision for taxes on income</b>	<b>\$ 21,195</b>	<b>28.5</b>	<b>\$ 19,169</b>	<b>26.9</b>	10.6
<b>Net earnings</b>	<b>\$ 17,105</b>	<b>23.0</b>	<b>\$ 15,876</b>	<b>22.3</b>	7.7
<b>Net earnings per share (Diluted)</b>	<b>\$ 5.97</b>		<b>\$ 5.52</b>		8.2
<b>Effective tax rate</b>	<b>19.3 %</b>		<b>17.2 %</b>		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.