

Johnson & Johnson and Subsidiaries  
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,820	100.0	\$ 17,102	100.0	4.2
Cost of products sold	5,486	30.8	5,224	30.5	5.0
Selling, marketing and administrative expenses	4,772	26.8	5,081	29.7	(6.1)
Research and development expense	2,178	12.2	2,154	12.6	1.1
In-process research and development	-	-	10	0.1	
Interest (income) expense, net	95	0.5	91	0.5	
Other (income) expense, net	(54)	(0.2)	420	2.5	
Restructuring	62	0.3	-	-	
Earnings before provision for taxes on income	5,281	29.6	4,122	24.1	28.1
Provision for taxes on income	1,009	5.6	764	4.5	32.1
Net earnings	\$ 4,272	24.0	\$ 3,358	19.6	27.2

Net earnings per share (Diluted)	\$ 1.53		\$ 1.20		27.5
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Average shares outstanding (Diluted)	2,785.4		2,807.2		
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Effective tax rate	19.1 %		18.5 %		
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Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>					
Earnings before provision for taxes on income	\$ 5,831	32.7	\$ 5,212	30.5	11.9
Net earnings	\$ 4,683	26.3	\$ 4,172	24.4	12.2
Net earnings per share (Diluted)	\$ 1.68		\$ 1.49		12.8
Effective tax rate	19.7 %		20.0 %		

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

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NINE MONTHS

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 53,784	100.0	\$ 52,263	100.0	2.9
Cost of products sold	16,151	30.0	15,863	30.4	1.8
Selling, marketing and administrative expenses	14,636	27.2	15,312	29.3	(4.4)
Research and development expense	6,455	12.0	6,182	11.8	4.4
In-process research and development	29	0.1	10	0.0	
Interest (income) expense, net	274	0.5	317	0.6	
Other (income) expense, net	464	0.9	(859)	(1.6)	
Restructuring	296	0.5	-	-	
Earnings before provision for taxes on income	15,479	28.8	15,438	29.5	0.3
Provision for taxes on income	2,753	5.1	3,244	6.2	(15.1)
Net earnings	\$ 12,726	23.7	\$ 12,194	23.3	4.4

Net earnings per share (Diluted)	\$ 4.55		\$ 4.33		5.1
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Average shares outstanding (Diluted)	2,796.6		2,817.1		
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Effective tax rate	17.8 %		21.0 %		
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Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>					
Earnings before provision for taxes on income	\$ 17,656	32.8	\$ 17,090	32.7	3.3
Net earnings	\$ 14,403	26.8	\$ 13,402	25.6	7.5
Net earnings per share (Diluted)	\$ 5.15		\$ 4.76		8.2
Effective tax rate	18.4 %		21.6 %		

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