

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,482	100.0	\$ 17,787	100.0	3.9
Cost of products sold	5,336	28.9	5,357	30.1	(0.4)
Selling, marketing and administrative expenses	5,176	28.0	5,384	30.3	(3.9)
Research and development expense	2,264	12.2	2,129	12.0	6.3
In-process research and development	29	0.2	-	-	
Interest (income) expense, net	102	0.6	107	0.6	
Other (income) expense, net	557	3.0	(931)	(5.3)	
Restructuring	114	0.6	-	-	
Earnings before provision for taxes on income	4,904	26.5	5,741	32.3	(14.6)
Provision for taxes on income	907	4.9	1,225	6.9	(26.0)
Net earnings	\$ 3,997	21.6	\$ 4,516	25.4	(11.5)
Net earnings per share (Diluted)	\$ 1.43		\$ 1.61		(11.2)
Average shares outstanding (Diluted)	2,794.2		2,812.0		
Effective tax rate	18.5 %		21.3 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 6,024	32.6	\$ 6,248	35.1	(3.6)
Net earnings	\$ 4,866	26.3	\$ 4,812	27.1	1.1
Net earnings per share (Diluted)	\$ 1.74		\$ 1.71		1.8
Effective tax rate	19.2 %		23.0 %		

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

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SIX MONTHS

	2016		2015		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 35,964	100.0	\$ 35,161	100.0	2.3
Cost of products sold	10,665	29.6	10,639	30.2	0.2
Selling, marketing and administrative expenses	9,864	27.4	10,231	29.1	(3.6)
Research and development expense	4,277	11.9	4,028	11.5	6.2
In-process research and development	29	0.1	-	-	
Interest (income) expense, net	179	0.5	226	0.6	
Other (income) expense, net	518	1.4	(1,279)	(3.6)	
Restructuring	234	0.7	-	-	
Earnings before provision for taxes on income	10,198	28.4	11,316	32.2	(9.9)
Provision for taxes on income	1,744	4.9	2,480	7.1	(29.7)
Net earnings	\$ 8,454	23.5	\$ 8,836	25.1	(4.3)
Net earnings per share (Diluted)	\$ 3.02		\$ 3.13		(3.5)
Average shares outstanding (Diluted)	2,800.9		2,821.0		
Effective tax rate	17.1 %		21.9 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 11,825	32.9	\$ 11,878	33.8	(0.4)
Net earnings	\$ 9,720	27.0	\$ 9,230	26.3	5.3
Net earnings per share (Diluted)	\$ 3.47		\$ 3.27		6.1
Effective tax rate	17.8 %		22.3 %		

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