

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,102	100.0	\$ 18,467	100.0	(7.4)
Cost of products sold	5,224	30.5	5,399	29.2	(3.2)
Selling, marketing and administrative expenses	5,081	29.7	5,468	29.6	(7.1)
Research and development expense	2,154	12.6	2,023	11.0	6.5
In-process research and development	10	0.1	-	-	
Interest (income) expense, net	91	0.5	112	0.6	
Other (income) expense, net	420	2.5	(1,345)	(7.3)	
Earnings before provision for taxes on income	4,122	24.1	6,810	36.9	(39.5)
Provision for taxes on income	764	4.5	2,061	11.2	(62.9)
Net earnings	\$ 3,358	19.6	\$ 4,749	25.7	(29.3)
Net earnings per share (Diluted)	\$ 1.20		\$ 1.66		(27.7)
Average shares outstanding (Diluted)	2,807.2		2,864.3		
Effective tax rate	18.5 %		30.3 %		
Adjusted earnings before provision for taxes and net earnings⁽¹⁾					
Earnings before provision for taxes on income	\$ 5,212	30.5	\$ 6,077	32.9	(14.2)
Net earnings	\$ 4,172	24.4	\$ 4,605	24.9	(9.4)
Net earnings per share (Diluted)	\$ 1.49		\$ 1.61		(7.5)
Effective tax rate	20.0 %		24.2 %		

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

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NINE MONTHS

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 52,263	100.0	\$ 56,077	100.0	(6.8)
Cost of products sold	15,863	30.4	16,893	30.1	(6.1)
Selling, marketing and administrative expenses	15,312	29.3	16,132	28.8	(5.1)
Research and development expense	6,182	11.8	5,859	10.5	5.5
In-process research and development	10	0.0	22	0.0	
Interest (income) expense, net	317	0.6	344	0.6	
Other (income) expense, net	(859)	(1.6)	(1,033)	(1.8)	
Earnings before provision for taxes on income	15,438	29.5	17,860	31.8	(13.6)
Provision for taxes on income	3,244	6.2	4,058	7.2	(20.1)
Net earnings	\$ 12,194	23.3	\$ 13,802	24.6	(11.7)
Net earnings per share (Diluted)	\$ 4.33		\$ 4.81		(10.0)
Average shares outstanding (Diluted)	2,817.1		2,871.2		
Effective tax rate	21.0 %		22.7 %		
Adjusted earnings before provision for taxes and net earnings⁽¹⁾					
Earnings before provision for taxes on income	\$ 17,090	32.7	\$ 18,529	33.0	(7.8)
Net earnings	\$ 13,402	25.6	\$ 14,431	25.7	(7.1)
Net earnings per share (Diluted)	\$ 4.76		\$ 5.02		(5.2)
Effective tax rate	21.6 %		22.1 %		

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