

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,787	100.0	\$ 19,495	100.0	(8.8)
Cost of products sold	5,357	30.1	6,039	31.0	(11.3)
Selling, marketing and administrative expenses	5,384	30.3	5,481	28.1	(1.8)
Research and development expense	2,129	12.0	2,005	10.3	6.2
In-process research and development	-	-	4	0.0	
Interest (income) expense, net	107	0.6	114	0.6	
Other (income) expense, net	(931)	(5.3)	226	1.1	
Earnings before provision for taxes on income	5,741	32.3	5,626	28.9	2.0
Provision for taxes on income	1,225	6.9	1,300	6.7	(5.8)
Net earnings	\$ 4,516	25.4	\$ 4,326	22.2	4.4
Net earnings per share (Diluted)	\$ 1.61		\$ 1.51		6.6
Average shares outstanding (Diluted)	2,812.0		2,874.2		
Effective tax rate	21.3 %		23.1 %		

Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>					
Earnings before provision for taxes on income	\$ 6,248	35.1	\$ 6,524	33.5	(4.2)
Net earnings	\$ 4,812	27.1	\$ 5,133	26.3	(6.3)
Net earnings per share (Diluted)	\$ 1.71		\$ 1.78		(3.9)
Effective tax rate	23.0 %		21.3 %		

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

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Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 35,161	100.0	\$ 37,610	100.0	(6.5)
Cost of products sold	10,639	30.2	11,494	30.6	(7.4)
Selling, marketing and administrative expenses	10,231	29.1	10,664	28.3	(4.1)
Research and development expense	4,028	11.5	3,836	10.2	5.0
In-process research and development	-	-	22	0.1	
Interest (income) expense, net	226	0.6	232	0.6	
Other (income) expense, net	(1,279)	(3.6)	312	0.8	
Earnings before provision for taxes on income	11,316	32.2	11,050	29.4	2.4
Provision for taxes on income	2,480	7.1	1,997	5.3	24.2
Net earnings	\$ 8,836	25.1	\$ 9,053	24.1	(2.4)
Net earnings per share (Diluted)	\$ 3.13		\$ 3.15		(0.6)
Average shares outstanding (Diluted)	2,821.0		2,875.5		
Effective tax rate	21.9 %		18.1 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 11,878	33.8	\$ 12,452	33.1	(4.6)
Net earnings	\$ 9,230	26.3	\$ 9,826	26.1	(6.1)
Net earnings per share (Diluted)	\$ 3.27		\$ 3.41		(4.1)
Effective tax rate	22.3 %		21.1 %		

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