

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2011		2010		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 16,005	100.0	\$ 14,982	100.0	6.8
Cost of products sold	5,072	31.7	4,594	30.7	10.4
Selling, marketing and administrative expenses	5,240	32.7	4,709	31.4	11.3
Research and development expense	1,773	11.1	1,657	11.1	7.0
Interest (income)expense, net	117	0.7	95	0.6	
Other (income)expense, net	(308)	(1.9)	(292)	(2.0)	
Earnings before provision for taxes on income	4,111	25.7	4,219	28.2	(2.6)
Provision for taxes on income	909	5.7	802	5.4	13.3
Net earnings	\$ 3,202	20.0	\$ 3,417	22.8	(6.3)
Net earnings per share (Diluted)	\$ 1.15		\$ 1.23		(6.5)
Average shares outstanding (Diluted)	2,778.2		2,786.4		
Effective tax rate	22.1 %		19.0 %		

Adjusted earnings before provision for taxes and net earnings					
Earnings before provision for taxes on income	\$ 4,427 (1)	27.7	\$ 4,219	28.2	4.9
Net earnings	\$ 3,443 (1)	21.5	\$ 3,417	22.8	0.8
Net earnings per share (Diluted)	\$ 1.24 (1)		\$ 1.23		0.8
Effective tax rate	22.2%		19.0%		

(1) The \$316 million difference between as reported earnings and as adjusted earnings before provision for taxes on income is the exclusion of a mark-to-market adjustment associated with a currency option and deal costs related to the planned acquisition of Synthes. Net earnings and net earnings per share (diluted) on these items are \$241 million and \$0.09 per share, respectively.

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NINE MONTHS

	2011		2010		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 48,775	100.0	\$ 45,943	100.0	6.2
Cost of products sold	15,022	30.8	13,752	29.9	9.2
Selling, marketing and administrative expenses	15,511	31.8	14,244	31.0	8.9
Research and development expense	5,393	11.0	4,862	10.6	10.9
Interest (income)expense, net	332	0.7	234	0.5	
Other (income)expense, net	(115)	(0.2)	(1,868)	(4.0)	
Restructuring expense	589	1.2	-	-	
Earnings before provision for taxes on income	12,043	24.7	14,719	32.0	(18.2)
Provision for taxes on income	2,589	5.3	3,327	7.2	(22.2)
Net earnings	\$ 9,454	19.4	\$ 11,392	24.8	(17.0)
Net earnings per share (Diluted)	\$ 3.40		\$ 4.08		(16.7)
Average shares outstanding (Diluted)	2,777.6		2,792.0		
Effective tax rate	21.5 %		22.6 %		

Adjusted earnings before provision for taxes and net earnings

Earnings before provision for taxes on income	\$ 13,696 (1)	28.1	\$ 13,379 (2)	29.1	2.4
Net earnings	\$ 10,738 (1)	22.0	\$ 10,415 (2)	22.7	3.1
Net earnings per share (Diluted)	\$ 3.87 (1)		\$ 3.73 (2)		3.8
Effective tax rate	21.6%		22.2%		

(1) The \$1,653 million difference between as reported earnings and as adjusted earnings before provision for taxes on income is the exclusion of expense due to restructuring (\$676 million, of which \$589 million is reported as restructuring expense and \$87 million is included in cost of products sold), expense due to litigation matters (\$654 million), additional DePuy ASR™ Hip recall costs (\$109 million) and a mark-to-market adjustment associated with a currency option and deal costs related to the planned acquisition of Synthes (\$214 million). Net earnings and net earnings per share (diluted) on these items are \$1,284 million and \$0.47 per share, respectively.

(2) The difference between as reported earnings and as adjusted earnings before provision for taxes on income, net earnings and net earnings per share (diluted) is the exclusion of income from net litigation of \$1,340 million, \$977 million and \$0.35 per share, respectively.