Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)	SECOND QUARTER					
	2010			2009		Percent
	Amount		Percent to Sales	Amount	Percent to Sales	Increase (Decrease)
Sales to customers	$ 15,330		100.0	$ 15,239	100.0	0.6
Cost of products sold	4,630		30.2	4,450	29.2	4.0
Selling, marketing and administrative expenses	4,756		31.0	4,797	31.5	(0.9)
Research expense	1,648		10.8	1,638	10.7	0.6
Interest (income)expense, net	58		0.4	85	0.6	
Other (income)expense, net	18		0.1	6	-	
Earnings before provision for taxes on income	4,220		27.5	4,263	28.0	(1.0)
Provision for taxes on income	771		5.0	1,055	6.9	(26.9)
Net earnings	$ 3,449		22.5	$ 3,208	21.1	7.5
Net earnings per share (Diluted)	$ 1.23			$ 1.15		7.0
Average shares outstanding (Diluted)	2,796.0			2,782.0		
Effective tax rate	18.3 %			24.7 %		
Adjusted earnings before provision for taxes and net earnings						
Earnings before provision for taxes on income	$ 4,377	(1)	28.6	$ 4,263	28.0	2.7
Net earnings	$ 3,382	(1)	22.1	$ 3,208	21.1	5.4
Net earnings per share (Diluted)	$ 1.21	(1)		$ 1.15		5.2
Effective tax rate	22.7%			24.7%		

(1) The difference between as reported and as adjusted earnings is the exclusion of second quarter net litigation. The impact of second quarter net litigation is $157 million expense on earnings before provision for taxes on income, $67 million income on net earnings and $0.02 per share on net earnings per share (diluted).

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(Unaudited; in Millions Except Per Share Figures)	SIX MONTHS				
	2010		2009		Percent
	Amount	Percent to Sales	Amount	Percent to Sales	Increase (Decrease)
Sales to customers	$ 30,961	100.0	$ 30,265	100.0	2.3
Cost of products sold	9,158	29.6	8,701	28.7	5.3
Selling, marketing and administrative expenses	9,535	30.8	9,405	31.1	1.4
Research expense	3,205	10.4	3,156	10.4	1.6
Interest (income)expense, net	139	0.4	166	0.6	
Other (income)expense, net	(1,576)	(5.1)	(69)	(0.2)	
Earnings before provision for taxes on income	10,500	33.9	8,906	29.4	17.9
Provision for taxes on income	2,525	8.1	2,191	7.2	15.2
Net earnings	$ 7,975	25.8	$ 6,715	22.2	18.8
Net earnings per share (Diluted)	$ 2.85		$ 2.41		18.3
Average shares outstanding (Diluted)	2,796.1		2,785.5		
Effective tax rate	24.0 %		24.6 %		
Adjusted earnings before provision for taxes and net earnings					
Earnings before provision for taxes on income	$ 9,160 (1)	29.6	$ 8,906	29.4	2.9
Net earnings	$ 6,998 (1)	22.6	$ 6,715	22.2	4.2
Net earnings per share (Diluted)	$ 2.50 (1)		$ 2.41		3.7
Effective tax rate	23.6%		24.6%		

(1) 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.