

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings
(Unaudited; in Millions Except Per Share Figures)
THIRD QUARTER

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,467	100.0	\$ 17,575	100.0	5.1
Cost of products sold	5,399	29.2	5,344	30.4	1.0
Selling, marketing and administrative expenses	5,468	29.6	5,314	30.2	2.9
Research and development expense	2,023	11.0	2,042	11.6	(0.9)
In-process research and development	-	-	178	1.0	
Interest (income) expense, net	112	0.6	87	0.5	
Other (income) expense, net	(1,345)	(7.3)	943	5.4	
Earnings before provision for taxes on income	6,810	36.9	3,667	20.9	85.7
Provision for taxes on income	2,061	11.2	685	3.9	200.9
Net earnings	\$ 4,749	25.7	\$ 2,982	17.0	59.3
Net earnings per share (Diluted)	\$ 1.66		\$ 1.04		59.6
Average shares outstanding (Diluted)	2,864.3		2,881.2		
Effective tax rate	30.3 %		18.7 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 5,660	30.6	\$ 4,831	27.5	17.2
Net earnings	\$ 4,292	23.2	\$ 3,919	22.3	9.5
Net earnings per share (Diluted)	\$ 1.50		\$ 1.36		10.3
Effective tax rate	24.2 %		18.9 %		

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

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Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

NINE MONTHS

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 56,077	100.0	\$ 52,957	100.0	5.9
Cost of products sold	16,893	30.1	16,387	30.9	3.1
Selling, marketing and administrative expenses	16,132	28.8	15,913	30.0	1.4
Research and development expense	5,859	10.5	5,772	10.9	1.5
In-process research and development	22	0.0	242	0.5	
Interest (income) expense, net	344	0.6	292	0.6	
Other (income) expense, net	(1,033)	(1.8)	1,630	3.1	
Earnings before provision for taxes on income	17,860	31.8	12,721	24.0	40.4
Provision for taxes on income	4,058	7.2	2,409	4.5	68.5
Net earnings	\$ 13,802	24.6	\$ 10,312	19.5	33.8
Net earnings per share (Diluted)	\$ 4.81		\$ 3.58		34.4
Average shares outstanding (Diluted)	2,871.2		2,879.0		
Effective tax rate	22.7 %		18.9 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 17,270	30.8	\$ 15,260	28.8	13.2
Net earnings	\$ 13,493	24.1	\$ 12,315	23.3	9.6
Net earnings per share (Diluted)	\$ 4.70		\$ 4.28		9.8
Effective tax rate	21.9 %		19.3 %		

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