

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 19,495	100.0	\$ 17,877	100.0	9.1
Cost of products sold	6,039	31.0	5,489	30.7	10.0
Selling, marketing and administrative expenses	5,481	28.1	5,376	30.1	2.0
Research and development expense	2,005	10.3	1,946	10.9	3.0
In-process research and development	4	0.0	-	-	
Interest (income) expense, net	114	0.6	101	0.6	
Other (income) expense, net	226	1.1	172	0.9	
Earnings before provision for taxes on income	5,626	28.9	4,793	26.8	17.4
Provision for taxes on income	1,300	6.7	960	5.4	35.4
Net earnings	\$ 4,326	22.2	\$ 3,833	21.4	12.9
Net earnings per share (Diluted)	\$ 1.51		\$ 1.33		13.5
Average shares outstanding (Diluted)	2,874.2		2,893.0		
Effective tax rate	23.1 %		20.0 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 6,050	31.0	\$ 5,359	30.0	12.9
Net earnings	\$ 4,775	24.5	\$ 4,289	24.0	11.3
Net earnings per share (Diluted)	\$ 1.66		\$ 1.48		12.2
Effective tax rate	21.1 %		20.0 %		

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

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SIX MONTHS

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 37,610	100.0	\$ 35,382	100.0	6.3
Cost of products sold	11,494	30.6	11,043	31.2	4.1
Selling, marketing and administrative expenses	10,664	28.3	10,599	30.0	0.6
Research and development expense	3,836	10.2	3,730	10.5	2.8
In-process research and development	22	0.1	64	0.2	
Interest (income) expense, net	232	0.6	205	0.6	
Other (income) expense, net	312	0.8	687	1.9	
Earnings before provision for taxes on income	11,050	29.4	9,054	25.6	22.0
Provision for taxes on income	1,997	5.3	1,724	4.9	15.8
Net earnings	\$ 9,053	24.1	\$ 7,330	20.7	23.5
Net earnings per share (Diluted)	\$ 3.15		\$ 2.55		23.5
Average shares outstanding (Diluted)	2,875.5		2,878.8		
Effective tax rate	18.1 %		19.0 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 11,610	30.9	\$ 10,429	29.5	11.3
Net earnings	\$ 9,201	24.5	\$ 8,396	23.7	9.6
Net earnings per share (Diluted)	\$ 3.20		\$ 2.92		9.6
Effective tax rate	20.7 %		19.5 %		

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