

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FOURTH QUARTER

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,811	100.0	\$ 18,254	100.0	(2.4)
Cost of products sold	5,673	31.8	5,853	32.1	(3.1)
Selling, marketing and administrative expenses	5,891	33.1	5,822	31.9	1.2
Research and development expense	2,864	16.1	2,635	14.4	8.7
In-process research and development	214	1.2	156	0.8	
Interest (income) expense, net	107	0.6	122	0.7	
Other (income) expense, net	(1,205)	(6.8)	963	5.3	
Restructuring	509	2.9	-	-	
Earnings before provision for taxes on income	3,758	21.1	2,703	14.8	39.0
Provision for taxes on income	543	3.0	182	1.0	
Net earnings	\$ 3,215	18.1	\$ 2,521	13.8	27.5
Net earnings per share (Diluted)	\$ 1.15		\$ 0.89		29.2
Average shares outstanding (Diluted)	2,803.3		2,845.3		
Effective tax rate	14.4 %		6.7 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 4,913	27.6	\$ 4,296	23.5	14.4
Net earnings	\$ 4,043	22.7	\$ 3,887	21.3	4.0
Net earnings per share (Diluted)	\$ 1.44		\$ 1.37		5.1
Effective tax rate	17.7 %		9.5 %		

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

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TWELVE MONTHS

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 70,074	100.0	\$ 74,331	100.0	(5.7)
Cost of products sold	21,536	30.7	22,746	30.6	(5.3)
Selling, marketing and administrative expenses	21,203	30.3	21,954	29.5	(3.4)
Research and development expense	9,046	12.9	8,494	11.4	6.5
In-process research and development	224	0.3	178	0.3	
Interest (income) expense, net	424	0.6	466	0.6	
Other (income) expense, net	(2,064)	(2.9)	(70)	(0.1)	
Restructuring	509	0.7	-	-	
Earnings before provision for taxes on income	19,196	27.4	20,563	27.7	(6.6)
Provision for taxes on income	3,787	5.4	4,240	5.7	(10.7)
Net earnings	\$ 15,409	22.0	\$ 16,323	22.0	(5.6)
Net earnings per share (Diluted)	\$ 5.48		\$ 5.70		(3.9)
Average shares outstanding (Diluted)	2,812.9		2,863.9		
Effective tax rate	19.7 %		20.6 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 22,003	31.4	\$ 22,825	30.7	(3.6)
Net earnings	\$ 17,445	24.9	\$ 18,318	24.6	(4.8)
Net earnings per share (Diluted)	\$ 6.20		\$ 6.39		(3.0)
Effective tax rate	20.7 %		19.7 %		

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