

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FIRST QUARTER

	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,021	100.0	\$ 20,009	100.0	0.1
Cost of products sold	6,615	33.0	6,614	33.1	0.0
Gross Profit	13,406	67.0	13,395	66.9	0.1
Selling, marketing and administrative expenses	5,219	26.1	5,263	26.3	(0.8)
Research and development expense	2,858	14.3	2,404	12.0	18.9
In-process research and development	890	4.4	-	-	
Interest (income) expense, net	3	0.0	145	0.7	
Other (income) expense, net	(22)	(0.1)	60	0.3	
Restructuring	36	0.2	42	0.2	
Earnings before provision for taxes on income	4,422	22.1	5,481	27.4	(19.3)
Provision for taxes on income	673	3.4	1,114	5.6	(39.6)
Net earnings	3,749	18.7	4,367	21.8	(14.2)
Net earnings per share (Diluted)	\$ 1.39		\$ 1.60		(13.1)
Average shares outstanding (Diluted)	2,698.8		2,731.9		
Effective tax rate	15.2 %		20.3 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 6,867	34.3	\$ 6,858	34.3	0.1
Net earnings	\$ 5,661	28.3	\$ 5,635	28.2	0.5
Net earnings per share (Diluted)	\$ 2.10		\$ 2.06		1.9
Effective tax rate	17.6 %		17.8 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.