

**Johnson & Johnson and Subsidiaries**
**Condensed Consolidated Statement of Earnings**

(Unaudited; in Millions Except Per Share Figures)

**THIRD QUARTER**

	2007		2006		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	\$ 14,970	100.0	\$ 13,287	100.0	12.7
Cost of products sold	4,274	28.5	3,650	27.5	17.1
Selling, marketing and administrative expenses	4,899	32.7	4,291	32.3	14.2
Research expense	1,834	12.3	1,719	12.9	6.7
In-process research & development (IPR&D)	-	-	115	0.9	
Restructuring expense	745	5.0	-	-	
Interest (income)expense, net	(52)	(0.3)	(194)	(1.5)	
Other (income)expense, net	2	-	45	0.3	
Earnings before provision for taxes on income	3,268	21.8	3,661	27.6	(10.7)
Provision for taxes on income	720	4.8	901	6.8	(20.1)
<b>Net earnings</b>	\$ 2,548	17.0	\$ 2,760	20.8	(7.7)
<b>Net earnings per share (Diluted)</b>	\$ 0.88		\$ 0.94		(6.4)
<b>Average shares outstanding (Diluted)</b>	2,912.9		2,948.1		
<b>Effective tax rate</b>	22.0 %		24.6 %		

Adjusted earnings before provision for taxes and net earnings								
Earnings before provision for taxes on income	\$	4,013	(1)	26.8	\$	3,776 (2)	28.4	6.3
Net earnings	\$	3,076	(1)	20.5	\$	2,875 (2)	21.6	7.0
Net earnings per share (Diluted)	\$	1.06	(1)		\$	0.98 (2)		8.2
Effective tax rate		23.3%				23.9%		

(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 the restructuring expense of \$745 million, \$528 million and \$0.18 per share, respectively.

(2) 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 IPR&D of \$115 million with no tax benefit and \$0.04 per share, respectively.

**Johnson & Johnson and Subsidiaries**
**Condensed Consolidated Statement of Earnings**

(Unaudited; in Millions Except Per Share Figures)

**NINE MONTHS**

	2007		2006		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	<b>\$ 45,138</b>	<b>100.0</b>	<b>\$ 39,642</b>	<b>100.0</b>	13.9
Cost of products sold	13,017	28.8	11,050	27.9	17.8
Selling, marketing and administrative expenses	14,730	32.6	12,737	32.1	15.6
Research expense	5,352	11.9	5,079	12.8	5.4
In-process research & development (IPR&D)	807	1.8	239	0.6	
Restructuring expense	745	1.7	-	-	
Interest (income)expense, net	(121)	(0.3)	(571)	(1.4)	
Other (income)expense, net	(343)	(0.8)	(771)	(2.0)	
Earnings before provision for taxes on income	10,951	24.3	11,879	30.0	(7.8)
Provision for taxes on income	2,749	6.1	2,994	7.6	(8.2)
<b>Net earnings</b>	<b>\$ 8,202</b>	<b>18.2</b>	<b>\$ 8,885</b>	<b>22.4</b>	(7.7)
<b>Net earnings per share (Diluted)</b>	<b>\$ 2.81</b>		<b>\$ 2.99</b>		(6.0)
<b>Average shares outstanding (Diluted)</b>	<b>2,919.3</b>		<b>2,971.3</b>		
<b>Effective tax rate</b>	<b>25.1 %</b>		<b>25.2 %</b>		

Adjusted earnings before provision for taxes and net earnings					
Earnings before provision for taxes on income	\$	12,503	(1)	27.7	\$ 11,496 (2) 29.0 8.8
Net earnings	\$	9,537	(1)	21.1	\$ 8,748 (2) 22.1 9.0
Net earnings per share (Diluted)	\$	3.27	(1)		\$ 2.95 (2) 10.8
Effective tax rate		23.7%			23.9%

(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 IPR&D of \$807 million with no tax benefit and \$0.28 per share respectively, and the exclusion of the restructuring expense of \$745 million, \$528 million and \$0.18 per share, respectively.

(2) 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 the Guidant acquisition termination fee of \$622 million, \$368 million and \$0.12 per share, respectively, and the exclusion of IPR&D of \$239 million, \$231 million and \$0.08 per share, respectively.