

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

	FOURTH QUARTER					Percent Increase (Decrease)
	2009		2008			
	Amount	Percent to Sales	Amount	Percent to Sales		
Sales to customers	\$ 16,551	100.0	\$ 15,182	100.0	9.0	
Cost of products sold	5,312	32.1	4,372	28.8	21.5	
Selling, marketing and administrative expenses	5,629	34.0	5,665	37.3	(0.6)	
Research expense	2,213	13.4	2,108	13.9	5.0	
In-process research & development (IPR&D)	-	-	141	0.9		
Interest (income)expense, net	81	0.5	17	0.1		
Other (income)expense, net	(361)	(2.2)	(638)	(4.2)		
Restructuring expense	1,073	6.5	-	-		
Earnings before provision for taxes on income	2,604	15.7	3,517	23.2	(26.0)	
Provision for taxes on income	398	2.4	803	5.3	(50.4)	
Net earnings	\$ 2,206	13.3	\$ 2,714	17.9	(18.7)	
Net earnings per share (Diluted)	\$ 0.79		\$ 0.97		(18.6)	
Average shares outstanding (Diluted)	2,796.5		2,801.6			
Effective tax rate	15.3 %		22.8 %			

Adjusted earnings before provision for taxes and net earnings

Earnings before provision for taxes on income	\$ 3,404	(1)	20.6	\$ 3,279	(2)	21.6	3.8
Net earnings	\$ 2,846	(1)	17.2	\$ 2,626	(2)	17.3	8.4
Net earnings per share (Diluted)	\$ 1.02	(1)		\$ 0.94	(2)		8.5
Effective tax rate	16.4%			19.9%			

(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 restructuring expense of \$1,186 million (\$1,073 million restructuring expense and \$113 million related to restructuring included in cost of products sold), \$852 million and \$0.31 per share, respectively, and the exclusion of income from net litigation of \$386 million, \$212 million and \$0.08 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 \$141 million with no tax benefit and \$0.05 per share, respectively, and the exclusion of income from net litigation of \$379 million, \$229 million and \$0.08 per share, respectively.

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	TWELVE MONTHS					
	2009			2008		
	Amount	Percent to Sales	Amount	Percent to Sales	Percent Increase (Decrease)	
Sales to customers	\$ 61,897	100.0	\$ 63,747	100.0	(2.9)	
Cost of products sold	18,447	29.8	18,511	29.1	(0.3)	
Selling, marketing and administrative expenses	19,801	32.0	21,490	33.7	(7.9)	
Research expense	6,986	11.3	7,577	11.9	(7.8)	
In-process research & development (IPR&D)	-	-	181	0.3		
Interest (income)expense, net	361	0.6	74	0.1		
Other (income)expense, net	(526)	(0.8)	(1,015)	(1.6)		
Restructuring expense	1,073	1.7	-	-		
Earnings before provision for taxes on income	15,755	25.4	16,929	26.5	(6.9)	
Provision for taxes on income	3,489	5.6	3,980	6.2	(12.3)	
Net earnings	\$ 12,266	19.8	\$ 12,949	20.3	(5.3)	
Net earnings per share (Diluted)	\$ 4.40		\$ 4.57		(3.7)	
Average shares outstanding (Diluted)	2,789.1		2,835.6			
Effective tax rate	22.1 %		23.5 %			

Adjusted earnings before provision for taxes and net earnings							
Earnings before provision for taxes on income	\$ 16,555	(1)	26.7	\$ 16,731	(2)	26.2	(1.1)
Net earnings	\$ 12,906	(1)	20.9	\$ 12,901	(2)	20.2	-
Net earnings per share (Diluted)	\$ 4.63	(1)		\$ 4.55	(2)		1.8
Effective tax rate	22.0%			22.9%			

(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 restructuring expense of \$1,186 million (\$1,073 million restructuring expense and \$113 million related to restructuring included in cost of products sold), \$852 million and \$0.31 per share, respectively, and the exclusion of income from fourth quarter net litigation of \$386 million, \$212 million and \$0.08 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 \$181 million with no tax benefit and \$0.06 per share, respectively, and the exclusion of income from fourth quarter net litigation of \$379 million, \$229 million and \$0.08 per share, respectively.