

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FIRST QUARTER

	2018		2017*		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,009	100.0	\$ 17,766	100.0	12.6
Cost of products sold	6,614	33.1	5,409	30.4	22.3
Selling, marketing and administrative expenses	5,263	26.3	4,763	26.8	10.5
Research and development expense	2,404	12.0	2,070	11.7	16.1
Interest (income) expense, net	145	0.7	83	0.5	
Other (income) expense, net	60	0.3	(219)	(1.3)	
Restructuring	42	0.2	85	0.5	
Earnings before provision for taxes on income	5,481	27.4	5,575	31.4	(1.7)
Provision for taxes on income	1,114	5.6	1,153	6.5	(3.4)
Net earnings	4,367	21.8	4,422	24.9	(1.2)
Net earnings per share (Diluted)	\$ 1.60		\$ 1.61		(0.6)
Average shares outstanding (Diluted)	2,731.9		2,754.5		
Effective tax rate	20.3 %		20.7 %		

Adjusted earnings before provision for taxes and net earnings ⁽¹⁾

Earnings before provision for taxes on income	\$ 6,858	34.3	\$ 6,103	34.4	12.4
Net earnings	\$ 5,635	28.2	\$ 5,038	28.4	11.8
Net earnings per share (Diluted)	\$ 2.06		\$ 1.83		12.6
Effective tax rate	17.8 %		17.5 %		

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

*2017 Statement of Earnings line items have been restated to reflect impact of ASU 2017-07