

Consolidated Statements of Earnings

Johnson & Johnson and Subsidiaries

(Dollars in Millions Except Per Share Figures) (Note 1)

	2010	2009	2008
Sales to customers	\$61,587	61,897	63,747
Cost of products sold	18,792	18,447	18,511
Gross profit	42,795	43,450	45,236
Selling, marketing and administrative expenses	19,424	19,801	21,490
Research and development expense	6,844	6,986	7,577
Purchased in-process research and development (Note 20)	—	—	181
Interest income	(107)	(90)	(361)
Interest expense, net of portion capitalized (Note 4)	455	451	435
Other (income) expense, net	(768)	(526)	(1,015)
Restructuring (Note 22)	—	1,073	—
Earnings before provision for taxes on income	16,947	15,755	16,929
Provision for taxes on income (Note 8)	3,613	3,489	3,980
Net earnings	\$13,334	12,266	12,949
Basic net earnings per share (Notes 1 and 15)	\$ 4.85	4.45	4.62
Diluted net earnings per share (Notes 1 and 15)	\$ 4.78	4.40	4.57
Cash dividends per share	\$ 2.110	1.930	1.795
Basic average shares outstanding (Notes 1 and 15)	2,751.4	2,759.5	2,802.5
Diluted average shares outstanding (Notes 1 and 15)	2,788.8	2,789.1	2,835.6

See Notes to Consolidated Financial Statements