



Johnson & Johnson Reports 2007 Third-Quarter Results: Sales of \$15.0 Billion Increased 12.7%; EPS was \$.88, Including Special Charges; Excluding Special Charges, EPS was \$1.06

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NEW BRUNSWICK, N.J., Oct 16, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Johnson & Johnson (NYSE: JNJ) today announced third-quarter sales of \$15.0 billion, an increase of 12.7% as compared to the third quarter of 2006. Operational growth was 9.7% and currency contributed 3.0%. Domestic sales were up 5.8%, while international sales increased 21.5%, reflecting operational growth of 14.7% and a positive currency impact of 6.8%. On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both periods, worldwide sales increased 2.4% operationally.

Net earnings and diluted earnings per share for the third quarter of 2007 were \$2.5 billion and \$.88, representing decreases of 7.7% and 6.4%, respectively, compared to the same period in 2006. Net earnings for the third quarter included an after-tax restructuring charge of \$528 million associated with the cost improvement program previously announced on July 31st. Prior-year third-quarter net earnings included after-tax in-process research and development charges of \$115 million associated with the acquisitions of Ensure Medical, Inc. and Colbar LifeScience Ltd. Excluding the impact of these charges, net earnings for the current quarter were \$3.1 billion and diluted earnings per share were \$1.06, representing increases of 7.0% and 8.2%, respectively, as compared to the same period in 2006.* The Company increased its earnings guidance for full-year 2007, which excludes the impact of in-process research and development charges, restructuring charges or other special items, to between \$4.10 and \$4.13 per share.

"We continue to deliver solid earnings while investing in the future growth of our business," said William C. Weldon, Chairman and Chief Executive Officer. "Our broad base enables us to pursue opportunities while managing through pressures in certain markets."

Worldwide Medical Devices and Diagnostics sales of \$5.2 billion for the third quarter represented a 6.0% increase over the prior year with operational growth of 3.0% and a positive impact from currency of 3.0%. Domestic sales increased 2.4%, while international sales increased 9.8% (3.7% from operations and 6.1% from currency).

Primary contributors to the operational growth included Vistakon's disposable contact lenses; LifeScan's blood glucose monitoring and insulin delivery products; DePuy's orthopaedic joint reconstruction and sports medicine products; Ethicon Endo-Surgery's minimally invasive products; and Ortho-Clinical Diagnostics' professional diagnostic products. Also contributing to the results was strong growth in Biosense Webster's electrophysiology business and in Ethicon's wound care and women's health businesses. Growth was impacted by lower sales of drug-eluting stents in our Cordis franchise primarily due to a decline in the market versus the prior year.

During the quarter, the Company received approval from the U.S. Food and Drug Administration (FDA) for the REALIZE Adjustable Gastric Band, a surgical implant for the treatment of morbid obesity. The FDA also approved the GENESEARCH Breast Lymph Node Assay, which is the first intra-operative and gene-based test to detect the spread of breast cancer into the lymph nodes.

Worldwide Pharmaceutical sales of \$6.1 billion for the third quarter represented an increase over the prior year of 3.7% with operational growth of 1.2% and a positive impact from currency of 2.5%. Domestic sales decreased 2.0%, while international sales increased 14.4% (7.2% from operations and 7.2% from currency).

Sales growth reflects the strong performance of TOPAMAX, an antiepileptic and a treatment for the prevention of migraine headaches; our antipsychotic franchise, which includes RISPERDAL, RISPERDAL CONSTA and INVEGA; and REMICADE, a biologic approved for the treatment of a number of immune mediated inflammatory diseases. Growth was impacted by lower sales of PROCIT, a product for the treatment of anemia, primarily due to a decline in the market. This market decline is related to a labeling change made this past March and a decision memorandum issued by the Centers for Medicare & Medicaid Services under its national coverage analysis process.

In October, the Company received approval from the FDA for DORIBAX (doripenem for injection) as a new treatment for complicated intra-abdominal and complicated urinary tract infections, including pyelonephritis. During the quarter, the Company filed a new drug application in both the U.S. and Europe for TMC125 (etravirine), an investigational non-nucleoside reverse transcriptase inhibitor (NNRTI), being studied for use with other antiretroviral agents as a treatment for people infected with HIV-1.

Worldwide Consumer segment sales of \$3.6 billion for the third quarter represented a 47.5% increase over the prior year with

operational growth of 43.4% and a positive impact from currency of 4.1%. Domestic sales increased 39.8%, while international sales increased 54.2% (46.5% from operations and 7.7% from currency). On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both periods, worldwide sales for the Consumer segment increased 3.5% operationally.

Sales growth in the combined business reflects the strong performance of the LISTERINE antiseptic mouthrinse and the launch of whitening products; the skin care lines of AVEENO, CLEAN & CLEAR, and NEUTROGENA; McNeil Nutritional's SPLENDA sweetener; and Baby and Kids Care products. In October, the Company announced it was voluntarily withdrawing certain infants' cough and cold products from the market. An assessment of available data on the use of pediatric cough and cold medicines identified rare instances of misuse leading to overdose, particularly in infants under 2 years of age. When used as directed, these medicines are generally recognized as safe and effective.

Johnson & Johnson is the world's most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services, for the consumer, pharmaceutical, and medical devices and diagnostics markets. The more than 250 Johnson & Johnson operating companies employ approximately 120,000 men and women in 57 countries and sell products throughout the world.

* Net earnings and diluted earnings per share excluding after-tax in-process research and development charges and restructuring charges are non-GAAP financial measures and should not be considered replacements for GAAP results. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see the accompanying tables to this release.

NOTE TO INVESTORS

Johnson & Johnson will conduct a meeting with financial analysts to discuss this news release today at 8:30 a.m., Eastern Daylight Time. A simultaneous webcast of the call for interested investors and others may be accessed by visiting the Johnson & Johnson website at www.investor.jnj.com. A replay and podcast will be available approximately two hours after the live webcast by visiting www.investor.jnj.com.

Copies of the financial schedules accompanying this press release are available at <http://www.investor.jnj.com/historical-sales.cfm>. The schedules include supplementary sales data, a condensed consolidated statement of earnings, and sales of key products/franchises. Additional information on Johnson & Johnson can be found on the Company's website at <http://www.jnj.com>.

(This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from Johnson & Johnson's expectations and projections. Risks and uncertainties include general industry conditions and competition; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; domestic and foreign health care reforms and governmental laws and regulations; and trends toward health care cost containment. A further list and description of these risks, uncertainties and other factors can be found in Exhibit 99 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.)

Johnson & Johnson and Subsidiaries
Supplementary Sales Data

(Unaudited; Dollars in Millions)

	2007	2006	THIRD QUARTER	
			Total	Percent Change Operations Currency
Sales to customers by segment of business				
Consumer				

U.S.	\$1,591	1,138	39.8 %	39.8	-
International	2,032	1,318	54.2	46.5	7.7
	3,623	2,456	47.5	43.4	4.1
Pharmaceutical					
U.S.	3,765	3,841	(2.0)	(2.0)	-
International	2,334	2,040	14.4	7.2	7.2
	6,099	5,881	3.7	1.2	2.5
Med Devices & Diagnostics					
U.S.	2,569	2,509	2.4	2.4	-
International	2,679	2,441	9.8	3.7	6.1
	5,248	4,950	6.0	3.0	3.0
U.S.	7,925	7,488	5.8	5.8	-
International	7,045	5,799	21.5	14.7	6.8
Worldwide	\$14,970	13,287	12.7 %	9.7	3.0

(Unaudited; Dollars in Millions)

	2007	2006	NINE MONTHS		
			Total	Percent Change Operat	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$4,782	3,391	41.0 %	41.0	-
International	5,901	3,818	54.6	48.1	6.5
	10,683	7,209	48.2	44.8	3.4
Pharmaceutical					
U.S.	11,659	11,224	3.9	3.9	-
International	6,810	6,093	11.8	5.6	6.2
	18,469	17,317	6.7	4.5	2.2
Med Devices & Diagnostics					
U.S.	7,772	7,619	2.0	2.0	-
International	8,214	7,497	9.6	4.3	5.3
	15,986	15,116	5.8	3.2	2.6
U.S.	24,213	22,234	8.9	8.9	-
International	20,925	17,408	20.2	14.3	5.9
Worldwide	\$45,138	39,642	13.9 %	11.3	2.6

Johnson & Johnson and Subsidiaries
Supplementary Sales Data

(Unaudited; Dollars in Millions)

	2007	2006	THIRD QUARTER		
			Total	Percent Change Operat	Currency
Sales to customers by geographic area					
U.S.	\$7,925	7,488	5.8 %	5.8	-
Europe	3,765	3,098	21.5	13.3	8.2
Western Hemisphere excluding U.S.	1,195	901	32.6	24.9	7.7
Asia-Pacific, Africa	2,085	1,800	15.8	11.8	4.0
International	7,045	5,799	21.5	14.7	6.8
Worldwide	\$14,970	13,287	12.7 %	9.7	3.0

(Unaudited; Dollars in Millions)

	NINE MONTHS				
	2007	2006	Total	Percent Change Operations Currency	
Sales to customers by geographic area					
U.S.	\$24,213	22,234	8.9 %	8.9	-
Europe	11,485	9,464	21.4	13.1	8.3
Western Hemisphere excluding U.S.	3,372	2,599	29.7	25.2	4.5
Asia-Pacific, Africa	6,068	5,345	13.5	11.2	2.3
International	20,925	17,408	20.2	14.3	5.9
Worldwide	\$45,138	39,642	13.9 %	11.3	2.6

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions
Except Per Share Figures)

	THIRD QUARTER				
	2007	2006			
	Amount	Percent to Sales	Amount	Percent to Sales	Percent Increase (Decrease)
Sales to customers	\$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)
Net earnings	\$2,548	17.0	\$2,760	20.8	(7.7)
Net earnings per share (Diluted)	\$0.88		\$0.94		(6.4)
Average shares outstanding (Diluted)	2,912.9		2,948.1		
Effective tax rate	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			
	Amount	Percent to Sales	Amount	Percent to Sales	Percent Increase (Decrease)
Sales to customers	\$45,138	100.0	\$39,642	100.0	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)
Net earnings	\$8,202	18.2	\$8,885	22.4	(7.7)
Net earnings per share (Diluted)	\$2.81		\$2.99		(6.0)
Average shares outstanding (Diluted)	2,919.3		2,971.3		
Effective tax rate	25.1 %		25.2 %		
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.

REPORTED SALES vs. PRIOR PERIOD

\$MM

			CURRENT QUARTER		
	3Q 2007	3Q 2006	Reported	Operational(1)	Currency
PHARMACEUTICAL SEGMENT (2)					
ACIPHEX/PARIET					
US	159	146	8.4%	8.4%	-
Intl	179	161	11.6%	4.0%	7.6%
WW	338	307	10.1%	6.1%	4.0%
Anti-Psychotics (3)					
US	674	635	6.3%	6.3%	-
Intl	488	433	12.8%	5.6%	7.2%
WW	1,162	1,068	8.9%	6.0%	2.9%
CONCERTA					
US	177	179	-1.2%	-1.2%	-
Intl	54	41	34.0%	24.8%	9.2%
WW	231	220	5.3%	3.6%	1.7%
DURAGESIC					
US	107	138	-23.0%	-23.0%	-
Intl	202	204	-0.7%	-6.5%	5.8%
WW	309	342	-9.7%	-13.2%	3.5%
EPREX/PROCRIT					
US	380	522	-27.1%	-27.1%	-
Intl	302	276	9.0%	1.0%	8.0%
WW	682	798	-14.6%	-17.4%	2.8%
Hormonal Contraceptives					
US	166	210	-21.2%	-21.2%	-
Intl	67	60	11.9%	4.1%	7.8%
WW	233	270	-13.9%	-15.6%	1.7%
LEVAQUIN					
US	351	341	3.1%	3.1%	-
Intl	15	9	65.0%	61.1%	3.9%
WW	366	350	4.6%	4.5%	0.1%
REMICADE					
US	648	602	7.5%	7.5%	-
Intl	171	174	-1.4%	-1.4%	-
WW	819	776	5.5%	5.5%	-
TOPAMAX					
US	498	435	14.4%	14.4%	-
Intl	115	98	17.5%	9.7%	7.8%
WW	613	533	15.0%	13.6%	1.4%

			YEAR TO DATE		Currency
	3Q 2007	3Q 2006	Reported	% Change Operational(1)	
PHARMACEUTICAL SEGMENT (2)					
ACIPHEX/PARIET					
US	479	438	9.3%	9.3%	-
Intl	531	483	9.9%	3.4%	6.5%
WW	1,010	921	9.7%	6.3%	3.4%
Anti-Psychotics (3)					
US	2,037	1,788	13.9%	13.9%	-
Intl	1,440	1,334	7.9%	1.8%	6.1%
WW	3,477	3,122	11.4%	8.8%	2.6%
CONCERTA					
US	576	547	5.3%	5.3%	-
Intl	163	125	30.5%	22.4%	8.1%
WW	739	672	10.0%	8.5%	1.5%
DURAGESIC					
US	319	369	-13.8%	-13.8%	-
Intl	581	633	-8.2%	-13.2%	5.0%
WW	900	1,002	-10.2%	-13.4%	3.2%
EPREX/PROCRIT					
US	1,359	1,573	-13.6%	-13.6%	-
Intl	898	819	9.6%	2.2%	7.4%
WW	2,257	2,392	-5.6%	-8.1%	2.5%
Hormonal Contraceptives					
US	516	597	-13.7%	-13.7%	-
Intl	194	175	11.3%	5.0%	6.3%
WW	710	772	-8.0%	-9.4%	1.4%
LEVAQUIN					
US	1,153	1,063	8.5%	8.5%	-
Intl	44	29	52.3%	51.2%	1.1%
WW	1,197	1,092	9.6%	9.6%	0.0%
REMICADE					
US	1,873	1,763	6.3%	6.3%	-
Intl	546	470	16.1%	16.1%	0.0%
WW	2,419	2,233	8.3%	8.3%	0.0%
TOPAMAX					
US	1,471	1,200	22.5%	22.5%	-
Intl	330	298	10.9%	4.0%	6.9%
WW	1,801	1,498	20.2%	18.8%	1.4%

(1) Operational growth excludes the effect of currency

(2) Select areas (unaudited)

(3) Includes Risperdal, Risperdal Consta & Invega

REPORTED SALES vs. PRIOR PERIOD
\$MM

CURRENT QUARTER
% Change

	3Q 2007	3Q 2006	Reported	Operational(1)	Currency
MEDICAL DEVICES AND DIAGNOSTICS (2)					
Cordis					
US	373	502	-25.6%	-25.6%	-
Intl	404	481	-16.3%	-20.7%	4.4%
WW	777	983	-21.0%	-23.1%	2.1%
DePuy					
US	636	605	5.2%	5.2%	-
Intl	450	366	22.9%	14.6%	8.3%
WW	1,086	971	11.9%	8.8%	3.1%
Ethicon					
US	349	326	7.2%	7.2%	-
Intl	528	470	12.1%	4.7%	7.4%
WW	877	796	10.1%	5.7%	4.4%
Ethicon Endo-Surgery					
US	440	416	5.8%	5.8%	-
Intl	482	409	17.7%	10.9%	6.8%
WW	922	825	11.7%	8.3%	3.4%
LifeScan					
US	321	278	15.3%	15.3%	-
Intl	264	227	16.8%	9.0%	7.8%
WW	585	505	16.0%	12.5%	3.5%
Ortho-Clinical Diagnostics					
US	219	184	18.7%	18.7%	-
Intl	185	176	5.4%	-0.2%	5.6%
WW	404	360	12.2%	9.5%	2.7%
Total Vision Care					
US	214	185	15.1%	15.1%	-
Intl	363	308	18.5%	15.7%	2.8%
WW	577	493	17.2%	15.5%	1.7%

YEAR TO DATE

% Change

	3Q 2007	3Q 2006	Reported	Operational(1)	Currency
MEDICAL DEVICES AND DIAGNOSTICS (2)					
Cordis					
US	1,194	1,569	-23.9%	-23.9%	-
Intl	1,363	1,557	-12.5%	-15.8%	3.3%
WW	2,557	3,126	-18.2%	-19.9%	1.7%
DePuy					
US	1,977	1,892	4.5%	4.5%	-
Intl	1,401	1,153	21.5%	13.9%	7.6%
WW	3,378	3,045	10.9%	8.0%	2.9%
Ethicon					
US	1,043	943	10.6%	10.6%	-
Intl	1,605	1,443	11.2%	4.8%	6.4%
WW	2,648	2,386	11.0%	7.1%	3.9%
Ethicon Endo-Surgery					
US	1,311	1,212	8.2%	8.2%	-
Intl	1,459	1,264	15.4%	9.4%	6.0%

WW	2,770	2,476	11.9%	8.9%	3.0%
LifeScan					
US	923	857	7.7%	7.7%	-
Intl	807	675	19.6%	12.5%	7.1%
WW	1,730	1,532	13.0%	9.9%	3.1%
Ortho-Clinical Diagnostics					
US	653	568	14.9%	14.9%	-
Intl	550	530	3.7%	-1.2%	4.9%
WW	1,203	1,098	9.5%	7.2%	2.3%
Total Vision Care					
US	622	541	15.0%	15.0%	-
Intl	1,021	867	17.8%	16.1%	1.7%
WW	1,643	1,408	16.7%	15.7%	1.0%

(1) Operational growth excludes the effect of currency

(2) Select areas (unaudited)

REPORTED SALES vs. PRIOR PERIOD
\$MM

	3Q 2007	3Q 2006	CURRENT QUARTER % Change		
			Reported	Operational(1)	Currency
CONSUMER SEGMENT (2) (3)					
Beauty Care					
US	311	265	17.2%	17.2%	-
Intl	426	370	15.1%	7.9%	7.2%
WW	737	635	16.0%	11.8%	4.2%
Baby & Kids Care					
US	113	102	10.3%	10.3%	-
Intl	398	349	14.2%	6.4%	7.8%
WW	511	451	13.3%	7.3%	6.0%
Oral Care (4)					
US	211	NA	-	-	-
Intl	185	NA	-	-	-
WW	396	NA	-	-	-
OTC/Nutritionals					
US	653	481	36.0%	36.0%	-
Intl	611	218	179.9%	172.5%	7.4%
WW	1,264	699	80.9%	78.6%	2.3%
Women's Health					
US	149	151	-1.4%	-1.4%	-
Intl	312	281	11.2%	3.0%	8.2%
WW	461	432	6.8%	1.5%	5.3%

YEAR TO DATE
% Change
3Q 2007 3Q 2006 Reported Operational(1) Currency

Operational (1) Currency

CONSUMER SEGMENT (2) (3)

Beauty Care					
US	1,006	863	16.5%	16.5%	-
Intl	1,252	1,085	15.4%	9.0%	6.4%
WW	2,258	1,948	15.9%	12.3%	3.6%
Baby & Kids Care					
US	328	302	8.5%	8.5%	-
Intl	1,117	977	14.4%	8.0%	6.4%
WW	1,445	1,279	13.0%	8.1%	4.9%
Oral Care (4)					
US	600	NA	-	-	-
Intl	509	NA	-	-	-
WW	1,109	NA	-	-	-
OTC/Nutritionals					
US	1,892	1,340	41.3%	41.3%	-
Intl	1,835	645	184.4%	177.7%	6.7%
WW	3,727	1,985	87.8%	85.6%	2.2%
Women's Health					
US	475	448	6.1%	6.1%	-
Intl	870	798	9.0%	2.2%	6.8%
WW	1,345	1,246	8.0%	3.7%	4.3%

(1) Operational growth excludes the effect of currency

(2) Select areas (unaudited)

(3) 2007 Includes sales from acquisition of PCH

(4) Oral Care not disclosed in 2006

SOURCE Johnson & Johnson

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