



Johnson & Johnson 1999 Second Quarter Sales Increased 18.5%; Net Earnings Rose 14.9%; EPS Rose 13.5%

NEW BRUNSWICK, N.J., July 20-- Johnson & Johnson (NYSE: JNJ) today announced record sales of \$6.9 billion and record net earnings of \$1.2 billion for the second quarter of 1999, increases of 18.5% and 14.9%, respectively, over 1998 second-quarter results. Diluted earnings per share for the second quarter were \$.84, up 13.5% from the same period in 1998. The impact of the stronger dollar relative to foreign currencies decreased second-quarter sales by 2.1%. Domestic sales were up 26.7%, while international sales increased 9.6%, reflecting a negative currency impact of 4.3%. "Our performance in 1999 thus far has been the strongest in our recent history," said Ralph S. Larsen, Chairman and Chief Executive Officer. "We are particularly pleased that our growth is broadly based and that we're seeing solid performance across most of our businesses as well as in almost all geographic regions throughout the world. We are also pleased with the great strength in our pharmaceutical and professional businesses as well as the flow of new products in our consumer franchise."

Worldwide Pharmaceutical sales of \$2.7 billion for the quarter increased 25.4% over the same period in 1998, including 37.3% growth in domestic sales. International sales increased 11.3%. Sales gains in local currency of 15.3% were offset by a negative currency impact of 4.0%. Sales growth reflects the strong performance of PROCRI/EPREX, for the treatment of anemia; RISPERDAL, an antipsychotic medication; DURAGESIC, a transdermal patch for chronic pain; LEVAQUIN, an anti-infective; ULTRAM, an analgesic, and the oral contraceptive line of products. The company received FDA approval for two new lower doses of RISPERDAL -- the most widely prescribed antipsychotic in the United States. The 0.25 and 0.5 mg RISPERDAL tablets will make it possible for physicians to better customize their care of patients with psychosis.

Worldwide sales of \$2.5 billion in the Professional segment represented an increase of 19.8% over the second quarter of 1998. In local currency, worldwide sales increased 21.0% before adjusting for a negative 1.2% currency impact. The 1998 acquisition of DePuy Inc., a leading orthopaedic products manufacturer, contributed to the strong sales growth in the Professional segment. In addition, strong sales performance was achieved by Ethicon Endo- Surgery's laparoscopy and wound closure products; LifeScan's blood glucose monitoring systems, Ethicon's Mitek suture anchors, and Vistakon's disposable contact lens products.

During the quarter, the company received FDA approval to market its new MINI Crown Stent specifically engineered for smaller coronary vessels. The MINI Crown Stent has been carefully designed to offer easy deliverability in patients with small, tight lesions while minimizing the risks of edge dissection and stent embolization. The product has been very well received in the marketplace. In addition, FDA approval was received to market the PALMAZ CORINTHIAN Transhepatic Biliary Stent and Delivery System for biliary obstructions.

Also in the quarter, the company launched ACUVUE 2, a new and improved disposable contact lens that has substantially improved handling, while maintaining the visual acuity, comfort and other features of the original ACUVUE product.

Worldwide Consumer segment sales for the second quarter of 1999 were \$1.7 billion, an increase of 7.4% versus the same period a year ago. Domestic sales were up 15.9% while international sales gains in local currency of 6.5% were more than offset by a negative currency impact of 7.0%. Consumer sales were led by continued strength in the skin care franchise, which includes the NEUTROGENA, RoC and CLEAN & CLEAR product lines, as well as solid results from McNeil Consumer Healthcare, which markets the TYLENOL family of products, BENECOL and NIZORAL A-D product lines.

During the quarter, the company launched BENECOL in the United States in both a regular and low fat margarine spread. BENECOL contains the dietary ingredient stanol ester, which is patented for use in reducing cholesterol. The company has a licensing agreement with Raisio Group of Finland for the worldwide marketing rights (ex-Finland) to BENECOL.

In addition, the company launched over-the-counter NIZORAL A-D (ketoconazole 1%) shampoo, the first non-prescription, anti-fungal dandruff shampoo specifically formulated to treat a leading cause of dandruff.

Johnson & Johnson, with approximately 95,800 employees, 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 professional markets. Johnson & Johnson has more than 188 operating companies in 52 countries around the world, selling products in more than 175 countries. In 1998, the company recorded sales of \$23.7 billion. (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, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include general industry and market conditions; general domestic and international 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; trends toward managed care and health care cost containment, and governmental laws and regulations affecting domestic and foreign operations. A further list and description of these risks, uncertainties and other factors can be found in a Cautionary Statement filed as an Exhibit to the company's report on Form 10K for the fiscal quarter ended January 3, 1999. Copies of this Form 10K are available on request from the company. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.)

JOHNSON & JOHNSON AND SUBSIDIARIES

SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

	SECOND QUARTER		Percent Increase
	1999	1998	
SALES TO CUSTOMERS BY SEGMENT OF BUSINESS			
Consumer			
Domestic	\$873	753	15.9
International	814	818	(.5)
	1,687	1,571	7.4
Pharmaceutical			
Domestic	1,617	1,178	37.3
International	1,095	984	11.3
	2,712	2,162	25.4
Professional			
Domestic	1,315	1,071	22.8
International	1,140	979	16.4
	2,455	2,050	19.8
Domestic	3,805	3,002	26.7
International	3,049	2,781	9.6
WORLDWIDE	\$6,854	5,783	18.5

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SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

	SIX MONTHS		Percent Increase
	1999	1998	
SALES TO CUSTOMERS BY SEGMENT OF BUSINESS			
Consumer			
Domestic	\$ 1,801	1,593	13.1
International	1,615	1,616	(.1)
	3,416	3,209	6.5
Pharmaceutical			
Domestic	3,057	2,347	30.3
International	2,131	1,908	11.7
	5,188	4,255	21.9
Professional			
Domestic	2,604	2,157	20.7
International	2,284	1,945	17.4
	4,888	4,102	19.2
Domestic	7,462	6,097	22.4
International	6,030	5,469	10.3
WORLDWIDE	\$13,492	11,566	16.7

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SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

	SECOND QUARTER		Percent Increase
	1999	1998	
SALES TO CUSTOMERS BY GEOGRAPHIC AREA			
Domestic	\$3,805	3,002	26.7
Europe	1,695	1,586	6.9
Western Hemisphere			
Excluding U.S.	503	533	(5.6)
Asia-Pacific, Africa	851	662	28.5
International	3,049	2,781	9.6
WORLDWIDE	\$6,854	5,783	18.5

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SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

	SIX MONTHS		Percent Increase
	1999	1998	
SALES TO CUSTOMERS BY GEOGRAPHIC AREA			
Domestic	\$ 7,462	6,097	22.4
Europe	3,429	3,125	9.7
Western Hemisphere			
Excluding U.S.	981	1,040	(5.7)
Asia-Pacific, Africa	1,620	1,304	24.2
International	6,030	5,469	10.3
WORLDWIDE	\$13,492	11,566	16.7

JOHNSON & JOHNSON AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited; in Millions Except Per Share Figures)

	SECOND QUARTER 1999		Percent to Sales
	Amount		
Sales to customers	\$6,854		100.0
Cost of products sold	2,086		30.4
Selling, marketing and administrative expenses	2,549		37.2
Research expense	574		8.4
Interest (income) expense, net	(3)		
Other (income) expense, net	34		.5
	5,240		76.5
Earnings before provision for taxes on income	1,614		23.5
Provision for taxes on income	459		6.6
Net earnings	\$1,155		16.9
Net earnings per share (Diluted)	\$.84		--
Average shares outstanding (Diluted)	1,374.8		--
Effective tax rate	28.4%		--

JOHNSON & JOHNSON AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited; in Millions Except Per Share Figures)

	SECOND QUARTER 1998		
	Amount	Percent to Sales	Percent Increase
Sales to customers	\$5,783	100.0	18.5
Cost of products sold	1,803	31.2	15.7
Selling, marketing and administrative expenses	2,114	36.5	20.6
Research expense	532	9.2	7.9
Interest (income) expense, net	(38)	(.6)	
Other (income) expense, net	1	--	--
	4,412	76.3	18.8
Earnings before provision for taxes on income	1,371	23.7	17.7
Provision for taxes on income	366	6.3	25.4
Net earnings	\$1,005	17.4	14.9
Net earnings per share (Diluted)	\$.74	--	13.5
Average shares outstanding (Diluted)	1,369.4	--	--
Effective tax rate	26.7%	--	--

JOHNSON & JOHNSON AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited; in Millions Except Per Share Figures)

	SIX MONTHS 1999	
	Amount	Percent to Sales
Sales to customers	\$ 13,492	100.0
Cost of products sold	4,124	30.5
Selling, marketing and administrative expenses	4,952	36.7
Research expense	1,110	8.2
Interest (income) expense, net	(6)	
Other (income) expense, net	93	.7
	10,273	76.1
Earnings before provision for taxes on income	3,219	23.9
Provision for taxes on income	936	7.0
Net earnings	\$2,283	16.9
Net earnings per share (Diluted)	\$1.66	--
Average shares outstanding (Diluted)	1,373.5	--
Effective tax rate	29.1%	--

JOHNSON & JOHNSON AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited; in Millions Except Per Share Figures)

	SIX MONTHS 1998		
	Amount	Percent to Sales	Percent Increase
Sales to customers	\$ 11,566	100.0	16.7
Cost of products sold	3,580	30.9	15.2

Selling, marketing and administrative expenses	4,214	36.4	17.5
Research expense	1,026	8.9	8.2
Interest (income) expense, net	(71)	(.6)	
Other (income) expense, net	12	.1	--
	8,761	75.7	17.3
Earnings before provision for taxes on income	2,805	24.3	14.8
Provision for taxes on income	790	6.9	18.5
Net earnings	\$2,015	17.4	13.3
Net earnings per share (Diluted) \$1.47		--	12.9
Average shares outstanding (Diluted)	1,372.1	--	--
Effective tax rate	28.2%	--	--

SOURCE: Johnson & Johnson