



First Quarter 1998 Results

New Brunswick, NJ (April 14, 1998) -- Johnson & Johnson today announced sales of \$5.8 billion and net earnings of \$1.0 billion for the first quarter of 1998, increases of 1.2% and 11.1% respectively over 1997 first-quarter results. Diluted earnings per share for the first quarter were \$.73, up 10.6% from the same period in 1997. Basic earnings per share for the first quarter were \$.75, up 10.3% from the same period in 1997. The impact of the stronger dollar relative to foreign currencies decreased first quarter sales by 4.4%. Domestic sales were up 5.0%, while international sales decreased 2.9%, reflecting a negative currency impact of 9.0%.

"I am pleased with our ability to continue to deliver solid profits and improved operating margins despite intense competition and the negative impact of a strengthening U.S. dollar," said Ralph S. Larsen, Chairman and Chief Executive Officer. Mr. Larsen also stated, "Of particular note is the strength of our pharmaceutical business."

Worldwide Pharmaceutical sales of \$2.1 billion for the quarter increased 7.7% over the same period in 1997. In local currency, worldwide sales increased 12.1% before a negative currency impact of 4.4%, due to the stronger U.S. dollar. This growth reflects the strong performance of PROCRIT, for the treatment of anemia; PROPULSID, a gastrointestinal product; DURAGESIC, a transdermal patch for chronic pain; LEVAQUIN, an anti-infective; and ULTRAM, an analgesic. REGRANEX, the first biologic treatment proven to increase the incidence of healing in diabetic foot ulcers, was launched in the U.S. in the first quarter.

During the quarter, the company received European approval for a peri-surgery indication for EPREX. Additionally, the company announced a worldwide collaboration with Ergo Science Corporation for the development and commercialization of ERGOSET and other potential products for the treatment of Type 2 diabetes and obesity. A New Drug Application (NDA) for the use of ERGOSET to treat Type 2 diabetes was accepted by the FDA for filing in October, 1997.

At the end of March, an NDA for ACIPHEX (rabeprazole), a proton pump inhibitor for gastroesophageal reflux disease (GERD), GERD maintenance and duodenal and gastric ulcers, was submitted to the FDA by our partner Eisai, Inc. Eisai and Janssen Pharmaceutica, a wholly-owned subsidiary of Johnson & Johnson, have entered into a strategic alliance to market rabeprazole worldwide with the exception of Japan and certain other territories.

Worldwide sales of \$2.1 billion in the Professional segment represented a decrease of 1.7% over the first quarter of 1997. In local currency, worldwide sales increased 1.9% before adjusting for a 3.6% negative currency impact. Strong sales growth of Ethicon Endo-Surgery's laparoscopy and wound closure products and LifeScan's blood glucose monitoring systems were offset by a decline in sales of Cordis' coronary stents.

During the quarter, the company launched the THERMACHOICE Uterine Balloon Therapy System in the U.S. for the treatment of excessive menstrual bleeding in women. The product has been well received by the obstetrical/gynecological community and over 1,900 practitioners have already been trained. Also in the quarter, an FDA advisory committee unanimously recommended the approval of DERMABOND, a topical skin adhesive for wound closure. Ethicon Inc., a wholly-owned subsidiary of Johnson and Johnson, has exclusive worldwide marketing and distribution rights for DERMABOND.

Worldwide Consumer segment sales for the first quarter of 1998 were \$1.6 billion, a decrease of 2.7% versus the same period a year ago. In local currency, worldwide sales increased 2.4% before adjusting for a 5.1% negative currency impact. 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 strong performances from the adult and children's MOTRIN line of analgesic products.

During the quarter, the company expanded the geographic scope of its licensing agreement with Raisio Group of Finland to include the worldwide marketing rights to Benecol, a leading European margarine product. Benecol contains the dietary ingredient, stanol ester, which is patented for use in reducing cholesterol.

Johnson & Johnson, with approximately 91,400 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 180 operating companies in 51 countries around the world, selling products in more than 175 countries.