



## **Johnson & Johnson Reports 2007 Second-Quarter Results: Sales Increase of 13.2% and EPS increase of 10.5% Versus a Year Ago; Excluding Special Charges in 2006, EPS increased 7.1%\***

NEW BRUNSWICK, N.J., July 17, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Johnson & Johnson today announced second-quarter sales of \$15.1 billion, an increase of 13.2% as compared to the second quarter of 2006. Operational growth was 10.8% and currency contributed 2.4%. Domestic sales were up 9.0%, while international sales increased 18.4%, reflecting operational growth of 13.0% and a positive currency impact of 5.4%. On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both periods, worldwide sales increased 3.6% operationally.

Net earnings and diluted earnings per share for the second quarter of 2007 were \$3.1 billion and \$1.05, respectively. Prior-year second-quarter net earnings included an after-tax in-process research and development charge of \$87 million associated with the acquisition of Vascular Control Systems, Inc. Excluding this charge, net earnings for the current quarter and diluted earnings per share represent increases of 6.0% and 7.1%, respectively, as compared to the same period in 2006.\* The Company confirmed its previous earnings guidance for full-year 2007, which excludes the impact of in-process research and development charges or other special items, of between \$4.02 and \$4.07 per share.

"Our broadly-based approach to health care is serving us well as challenges in the marketplace intensify across certain businesses," said William C. Weldon, Chairman and Chief Executive Officer. "We continue to grow earnings while successfully integrating acquisitions and continuing to invest in promising new growth opportunities."

In July, the Company announced a \$10 billion share repurchase program. Share repurchases will take place on the open market from time to time based on market conditions. The repurchase program has no time limit and may be suspended or discontinued at any time.

Worldwide Medical Devices and Diagnostics sales of \$5.4 billion for the second quarter represented a 5.1% increase over the prior year with operational growth of 2.8% and a positive impact from currency of 2.3%. Domestic sales increased 1.1%, while international sales increased 9.1% (4.4% from operations and 4.7% from currency).

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

Worldwide Pharmaceutical sales of \$6.1 billion for the second quarter represented an increase over the prior year of 5.8% with operational growth of 3.8% and a positive impact from currency of 2.0%. Domestic sales increased 4.8%, while international sales increased 7.6% (2.0% from operations and 5.6% from currency).

Sales growth reflects the strong performance of TOPAMAX, an antiepileptic and a treatment for the prevention of migraine headaches; REMICADE, a biologic approved for the treatment of a number of immune mediated inflammatory diseases; our antipsychotic franchise, which includes RISPERDAL, RISPERDAL CONSTA and INVEGA; and CONCERTA, a treatment for attention deficit hyperactivity disorder.

During the quarter, the European Commission granted marketing authorization for INVEGA, an atypical antipsychotic medication for the treatment of schizophrenia. In addition, the U.S. Food and Drug Administration (FDA) granted approval for an additional indication for INVEGA for long-term maintenance of schizophrenia. In May, the FDA approved the use of DOXIL in combination with VELCADE for Injection to treat patients with multiple myeloma who have not previously received VELCADE and have received at least one prior therapy.

Also in the quarter, the Company filed new drug applications in both the U.S. and Europe for ceftobiprole, an antibiotic for the treatment of complicated skin and skin structure infections. Doripenem, a carbapenem antibiotic, was filed in the U.S. and Europe for the treatment of nosocomial pneumonia and in Europe for complicated urinary tract infections and complicated intra-abdominal infections.

Worldwide Consumer segment sales of \$3.6 billion for the second quarter represented a 48.6% increase over the prior year with operational growth of 45.1% and a positive impact from currency of 3.5%. Domestic sales increased 41.6%, while

international sales increased 54.6% (48.1% from operations and 6.5% 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 4.6% operationally.

Sales growth in the combined business reflects the strong performance of the skin care lines of NEUTROGENA and AVEENO; Baby and Kids Care products; and LISTERINE antiseptic mouthrinse.

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 120,500 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 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 conference call 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](http://www.investor.jnj.com). A replay and podcast will be available approximately two hours after the live webcast by visiting [www.investor.jnj.com](http://www.investor.jnj.com).

A copy 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](http://www.sec.gov), [www.jnj.com](http://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	SECOND QUARTER		
			Percent Change		
			Total Operations	Currency	
Sales to customers by segment of business					
Consumer					
U.S.	\$1,562	\$1,103	41.6 %	41.6	-
International	2,002	1,295	54.6	48.1	6.5
	3,564	2,398	48.6	45.1	3.5
Pharmaceutical					
U.S.	3,860	3,682	4.8	4.8	-
International	2,289	2,128	7.6	2.0	5.6
	6,149	5,810	5.8	3.8	2.0
Med Devices & Diagnostics					
U.S.	2,619	2,590	1.1	1.1	-
International	2,799	2,565	9.1	4.4	4.7

	5,418	5,155	5.1	2.8	2.3
U.S.	8,041	7,375	9.0	9.0	-
International	7,090	5,988	18.4	13.0	5.4
Worldwide	\$15,131	\$13,363	13.2 %	10.8	2.4

(Unaudited; Dollars in Millions)

	2007	2006	SIX MONTHS		
			Total Operations	Percent Change	Currency
Sales to customers by segment of business					
Consumer					
U.S.	3,191	\$2,253	41.6 %	41.6	-
International	3,869	2,500	54.8	48.9	5.9
	7,060	4,753	48.5	45.4	3.1
Pharmaceutical					
U.S.	7,894	7,383	6.9	6.9	-
International	4,476	4,053	10.4	4.7	5.7
	12,370	11,436	8.2	6.2	2.0
Med Devices & Diagnostics					
U.S.	5,203	5,110	1.8	1.8	-
International	5,535	5,056	9.5	4.6	4.9
	10,738	10,166	5.6	3.2	2.4
U.S.	16,288	14,746	10.5	10.5	-
International	13,880	11,609	19.6	14.2	5.4
Worldwide	\$30,168	\$26,355	14.5 %	12.1	2.4

Johnson & Johnson and Subsidiaries  
Supplementary Sales Data

(Unaudited; Dollars in Millions)

	2007	2006	SECOND QUARTER		
			Total Operations	Percent Change	Currency
Sales to customers by geographic area					
U.S.	\$8,041	\$7,375	9.0 %	9.0	-
Europe	3,907	3,295	18.6	11.0	7.6
Western Hemisphere excluding U.S.	1,131	876	29.1	24.1	5.0
Asia-Pacific, Africa	2,052	1,817	12.9	11.3	1.6
International	7,090	5,988	18.4	13.0	5.4
Worldwide	\$15,131	\$13,363	13.2 %	10.8	2.4

(Unaudited; Dollars in Millions)

	2007	2006	SIX MONTHS		
			Total Operations	Percent Change	Currency
Sales to customers by geographic area					
U.S.	\$16,288	\$14,746	10.5 %	10.5	-
Europe	7,720	6,366	21.3	13.0	8.3
Western Hemisphere excluding U.S.	2,177	1,698	28.2	25.5	2.7
Asia-Pacific, Africa	3,983	3,545	12.4	10.9	1.5
International	13,880	11,609	19.6	14.2	5.4
Worldwide	\$30,168	\$26,355	14.5 %	12.1	2.4

Johnson & Johnson and Subsidiaries  
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except  
Per Share Figures)

SECOND QUARTER

	2007		2006		Percent
	Amount	Percent	Amount	Percent	Increase
		to Sales		to Sales	(Decrease)
Sales to customers	\$15,131	100.0	\$13,363	100.0	13.2
Cost of products sold	4,358	28.8	3,788	28.3	15.0
Selling, marketing and administrative expenses	5,029	33.3	4,351	32.6	15.6
Research expense	1,866	12.3	1,828	13.7	2.1
In-process research & development (IPR&D)	-	-	87	0.6	
Interest (income)expense, net	(36)	(0.2)	(196)	(1.5)	
Other (income)expense, net	(117)	(0.8)	(98)	(0.7)	
Earnings before provision for taxes on income	4,031	26.6	3,603	27.0	11.9
Provision for taxes on income	950	6.2	783	5.9	21.3
Net earnings	\$3,081	20.4	\$2,820	21.1	9.3

Net earnings per share (Diluted)	\$1.05		\$0.95		10.5
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Average shares outstanding (Diluted)	2,922.5		2,974.4		
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Effective tax rate	23.6%		21.7%		
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Adjusted earnings before  
provision for taxes and net  
earnings

Earnings before provision for taxes on income	\$4,031	26.6	\$3,690(1)	27.6	9.2
Net earnings	\$3,081	20.4	\$2,907(1)	21.7	6.0
Net earnings per share (Diluted)	\$1.05		\$0.98(1)		7.1
Effective tax rate	23.6%		21.2%		

(1) The difference between as reported earnings before provision for taxes on income and net earnings and adjusted earnings before provision for taxes on income and net earnings is the exclusion of IPR&D of \$87 million before tax with no tax benefit, or \$0.03 per share.

Johnson & Johnson and Subsidiaries  
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except  
Per Share Figures)

SIX MONTHS

	2007		2006		Percent
	Percent		Percent		Increase

	Amount to Sales		Amount to Sales (Decrease)		
Sales to customers	\$30,168	100.0	\$26,355	100.0	14.5
Cost of products sold	8,743	29.0	7,400	28.1	18.1
Selling, marketing and administrative expenses	9,831	32.5	8,446	32.0	16.4
Research expense	3,518	11.7	3,360	12.7	4.7
In-process research & development (IPR&D)	807	2.7	124	0.5	
Interest (income)expense, net	(69)	(0.2)	(377)	(1.4)	
Other (income)expense, net	(345)	(1.1)	(816)	(3.1)	
Earnings before provision for taxes on income	7,683	25.4	8,218	31.2	(6.5)
Provision for taxes on income	2,029	6.7	2,093	8.0	(3.1)
Net earnings	\$5,654	18.7	\$6,125	23.2	(7.7)
 Net earnings per share (Diluted)	 \$1.93		 \$2.05		 (5.9)
 Average shares outstanding (Diluted)	 2,924.9		 2,982.5		
 Effective tax rate	 26.4%		 25.5%		
 Adjusted earnings before provision for taxes and net earnings					
Earnings before provision for taxes on income	\$8,490(1)	28.1	\$7,720(2)	29.3	10.0
Net earnings	\$6,461(1)	21.4	\$5,873(2)	22.3	10.0
Net earnings per share (Diluted)	\$2.21(1)		\$1.97(2)		12.2
Effective tax rate	23.9%		23.9%		

(1) The difference between as reported earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is IPR&D of \$807 million with no tax benefit and \$0.28 per share, respectively.

(2) The difference between as reported earnings before provision for taxes on income and net earnings and net earnings per share (diluted) is the Guidant acquisition termination fee of \$622 million and \$368 million and \$0.12 per share, respectively, and IPR&D of \$124 million and \$116 million and \$0.04 per share, respectively.

Johnson & Johnson  
REPORTED SALES vs. PRIOR PERIOD  
\$MM

CURRENT QUARTER

% Change

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2Q 2Q Reported Operational\*\* Currency  
2007 2006

PHARMACEUTICAL SEGMENT\*

ACIPHEX/PARIET

US	161	145	10%	10%	0%
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Intl	175	163	8%	2%	6%
WW	336	308	9%	6%	3%
Anti-Psychotics(1)					
US	653	568	15%	15%	0%
Intl	484	468	3%	-2%	5%
WW	1,137	1,036	10%	7%	3%
CONCERTA					
US	199	174	14%	14%	0%
Intl	56	43	32%	25%	7%
WW	255	217	18%	16%	2%
DURAGESIC					
US	97	121	-20%	-20%	0%
Intl	192	215	-11%	-15%	4%
WW	289	336	-14%	-17%	3%
EPREX/PROCRIT					
US	449	524	-14%	-14%	0%
Intl	309	284	9%	2%	7%
WW	758	808	-6%	-8%	2%
Hormonal Contraceptives					
US	175	188	-7%	-7%	0%
Intl	65	59	9%	3%	6%
WW	240	247	-3%	-4%	1%
LEVAQUIN					
US	343	330	4%	4%	0%
Intl	14	10	44%	40%	4%
WW	357	340	5%	5%	0%
REMICADE					
US	625	595	5%	5%	-
Intl	244	182	34%	34%	-
WW	869	777	12%	12%	-
TOPAMAX					
US	472	393	20%	20%	0%
Intl	106	102	4%	-2%	6%
WW	578	495	17%	16%	1%

(1) Includes Risperdal, Risperdal Consta & Invega

	YEAR TO DATE			
	% Change			
	2007 YTD	2006 YTD	Reported	Operational** Currency
PHARMACEUTICAL SEGMENT*				
ACIPHEX/PARIET				
US	320	291	10%	10%
Intl	352	323	9%	3%
WW	672	614	9%	6%
Anti-Psychotics(1)				
US	1,363	1,154	18%	18%
Intl	952	901	6%	0%

WW	2,315	2,055	13%	10%	3%
CONCERTA					
US	399	367	9%	9%	0%
Intl	109	85	29%	21%	8%
WW	508	452	12%	11%	1%
DURAGESIC					
US	212	231	-8%	-8%	0%
Intl	379	430	-11%	-16%	5%
WW	591	661	-11%	-14%	3%
EPREX/PROCRIT					
US	979	1,052	-7%	-7%	0%
Intl	596	542	10%	3%	7%
WW	1,575	1,594	-1%	-3%	2%
Hormonal Contraceptives					
US	350	386	-10%	-10%	0%
Intl	127	115	11%	5%	6%
WW	477	501	-5%	-6%	1%
LEVAQUIN					
US	802	723	11%	11%	0%
Intl	30	20	47%	47%	0%
WW	832	743	12%	12%	0%
REMICADE					
US	1,225	1,160	6%	6%	-
Intl	375	297	26%	26%	-
WW	1,600	1,457	10%	10%	-
TOPAMAX					
US	973	765	27%	27%	0%
Intl	215	200	8%	2%	6%
WW	1,188	965	23%	22%	1%

(1) Includes Risperdal, Risperdal Consta & Invega

Johnson & Johnson  
REPORTED SALES vs. PRIOR PERIOD  
\$MM

	CURRENT QUARTER				
	% Change				
	2Q 2007	2Q 2006	Reported	Operational**	Currency
MEDICAL DEVICES AND DIAGNOSTICS*					
Cordis					
US	397	537	-26%	-26%	0%
Intl	455	531	-14%	-17%	3%
WW	852	1,068	-20%	-21%	1%
DePuy					
US	663	643	3%	3%	0%
Intl	472	392	21%	14%	7%

WW	1,135	1,035	10%	7%	3%
Ethicon					
US	350	321	9%	9%	0%
Intl	551	495	11%	5%	6%
WW	901	816	10%	6%	4%
Ethicon Endo-Surgery					
US	454	417	9%	9%	0%
Intl	503	440	14%	9%	5%
WW	957	857	12%	9%	3%
LifeScan					
US	310	290	7%	7%	0%
Intl	286	232	23%	16%	7%
WW	596	522	14%	11%	3%
Ortho-Clinical Diagnostics					
US	216	185	16%	16%	0%
Intl	190	183	4%	0%	4%
WW	406	368	10%	8%	2%
Total Vision Care					
US	213	183	16%	16%	0%
Intl	340	291	17%	17%	0%
WW	553	474	17%	17%	0%

YEAR TO DATE

% Change

	2007	2006	-----		
	YTD	YTD	Reported	Operational**	Currency
MEDICAL DEVICES AND DIAGNOSTICS*					
Cordis					
US	821	1,067	-23%	-23%	0%
Intl	959	1,076	-11%	-14%	3%
WW	1,780	2,143	-17%	-18%	1%
DePuy					
US	1,341	1,287	4%	4%	0%
Intl	951	787	21%	14%	7%
WW	2,292	2,074	11%	8%	3%
Ethicon					
US	694	617	12%	12%	0%
Intl	1,077	973	11%	5%	6%
WW	1,771	1,590	11%	7%	4%
Ethicon Endo-Surgery					
US	871	797	9%	9%	0%
Intl	977	854	14%	9%	5%
WW	1,848	1,651	12%	9%	3%
LifeScan					
US	602	578	4%	4%	0%
Intl	543	449	21%	14%	7%
WW	1,145	1,027	12%	9%	3%



Ortho-Clinical Diagnostics					
US	434	384	13%	13%	0%
Intl	365	354	3%	-2%	5%
WW	799	738	8%	6%	2%
Total Vision Care					
US	408	355	15%	15%	0%
Intl	658	560	17%	16%	1%
WW	1,066	915	16.4%	15.2%	0.7%

Johnson & Johnson  
 REPORTED SALES vs. PRIOR PERIOD  
 \$MM

	CURRENT QUARTER				
	% Change				
	2Q 2007	2Q 2006	Reported	Operational**	Currency
CONSUMER SEGMENT* (2)					
Skin Care					
US	338	281	20%	20%	0%
Intl	419	373	12%	6%	6%
WW	757	654	16%	12%	4%
Baby & Kids Care					
US	106	96	10%	10%	0%
Intl	381	325	17%	11%	6%
WW	487	421	16%	11%	5%
Oral Care (3)					
US	186	NA	-	-	-
Intl	167	NA	-	-	-
WW	353	NA	-	-	-
OTC/Nutritionals					
US	584	414	41%	41%	0%
Intl	622	219	185%	179%	6%
WW	1,206	633	91%	89%	2%
Women's Health					
US	164	149	10%	10%	0%
Intl	299	266	12%	5%	7%
WW	463	415	11%	7%	4%

(2) 2007 Includes sales from acquisition of PCH

(3) Oral Care not disclosed in 2006

	YEAR TO DATE				
	% Change				
	2007 YTD	2006 YTD	Reported	Operational**	Currency
CONSUMER SEGMENT* (2)					
Skin Care					

US	695	598	16%	16%	0%
Intl	826	715	16%	10%	6%
WW	1,521	1,313	16%	13%	3%
Baby & Kids Care					
US	215	199	8%	8%	0%
Intl	719	628	15%	9%	6%
WW	934	827	13%	9%	4%
Oral Care (3)					
US	389	NA	-	-	-
Intl	324	NA	-	-	-
WW	713	NA	-	-	-
OTC/Nutritionals					
US	1,239	859	44%	44%	0%
Intl	1,224	427	187%	181%	6%
WW	2,463	1,286	91%	89%	2%
Women's Health					
US	326	297	10%	10%	0%
Intl	558	517	8%	2%	6%
WW	884	814	9%	5%	4%

(2) 2007 Includes sales from acquisition of PCH

(3) Oral Care not disclosed in 2006

#### SOURCE Johnson & Johnson

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