



Johnson & Johnson 2000 Second Quarter EPS Rose 14.6% Sales Increased 7.7% Net Earnings Rose 14.3

NEW BRUNSWICK, N.J., July 18 -- Johnson & Johnson (NYSE: JNJ) today announced record sales of \$7.5 billion and record net earnings of \$1.3 billion for the second quarter of 2000, increases of 7.7% and 14.3%, respectively, over 1999 second-quarter results. Diluted earnings per share for the second quarter were \$.94, up 14.6% from the same period in 1999. The impact of the stronger dollar relative to foreign currencies reduced second-quarter sales by 2.5%. Domestic sales increased 12.3%. International sales growth in local currency of 7.5% was partially offset by a negative currency impact of 5.6%.

"While the strength of the dollar adversely affected our reported sales, I am extremely pleased at our double-digit worldwide operational growth. Importantly, our continuing emphasis on productivity and cost reduction allowed us to achieve both record sales and net income with less than 1% in net price increases on a worldwide basis," said Ralph S. Larsen, Chairman and Chief Executive Officer. Mr. Larsen also stated: "An area of notable strength is our pharmaceutical business where we experienced particularly robust growth."

Worldwide pharmaceutical sales of \$3.2 billion for the quarter increased 13.9% over the same period in 1999, including 23.6% growth in domestic sales and a 1.2% decrease in international sales. International sales gains in local currency of 5.6% were offset by a negative currency impact of 6.8%.

Sales growth reflects the strong performance of PROCIT/EPREX, for the treatment of anemia; RISPERDAL, an antipsychotic medication; DURAGESIC, a transdermal patch for chronic pain; LEVAQUIN, an anti-infective; ULTRAM, an analgesic; REMICADE, a treatment for rheumatoid arthritis and Crohn's disease, and the oral contraceptive line of products. PROPULSID (cisapride), a gastrointestinal prokinetic, experienced an anticipated decline in sales. In March, the company announced a limited-access program for PROPULSID and that the product would no longer be marketed in the United States.

During the quarter, the company received approval from the European regulatory authority for REMICADE (infliximab) with methotrexate for the reduction of signs and symptoms of rheumatoid arthritis.* REMICADE is the first of a new class of agents that neutralize a key inflammatory mediator called TNF-alpha. On July 12, 2000, the U.S. Food and Drug Administration's (FDA) Arthritis Advisory Committee unanimously recommended approval of an additional claim for the use of REMICADE (infliximab) with methotrexate for the reduction of joint damage in patients with rheumatoid arthritis.

On July 12, 2000, the company also announced that REMINYL (galantamine), a new treatment for mild to moderately severe Alzheimer's disease, successfully completed the European Mutual Recognition Process. Thirteen European countries, as well as Norway and Iceland, have mutually agreed to recognize the earlier approval of REMINYL by the Reference Member State, Sweden. REMINYL has been shown to significantly benefit the cognitive, functional and behavioral symptoms of patients with the disease.

Professional segment sales in the second quarter increased over the same period in the prior year by 5.1% to \$2.6 billion with domestic and international sales up 3.4% and 7.0% respectively. International sales gains in local currency of 11.1% were partially offset by a negative currency impact of 4.1%. Strong sales performances by DePuy's orthopaedic joint reconstruction and spinal products; Ethicon Endo-Surgery's minimally invasive surgical products; Cordis' coronary and endovascular stents; Ethicon's Mitek suture anchors and Gynecare's women's health products, and Vistakon's disposable contact lens products were the primary contributors to the Professional segment growth.

In patients with active disease when the response to disease modifying drugs, including methotrexate, has been inadequate.

During the quarter, the company received FDA approval to market its new BX VELOCITY Coronary Artery Stent for the treatment of abrupt or threatened closure of arteries. The BX VELOCITY is extremely deliverable even in the most tortuous arteries and provides excellent angiographic results. The launch of the BX VELOCITY has been very well received. The company also received European approval for its new heparin-coated BX VELOCITY Coronary Stent utilizing a proprietary coating, Hepacoat. Heparin is a safe, effective pharmaceutical agent widely used for reducing or helping to prevent clotting.

In addition, on June 19, 2000, an FDA advisory panel unanimously recommended approval of the company's CHECKMATE Intravascular Brachytherapy System for gamma radiation treatment of patients with in-stent restenosis, a complication associated with coronary artery disease. The CHECKMATE System, currently undergoing expedited review at the FDA, is the first of its kind to be recommended for FDA approval.

Worldwide Consumer segment sales for the second quarter of 2000 were \$1.7 billion, an increase of 1.2% versus the same

period a year ago. Domestic sales were up 3.3% while international sales gains in local currency of 5.0% were offset by a negative currency impact of 6.1%. Consumer sales were led by continued strength in the skin care franchise, which includes the NEUTROGENA, RoC and CLEAN & CLEAR product lines. During the quarter, the company launched MOTRIN Migraine Pain, the first over-the-counter, ibuprofen-based treatment proven effective for migraine headache pain.

Johnson & Johnson, with approximately 99,000 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 190 operating companies in 51 countries around the world, selling products in more than 175 countries. In 1999, the company recorded sales of \$27.5 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 of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company's expectations and projections. 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 Exhibit 99(b) of the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000. Copies of this Form 10-K are available on request from the Company. The Company assumes no obligation 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)

	SECOND QUARTER		
	2000	1999	Percent Increase/ (Decrease)
SALES TO CUSTOMERS BY SEGMENT OF BUSINESS			
Consumer			
Domestic	\$ 902	873	3.3
International	805	814	(1.1)
	1,707	1,687	1.2
Pharmaceutical			
Domestic	2,121	1,716	23.6
International	1,100	1,113	(1.2)
	3,221	2,829	13.9
Professional			
Domestic	1,360	1,315	3.4
International	1,220	1,140	7.0
	2,580	2,455	5.1
Domestic	4,383	3,904	12.3
International	3,125	3,067	1.9
WORLDWIDE	\$ 7,508	6,971	7.7

JOHNSON & JOHNSON AND SUBSIDIARIES
SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

SIX MONTHS

	2000	1999	Percent Increase/ (Decrease)
	-----	-----	-----
SALES TO CUSTOMERS BY SEGMENT OF BUSINESS			
Consumer			
Domestic	\$ 1,845	1,801	2.4
International	1,614	1,615	(.1)
	-----	-----	
	3,459	3,416	1.3
	-----	-----	
Pharmaceutical			
Domestic	4,070	3,244	25.5
International	2,193	2,162	1.4
	-----	-----	
	6,263	5,406	15.9
	-----	-----	
Professional			
Domestic	2,671	2,604	2.6
International	2,434	2,284	6.6
	-----	-----	
	5,105	4,888	4.4
	-----	-----	
Domestic	8,586	7,649	12.2
International	6,241	6,061	3.0
	-----	-----	
WORLDWIDE	\$ 14,827	13,710	8.1
	-----	-----	

JOHNSON & JOHNSON AND SUBSIDIARIES
SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

	SECOND QUARTER		
	2000	1999	Percent Increase/ (Decrease)
	-----	-----	-----
SALES TO CUSTOMERS BY GEOGRAPHIC AREA			
Domestic	\$ 4,383	3,904	12.3
Europe	1,665	1,713	(2.8)
Western Hemisphere			
Excluding U.S.	507	503	.8
Asia-Pacific, Africa	953	851	12.0
	-----	-----	
International	3,125	3,067	1.9
	-----	-----	
WORLDWIDE	\$ 7,508	6,971	7.7
	-----	-----	

JOHNSON & JOHNSON AND SUBSIDIARIES
SUPPLEMENTARY SALES DATA
(Unaudited; Dollars in Millions)

SIX MONTHS

Percent
Increase/

	2000	1999	(Decrease)
	----	----	-----
SALES TO CUSTOMERS BY GEOGRAPHIC AREA			
Domestic	\$ 8,586	7,649	12.2
Europe	3,343	3,460	(3.4)
Western Hemisphere			
Excluding U.S.	1,023	981	4.3
Asia-Pacific, Africa	1,875	1,620	15.7
	-----	-----	
International	6,241	6,061	3.0
	-----	-----	
WORLDWIDE	\$ 14,827	13,710	8.1
	-----	-----	

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

	SECOND QUARTER	

	2000	

	Amount	Percent to Sales
	-----	-----
Sales to customers	\$ 7,508	100.0
	-----	-----
Cost of products sold	2,256	30.0
Selling, marketing and administrative expenses	2,745	36.6
Research expense	667	8.9
Interest (income) expense, net	(43)	(.6)
Other (income) expense, net	17	.2
	-----	-----
	5,642	75.1
	-----	-----
Earnings before provision for taxes on income	1,866	24.9
Provision for taxes on income	535	7.2
	-----	-----
Net earnings	\$ 1,331	17.7
	-----	-----
Net earnings per share (Diluted)	\$.94	

Average shares outstanding (Diluted)	1,413.6	
Effective tax rate	28.7%	

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

	SECOND QUARTER		

	1999		

	Amount	Percent to Sales	Percent Increase
	-----	-----	-----
Sales to customers	\$ 6,971	100.0	7.7
	-----	-----	-----
Cost of products sold	2,123	30.5	6.3

Selling, marketing and administrative expenses	2,588	37.1	6.1
Research expense	596	8.5	11.9
Interest (income) expense, net	--	--	
Other (income) expense, net	35	.5	
	-----	-----	
	5,342	76.6	5.6
	-----	-----	
Earnings before provision for taxes on income	1,629	23.4	14.5
Provision for taxes on income	465	6.7	15.1
	-----	-----	
Net earnings	\$ 1,164	16.7	14.3
	-----	-----	
Net earnings per share (Diluted)	\$.82		14.6

Average shares outstanding (Diluted)	1,421.2		
Effective tax rate	28.5%		

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

	SIX MONTHS	

	2000	

	Amount	Percent to Sales
	-----	-----
Sales to customers	\$ 14,827	100.0
	-----	-----
Cost of products sold	4,497	30.3
Selling, marketing and administrative expenses	5,354	36.2
Research expense	1,304	8.8
Interest (income) expense, net	(74)	(.5)
Other (income) expense, net	(12)	(.1)
	-----	-----
	11,069	74.7
	-----	-----
Earnings before provision for taxes on income	3,758	25.3
Provision for taxes on income	1,113	7.5
	-----	-----
Net earnings	\$ 2,645	17.8
	-----	-----
Net earnings per share (Diluted)	\$ 1.87	

Average shares outstanding (Diluted)	1,412.8	
Effective tax rate	29.6%	

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

SIX MONTHS

	----- Amount -----	Percent to Sales -----	Percent Increase -----
Sales to customers	\$ 13,710	100.0	8.1
Cost of products sold	4,193	30.6	7.3
Selling, marketing and administrative expenses	5,025	36.7	6.5
Research expense	1,153	8.4	13.1
Interest (income) expense, net	--	--	
Other (income) expense, net	88	.6	
	----- 10,459 -----	----- 76.3 -----	----- 5.8 -----
Earnings before provision for taxes on income	3,251	23.7	15.6
Provision for taxes on income	949	6.9	17.3
Net earnings	\$ 2,302	16.8	14.9
Net earnings per share (Diluted)	\$ 1.62		15.4
Average shares outstanding (Diluted)	1,418.8		
Effective tax rate	29.2%		

SOURCE Johnson & Johnson

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