



## Third Quarter Results 1998

New Brunswick, NJ (October 13, 1998) -- Johnson & Johnson today announced sales of \$5.7 billion and net earnings of \$961 million for the third quarter of 1998, increases of 2.5% and 12.4%, respectively, over 1997 third quarter results. Diluted earnings per share for the third quarter were \$.70, up 11.1% from the same period in 1997. The impact of the stronger dollar relative to foreign currencies decreased third quarter sales by 2.3%. Domestic sales increased 3.8% in the quarter while international sales increased by 0.9%. International sales gains in local currency of 5.7% were offset by a negative currency impact of 4.8%, reflecting particularly difficult economic conditions in Asian markets. Ralph S. Larsen, Chairman and Chief Executive Officer, said, "Despite economic turmoil in many parts of the world, our continued efforts to enhance productivity and take unnecessary costs out of the business have enabled us to deliver consistently strong earnings growth to our shareholders." Mr. Larsen also stated, "I am particularly pleased with the strong performance of our pharmaceutical business."

Worldwide Pharmaceutical sales of \$2.1 billion for the quarter increased 9.4% versus the same period in 1997, including 16.1% growth in domestic sales. International sales increased by 2.2%. Sales gains in local currency of 6.0% were partially offset by a negative currency impact of 3.8%. Worldwide growth reflects the strong performance of RISPERDAL, an antipsychotic medication; PROCIT, for the treatment of anemia; DURAGESIC, a transdermal patch for chronic pain, and the oral contraceptive line of products. Recently PARIET/ACIPHEX (rabeprazole), a proton pump inhibitor for duodenal and gastric ulcers, gastroesophageal reflux disease (GERD) and GERD maintenance received European Union approval.

Worldwide sales of \$2.0 billion in the Professional segment declined by 2.2% versus the third quarter of 1997. Domestic sales were down 4.4% in the quarter while international sales gains in local currency of 4.8% were largely offset by the strength of the U.S. dollar. Strong sales growth of Ethicon Endo-Surgery's laparoscopy and mechanical closure products, Ethicon's Mitek suture anchors and Gynecare's women's health products, LifeScan's blood glucose monitoring systems and Johnson & Johnson Professional's orthopaedic products were offset by a decline in sales of Cordis' coronary stents.

During the quarter, the Company announced a definitive agreement for the acquisition of DePuy Inc., one of the world's leading orthopaedic products companies with products in reconstructive, spinal, trauma, and sports medicine. DERMABOND, a topical skin adhesive for wound closure, was approved for marketing by the FDA in the third quarter and initial U.S. sales have been strong.

Worldwide Consumer segment sales for the third quarter were essentially unchanged versus the same period a year ago. Domestic sales increased by 0.6% in the quarter while international sales declined by 0.3%. International sales gains in local currency of 6.5% were offset by a negative currency impact of 6.8%. 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. At the end of the quarter, the Johnson & Johnson - Merck joint venture introduced a new chewable form of PEPCID AC which offers convenience and portability.

Consolidated sales for the first nine months of 1998 were \$17.3 billion, an increase of 1.7% over sales of \$17.0 billion for the same period a year ago. Sales growth of 5.1% in local currency was reduced by 3.4% due to the effect of the strong U.S. dollar.

Consolidated net earnings for the first nine months of 1998 were \$3.0 billion, or \$2.17 per diluted share, compared with nine month 1997 earnings of \$2.7 billion or \$1.96 per share, increases of 11.3% and 10.7%, respectively.

Johnson & Johnson, with approximately 91,000 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 more than 180 operating companies in 51 countries around the world, selling products in more than 175 countries. In 1997, Johnson & Johnson recorded sales of \$22.6 billion.