



## First Quarter 1999 Results

New Brunswick, NJ (April 20, 1999) -- Johnson & Johnson today announced sales of \$6.6 billion and net earnings of \$1.1 billion for the first quarter of 1999, increases of 14.8% and 11.7%, respectively, over 1998 first-quarter results. Diluted earnings per share for the first quarter were \$.82, up 12.3% from the same period in 1998. The impact of the stronger dollar relative to foreign currencies decreased first quarter sales by 0.6%. Domestic sales were up 18.2%, while international sales increased 10.9%, reflecting a negative currency impact of 1.3%.

"I am delighted with our strong sales performance and continued ability to deliver double-digit earnings growth," said Ralph S. Larsen, Chairman and Chief Executive Officer. Mr. Larsen also stated, "Of particular note is the broad-based strength across our full range of businesses as well as most geographic areas of the world."

Worldwide pharmaceutical sales of \$2.5 billion for the quarter increased 18.4% over the same period in 1998, including 23.3% growth in domestic sales. International sales increased 12.1%. Sales gains in local currency of 13.0% were modestly offset by a negative currency impact of 0.9%. This growth reflects the strong performance of PROCIT, for the treatment of anemia; RISPERDAL, an antipsychotic medication; DURAGESIC, a transdermal patch for chronic pain; LEVAQUIN, an anti-infective, and ULTRAM, an analgesic. During the quarter, the company received European and Canadian approval for REGRANEX, the first biologic treatment proven to increase the incidence of healing in diabetic foot ulcers. In the United States, the company received FDA approval for SPORANOX Injection, an intravenous treatment for several difficult to treat, potentially life-threatening fungal infections.

Also in the quarter, an approvable letter was received from the FDA for ACIPHEX (rabeprazole), a proton pump inhibitor for gastroesophageal reflux disease (GERD), GERD maintenance and duodenal and gastric ulcers. 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 \$2.4 billion in the Professional segment represented an increase of 18.6% over the first quarter of 1998. In local currency, worldwide sales increased 18.1% before adjusting for a 0.5% positive currency impact. The 1998 acquisition of DePuy, Inc., a leading orthopaedic products manufacturer, contributed to the strong sales growth in the Professional segment. Mr. Larsen stated, "I am especially pleased to have DePuy as part of our family of companies now." In addition, strong performance was achieved by Ethicon Endo-Surgery's laparoscopy and wound closure products; LifeScan's blood glucose monitoring systems, and Ethicon's Mitek suture anchors and Gynecare's women's health products.

During the quarter, the company received FDA approval to market the Lumbar I/F Cage with VSP Spine System, an implant used to treat degenerative disc disease by facilitating interbody fusion of the lumbar spine. The I/F Cage represents a significant improvement over current technology and is viewed by the surgical spine community as truly innovative. In addition to providing anterior column support with secure posterior fixation, it uses a unique carbon fiber reinforced polymer material, the first of its kind to be used in a device approved in the United States for an orthopaedic application.

Worldwide Consumer segment sales for the first quarter of 1999 were \$1.7 billion, an increase of 5.4% versus the same period a year ago. Domestic sales were up 10.4% while international sales gains in local currency of 5.0% were almost entirely offset by a negative currency impact of 4.7%. 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 TYLENOL Arthritis, TYLENOL PM, and TYLENOL COLD.

During the quarter, the company launched its NEUTROGENA line of cosmetics. NEUTROGENA Cosmetics combine beauty and skin benefits. In addition, the company launched BENECOL in the United Kingdom in both a margarine spread and a cream-cheese style product. 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.

The company also completed the acquisition of the dermatological skin care business of S.C. Johnson & Son, Inc., which includes the AVEENO brand specialty soaps, bath, anti-itch and moisturizing cream and lotion products.

Johnson & Johnson, with approximately 93,900 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. The company recorded sales of \$23.7 billion in 1998.

(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 healthcare reforms; trends toward managed care and healthcare 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 10-K for the fiscal year ended January 3, 1999. Copies of this Form 10-K 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.)