



## **Johnson & Johnson 2000 Third Quarter EPS Rose 14.1%; Sales Increased 4.6%; Net Earnings Rose 13.8**

NEW BRUNSWICK, N.J., Oct. 17 -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$7.2 billion and net earnings of \$1.3 billion for the third quarter of 2000, increases of 4.6% and 13.8%, respectively, as compared to 1999 third-quarter results. Diluted earnings per share for the third quarter were \$.89, up 14.1% from the same period in 1999. The impact of the stronger dollar relative to foreign currencies reduced third-quarter sales by 3.6%. Domestic sales increased 7.5%. International sales growth in local currency of 9.3% was almost entirely offset by a negative currency impact of 8.4%.

"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 weakening Euro on our international sales," said Ralph S. Larsen, Chairman and Chief Executive Officer. Mr. Larsen also stated, "Of particular note is the excellent growth in our coronary stent business due to the very successful launch of the Bx VELOCITY stent."

Worldwide pharmaceutical sales of \$2.9 billion for the quarter increased 7.3% over the same period in 1999, including 12.9% growth in domestic sales and a 1.7% decrease in international sales. International sales gains in local currency of 8.1% were offset by a negative currency impact of 9.8%.

Sales growth reflects the strong performance of PROCRI/EPREX, for the treatment of anemia; RISPERDAL, an antipsychotic medication; DURAGESIC, a transdermal patch for chronic pain; LEVAQUIN, an anti-infective; REMICADE, a treatment for rheumatoid arthritis and Crohn's disease, and TOPAMAX, an antiepileptic treatment. PROPULSID (cisapride), a gastrointestinal prokinetic, experienced an anticipated decline in sales resulting from the limited-access program announced in March in the United States.

During the quarter, the Company received approval from the U.S. Food and Drug Administration (FDA) for an additional indication for LEVAQUIN (levofloxacin) for the treatment of complicated skin and skin structure infections. This is the ninth indication for LEVAQUIN, which already is widely used to treat respiratory, urinary and other types of skin infections. The Company also received an approvable letter from the FDA for REMINYL (galantamine), a new treatment for mild to moderately severe Alzheimer's disease. REMINYL has been shown to significantly benefit the cognitive, functional and behavioral symptoms of patients with the disease.

Professional segment sales in the third quarter increased over the same period in the prior year by 4.2% to \$2.5 billion with domestic and international sales up 4.4% and 3.9%, respectively. International sales gains in local currency of 11.8% were partially offset by a negative currency impact of 7.9%. Sales growth reflects the strong performance of Cordis' coronary and endovascular stents; Ethicon's Mitek suture anchors and Gynecare's women's health products; Ethicon Endo-Surgery's MAMMOTOME breast biopsy system and ULTRACISION Harmonic scalpel; Vistakon's disposable contact lens products, and DePuy's spinal products.

The Company received FDA approval to market its new TRAPEASE Permanent Vena Cava Filter. Vena cava filters are used to help prevent pulmonary embolism that occurs when a blood clot breaks free from the peripheral circulation and travels to the lung, blocking the flow of blood. The Company also received FDA approval for its new TRUFILL n-BCA\* Liquid Embolic System for presurgical embolization of cerebral arteriovenous malformations (AVMs), a tangle of abnormally connecting arteries and veins. The TRUFILL n-BCA\* Liquid Embolic System acts as a "surgical glue" to reduce bleeding by blocking the vessels before surgery.

In addition, in July, the Company announced the sale of its DePuy OrthoTech business to dj Orthopedics LLC. DePuy OrthoTech was a producer of knee braces and related products for rehabilitating musculoskeletal disorders.

Worldwide Consumer segment sales for the third quarter of 2000 were \$1.7 billion, an increase of 1.1% versus the same period a year ago. Domestic sales were up 2.0% while international sales gains in local currency of 6.9% were entirely offset by negative currency. Consumer sales were led by continued strength in the skin care franchise, which includes the NEUTROGENA and CLEAN & CLEAR product lines, as well as solid results from McNeil Consumer Healthcare, which markets both the TYLENOL and MOTRIN family of products and other over-the-counter pharmaceuticals.

During the quarter, the Company and its partner, Takeda Chemical Industries, launched several TYLENOL analgesic products in Japan. Japan is the second largest over-the-counter market in the world with sales of more than \$10 billion. In October, the Company announced a nationwide launch of SPLENDA, its non-caloric sweetener made from sugar, in tabletop packages (granular and packet forms). Sucralose, the sweetening ingredient in SPLENDA, has FDA approval for use as a general

purpose sweetener in any food or beverage.

Johnson & Johnson, with approximately 99,100 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.)

- n-Butyl Cyanoacrylate

JOHNSON & JOHNSON AND SUBSIDIARIES  
SUPPLEMENTARY SALES DATA

(Unaudited; Dollars in Millions)

|  | THIRD QUARTER |       |                  |               |       |
|--|---------------|-------|------------------|---------------|-------|
|  | 2000          | 1999  | Percent<br>Total | Change<br>Ops | Curr  |
| SALES TO CUSTOMERS BY<br>SEGMENT OF BUSINESS |               |       |                  |               |       |
| Consumer                                     |               |       |                  |               |       |
| Domestic                                     | \$ 939        | 921   | 2.0%             | 2.0           | --    |
| International                                | 783           | 783   | --               | 6.9           | (6.9) |
|  | 1,722         | 1,704 | 1.1              | 4.3           | (3.2) |
| Pharmaceutical                               |               |       |                  |               |       |
| Domestic                                     | 1,900         | 1,683 | 12.9             | 12.9          | --    |
| International                                | 1,034         | 1,052 | (1.7)            | 8.1           | (9.8) |
|  | 2,934         | 2,735 | 7.3              | 11.0          | (3.7) |
| Professional                                 |               |       |                  |               |       |
| Domestic                                     | 1,390         | 1,331 | 4.4              | 4.4           | --    |
| International                                | 1,158         | 1,114 | 3.9              | 11.8          | (7.9) |
|  | 2,548         | 2,445 | 4.2              | 7.9           | (3.7) |
| Domestic                                     | 4,229         | 3,935 | 7.5              | 7.5           | --    |
| International                                | 2,975         | 2,949 | .9               | 9.3           | (8.4) |
| WORLDWIDE                                    | \$7,204       | 6,884 | 4.6%             | 8.2           | (3.6) |

JOHNSON & JOHNSON AND SUBSIDIARIES  
SUPPLEMENTARY SALES DATA

(Unaudited; Dollars in Millions)

NINE MONTHS

|  | 2000     | 1999   | Percent Change |      |       |
|--|----------|--------|----------------|------|-------|
|  |          |        | Total          | Ops  | Curr  |
| SALES TO CUSTOMERS BY<br>SEGMENT OF BUSINESS |          |        |                |      |       |
| Consumer                                     |          |        |                |      |       |
| Domestic                                     | \$ 2,784 | 2,722  | 2.3%           | 2.3  | --    |
| International                                | 2,397    | 2,398  | --             | 6.0  | (6.0) |
|  | 5,181    | 5,120  | 1.2            | 4.0  | (2.8) |
| Pharmaceutical                               |          |        |                |      |       |
| Domestic                                     | 5,970    | 4,927  | 21.2           | 21.2 | --    |
| International                                | 3,227    | 3,215  | .4             | 8.3  | (7.9) |
|  | 9,197    | 8,142  | 13.0           | 16.0 | (3.0) |
| Professional                                 |          |        |                |      |       |
| Domestic                                     | 4,061    | 3,935  | 3.2            | 3.2  | --    |
| International                                | 3,592    | 3,397  | 5.7            | 11.2 | (5.5) |
|  | 7,653    | 7,332  | 4.4            | 6.9  | (2.5) |
| Domestic                                     | 12,815   | 11,584 | 10.6           | 10.6 | --    |
| International                                | 9,216    | 9,010  | 2.3            | 8.8  | (6.5) |
| WORLDWIDE                                    | \$22,031 | 20,594 | 7.0%           | 9.9  | (2.9) |

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

|  | 2000    | 1999  | THIRD QUARTER<br>Percent Change |      |        |
|--|---------|-------|---------------------------------|------|--------|
|  |         |       | Total                           | Ops  | Curr   |
| SALES TO CUSTOMERS BY<br>GEOGRAPHIC AREA |         |       |                                 |      |        |
| Domestic                                 | \$4,229 | 3,935 | 7.5%                            | 7.5  | --     |
| Europe                                   | 1,496   | 1,577 | (5.1)                           | 9.5  | (14.6) |
| Western Hemisphere<br>Excluding U.S.     | 530     | 514   | 3.1                             | 2.9  | .2     |
| Asia-Pacific, Africa                     | 949     | 858   | 10.6                            | 12.4 | (1.8)  |
| International                            | 2,975   | 2,949 | .9                              | 9.3  | (8.4)  |
| WORLDWIDE                                | \$7,204 | 6,884 | 4.6%                            | 8.2  | (3.6)  |

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

|  | 2000     | 1999   | NINE MONTHS<br>Percent Change |      |        |
|--|----------|--------|-------------------------------|------|--------|
|  |          |        | Total                         | Ops  | Curr   |
| SALES TO CUSTOMERS BY<br>GEOGRAPHIC AREA |          |        |                               |      |        |
| Domestic                                 | \$12,815 | 11,584 | 10.6%                         | 10.6 | --     |
| Europe                                   | 4,839    | 5,028  | (3.8)                         | 8.3  | (12.1) |
| Western Hemisphere<br>Excluding U.S.     | 1,553    | 1,503  | 3.3                           | 4.2  | (.9)   |
| Asia-Pacific, Africa                     | 2,824    | 2,479  | 13.9                          | 12.5 | 1.4    |
| International                            | 9,216    | 9,010  | 2.3                           | 8.8  | (6.5)  |
| WORLDWIDE                                | \$22,031 | 20,594 | 7.0%                          | 9.9  | (2.9)  |

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

THIRD QUARTER

2000                      1999

|   |         | Percent  |         | Percent  | Percent  |
|---|---------|----------|---------|----------|----------|
|   | Amount  | to Sales | Amount  | to Sales | Increase |
| Sales to customers                                | \$7,204 | 100.0    | 6,884   | 100.0    | 4.6      |
| Cost of products sold                             | 2,179   | 30.2     | 2,068   | 30.1     | 5.4      |
| Selling, marketing and<br>administrative expenses | 2,675   | 37.1     | 2,617   | 38.0     | 2.2      |
| Research expense                                  | 692     | 9.6      | 635     | 9.2      | 9.0      |
| Interest (income)/expense,<br>net                 | (75)    | (1.0)    | (17)    | (.2)     |          |
| Other (income)/expense, net                       | (13)    | (.1)     | 50      | .7       |          |
|   | 5,458   | 75.8     | 5,353   | 77.8     | 2.0      |
| Earnings before provision<br>for taxes on income  | 1,746   | 24.2     | 1,531   | 22.2     | 14.0     |
| Provision for taxes on income                     | 482     | 6.7      | 420     | 6.1      | 14.8     |
| Net earnings                                      | \$1,264 | 17.5     | 1,111   | 16.1     | 13.8     |
| Net earnings per share<br>(Diluted)               | \$ .89  |          | .78     |          | 14.1     |
| Average shares outstanding<br>(Diluted)           | 1,415.1 |          | 1,419.0 |          |          |
| Effective tax rate                                | 27.6%   |          | 27.4    |          |          |

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

NINE MONTHS

|  |          | Percent  |         | Percent  | Percent  |
|--|----------|----------|---------|----------|----------|
|  | Amount   | to Sales | Amount  | to Sales | Increase |
| Sales to customers                                   | \$22,031 | 100.0    | 20,594  | 100.0    | 7.0      |
| Cost of products sold                                | 6,676    | 30.3     | 6,261   | 30.4     | 6.6      |
| Selling, marketing and<br>administrative expenses    | 8,029    | 36.4     | 7,642   | 37.1     | 5.1      |
| Research expense                                     | 1,996    | 9.1      | 1,788   | 8.7      | 11.6     |
| Interest (income)/expense,<br>net                    | (149)    | (.7)     | (17)    | (.1)     |          |
| Other (income)/expense, net                          | (25)     | (.1)     | 138     | .7       |          |
|  | 16,527   | 75.0     | 15,812  | 76.8     | 4.5      |
| Earnings before provision for<br>for taxes on income | 5,504    | 25.0     | 4,782   | 23.2     | 15.1     |
| Provision for taxes on income                        | 1,595    | 7.3      | 1,369   | 6.6      | 16.5     |
| Net earnings   | \$ 3,909 | 17.7     | 3,413   | 16.6     | 14.5     |
| Net earnings per share<br>(Diluted)                  | \$ 2.77  |          | 2.41    |          | 14.9     |
| Average shares outstanding<br>(Diluted)              | 1,412.5  |          | 1,418.6 |          |          |

Effective tax rate

29.0%

28.6