



Johnson & Johnson Announces Definitive Agreement to Acquire Conor Medsystems

Conor Medsystems to Complement Cordis' Drug-Eluting Stent Capabilities With Unique Controlled Drug Delivery Technology

NEW BRUNSWICK, N.J. AND MENLO PARK, CA., NOV. 16, 2006—

Johnson & Johnson (NYSE: JNJ) and Conor Medsystems (Nasdaq: CONR), a cardiovascular device company, today announced a definitive agreement whereby Johnson & Johnson will acquire Conor Medsystems for approximately \$1.4 billion.

The acquisition of Conor Medsystems by Johnson & Johnson will provide Cordis Corporation, a Johnson & Johnson company, with a unique controlled drug delivery technology. This technology is currently employed on the CoStar® Stent System, a paclitaxel-eluting cobalt chromium stent with a bioabsorbable polymer. The CoStar® Stent is currently sold outside the United States, and enrollment in its U.S. pivotal clinical trial has been completed.

Under the terms of the agreement, an all cash merger transaction, Conor Medsystems' stockholders will receive at closing \$33.50 for each outstanding Conor Medsystems share. The \$1.3 billion estimated net value of the transaction is based on Conor Medsystem's 42.7 million fully diluted shares outstanding, net of estimated cash on hand at time of closing.

The boards of directors of Johnson & Johnson and Conor Medsystems have approved the transaction, which is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act, Conor Medsystems stockholder approval and other customary closing conditions. The transaction is expected to close in the first quarter of 2007.

Nicholas J. Valeriani, Johnson & Johnson Worldwide Chairman, Cardiovascular Devices and Diagnostics, said, "The addition of Conor Medsystems to the Johnson & Johnson Family of Companies reaffirms our strong commitment to patients with cardiovascular disease and the physicians who treat them."

He continued, "Cordis led the transformation of the treatment of coronary artery disease with the introduction of the first coronary stent, and later reinvented the category with the creation of the CYPHER® Sirolimus-Eluting Stent*. With Conor Medsystems, we are positioned to lead the development of next generation technologies aimed at advancing the standard of care in the treatment of coronary artery disease."

Conor Medsystems' CoStar® Stent, which provides for drug elution from a stent with a fully bioabsorbable polymer, employs a unique reservoir drug-delivery technology. These reservoirs enable site-specific drug delivery as well as the potential for delivery of multiple therapeutic agents that may be useful in the treatment of cardiovascular, peripheral vascular and neurovascular diseases. The technology also has potential in other non-vascular clinical indications.

Conor Medsystems will operate as part of the Cordis franchise, the global leader in drug-eluting stents for the treatment of coronary artery disease.

Rick Anderson, Johnson & Johnson Company Group Chairman with responsibility for the Cordis business, said: "Cordis is looking forward to strengthening its portfolio with the addition of the CoStar® Stent System. We will offer physicians and the patients they treat the most comprehensive portfolio of stents, therapeutic agents, delivery platforms and polymers. By combining the unique capabilities of Conor Medsystems and Cordis, we are confident that we will bring innovative solutions to patients around the world."

Conor Medsystems Chairman and Chief Executive Officer Frank Litvack, M.D., said: "This transaction couples our highly competitive technology platform with the resources of the world's leading health care company. We believe it is clearly in the best interest of Conor Medsystems' stockholders and of patients worldwide who seek treatment for vascular disease. Cordis, which created the drug-eluting stent category, is the ideal partner to maximize the potential of our strong technology portfolio, and to accelerate the adoption of this important technology."

Upon closing, Johnson & Johnson is expected to incur an estimated one-time after-tax charge of approximately \$600 million, reflecting the write-off of in-process research and development charges (IPR&D). Excluding IPR&D, the acquisition is expected to be modestly dilutive to Johnson & Johnson's earnings per share in 2007. Additional commentary regarding the financial impact will be discussed during the conference call noted below.

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 230 Johnson & Johnson operating companies employ approximately 115,700 men and women in 57 countries and sell products throughout the world.

Conor Medsystems develops innovative controlled vascular drug delivery technologies, and has primarily focused on the development of drug-eluting stents to treat coronary artery disease. For further information on Conor Medsystems and controlled vascular delivery, visit <http://www.conormed.com>.