

Sample Value Line Stock Page

	1	2	3	4	5	6	7	8	9	10	
	JOHNSON & JOHNSON NYSE:JNJ RECENT PRICE 51.82 P/E RATIO 20.8 (Trailing: 23.0 Median: 23.0) RELATIVE P/E RATIO 1.46 DIV'D YLD 1.7% VALUE LINE										
	TIMELINESS 2 Raised 10/11/02 High: 14.7 12.6 14.1 23.1 27.0 33.7 44.9 53.4 53.0 61.0 65.9 57.6 SAFETY 1 New 7/27/90 Low: 10.8 8.9 9.0 13.4 20.8 24.3 31.7 38.5 33.1 40.3 41.4 49.1 Target Price Range 2006 2007 2008 TECHNICAL 2 Raised 2/28/03 LEGENDS: 15.0 x "Cash Flow" p/sh 2-for-1 2-for-1 BETA .75 (1.00 = Market) 2-for-1 split 6/96 2-for-1 split 6/01 2-for-1 split 6/01 2006-08 PROJECTIONS Ann'l Total Options: Yes Shaded area indicates recession High 80 Gain (+55%) Return 13% Low 65 Gain (+25%) Return 8%										
29	Insider Decisions AM J J A S O N D To Buy 0 0 0 1 0 0 0 0 0 0 0 To Sell 1 0 0 5 1 0 0 1 0 0 0 Institutional Decisions 10/2002 2/2002 3/2002 to Buy 544 506 600 to Sell 706 789 679 Held (000) 189187018374791813102 Percent shares traded 9 6 3										
28	1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 VALUE LINE PUB., INC. 06-08 2.91 3.38 3.66 4.22 4.67 5.25 5.50 6.12 7.27 8.11 8.41 8.80 9.88 10.47 10.83 12.20 13.45 14.90 Sales per sh ^A 18.75 .43 .51 .56 .65 .73 .85 .93 1.06 1.26 1.46 1.62 1.83 2.03 2.27 2.46 2.85 3.30 3.75 "Cash Flow" per sh 4.80 .30 .36 .41 .48 .55 .62 .69 .78 .93 1.09 1.21 1.34 1.49 1.70 1.91 2.23 2.60 3.00 Earnings per sh ^B 3.70 .10 .12 .14 .16 .19 .22 .25 .28 .32 .37 43 .49 .55 .62 .70 .80 .87 Div'ds Decl'd per sh ^C 1.21 .19 .25 .28 .31 .37 .42 .38 .36 .48 .52 .52 .54 .62 .59 .57 .60 .60 .65 Cap'l Spending per sh .85 1.27 1.31 1.56 1.84 2.11 1.97 2.17 2.77 3.49 4.07 4.59 5.06 5.83 6.76 7.95 8.10 9.90 12.00 Book Value per sh ^D 19.15 2753.5 2664.6 2664.4 2664.6 2665.3 2621.6 2571.9 2572.0 2590.7 2665.0 2690.3 2688.1 2779.4 2781.9 3047.2 2970.0 2970.0 2970.0 Common Shs Outstg ^E 2970.0 17.9 14.2 15.4 16.5 20.5 20.0 15.4 14.8 18.5 22.4 24.9 28.1 31.6 26.4 27.2 25.9 Bold figures are Value Line estimates 1.29 1.18 1.17 1.23 1.31 1.21 .91 .97 1.24 1.40 1.44 1.46 1.80 1.72 1.39 1.38 Relative P/E Ratio 1.35 1.9% 2.4% 2.2% 2.1% 1.7% 1.8% 2.4% 2.4% 1.9% 1.5% 1.4% 1.3% 1.2% 1.4% 1.3% 1.4% Avg Ann'l Div'd Yield 1.6%										
27	20 CAPITAL STRUCTURE as of 9/30/02 Total Debt \$4483 mil. Due in 5 Yrs \$1149 mil. 21.3% 22.4% 23.2% 24.6% 25.1% 26.6% 27.0% 27.4% 28.8% 30.5% 32.5% 33.0% LT Debt \$2102 mil. LT Interest \$145 mil. 1787.0 2006.0 2403.0 1009.0 1067.0 1246.0 1444.0 1515.0 1605.0 1700 1925 2100 Leases, Uncapitalized Annual rentals \$117.0 mil. 617.0 724.0 857.0 1009.0 1067.0 1246.0 1444.0 1515.0 1605.0 1700 1925 2100 Pension Liability None 23.4% 25.2% 27.6% 28.4% 27.8% 27.1% 27.5% 27.5% 28.2% 28.4% 28.5% 28.5% Pfd Stock None 12.6% 12.7% 12.8% 13.4% 14.6% 15.3% 16.5% 17.8% 18.7% 19.7% 20.3% 20.2% Common Stock 2,970,581,455 shs. as of 10/25/02 2005.0 2414.0 3550.0 4186.0 5280.0 2970.0 5746.0 8310.0 10429 10300 11700 13400 MARKET CAP: \$153.9 billion (Large Cap) 1493.0 2199.0 2107.0 1410.0 1126.0 1269.0 2450.0 2037.0 2217.0 2100 2100 2400 CURRENT POSITION (SMILL) 26.1% 22.3% 22.3% 24.2% 24.9% 25.2% 22.9% 23.3% 22.5% 26.0% 25.0% 24.0% 32.1% 28.2% 26.6% 26.6% 26.7% 27.1% 26.0% 25.5% 24.3% 28.0% 27.0% 25.5% 20.3% 18.0% 17.4% 17.7% 17.5% 17.5% 16.8% 16.4% 15.8% 18.5% 18.0% 17.5% 37% 36% 34% 34% 34% 35% 35% 35% 35% 33% 31% All Div'ds to Net Prof 32%										
26	21 Business : Johnson & Johnson manufactures and sells health care products. Major lines by segment: Consumer (baby care, non-prescription drugs, sanitary protection, and skin care), Professional (wound closures, minimally invasive surgical instruments, diagnostics, orthopedics, and contact lenses), and Pharmaceutical (contraceptives, and psychiatric, anti-infective, and dermatological drugs). Important brands: Band-Aid, Monistat, Neutrogena, Reach, Stayfree, and Tylenol. Int'l business, 38% of '02 sales. '01 deprec. rate: 12.9%; R&D, 10.9% of sales. Has 101,800 empl.; 164,200 stockholders. Off./Dir. own 0.2% (3/02 Proxy). Chrm. & CEO: William Weldon, Inc.: NJ. Addr.: One Johnson & Johnson Plaza, New Brunswick, NJ 08933. Tel.: 732-524-0400. Internet: www.jnj.com.										
25	22 Johnson & Johnson is in talks to acquire the biotechnology firm Scios for \$2.4 billion. The cash-for-stock exchange, pending government antitrust clearance and Scios shareholder approval, will likely close during the June quarter. (J&J will pay \$45 for each Scios share.) Scios sells <i>Natrecor</i> , a drug for congestive heart failure. About five million Americans suffer from heart failure each year, which results in a million hospital admissions. <i>Natrecor</i> sales totaled roughly \$100 million last year. Leveraging its sales and marketing expertise and applying novel technology to improve the drug's delivery, J&J should be able to accelerate <i>Natrecor's</i> revenue growth rate to a yearly sales average of \$600 million. We expect the deal to dilute our 2003 and 2004 share net by about \$0.10, and the company to recognize an in-process R&D charge of \$700 million. (In line with <i>Value Line</i> tradition, the impact of the acquisition is excluded from our presentation until consummated.) The deal is a risky one. We think J&J's primary interest in Scios is for its pipeline of inflammatory disease products, specifically, the potential blockbuster <i>SCIO-469</i> , an oral pill in Phase II studies for rheumatoid arthritis. Current competitors on the market, such as Amgen's <i>Enbrel</i> and J&J's own <i>Remicade</i> , are injectible. Although <i>SCIO-469s</i> more convenient dosing would help it gain a significant share of the multibillion dollar market, \$2.4 billion is an expensive bet on a compound in the very early stages of development. The company's drug-eluting stent may soon receive FDA approval. Sales of <i>Cypher</i> , which should be cleared for the domestic market by April, may well reach several hundred million dollars this year. We have concerns about this timely stock's growth potential out to 2006-2008. Competition facing J&J's pharmaceutical division, which accounts for 45% of revenues, is a formidable threat to the company's earnings growth rate. <i>Nancy Chow</i> March 7, 2003										
24	23 Annual Rates Past 10 Yrs. Past 5 Yrs. Est'd '99-'01 of change (per sh) 9.5% 7.5% 9.0% Sales 13.0% 12.5% 11.5% "Cash Flow" 13.5% 13.0% 12.0% Earnings 14.0% 14.0% 10.0% Dividends 14.0% 15.0% 16.0% Book Value 14.0% 15.0% 16.0%										
23	24 Quarterly Sales (\$ mil.) Fiscal Year Ends Mar.Per Jun.Per Sep.Per Dec.Per Full Fiscal Year 2000 7319 7508 7204 7108 29139 2001 8021 8342 8238 8403 33004 2002 8743 9073 9079 9403 36298 2003 9600 9800 10100 10400 39900 2004 10600 10900 11000 11800 44300 Earnings Per Share Fiscal Year Ends Mar.Per Jun.Per Sep.Per Dec.Per Full Fiscal Year 2000 .47 .47 .45 .31 1.70 2001 .50 .51 .50 .40 1.91 2002 .59 .60 .60 .46 2.23 2003 .67 .69 .67 .57 2.60 2004 .77 .79 .77 .67 3.00 Quarterly Dividends Paid Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 1999 .125 .14 .14 .14 .55 2000 .14 .16 .16 .16 .62 2001 .16 .18 .18 .18 .70 2002 .18 .205 .205 .205 .80 2003										
22	25 Quarterly Dividends Paid Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year 1999 .125 .14 .14 .14 .55 2000 .14 .16 .16 .16 .62 2001 .16 .18 .18 .18 .70 2002 .18 .205 .205 .205 .80 2003										
21	26 Company's Financial Strength Stock's Price Stability A++ Price Growth Persistence A Earnings Predictability 100 To subscribe call 1-800-833-0046.										
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1. **Value Line's Ranks**—the rank for Timeliness; the rank for Safety; the Technical rank. Beta, the stock's sensitivity to fluctuations of the market as a whole, is included in this box but is not a rank. (*See Glossary for Industry rank.*)
 2. **The Legends box** contains the "cash flow" multiple, the amounts and dates of recent stock splits and an indication if options on the stock are traded.
 3. **Monthly price ranges of the stock**—plotted on a ratio (logarithmic) grid to show percentage changes in true proportion. For example, a ratio chart equalizes the move of a \$10 stock that rises to \$11 with that of a \$100 stock that rises to \$110. Both have advanced 10% and over the same space on a ratio grid.
 4. **The "cash flow" line**—reported earnings plus depreciation ("cash flow") multiplied by a number selected to correlate the stock's 3- to 5-year projected target price, with "cash flow" projected out to 2004.
 5. **Recent price**—see page 2 of the *Summary & Index* for the date, just under "Index to Stocks."
 6. **P/E ratio**—the recent price divided by the latest six months' earnings per share plus earnings estimated for the next six months.
 7. **Trailing and median P/E**—the first is the recent price divided by the sum of reported earnings for the past 4 quarters; the second is an average of the price/earnings ratios over the past 10 years.
 8. **Relative P/E ratio**—the stock's current P/E divided by the median P/E for all stocks under Value Line review.
 9. **The stock's highest and lowest price of the year.**
 10. **Dividend yield**—cash dividends estimated to be declared in the next 12 months divided by the recent price.
 11. **Target Price Range**—the range in which a stock price is likely to trade in the years 2006-08. Also shown in the "Projections" box on the left.
 12. **Relative Price Strength** describes the stock's past price performance relative to the Value Line Arithmetic Composite Average of approximately 1,700 stocks. (A rising line indicates the stock price has been rising more than the Value Line universe.)
 13. **The % Total Return** shows the price appreciation and dividends of a stock and the Value Line Arithmetic Composite Index for the past 1, 3, and 5 years.
 14. **The percent of shares traded monthly**—the number of shares traded each month as a % of the total outstanding.
 15. **Statistical Array**—Value Line estimates appearing in the area on the right side are in *bold italics*.
 16. **Business Data**—a brief description of the company's business and major products along, with other important data.
 17. **Analyst's Commentary**—an approximately 350-word report on recent developments and prospects—issued every three months on a preset schedule.
 18. **The expected date of receipt by subscribers.** *The Survey* is mailed on a schedule that aims for delivery to every subscriber on Friday afternoon.
 19. **Value Line's Indexes** of Financial Strength, Stock's Price Stability, Price Growth Persistence, and Earnings Predictability. (*See Glossary for definitions.*)
 20. **Footnotes** explain a number of things, such as the way earnings are reported, whether basic or diluted.
 21. **Quarterly dividends paid** are actual payments. The total of dividends paid in four quarters may not equal the figure shown in the annual series on dividends declared in the Statistical Array. (Sometimes a dividend declared at the end of the year will be paid in the first quarter of the following year.)
 22. **Quarterly sales** are shown on a gross basis. Quarterly earnings on a per-share basis (estimates in bold type).
 23. **Annual rates of change** (on a compound per-share basis). Actual for each of the past 5 and 10 years, estimated for the next 3 to 5 years.
 24. **Current position**—total current assets and total current liabilities, and their detail.
 25. **The capital structure** as of the indicated recent date showing, among other things, the \$ amount and % of capital in long-term debt and preferred stock. We also show the number of times that interest charges were earned.
 26. **Statistical Array**—historical financial data appears in regular type.
 27. **Stock purchases/sales by institutions**—the number of times institutions with more than \$100 million of assets under management bought or sold stock during the past three quarters and the total number of shares held by those institutions at the end of each quarter.
 28. **The record of insider decisions**—the number of times officers and directors bought or sold stock or exercised options during the past nine months.
 29. **The projected stock price** in 2006-08. Also, the total expected % gain/loss before dividends and the Annual Total Return (% including dividends).
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