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Johnson & Johnson Presents Growth Strategies for Medical Devices & Diagnostics Segment

- Building Market Leadership
- Strengthening Global Presence
- Adapting to Changing Global Markets
- Focusing on Total Solutions

NEW YORK, Jan. 22, 2013 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) will present its Medical Devices & Diagnostics (MD&D) business strategy for accelerating growth during its annual Business Review today. The presentations will focus on its market leading products, plans for global expansion and meaningful innovations in MD&D that position the company well for long-term growth in a dynamic market. Johnson & Johnson last highlighted its MD&D business in 2010.

"Our MD&D business is the largest medical technology business in the world with sales of $27.4 billion, which grew 8.7% operationally with the inclusion of Synthes," Alex Gorsky, Chairman and Chief Executive Officer, said. "We're building on our market leadership positions, having sustained or grown share in the majority of our key platforms, and hold number one or number two positions in over 80% of them today. We're also expanding our MD&D business in emerging markets, and with Synthes, generated strong double-digit growth there last year."

MD&D accounted for about 41% of Johnson & Johnson's total sales in 2012. Its businesses are global leaders with strong market positions across a broad range of areas, including orthopaedics, neurosurgery, general surgery, vision care, diabetes care, infection prevention, cardiovascular and aesthetics.

In the last two years, the company has invested approximately $3.5 billion in research and development for its MD&D segment, advancing its pipelines and developing new technologies and solutions across its businesses. It has also made decisions to shape its portfolio, including completing the approximately $20 billion acquisition of Synthes, Inc.--the largest acquisition in Johnson & Johnson history, while also continuing to take a disciplined approach to adapting its businesses to reflect the evolving needs of the marketplace."

The company announced today that it is initiating an exploratory process to evaluate strategic options for its Ortho Clinical Diagnostics (OCD) business. All options will be evaluated to determine the best opportunity to drive future growth and maximize shareholder value. Options include a possible divestiture if it is determined that OCD could have greater potential as part of another organization whose focus is more closely aligned with its core strengths, or by operating as a stand-alone company. At this time it is not certain that any transaction will be consummated.

"As we look to the future we're advancing innovative new products in our pipeline, continuing to take a disciplined approach to managing our portfolio and adapting our business to the changing marketplace," Gorsky added.

Creating Value Through Innovation
The Company's presentations today will highlight how it is creating value through innovation with products that address significant unmet medical needs, and by evolving its business models to deliver both the clinical and economic value required by a cross-section of stakeholders.

"The Global Medical Solutions (GMS) portfolio plays in separate and distinct markets but what we have in common is the opportunity to bring more value to the healthcare system by leveraging our leading product positions and connecting them inside and outside of Johnson & Johnson to offer solutions that focus on the most critical clinical and economic needs of our customers," said Karen Licitra, Worldwide Chairman, Global Medical Solutions Group.

To address some of these needs, the **OneTouch®Verio®** Glucose testing platform was recently introduced and is the first diabetes care device to alert and display high/low patterns to deliver meaningful and actionable insights to help patients better understand and manage diabetes. Also, recently acquired Calibra Medical expanded the GMS portfolio of insulin delivery innovations with a unique "wearable" insulin patch, which when it is introduced, will make it easier for patients who need an easy-to-administer, meal-time dosing solution.

The Global Surgery Group is focused on bringing innovation to the fast-growing Energy market. The recently approved **HARMONIC ACE®+ Shears**, for example, responds to varying tissue conditions and regulates energy delivery, benefiting both

surgeons and their patients. In 2013, the DePuy Synthes Companies are planning to introduce the **ATTUNE™ Knee System**, which is designed to help patients who are not completely satisfied with current knee replacement systems achieve their optimum performance. More than 2,500 patients have been successfully treated to date.

Global Reach with Local Focus
Johnson & Johnson also continues to explore ways to expand its global footprint and its MD&D business continues to focus on local market needs. Today, 56 percent of the Johnson & Johnson's revenues come from outside the U.S., compared to about 40 percent a decade ago. Moreover, in the past two years, sales growth in emerging markets grew significantly for Johnson & Johnson. Including Synthes, emerging markets now make up 23 percent of Johnson & Johnson sales.

"One million surgical procedures are performed every day around the world, many of them utilizing the technologies created by Johnson & Johnson's Global Surgery Group," said Gary Pruden, Worldwide Chairman, Global Surgery Group. "We are a highly global business, with about 60 percent of Global Surgery sales currently generated outside the U.S. and a strong and growing presence in emerging markets."

The 2012 acquisition of Guangzhou Bioseal Biotech, a company specializing in porcine plasma-based fibrin sealants used to control bleeding during surgical procedures, gives MD&D access to the fast growing Chinese biosurgery market with an advanced biological solution.

In terms of developing and introducing market-appropriate products, GMS has invested in the **OneTouch®SelectSimple®** blood glucose monitoring system, with a simple operating system designed specifically for emerging markets and creating affordable access for patients. Meanwhile, the **ENDOCLENS-N S X ™**is designed for the infection prevention category in emerging markets. It is currently available in Russia, India, Chile, Columbia and Malaysia, and launches are planned for China and Brazil in early 2013.

For the DePuy Synthes companies, accelerating growth in Asia-Pacific and emerging markets will be fueled by customizing its product portfolio, developing simpler and affordable systems, sourcing manufacturing and R&D locally and enhanced training and professional education for practitioners.

Excellence in Execution
The DePuy Synthes merger created the world's largest and most comprehensive orthopedics and neurologics organization. The combined businesses offer expertise in joint reconstruction, trauma, spine, sports medicine, neuro, craniomaxillofacial, power tools and biomaterials. The DePuy Synthes Companies have a presence in more than 60 countries with almost 90 percent of revenue generated in markets where they hold the number one or number two positions.

"By combining the highly complementary product portfolio, geographic presence, capabilities and talent of DePuy and Synthes, we are well-positioned to lead and shape the orthopaedics and neurologics industry. The integration is progressing well, and we are driving innovation, cross-selling and emerging market initiatives to accelerate growth," said Michel Orsinger, Worldwide Chairman, DePuy Synthes Companies.

In Global Surgery, Biosense Webster is the world's leading provider of catheter-based technology to diagnose and treat cardiac arrhythmias through a procedure known as ablation. A steady stream of innovations — like the **CARTO®3 System**, which provides physicians a real-time, three-dimensional view of where they are working within a patient's beating heart to within one millimeter of accuracy — has enabled Biosense Webster to expand its market leadership position, as well as to grow the ablation market overall.

About Today's Meeting
Brief summaries of the MD&D businesses and new products discussed in today's presentations are available on-line.

Johnson & Johnson presented 2012 fourth quarter performance and full-year results earlier today. Presentation materials and recorded webcast is available through www.investor.jnj.com. This webcast is optimized for mobile streaming on iOS devices such as iPhones, iPods and iPads. A replay and podcast will be available approximately two hours after the meeting concludes.

About Johnson & Johnson

Caring for the world, one person at a time…inspires and unites the people of Johnson & Johnson. We embrace research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Our approximately 128,000 employees at more than 250 Johnson & Johnson operating companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

(This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The reader is cautioned not to rely on these forward-looking statements. 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 expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to, general industry conditions and competition; economic factors, such as interest rate and currency exchange rate fluctuations; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; challenges to patents; significant adverse litigation or government action; impact of business combinations; financial distress and bankruptcies experienced by significant customers and suppliers; changes to governmental laws and regulations and domestic and foreign health care reforms; trends toward health care cost containment; increased scrutiny of the health care industry by government agencies; changes in behavior and spending patterns of purchasers of health care products and services; financial instability of international economies and sovereign risk; disruptions due to natural disasters; manufacturing difficulties or delays; and product efficacy or safety concerns resulting in product recalls or regulatory action. A further list and description of these risks, uncertainties and other factors can be found in Exhibit 99 of Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 1, 2012. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.investor.jnj.com or on request from Johnson & Johnson. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.)

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