



April 15, 2014

Johnson & Johnson Reports 2014 First-Quarter Results:

**Sales of \$18.1 Billion increased 3.5% Versus 2013 First Quarter;
First-Quarter EPS was \$1.64
Excluding Special Items, 2014 First-Quarter EPS of \$1.54 increased 6.9%***

NEW BRUNSWICK, N.J., April 15, 2014 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced sales of \$18.1 billion for the first quarter of 2014, an increase of 3.5% as compared to the first quarter of 2013. Operational results increased 5.3% and the negative impact of currency was 1.8%. Domestic sales increased 2.2%. International sales increased 4.5%, reflecting operational growth of 7.9% and a negative currency impact of 3.4%.

Net earnings and diluted earnings per share for the first quarter of 2014 were \$4.7 billion and \$1.64, respectively. The first-quarter results included a net gain of after-tax special items of approximately \$0.3 billion, related to a tax benefit associated with Conor Medsystems partially offset by integration and transaction costs related to the acquisition of Synthes, Inc. and an in-process research and development charge. First quarter 2013 net earnings included a net charge of after-tax special items of approximately \$0.6 billion as shown in the accompanying reconciliation of non-GAAP financial measures. Excluding these special items, net earnings for the current quarter were \$4.4 billion and diluted earnings per share were \$1.54, representing increases of 7.8% and 6.9%, respectively, as compared to the same period in 2013.*

"Johnson & Johnson delivered strong first-quarter results driven by successful new product launches and the continued growth of key products," said Alex Gorsky, Chairman and Chief Executive Officer. "Our talented colleagues around the world continue to bring meaningful innovations to patients and customers, addressing significant unmet needs. We also advanced our near-term priorities and long-term growth drivers, positioning us well to deliver sustainable results."

The Company increased its earnings guidance for full-year 2014 to \$5.80 - \$5.90 per share. The Company's guidance excludes the impact of special items.

Worldwide Consumer sales of \$3.6 billion for the first quarter represented a decrease of 3.2% versus the prior year consisting of an operational decrease of 0.6% and a negative impact from currency of 2.6%.

Domestic sales decreased 2.9% reflecting the divestiture of the sanitary protection business that was completed in October 2013. International sales decreased 3.4%, which reflected an operational increase of 0.7% and a negative currency impact of 4.1%.

Positive contributors to operational results were sales of AVEENO® and DABAO® skin care products; international sales of LISTERINE® oral care products; and U.S. sales of ZYRTEC®, an over-the-counter allergy treatment.

Worldwide Pharmaceutical sales of \$7.5 billion for the first quarter represented an increase of 10.8% versus the prior year with operational growth of 12.2% and a negative impact from currency of 1.4%. Domestic sales increased 7.7%. International sales increased 14.0% which reflected an operational increase of 16.9% and a negative currency impact of 2.9%.

Primary contributors to operational sales growth were STELARA® (ustekinumab), a biologic approved for the treatment of moderate to severe plaque psoriasis and psoriatic arthritis; INVEGA® SUSTENNA®/XEPLION® (paliperidone palmitate), a once-monthly, long-acting, injectable atypical antipsychotic for the treatment of schizophrenia in adults; PREZISTA® (darunavir), a treatment for HIV; VELCADE® (bortezomib), a treatment for multiple myeloma; and sales of new products.

The strong sales results of new products include OLYSIO™/SOVRIAD™ (simeprevir), for combination treatment of chronic hepatitis C in adult patients; ZYTIGA® (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer; XARELTO® (rivaroxaban), an oral anticoagulant; and INVOKANA® (canagliflozin) for the treatment of adults with type 2 diabetes.

Sales results were negatively impacted by loss of exclusivity for ACIPHEX® (rabeprazole), a proton pump inhibitor for gastrointestinal disorders and CONCERTA® (methylphenidate HCl) for the treatment of attention deficit hyperactivity disorder.

During the quarter, the U.S. Food and Drug Administration (FDA) granted approval of IMBRUVICA™ (ibrutinib) capsules for the treatment of patients with chronic lymphocytic leukemia who have received at least one prior therapy. In addition, the European Commission granted conditional approval for SIRTURO® (bedaquiline) in the European Union, for use as part of an appropriate combination regimen for pulmonary multi-drug resistant tuberculosis in adult patients.

Also during the quarter, the Committee for Medicinal Products for Human Use adopted several positive opinions recommending Marketing Authorization in the European Union for the use of simeprevir in combination with other medicinal products for the treatment of chronic hepatitis C in adult patients; siltuximab for the treatment of adult patients with multicentric Castleman's disease who are HIV-negative and human herpes virus-8 negative; and VOKANAMET™, a fixed-dose therapy combining canagliflozin and immediate release metformin in a single tablet, intended for the treatment of adults with type 2 diabetes.

In addition, a New Drug Application was submitted to the FDA seeking approval for a once-daily fixed-dose antiretroviral combination tablet containing darunavir, a protease inhibitor developed by Janssen R&D Ireland and marketed as PREZISTA® in the U.S., with cobicistat, an investigational pharmacokinetic enhancer or boosting agent, developed by Gilead Sciences, Inc. for use in combination with other human immunodeficiency virus medicines.

Worldwide Medical Devices and Diagnostics sales of \$7.1 billion were flat compared to the prior year consisting of an operational increase of 1.8% offset by a negative currency impact of 1.8%. Domestic sales decreased 1.6%. International sales increased 1.3%, which reflected an operational increase of 4.6% and a negative currency impact of 3.3%.

Primary contributors to operational growth were sales of products in the Orthopaedics business; the Specialty Surgery business; and Biosense Webster's electrophysiology products in the Cardiovascular Care business.

Sales results in the U.S. Diabetes Care business were negatively impacted by price declines associated with the implementation of Medicare competitive bidding in mail order and retail effective July 1, 2013.

During the quarter, the FDA approved the THERMOCOOL® SMARTTOUCH® Catheter for treatment of patients suffering from drug-resistant paroxysmal atrial fibrillation.

Also during the quarter, a binding offer was accepted from The Carlyle Group to acquire the Ortho-Clinical Diagnostics business for approximately \$4.0 billion subject to customary adjustments. The transaction is expected to close toward the middle of the year, upon satisfaction of customary closing conditions.

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 128,300 employees at more than 275 Johnson & Johnson operating companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

* Net earnings and diluted earnings per share excluding special items are non-GAAP financial measures and should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the financial schedules accompanying this press release and can be found in the Investor Relations section of the Company's website at www.investor.jnj.com.

Johnson & Johnson will conduct a conference call with investors to discuss this news release today at 8:30 a.m., Eastern Time. A simultaneous webcast of the call for investors and other interested parties may be accessed by visiting the Johnson & Johnson website at www.investor.jnj.com. A replay and podcast will be available approximately two hours after the live webcast by visiting www.investor.jnj.com.

Copies of the financial schedules accompanying this press release are available at www.investor.jnj.com/historical-sales.cfm. These schedules include supplementary sales data, a condensed consolidated statement of earnings, reconciliation of non-GAAP financial measures, and sales of key products/franchises. Additional information on Johnson & Johnson, including a pharmaceutical pipeline of selected compounds in late stage development and a copy of today's earnings call presentation can be found on the Company's website at www.investor.jnj.com.

NOTE TO INVESTORS

(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 known 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: economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; challenges to patents; the impact of patent expirations; significant adverse litigation or government action including related to product liability claims; the impact of business combinations and divestitures; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; changes to governmental laws and regulations and domestic and foreign health care reforms; general industry conditions including trends toward health care cost containment; increased scrutiny of the health care industry by government agencies; financial instability of international economies and sovereign risk; disruptions due to natural disasters; manufacturing difficulties or delays; complex global supply chains with increasing regulatory requirements; 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 Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 29, 2013, including in Exhibit 99 thereto, and our subsequent filings with the Securities and Exchange Commission. Copies of these 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 statement as a result of new information or future events or developments.)

Johnson & Johnson and Subsidiaries

Supplementary Sales Data

(Unaudited; Dollars in Millions)		FIRST QUARTER				
					Percent Change	
	2014	2013	Total	Operations	Currency	
Sales to customers by segment of business						
Consumer						
U.S.	\$ 1,309	1,348	(2.9) %	(2.9)	-	
International	2,248	2,327	(3.4)	0.7	(4.1)	
	3,557	3,675	(3.2)	(0.6)	(2.6)	
Pharmaceutical						
U.S.	3,740	3,471	7.7	7.7	-	
International	3,758	3,297	14.0	16.9	(2.9)	
	7,498	6,768	10.8	12.2	(1.4)	
Med Devices & Diagnostics						
U.S.	3,155	3,206	(1.6)	(1.6)	-	
International	3,905	3,856	1.3	4.6	(3.3)	
	7,060	7,062	0.0	1.8	(1.8)	
U.S.	8,204	8,025	2.2	2.2	-	
International	9,911	9,480	4.5	7.9	(3.4)	
Worldwide	\$ 18,115	17,505	3.5 %	5.3	(1.8)	

Johnson & Johnson and Subsidiaries

Supplementary Sales Data

(Unaudited; Dollars in Millions)		FIRST QUARTER				
					Percent Change	
	2014	2013	Total	Operations	Currency	
Sales to customers by geographic area						
U.S.	\$ 8,204	8,025	2.2 %	2.2	-	
Europe	4,885	4,481	9.0	6.6	2.4	
Western Hemisphere excluding U.S.	1,695	1,783	(4.9)	7.1	(12.0)	
Asia-Pacific, Africa	3,331	3,216	3.6	10.3	(6.7)	
International	9,911	9,480	4.5	7.9	(3.4)	

Worldwide	\$	18,115	17,505	3.5	%	5.3	(1.8)
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Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FIRST QUARTER

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,115	100.0	\$ 17,505	100.0	3.5
Cost of products sold	5,455	30.1	5,554	31.7	(1.8)
Selling, marketing and administrative expenses	5,183	28.6	5,223	29.8	(0.8)
Research and development expense	1,831	10.1	1,784	10.2	2.6
In-process research and development	18	0.1	64	0.4	
Interest (income) expense, net	118	0.7	104	0.6	
Other (income) expense, net	86	0.5	515	3.0	
Earnings before provision for taxes on income	5,424	29.9	4,261	24.3	27.3
Provision for taxes on income	697	3.8	764	4.3	(8.8)
Net earnings	\$ 4,727	26.1	\$ 3,497	20.0	35.2
Net earnings per share (Diluted)	\$ 1.64		\$ 1.22		34.4
Average shares outstanding (Diluted)	2,874.7		2,858.8		
Effective tax rate	12.9	%	17.9	%	

Adjusted earnings before provision for taxes and net earnings (1)

Earnings before provision for taxes on income	\$ 5,560	30.7	\$ 5,070	29.0	9.7
Net earnings	\$ 4,426	24.4	\$ 4,107	23.5	7.8
Net earnings per share (Diluted)	\$ 1.54		\$ 1.44		6.9
Effective tax rate	20.4	%	19.0	%	

(1) See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measures

(Dollars in Millions Except Per Share Data)	First Quarter		% Incr. / (Decr.)
	2014	2013	
Earnings before provision for taxes on income - as reported	\$ 5,424	4,261	27.3 %
Litigation expenses	-	529	
Synthes integration/transaction costs	118	258	
In-process research and development	18	64	
Other	-	(42)	
Earnings before provision for taxes on income - as adjusted	\$ 5,560	5,070	9.7 %
Net Earnings - as reported	\$ 4,727	3,497	35.2 %
Litigation expenses	-	391	
Synthes integration/transaction costs	84	183	
In-process research and development	13	42	

Tax benefit associated with Conor Medsystems	(398)	-		
Other	-	(6)		
Net Earnings - as adjusted	\$ 4,426	4,107	7.8	%
Diluted Net Earnings per share - as reported	\$ 1.64	1.22	34.4	%
Litigation expenses	-	0.14		
Synthes integration/transaction costs	0.03	0.06		
In-process research and development	0.01	0.02		
Tax benefit associated with Conor Medsystems	(0.14)	-		
Other	-	-		
Diluted Net Earnings per share - as adjusted	\$ 1.54	1.44	6.9	%

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of earnings before provision for taxes on income, net earnings and diluted net earnings per share that excludes special items in order to evaluate ongoing business operations.

REPORTED SALES vs. PRIOR PERIOD (\$MM)

FIRST QUARTER

	2014	2013	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
<u>BABY CARE</u>					
US	\$ 102	103	-1.0%	-1.0%	-
Intl	443	461	-3.9%	2.4%	-6.3%
WW	545	564	-3.4%	1.7%	-5.1%
<u>ORAL CARE</u>					
US	160	158	1.3%	1.3%	-
Intl	251	245	2.4%	6.9%	-4.5%
WW	411	403	2.0%	4.7%	-2.7%
<u>OTC</u>					
US	366	354	3.4%	3.4%	-
Intl	645	689	-6.4%	-3.6%	-2.8%
WW	1,011	1,043	-3.1%	-1.2%	-1.9%
<u>SKIN CARE</u>					
US	457	453	0.9%	0.9%	-
Intl	457	449	1.8%	4.5%	-2.7%
WW	914	902	1.3%	2.7%	-1.4%
<u>WOMEN'S HEALTH</u>					
US	24	81	-70.4%	-70.4%	-
Intl	303	320	-5.3%	1.0%	-6.3%
WW	327	401	-18.5%	-13.4%	-5.1%
<u>WOUND CARE/OTHER</u>					
US	200	199	0.5%	0.5%	-
Intl	149	163	-8.6%	-6.4%	-2.2%
WW	349	362	-3.6%	-2.6%	-1.0%
<u>TOTAL CONSUMER</u>					
US	1,309	1,348	-2.9%	-2.9%	-
Intl	2,248	2,327	-3.4%	0.7%	-4.1%
WW	\$ 3,557	3,675	-3.2%	-0.6%	-2.6%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

FIRST QUARTER

PHARMACEUTICAL SEGMENT ⁽²⁾ (3)

IMMUNOLOGY

	<u>2014</u>	<u>2013</u>	<u>Reported</u>	<u>Operational ⁽¹⁾</u>	<u>Currency</u>
US	\$ 1,547	1,639	-5.6%	-5.6%	-
Intl	796	565	40.9%	46.6%	-5.7%
WW	2,343	2,204	6.3%	7.8%	-1.5%

REMICADE

US	997	970	2.8%	2.8%	-
US Exports ⁽⁴⁾	167	349	-52.1%	-52.1%	-
Intl	446	281	58.7%	67.3%	-8.6%
WW	1,610	1,600	0.6%	2.1%	-1.5%

SIMPONI/SIMPONI ARIA

US	104	94	10.6%	10.6%	-
Intl	155	143	8.4%	12.3%	-3.9%
WW	259	237	9.3%	11.6%	-2.3%

STELARA

US	279	226	23.5%	23.5%	-
Intl	177	120	47.5%	48.2%	-0.7%
WW	456	346	31.8%	32.0%	-0.2%

OTHER IMMUNOLOGY

US	-	-	-	-	-
Intl	18	21	-14.3%	-5.8%	-8.5%
WW	18	21	-14.3%	-5.8%	-8.5%

INFECTIOUS DISEASES

US	561	238	*	*	-
Intl	639	577	10.7%	11.8%	-1.1%
WW	1,200	815	47.2%	48.0%	-0.8%

EDURANT

US	5	3	66.7%	66.7%	-
Intl	76	40	90.0%	86.8%	3.2%
WW	81	43	88.4%	85.4%	3.0%

INCIVO

US	-	-	-	-	-
Intl	86	162	-46.9%	-47.4%	0.5%
WW	86	162	-46.9%	-47.4%	0.5%

OLYSIO/SOVRIAD

US	291	-	*	*	-
Intl	63	-	*	*	0.0%
WW	354	-	*	*	0.0%

PREZISTA

US	214	167	28.1%	28.1%	-
Intl	231	200	15.5%	15.5%	0.0%
WW	445	367	21.3%	21.3%	0.0%

OTHER INFECTIOUS DISEASES

US	51	68	-25.0%	-25.0%	-
Intl	183	175	4.6%	5.8%	-1.2%
WW	234	243	-3.7%	-2.8%	-0.9%

REPORTED SALES vs. PRIOR PERIOD (\$MM)

FIRST QUARTER

NEUROSCIENCE

	<u>2014</u>	<u>2013</u>	<u>Reported</u>	<u>Operational ⁽¹⁾</u>	<u>Currency</u>
US	601	746	-19.4%	-19.4%	-
Intl	1,037	998	3.9%	7.6%	-3.7%
WW	1,638	1,744	-6.1%	-4.0%	-2.1%

CONCERTA/METHYLPHENIDATE

US	35	139	-74.8%	-74.8%	-
Intl	115	117	-1.7%	2.9%	-4.6%

WW	150	256	-41.4%	-39.3%	-2.1%
<u>INVEGA</u>					
US	86	71	21.1%	21.1%	-
Intl	79	61	29.5%	34.0%	-4.5%
WW	165	132	25.0%	27.1%	-2.1%
<u>INVEGA SUSTENNA/ XEPLION</u>					
US	182	164	11.0%	11.0%	-
Intl	191	120	59.2%	60.7%	-1.5%
WW	373	284	31.3%	31.9%	-0.6%
<u>RISPERDAL CONSTA</u>					
US	106	106	0.0%	0.0%	-
Intl	204	229	-10.9%	-9.1%	-1.8%
WW	310	335	-7.5%	-6.3%	-1.2%
<u>OTHER NEUROSCIENCE</u>					
US	192	266	-27.8%	-27.8%	-
Intl	448	471	-4.9%	0.1%	-5.0%
WW	640	737	-13.2%	-10.0%	-3.2%
<u>ONCOLOGY</u>					
US	240	199	20.6%	20.6%	-
Intl	782	595	31.4%	33.4%	-2.0%
WW	1,022	794	28.7%	30.2%	-1.5%
<u>VELCADE</u>					
US	-	-	-	-	-
Intl	408	353	15.6%	18.6%	-3.0%
WW	408	353	15.6%	18.6%	-3.0%
<u>ZYTIGA</u>					
US	229	161	42.2%	42.2%	-
Intl	283	183	54.6%	54.6%	0.0%
WW	512	344	48.8%	48.8%	0.0%
<u>OTHER ONCOLOGY</u>					
US	11	38	-71.1%	-71.1%	-
Intl	91	59	54.2%	56.0%	-1.8%
WW	102	97	5.2%	6.3%	-1.1%

REPORTED SALES vs. PRIOR PERIOD (\$MM)

FIRST QUARTER

			% Change		
	<u>2014</u>	<u>2013</u>	<u>Reported</u>	<u>Operational ⁽¹⁾</u>	<u>Currency</u>
<u>TOTAL OTHER</u>					
US	791	649	21.9%	21.9%	-
Intl	504	562	-10.3%	-8.7%	-1.6%
WW	1,295	1,211	6.9%	7.6%	-0.7%
<u>PROCIT/EPREX</u>					
US	176	233	-24.5%	-24.5%	-
Intl	134	145	-7.6%	-6.6%	-1.0%
WW	310	378	-18.0%	-17.6%	-0.4%
<u>XARELTO</u>					
US	319	158	*	*	-
Intl	-	-	-	-	-
WW	319	158	*	*	-
<u>OTHER</u>					
US	296	258	14.7%	14.7%	-
Intl	370	417	-11.3%	-9.6%	-1.7%
WW	666	675	-1.3%	-0.2%	-1.1%
<u>TOTAL PHARMACEUTICAL</u>					
US	3,740	3,471	7.7%	7.7%	-
Intl	3,758	3,297	14.0%	16.9%	-2.9%
WW	\$ 7,498	6,768	10.8%	12.2%	-1.4%

Supplemental Sales Information

2013

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<u>EDURANT</u>					
US	3	3	4	5	15
Intl	40	53	60	68	221
WW	43	56	64	73	236
<u>OLYSIO/SOVRIAD</u>					
US	-	-	-	13	13
Intl	-	-	-	10	10
WW	-	-	-	23	23

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

FIRST QUARTER

MEDICAL DEVICES AND DIAGNOSTICS ^{(2) (3)}

CARDIOVASCULAR CARE

	<u>2014</u>	<u>2013</u>	<u>Reported</u>	<u>% Change</u>	<u>Currency</u>
US	\$ 205	198	3.5%	3.5%	-
Intl	336	315	6.7%	9.4%	-2.7%
WW	541	513	5.5%	7.2%	-1.7%

DIABETES CARE

US	192	283	-32.2%	-32.2%	-
Intl	320	317	0.9%	2.9%	-2.0%
WW	512	600	-14.7%	-13.7%	-1.0%

DIAGNOSTICS

US	224	248	-9.7%	-9.7%	-
Intl	219	229	-4.4%	-0.9%	-3.5%
WW	443	477	-7.1%	-5.4%	-1.7%

ORTHOPAEDICS

US	1,292	1,261	2.5%	2.5%	-
Intl	1,129	1,124	0.4%	2.9%	-2.5%
WW	2,421	2,385	1.5%	2.7%	-1.2%

SPECIALTY SURGERY/OTHER ⁽⁵⁾

US	417	404	3.2%	3.2%	-
Intl	457	435	5.1%	9.3%	-4.2%
WW	874	839	4.2%	6.4%	-2.2%

SURGICAL CARE

US	539	531	1.5%	1.5%	-
Intl	969	977	-0.8%	2.2%	-3.0%
WW	1,508	1,508	0.0%	1.9%	-1.9%

VISION CARE

US	286	281	1.8%	1.8%	-
Intl	475	459	3.5%	10.0%	-6.5%
WW	761	740	2.8%	6.8%	-4.0%

TOTAL MEDICAL DEVICES AND DIAGNOSTICS

US	3,155	3,206	-1.6%	-1.6%	-
Intl	3,905	3,856	1.3%	4.6%	-3.3%
WW	\$ 7,060	7,062	0.0%	1.8%	-1.8%

* Percentage greater than 100%

(1) Operational growth excludes the effect of translational currency

(2) Unaudited

(3) Prior year amounts have been reclassified to conform to current year product disclosure

(4) Reported as U.S. sales

(5) Infection Prevention now reflected in Specialty Surgery/Other, previously reported independently

SOURCE Johnson & Johnson

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