

## Johnson & Johnson Reviews Growth Strategies for Medical Devices & Diagnostics and Consumer Businesses

# Robust Pipelines Across Seven MD&D Franchises Poised to Deliver Innovation and Growth Consumer Leadership Positions Built on Superior Science and Technology

NEW BRUNSWICK, N.J., June 5, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Johnson & Johnson is reviewing its Medical Devices & Diagnostics and Consumer businesses at a meeting with the investment community today, focusing on the strengths, strategies and innovations that will keep the broadly based health care business growing in the coming years. Senior leaders from the company are outlining strategies for two of the business segments that will enable the company to capitalize on growing demand in the \$4 trillion global market for health care products and services. A similar review with the investment community last year highlighted the company's Pharmaceutical and Consumer segments.

The company presentations address recent product launches, development pipelines, and market strategies that these businesses are deploying to achieve long-term, faster-than-market, growth rates across their businesses. They include new ways the company is addressing chronic diseases related to cardiovascular disease, metabolic disease and ophthalmology in a more comprehensive way; new surgical products to address the growing demand in areas like orthopaedics, obesity and minimally invasive surgery; and the continuing application of superior science and technology to the company's broad range of consumer health care products.

"Johnson & Johnson remains a company committed to serving unmet health care needs with superior science and technology, while growing our businesses profitably for the long-term," said Dominic Caruso, Vice President, Finance, and Chief Financial Officer for Johnson & Johnson. "The businesses we are highlighting at today's meeting -- the world's largest medical technology business and premier consumer health care company -- develop important innovations for the benefit of patients, customers and shareholders."

#### World's Largest Medical Technology Business

In 2007, Johnson & Johnson's Medical Devices & Diagnostics (MD&D) segment generated \$21.7 billion in sales across its seven franchises, which was 35 percent of the company's total sales. Excluding a decline in the company's drug-eluting stent business, the segment grew almost 10 percent operationally.

The MD&D segment's seven franchises are organized into Surgical Care and Comprehensive Care Groups, and consist of DePuy, Ethicon, Ethicon Endo-Surgery in Surgical Care, and Cordis, Ortho-Clinical Diagnostics, Diabetes Care and Johnson & Johnson Vision Care in Comprehensive Care. These franchises compete in a global MD&D market valued at approximately \$270 billion.

### Surgical Care

Sheri McCoy, Worldwide Chairman of the Surgical Care Group, describes her business this way, "We have three well-established, solid and growing franchises that are the market leaders in their respective categories. We are well-positioned with approved products and a robust pipeline to meet the needs of patients and surgeons alike, in high-growth areas like orthopaedics, obesity, and core surgical products like advanced energy-based instruments and biosurgicals."

In their presentations today, McCoy and her leadership team are outlining four growth strategies for the Surgical Care Group:

- -- Expand leadership positions in surgery by growing core businesses -- The group's three franchises will continue to build on their existing market leadership positions. For example, DePuy, a leader in orthopaedic surgery, has 10 new knee entries coming in its SIGMA(R) Knee system over the next 18 months. DePuy is strengthening the breadth of its offerings with established and expanding products in knee repair from the earliest stages of knee pain treatment -- with products like ORTHOVISC(R) and partial knees -- to total knee replacement.
- -- Invest to win in fast growing categories like orthopaedics and obesity

- -- The Surgical Care Group is discussing a range of products in its franchise that address problems associated with obesity, a condition affecting more than 300 million people around the world. The company's Ethicon Endo-Surgery business introduced the REALIZE(TM) Adjustable Gastric Band for the treatment of morbid obesity in the U.S. in the first quarter of 2008. Ethicon's PRINEO(TM) Skin Closure System is a new product designed to reduce skin closure time an average of 75 percent compared to standard intradermal suturing in procedures such as body contouring, which some patients choose after having experienced significant weight loss. PRINEO was launched in Europe last year and a regulatory filing in the U.S. is expected later this year.
- -- Broaden portfolio by investing in new technologies and businesses that have the potential to advance the standard of care - The group is redefining the way common medical procedures are performed with its innovations. Ethicon Endo-Surgery, for example, has developed the first computer-assisted, personalized sedation system, the SEDASYS(TM) system. The device, which is currently under review by the FDA, may make it possible for physician and nurse teams to deliver the sedative propofol to patients undergoing screening and diagnostic procedures for colorectal cancer and disorders of the upper gastrointestinal tract. Ethicon Endo-Surgery is also exploring Natural Orifice Translumenal Endoscopic Surgery, or NOTES, which is surgery performed through the body's natural orifices by using instruments and cameras attached to long, flexible shafts. To date, the company has patented many innovations in translumenal and intralumenal natural orifice surgery and continues to support clinical trials to develop tools and technology for the next evolution of minimally invasive surgery.
- -- Accelerate and invest in growth in emerging markets -- The Surgical Care Group has continued to increase its presence in emerging markets as part of Johnson & Johnson's overall focus on this business priority. It has established a research and development (R&D) presence in India and opened a medical manufacturing campus in China, where DePuy products are now being produced. To address the global need to train surgeons, the group plans to continue opening surgical training institutes in countries around the world. This year, the company opened its first such training institute in Russia and plans another one in Brazil in 2009. Another priority for emerging markets is developing market-appropriate products that address unmet medical needs.

#### Comprehensive Care

Don Casey, Worldwide Chairman of the Comprehensive Care Group, describes his business this way: "We are focused on two core priorities," says Casey. "Our first priority is to maximize the potential of our current franchises. We've been able to deliver an aggressive pipeline in 2007 and 2008 with several major launches, and we expect most of the franchises to continue to deliver this kind of innovation in the next few years to help continue driving growth. Our second priority is delivering on our vision for Comprehensive Care by developing patient-centric solutions to address chronic diseases."

The Comprehensive Care Group and its business leaders are addressing the group's two core priorities in its presentations today:

-- Maximize the potential of our current franchises -- With the introduction of various new products, the Comprehensive Care franchises will continue to build their market leadership positions by competing in attractive categories, accelerating market adoption in emerging markets, utilizing their market development expertise, and delivering their pipeline. For example, Johnson & Johnson Vision

Care, the world leader in contact lenses, is planning to launch ACUVUE(R) TruEye(TM), the world's first daily disposable silicone hydrogel contact lens in the fall. The Cordis business has begun clinical trials for the NEVO(TM) Sirolimus-eluting Coronary Stent, which is the first sirolimus-based stent with unique reservoir-based delivery technology, and it has completed the pivotal clinical trial for the EXOSEAL (TM) Vascular Closure Device.

In addition, the Ortho-Clinical Diagnostics business is developing a new method of testing for prostate cancer, ProMu, which is a confirmatory test done prior to a biopsy to provide patients and doctors with more accurate results to help avoid unnecessary procedures. Earlier this year, the Diabetes Care franchise introduced the OneTouch(R) Ultralink(TM) meter that communicates wirelessly with Medtronic insulin pumps. Later this year, Johnson & Johnson's LifeScan and Animas businesses are planning to launch an integrated meter/insulin pump in North America, which will have enhanced functionality beyond products in the marketplace today.

With most of Comprehensive Care's franchises generating double-digit operational growth in emerging markets, the group is also expanding its presence outside the U.S. with targeted, incremental investments in high-growth segments.

-- Develop comprehensive patient-centric solutions to address chronic diseases -- The group will also be looking to use the breadth of Johnson & Johnson's health care businesses to deliver unique comprehensive care plans for chronic diseases in cardiology, ophthalmology and metabolic disease. For example, in the case of a metabolic disease like diabetes, the company is able to leverage its strong positions in blood glucose monitoring, insulin delivery, nutritionals and diagnostics as well as related areas like surgical treatments for obesity and early-stage pharmaceuticals. Its development of the Johnson & Johnson Diabetes Institute, LLC, (JJDI) is one avenue for advancing professional education and patient awareness about this disease's management. The JJDI, which has opened facilities in Japan and the U.S., provides a powerful outlet for the resources and experience Johnson & Johnson can harness in this area of health care; additional facilities in Paris and Beijing are scheduled to open later this year.

## Science-based Innovation Anchors Consumer Health Care Success

In 2007, Johnson & Johnson's Consumer segment generated \$14.5 billion dollars in sales. Its five major franchises -- OTC/Nutritionals; Skin Care; Baby Care; Women's Health and Oral Care -- feature some of the world's leading brands and compete in an estimated \$480 billion global consumer products market.

The Consumer segment focuses on science-based innovations to drive the growth of its existing iconic brands, its development of new products and new ventures, and its expansion into emerging markets. Presentations on the Consumer segment address recent successes in the Skin Care franchise, the expansion of LISTERINE(R) and the Oral Care franchise, and the successful U.S. launch of over-the-counter Zyrtec(R).

Colleen Goggins, Worldwide Chairman of the Consumer Group says, "Our vision, 'Bringing science to the art of healthy living,' reflects the essence of how we create value and drive innovation." Goggins cites critical strengths of the business that enable it to continue its growth: expanding R&D capabilities around the world; its proprietary technologies and patents; clinical trial design expertise; and its core research competencies in areas like skin biology, pharmacokinetics, drug delivery, microbiology and enzymology.

"Every development effort we undertake is a collaboration between our R&D teams, our consumer insight experts and marketing teams," said Goggins. "The result is that an increasing number of our new products across our franchises are protected by meaningful, clinical-trials- backed, intellectual property, and are professionally endorsed."

Dominic Caruso said, "Johnson & Johnson remains a company committed to growth. The pipelines and strategies we are sharing today demonstrate how Johnson & Johnson can continue growing profitably, increasing shareowner value and touching

the lives of more than a billion people every day."

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Full copies of the presentations made today as well as a replay and podcast will be available approximately two hours after the live webcast concludes at www.investor.jnj.com. To preview, download, or order broadcast video, stills, logos, text and more, please visit: http://jnj.mediaseed.tv. Registration and video are free to the media.

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