



Global Surgery Group
MD&D Business Review
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Approximately one million surgical procedures are performed every day around the world, many of them utilizing technologies created by Johnson & Johnson's Global Surgery Group. In 2012, the Global Surgery Group generated approximately \$11 billion in sales. Our strength is illustrated by the fact that about 80% of our sales come from businesses where we hold #1 or #2 global market share positions. We do business around the world, with about 60% of our sales generated outside the U.S., including a fast-growing presence in emerging markets. And we are committed to innovation, with about 30% of our sales coming from products introduced in the past five years and a robust pipeline of new products.

The Global Surgery Group is comprised of businesses that are trusted, pioneering leaders in their fields:

Ethicon Surgical Care

Our Ethicon Surgical Care business is a leading provider of a broad range of technologies – including sutures, staplers, clip applicators, trocars, and meshes – used in a wide variety of minimally-invasive and open surgical procedures, such as those treating colorectal, thoracic, and women's health conditions, hernias, cancer, and obesity. Major product lines and recent new product innovations include:

- In wound closure, we offer the “plus” line of coated antibacterial sutures, as well as the DERMABOND[®] line of topical skin adhesives. We recently entered the fast-growing “barbed suture” market with the launch of STRATAFIX[™] Knotless Tissue Control Devices. With significantly more points of fixation than traditional sutures, STRATAFIX[™] devices give surgeons more consistent control over every pass through the tissue, and combine the strength and security of interrupted closure with the efficiency of continuous closure. We also recently introduced EVERPOINT[™] Cardiovascular Needles, which are made from a new alloy that is stronger and stiffer than stainless steel, enabling significant improvements in needle performance during cardiovascular surgery.
- Our portfolio of hernia solutions includes SECURESTRAP[™], our first entry into the hernia fixation market, and PHYSIOMESH[™], our next-generation hernia mesh.
- For laparoscopic procedures, we recently launched the ECHELON FLEX[™] Powered ENDOPATH[®] Stapler, the industry's first powered endocutter. This provides surgeons with greater instrument stability, potentially resulting in less damage to the targeted area and surrounding vital organs and tissue.

Ethicon Energy

Our Ethicon Energy business is the world's leading provider of energy-based devices used to cut, coagulate, and seal tissue during open and laparoscopic surgical procedures. Patients benefit from less

tissue damage, while surgeons benefit from greater precision and control. We offer the broadest portfolio of energy-based devices, including two complementary energy modalities: our HARMONIC® ultrasonic technology, first introduced 20 years ago, and our ENSEAL® advanced bipolar technology.

In 2011, we launched the first ever Advanced Energy Generator (shown at right) made to power both ultrasonic and advanced bipolar technologies. It's easy to set-up and use and portable, enabling surgical teams to place more focus on their patients versus their equipment.

In 2012, we received FDA 510(k) clearance for the HARMONIC ACE®+ Shears with Adaptive Tissue Technology. Working in concert with our new Generator, the device responds intelligently to varying tissue conditions by regulating energy delivery and providing surgeons with enhanced audible feedback. This enables the HARMONIC ACE®+ Shears to exhibit 23% less thermal spread, while delivering 21% shorter transection times, compared with the previous-generation HARMONIC ACE®.

Our new ENSEAL® "G2" line includes the ENSEAL® G2 Super Jaw device, launched in 2011, and the ENSEAL® G2 Curved and Straight Tissue Sealers, launched this year. The G2 line provides surgeons with the broadest portfolio of advanced bipolar tissue sealers, offering more options in both open and minimally invasive surgical procedures such as colorectal, gynecological and general surgery.

Ethicon Biosurgery

Our Ethicon Biosurgery business offers the most comprehensive, global portfolio of products used to help control bleeding during surgical procedures or resulting from traumatic wounds. Major products include EVICEL® Fibrin Sealant (Human) (shown at right) and the SURGIFLO® line of absorbable hemostats. The 2012 acquisition of Guangzhou Bioseal, a company specializing in porcine plasma-based fibrin sealants, enables us to enter the fast-growing Chinese biosurgery market with an advanced biologic solution.

In December 2012, we received FDA approval of the EVARREST™ Fibrin Sealant Patch. EVARREST™ combines two biomaterials with two plasma-derived biologics (human thrombin and fibrinogen) in a single device that has the potential to drive a paradigm shift in the treatment of problematic bleeding during surgery. Upon contact with a bleeding wound surface, EVARREST™ mimics the last step of blood clot formation in a natural physiological reaction – the biological components react, initiating hemostasis, as the matrix of biomaterials provides physical support for clot formation.

More information can be found at <http://www.ethicon360.com/products/ethicon-biosurgery>.

Cardiovascular Care

Our Cardiovascular Care business, which includes Biosense Webster and Cordis, is a leading provider of products to treat cardiovascular disease, which affects 300 million people worldwide.

Biosense Webster is the world's leading provider of catheter-based technology used by electrophysiologists to diagnose, map, and treat cardiac arrhythmias, more commonly known as irregular heartbeats. The CARTO® 3 System provides physicians with a real-time, three-dimensional

view of where they are working within a patient's beating heart to within one millimeter of accuracy. The THERMOCOOL® SMARTTOUCH™ Contact Force Sensing Catheter, available in Europe, uses a proprietary spring-tip-based catheter to provide information about the precise amount and direction of the force being applied.

Cordis is a leading provider of access and diagnostic products for interventional cardiology procedures and endovascular products to access and treat lower extremity disease. Major products include the S.M.A.R.T.® line of stents, used to treat iliac disease, and the EXOSEAL™ Vascular Closure Device, used to close the femoral artery puncture site created during catheterization procedures.

More information can be found at <http://www.biosensewebster.com> and <http://www.cordis.com>.

Mentor

Our Mentor business is a leading provider of products for the global aesthetics market, including breast implants and facial aesthetics and body contouring products. In 2012, Mentor introduced MEMORYGEL® Ultra High Breast Implants, which offer the highest available projection compared to most currently available implants and an optimized fill volume to maintain its shape.

More information can be found at <http://www.mentorwllc.com>.

Acclarent

Our Acclarent business offers physicians less-invasive surgical solutions to treat patients suffering from conditions affecting the ear, nose and throat. Acclarent's Balloon Sinuplasty™ technology is an endoscopic, catheter-based technology used by surgeons to treat chronic sinusitis. During this procedure, a sinus balloon catheter is inserted into the nasal passage, then gradually inflated to gently restructure the previously blocked nasal passage, maintaining the integrity of the sinus lining and restoring normal sinus drainage and function. Sinusitis affects 37 million people each year, making it one of the most common health problems in the U.S.

More information can be found at <http://www.acclarent.com>.

Sterilmed

Our Sterilmed business is a leader in the reprocessing of Class I and Class II medical devices in North America, helping healthcare providers lower their medical device and equipment costs, while also reducing the amount of waste they generate. Reprocessed devices typically cost about 50% less than new devices. Sterilmed's programs also save over 2.5 million pounds of medical waste a year from being sent to landfills.

More information can be found at <http://www.sterilmed.com>.

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