

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 2, 1994 Commission file number 1-3215

J O H N S O N & J O H N S O N

(Exact name of registrant as specified in its charter)

New Jersey 22-1024240
(State of (I.R.S. Employer
Incorporation) Identification No.)

One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (908) 524-0400

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Table with 2 columns: Title of each class, Name of each exchange on which registered. Row: Common Stock, Par Value \$1.00, New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The aggregate market value of the voting stock held by non-affiliates of the registrant on March 1, 1994 was approximately \$23.6 billion.

On March 1, 1994 there were 643,161,600 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

- Parts I and II: Portions of registrant's annual report to stockholders for fiscal year 1993.
Part III: Portions of registrant's proxy statement for its 1994 annual meeting of stockholders.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K / X /

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Form 10-Q Quarterly Reports Available. A copy of Johnson & Johnson's Quarterly Report on Form 10-Q for any of the first three quarters of the current fiscal year, without exhibits, will be provided without charge to any stockholder submitting a written request to the Vice President, Finance at the principal executive offices of the company. Each report will be available about 45 days after the end of the quarter to which it relates.

PART I

Item 1. BUSINESS

GENERAL

Johnson & Johnson, employing approximately 81,600 people worldwide, is engaged in the manufacture and sale of a broad range of products in the health care field in many countries of the world. Johnson & Johnson's primary interest, both historically and currently, has been in products related to health and well-being.

Johnson & Johnson is organized on the principles of decentralized management. The Executive Committee of Johnson & Johnson is the principal management group responsible for the operations of Johnson & Johnson. In addition, three Executive Committee members are Chairmen of Sector Operating

Committees, which are comprised of managers who represent key operations within the sector, as well as management expertise in other specialized functions. These Committees oversee and coordinate the activities of domestic and international companies related to each of the consumer, pharmaceutical, professional and diagnostic businesses. Operating management of each company is headed by a President, General Manager or Managing Director who reports directly or through a Company Group Chairman. In line with this policy of decentralization, each international subsidiary is, with some exceptions, managed by citizens of the country where it is located.

SEGMENTS OF BUSINESS; GEOGRAPHIC AREAS

Johnson & Johnson's worldwide business is divided into three segments: Consumer, Pharmaceutical and Professional. Johnson & Johnson further categorizes its sales and operating profit by major geographic areas of the world. The narrative and tabular (but not the graphic) descriptions of segments and geographic categories captioned "Management's Discussion and Analysis of Results of Operations and Financial Condition -- Segments of Business, Consumer, Pharmaceutical, Professional and Geographic Areas" on pages 26 through 28 and 41 of Johnson & Johnson's annual report to stockholders for fiscal year 1993 are incorporated herein by reference thereto.

CONSUMER

The Consumer segment's principal products are toiletries and hygienic products, including dental and baby care products, first aid products, nonprescription drugs, sanitary protection products and adult incontinence products. Major brands include ACT Fluoride Rinse; BAND-AID Brand Adhesive Bandages; CAREFREE Panty Shields; 'o.b.' Tampons; CLEAN & CLEAR Skin Care Products; SHOWER TO SHOWER toiletries products; STAYFREE and SURE & NATURAL sanitary protection products; IMODIUM A-D, an antidiarrheal; JOHNSON'S baby products; MONISTAT 7, an over-the counter remedy for vaginal yeast infections; MYLANTA gastrointestinal products from the Johnson & Johnson and Merck & Co., Inc. joint venture; PEDIACARE children's cold and allergy medications; PENATEN and NATUSAN baby toiletries; PIZ BUIN and SUNDOWN sun care products; PREVENT and REACH toothbrushes; SERENITY incontinence products; and the broad family of TYLENOL acetaminophen products. These products are marketed principally to the general public and distributed both to wholesalers and directly to independent and chain retail outlets.

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PHARMACEUTICAL

The Pharmaceutical segment's principal worldwide franchises are in the allergy and asthma, antifungal, central nervous system, contraceptive, dermatology, gastrointestinal, immunobiology and biotech fields. These products are distributed both directly and through wholesalers for use by health care professionals and the general public. Prescription drugs include DURAGESIC, a transdermal patch for chronic pain; EPREX (sold in the U.S. as PROCRIIT), a biotechnology derived version of the human hormone erythropoietin, which stimulates red blood cell production; ERGAMISOL, a colon cancer drug; FLOXIN, an antibacterial; HISMANAL, the once-a-day less sedating antihistamine; IMODIUM, an antidiarrheal; LEUSTATIN, for hairy cell leukemia; MOTILIUM, a gastrointestinal mobilizer; NIZORAL, SPORANOX and TERAZOL, antifungals; ORTHOCLONE OKT-3, for reversing the rejection of kidney transplants; ORTHO-NOVUM group of oral contraceptives; PREPULSID (sold in the U.S. as PROPULSID), a gastrointestinal prokinetic; and RETIN-A, a dermatological cream for acne.

PROFESSIONAL

The Professional segment includes suture and mechanical wound closure products, less-invasive surgical instruments, dental products, diagnostic products, medical equipment and devices, ophthalmic products, surgical instruments, joint replacements and products for wound management and infection prevention. These products are used principally in the professional fields by physicians, dentists, nurses, therapists, hospitals, diagnostic laboratories and clinics. Distribution to these markets is done both directly and through

surgical supply and other dealers.

INTERNATIONAL

The international business of Johnson & Johnson is conducted by subsidiaries manufacturing in 43 countries outside the United States and selling in most countries of the world. The products made and sold in the international business include many of those described above under "Business--Consumer, Pharmaceutical and Professional." However, the principal markets, products and methods of distribution in the international business vary with the country and the culture. The products sold in the international business include not only those which were developed in the United States but also those which were developed by subsidiaries abroad.

Investments and activities in some countries outside the United States are subject to higher risks than comparable domestic activities because the investment and commercial climate is influenced by restrictive economic policies and political uncertainties.

RAW MATERIALS

Raw materials essential to Johnson & Johnson's business are generally readily available from multiple sources.

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PATENTS AND TRADEMARKS

Johnson & Johnson has made a practice of obtaining patent protection on its products and processes where possible. Johnson & Johnson owns or is licensed under a number of patents relating to its products and manufacturing processes, which in the aggregate are believed to be of material importance in the operation of its business. However, it is believed that no single patent or related group of patents is material in relation to Johnson & Johnson as a whole.

Johnson & Johnson has made a practice of selling its products under trademarks and of obtaining protection for these trademarks by all available means. Johnson & Johnson's major trademarks are protected by registration in the United States and other countries where its products are marketed. Johnson & Johnson considers these trademarks in the aggregate to be of material importance in the operation of its business.

SEASONALITY

Worldwide sales do not reflect any significant degree of seasonality; however spending has been heavier in the fourth quarter of each year than in other quarters. This reflects increased spending decisions, principally for advertising and research grants.

COMPETITION

In each of its segments, Johnson & Johnson companies compete with companies both large and small, located in the United States and abroad. Competition is strong in all segments without regard to the number and size of the competing companies involved. Competition in research, involving the development of new products and processes and the improvement of existing products and processes, is particularly significant and results from time to time in product and process obsolescence. The development of new and improved products is important to Johnson & Johnson's success in all areas of its business. This competitive environment requires substantial investments in continuing research and in multiple sales forces. In addition, the winning and retention of customer acceptance of Johnson & Johnson's consumer products involve heavy expenditures for advertising, promotion and selling.

RESEARCH

Research activities are important to all segments of Johnson & Johnson's business. Major research facilities are located not only in the United States

but also in Australia, Belgium, Brazil, Canada, Switzerland, the United Kingdom and Germany. The costs of Johnson & Johnson's worldwide research activities relating to the development of new products, the improvement of existing products, technical support of products and compliance with governmental regulations for the protection of the consumer amounted to \$1,182; \$1,127 and \$980 million for fiscal years 1993, 1992 and 1991, respectively. These costs are charged directly to income in the year in which incurred. All research was sponsored by Johnson & Johnson.

ENVIRONMENT

During the past year Johnson & Johnson was subject to a variety of Federal, state and local environmental protection measures. Johnson & Johnson believes that its operations comply in all material respects with applicable environmental laws and regulations. Johnson & Johnson's compliance with these requirements did not and is not expected to have a material effect upon its capital expenditures, earnings or competitive position.

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REGULATION

Most of Johnson & Johnson's business is subject to varying degrees of governmental regulation in the countries in which operations are conducted, and the general trend is toward regulation of increasing stringency. In the United States, the drug, device, diagnostics and cosmetic industries have long been subject to regulation by various federal, state and local agencies, primarily as to product safety, efficacy, advertising and labeling. The exercise of broad regulatory powers by the Food and Drug Administration (the "FDA") continues to result in increases in the amounts of time, testing and documentation required for FDA clearance of new drugs and devices and a corresponding increase in the expense of product introduction. In addition, reapproval and reporting requirements with respect to broad classes of medical devices and diagnostics may result in an increase in the expense required to maintain some existing products on the market. Similar trends toward product and process regulation are also evident in a number of major countries outside of the United States, especially in the European Economic Community where efforts are continuing to harmonize the internal regulatory systems.

The costs of human health care have been and continue to be a subject of study and investigation by governmental agencies and legislative bodies in the United States and other countries; most recently in the United States by the Administration's health reform task force. In the United States, attention has been focused on drug prices and profits and programs to encourage doctors to write prescriptions that can or must be filled with generic substitutes rather than with drugs bearing a specified trademark. It is likely that increased attention will be paid to drug pricing and appropriate drug utilization. For example, the 1990 Omnibus Budget Reconciliation Act included a provision requiring pharmaceutical companies to rebate to states a portion of the revenues from pharmaceutical products dispensed to state Medicaid recipients. The Veterans Health Care Act of 1992 granted state and local facilities receiving Public Health Service Funds the right to purchase drugs at Medicaid prices. The same Act mandated discount prices for drug sales to the Department of Veterans Affairs and other Federal Supply Schedule purchasers.

Further, the Federal government has established a diagnosis related group ("DRG") payment system for certain institutional services provided under Medicare or Medicaid. The DRG system entitles an institution to a fixed amount (based on discharge diagnosis) for operating costs incurred in treatment of each Medicare or Medicaid beneficiary. Under prior law, payments for such services had been predicated almost entirely on reimbursement of the allowable historical costs of the individual hospital or health care facility providing the services. The DRG payment system has resulted in increased incentives for health care facilities to limit or control expenditures for many of the products sold by Johnson & Johnson. Johnson & Johnson encounters regulations and legislation similar to the foregoing in most of the countries where it does business.

The regulatory agencies under whose purview Johnson & Johnson operates have administrative powers that may subject Johnson & Johnson to such actions as product recalls, seizure of products and other civil and criminal sanctions. In some cases Johnson & Johnson may deem it advisable to initiate product recalls voluntarily.

Item 2. PROPERTIES

Johnson & Johnson and its worldwide subsidiaries operate 163 manufacturing facilities occupying approximately 15 million square feet of floor space.

The manufacturing facilities are used by the industry segments of Johnson & Johnson's business approximately as follows:

Segment -----	Square Feet (in thousands) -----
Consumer.....	6,223
Pharmaceutical.....	2,730
Professional.....	6,583

Worldwide total.....	15,536 =====

Within the United States, 12 facilities are used by the Consumer segment, 8 by the Pharmaceutical segment and 46 by the Professional segment. Johnson & Johnson's manufacturing operations outside the United States are often conducted in facilities which serve more than one segment of the business.

The locations of the manufacturing facilities by major geographic areas of the world are as follows:

Geographic Area -----	Number of Facilities -----	Square Feet (in thousands) -----
United States.....	61	7,605
Europe.....	43	3,572
Western Hemisphere excluding U.S.A..	20	2,345
Africa, Asia and Pacific.....	39	2,014
	---	-----
Worldwide total.....	163 ===	15,536 =====

In addition to the manufacturing facilities discussed above, Johnson & Johnson maintains numerous office and warehouse facilities throughout the world. Research facilities are also discussed under "Business--Research."

Johnson & Johnson generally seeks to own its manufacturing facilities, although some, principally in locations abroad, are leased. Office and warehouse facilities are often leased.

Johnson & Johnson's properties are maintained in good operating condition and repair and are well utilized.

For information regarding lease obligations see Note 9 under "Johnson & Johnson and Subsidiaries--Notes to Consolidated Financial Statements" on page 34 of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993. Segment information on additions to Johnson & Johnson's property, plant and equipment is contained on page 41 of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

Item 3. LEGAL PROCEEDINGS

The information set forth in Note 19 "Pending Legal Proceedings" on page 39 of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993 is incorporated herein by reference.

The Company or its subsidiaries are parties to a number of administrative and judicial environmental proceedings, including proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, and comparable state laws. The primary relief sought in these proceedings is the cost of past and future remediation. While it is not feasible to predict or determine the outcome of these proceedings, in the opinion of the Company, such proceedings should not ultimately result in any liability which would have a material adverse effect on the operations or financial position of the Company.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Listed below are the executive officers of Johnson & Johnson as of March 15, 1994, each of whom has been an employee of the Company or its affiliates during the past five years, except as otherwise noted. There are no family relationships between any of the executive officers, and there is no arrangement or understanding between any executive officer and any other person pursuant to which the executive officer was selected. At the annual meeting of the Board of Directors which follows the Annual Meeting of Stockholders executive officers are elected by the Board to hold office for one year and until their respective successors are elected and qualified, or until earlier resignation or removal.

Information with regard to the directors of the Company, including those of the following executive officers who are directors, is incorporated by reference to pages 2 through 7 of Johnson & Johnson's Proxy Statement dated March 10, 1994.

Name ----	Age ---	Position -----
Robert E. Campbell	60	Vice-Chairman, Board of Directors; Chairman, Professional Sector Operating Committee; Member, Executive Committee
Roger S. Fine	51	Member, Executive Committee; Vice President, Administration (a)
George S. Frazza	60	Member, Executive Committee; Vice President, General Counsel
Clark H. Johnson	58	Member, Executive Committee; Vice President, Finance
Ralph S. Larsen	55	Chairman, Board of Directors

and Chief Executive Officer;
Chairman, Executive Committee

Peter N. Larson	54	Chairman, Consumer Sector Operating Committee; Member, Executive Committee (b)
Robert N. Wilson	53	Vice-Chairman, Board of Directors; Chairman, Pharmaceutical Sector Operating Committee; Member, Executive Committee

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- (a) Mr. R. S. Fine joined the Company in 1974 and became Assistant General Counsel in 1978 and Associate General Counsel in 1984. He became a Member of the Executive Committee and Vice President, Administration in 1991.
- (b) Mr. P. N. Larson joined the Company in 1991 as a Company Group Chairman. He became Chairman of a Sector Operating Committee and a Member of the Executive Committee in 1992. Prior to joining the Company in 1991, Mr. P. N. Larson was a member of a partnership managing consumer businesses. He had previously been employed by Kimberly-Clark Corporation since 1978 in a variety of assignments, including President of their Health Care Sector and member of their Board of Directors.

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PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information called for by this item is incorporated herein by reference to the material captioned "Management's Discussion and Analysis of Results of Operations and Financial Condition--Common Stock Market Prices and Cash Dividends Paid " on page 24 of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

Item 6. SELECTED FINANCIAL DATA

The information called for by this item is incorporated herein by reference to the material captioned "Summary of Operations and Statistical Data 1983-1993" on page 42 of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information called for by this item is incorporated herein by reference to the material captioned "Management's Discussion and Analysis of Results of Operations and Financial Condition--Overview, Sales and Earnings, Costs and Expenses, Liquidity and Capital Resources and Changing Prices and Inflation" on pages 23 through 25, of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by this item is incorporated herein by reference to the consolidated financial statements and the notes thereto and the material captioned "Independent Auditor's Report", on pages 29 through 40

of Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

Item 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to executive officers is presented at the end of Part I hereof. Information with respect to directors is incorporated herein by reference to the material captioned "Election of Directors--Nominees" on pages 2 through 7 of Johnson & Johnson's proxy statement dated March 10, 1994.

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Item 11. EXECUTIVE COMPENSATION

The information called for by this item is incorporated herein by reference to the material captioned "Election of Directors--Directors' Fees, Committees and Meetings" and "Executive Compensation" on pages 8 and 13 through 16 of Johnson & Johnson's proxy statement dated March 10, 1994.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information called for by this item is incorporated herein by reference to the material captioned "Information--Principal Stockholder" and "Election of Directors--Nominees and Stock Ownership/Control" on pages 2 through 8 of Johnson & Johnson's proxy statement dated March 10, 1994.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The financial statements to be included in this report are incorporated in Part II, Item 8 hereof by reference to Johnson & Johnson's Annual Report to Stockholders for fiscal year 1993.

2. Financial Statement Schedules

- V Property, Plant and Equipment
- VI Accumulated Depreciation of Property, Plant and Equipment
- VIII Reserves
- IX Short Term Borrowings
- X Supplementary Income Statement Information

Schedules other than those listed above are omitted because they are not required or are not applicable.

3. Exhibits Required to be Filed by Item 601 of Regulation S-K

The information called for by this paragraph is incorporated herein by reference to the Exhibit Index of this report.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the period covered by this report.

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JOHNSON & JOHNSON AND SUBSIDIARIES
SCHEDULE V-PROPERTY, PLANT AND EQUIPMENT
Fiscal Years Ended January 2, 1994, January 3, 1993 and December 29, 1991
(Dollars in Millions)

Classification	Balance at Beginning of Period	Additions At Cost	Retirements Or Sales (Note A)	Other Changes		Balance at End of Period
				Debit	Credit	
1993						
Land and land improvements	\$ 262	23	4		2 (C) 3 (D)	276
Buildings and building equipment	2,226	255	56	7 (B) 6 (C)	49 (D)	2,389
Machinery and equipment	3,143	697	323	8 (B)	4 (C) 67 (D)	3,454
Construction in progress	672	-	1		7 (D)	664
	\$6,303	975	384	21	132	6,783
1992						
Land and land improvements	\$ 245	24	2	1 (C)	6 (D)	262
Buildings and building equipment	2,049	309	59		65 (D) 8 (C)	2,226
Machinery and equipment	2,762	721	256	6 (C) 3 (B)	93 (D)	3,143
Construction in progress	635	49	-	1 (C)	13 (D)	672
	\$5,691	1,103	317	11	185	6,303
1991						
Land and land improvements	\$ 245	14	14	1 (D)	1 (C)	245
Buildings and building equipment	1,890	238	79	1 (C)	1 (D)	2,049
Machinery and equipment	2,474	588	302	3 (B)	1 (C)	2,762
Construction in progress	489	147	-	1 (C)	2 (D)	635
	\$5,098	987	395	6	5	5,691

Note A - Includes write-off of fully depreciated assets.
Note B - Represents assets of companies acquired during the period.
Note C - Represents transfers between account classifications.
Note D - Represents the cumulative currency translation adjustment.

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JOHNSON & JOHNSON AND SUBSIDIARIES
SCHEDULE VI-ACCUMULATED DEPRECIATION
OF PROPERTY, PLANT AND EQUIPMENT
Fiscal Years Ended January 2, 1994, January 3, 1993 and December 29, 1991

(Dollars in Millions)

Classification	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions from Reserve	Other Changes		Balance at End of Period
			Retirements, Renewals and Replacements (Note A)	Debit	Credit	
1993						
Land and land improvements	\$ 52	5	16			41
Buildings and building equipment	754	106	36	17 (C)	1 (B)	808
Machinery and equipment	1,382	442	266	1 (B) 29 (C)		1,528
	<u>\$2,188</u>	<u>553</u>	<u>318</u>	<u>47</u>	<u>1</u>	<u>2,377</u>
1992						
Land and land improvements	\$ 35	20	2	1 (C)		52
Buildings and building equipment	714	101	45	20 (C)	4 (B)	754
Machinery and equipment	1,275	378	224	4 (B) 43 (C)		1,382
	<u>\$2,024</u>	<u>499</u>	<u>271</u>	<u>68</u>	<u>4</u>	<u>2,188</u>
1991						
Land and land improvements	\$ 34	4	3			35
Buildings and building equipment	650	94	32		1 (B) 1 (C)	714
Machinery and equipment	1,167	340	234	1 (B)	3 (C)	1,275
	<u>\$1,851</u>	<u>438</u>	<u>269</u>	<u>1</u>	<u>5</u>	<u>2,024</u>

Note A - Includes write-off of fully depreciated assets.
 Note B - Represents transfers between account classifications.
 Note C - Represents the cumulative currency translation adjustment.

The following estimated useful lives have been used as a basis for the calculation of depreciation on the significant portions of the respective classes of assets:

	Years
Land improvements.....	5 to 40
Buildings and building equipment.....	10 to 50
Machinery and equipment.....	3 to 15
Furniture and fixtures.....	5 to 12

The cost of improvements to leased properties is written off over the terms of the respective leases or useful lives, whichever is shorter.

The cost of maintenance, repairs, and renewals is charged against income in the year in which incurred, while the cost of betterments and replacements is capitalized by charges to the respective asset accounts.

Upon retirement or other disposal of fixed assets, the cost and related amount of accumulated depreciation or amortization are eliminated from the asset and reserve accounts respectively. The difference, if any, between the net asset value and the proceeds is adjusted to income. The cost of assets still in use which have been fully depreciated is eliminated from the asset and related reserve accounts.

JOHNSON & JOHNSON AND SUBSIDIARIES

SCHEDULE VIII - RESERVES

Fiscal Years Ended January 2, 1994, January 3, 1993 and December 29, 1991
(Dollars in Millions)

	Balance at Beginning of Period -----	Additions(1) Charged to Costs and Expenses -----	Deductions from Reserves ----- Description -----	Amount -----	Balance at End of Period -----
1993 - ----					
Reserves deducted from accounts receivable, trade					
Reserve for doubtful accounts	\$ 57	26	Write-offs less recoveries Currency adjustments	24 3	56
Reserve for customer rebates	60	406	Customer rebates allowed	379	87
Reserve for cash discounts	26	245	Cash discounts allowed	244	27
	---- \$143	--- 677		--- 650	--- 170
	====	===		===	===
1992 - ----					
Reserves deducted from accounts receivable, trade					
Reserve for doubtful accounts	\$ 58	23	Write-offs less recoveries Currency adjustments	20 4	57
Reserve for customer rebates	51	343	Customer rebates allowed	334	60
Reserve for cash discounts	27	232	Cash discounts allowed	233	26
	---- \$136	--- 598		--- 591	--- 143
	====	===		===	===

1991

- ----

Reserves deducted from
accounts receivable, trade

Reserve for doubtful accounts	\$ 52	16	Write-offs less recoveries	10	58
Reserve for customer rebates	49	341	Customer rebates allowed	340	
			Currency adjustments	(1)	51
Reserve for cash discounts	23	226	Cash discounts allowed	225	
	----	----	Currency adjustments	(3)	27
	\$124	583		----	----
	=====	=====		=====	=====

(1) Charges related to customer rebates and cash discounts are reflected as reductions of sales to customers.

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JOHNSON & JOHNSON AND SUBSIDIARIES

SCHEDULE IX - SHORT TERM BORROWINGS

Fiscal Years Ended January 2, 1994, January 3, 1993 and December 29, 1991
(Dollars in Millions)

Category	Balance at Year-End	Weighted Average Interest Rate At Year-End	Maximum Amount Outstanding	Average Amount Outstanding (B)	Weighted Average Interest Rate During Year (C)
-----	-----	-----	-----	-----	-----
1993					

Commercial Paper	\$ 126	3.2%	\$ 448	274	3.2%
Notes Payable (A)	436	8.2%	436	296	9.3%
	-----		-----	-----	
Total	\$ 562	7.1%	\$ 884	570	6.4%
	=====		=====	=====	
1992					

Commercial Paper	\$ 263	3.4%	\$ 644	307	4.1%
Notes Payable (A)	327	12.4%	393	330	13.8%
	-----		-----	-----	
Total	\$ 590	8.5%	\$1,037	637	9.1%
	=====		=====	=====	
1991					

Commercial Paper	\$ 65	4.2%	\$ 347	85	6.5%
Notes Payable (A)	393	10.9%	408	377	10.3%
	-----		-----	-----	
Total	\$ 458	9.9%	\$ 755	462	9.6%
	=====		=====	=====	

Note A - Consists primarily of international notes payable to banks.

Note B - Reflects five quarter average balance.

Note C - Reflects five quarter average balance and related interest expense for the year.

JOHNSON & JOHNSON AND SUBSIDIARIES

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION

Fiscal Years Ended January 2, 1994, January 3, 1993 and December 29, 1991
(Dollars in Millions)

	Charges to Costs and Expenses		
	1993	1992	1991
	----	----	----
Maintenance and repairs	\$202	\$210	\$203
Depreciation of property	553	499	438
Advertising media costs	753	694	675
Royalties Expense	165	132	106

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 28, 1994

JOHNSON & JOHNSON

(Registrant)

By /S/ R. S. Larsen

R. S. Larsen, Chairman, Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
-----	-----	----
/S/ R. S. Larsen	Chairman,	
-----	Board of Directors and	
R. S. Larsen	Chief Executive	
	Officer, and Director	
	(Principal	
	Executive Officer)	
		March 28, 1994

/S/ C. H. Johnson ----- C. H. Johnson	Vice President-Finance and Director (Principal Financial Officer)	March 31, 1994
/S/ A. W. Roulston ----- A. W. Roulston	Controller	March 28, 1994
/S/ J. W. Black ----- J. W. Black	Director	March 29, 1994
/S/ G. N. Burrow ----- G. N. Burrow	Director	March 29, 1994
/S/ R. E. Campbell ----- R. E. Campbell	Director	March 28, 1994
/S/ J. G. Cooney ----- J. G. Cooney	Director	March 29, 1994

Signature -----	Title -----	Date -----
/s/ P.M. Hawley ----- P. M. Hawley	Director	March 28, 1994
----- A. D. Jordan	Director	March , 1994
/s/ A. G. Langbo ----- A. G. Langbo	Director	March 29, 1994
----- J. S. Mayo	Director	March , 1994
/s/ T. S. Murphy ----- T. S. Murphy	Director	March 28, 1994
/s/ P. J. Rizzo ----- P. J. Rizzo	Director	March 29, 1994
/s/ M. F. Singer	Director	March 28, 1994

M. F. Singer

/s/ R. B. Smith

Director

March 30, 1994

R. B. Smith

/s/ R. N. Wilson

Director

March 28, 1994

R. N. Wilson

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REPORT OF INDEPENDENT AUDITORS

To the Stockholders and Board of Directors of
Johnson & Johnson:

Our report on the consolidated financial statements of Johnson & Johnson and subsidiaries has been incorporated by reference in this Form 10-K from the Johnson & Johnson 1993 Annual Report to Stockholders and appears on page 40 therein. In connection with our audits of such financial statements, we have also audited the related financial statement schedules listed in the index in Item 14 of this Form 10-K.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND

New York, New York
January 31, 1994

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in Registration Statements No. 33-52260, 33-40294, 33-40295, 33-32875, 2-67443, 2-77153, 2-78905 and 33-7634 on Form S-8 and No. 33-47424 and 33-37040 on Form S-3 and related Prospectuses of our report dated January 31, 1994 on our audits of the consolidated financial statements and financial statement schedules of Johnson & Johnson and subsidiaries as of January 2, 1994 and January 3, 1993, and for each of the three years in the period ended January 2, 1994, which reports are included or incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND

New York, New York
January 31, 1994

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EXHIBIT INDEX

Reg. S-K Exhibit Table Item No. -----	Description of Exhibit -----
3 (a)	Certificate of Amendment to the Restated Certificate of Incorporation of the Company and Restated Certificate of Incorporation, dated May 20, 1992 -- Incorporated herein by reference to Exhibit 3(a) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.
3 (b)	By-Laws of the Company, as amended April 26, 1990 -- Incorporated herein by reference to Exhibit 3(b) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.
10 (a)	1991 Stock Option Plan -- Incorporated by reference to Registration Statement No. 33-40294, Exhibit 4(a).*
10 (b)	1986 Stock Option Plan (as amended) -- Incorporated herein by reference to Exhibit 10(b) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (c)	1981 Incentive Stock Option Plan (as amended) -- Incorporated herein by reference to Exhibit 10(c) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (d)	1980 Stock Option Plan (as amended) -- Incorporated herein by reference to Exhibit 10(d) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (e)	1991 Stock Compensation Plan -- Incorporated herein by reference to Exhibit 10(e) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (f)	1986 Stock Compensation Plan -- Incorporated herein by reference to Exhibit 10(f) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (g)	Domestic Deferred Compensation Plan -- Incorporated herein by reference to Exhibit 10(g) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (h)	Supplemental Retirement Plan -- Incorporated herein by reference to Exhibit 10(h) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
10 (i)	Executive Life Insurance Plan -- Incorporated herein by reference to Exhibit 10(i) of the Registrant's Form 10-K Annual Report for the year ended January 3, 1993.*
11	-Calculation of Earnings Per Share -- Filed with this document.
12	-Statement of Computation of Ratio of Earnings to Fixed Charges -- Filed with this document.
13	-Annual report to stockholders for fiscal year 1993 (only

those portions incorporated by reference in this document are deemed "filed") -- Filed with this document.

21 -Subsidiaries -- Filed with this document.

28 -Form 11-K for the Johnson & Johnson Savings Plan to be filed on or before June 30, 1994.

* Management contracts and compensatory plans and arrangements required to be filed as exhibits to this form pursuant to Item 14(c) of this report.

A copy of any of the exhibits listed above will be provided without charge to any stockholder submitting a written request specifying the desired exhibit(s) to the Secretary at the principal executive offices of the Company.

JOHNSON & JOHNSON AND SUBSIDIARIES
CALCULATION OF EARNINGS PER SHARE (A)

(Dollars and shares in millions except per share figures)

	Fiscal Year Ended				
	January 2, 1994 -----	January 3, 1993 -----	December 29, 1991 -----	December 30, 1990 -----	December 31, 1989 -----
1. Net Earnings	\$ 1,787	1,030	1,461	1,143	1,082
2. Average number of shares outstanding during the year	651.7	659.5	666.1	666.1	666.2
3. Earnings per share based upon average outstanding shares (1 / 2)	\$ 2.74	1.56	2.19	1.72	1.62
4. Fully diluted earnings per share:					
a. Average number of shares outstanding during the year	651.7	659.5	666.1	666.1	666.2
b. Shares issuable under stock compensation agreements at year-end	.3	.7	.8	.8	.8
c. Shares reserved under the stock option plans for which the market price at fiscal year-end exceeds the option price	29.0	26.9	29.0	25.8	32.6
d. Aggregate proceeds to the Company from the exercise of options in 4c	998	894	902	546	621
e. Market price of the Company's common stock at fiscal year-end	44.88	50.50	57.25	35.88	29.63
f. Shares which could be repurchased under the treasury stock method (4d / 4e)	22.2	17.7	15.8	15.2	21.0
g. Addition to average outstanding shares (4b + 4c - 4f)	7.1	9.9	14.0	11.4	12.4
h. Shares for fully diluted earnings per share calculation (4a + 4g)	658.8	669.4	680.1	677.5	678.6
i.					
Fully diluted earnings per share (1 / 4h)	\$ 2.71	1.54	2.15	1.69	1.59

(A) All share and per share amounts have been adjusted for the two-for-one stock split in 1992.

JOHNSON & JOHNSON AND SUBSIDIARIES

STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (1)

(Dollars in Millions)

	Fiscal Year Ended				
	January 2, 1994 -----	January 3, 1993 -----	December 29, 1991 -----	December 30, 1990 (2) -----	December 31, 1989 -----
Determination of Earnings:					
Earnings Before Provision for Taxes on Income and Cumulative effect of Accounting Changes	\$ 2,332	2,207	2,038	1,623	1,514
Fixed Charges	211	210	209	275	214
Total Earnings as Defined	\$ 2,543 =====	2,417 =====	2,247 =====	1,898 =====	1,728 =====
Fixed Charges and Other:					
Rents	\$ 85	86	80	74	73
Interests	126	124	129	201	141
Fixed Charges	211	210	209	275	214
Capitalized Interest	48	53	46	41	41
Total Fixed Charges	\$ 259 =====	263 =====	255 =====	316 =====	255 =====
Ratio of Earnings to Fixed Charges	9.82 =====	9.19 =====	8.81 =====	6.01 =====	6.78 =====

- 1) The ratio of earnings to fixed charges represents the historical ratio of the Company and is calculated on a total enterprise basis. The ratio is computed by dividing the sum of earnings before provision for taxes and fixed charges (excluding capitalized interest) by fixed charges. Fixed charges represent interest (including capitalized interest) and amortization of debt discount and expense and the interest factor of all rentals, consisting of an appropriate interest factor on operating leases.
- 2) 1990 earnings include Latin America non-recurring charges of \$140 million. Excluding the effect of these charges, the ratio of earnings to fixed charges would have been 7.15.

Management's Discussion and Analysis
of Results of Operations and Financial Condition

Overview

Record sales of \$14.14 billion reinforced the Company's position as the largest and most comprehensive health care company in the world. Despite continued cost containment measures by our customers and government agencies in Europe, notably Germany and Italy, and the progressive shift towards managed health care in the U.S., sales growth in local currency was still solid. Almost two-thirds of the operational sales gain represents strong unit growth. The Company invested \$1.2 billion in research and development, emphasizing its commitment to achieving significant advances in health care through the discovery and development of innovative products that save lives, enhance the quality of life and are cost effective.

During 1993, the Company streamlined its business worldwide to make the organization more cost effective. The Company has put in place many initiatives in recent years. These have included the creation of programs to share administrative, financial and information services among companies and locations, mergers of operating companies, consolidation of manufacturing locations, a voluntary early retirement program domestically and others. The Company's work force has been reduced from 84,900 in 1992 to 81,600 in 1993, a net reduction of 3,300, despite the addition of 900 employees from the recent acquisition of RoC S.A., a consumer skin care products company in France.

In the United States and in countries around the world, the health care system is being transformed. The Company feels it is well positioned to take advantage of these changes due to its diversification in health care; global reach; extensive research and development; dedicated employees; strong Crede values and decentralized management.

Sales and Earnings

In 1993, worldwide sales increased 2.8% to \$14.14 billion compared to increases of 10.5% and 10.8% in 1992 and 1991, respectively. Excluding the impact of the relatively stronger dollar in 1993 and 1991, and the weaker dollar in 1992 relative to international currencies, worldwide sales increased 7.0%, 10.0% and 11.7% in 1993, 1992 and 1991, respectively.

Chart 1: Bar graph showing Sales to Customers for the years 1984 through 1993. See appendix for a complete description.

Worldwide net earnings for 1993 were \$1.79 billion, or \$2.74 per share. In 1992, the Company recorded a one-time after-tax charge of \$595 million, or \$.90 a share, due to the Company's adoption of three new accounting standards for postretirement benefits, postemployment benefits, and income taxes, resulting in 1992 worldwide net earnings of \$1.03 billion, or \$1.56 per share. Worldwide net earnings for 1992, before these one-time charges, were \$1.63 billion, or \$2.46 per share. Excluding the effect of these one-time charges, worldwide net earnings and earnings per share for 1993 increased 10.0% and 11.4% over 1992, respectively, while 1992 worldwide net earnings and earnings per share increased 11.2% and 12.3% over 1991, respectively. In 1991, worldwide net earnings and earnings per share increased 15.2% and 15.3% over 1990, excluding 1990 Latin America non-recurring charges of \$125 million after-tax, or \$.19 per share.

Average shares of common stock outstanding in 1993 were 651.7 million compared with 659.5 million and 666.1 million in 1992 and 1991, respectively.

Chart 2: Bar graph showing Net Earnings for the years 1984 through 1993. See appendix for a complete description.

Sales by domestic companies were \$7.20, \$6.90 and \$6.25 billion in 1993, 1992 and 1991, respectively, representing an increase of 4.3% in 1993, 10.5% in 1992 and 15.1% in 1991. The increase in domestic sales in 1993 was the result of new product launches in all three segments. In the United States, the Federal Government mandated that, starting in 1991, the Company must rebate to the states a portion of its sales on products dispensed to state Medicaid recipients.

Sales by international companies were \$6.94 billion in 1993, \$6.85 billion in 1992 and \$6.20 billion in 1991, representing increases of 1.2%, 10.5% and 6.8%, respectively. Excluding the impact of the relatively stronger dollar in 1993 and 1991, and the weaker dollar in 1992 relative to international currencies, international sales increased 9.6%, 9.5% and 8.6% in 1993, 1992 and 1991, respectively.

The Company achieved an annual compound growth rate of 9.0% for worldwide sales for the ten-year period since 1983 with domestic and international sales growing at rates of 7.1% and 11.4%, respectively. For the same ten-year period, worldwide net earnings achieved an annual growth rate of 13.8%, while earnings per share grew at a rate of 15.7%. For the last five years, annual compound growth rates for sales, net earnings and earnings per share were 9.5%, 12.9% and 13.9%, respectively.

Common Stock Market Prices

The Company's common stock is listed on the New York Stock Exchange under the symbol JNJ. The approximate number of stockholders of record at year-end 1993 was 96,100. The composite market price ranges for Johnson & Johnson common stock during 1993 and 1992 were:

	1993		1992	
	High	Low	High	Low
First quarter	\$50 3/8	37 5/8	58 3/4	47
Second quarter	45 3/4	38 3/8	51 3/8	43
Third quarter	41 3/4	35 5/8	52 7/8	44 5/8
Fourth quarter	45 5/8	38 1/2	54 3/4	43 1/4
Year-end close	44 7/8		50 1/2	

Cash Dividends Paid

Cash dividends paid in 1993 and in 1992 totaled \$1.01 and \$.89 per share, respectively, an increase of 13.5% over 1992 and 15.6% over 1991. They were distributed as follows:

	1993	1992	1991
First quarter	\$.23	.20	.17
Second quarter	.26	.23	.20
Third quarter	.26	.23	.20
Fourth quarter	.26	.23	.20
Total	\$1.01	.89	.77

On January 4, 1994, the Board of Directors declared a regular cash dividend of \$.26 per share, paid on March 8, 1994 to stockholders of record on February 15, 1994.

The Company expects to continue the practice of paying regular cash dividends.

Chart 3: Bar graph showing Net Earnings Per Share and Cash Dividends Paid Per Share for the years 1984 through 1993. See appendix for a complete description.

3 Costs and Expenses

The percentage relationships of costs and expenses to sales for 1993, 1992 and 1991 were:

	----	----	----
Employment costs	28.8%	29.4%	28.2%
Cost of materials and services	49.7	49.9	50.8
Depreciation and amortization of property and intangibles	4.4	4.1	4.0
Taxes other than payroll	4.5	4.8	5.3
Cumulative effect of accounting changes	-	4.3	-

Chart 4: Pie chart showing Distribution of Sales Revenues - 1993. See appendix for a complete description.

Research activities represent a significant part of the Company's business. These expenditures relate to the development of new products, the improvement of existing products, technical support of products and compliance with governmental regulations for the protection of the consumer. Worldwide costs of research activities were as follows:

(Dollars in Millions)	1993	1992	1991
- - - - -	----	----	----
Research expense	\$1,182	1,127	980
Percent increase over prior year	4.9%	15.0%	17.5%
Percent of sales	8.4%	8.2%	7.9%

Research expense as a percent of sales for the Pharmaceutical segment was 15.2%, 14.8% and 15.0% in 1993, 1992 and 1991, respectively, while averaging 5.2%, 5.1% and 4.8% in the other segments.

Chart 5: Bar graph showing Research Expense for the years 1984 through 1993. See appendix for a complete description.

Advertising expenses worldwide, which are comprised of television, radio and print media, were \$753 million in 1993, \$694 million in 1992 and \$675 million in 1991. Additionally, significant expenditures were incurred for promotional activities such as couponing and performance allowances.

The Company believes that its operations comply in all material respects with applicable environmental laws and regulations. The Company or its subsidiaries are parties to a number of proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, and comparable state laws, in which the primary relief sought is the cost of past and future remediation. While it is not feasible to predict or determine the outcome of these proceedings, in the opinion of the Company, such proceedings would not have a material adverse effect on the financial position of the Company.

Worldwide sales do not reflect any significant degree of seasonality; however, spending has been heavier in the fourth quarter of each year than in other quarters. This reflects increased spending decisions, principally for advertising and research grants.

The Omnibus Budget Reconciliation Act of 1993 includes a change in the tax code which will gradually reduce the benefit the Company receives from its operations in Puerto Rico by 60% over the next five years. This legislation will have an unfavorable impact on the Company's effective tax rate of 2 to 3 percentage points. The worldwide effective income tax rate was 23.4% in 1993, 26.4% in 1992 and 28.3% in 1991. See page 33 for additional information.

A summary of operations and related statistical data for the years 1983 - - 1993 can be found on page 42.

Liquidity and Capital Resources

Cash generated from operations and selected borrowings provide the major

sources of funds for the growth of the business, including working capital, additions to property, plant and equipment and acquisitions. Cash and current marketable securities totaled \$476 million at the end of 1993 as compared with \$878 million at the end of 1992.

Total unused credit available to the Company approximates \$2.4 billion, including \$735 million of credit commitments with various worldwide banks, \$460 million of which expires on December 9, 1994 and \$275 million on December 31, 1995.

During 1993, the Company issued \$150 million of Medium Term Notes (MTN's), with maturities of less than two years, and \$250 million of 6.73% Debentures due 2023 from a \$1.25 billion shelf registration filed with the Securities and Exchange Commission in 1992. At January 2, 1994, the Company had \$585 million remaining on its shelf registration. In addition, the Company issued \$95.4 million equivalent of 8.82% Italian Lire Notes due 2003. The proceeds were used for general corporate purposes, including the refinancing of maturing debt issues. Commercial paper borrowings were \$126 million at the end of 1993 and \$263 million at the end of 1992.

Total borrowings at the end of both 1993 and 1992 were \$2.4 billion each year. In 1993 and 1992, net debt (net of cash and current marketable securities) was 25.8% and 22.7% of net capital (stockholders' equity and net debt), respectively. Total debt represented 30.2% and 31.7% of total capital (stockholders' equity and total borrowings) in 1993 and 1992, respectively. Stockholders' equity per share at the end of 1993 was \$8.66 compared with \$7.89 at year-end 1992, an increase of 9.8%.

Additions to property, plant and equipment amounting to \$975, \$1,103 and \$987 million in 1993, 1992 and 1991, respectively, were made primarily to increase the capacity of facilities for existing and new products. The Company intends to continue this level of investment to support the business operations. No material commitments for capital expenditures were outstanding at the end of 1993.

During 1993, 1992 and 1991, certain businesses were acquired amounting to \$266, \$47 and \$125 million, respectively. See page 38 for additional information.

The Company annually repurchases a sufficient amount of its common stock in the open market to replace shares issued under various employee stock plans. During 1993, the Company repurchased 3.0 million shares of its common stock at a total cost of \$132 million for use in the Company's employee benefit plans; 1992 and 1991 repurchases for this purpose totaled 4.8 million and 4.9 million shares at a cost of \$240 million and \$222 million, respectively. In 1993 and 1992, the Company also repurchased 12.4 and 10.6 million shares of its common stock for general corporate purposes at a cost of \$500 million each year.

Changing Prices and Inflation

Johnson & Johnson is aware that its products are used in a setting where, for more than a decade, policy makers, consumers and businesses have expressed concern about the rising cost of health care. In response to these concerns, Johnson & Johnson has a long standing policy of pricing products responsibly. For the period 1980-1991, in the United States, the weighted average compound growth rate of Johnson & Johnson's price increases for health care products (prescription and over-the-counter drugs, hospital and professional products) was below the U.S. Consumer Price Index (CPI) for the period. That was true in 1992 and again in 1993.

Inflation rates, even though moderate in many parts of the world during 1993, continue to have an effect on worldwide economies and, consequently, on the way companies operate. In the face of increasing costs, the Company strives to maintain its profit margins through cost reduction programs, productivity improvements and timely price increases.

Segments of Business

Financial information for the Company's three worldwide business segments is summarized below. Refer to page 41 for additional information on segments of business.

Chart 6: Bar graph showing Sales by Segment of Business for the years 1991 through 1993. See appendix for a complete description.

Sales (Dollars in Millions)	1993	1992	Increase	
			Amount	Percent
Consumer	\$ 4,824	4,780	44	.9%
Pharmaceutical	4,490	4,340	150	3.5
Professional	4,824	4,633	191	4.1
Worldwide total	\$14,138	13,753	385	2.8%

Chart 7: Bar graph showing Operating Profit by Segment of Business for the years 1991 through 1993. See appendix for a complete description.

Operating Profit (Dollars in Millions)	1993	1992	Percent of Sales	
			1993	1992
Consumer	\$ 521	501	10.8%	10.5%
Pharmaceutical	1,406	1,364	31.3	31.4
Professional	655	598	13.6	12.9
Segments total	2,582	2,463	18.3	17.9
Expenses not allocated to segments	(250)	(256)	(1.8)	(1.9)
Earnings before taxes on income and cumulative effect of accounting changes	\$2,332	2,207	16.5%	16.0%

Consumer

The Consumer segment's principal products are toiletries and hygienic products, including dental and baby care products, first aid products, nonprescription drugs, sanitary protection products and adult incontinence products. Major brands include ACT Fluoride Rinse; BAND-AID Brand Adhesive Bandages; CAREFREE Panty Shields; 'o.b.' Tampons; CLEAN & CLEAR skin care products; SHOWER TO SHOWER toiletries products; STAYFREE and SURE & NATURAL sanitary protection products; IMODIUM A-D, an antidiarrheal; JOHNSON'S baby products; MONISTAT 7, an over-the-counter remedy for vaginal yeast infections; MYLANTA gastrointestinal products from the Johnson & Johnson and Merck & Co., Inc. joint venture; PEDIACARE children's cold and allergy medications; PENATEN and NATUSAN baby toiletries; PIZ BUIN and SUNDOWN sun care products; PREVENT and REACH toothbrushes; SERENITY incontinence products; and the broad family of TYLENOL acetaminophen products. These products are marketed principally to the general public and distributed both to wholesalers and directly to independent

and chain retail outlets.

Consumer segment sales were \$4.82 billion in 1993. Sales by domestic companies accounted for 54.5% of the total segment and international subsidiaries accounted for 45.5%. Domestic Consumer sales growth was slowed by a sluggish retail environment and fierce competition faced by MONISTAT 7. International Consumer sales reflected improvements in Latin America, Asia and Africa, which offset a substantial decline in the U.S. dollar value of sales from European operations.

Consumer segment sales in 1992 were \$4.78 billion, an increase of 4.3% over 1991. Domestic sales improved 6.0% in 1992, led by higher sales of MONISTAT 7 and strong sales gains by the SERENITY and TYLENOL product lines. International Consumer sales increased 2.3% in 1992, despite the adverse impact of sluggish international economies.

Consumer segment sales in 1991 were \$4.58 billion, an increase of 8.8% over 1990. Domestic sales in 1991 improved 17.8% over 1990, led by the positive impact of the MONISTAT 7 launch as an over-the-counter product, as well as an outstanding performance by the expanded line of nonprescription cold and flu medications under the TYLENOL brand. International Consumer sales were flat in 1991, reflecting a substantial decline in the U.S. dollar value of sales from Brazilian operations, which offset sales improvements in Canada, Europe, Asia and Africa.

Acquisitions made during 1993 and 1992 impacting the Consumer segment are described on page 38.

Pharmaceutical

The Pharmaceutical segment represents over 50% of total operating profit. The Pharmaceutical segment's principal worldwide franchises are in the allergy and asthma, antifungal, central nervous system, contraceptive, dermatology, gastrointestinal and immunobiology and biotech fields. These products are distributed both directly and through wholesalers for use by health care professionals and the general public.

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Prescription drugs include DURAGESIC, a transdermal patch for chronic pain; EPREX (sold in the U.S. as PROCRIT), a biotechnology derived version of the human hormone erythropoietin, which stimulates red blood cell production; ERGAMISOL, a colon cancer drug; FLOXIN, an antibacterial; HISMANAL, the once-a-day less sedating antihistamine; IMODIUM, an antidiarrheal; LEUSTATIN, for hairy cell leukemia; MOTILIUM, a gastrointestinal mobilizer; NIZORAL, SPORANOX and TERAZOL, antifungals; ORTHOCLONE OKT-3, for reversing the rejection of kidney, heart and liver transplants; ORTHO-NOVUM group of oral contraceptives; PREPULSID (sold in the U.S. as PROPULSID), a gastrointestinal prokinetic; and RETIN-A, a dermatological cream for acne.

Johnson & Johnson markets more than 80 prescription drugs around the world, with 60.5% of the sales generated outside the United States. Twenty-five drugs sold by the Company had 1993 sales in excess of \$50 million, with 13 of them in excess of \$100 million.

In 1993, Pharmaceutical segment sales increased 3.5% over 1992, to \$4.49 billion. This growth was led by sales gains from PREPULSID, PROPULSID, SPORANOX, EPREX, PROCRIT, FLOXIN, LEUSTATIN and DURAGESIC. Domestic Pharmaceutical sales advanced 7.4%, due to higher sales by Janssen and Ortho Biotech. International sales, through Janssen Pharmaceutica, headquartered in Belgium, and Cilag, were negatively impacted by the strength of the U.S. dollar relative to international currencies as well as the pressure on pharmaceutical prices in Germany and Italy.

In 1992, Pharmaceutical segment sales increased 14.4% over 1991, to \$4.34 billion. This growth reflected the continued market penetration of key pharmaceuticals such as PREPULSID, EPREX, PROCRIT, FLOXIN, SPORANOX, DURAGESIC and ORTHO-CYCLEN, an oral contraceptive introduced in 1992. Domestic Pharmaceutical sales advanced 7.8%, due to higher sales by Janssen and Ortho Biotech. International sales increased 18.8%, led by strong performances for

EPREX, PREPULSID and SPORANOX.

In 1991, Pharmaceutical segment sales increased 14.9% over 1990, to \$3.80 billion. Continued market penetration of key pharmaceuticals and the introductions of DURAGESIC, FLOXIN and PROCRIIT in the U.S. contributed to the sales growth. Domestic Pharmaceutical sales advanced 16.4%, due to higher sales by Janssen, Ortho Biotech and McNeil Pharmaceutical. International sales increased 13.9%, despite a stronger U.S. dollar.

Significant research activities continued in Pharmaceutical segment companies, increasing to \$683 million in 1993, or \$40 million over 1992. This represents 15.2% of 1993 Pharmaceutical sales and a compound growth rate of 14.5% for the ten-year period since 1983. The pipeline for new products continued to be healthy in 1993 as evidenced by six new drugs and new medical indications approved by the U.S. FDA during the year. PROCRIIT was introduced for patients undergoing chemotherapy, ORTHOCLONE OKT-3 was approved for reversing the rejection of heart and liver transplants, LEUSTATIN for hairy cell leukemia, and PROPULSID for nighttime heartburn associated with gastrointestinal esophageal reflux disease. In the fourth quarter of 1993, the Company received U.S. FDA approval for LIVOSTIN, for allergic conjunctivitis, and RISPERDAL, a new anti-psychotic medication.

Pharmaceutical research is led by two worldwide organizations, Janssen Research Foundation headquartered in Belgium and the R.W. Johnson Pharmaceutical Research Institute headquartered in the United States. Other research involves the Immunobiology Research Institute of New Jersey, as well as collaborations with the Scripps Clinic and Research Foundation in La Jolla, California and the James Black Foundation in London, England.

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Professional

The Professional segment includes suture and mechanical wound closure products, less-invasive surgical instruments, dental products, diagnostic products, medical equipment and devices, ophthalmic products, surgical instruments, joint replacements and products for wound management and infection prevention. These products are used principally in the professional fields by physicians, dentists, nurses, therapists, hospitals, diagnostic laboratories and clinics. Distribution to these markets is done both directly and through surgical supply and other dealers.

Of the total Professional segment sales in 1993, domestic companies accounted for 58.0% and international subsidiaries 42.0%.

In 1993, Professional segment sales increased 4.1% over 1992, to \$4.82 billion. Worldwide sales gains were led by LifeScan, Ethicon Endo-Surgery and Vistakon. Domestic sales posted a 5.8% gain, aided by strong sales of PROTECTIV catheter safety system products, the DINAMAP Plus vital signs monitor and P.F.C. Hip and Knee orthopaedic joint reconstruction products. These gains offset a decline in sales at Johnson & Johnson Medical, Inc., due to the continued reduction in inventories at hospitals and distributors given the uncertain health care environment. International sales rose 1.9%, despite the adverse impact of the stronger U.S. dollar relative to international currencies.

In 1992, Professional segment sales increased 13.9% over 1991, to \$4.63 billion. Domestic sales posted a 17.2% gain, and international sales improved 9.8%. Ethicon Endo-Surgery, Vistakon, LifeScan, Ortho Diagnostic Systems and Johnson & Johnson Orthopaedics led the segment with higher sales volume gains in the United States and abroad.

In 1991, Professional segment sales increased 9.4% over 1990, to \$4.07 billion. Domestic sales posted an 11.6% gain, and international sales improved 6.9%. Vistakon, Ethicon, LifeScan, Codman & Shurtleff and Johnson & Johnson Orthopaedics led the segment with higher sales volume gains in the United States and abroad.

Geographic Areas

The Company further categorizes its sales and operating profit by major geographic area as presented for the years 1993 and 1992:

Sales (Dollars in Millions)	1993	1992	Increase/ (Decrease)	
			Amount	Percent
United States	\$ 7,203	6,903	300	4.3%
Europe	4,024	4,246	(222)	(5.2)
Western Hemisphere excluding U.S.	1,325	1,206	119	9.9
Africa, Asia and Pacific	1,586	1,398	188	13.4
Worldwide total	\$ 14,138	13,753	385	2.8%

Operating Profit (Dollars in Millions)	1993	1992	Percent of Sales	
			1993	1992
United States	\$ 1,209	1,052	16.8%	15.2%
Europe	1,036	1,125	25.7	26.5
Western Hemisphere excluding U.S.	156	132	11.8	10.9
Africa, Asia and Pacific	181	154	11.4	11.0
Segments total	\$ 2,582	2,463	18.3%	17.9%

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International sales and operating profit were unfavorably impacted by the translation of local currency operating results into U.S. dollars at lower average exchange rates in 1993 than in 1992. International sales and operating profit were favorably impacted by the translation of local currency operating results into U.S. dollars at higher average exchange rates in 1992 than in 1991.

Operating profit reported above is before deduction of taxes on income and certain income and expense items not allocated to segments, such as interest expense, minority interests and general corporate income and expense.

See page 41 for additional information on geographic areas.

Chart 8: Bar graph showing Sales by Geographic Area of Business for the years 1991 through 1993. See appendix for a complete description.

Chart 9: Bar graph showing Operating Profit by Geographic Area of Business for the years 1991 through 1993. See appendix for a complete description.

Description of Business

The Company, employing 81,600 people worldwide, is engaged in the manufacture and sale of a broad range of products in the health care field in many countries of the world. The Company's primary interest, both historically and currently, has been in products related to health and well-being.

The Company is organized on the principles of decentralized management. The Executive Committee of Johnson & Johnson is the principal management group responsible for the operations of the Company. In addition, three Executive Committee members are Chairmen of Sector Operating Committees, which are comprised of managers who represent key operations within the sector, as well as management expertise in other specialized functions. These Committees oversee and coordinate the activities of domestic and international companies related to each of the Consumer, Pharmaceutical, Professional and Diagnostic businesses. Operating management of each company is headed by a President, General Manager or Managing Director who reports directly or through a Company Group Chairman.

In line with this policy of decentralization, each international subsidiary is, with some exceptions, managed by citizens of the country where it is located. The Company's international business is conducted by subsidiaries manufacturing in 43 countries outside the United States and selling in most countries of the world.

In all its product lines, the Company competes with companies both large and small, located in the U.S. and abroad. Competition is strong in all lines without regard to the number and size of the competing companies involved. Competition in research, involving the development of new products and processes and the improvement of existing products and processes, is particularly significant and results from time to time in product and process obsolescence. The development of new and improved products is important to the Company's success in all areas of its business. This competitive environment requires substantial investments in continuing research and in multiple sales forces. In addition, the winning and retention of customer acceptance of the Company's consumer products involves heavy expenditures for advertising, promotion and selling.

10
CONSOLIDATED BALANCE SHEET Johnson & Johnson and Subsidiaries

At January 2, 1994 and January 3, 1993

----- (Dollars in Millions) (Note 1) -----	1993	1992
-----	-----	-----
Assets		

Current assets		
Cash and cash equivalents (Notes 1 and 17)	\$ 372	745
Marketable securities, at cost (Note 17)	104	133
Accounts receivable, trade, less allowances \$170 (1992, \$143)	2,107	1,855
Inventories (Notes 1 and 2)	1,717	1,742
Deferred taxes on income (Note 6)	399	327
Prepaid expenses and other receivables	518	621
	-----	-----
Total current assets	5,217	5,423
	-----	-----
Marketable securities, non-current, at cost (Note 17)	437	355
Property, plant and equipment, net (Notes 1 and 3)	4,406	4,115
Intangible assets, net (Notes 1 and 4)	925	716
Deferred taxes on income (Note 6)	484	506
Other assets	773	769
	-----	-----
Total assets	\$12,242	11,884
	=====	=====
Liabilities and Stockholders' Equity		

Current liabilities		
Loans and notes payable (Note 5)	\$ 915	1,032
Accounts payable	901	910
Accrued liabilities	1,283	1,302
Taxes on income	113	183
	-----	-----
Total current liabilities	3,212	3,427
	-----	-----
Long-term debt (Note 5)	1,493	1,365
Deferred tax liability (Note 6)	122	91
Certificates of extra compensation (Note 11)	91	94
Other liabilities	1,756	1,736
Stockholders' equity		
Preferred stock-without par value (authorized and unissued 2,000,000 shares)	-	-
Common stock-par value \$1.00 per share (authorized 1,080,000,000 shares; issued 767,372,000 and 767,366,000 shares)	767	767
Note receivable from employee stock ownership plan (Note 14)	(84)	(92)
Cumulative currency translation adjustments (Note 7)	(338)	(146)
Retained earnings	7,727	6,648
	-----	-----
	8,072	7,177
Less common stock held in treasury, at cost (124,391,000 and 111,970,000 shares)	2,504	2,006
	-----	-----
Total stockholders' equity	5,568	5,171
	-----	-----
Total liabilities and stockholders' equity	\$12,242	11,884
	=====	=====

See Notes to Consolidated Financial Statements

11
CONSOLIDATED STATEMENT OF EARNINGS
Johnson & Johnson and Subsidiaries

(Dollars in Millions Except Per Share Figures) (Note 1)

	1993	1992	1991
	-----	-----	-----
Sales to customers	\$14,138	13,753	12,447
	-----	-----	-----
Cost of products sold	4,791	4,678	4,204
Selling, marketing and administrative expenses	5,771	5,671	5,099
Research expense	1,182	1,127	980
Interest income	(80)	(93)	(88)
Interest expense, net of portion capitalized (Note 3)	126	124	129
Other expense, net	16	39	85
	-----	-----	-----
	11,806	11,546	10,409
	-----	-----	-----
Earnings before provision for taxes on income and cumulative effect of accounting changes	2,332	2,207	2,038
Provision for taxes on income (Note 6)	545	582	577

Earnings before cumulative effect of accounting changes	1,787	1,625	1,461
Cumulative effect of accounting changes, net of tax (Notes 6, 15 and 16)	-	(595)	-
Net earnings	\$ 1,787	1,030	1,461
Net earnings per share (Note 1):			
Before cumulative effect of accounting changes	\$ 2.74	2.46	2.19
Cumulative effect of accounting changes, net of tax (Notes 6, 15 and 16)	-	(.90)	-
Net earnings per share	\$ 2.74	1.56	2.19

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CONSOLIDATED STATEMENT OF COMMON STOCK, RETAINED EARNINGS AND TREASURY STOCK

(Dollars in Millions; Shares in Thousands) (Notes 1 & 10)

	Common Stock Issued		Retained Earnings	Treasury Stock	
	Shares	Amount		Shares	Amount
Balance, December 30, 1990	767,354	\$767	\$5,480	101,201	\$1,488
Net earnings	-	-	1,461	-	-
Cash dividends paid (per share: \$.77)	-	-	(513)	-	-
Employee compensation and stock option plans	-	-	(115)	(5,045)	(222)
Repurchase of common stock	-	-	-	4,869	222
Other	2	-	-	-	-
Balance, December 29, 1991	767,356	767	6,313	101,025	1,488
Net earnings	-	-	1,030	-	-
Cash dividends paid (per share: \$.89)	-	-	(587)	-	-
Employee compensation and stock option plans	-	-	(108)	(4,417)	(222)
Repurchase of common stock	-	-	-	15,362	740
Other	10	-	-	-	-
Balance, January 3, 1993	767,366	767	6,648	111,970	2,006
Net earnings	-	-	1,787	-	-
Cash dividends paid (per share: \$1.01)	-	-	(659)	-	-
Employee compensation and stock option plans	-	-	(49)	(3,066)	(134)
Repurchase of common stock	-	-	-	15,487	632
Other	6	-	-	-	-

Balance, January 2, 1994	767,372	\$767	\$7,727	124,391	\$2,504
	=====	===	=====	=====	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
Johnson & Johnson and Subsidiaries

(Dollars in Millions) (Note 1)	1993	1992	1991
	-----	-----	-----
Cash flows from operating activities			
Net earnings	\$ 1,787	1,030	1,461
Adjustments to reconcile net earnings to cash flows:			
Cumulative effect of accounting changes	-	595	-
Depreciation and amortization of property and intangibles	617	560	493
Tax deferrals	(19)	(8)	(22)
Changes in assets and liabilities, net of effects from acquisition of businesses:			
Increase in accounts receivable, trade, less allowances	(310)	(211)	(244)
Increase in inventories	(29)	(142)	(165)
(Decrease) increase in accounts payable and accrued liabilities	(3)	345	156
Decrease (increase) in other current and non-current assets	102	(199)	(328)
Increase in other current and non-current liabilities	23	179	324
	-----	-----	-----
Net cash flows from operating activities	2,168	2,149	1,675
	=====	=====	=====
Cash flows from investing activities			
Additions to property, plant and equipment	(975)	(1,103)	(987)
Proceeds from the disposal of assets	66	91	257
Acquisition of businesses, net of cash acquired (Note 18)	(266)	(47)	(125)
Other, principally marketable securities	(86)	(114)	(173)
	-----	-----	-----
Net cash used by investing activities	(1,261)	(1,173)	(1,028)
	=====	=====	=====
Cash flows from financing activities			
Dividends to stockholders	(659)	(587)	(513)
Repurchase of common stock	(632)	(740)	(222)
Proceeds from short-term debt	297	409	726
Retirement of short-term debt	(336)	(237)	(1,125)
Proceeds from long-term debt	511	560	473
Retirement of long-term debt	(468)	(264)	(278)
Proceeds from the exercise of stock options	43	74	66
	-----	-----	-----
Net cash used by financing activities	(1,244)	(785)	(873)
	=====	=====	=====
Effect of exchange rate changes on cash and cash equivalents	(36)	(35)	(11)
	-----	-----	-----
(Decrease) increase in cash and cash equivalents	(373)	156	(237)
Cash and cash equivalents, beginning of year (Note 1)	745	589	826

	-----	-----	-----
Cash and cash equivalents, end of year (Note 1)	\$ 372 =====	745 =====	589 =====
Supplemental cash flow data			
Cash paid during the year for:			
Interest, net of portion capitalized	\$ 118	124	127
Income taxes	665	561	629
Supplemental schedule of noncash investing and financing activities			
Treasury stock issued for employee compensation and stock option plans, net of cash proceeds	\$ 95	163	182

See Notes to Consolidated Financial Statements

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Johnson & Johnson and Subsidiaries

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Johnson & Johnson and subsidiaries. Intercompany accounts and transactions are eliminated.

Cash Equivalents

The Company considers securities with maturities of three months or less, when purchased, to be cash equivalents.

Inventories

Inventories are stated at the lower of cost (determined principally by the first-in, first-out method) or market.

Depreciation of Property

The Company utilizes the straight-line method of depreciation for financial statement purposes for all additions to property, plant and equipment placed in service after January 1, 1989. Depreciation of property, plant and equipment for assets placed in service prior to January 1, 1989 is generally determined using an accelerated method.

Intangible Assets

The excess of the cost over the fair value of net assets of purchased businesses is recorded as goodwill and is amortized on a straight-line basis over periods of 40 years or less. The cost of other acquired intangibles is amortized on a straight-line basis over their estimated useful lives.

Income Taxes

The Company intends to continue to reinvest its undistributed international earnings to expand its international operations; therefore, no tax has been provided to cover the repatriation of such undistributed earnings. At January 2, 1994 and January 3, 1993, the cumulative amount of undistributed international earnings was approximately \$3.0 billion and \$2.5 billion, respectively.

Net Earnings Per Share

Net earnings per share are calculated using the average number of shares outstanding during each year. Shares issuable under stock option and compensation plans would not materially reduce net earnings per share. All

share and per share amounts have been restated to retroactively reflect prior year stock splits.

Annual Closing Date

The Company follows the concept of a fiscal year which ends on the Sunday nearest to the end of the month of December. Normally each fiscal year consists of 52 weeks, but every five or six years, as was the case in 1992, the fiscal year consists of 53 weeks.

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2. Inventories

At the end of 1993 and 1992, inventories comprised:

(Dollars in Millions)	1993	1992
Raw materials and supplies	\$ 448	415
Goods in process	485	457
Finished goods	784	870
	-----	-----
	\$1,717	1,742
	=====	=====

3. Property, Plant and Equipment

At the end of 1993 and 1992, property, plant and equipment at cost and accumulated depreciation comprised:

(Dollars in Millions)	1993	1992
Land and land improvements	\$ 276	262
Buildings and building equipment	2,389	2,226
Machinery and equipment	3,454	3,143
Construction in progress	664	672
	-----	-----
	6,783	6,303
Less accumulated depreciation	2,377	2,188
	-----	-----
	\$4,406	4,115
	=====	=====

The Company capitalizes interest expense as part of the cost of construction of facilities and equipment. Interest expense capitalized in 1993, 1992 and 1991 was \$48, \$53 and \$46 million, respectively.

Upon retirement or other disposal of fixed assets, the cost and related amount of accumulated depreciation or amortization are eliminated from the asset and reserve accounts, respectively. The difference, if any, between the net asset value and the proceeds is adjusted to income.

4. Intangible Assets

At the end of 1993 and 1992, intangible assets, consisting primarily of patents and goodwill, comprised:

(Dollars in Millions)	1993	1992
Intangible assets	\$1,255	1,012
Less accumulated amortization	330	296
	-----	-----
	\$ 925	716
	=====	=====

5. Borrowings

The Company has access to substantial sources of funds at numerous banks worldwide. Total unused credit available to the Company approximates \$2.4 billion, including \$735 million of credit commitments with various worldwide banks, \$460 million of which expire on December 9, 1994 and \$275 million on December 31, 1995. Borrowings under the credit line agreements will bear

interest based on either bids provided by the banks or the prime rate, London Interbank Offered Rates (LIBOR) or Certificate of Deposit rates, plus applicable margins. Commitment fees under the agreements are not material.

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In 1992, the Company filed a shelf registration with the Securities and Exchange Commission, and in combination with \$100 million remaining from a prior shelf registration, initiated a second series of its Medium Term Note Program (MTN) for the issuance of up to \$1,350 million of unsecured debt securities and warrants to purchase debt securities. During 1993 and 1992, \$150 and \$165 million of MTN's were issued, respectively. In addition, in 1993, the Company issued \$250 million of 6.73% Debentures due 2023 from the shelf registration and \$95.4 million equivalent of 8.82% Italian Lire Notes due 2003. The proceeds were used for general corporate purposes, including the refinancing of maturing debt issues. At January 2, 1994, the Company had \$585 million remaining on its shelf registration.

Short-term borrowings amounted to \$915 million at the end of 1993. These borrowings are composed of \$126 million of U.S. commercial paper, \$101 million equivalent 7% Swiss Franc Notes due 1994, \$240 million of MTN's and \$448 million of local borrowings principally by international subsidiaries.

Long-term debt comprised:

(Dollars in Millions)	1993	1992
-----	----	-----
8 1/2% Notes due 1995	\$ 250	250
7.38% to 8.38% Medium Term Notes due 1993-8	250	350
6.73% Debentures due 2023	250	-
8% Notes due 1998	200	200
7 3/8% Notes due 2002	198	198
9% European Currency Unit Notes due 1997(1)	167	181
Floating Rate Medium Term Notes due 1994	150	100
7% Swiss Franc Notes due 1994(1)	101	104
8.82% Italian Lire Notes due 2003(1)	89	-
Industrial Revenue Bonds	81	86
4 1/2% Currency Indexed Notes due 1998(1)	73	73
10% European Currency Unit Notes due 1993(1)	-	121
12 7/8% Italian Lire Notes due 1993(1)	-	68
Other, principally international	37	76
	-----	-----
	1,846	1,807
Less current portion	353	442
	-----	-----
	\$1,493	1,365
	=====	=====

(1) These debt issues include the effect of foreign currency movements in the principal amounts shown. These debt issues were converted to fixed or floating rate U.S. dollar liabilities via interest rate and currency swaps. Unrealized gains (losses) on the currency swaps are classified in the balance sheet as other assets (liabilities).

Interest rates on the Industrial Revenue Bonds vary from 3% to 7%, while rates on other long-term obligations vary from 4% to 20% according to local conditions.

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Aggregate maturities of long-term obligations for each of the next five years commencing in 1994 are:

(Dollars in Millions)	1994	1995	1996	1997	1998
	-----	-----	-----	-----	-----
	\$353	263	104	175	349

6. Income Taxes

The provision for taxes on income consist of:

(Dollars in Millions)	1993	1992	1991
	-----	-----	-----
Currently payable:			
U.S. taxes on domestic income	\$190	179	121
U.S. taxes on international income	(1)	(14)	15
International taxes	345	403	440
U.S. state and local taxes	30	22	23
	-----	-----	-----
	564	590	599
	-----	-----	-----
Deferred:			
U.S. taxes	(26)	(29)	(21)
International taxes	7	21	(1)
	-----	-----	-----
	(19)	(8)	(22)
	-----	-----	-----
	\$545	582	577
	=====	=====	=====

Deferred taxes result from the effect of transactions which are recognized in different periods for financial and tax reporting purposes and relate primarily to employee benefits, depreciation and other valuation allowances.

Effective December 30, 1991, the Company adopted the provisions of Statement of Financial Accounting Standard (SFAS) No. 109, "Accounting for Income Taxes." The cumulative effect of \$35 million, or \$.05 per share, is reported as a one-time charge in the 1992 Consolidated Statement of Earnings. Prior years' financial statements have not been restated to apply the provisions of SFAS No. 109. The standard requires a change from the deferred to the liability method of computing deferred income taxes. Deferred income taxes are recognized for tax consequences of "temporary differences" by applying enacted statutory tax rates, applicable to future years, to differences between the financial reporting and the tax basis of existing assets and liabilities.

Temporary differences and carryforwards for 1993 are as follows:

(Dollars in Millions)	Deferred Tax	
	Asset	Liability
	-----	-----
Postretirement benefits	\$ 248	-
Postemployment benefits	108	-
Employee benefit plans	120	20
Depreciation	-	151
Alternative minimum tax credits	99	-
International R&D capitalized for tax	63	-
Reserves & liabilities	192	-
Income reported for tax purposes	95	-
Miscellaneous international	11	116
Miscellaneous U.S.	170	58
	-----	-----
Total deferred income taxes	\$1,106	345
	=====	=====

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A comparison of income tax expense at the federal statutory rate of 35% in 1993 and 34% in 1992 and 1991 to the Company's provision for taxes on income is as follows:

(Dollars in Millions)	1993	1992	1991
	----	-----	-----
Earnings before taxes on income:			
U.S.	\$1,006	863	797
International	1,326	1,344	1,241
	-----	-----	-----
Worldwide	\$2,332	2,207	2,038
	=====	=====	=====
Statutory taxes	\$ 816	750	693
Puerto Rico operations	(170)	(159)	(158)
Research tax credits	(17)	(7)	(18)
Domestic state and local	18	15	15
International subsidiaries	(113)	(37)	32
All other	11	20	13
	-----	-----	-----
Provision for taxes on income	\$ 545	582	577
	=====	=====	=====
Effective tax rate	23.4%	26.4%	28.3%

The reduction in the 1993 worldwide effective tax rate was primarily due to a lower international effective tax rate resulting from a greater proportion of taxable income derived from lower tax rate countries. The effective tax rate was also favorably impacted by the Omnibus Budget Reconciliation Act of 1993, which extended the research tax credit retroactively from July 1992.

For 1993, the Company has subsidiaries operating in Puerto Rico under a grant for tax relief expiring December 31, 2007. The Omnibus Budget Reconciliation Act of 1993 includes a change in the tax code which will gradually reduce the benefit the Company receives from its operations in Puerto Rico by 60% over the next five years. This legislation will have an unfavorable impact on the Company's effective tax rate of 2 to 3 percentage points.

7. Foreign Currency Translation

For translation of its international currencies, the Company has determined that the local currencies of its international subsidiaries are the functional currencies except those in highly inflationary economies, which are defined as those which have had compound cumulative rates of inflation of 100% or more during the past three years.

In consolidating international subsidiaries, balance sheet currency effects are recorded as a separate component of stockholders' equity. This equity account includes the results of translating all balance sheet assets and liabilities at current exchange rates, except for those located in highly inflationary economies, principally Brazil, which are reflected in operating results. These translation adjustments do not exist in terms of functional cash flows; such adjustments are not reported as part of operating results since realization is remote unless the international businesses were sold or liquidated.

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An analysis of the changes during 1993 and 1992 in the separate component of stockholders' equity for cumulative currency translation adjustments follows:

(Dollars in Millions)	1993	1992
-----------------------	------	------

-----	-----	-----
Beginning of year	\$ (146)	134
Translation adjustments	(192)	(280)
End of year	\$ (338)	(146)
	=====	=====

Net currency transaction and translation gains and losses included in other expense were after-tax losses (gains) of \$5, \$(12) and \$62 million in 1993, 1992 and 1991, respectively, incurred principally in Latin America.

8. International Subsidiaries

The following amounts are included in the consolidated financial statements for international subsidiaries:

(Dollars in Millions)	1993	1992
-----	-----	-----
Current assets	\$3,049	3,072
Current liabilities	1,693	1,576
Net property, plant and equipment	1,619	1,566
Parent company equity in net assets	3,563	3,051
Excess of parent company equity over investments	3,093	2,588

International sales to customers were \$6,935, \$6,850 and \$6,199 million for 1993, 1992 and 1991, respectively.

9. Rental Expense and Lease Commitments

Rentals of space, vehicles, manufacturing equipment and office and data processing equipment under operating leases amounted to approximately \$254 million in 1993, \$259 million in 1992 and \$239 million in 1991.

The approximate minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at January 2, 1994 are:

(Dollars in Millions)	1994	1995	1996	1997	1998	After 1998	Total
-----	-----	-----	-----	-----	-----	-----	-----
	\$92	79	61	41	29	54	356

Commitments under capital leases are not significant.

10. Common Stock, Stock Option Plans and Stock Compensation Agreements

The Company has stock option plans which provide for the granting of options to certain officers and employees to purchase shares of its common stock within prescribed periods at prices equal to the fair market value on the date of grant. Share activity during 1993 and 1992 under the Company's stock option plans is summarized below:

(Shares in Thousands, Price Per Share)	1993	1992
-----	-----	-----
Held at beginning of year by 3,002 employees (1992-2,810)	26,986	28,912
Granted to 2,578 employees (1992-1,056)	11,272	2,737
	-----	-----
Exercised (1991-4,318)	38,258	31,649
Cancelled or expired	(2,182)	(3,928)
	(1,081)	(735)
	-----	-----
Held at end of year by 3,304 employees (1992-3,002)	34,995	26,986
	=====	=====
Shares exercisable, end of year (1991-11,768)	13,880	11,947

	=====	=====
Shares available for future grants, end of year (1991-22,324)	8,883	19,693
	=====	=====
Price range of options exercised (1991-\$1.76 to \$28.94)	\$8.85 to \$ 35.66	7.39 to 35.66
	=====	=====
Price range of options held, end of year	\$8.85 to \$ 57.75	8.85 to 57.75
	=====	=====

At year-end, the Company was obligated to deliver, over a period of not more than two years, 298 thousand shares of common stock (1992-699) in performance of outstanding stock compensation agreements with 6,930 employees (1992-7,508).

11. Certificates of Extra Compensation

The Company has a deferred compensation program for senior management and other key personnel. The value of units awarded under the program is related to the net asset value of the Company and historical earning power of its common stock. Amounts earned under the program are payable only after employment with the Company has ended.

12. Segments of Business and Geographic Areas

See page 41 for information on segments of business and geographic areas.

13. Retirement and Pension Plans

The Company has various retirement and pension plans, including defined benefit, defined contribution and termination indemnity plans, which cover most employees worldwide. Total pension expense related to these plans amounted to \$71 million in 1993, \$80 million in 1992, and \$69 million in 1991.

Plan benefits are primarily based on the employee's compensation during the last three to five years before retirement and the number of years of service.

21 Domestic Pension Plans

The Company's objective in funding its domestic plans is to accumulate funds sufficient to provide for all accrued benefits. Net pension expense for the domestic defined benefit plans for 1993, 1992 and 1991 included the following components:

(Dollars in Millions)	1993	1992	1991
- - - - -	- - - - -	- - - - -	- - - - -
Service cost-benefits earned during period	\$ 59	60	54
Interest cost on projected benefit obligations	114	107	95
Investment gain on plan assets	(201)	(95)	(358)
Net amortization and deferral	55	(36)	242
	- - - - -	- - - - -	- - - - -
Net periodic pension cost	\$ 27	36	33
	=====	====	=====

The following table sets forth the actuarial present value of benefit obligations and funded status at year-end 1993 and 1992 for the Company's domestic plans:

(Dollars in Millions)	1993	1992
- - - - -	- - - - -	- - - - -
Plan assets at fair value, primarily stocks and bonds	\$1,659	1,519
	- - - - -	- - - - -
Actuarial present value of benefit obligations:		
Vested benefits	1,313	1,032
Nonvested benefits	20	17

Accumulated benefit obligation	1,333	1,049
Effect of projected future salary increases	349	317
Projected benefit obligation	1,682	1,366
(Under) overfunded	(23)	153
Unrecognized prior service costs	132	53
Unrecognized net gain	(298)	(321)
Unamortized net transition assets	(30)	(35)
Voluntary supplemental benefits liability	(16)	(6)
Net pension liability included in the balance sheet	\$ (235)	(156)

The domestic pension data includes unrecognized prior service cost of \$11 million in 1993 and \$6 million in 1992 and a net pension liability of \$12 million in 1993 and \$6 million in 1992, related to unfunded supplemental pension benefits.

Assumptions used to develop domestic net periodic pension expense and the actuarial present value of projected benefit obligations were as follows:

Domestic Pension Plans	1993	1992	1991
Expected long-term rate of return on plan assets	9.0%	9.5%	9.5%
Weighted average discount rate	7.5	8.5	8.5
Rate of increase in compensation levels	5.5	7.0	7.0

International Pension Plans

International subsidiaries have plans under which funds are deposited with trustees, annuities are purchased under group contracts, or reserves are provided. Net pension expense for international defined benefit plans for 1993, 1992 and 1991 included the following components:

(Dollars in Millions)	1993	1992	1991
Service cost-benefits earned during period	\$ 50	50	46
Interest cost on projected benefit obligations	54	56	52
Investment gain on plan assets	(149)	(68)	(114)
Net amortization and deferral	94	5	52
Curtailement gains	(5)	-	-
Net periodic pension cost	\$ 44	43	36

In certain countries, the funding of pension plans is not a common practice as funding provides no economic benefit. Consequently, the Company has pension plans which are underfunded. The following table sets forth the actuarial present value of benefit obligations and funded status at year-end 1993 and 1992 for the Company's international plans:

(Dollars in Millions)	Year-end 1993		Year-end 1992	
	Over-funded	Under-funded	Over-funded	Under-funded
Plan assets at fair value, primarily stocks and bonds	\$719	38	618	31
Actuarial present value of benefit obligations:				
Vested benefits	435	142	371	131
Nonvested benefits	7	32	5	37
Accumulated benefit obligation	442	174	376	168
Effect of projected future salary				

increases	153	63	141	59
	----	----	----	----
Projected benefit obligation	595	237	517	227
	----	----	----	----
Funded status	124	(199)	101	(196)
	----	----	----	----
Unrecognized prior service cost	22	3	18	3
Unrecognized net loss (gain)	14	(1)	70	(9)
Additional minimum liability	-	(4)	-	(2)
Unamortized net transition (assets)				
liabilities	(92)	21	(105)	27
	----	----	----	----
Net pension asset (liability) included in the balance sheet	\$ 68	(180)	84	(177)
	=====	=====	=====	=====

The following table provides the range of assumptions, which are based on the economic environment of each applicable country, used to develop international net periodic pension expense and the actuarial present value of projected benefit obligations for international plans:

International Pension Plans	1993	1992	1991
-----	-----	-----	-----
Expected long-term rate of return on plan assets	5.0-9.5%	5.0-11.0%	5.0-11.0%
Weighted average discount rates	4.5-9.5	5.0-11.0	5.0-11.0
Rate of increase in compensation levels	3.0-6.5	3.5-8.0	3.5- 8.0

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14. Savings Plan

The Company has a voluntary 401(k) savings plan designed to enhance the existing retirement program covering eligible domestic employees. The Company matches 75% of each employee's contributions, up to a maximum of 6% of base salary.

One-third of the Company match is paid in Company stock under an employee stock ownership plan (ESOP). In 1990, to establish the ESOP, the Company loaned \$100 million to the ESOP Trust to purchase shares of Company stock on the open market. In exchange, the Company received a note, the balance of which is recorded as a reduction of stockholders' equity.

Company contributions to the savings plan were \$42 million in 1993, \$40 million in 1992 and \$34 million in 1991.

15. Other Postretirement Benefits

The Company provides postretirement health care and other benefits to all domestic retired employees and their dependents. Most international employees are covered by government-sponsored programs and the cost to the Company is not significant. The Company does not fund retiree health care benefits in advance and has the right to modify these plans in the future.

Effective December 30, 1991, the Company adopted the provisions of Statement of Financial Accounting Standard (SFAS) No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 106 requires accrual accounting for these benefits rather than accounting for them on a cash basis. Upon adoption, the Company elected to record the accumulated obligation of \$549 million pretax (\$340 million after-tax or \$.52 per share) as a one-time charge against earnings in the form of a cumulative effect of an accounting change.

The net periodic postretirement benefit costs for domestic retirees amounted to \$70 million in 1993 and \$64 million in 1992 and included the following components:

(Dollars in Millions)	1993	1992
-----	-----	-----
Service cost-benefits earned during the current year	\$ 18	19
Interest cost on accumulated postretirement benefit		

obligation	57	49
Expected return on plan assets	(4)	(4)
Net amortization and deferral	(1)	-
	-----	----
Net periodic postretirement benefit cost	\$ 70	64
	=====	====

The plans' status as of year-end 1993 and 1992 was as follows:

(Dollars in Millions)	Year-End	
	1993	1992
-----	-----	-----
Accumulated postretirement benefit obligation:		
Retirees	\$ 320	298
Fully eligible active participants	148	158
Other active participants	164	182
	-----	-----
Accumulated postretirement benefit obligation	632	638
Life insurance plan assets at fair value	39	44
	-----	-----
Accumulated postretirement benefit obligation in excess of plans' assets	593	594
	-----	-----
Unrecognized net gain	37	-
Unrecognized prior service cost	12	-
	-----	-----
Accrued postretirement benefit cost	\$ 642	594
	-----	-----

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The postretirement benefit obligation was determined by application of the terms of the various plans, together with relevant actuarial assumptions. Health care cost trends are projected at annual rates grading from 13% for employees under age 65 and 9% for employees over age 65 down to 5% for both groups by the year 2006 and beyond. The effect of a 1% annual increase in these assumed cost trend rates would increase the accumulated postretirement benefit obligation at year-end by \$89 million and the service and interest cost components of the net periodic postretirement benefit cost for 1993 by a total of \$9 million.

Assumptions used to develop net periodic postretirement benefit cost and the actuarial present value of projected postretirement benefit obligations were as follows:

(Dollars in Millions)	1993	1992
-----	----	----
Expected long-term rate of return on plan assets	9.0%	9.5%
Weighted average discount rate	7.5	8.5
Rate of increase in compensation levels	5.5	7.0

16. Other Postemployment Benefits

The Company provides certain other postemployment benefits to qualified former or inactive employees. The Company does not fund these benefits and has the right to modify these plans in the future.

Effective December 30, 1991, the Company adopted the provisions of Statement of Financial Accounting Standard (SFAS) No. 112 "Employers' Accounting for Postemployment Benefits." SFAS No. 112 requires accrual accounting for these benefits rather than the cash method of accounting. Upon adoption, the Company elected to record the accumulated obligation of \$343 million (\$220 million after-tax or \$.33 per share) as a one-time charge against earnings in the form of a cumulative effect of an accounting change.

17. Financial Instruments

Off-Balance Sheet Risk

The Company enters into contracts to hedge interest rate and currency risk. These contracts are used to minimize exposure and to reduce risk from exchange rate and interest rate fluctuations in the regular course of the Company's global business. Gains, unrealized non-permanent losses, premiums and discounts are deferred and included in the cost of related transactions.

As of January 2, 1994, the Company had approximately \$2.6 billion of currency contracts outstanding in various currencies, principally U.S. Dollars, Japanese Yen and European currencies. The Company also has interest rate contracts on a notional principal amount of approximately \$460 million. These contracts generally mature within twelve months.

In addition, interest rate and currency swap agreements which hedge third party debt issues are described in Note 5. Interest expense under these agreements, and the respective debt instruments that they hedge, are recorded at the net effective interest rate of the hedged transactions. Unrealized currency gains (losses) on currency swaps are not included in the basis of the related debt transactions which such swaps hedge and are classified in the balance sheet as other assets (liabilities).

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The Company has a policy of only entering into interest rate and currency contracts with parties that have at least an "A" (or equivalent) credit rating. Cash flows from hedging instruments are classified consistent with the item being hedged.

Concentration of Credit Risk

The Company invests its excess cash in both deposits with major banks throughout the world and other high quality short-term liquid money market instruments (commercial paper, government and government agency notes and bills, etc.). The Company has a policy of making investments only with institutions that have at least an "A" (or equivalent) credit rating. The investments generally mature within six months. The Company has not incurred losses related to these investments.

The Company sells a broad range of products in the health care field in most countries of the world. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base. Ongoing credit evaluations of customers' financial condition are performed and, generally, no collateral is required. The Company maintains reserves for potential credit losses and such losses, in the aggregate, have not exceeded management's expectations.

Disclosures about Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturities of these instruments. The fair value of current and non-current marketable securities, long-term debt and foreign interest rate and currency swap agreements (used to hedge third party debt issues) were estimated based on quotes obtained from brokers for those or similar instruments. The fair value of foreign interest rate and currency contracts (used for hedging purposes) and long-term investments were estimated based on quoted market prices at year-end.

The estimated fair value of the Company's financial instruments are as follows:

(Dollars in Millions)	1993		1992	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 372	372	745	745
Marketable securities - current	104	109	133	134
Marketable securities - non-current	437	440	355	361
Long-term investments	41	103	48	75

Long-term debt and related interest rate and currency swap agreements	1,846	1,937	1,807	1,850
Foreign currency and interest rate contracts receivable, net	-	57	-	40

18. Acquisitions and Divestitures

During 1993 and 1992, certain businesses were acquired for \$266 million and \$47 million, respectively, and accounted for under the purchase method.

The 1993 acquisitions include the purchase of the RoC S.A. group of companies in Europe, which market hypo-allergenic skin, body and beauty care products worldwide under the RoC, KEFRANE and KEOPS trademarks from LVMH, Inc. and the ORTHOXICOL line of cough and cold products from Upjohn in Australia.

The 1992 acquisitions include the purchase of the SAVLON antiseptic business from ICI Industries PLC, the STERION sterilization container system from Monarch Inc. and the PLAX dental rinse business in Japan from Colgate Palmolive Company.

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The results of operations of the acquired businesses have been included in the accompanying consolidated financial statements from their respective dates of acquisition. Had the results of these businesses been included commencing with operations in 1991, the reported results would not have been materially affected.

In 1993, the Company completed the sale of the Sterile Design division of Johnson & Johnson Medical, Inc. and the CHUX disposable wiping cloth business in Australia and New Zealand.

In December 1992, the Company completed the sale of selected professional dental products DISPERSALLOY, UNISON, DELTON, NUPRO and dental composites. The after-tax gain was reinvested in restructuring certain base businesses.

19. Pending Legal Proceedings

The Company is involved in numerous product liability cases in the United States, many of which concern adverse reactions to drugs and medical devices. The damages claimed are substantial, and while the Company is confident of the adequacy of the warnings which accompany such products, it is not feasible to predict the ultimate outcome of litigation. However, the Company believes that if any liability results from such cases for injuries occurring on or before December 31, 1985, it will be substantially covered by insurance.

Due to the general unavailability of traditional liability insurance, including product liability insurance, the Company is substantially uninsured for injuries occurring on or after January 1, 1986. The Company has a self-insurance program which provides reserves for such injuries based on claims experience.

The Company is also involved in a number of patent, trademark and other lawsuits incidental to its business.

The Company believes that the above proceedings in the aggregate will not have a material adverse effect on its operations or financial position.

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20 Selected Quarterly Financial Data (Unaudited)

Selected unaudited quarterly financial data for the years 1993 and 1992 is summarized below:

1993

(Dollars in Millions Except Per Share Figures)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Segment sales to customers				
Consumer	\$ 1,277	1,184	1,215	1,148
Pharmaceutical	1,112	1,119	1,111	1,148
Professional	1,171	1,238	1,180	1,235
Total sales	3,560	3,541	3,506	3,531
Gross margin	2,397	2,393	2,318	2,239
Earnings before provision for taxes on income and cumulative effect of accounting changes	700	670	582	380
Earnings before cumulative effect of accounting changes	503	495	454	335
Net earnings (loss) (1)	\$ 503	495	454	335
Net earnings (loss) per share:				
Before cumulative effect of accounting changes	\$.77	.75	.70	.52
Net earnings (loss) (1)	\$.77	.75	.70	.52

1992

(Dollars in Millions Except Per Share Figures)	First(2) Quarter	Second(2) Quarter	Third(2) Quarter	Fourth Quarter
Segment sales to customers				
Consumer	\$ 1,232	1,165	1,239	1,144
Pharmaceutical	1,031	1,083	1,093	1,133
Professional	1,094	1,165	1,148	1,226
Total sales	3,357	3,413	3,480	3,503
Gross margin	2,230	2,294	2,282	2,269
Earnings before provision for taxes on income and cumulative effect of accounting changes	644	636	568	359
Earnings before cumulative effect of accounting changes	452	452	414	307
Net earnings (loss) (1)	\$ (143)	452	414	307
Net earnings (loss) per share:				
Before cumulative effect of accounting changes	\$.68	.68	.63	.47
Net earnings (loss) (1)	\$ (.22)	.68	.63	.47

(1) First quarter 1992 results reflect a one-time after-tax charge of \$595 million, or \$.90 a share, due to the Company's adoption of accounting changes for postretirement benefits, postemployment benefits and income taxes.

(2) First, second and third quarter results have been restated to include the incremental charges attributable to the accounting changes of \$12, \$12 and \$11 million, respectively.

The management of Johnson & Johnson is responsible for the integrity and objectivity of the accompanying financial statements and related information. The statements have been prepared in conformity with generally accepted accounting principles, and include amounts that are based on our best

judgements with due consideration given to materiality. The financial statements are consistent in all material respects with standards issued to date by the International Accounting Standards Committee.

Management maintains a system of internal accounting controls monitored by a corporate staff of professionally trained internal auditors who travel worldwide. This system is designed to provide reasonable assurance, at reasonable cost, that assets are safeguarded and that transactions and events are recorded properly. While the Company is organized on the principles of decentralized management, appropriate control measures are also evidenced by well-defined organizational responsibilities, management selection, development and evaluation processes, communicative techniques, financial planning and reporting systems and formalized procedures.

It has always been the policy and practice of the Company to conduct its affairs ethically and in a socially responsible manner. This responsibility is characterized and reflected in the Company's Credo and Policy on Business Conduct which are distributed throughout the Company. Management maintains a systematic program to ensure compliance with these policies.

Coopers & Lybrand, independent auditors, is engaged to audit our financial statements. Coopers & Lybrand obtains and maintains an understanding of our internal control structure and conducts such tests and other auditing procedures considered necessary in the circumstances to express the opinion in the report that follows.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the independent auditors, management and internal auditors to review their work and confirm that they are properly discharging their responsibilities. In addition, the independent auditors, the General Counsel and the Vice President, Internal Audit are free to meet with the Audit Committee without the presence of management to discuss the results of their work and observations on the adequacy of internal financial controls, the quality of financial reporting and other relevant matters.

Ralph S. Larsen
Chairman, Board of Directors
and Chief Executive Officer

Clark H. Johnson
Vice President, Finance
and Chief Financial Officer

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Independent Auditor's Report

To the Stockholders and Board of Directors of Johnson & Johnson:

We have audited the consolidated balance sheets of Johnson & Johnson and subsidiaries as of January 2, 1994 and January 3, 1993, and the related consolidated statement of earnings, consolidated statement of common stock, retained earnings and treasury stock, and consolidated statement of cash flows for each of the three years in the period ended January 2, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Johnson & Johnson and subsidiaries as of January 2, 1994 and January 3, 1993, and the results of its operations and its cash flows for each of the three years in the period ended January 2, 1994, in conformity with generally accepted accounting principles.

As discussed in Notes 6, 15 and 16 to the consolidated financial statements, effective December 30, 1991 the Company changed its method of accounting for income taxes, postretirement benefits other than pensions and postemployment benefits.

Coopers & Lybrand

New York, New York
January 31, 1994

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Segments of Business (1)

Johnson & Johnson and Subsidiaries

(Dollars in Millions)	Sales to Customers(2)		
	1993	1992	1991
Consumer-Domestic	\$ 2,631	2,608	2,460
International	2,193	2,172	2,124
Total	4,824	4,780	4,584
Pharmaceutical-Domestic	1,775	1,652	1,532
International	2,715	2,688	2,263
Total	4,490	4,340	3,795
Professional-Domestic	2,797	2,643	2,256
International	2,027	1,990	1,812
Total	4,824	4,633	4,068
Worldwide total	\$14,138	13,753	12,447

(Dollars in Millions)	Operating Profit			Identifiable Assets(4)		
	1993	1992	1991	1993	1992	1991
Consumer	\$ 521	501	454	3,452	3,359	3,135
Pharmaceutical	1,406	1,364	1,201	3,815	3,733	3,277
Professional	655	598	562	4,365	4,216	3,730
Segments total	2,582	2,463	2,217	11,632	11,308	10,142
Expenses not allocated to segments(3)	(250)	(256)	(179)			
General corporate				610	576	371
Worldwide total	\$ 2,332	2,207	2,038	12,242	11,884	10,513

(Dollars in Millions)	Additions to Property, Plant & Equipment			Depreciation and Amortization		
	1993	1992	1991	1993	1992	1991
Consumer	\$ 260	273	281	205	191	168
Pharmaceutical	313	317	317	159	151	126
Professional	368	462	358	221	191	173
Segments total	941	1,052	956	585	533	467
General corporate	34	51	31	32	27	26
Worldwide total	\$ 975	1,103	987	617	560	493

Geographic Areas

(Dollars in Millions)	Sales to Customers(2)			Operating Profit			Identifiable Assets(4)		
	1993	1992	1991	1993	1992	1991	1993	1992	1991

United States	\$ 7,203	6,903	6,248	1,209	1,052	1,022	6,252	6,102	5,273
Europe	4,024	4,246	3,750	1,036	1,125	934	3,625	3,430	3,231
Western Hemisphere excluding U.S. Africa, Asia and Pacific	1,325	1,206	1,239	156	132	117	742	805	774
	1,586	1,398	1,210	181	154	144	1,013	971	864
Segments total	14,138	13,753	12,447	2,582	2,463	2,217	11,632	11,308	10,142
Expenses not allocated to segments(3)				(250)	(256)	(179)			
General corporate							610	576	371
Worldwide total	\$14,138	13,753	12,447	2,332	2,207	2,038	12,242	11,884	10,513

- (1) See Management's Discussion and Analysis, pages 26 to 28, for a description of the segments in which the Company does business.
- (2) Export sales and intersegment sales are not significant. No single customer represents 10% or more of total sales.
- (3) Expenses not allocated to segments include interest expense, minority interests and general corporate income and expense.
- (4) Certain prior year amounts have been reclassified to conform with current year presentation.

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Summary of Operations and Statistical Data 1983-1993

Johnson & Johnson
and Subsidiaries

(Dollars in Millions Except Per Share Figures)	1993	1992	1991
Sales to customers - Domestic	\$ 7,203	6,903	6,248
Sales to customers - International	6,935	6,850	6,199
Total sales	14,138	13,753	12,447
Cost of products sold	4,791	4,678	4,204
Selling, marketing and administrative expenses	5,771	5,671	5,099
Research expense	1,182	1,127	980
Permanent impairment of certain assets and operations in Latin America	-	-	-
Redirection charges	-	-	-
Interest income	(80)	(93)	(88)
Interest expense, net of portion capitalized	126	124	129
Other expense (income), net	16	39	85
	11,806	11,546	10,409
Earnings before provision for taxes on income	2,332	2,207	2,038
Provision for taxes on income	545	582	577
Earnings before cumulative effect of accounting changes	1,787	1,625	1,461
Cumulative effect of accounting changes (net of tax)	-	(595)	-
Net earnings	\$ 1,787	1,030	1,461
Percent of sales to customers	12.6	7.5(1)	11.7
Net earnings per share of common stock	\$ 2.74	1.56	2.19
Percent return on average stockholders' equity	33.3	19.1(1)	27.8
Percent increase (decrease) over previous year:			
Sales to customers	2.8	10.5	10.8
Net earnings per share	75.6(1)	(28.8)(1)	27.3(2)
Supplementary expense data:			
Cost of materials and services(5)	\$ 7,033	6,857	6,329
Total employment costs	4,066	4,044	3,507

Depreciation and amortization	617	560	493
Maintenance and repairs(6)	202	210	203
Total tax expense(7)	968	1,000	966
Total tax expense per share(7)	1.49	1.52	1.45
Supplementary balance sheet data:			
Property, plant and equipment, net	\$ 4,406	4,115	3,667
Additions to property, plant and equipment	975	1,103	987
Total assets	12,242	11,884	10,513
Long-term debt	1,493	1,365	1,301
Common stock information:			
Dividends paid per share	\$ 1.01	.89	.77
Stockholders' equity per share	\$ 8.66	7.89	8.44
Market price per share (year-end close)	\$44 7/8	50 1/2	57 1/4
Average shares outstanding (millions)	651.7	659.9	666.1
Stockholders of record (thousands)	96.1	84.1	69.9
Employees (thousands)	81.6	84.9	82.7

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(Dollars in Millions Except Per Share Figures)	1990	1989	1988
-----	-----	-----	-----
Sales to customers - Domestic	\$ 5,427	4,881	4,576
Sales to customers - International	5,805	4,876	4,424
	-----	-----	-----
Total sales	11,232	9,757	9,000
	-----	-----	-----
Cost of products sold	3,937	3,480	3,292
Selling, marketing and administrative expenses	4,469	3,897	3,630
Research expense	834	719	674
Permanent impairment of certain assets and operations in Latin America	104	-	-
Redirection charges	-	-	-
Interest income	(98)	(87)	(72)
Interest expense, net of portion capitalized	201(4)	141	104
Other expense (income), net	162	93	(24)
	-----	-----	-----
	9,609	8,243	7,604
	-----	-----	-----
Earnings before provision for taxes on income	1,623	1,514	1,396
Provision for taxes on income	480	432	422
	-----	-----	-----
Earnings before cumulative effect of accounting changes	1,143	1,082	974
Cumulative effect of accounting changes (net of tax)	-	-	-
	-----	-----	-----
Net earnings	\$ 1,143	1,082	974
	-----	-----	-----
Percent of sales to customers	10.2(2)	11.1	10.8
Net earnings per share of common stock	\$ 1.72	1.62	1.43
Percent return on average stockholders' equity	25.3(2)	28.3	27.9
Percent increase (decrease) over previous year:			
Sales to customers	15.1	8.4	12.3
Net earnings per share	6.2(2)	13.3	18.2
Supplementary expense data:			
Cost of materials and services(5)	\$ 5,728	4,908	4,528
Total employment costs	3,195	2,871	2,639
Depreciation and amortization	474	414	391
Maintenance and repairs(6)	185	193	191
Total tax expense(7)	825	708	678
Total tax expense per share(7)	1.24	1.06	1.00

Supplementary balance sheet data:			
Property, plant and equipment, net	\$ 3,247	2,846	2,493
Additions to property, plant and equipment	830	750	664
Total assets	9,506	7,919	7,119
Long-term debt	1,316	1,170	1,166
Common stock information:			
Dividends paid per share	\$.66	.56	.48
Stockholders' equity per share	\$ 7.36	6.23	5.26
Market price per share (year-end close)	\$ 35 7/8	29 5/8	21 1/4
Average shares outstanding (millions)	666.1	666.2	681.2
Stockholders of record (thousands)	64.6	60.5	54.5
Employees (thousands)	82.2	83.1	81.3

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(Dollars in Millions Except Per Share Figures)	1987	1986	1985
-----	-----	-----	-----
Sales to customers - Domestic	\$ 4,167	3,972	3,990
Sales to customers - International	3,845	3,031	2,431
Total sales	8,012	7,003	6,421
-----	-----	-----	-----
Cost of products sold	2,958	2,632	2,592
Selling, marketing and administrative expenses	3,228	2,868	2,516
Research expense	617	521	471
Permanent impairment of certain assets and operations in Latin America	-	-	-
Redirection charges	-	540	-
Interest income	(95)	(100)	(107)
Interest expense, net of portion capitalized	116	66	46
Other expense (income), net	(5)	85	4
-----	-----	-----	-----
	6,819	6,612	5,522
-----	-----	-----	-----
Earnings before provision for taxes on income	1,193	391	899
Provision for taxes on income	360	61	285
-----	-----	-----	-----
Earnings before cumulative effect of accounting changes	833	330	614
Cumulative effect of accounting changes (net of tax)	-	-	-
-----	-----	-----	-----
Net earnings	\$ 833	330	614
-----	-----	-----	-----
Percent of sales to customers	10.4	4.7(3)	9.6
Net earnings per share of common stock	\$ 1.21	.46	.84
Percent return on average stockholders' equity	26.4	10.7(3)	19.5
Percent increase (decrease) over previous year:			
Sales to customers	14.4	9.1	4.8
Net earnings per share	- (3)	(45.2) (3)	21.7
Supplementary expense data:			
Cost of materials and services(5)	\$ 4,030	3,642	3,274
Total employment costs	2,388	2,091	1,941
Depreciation and amortization	356	291	262
Maintenance and repairs(6)	180	170	133
Total tax expense(7)	591	284	466
Total tax expense per share(7)	.86	.40	.64
Supplementary balance sheet data:			
Property, plant and equipment, net	\$ 2,250	1,916	1,840
Additions to property, plant and equipment	515	446	366
Total assets	6,546	5,877	5,095
Long-term debt	733	242	185

Common stock information:				
Dividends paid per share	\$.40	.34	.32
Stockholders' equity per share	\$	5.06	4.09	4.58
Market price per share (year-end close)	\$	18 3/4	16 7/8	13 1/8
Average shares outstanding (millions)		690.3	713.6	731.5
Stockholders of record (thousands)		51.2	52.1	53.5
Employees (thousands)		78.2	77.1	74.9

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(Dollars in Millions Except Per Share Figures)		1984	1983
-----		-----	-----
Sales to customers - Domestic	\$	3,736	3,611
Sales to customers - International		2,389	2,362
		-----	-----
Total sales		6,125	5,973
		-----	-----
Cost of products sold		2,485	2,469
Selling, marketing and administrative expenses		2,488	2,353
Research expense		421	405
Permanent impairment of certain assets and operations in Latin America		-	-
Redirection charges		-	-
Interest income		(84)	(83)
Interest expense, net of portion capitalized		51	51
Other expense (income), net		9	54
		-----	-----
		5,370	5,249
		-----	-----
Earnings before provision for taxes on income		755	724
Provision for taxes on income		240	235
		-----	-----
Earnings before cumulative effect of accounting changes		515	489
Cumulative effect of accounting changes (net of tax)		-	-
		-----	-----
Net earnings	\$	515	489
		-----	-----
Percent of sales to customers		8.4	8.2
Net earnings per share of common stock	\$.69	.64
Percent return on average stockholders' equity		17.3	16.8
Percent increase (decrease) over previous year:			
Sales to customers		2.5	3.7
Net earnings per share		7.8	1.6
Supplementary expense data:			
Cost of materials and services(5)	\$	3,155	3,065
Total employment costs		1,936	1,921
Depreciation and amortization		234	219
Maintenance and repairs(6)		124	120
Total tax expense(7)		418	415
Total tax expense per share(7)		.56	.54
Supplementary balance sheet data:			
Property, plant and equipment, net	\$	1,721	1,668
Additions to property, plant and equipment		366	401
Total assets		4,541	4,462
Long-term debt		225	196
Common stock information:			
Dividends paid per share	\$.29	.27
Stockholders' equity per share	\$	4.01	3.96
Market price per share (year-end close)	\$	9	10 1/4

Average shares outstanding (millions)	749.6	762.0
Stockholders of record (thousands)	53.8	49.3
Employees (thousands)	74.2	77.4

- (1) After the cumulative effect of accounting changes of \$595 million.
 - 1992 earnings percent of sales to customers before accounting changes is 11.8%.
 - 1992 earnings percent return on average stockholders' equity before accounting changes is 28.5%.
 - 1993 net earnings per share percent increase over prior year before accounting change is 11.4%; 1992 is 12.3%.
- (2) After Latin America non-recurring charges of \$125 million.
 - 1990 net earnings percent of sales to customers before non-recurring charges is 11.3%.
 - 1990 percent return on average stockholders' equity before non-recurring charges is 27.6%.
 - 1991 net earnings per share percent increase over prior year before non-recurring charges is 15.3%; 1990 is 17.3%.
- (3) After one-time charges of \$380 million.
 - 1986 earnings percent of sales before one-time charges is 10.1%.
 - 1986 percent return on average stockholders' equity before one-time charges is 21.6%.
 - 1987 net earnings per share percent increase over prior year before one-time charges is 22.2%; 1986 is 17.9%.
- (4) Includes Latin America non-recurring charge of \$36 million for the liquidation of

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Argentine debt.

- (5) Net of interest and other income.
- (6) Also included in cost of materials and services category.
- (7) Includes taxes on income, payroll, property and other business taxes.

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Management's Discussion and Analysis of Results of Operations and Financial Condition (Graph Page 23):

Sales to Customers

1984 through 1993
Millions of Dollars

Bar graph showing 10 years of sales to customers. Each bar depicts total sales for the year and is color coded to reflect the components of domestic and international sales.

Bar graph points:

Year	Domestic Sales	International Sales	Worldwide Sales
----	-----	-----	-----
1984	\$3,736	\$2,389	\$6,125
1985	3,990	2,431	6,421
1986	3,972	3,031	7,003
1987	4,167	3,845	8,012
1988	4,576	4,424	9,000

1989	4,881	4,876	9,757
1990	5,427	5,805	11,232
1991	6,248	6,199	12,447
1992	6,903	6,850	13,753
1993	7,203	6,935	14,138

(Graph Page 23):

Net Earnings

 1984 through 1993
 Millions of Dollars

Bar graph with 10 years of net earnings.

Bar graph points:

Year	Net Earnings
----	-----
1984	\$ 515
1985	614
1986	330
1987	833
1988	974
1989	1,082
1990	1,143
1991	1,461
1992	1,030
1993	1,787

Management's Discussion and Analysis of Results of Operations and Financial Condition (Graph Page 24):

Net Earnings Per Share and
 Cash Dividends Paid Per Share

 1984 through 1993
 Dollars

Bar graph showing 10 years of earnings per share data. In addition, cash dividends paid per share each year is shown on each bar in a different color.

Bar graph points:

Year	Net Earnings Per Share	Cash Dividends Paid Per Share
----	-----	-----
1984	.69	.29
1985	.84	.32
1986	.46	.34
1987	1.21	.40
1988	1.43	.48
1989	1.62	.56
1990	1.72	.66
1991	2.19	.77
1992	1.56	.89
1993	2.74	1.01

(Pie Chart Page 24):

Distribution of Sales Revenues - 1993

A pie chart showing how 1993 sales revenues were distributed.

Components are depicted as follows:

Employee Costs	28.8%
Cost of Materials and Services	49.7
Depreciation and Amortization	4.4
Taxes Other Than Payroll	4.5
Cash Dividends Paid	4.6
Earnings Reinvested in Business	8.0

	100.0%
	=====

Management's Discussion and Analysis of Results of Operations and Financial Condition (Graph Page 24):

Research Expense

1984 through 1993
Millions of Dollars

Bar graph showing 10 years of research expense.

Bar graph points:

Year	Research Expense
----	-----
1984	\$421
1985	471
1986	521
1987	617
1988	674
1989	719
1990	834
1991	980
1992	1,127
1993	1,182

(Graph Page 26):

Sales by Segment of Business

1991 through 1993
Million of Dollars

Bar chart showing sales by segment of business. Each bar depicts total sales. The segments are shown as a percentage of total sales each year and are displayed in different colors.

Bar graph points:

	1991	1992	1993
	----	----	----
Consumer	36.8%	34.7%	34.1%
Pharmaceutical	30.5%	31.6%	31.8%
Professional	32.7%	33.7%	34.1%

Total Sales	\$12,447	\$13,753	\$14,138
-------------	----------	----------	----------

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Management's Discussion and Analysis of Results of Operations and Financial Condition (Graph Page 26):

Operating Profit by Segment of Business

1991 through 1993
Millions of Dollars

Bar chart showing operating profit by segment of business. Each bar depicts the total of segments operating profit. The segments are shown as a percentage of total segments operating profit each year and are displayed in different colors.

Bar graph points:

	1991 ----	1992 ----	1993 ----
Consumer	20.5%	20.3%	20.2%
Pharmaceutical	54.2%	55.4%	54.4%
Professional	25.3%	24.3%	25.4%
Total Segments Operating Profit	\$2,217	\$2,463	\$2,582

(Graph Page 28):

Sales by Geographic Area of Business

1991 through 1993
Millions of Dollars

Bar chart showing sales by geographic area of business. Each bar depicts total sales. The geographic areas are shown as a percentage of total sales each year and are displayed in different colors.

Bar graph points:

	1991 ----	1992 ----	1993 ----
United States	50.2%	50.2%	50.9%
Europe	30.1%	30.9%	28.5%
Western Hemisphere excluding U.S.	10.0%	8.8%	9.4%
Africa, Asia and Pacific	9.7%	10.1%	11.2%
Total Sales	\$12,447	\$13,753	\$14,138

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Management's Discussion and Analysis of Results of Operations and Financial Condition (Graph Page 28):

Operating Profit by Geographic Area of Business

1991 through 1993
Millions of Dollars

Bar chart showing operating profit by geographic area of business. Each bar depicts the total of segments operating profit. The segments are shown as a percentage of total segments operating profit each year and are displayed in different colors.

Bar graph points:

	1991 ----	1992 ----	1993 ----
United States	46.1%	42.7%	46.8%
Europe	42.1%	45.7%	40.1%
Western Hemisphere excluding U.S.	5.3%	5.4%	6.1%
Africa, Asia and Pacific	6.5%	6.2%	7.0%
Total Segments Operating Profit	\$2,217	\$2,463	\$2,582

SUBSIDIARIES

Johnson & Johnson, a New Jersey corporation, has the domestic and international subsidiaries shown below. Certain domestic subsidiaries and international subsidiaries are not named because they are not significant in the aggregate. Johnson & Johnson has no parent.

Name of Subsidiary -----	Jurisdiction of Organization -----
Domestic Subsidiaries:	
"A"- Company a Johnson & Johnson Company.....	Delaware
Critikon, Inc.	Florida
Ethicon, Inc.	Ohio
Iolab Corporation.....	California
Janssen Pharmaceutica Inc.	New Jersey
Johnson & Johnson Advanced Behavioral Technologies, Inc.....	New Jersey
Johnson & Johnson Consumer Products, Inc.....	New Jersey
Johnson & Johnson Development Corporation....	New Jersey
Johnson & Johnson Finance Corporation.....	New Jersey
Johnson & Johnson Hospital Services, Inc.....	New Jersey
Johnson & Johnson International.....	New Jersey
Johnson & Johnson Japan Inc.	New Jersey
Johnson & Johnson Medical, Inc.	New Jersey
Johnson & Johnson o Merck Consumer Pharmaceuticals Co.	New Jersey
Johnson & Johnson (Middle East) Inc.	New Jersey
Johnson & Johnson Professional, Inc.....	New Jersey
Johnson & Johnson (Russia), Inc.	New Jersey
Johnson & Johnson Slovakia, Ltd.	New Jersey
Johnson & Johnson Vision Products, Inc.	
..... Florida	
Johnson & Johnson S.E., Inc.....	New Jersey
JJHC, Inc.	Delaware
LifeScan, Inc.	California
McNEIL-PPC, Inc.	New Jersey
McNeilab, Inc.	Pennsylvania
Noramco, Inc.	Georgia
Ortho Biotech, Inc.	New Jersey
Ortho Diagnostic Systems Inc.	New Jersey
Ortho Pharmaceutical Corporation.....	Delaware
Site Microsurgical Systems, Inc.	Pennsylvania
Therakos, Inc.....	Florida

Name of Subsidiary -----	Jurisdiction of Organization -----
International Subsidiaries:	
"A" Company G.m.b.H.	Germany
Chicopee B.V.	Netherlands
Cilag AB.....	Sweden
Cilag AG.....	Switzerland

Cilag AG International	Switzerland
Cilag AG Pharmaceuticals	Switzerland
Cilag de Mexico, S.A. de C.V.	Mexico
Cilag Farmaceutica Ltda.	Brazil
Cilag Farmaceutica S.A.	Argentina
Cilag Ges.m.b.H.	Austria
Cilag G.m.b.H.	Germany
Cilag Limited.....	England
Cilag-Medicamenta, Limitada.....	Portugal
Cilag N.V.	Belgium
Cilag Pharmaceutical K.K.	Japan
Cilag S.A.R.L.	France
Cilag S.p.A.	Italy
Dial S.A.	France
Dr. Molter G.m.b.H.	Germany
Ethicon Endo-Surgery (Europe) G.m.b.H.	Germany
Ethicon G.m.b.H & Co. KG.....	Germany
Ethicon Ltd.	Scotland
Ethicon S.p.A.	Italy
Ethnor Del Istmo S.A.	Panama
Ethnor Limited.....	India
Ethnor (Proprietary) Limited.....	South Africa
Ethnor S.A.	France
Greiter AG	Switzerland
Greiter GmbH	Austria
Greiter Distribution AG	Switzerland
Greiter (International) AG	Switzerland
Health Care Products S.A.	Greece
Janssen Biotech N.V.	Belgium
Janssen-Cilag Pty. Limited.....	Australia
Janssen Farmaceutica Ltda.....	Brazil
Janssen Farmaceutica Limitada	Chile
Janssen Farmaceutica Portugal, Limitada.....	Portugal
Janssen Farmaceutica C.A.	Venezuela
Janssen Farmaceutica S.A.	Argentina
Janssen Farmaceutica S.A.	Spain
Janssen Farmaceutica S.A.	Colombia
Janssen Farmaceutica, S.A. de C.V.	Mexico
Janssen Farmaceutici S.p.A.	Italy
Janssen G.m.b.H.	Germany
Janssen Internationaal N.V.	Belgium
Janssen K.K.	Japan
Janssen Korea, Ltd.	Korea

Name of Subsidiary -----	Jurisdiction of Organization -----
Janssen-Kyowa Co., Ltd.	Japan
Janssen Pharma AB.....	Sweden
Janssenpharma A/S.....	Denmark
Janssen Pharmaceutica AG.....	Switzerland
Janssen Pharmaceutica B.V.	Netherlands
Janssen Pharmaceutica G.m.b.H.	Austria
Janssen Pharmaceutica Inc.	Canada
Janssen Pharmaceutica Limited.....	Thailand
Janssen Pharmaceutica N.V.	Belgium
Janssen Pharmaceutica (Proprietary) Limited.....	South Africa
Janssen Pharmaceutica S.A.C.I.	Greece
Janssen Pharmaceutical Limited.....	England
Janssen Pharmaceutical Limited.....	Ireland
Janssen Products, Inc.	Puerto Rico
Johnson & Johnson AB.....	Sweden
Johnson & Johnson AG.....	Switzerland

Johnson & Johnson AS.....	Denmark
Johnson & Johnson S.A. de C.V.	Mexico
Johnson & Johnson (Angola), Limitada.....	Angola
Johnson & Johnson de Argentina, S.A.C.e I. ..	Argentina
Johnson & Johnson China, Ltd.	China
Johnson & Johnson de Colombia S.A.	Colombia
Johnson & Johnson de Costa Rica S.A.	Costa Rica
Johnson & Johnson del Ecuador S.A.	Ecuador
Johnson & Johnson de Uruguay S.A.	Uruguay
Johnson & Johnson de Venezuela, S.A.	Venezuela
Johnson & Johnson (Dominicana), C. por A. ...	Dominican Republic
Johnson & Johnson (Fiji) Limited.....	Fiji
Johnson & Johnson/Gaba B.V.	Netherlands
Johnson & Johnson G.m.b.H.	Austria
Johnson & Johnson G.m.b.H.	Germany
Johnson & Johnson Guatemala, S.A.	Guatemala
Johnson & Johnson Hellas S.A.	Greece
Johnson & Johnson Hemisferica S.A.	Puerto Rico
Johnson & Johnson (Hong Kong) Limited.....	Hong Kong
Johnson & Johnson Inc.	Canada
Johnson & Johnson Industria e Comercio Ltda..	Brazil
Johnson & Johnson (Ireland) Limited.....	Ireland
Johnson & Johnson (Jamaica) Limited.....	Jamaica
Johnson & Johnson (Kenya) Limited.....	Kenya
Johnson & Johnson Korea Ltd.....	Korea
Johnson & Johnson Kft.	Hungary
Johnson & Johnson K.K.	Japan
Johnson & Johnson Limitada.....	Portugal
Johnson & Johnson Limited.....	England
Johnson & Johnson Limited.....	India
Johnson & Johnson Ltd.	Russia
Johnson & Johnson Medical Argentina.....	Argentina
Johnson & Johnson Medical B.V.....	Netherlands

Name of Subsidiary -----	Jurisdiction of Organization -----
Johnson & Johnson Medical G.m.b.H.....	Germany
Johnson & Johnson Medical K.K.	Japan
Johnson & Johnson Medical Korea Limited.....	Korea
Johnson & Johnson Medical Mexico S.A.de C.V..	Mexico
Johnson & Johnson Medical Ltd.....	England
Johnson & Johnson Medical Mfg. SDN.BHD.	Malaysia
Johnson & Johnson Medical Products, Inc.	Canada
Johnson & Johnson Medical Pty. Ltd.....	Australia
Johnson & Johnson Medical S.A.R.L.....	France
Johnson & Johnson (New Zealand) Limited.....	New Zealand
Johnson & Johnson Pacific Pty. Ltd.	Australia
Johnson & Johnson Pakistan (Private) Limited.	Pakistan
Johnson & Johnson Panama, S.A.	Panama
Johnson & Johnson (Philippines), Inc.	Philippines
Johnson & Johnson Poland, Inc. Sp. z o.o. ...	Poland
Johnson & Johnson (Private) Limited.....	Zimbabwe
Johnson & Johnson Produtos Profissionais Ltda	Brazil
Johnson & Johnson Professional Products Ltd..	England
Johnson & Johnson Professional Products GmbH.	Germany
Johnson & Johnson Professional Products (Pty.) Ltd.	South Africa
Johnson & Johnson (Proprietary) Limited.....	South Africa
Johnson & Johnson Pte. Ltd.	Singapore
Johnson & Johnson Pty. Limited.....	Australia
Johnson & Johnson Research Pty. Limited.....	Australia
Johnson & Johnson S.A.	France
Johnson & Johnson S.A.	Spain

Johnson & Johnson Sante' S.A.....	France
Johnson & Johnson SDN. BHD.	Malaysia
Johnson & Johnson S.p.A.	Italy
Johnson & Johnson, Spol.s.r.o.	Czech Republic
Johnson & Johnson Taiwan Ltd.	Taiwan
Johnson & Johnson (Thailand) Limited.....	Thailand
Johnson & Johnson (Trinidad) Limited.....	Trinidad
Johnson & Johnson Vision Products AB.....	Sweden
Johnson & Johnson (Zambia) Limited.....	Zambia
Laboratoires RoC (U.K.) Ltd.....	England
Laboratoires Janssen S.A.	France
Laboratoires Polive S.N.C.	France
Lifescan Canada Ltd.	Canada
Medos S.A.....	Switzerland
Nihon RoC K.K.....	Japan
Ortho Diagnostic Systems G.m.b.H.	Germany
Ortho Diagnostic Systems K.K.	Japan
Ortho Diagnostic Systems Limited.....	England
Ortho Diagnostic Systems N.V.	Belgium
Ortho Diagnostic Systems S.A.	France
Ortho Diagnostic Systems S.p.A.	Italy
Ortho-McNeil Inc.....	Canada
Penaten G.m.b.H.....	Germany
Penaten Korea Limited	Korea
Penaten Pty. Limited	Australia
Produfarma S.A.....	Argentina

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Name of Subsidiary -----	Jurisdiction of Organization -----
P.T. Johnson & Johnson Indonesia.....	Indonesia
RoC G.m.b.H.	Germany
RoC S.A.	France
RoC S.A./N.V.	Belgium
RoC S.p.A.	Italy
RoC Laboratoires de Dermoestetica S.A.	Spain
R.W.Johnson Pharmaceutical Research Institute	Switzerland
Shanghai Johnson & Johnson Ltd.....	China
Surgikos, S.A. de C.V.	Mexico
Tasmanian Alkaloids Pty. Ltd.	Australia
Taxandria Pharmaceutica B.V.	Netherlands
Xian-Janssen Pharmaceutical Limited	China

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