

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>07/13/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>SYNTHES (U.S.A.) RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶	<u>004</u>	
	1c Effective date of plan	<u>01/01/1981</u>	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>JOHNSON & JOHNSON</u> <u>ONE JOHNSON AND JOHNSON PLAZA</u> <u>NEW BRUNSWICK, NJ 08933</u>	2b Employer Identification Number (EIN) <u>22-1024240</u>	2c Plan Sponsor's telephone number <u>800-565-0122</u>	2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/20/2015	MELISSA FORD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor PENSION COMMITTEE OF JOHNSON & JOHN SON ONE JOHNSON AND JOHNSON PLAZA NEW BRUNSWICK, NJ 08933	3b Administrator's EIN 22-1024240 3c Administrator's telephone number 732-524-0400
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name DEPUY ORTHOPAEDIC'S, INC.	4b EIN 35-1843282 4c PN 004
5 Total number of participants at the beginning of the plan year	5 4800
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 3697 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2015 and ending 07/13/2015	
A Name of plan SYNTHES (U.S.A.) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 JOHNSON & JOHNSON	D Employer Identification Number (EIN) 22-1024240

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
THE VANGUARD GROUP

23-1945930

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning 01/01/2015 and ending 07/13/2015		
A Name of plan SYNTHES (U.S.A.) RETIREMENT PLAN		B Three-digit plan number (PN) ► 004
C Plan sponsor's name as shown on line 2a of Form 5500 JOHNSON & JOHNSON		D Employer Identification Number (EIN) 22-1024240

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	0	0
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)	9638973	0
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	724112656	0
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	733751629	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	733751629	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	101086	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		101086

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	197314	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		197314

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4117623	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4117623

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		17385193
c Other income.....	2c		10203
d Total income. Add all income amounts in column (b) and enter total.....	2d		21811419

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	81401358	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		81401358
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	5062	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		5062
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		81406420

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-59595001
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		674156628

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSE COOPERS LLC

(2) EIN: 01-3400832

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
l Has the plan failed to provide any benefit when due under the plan?.....		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
JOHNSON & JOHNSON SAVINGS PLAN	22-1024240	100

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN



Independent Auditor's Report

To the Administrator of Synthes (U.S.A.) Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Synthes (U.S.A.) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of July 13, 2015, December 31, 2014 and December 31, 2013 and the related statements of changes in net assets available for benefits for the period from January 1, 2015 through July 13, 2015 and for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of July 13, 2015, December 31, 2014 and December 31, 2013 and for the period from January 1, 2015 through July 13, 2015 and for the year ended December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2014 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

September 3, 2015, except for Note 9, as to which the date is October 13, 2015

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

Synthes (U.S.A.) Retirement Plan
Period from January 1, 2015 through July 13, 2015 and
Years Ended December 31, 2014
and December 31, 2013

Synthes (U.S.A.) Retirement Plan
Financial Statements and Supplemental Schedule

*Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and
December 31, 2013*

Contents

Independent Auditor's Report	1
------------------------------	---

Financial Statements

Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5

Supplemental Schedule*

Schedule H, Line 4i – Schedule of Assets (Held at End of Year - December 31, 2014)	15
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not applicable.



Independent Auditor's Report

To the Administrator of Synthes (U.S.A.) Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Synthes (U.S.A.) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of July 13, 2015, December 31, 2014 and December 31, 2013 and the related statements of changes in net assets available for benefits for the period from January 1, 2015 through July 13, 2015 and for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of July 13, 2015, December 31, 2014 and December 31, 2013 and for the period from January 1, 2015 through July 13, 2015 and for the year ended December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.



Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2014 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

September 3, 2015, except for Note 9, as to which the date is October 13, 2015

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Synthes (U.S.A.) Retirement Plan

Statements of Net Assets Available for Benefits

July 13, 2015, December 31, 2014 and December 31, 2013

	December 31,		
	July 13, 2015	2014	2013
Assets			
Investments at fair value	\$ -	\$ 724,112,656	\$ 703,700,662
Employer contributions receivable	-	-	21,650,599
Notes receivable from participants		9,671,136	5,487,487
Net assets available for benefits	<u>\$ -</u>	<u>\$ 733,783,792</u>	<u>\$ 730,838,748</u>

Synthes (U.S.A.) Retirement Plan

Statements of Changes in Net Assets Available for Benefits

For the Period from January 1, 2015 through July 13, 2015 and Year Ended December 31, 2014

	For the Period from January 1, 2015 through July 13, 2015	Year Ended December 31, 2014
Additions		
Investment income (loss):		
Net appreciation in fair value of investments	\$ 17,385,193	\$ 25,802,176
Dividend income from investments	4,117,623	35,233,643
	<u>21,502,816</u>	<u>61,035,819</u>
Interest income on notes receivable from participants	197,314	324,992
Contributions:		
Participants	-	20,225,904
Participants' rollovers	101,086	825,648
Employer	-	13,737,594
	<u>101,086</u>	<u>34,789,146</u>
Other additions	10,203	18,009
Total additions	<u>21,811,419</u>	<u>96,167,966</u>
Deductions		
Benefits paid to participants	81,401,358	93,192,829
Administrative expenses	4,335	15,832
Other deductions	727	14,261
Transfer of Net Assets	674,188,791	-
Total deductions	<u>755,595,211</u>	<u>93,222,922</u>
Net increase/(decrease)	<u>(733,783,792)</u>	<u>2,945,044</u>
Net assets available for benefits:		
Beginning of year	733,783,792	730,838,748
End of year	<u>\$ -</u>	<u>\$ 733,783,792</u>

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

1. Description of the Plan

The following description of the Synthes (U.S.A.) Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan available to all eligible Legacy Synthes employees. This Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Each employee of the Plan Sponsor, as defined below, who has attained the age of 19 and is regularly scheduled to work at least 1,000 hours during each year is eligible to participate in the Plan immediately upon hire. On June 14, 2012, pursuant to the Agreement and Plan of Merger dated as of April 26, 2011 by Johnson & Johnson, a New Jersey corporation, Samson Acquisition Corp., a Delaware corporation, and Synthes, Inc., a Delaware corporation, Johnson & Johnson acquired Synthes, Inc., with Synthes, Inc. surviving the merger (“Merger”). As a result of the Merger, Synthes, Inc. became a wholly owned subsidiary of Janssen Pharmaceutical. Synthes, Inc. was subsequently integrated with Johnson & Johnson’s DePuy franchise, to establish the DePuy Synthes Companies of Johnson & Johnson. Post integration, the DePuy Synthes Companies were restructured and effective January 1, 2013 Johnson & Johnson (“Plan Sponsor”) became the sponsor of the Plan. Legacy Synthes employees continued to participate in the Plan through payroll periods ending before July 1, 2014. Effective July 1, 2014, Legacy Synthes, Inc. employees began participating in the Johnson & Johnson Savings Plan. Effective January 1, 2013, the Plan was amended to designate the Pension and Benefits Committee of Johnson & Johnson as the Administrative Committee (the entity responsible for Plan administration) and the Board of Trustees of the Plan (the entity responsible to manage the Plan and Trust).

During May 2015, the Pension and Benefits Committee of Johnson & Johnson amended the Johnson & Johnson Savings Plan to accept the transfer of the net assets of the Plan into the Johnson & Johnson Savings Plan. The net assets of the Plan were transferred to the Johnson & Johnson Savings Plan on July 13, 2015.

Contributions

The Plan Sponsor suspended contributions to the Plan with respect to any payroll periods ending after June 30, 2014 and participants (as described below in “Vesting”) were fully vested in their Plan accounts.

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

In accordance with the provisions of the Plan, an employee may elect to make regular contributions on a pre-tax and/or Roth basis, up to a maximum of \$17,500 during 2014, as defined by the Internal Revenue Code ("IRC"). Participants 50 years of age and older may elect to contribute a catch-up contribution. The limit set by the Internal Revenue Service ("IRS") for catch-up contributions in 2014 was \$5,500.

Participants may contribute up to 80% of annual compensation, as defined by the Plan. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. Annually, the Plan Sponsor's contributions are allocated to the account of each participant who is active on the last day of the Plan year and was credited with at least 1,000 hours of service during the Plan year or terminated employment due to death, disability, or retirement, was credited with 1,000 hours of service during the Plan year and their account remained in the Plan on the last day of the Plan year. For the Plan year beginning on January 1, 2014, the Plan Sponsor's contributions were allocated to the account of each participant who was actively employed as of June 30, 2014 and was credited with at least 500 hours of service as of June 30, 2014 or terminated employment in 2014 due to death, disability, or retirement, had an account in the Plan as of June 30, 2014 and was credited with at least 500 hours of service as of June 30, 2014.

For 2014, the Plan Sponsor contributed a discretionary matching contribution of 50% of the first 5% of participant's basic pre-tax/Roth salary discretionary matching contribution, as defined by the Plan, for payroll periods ending on or after January 1, 2014, and before July 1, 2014. For 2014, the Plan Sponsor also made discretionary profit-sharing contributions of 5% of eligible participants' base compensation for the year, as defined by the Plan, for payroll periods ending on or after January 1, 2014, and before July 1, 2014.

Upon enrollment, a participant may direct contributions in increments to any of the Plan's investment options. Participants may change their investment options at any time. Effective January 1, 2011, the Plan was amended to auto enroll new hires at 5% pre-tax contribution. Unless otherwise selected, contributions are invested in the age appropriate Vanguard Target Retirement Fund until being changed by the participant.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Plan Sponsor's contributions and allocations of Plan earnings and is charged with an allocation of administrative expenses. Plan earnings are allocated based on the participant's share of net earnings or losses of their respective elected investment options. Allocations are based on the participant's account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

Vesting

The Plan was amended in 2014 to fully vest (100%) all participants with account balances in the Plan as of September 1, 2013 and not forfeited before September 1, 2013.

At July 13, 2015, December 31, 2014 and December 31, 2013, forfeited non-vested accounts totaled \$0, \$0 and \$460,336, respectively. Participant forfeitures of non-vested balances used to reduce Plan Sponsor contributions in 2015, 2014, and 2013 were \$0, \$148,451 and \$798,959, respectively.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions as defined in the Plan document. Loan terms generally cannot exceed 5 years; however, loans used to purchase a primary residence can have a term greater than 5 years, as determined by the Plan administrator at the time the loan is made. The loans are secured by the balance in the participant's account and bear interest at a rate, determined by the Plan administrator, of no less than ½ of 1% above the prime rate reported in the *Wall Street Journal*, *Reuters*, or other nationally recognized rating service as of the date the loan is made. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

Benefits are paid to participants in a lump sum distribution upon termination of employment, death, long-term disability or retirement. Participants can elect to defer payment until age 70 ½ if account balances are greater than \$5,000.

Plan Termination

The Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Plan Sponsor, as provided by the Plan's provisions. Those administrative expenses paid by the Plan Sponsor are excluded from these financial statements. Fees directly associated with participant loans, early redemption fees, as disclosed by individual fund prospectus, for exchanges initiated by participants, or fees related to Qualified Domestic Relation Orders are charged directly to the respective participant's

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

Payments of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, which the Plan notes is representative of the net asset value of the investments at valuation date of the Plan. See Note 7 for further discussion and disclosures related to fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Gains and losses on the sale of investment securities are determined on the average cost method. Dividend income is recorded on the ex-dividend date. Capital gains distributions are included in dividend income. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

participants is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of July 13, 2015, December 31, 2014 or December 31, 2013. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

3. Information Certified by the Trustee

As of July 13, 2015, December 31, 2014 and December 31, 2013, the investment and investment income information, as well as the notes receivable from participants and interest income on notes receivable from participants, included in the Plan's financial statements and supplemental schedule has been derived from information provided to the Plan administrator and certified as complete and accurate by Vanguard Fiduciary Trust Company, the trustee of the Plan, in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following is a summary of the certified information:

Investments	July 13, 2015 Fair Value	2014 Fair Value	December 31, 2013 Fair Value
Franklin Balance Sheet Investment Fund, Class A	\$ -	\$ 9,236,548	\$ 10,357,516
T. Rowe Price Int'l Emerging Markets Stock Fund Retail Class	-	14,368,049	15,193,039
Vanguard 500 Index Fund Admiral Shares*	-	56,067,661	-
Vanguard Capital Opportunity Fund Investor Shares	-	20,970,233	18,618,761
Vanguard Energy Fund Investor Shares	-	14,798,648	17,785,297
Vanguard Explorer Fund Investor Shares**	-	49,210,676	54,636,288
Vanguard GNMA Fund Investor Shares	-	6,398,149	6,021,834
Vanguard Growth Index Fund Investor Shares	-	9,516,917	8,802,823
Vanguard Health Care Fund Investor Shares	-	26,388,400	20,085,345
Vanguard High-Yield Corporate Fund Investor Shares	-	9,127,896	8,986,555
Vanguard Intermediate-Term Investment Grade Investor Shares	-	11,204,624	12,253,725
Vanguard International Growth Fund Investor Shares**	-	37,625,551	41,940,033
Vanguard Long-Term Investment Grade Fund Investor Shares	-	8,586,008	6,773,867
Vanguard Mid-Cap Index Fund Investor Shares	-	18,027,488	16,265,717
Vanguard PRIMECAP Fund Investor Shares**	-	81,083,073	74,630,702
Vanguard Prime Money Market Fund**	-	36,577,065	41,785,580
Vanguard REIT Index Fund Investor Shares	-	11,137,772	8,290,959
Vanguard Short-Term Federal Fund Investor Shares	-	3,657,290	4,105,979
Vanguard Small-Cap Growth Index Fund	-	8,861,430	10,079,848
Vanguard Small-Cap Index Fund Investor Shares	-	9,728,448	10,281,823
Vanguard Small-Cap Value Index Fund	-	12,188,533	12,258,019
Vanguard Total Bond Market Index Fund Admiral Shares	-	26,908,470	-
Vanguard Value Index Fund Investor Shares	-	5,402,123	4,991,699
Vanguard Wellesley Income Fund Investor Shares	-	10,366,297	9,498,786
Vanguard Wellington Fund Investor Shares**	-	67,870,750	67,074,934
Vanguard Windsor II Fund Investor Shares**	-	52,069,732	52,296,616

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

Investments	July 13, 2015 Fair Value	2014 Fair Value	December 31, 2013 Fair Value
Vanguard Target Retirement 2010 Fund	\$ -	\$ 801,338	\$ 967,007
Vanguard Target Retirement 2015 Fund	-	7,592,984	8,622,875
Vanguard Target Retirement 2020 Fund	-	10,174,182	10,008,992
Vanguard Target Retirement 2025 Fund	-	14,144,309	13,211,423
Vanguard Target Retirement 2030 Fund	-	11,064,103	9,327,516
Vanguard Target Retirement 2035 Fund	-	13,671,972	11,234,984
Vanguard Target Retirement 2040 Fund	-	16,088,343	13,150,422
Vanguard Target Retirement 2045 Fund	-	18,122,578	14,780,456
Vanguard Target Retirement 2050 Fund	-	11,456,930	8,857,501
Vanguard Target Retirement 2055 Fund	-	1,227,136	845,774
Vanguard Target Retirement 2060 Fund	-	575,002	136,344
Vanguard Target Retirement Income	-	1,815,948	2,562,250
Vanguard 500 Index Fund Signal Shares***	-	-	50,214,333
Vanguard Total Bond Market Index Signal Shares	-	-	26,765,040
	\$ -	\$ 724,112,656	\$ 703,700,662
Notes receivable from participants	\$ -	\$ 9,671,136	\$ 5,487,487

*Investment represents 5% or more of the Plan's net assets available for benefits as of December 31, 2014.

** Investment represents 5% or more of the Plan's net assets available for benefits as of December 31, 2014 and December 31, 2013

*** Investment represents 5% or more of the Plan's net assets available for benefits as of December 31, 2013.

During the period from January 1, 2015 through July 13, 2015 and the year ended 2014, the Plan's investments in registered investment companies (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value by \$17,385,193 and \$25,802,176, respectively. Additionally, during the period from January 1, 2015 through July 13, 2015 and the year ended 2014, the Plan had dividend income from investments of \$4,117,623 and \$35,233,643, respectively and interest income on notes receivable from participants of \$197,314 and \$324,992, respectively.

4. Related-Party Transactions and Party-In Interest Transactions

The Plan invests in shares of registered investment companies managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company acts as trustee for the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

5. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

6. Tax Status

The IRS has determined and informed the Plan Sponsor by a letter dated September 28, 2011, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of July 13, 2015, December 31, 2014 and December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to tax examinations for years prior to 2011.

7. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 - quoted prices (unadjusted) for identical assets or liabilities in active markets.

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

- Level 2 - quoted prices for identical assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs are unobservable and significant to the fair value measurement. These are usually negotiated prices between two parties.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Registered investment companies ("RICs"): Valued at the daily closing price as reported by the fund. RICs held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The RICs held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As explained in Note 1, all net assets of the Plan were merged into the Johnson & Johnson Savings Plan at July 13, 2015. No investments were held at July 13, 2015. The following tables set forth by level, within the fair value hierarchy, represent the Plan's assets carried at fair value as of December 31, 2014 and 2013:

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

		Assets at Fair Value as of December 31, 2014			
		Level 1	Level 2	Level 3	Total
Registered investment companies:					
Domestic Equities		\$384,687,682	\$ —	\$ —	\$384,687,682
International Equities		51,993,600	—	—	51,993,600
Bond Funds		65,882,437	—	—	65,882,437
Money Market Funds		36,577,065	—	—	36,577,065
Balanced Funds ^(a)		184,971,872	—	—	184,971,872
Total assets at fair value		\$724,112,656	\$ —	\$ —	\$724,112,656

		Assets at Fair Value as of December 31, 2013			
		Level 1	Level 2	Level 3	Total
Registered investment companies:					
Domestic Equities		\$369,595,746	\$ —	\$ —	\$369,595,746
International Equities		57,133,072	—	—	57,133,072
Bond Funds		64,907,000	—	—	64,907,000
Money Market Funds		41,785,580	—	—	41,785,580
Balanced Funds ^(a)		170,279,264	—	—	170,279,264
Total assets at fair value		\$703,700,662	\$ —	\$ —	\$703,700,662

(a) This category includes investments principally in stocks and bonds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. There are currently no redemption restrictions on these investments.

The Plan did not have any transfers between levels 1, 2 and 3 during the period from January 1, 2015 through July 13, 2015 and during the years ended December 31, 2014 and December 31, 2013.

8. Subsequent Events

The Plan has assessed subsequent events through September 3, 2015, the date the financial statements were available to be issued, and has determined that no other items require disclosure.

Synthes (U.S.A.) Retirement Plan

Notes to Financial Statements

For the Period from January 1, 2015 through July 13, 2015 and Years Ended December 31, 2014 and December 31, 2013

9. Reconciliation to Form 5500

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500 for the period ended July 13, 2015:

	<u>July 13, 2015</u>
Changes in net assets available for benefits per the financial statements:	(\$733,783,792)
Deemed Loans	<u>32,163</u>
Changes in net assets available for benefits per the Form 5500	(\$733,751,629)

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Net assets available for benefits per the financial statements:	\$733,783,792	\$730,838,748
Deemed distributions:	<u>(32,163)</u>	<u>(35,225)</u>
Net assets available for benefits: Per the Form 5500	<u>\$733,751,629</u>	<u>\$730,803,523</u>

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2014:

	<u>2014</u>
Changes in net assets available for benefits per the financial statements:	\$2,945,044
Loan offset	<u>3,062</u>
Changes in net assets available for benefits per the Form 5500	\$2,948,106

Supplemental Schedule

Synthes (U.S.A.) Retirement Plan
EIN – 22-1024240 Plan – 004

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2014

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
*Franklin Balance Sheet Investment Fund, Class A	Registered investment companies	\$ 9,236,548
*T. Rowe Price International Funds, Inc. Emerging Markets Stock Fund, Retail Class	Registered investment companies	14,368,049
*Vanguard 500 Index Fund Admiral Shares	Registered investment companies	56,067,661
*Vanguard Capital Opportunity Fund Investor Shares	Registered investment companies	20,970,233
*Vanguard Energy Fund Investor Shares	Registered investment companies	14,798,648
*Vanguard Explorer Fund Investor Shares	Registered investment companies	49,210,676
*Vanguard GNMA Fund Investor Shares	Registered investment companies	6,398,149
*Vanguard Growth Index Fund Investor Shares	Registered investment companies	9,516,917
*Vanguard Health Care Fund Investor Shares	Registered investment companies	26,388,400
*Vanguard High-Yield Corporate Fund Investor Shares	Registered investment companies	9,127,896
*Vanguard Intermediate-Term Investment Grade Fund Investor Shares	Registered investment companies	11,204,624
*Vanguard International Growth Fund Investor Shares	Registered investment companies	37,625,551
*Vanguard Long-Term Investment Grade Fund Investor Shares	Registered investment companies	8,586,008
*Vanguard Mid-Cap Index Fund Investor Shares	Registered investment companies	18,027,488
*Vanguard PRIMECAP Fund Investor Shares	Registered investment companies	81,083,073
*Vanguard Prime Money Market Fund	Registered investment companies	36,577,065
*Vanguard REIT Index Fund Investor Shares	Registered investment companies	11,137,772
*Vanguard Short-Term Federal Fund Investor Shares	Registered investment companies	3,657,290
*Vanguard Small-Cap Growth Index Fund	Registered investment companies	8,861,430
*Vanguard Small-Cap Index Fund Investor Shares	Registered investment companies	9,728,448
*Vanguard Small-Cap Value Index Fund	Registered investment companies	12,188,533
*Vanguard Total Bond Market Index Fund Admiral Shares	Registered investment companies	26,908,470
*Vanguard Value Index Fund Investor Shares	Registered investment companies	5,402,123
*Vanguard Wellesley Income Fund Investor Shares	Registered investment companies	10,366,297
*Vanguard Wellington Fund Investor Shares	Registered investment companies	67,870,750
*Vanguard Windsor II Fund Investor Shares	Registered investment companies	52,069,732
*Vanguard Target Retirement 2010 Fund	Registered investment companies	801,338
*Vanguard Target Retirement 2015 Fund	Registered investment companies	7,592,984
*Vanguard Target Retirement 2020 Fund	Registered investment companies	10,174,182
*Vanguard Target Retirement 2025 Fund	Registered investment companies	14,144,309
*Vanguard Target Retirement 2030 Fund	Registered investment companies	11,064,103
*Vanguard Target Retirement 2035 Fund	Registered investment companies	13,671,972
*Vanguard Target Retirement 2040 Fund	Registered investment companies	16,088,343
*Vanguard Target Retirement 2045 Fund	Registered investment companies	18,122,578
*Vanguard Target Retirement 2050 Fund	Registered investment companies	11,456,930
*Vanguard Target Retirement 2055 Fund	Registered investment companies	1,227,136
*Vanguard Target Retirement 2060 Fund	Registered investment companies	575,002
*Vanguard Target Retirement Income	Registered investment companies	1,815,948
*Notes receivable from participants	Interest rates range from 4.25 – 9.25%	9,671,136
		\$733,783,792

*Party-in-interest

Cost is not required to be presented as all the investments are participant-directed.