

Johnson & Johnson

Safe Harbor Statement

This presentation may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections.

Risks and uncertainties include general industry conditions and competition; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; domestic and foreign health care reforms and governmental laws and regulations; and trends toward health care cost containment.

A further list and description of these risks, uncertainties and other factors can be found in Exhibit 99 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2006. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.jnj.com or on request from the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments.

Content Overview

- Strategic Principles
- Historical Performance
- Segment Overview
- Third Quarter 2007 Results
- Summary

STRATEGIC PRINCIPLES

Strategic Principles

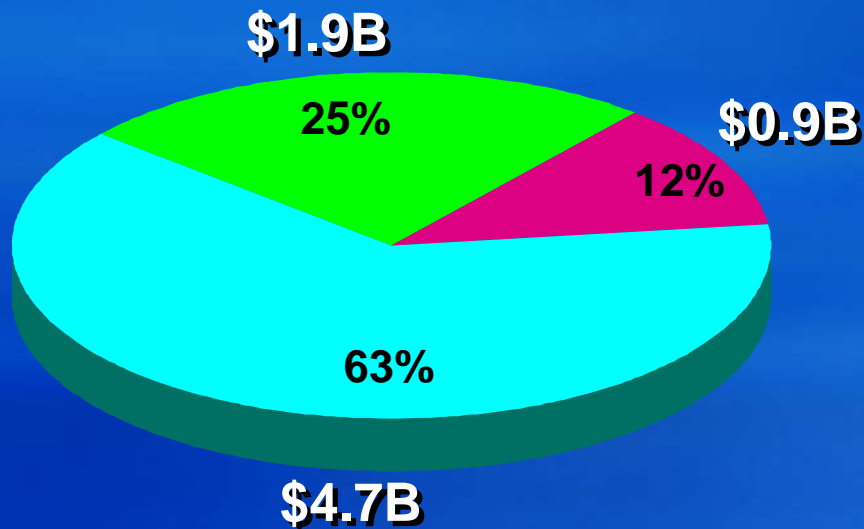
- **Broadly based in human health care**
- **Decentralized management**
- **Manage for the Long Term**
- **Ethical Principles**
 - **Our Credo**

World's Most Comprehensive and Broadly Based Health Care Company

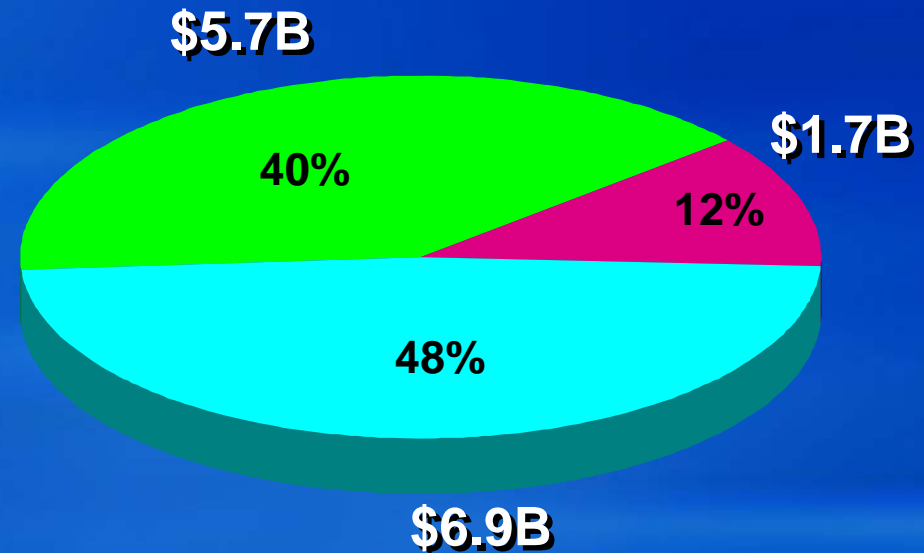
- 2006 Sales of \$53.3 Billion
- Over 200 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical/surgical products, diagnostics and a variety of consumer products
- Exceptionally well balanced

Balanced Portfolio Segment Operating Profit*

**2001 Operating Profit:
\$7.5 Billion***



**2006 Operating Profit:
\$14.3 Billion***



■ Consumer ■ Pharmaceuticals ■ MD&D

*Excluding IPR&D and Guidant acquisition agreement termination fee
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1995-2005 reported financial statements have been restated accordingly.

Broadly Based – A Strategic Advantage

- Rapidly capitalize on attractive opportunities
- Knowledge and capability transfer
- Development of converging technologies
- Accelerating growth through geographic breadth
- Leveraging scale

Strategic Principles

- **Broadly based in human health care**
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Decentralized Management

- **Most effective management structure for our broadly based business**
- **Fosters engagement:**
 - **Sense of ownership**
 - **Entrepreneurship**
 - **Collaboration**
- **Enables customer and patient focused decision making**

Strategic Principles

- **Broadly based in human health care**
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Leadership in Major Markets

Johnson & Johnson
#1 or #2*

Anti-Anemia

Antipsychotics

Anti-TNF

Hormonal Contraceptives

Quinolone Anti-Infective

Coronary Stents

Minimally Invasive Surgery

Orthopaedics

Sutures

Lo-Cal Sweeteners

Blood Glucose Monitoring

Blood Screening & Typing

Electrophysiology diagnostics and catheters

Disposable Contact Lenses

OTC Pharmaceuticals

Sanitary Protection

Wound Care

Baby & Kids Care

Growth Strategies

- Organic growth
 - Strong internal R&D capability
 - Nurture new businesses; Prune where appropriate
- Strategic partnering and licensing
- Selective acquisitions
 - Enhance existing business
 - New platform for growth

Total Research Expense

\$U.S. Billions



The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1995-2005 reported financial statements have been restated accordingly.

Partner of Choice

- Over 100 new third party relationships annually
- In house venture capital (JJDC)
 - Over \$400 million invested as of 2006 in a broad array of companies
- Focus on early stage product development

Mergers & Acquisitions – Recent Examples

*Strategic moves to enhance our growth rate
and create long-term value for our shareholders*

Typically modest in size: over 60 in the last decade

- **Ensure Medical, Inc. (7/06)** - Acquisition of Ensure Medical, a privately held company will provide Cordis with a development stage femoral artery closure device (ACD) and related IP and know-how.
- **ColBar LifeScience Ltd. (7/06)** - Acquisition of ColBar LifeScience, an Israeli ventured backed, privately held medical device company that has expertise in collagen-based products.
- **Vascular Control Systems (5/06)** - Acquired a venture funded privately held company that has developed technology that will be used for the treatment of fibroids and dysfunctional uterine bleeding.

Mergers & Acquisitions – Recent Examples (Continued)

- **Groupe Vendome SA (5/06)** - Johnson & Johnson Consumer France SAS acquired Groupe Vendome, a privately held French marketer of adult and baby skin care products.
- **Future Medical Systems Group NV (FMS) (3/06)** - The acquisition of FMS, will allow DePuy Mitek to enter the fluid management and shaver markets and increase DePuy Mitek's product offerings in the arthroscopic surgical market.
- **Animas Corporation (2/06)** - Acquisition of Animas Corporation, an insulin delivery company, affords LifeScan, Inc. immediate entry into the fast-growing insulin delivery pump market.
- **Hand Innovations LLC (1/06)** - DePuy acquired Hand Innovations LLC, a developer and marketer of upper extremity trauma products. The acquisition will allow DePuy to establish a presence in the treatment of hand and wrist fractures.

Mergers & Acquisitions (continued)

Occasionally Substantial

- **Conor Medsystems, Inc. (2/07- \$1.4B)** - cardiovascular device company with unique controlled drug delivery technology
- **Pfizer Consumer Healthcare (12/06 - \$16.6B)** - global business of personal care and over-the-counter (OTC) products
- **Scios Inc. (4/03 - \$2.4B)** – A biopharmaceutical company with a marketed product (NATRECOR®) for cardiovascular disease and research projects focused on auto-immune diseases.
- **ALZA Corporation (6/01- \$12.3B)** - Research-based pharmaceutical company with leading drug delivery technologies.
- **Centocor, Inc. (10/99 - \$4.9B)** - Leader in monoclonal antibody technology, acute vascular care and immunology products
- **DePuy, Inc. (11/98 - \$3.7B)** - Combined with existing orthopaedics business established Johnson & Johnson as the leader in third largest medical device category

Strategic Principles

- **Broadly based in human health care**
- **Decentralized management**
- **Manage for the Long Term**
- **Ethical Principles**
 - **Our Credo**

Foundation of Ethical Principles

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognized their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvement and better health education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

The Four Tenets

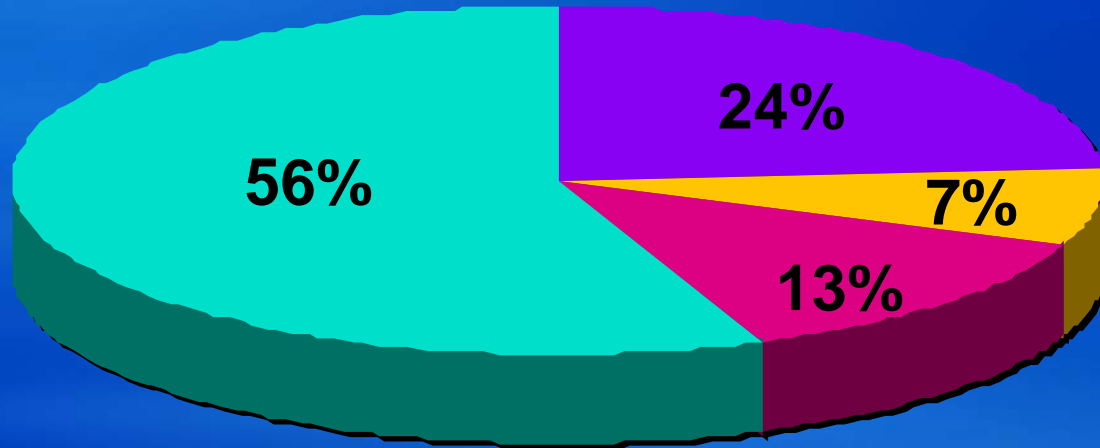
- Customers
- Employees
- Community
- Stockholders

HISTORICAL PERFORMANCE

Worldwide Net Trade Sales

By Geographic Area

2006



\$53.3 Billion

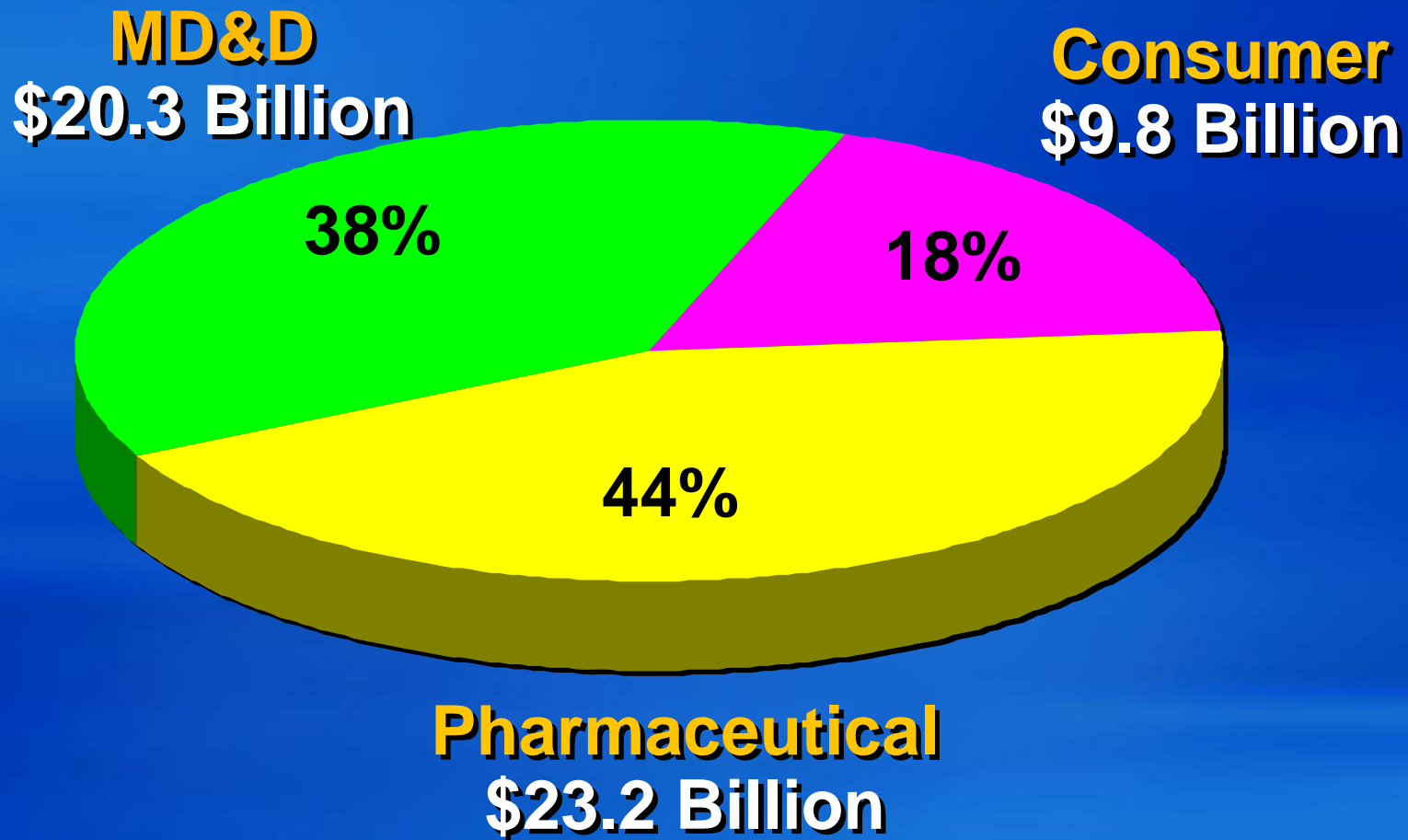
● U.S.

● W. Hem (ex. US)

● Asia Pacific & Africa

● Europe

2006 Sales by Segment



Historical Performance

74 Consecutive years of Sales increases

23 Consecutive years of Earnings increases⁽¹⁾

45 Consecutive years of Dividend increases⁽²⁾

<u>Year</u>	<u>Reported Sales Growth</u>	<u>Operational Sales Growth</u>	<u>Adjusted Net Earnings Growth⁽¹⁾</u>
100	+10.4	+10.8%	+10.5%
50	+11.0	+11.5	+14.0
20	+10.7	+10.7	+14.8
10	+9.6	+10.1	+14.2
5	+10.5	+8.7	+14.6
1	+5.6	+5.3	+9.2

(1) Non GAAP. Excludes In-process R&D, taxes on repatriated cash under the AJC Act and other charges and credits. The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1995-2005 reported financial statements have been restated accordingly.

(2) Includes April 2007 dividend

Cash Flow - 2006

Operating Cash Flow	\$14.2B
Free Cash Flow*	\$11.6B
Net Cash/(Debt) Position	(\$2.5)B

***One of Only 5 Industrial Companies
With Triple A Credit Rating***

*Non-GAAP financial measure: defined as operating cash flow less capital spending

Shareholder Returns

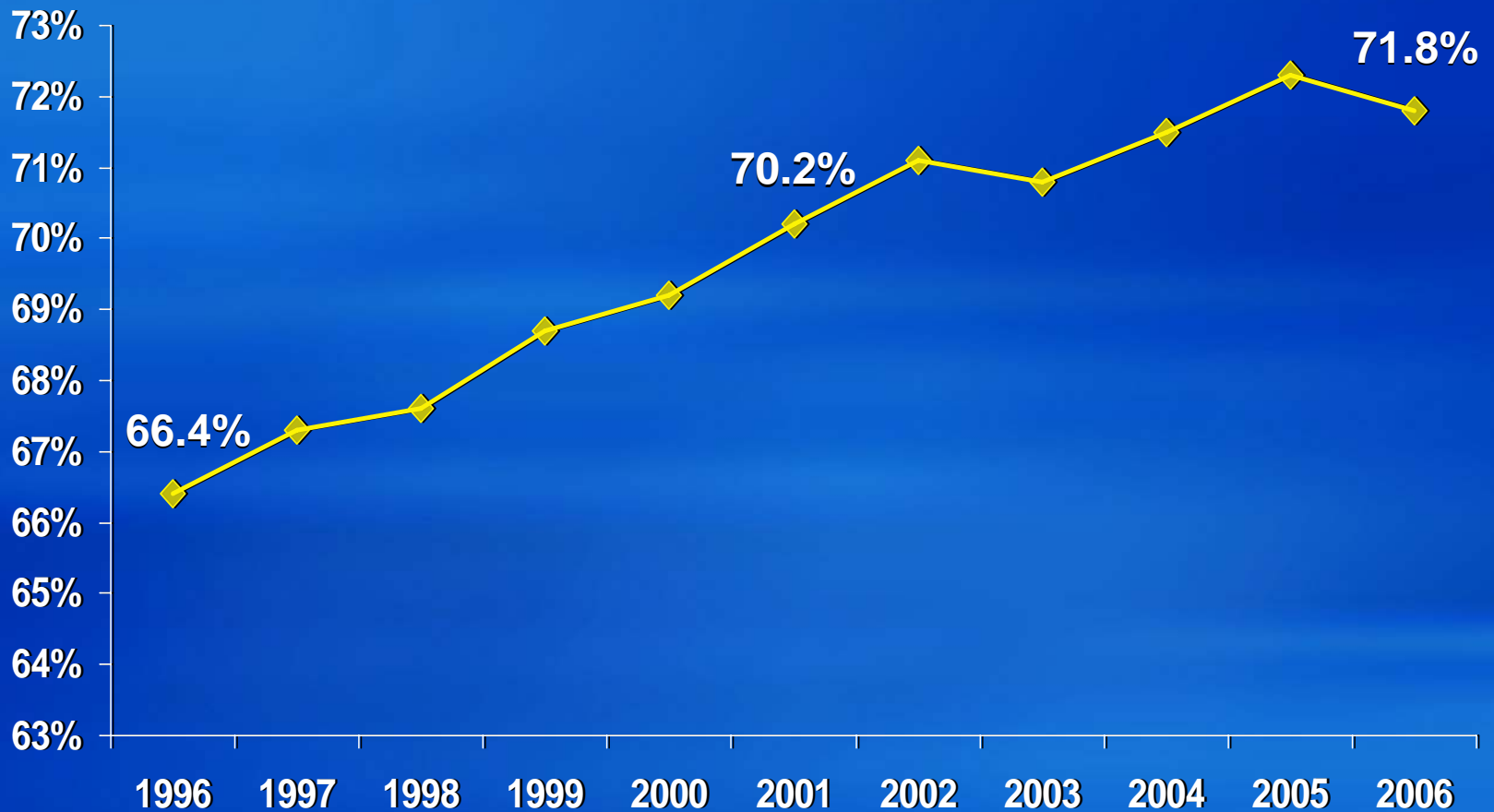
Through 12/31/06

Years	1	3	5	10
<i>Johnson & Johnson</i>	12.3%	10.7%	4.2%	12.0%
S&P Pharm	15.7	1.2	(2.1)	7.8
S&P H/C Equipment	4.1	5.5	7.1	11.7
S&P 500	15.7	10.3	6.1	8.4

Note: Data source - Bloomberg

1996-2006 Gross Profit Margin

% Percent



The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1996-2006 reported financial statements have been restated accordingly.

Selling General & Administrative

1996-2006



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SEGMENT OVERVIEW

Consumer Segment Overview

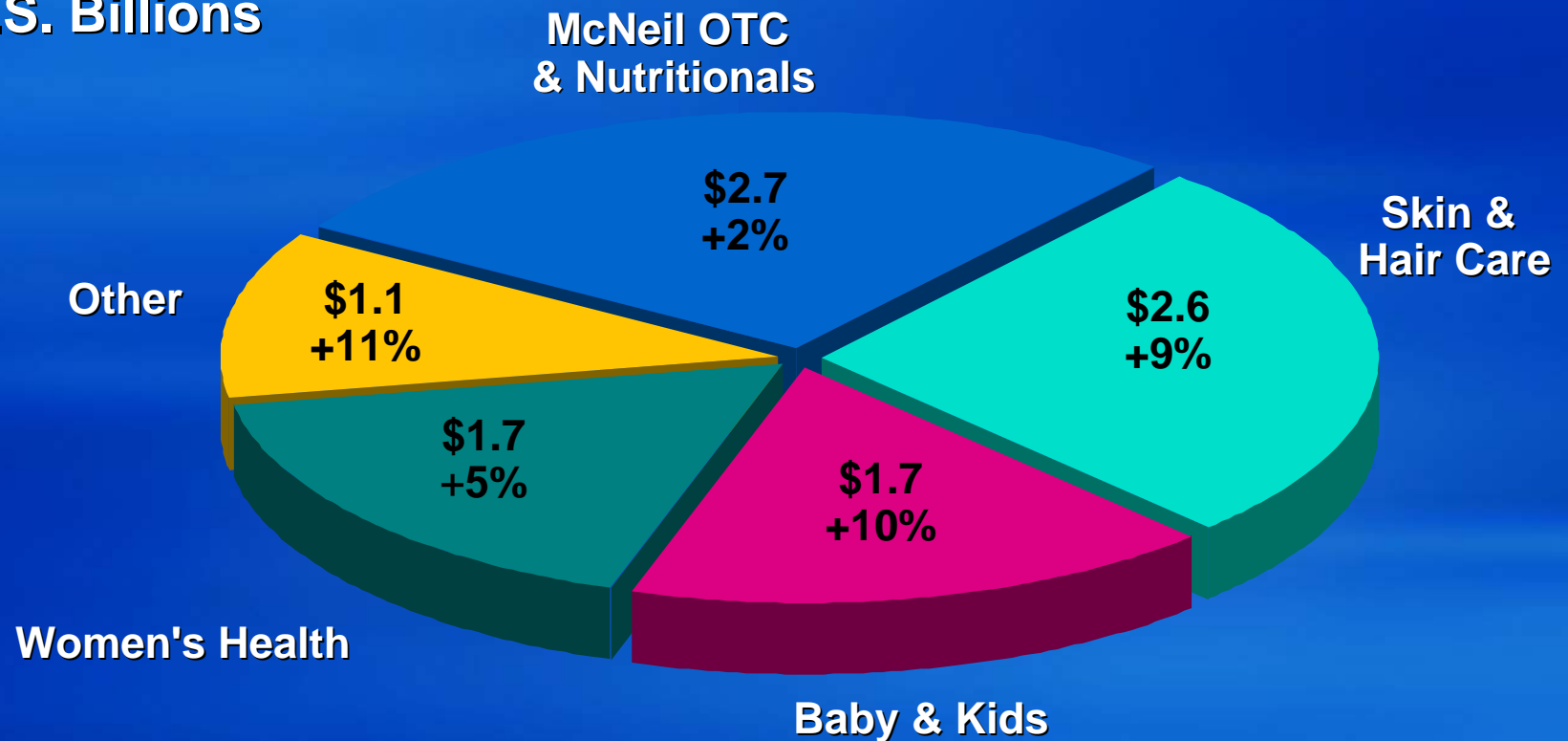
- Worldwide annual sales in 2006 of \$9.8 billion
- Principal products in:
 - Over-the-Counter Pharmaceuticals and Nutritionals
 - Skin Care
 - Baby & Kids Care
 - Wound Care
 - Women's Health
- Launched more than 400 new products
- Completed Pfizer Consumer Healthcare acquisition

Major Franchise Sales & Operational Growth Rates

2006 Sales - \$9.8 Billion

2006 Ops Growth Rate – 6.4%

\$ U.S. Billions



* Operational Growth

Pfizer Consumer Healthcare Acquisition: Value Enhancing for Shareholders

- Completed December 2006
- Complementary product and geographies
- Attractive growth opportunity in Consumer
 - U.S. leadership in 9 additional categories
- Transforms OTC business
 - Doubles in size
- Builds on our oral health care business
- Entry into the rapidly growing smoking cessation market

Medical Devices & Diagnostics Segment Overview

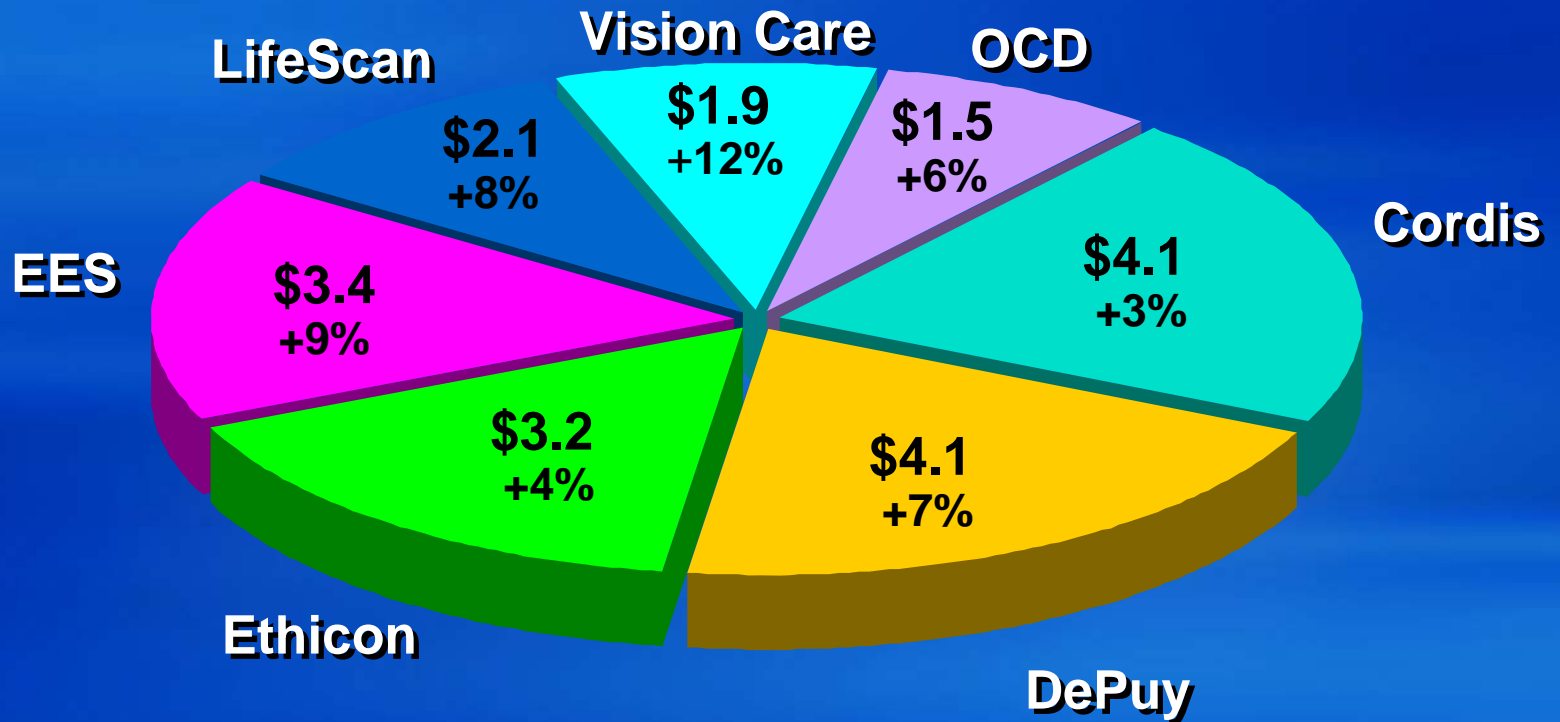
- **Worldwide annual sales in 2006 of \$20.3 billion**
- **Largest medical device company in the world**
- **Global presence in medical, surgical and diagnostic categories**
- **7 large franchises**
- **80% of sales coming from #1 or #2 market position**
- **Key strategic acquisitions**

Major Franchise Sales & Operational Growth Rates

2006 Sales - \$20.3 Billion

2006 Ops Growth Rate – 6.4%

\$ U.S. Billions



* Operational Growth

Pharmaceutical Segment Overview

- **Worldwide annual sales in 2006 of \$23.2 billion**
- **Contributed 48% of operating profit**
- **Over 100 drugs marketed in approximately 125 countries**
- **Eight of our medicines had revenues of \$1 billion dollars or more.**
- **Eight more products had sales greater than \$200 million dollars.**
- **Robust R&D pipeline**
- **Key licensing & strategic partnerships**

Pharmaceuticals

Building leadership in:

- Novel targets & mechanisms
- Biomedicines
- Formulation & delivery technology
- Combination therapies
- Health outcomes research
- Global market development

Strategic Focus Areas

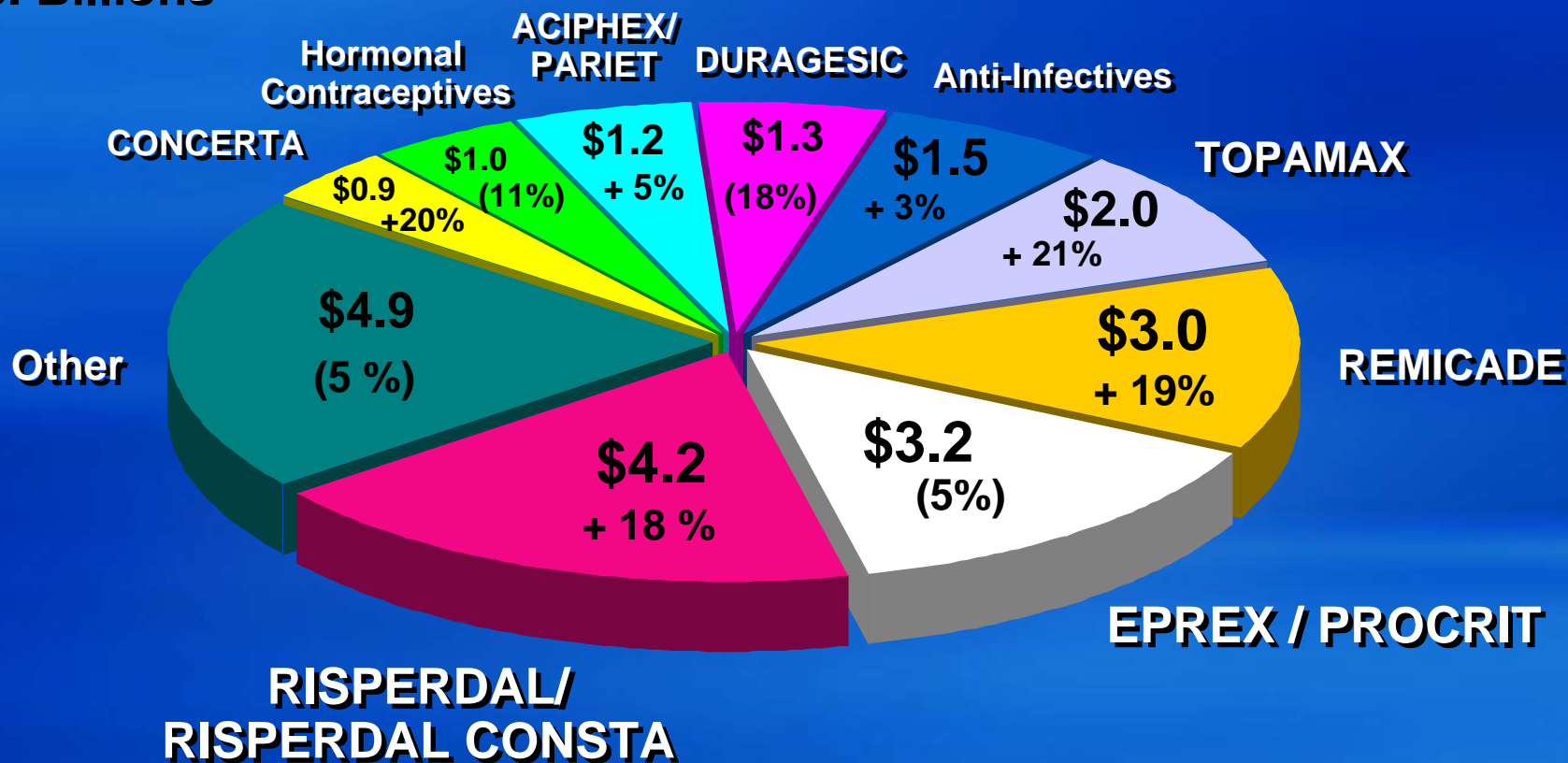
- Sustainable leadership in current markets
 - CNS
 - Immunology
 - Pain management
 - Anemia
- New global growth platforms
 - Virology
 - Anti-Bacterials
 - Oncology
 - Cardiovascular Disease
 - Metabolics

Pharmaceutical Segment Sales – Major Products & Operational Growth Rates

2006 Sales - \$23.2 Billion

2006 Ops Growth Rate – 3.9%

\$ U.S. Billions



* Operational Growth

Recent Pharmaceutical Approvals

- **DORIBAX™ (doripenem)** - treatment for complicated intra-abdominal and complicated urinary tract infections
- **DOXIL® in combination with VELCADE® for Injection** - Multiple Myeloma (US 5/07)
- **RISPERDAL®** – Pediatric Exclusivity (US 2/07), Pediatric indication (US 8/07)
- **LEVAQUIN® Tabs and IV**– Pediatric Exclusivity (US 3/07), Acute Pyelonephritis (US 9/07)
- **INVEGA™ (paliperidone) Extended-Release Tablets** – a once-daily oral medication for the treatment of schizophrenia (12/06 US) (6/07 EU)
- **PREZISTA™ (darunavir)** – protease inhibitor for treatment-experienced patients with HIV (6/06 US) (2/07 EU)
- **IONSYS™ (fentanyl iontophoretic transdermal system)**- needle-free, patient-activated analgesic system for acute post-operative pain (5/06 US) (1/06 EU)
- **JURNISTA™ prolonged-release tablets (Hydromorphone HCl)** - for the treatment of severe pain (5/06 EU)
- **EPREX® (Epoetin Alfa)** – Restored subcutaneous administration in chronic renal failure (5/06 EU)
- **REMICADE® (infliximab)** – Rheumatoid Arthritis shortened infusion (12/06 EU), Ulcerative Colitis 54 wk maintenance (10/06 US), Psoriasis (09/06 US), Structural damage in Psoriatic Arthritis (8/06 US), Pediatric patients with moderately to severely active Crohn's disease (5/06 US) (6/07 EU)

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3Q 2007 Results

3Q 2007 Highlights

<u>Growth %</u>	<u>Total</u>	<u>Operations</u>	<u>Currency</u>
• Sales			
– Worldwide	12.7%	9.7%*	3.0%
– U.S.	5.8%		
– Int'l	21.5%	14.7%	6.8%
• Net Earnings	(7.7)%		
• EPS	(6.4)%		
• Adjusted Net Earnings ⁽¹⁾	7.0%		
• Adjusted EPS ⁽¹⁾	8.2%		

(1) Non GAAP. Excludes restructuring expenses in 2007 and IPR&D in 2006. Please see Appendix A for reconciliation.

*On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both 2007 and 2006, worldwide sales increased 2.4% on an operational basis. Please see Appendix B for reconciliation.

3Q 2007 Sales Growth by Segment

	<u>Total</u>	<u>Operations</u>	<u>Currency</u>
Consumer	47.5%	43.4%*	4.1%
Med Device & Diagnostics	6.0%	3.0%	3.0%
Pharmaceutical	<u>3.7%</u>	<u>1.2%</u>	<u>2.5%</u>
Total Company	12.7%	9.7%	3.0%

*On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both 2007 and 2006, sales in the Consumer segment increased 3.5% on an operational basis. Please see Appendix B for reconciliation.

3Q 2007 Consumer Sales (+43.4%)

Growth Drivers:

- **Skin Care (+12%)**
 - NEUTROGENA, CLEAN & CLEAR and AVEENO product lines, addition of Pfizer products
- **Baby & Kids Care (+7%)**
 - Cleansers and powder product lines
- **OTC/Nutritionals (+79%)**
 - Addition of Pfizer products; adult analgesics and SPLENDA sugar substitute
- **Oral Care (new category)**
 - LISTERINE antiseptic mouthrinse and whitening strips

3Q 2007 Medical Devices & Diagnostics Sales (+3.0%)

Growth Drivers

- **Vision Care (+16%)**
 - **ACUVUE® OASYS™ with HYDRACLEAR™ PLUS; 1-DAY ACUVUE® Moist™ ; ACUVUE® ADVANCE™ for ASTIGMATISM, and 1-DAY ACUVUE® DEFINE™**
- **LifeScan (+13%)**
 - **ULTRAMINI® blood glucose meter, ULTRA® blood glucose strips, and Animas insulin pump products**
- **Ortho-Clinical Diagnostics (+10%)**
 - **Immunodiagnostic products and Chagas screening assay**

3Q 2007 Medical Devices & Diagnostics Sales (+3.0%)

Growth Drivers (Continued)

- **DePuy, Inc. (+9%)**
 - Hip and knee reconstruction products and Mitek's sports medicine products
- **Ethicon Endo-Surgery, Inc. (+8%)**
 - Endocutters and HARMONIC SCALPEL®
- **Ethicon, Inc. (+6%)**
 - Biosurgicals, drains, meshes, hemostasis products, and Gynecare women's health products

3Q 2007 Pharmaceutical Sales (+1.2%)

Key Products	% Change
• TOPAMAX [®]	+13.6%
• LEVAQUIN [®] /FLOXIN [®]	+6.8%
• ACIPHEX [®] /PARIET [®]	+6.1%
• Antipsychotics (RISPERDAL [®] / RISPERDAL [®] CONSTA [®] /INVEGA [®])	+6.0%
• REMICADE [®]	+5.5%
• CONCERTA [®]	+3.6%
<hr/>	
• DURAGESIC [®]	-13.2%
• Hormonal Contraceptives	-15.6%
• EPREX [®] /PROCRIT [®]	-17.4%

All growth %'s noted are operational growth

Johnson & Johnson

SUMMARY

Johnson & Johnson:

The Most Broadly Based Health Care Company

- Exceptional track record of superior growth over the long-term
- Guided by four strategic principles
- Excellent financial strength
- Innovative products
- Robust pharmaceutical R&D pipeline
- Largest and most globally diverse medical devices and diagnostics company
- Premier consumer health care company

Appendix A – Reconciliation of Non-GAAP Measures: Q3'07 vs. Q3'06



Johnson & Johnson and Subsidiaries Reconciliation of Non-GAAP Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. / (Decr.)	Sept YTD		% Incr. / (Decr.)
	2007	2006		2007	2006	
Net Earnings - as reported	\$ 2,548	2,760	-7.7%	\$ 8,202	8,885	-7.7%
Guidant acquisition agreement termination fee	-	-		-	(368)	
In-process research & development (IPR&D)	-	115		807	231	
Restructuring expenses	528	-		528	-	
Net Earnings - as adjusted	\$ 3,076	2,875	7.0%	\$ 9,537	8,748	9.0%
Diluted Net Earnings per share - as reported	\$ 0.88	0.94	-6.4%	\$ 2.81	2.99	-6.0%
Guidant acquisition agreement termination fee	-	-		-	(0.12)	
In-process research & development (IPR&D)	-	0.04		0.28	0.08	
Restructuring expenses	0.18	-		0.18	-	
Diluted Net Earnings per share - as adjusted	\$ 1.06	\$ 0.98	8.2%	\$ 3.27	\$ 2.95	10.8%

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of net earnings and diluted net earnings per share that excludes IPR&D and the Guidant acquisition agreement termination fee in order to evaluate ongoing business operations.

Appendix B – Reconciliation of As Reported and Pro-Forma Net Trade Sales: Q3'07 vs. Q3'06

Johnson & Johnson 2007 Q3 As Reported and Pro-Forma Net Trade Sales Reported and Operational Growth Rates

	THIRD QUARTER				NINE MONTHS			
	Reported Growth		Pro-Forma Growth ⁽¹⁾		Reported Growth		Pro-Forma Growth ⁽¹⁾	
	Total%	Oper. %	Total%	Oper. %	Total%	Oper. %	Total%	Oper. %
Skin Care	16.0%	11.8%	10.5%	6.3%	15.9%	12.3%	10.0%	6.6%
Baby & Kids Care	13.3	7.3	11.3	5.4	13.0	8.1	11.2	6.3
Oral Care	*	*	13.1	9.8	*	*	9.2	6.4
OTC / Nutritionals	80.9	78.6	2.8	(0.1)	87.8	85.6	6.2	3.3
Women's Health	6.8	1.5	1.5	(3.5)	8.0	3.7	2.7	(1.5)
Consumer Segment Worldwide	47.5%	43.4%	7.4%	3.5%	48.2%	44.8%	8.1%	4.7%
Worldwide	12.7%	9.7%	5.4%	2.4%	13.9%	11.3%	6.7%	4.1%

⁽¹⁾ 2006 baseline includes Pfizer Consumer Health (PCH) sales and excludes PCH acquisition related divestitures

* Percentages are greater than 100%

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