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
- Fourth Quarter 2007 Results
- Summary
STRATEGIC PRINCIPLES
Strategic Principles

• Broadly Based in Human Health Care
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Broadly Based - World’s Most Comprehensive Health Care Company

- 2007 Sales of $61.1 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical/surgical products, diagnostics and a variety of consumer products
- Exceptionally well balanced
Broadly Based – A Strategic Advantage

2007 Segment Operating Profit*

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14.6B</td>
<td>$15.9B</td>
<td></td>
</tr>
<tr>
<td>$5.7</td>
<td>$6.0</td>
<td></td>
</tr>
<tr>
<td>$6.9</td>
<td>$7.6</td>
<td></td>
</tr>
<tr>
<td>$2.0</td>
<td>$2.3</td>
<td></td>
</tr>
</tbody>
</table>

% to Sales

- 2006: 25.7%
- 2007: 26.0%

*Proforma including net impact of PCH; Refer to 3.2.07 8K filing for 2006 PCH impact to operating profit; Excludes IPR&D and other special items
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
- Managed for the Long Term
- Decentralized Management Approach
- People and Values
## Leadership in Major Markets

**Johnson & Johnson**  
**#1 or #2**

<table>
<thead>
<tr>
<th>Category</th>
<th>Category</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-Anemia</td>
<td>Lo-Cal Sweeteners</td>
<td>Blood Glucose Monitoring</td>
</tr>
<tr>
<td>Antipsychotics</td>
<td>Blood Screening &amp; Typing</td>
<td>Electrophysiology diagnostics and catheters</td>
</tr>
<tr>
<td>Anti-TNF</td>
<td></td>
<td>Disposable Contact Lenses</td>
</tr>
<tr>
<td>Hormonal Contraceptives</td>
<td>Quinolone Anti-Infective</td>
<td>OTC Pharmaceuticals</td>
</tr>
<tr>
<td>Coronary Stents</td>
<td></td>
<td>Sanitary Protection</td>
</tr>
<tr>
<td>Minimally Invasive Surgery</td>
<td>Orthopaedics</td>
<td>Wound Care</td>
</tr>
<tr>
<td>Sutures</td>
<td></td>
<td>Baby &amp; Kids Care</td>
</tr>
</tbody>
</table>

*As of Dec 2007*
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
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1997-2005 reported financial statements have been restated accordingly.
Partner of Choice

• Over 100 new third party relationships annually

• In house venture capital (JJDC)
  – Over $475 million invested as of 2007 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

- **Disc-O-Tech Medical Technologies, Ltd. (12/07)** - Acquisition of certain assets, including intellectual property rights, related to the treatment of vertebral compression fractures from Disc-o-Tech Medical Technologies, a privately held company, and its subsidiary

- **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 with expertise in collagen-based products
Mergers & Acquisitions – Recent Examples

• **Vascular Control Systems (5/06)** - Acquired a venture funded privately held company that developed technology that will be used for the treatment of fibroids and dysfunctional uterine bleeding

• **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
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
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Decentralized Management Approach

• 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
- Managed for the Long Term
- Decentralized Management Approach
- People and Values
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 received promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employers, the men and women who work with us throughout the world. Everyone must be considered as an individual. 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 full 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 receive a fair return.

The Four Tenets

- Customers
- Employees
- Community
- Stockholders
HISTORICAL PERFORMANCE
Worldwide Net Trade Sales
2007 Sales By Geographic Area

- Europe: $15.7B, 25%
- W. Hemisphere: $4.7B, 8%
- Asia-Pacific, Africa: $8.3B, 14%
- U.S.: $32.4B, 53%
2007 Sales by Segment

Total Sales - $61.1B

- MD&D
  - 35%
  - $21.7B
  - ↑3.9% (1)

- Pharmaceutical
  - 41%
  - $24.9B
  - ↑4.3% (1)

- Consumer (2)
  - 24%
  - $14.5B
  - ↑44.2% (1)

(1) Operational Growth
(2) Proforma growth including the net impact of PCH is 4.6%
Operating Cash Flow $15.2B
Free Cash Flow* $12.3B
Net Cash/(Debt) Position $(.2)B

One of Only 4 U.S. Industrial Companies
With Triple A Credit Rating

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

75 Consecutive years of Sales increases  
24 Consecutive years of Earnings increases\(^{(1)}\)  
45 Consecutive years of Dividend increases

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported Sales Growth</th>
<th>Operational Sales Growth</th>
<th>Adjusted Net Earnings Growth(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>+10.4</td>
<td>+10.8%</td>
<td>+10.1%</td>
</tr>
<tr>
<td>50</td>
<td>+11.1</td>
<td>+11.6</td>
<td>+14.0</td>
</tr>
<tr>
<td>20</td>
<td>+10.7</td>
<td>+10.8</td>
<td>+14.3</td>
</tr>
<tr>
<td>10</td>
<td>+10.5</td>
<td>+10.3</td>
<td>+13.7</td>
</tr>
<tr>
<td>5</td>
<td>+11.0</td>
<td>+8.6</td>
<td>+13.3</td>
</tr>
<tr>
<td>1</td>
<td>+14.6</td>
<td>+11.5</td>
<td>+8.6</td>
</tr>
</tbody>
</table>

(1) Non GAAP. Excludes In-process R&D, and other special items.  
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.  

Through 12/31/07
## Total Shareholder Returns*

Through 12/31/07

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>3</th>
<th>5</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>3.5%</td>
<td>4.0%</td>
<td>6.6%</td>
<td>9.1%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>5.5%</td>
<td>8.5%</td>
<td>12.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>S&amp;P Pharmaceutical</td>
<td>4.6%</td>
<td>5.4%</td>
<td>3.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>S&amp;P H/C Equipment</td>
<td>5.1%</td>
<td>3.1%</td>
<td>10.2%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

* Assumes that all dividends are reinvested
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1997-2005 reported financial statements have been restated accordingly.
1997-2007 Selling, General & Administrative

% To Sales

The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1997-2005 reported financial statements have been restated accordingly.
Consumer Segment Overview

- Worldwide annual sales in 2007 of $14.5 billion
- Principal products in:
  - Over-the-Counter Pharmaceuticals and Nutritionals
  - Skin Care
  - Baby & Kids Care
  - Wound Care
  - Oral Care
  - Women’s Health
- Launched more than 600 new products and line extensions
- Integration of Pfizer Consumer Healthcare (PCH) remains on track
Consumer Segment Sales –
Major Franchise & Operational Growth Rates

2007 Sales: $14.5 Billion          2007 Ops Growth Rate: 44.2%

$ U.S. Billions

- Women's Health: $5.1 billion, +85%
- McNeil OTC & Nutritionals: $3.1 billion, +12%
- Skin & Hair Care: $2.0 billion, +8%
- Baby & Kids: $1.8 billion, +3%
- Oral Care: $1.5 billion, >100%
- All Other: $1.0 billion, +71%
- Oral Care: $1.5 billion, >100%

2007 Sales: $14.5 Billion          2007 Ops Growth Rate: 44.2%
Consumer Major Franchise Sales & Pro forma Operational Growth Rates

2007 Sales: $14.5 Billion          2007 Ops Growth Rate: 4.6%*

$ U.S. Billions

- McNeil OTC & Nutritionals: $5.1 billion (+4%)
- Skin & Hair Care: $3.1 billion (+6%)
- Oral Care: $1.5 billion (+5%)
- Baby & Kids: $2.0 billion (+6%)
- All Other: $1.8 billion (2%)
- Women's Health: $1.0 billion (+13%)

* Proforma operational growth including the net impact of PCH
Medical Devices & Diagnostics
Segment Overview

- Worldwide annual sales in 2007 of $21.7 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
MD&D Major Franchise Sales & Operational Growth Rates

2007 Sales: $21.7 Billion
2007 Ops Growth Rate: 3.9%

$ U.S. Billions

- **Vision Care**: $2.2 Billion, +16%
- **OCD**: $1.7 Billion, +7%
- **Cordis (18%)**: $3.4 Billion
- **DePuy**: $4.6 Billion, +8%
- **Ethicon**: $3.6 Billion, +7%
- **EES**: $3.8 Billion, +10%
- **LifeScan**: $2.4 Billion, +11%
MD&D – Major Approvals & Launches

• REALIZE Adjustable Gastric Band
• ANIMAS 2020
• GENESEARCH
Pharmaceutical Segment Overview

- Worldwide annual sales in 2007 of $24.9 billion
- Over 100 drugs marketed in approximately 125 countries
- Nine products with revenues over $1 billion
- Six more products with revenues over $200 million
- Robust R&D pipeline
- Key licensing & strategic partnerships
Pharmaceuticals Segment

- Leading in Research capabilities
  - Biologics
  - Small molecules
  - Drug delivery, form & formulations
- World-class global operations
- Outcomes based development
- Innovative technologies
Pharmaceutical Segment Sales –
Major Products & Operational Growth Rates

2007 Sales: $24.9 Billion          2007 Ops Growth Rate: 4.3%

$ U.S. Billions

Hormonal Contraceptives: $1.0 +9%

ACIPHEX/ PARIET: $0.9 (11%) + 5%

DURAGESIC: $1.4 + 5%

Anti-Infectives: $1.2 (14%) + 8%

TOPAMAX: $1.6 + 8%

REMICADE: $2.5 + 19%

EPREX / PROCRIT: $2.9 + 10%

Anti-Psychotics: $4.7 + 9%

CONCERTA: $5.4 +7%

Other: $3.3 + 10%
Recent Pharmaceutical Approvals

• INTELENCE™ - treatment of human immunodeficiency virus type 1 (HIV-1) infection in antiretroviral treatment-experienced adult patients (1/08 US)

• DORIBAX™ (doripenem) - treatment for complicated intra-abdominal and complicated urinary tract infections (US 10/07)

• REMICADE® - treatment of Psoriatic Arthritis-structural damage (US 8/06) (EU 11/07)

• DOXIL® in combination with VELCADE® for Injection - Multiple Myeloma (US 5/07) (EU 12/07)

• 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)
4Q 2007 Results
4Q 2007 Highlights

<table>
<thead>
<tr>
<th>Growth %</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worldwide</td>
<td>16.6%</td>
<td>11.9% (1)</td>
<td>4.7%</td>
</tr>
<tr>
<td>U.S.</td>
<td>9.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>25.8%</td>
<td>15.3%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>9.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>10.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Net Earnings(2)</td>
<td>6.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS(2)</td>
<td>8.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) On a pro-forma basis, including the net impact of the acquisition of Pfizer Consumer Healthcare in both 2007 and 2006, worldwide sales increased 4.6% on an operational basis. Please see Appendix B for reconciliation.

(2) Non GAAP. Excludes special items related to restructuring, intangible asset write-downs, IPR&D charges and the gain associated with the termination of the Guidant acquisition agreement. Please see Appendix A for reconciliation.
<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>48.5%</td>
<td>42.5%*</td>
<td>6.0%</td>
</tr>
<tr>
<td>Med Device &amp; Diagnostics</td>
<td>11.3%</td>
<td>6.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>7.5%</td>
<td>3.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Total Company</td>
<td>16.6%</td>
<td>11.9%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

*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 4.0% on an operational basis. Please see Appendix B for reconciliation.*
4Q 2007 Consumer Sales (+42.5%)

Growth Drivers:

• Skin Care (+9%)
  – Johnsons Adult, AVEENO, CLEAN & CLEAR, VENDOME, and NEUTROGENA product lines, addition of Pfizer products

• Baby & Kids Care (+8%)
  – Wipes, Haircare and Babycenter dot.com

• OTC/Nutritionals (+83%)
  – Addition of Pfizer products; adult analgesics and SPLENDIA sugar substitute

• Oral Care (new category)
  – LISTERINE antiseptic mouthrinse and whitening strips

All growth %’s noted are operational growth
4Q 2007 Medical Devices & Diagnostics Sales (+6.2%)

Growth Drivers

• Vision Care (+16%)
  – ACUVUE® OASYS™ with HYDRACLEAR™ PLUS;
    1-DAY ACUVUE® Moist™; ACUVUE® ADVANCE™ for ASTIGMATISM, and 1-DAY ACUVUE® DEFINE™

• Ethicon Endo Surgery (+13%)
  – Endocutters, HARMONIC SCAPEL®, Advanced Sterilization Products

• LifeScan (+13%)
  – ULTRAMINI® blood glucose meter, ULTRA® blood glucose strips, and Animas insulin pump products

All growth %’s noted are operational growth
4Q 2007 Medical Devices & Diagnostics Sales (6.2%)

Growth Drivers

• DePuy (+9%)
  – Hip and knee reconstruction products and Mitek’s sports medicine products

• Ortho Clinical Diagnostics (+8%)
  – Immunodiagnostics products and Chagas screening assay

• Ethicon (+7%)
  – Biosurgicals, drains, meshes, hemostasis products, and Gynecare women’s health products

All growth %’s noted are operational growth
### 4Q 2007 Pharmaceutical Sales (+3.7%)

<table>
<thead>
<tr>
<th>Key Products</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOPAMAX®</td>
<td>+21%</td>
</tr>
<tr>
<td>REMICADE®</td>
<td>+16%</td>
</tr>
<tr>
<td>Anti-Psychotics (RISPERDAL®/ RISPERDAL® CONSTA® /INVEGA®)</td>
<td>+11%</td>
</tr>
<tr>
<td>CONCERTA®</td>
<td>+10%</td>
</tr>
<tr>
<td>ACIPHEX®/PARIET®</td>
<td>+3%</td>
</tr>
<tr>
<td>LEVAQUIN®/FLOXIN®</td>
<td>-2%</td>
</tr>
<tr>
<td>Hormonal Contraceptives</td>
<td>-15%</td>
</tr>
<tr>
<td>DURAGESIC®</td>
<td>-16%</td>
</tr>
<tr>
<td>EPREX®/PROCRIT®</td>
<td>-25%</td>
</tr>
</tbody>
</table>

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: Q4’07 vs. Q4’06

**Johnson & Johnson and Subsidiaries**  
**Reconciliation of Non-GAAP Measures**

<table>
<thead>
<tr>
<th>(Dollars in Millions Except Per Share Data)</th>
<th>Fourth Quarter</th>
<th>% Incr. / (Decr.)</th>
<th>Full Year</th>
<th>% Incr. / (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Earnings - as reported</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>2,374</td>
<td></td>
<td>10,576</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>2,168</td>
<td>9.5%</td>
<td>11,053</td>
<td>-4.3%</td>
</tr>
<tr>
<td><strong>Guidant acquisition agreement termination fee</strong></td>
<td>-</td>
<td></td>
<td>-</td>
<td>(368)</td>
</tr>
<tr>
<td><strong>In-process research &amp; development (IPR&amp;D)</strong></td>
<td>-</td>
<td>217</td>
<td>807</td>
<td>448</td>
</tr>
<tr>
<td><strong>Restructuring expenses</strong></td>
<td>-</td>
<td>528</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Natrecor intangible write down</strong></td>
<td>441</td>
<td></td>
<td>441</td>
<td></td>
</tr>
<tr>
<td><strong>International tax restructuring</strong></td>
<td>(267)</td>
<td></td>
<td>(267)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Earnings - as adjusted</strong></td>
<td>$ 2,548</td>
<td>6.8%</td>
<td>$ 12,085</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Diluted Net earnings per share - as reported</strong></th>
<th>2007</th>
<th>2006</th>
<th>% Incr. / (Decr.)</th>
<th>2007</th>
<th>2006</th>
<th>% Incr. / (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$ 0.82</td>
<td>0.74</td>
<td>10.8%</td>
<td>$ 3.63</td>
<td>3.73</td>
<td>-2.7%</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td>(0.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guidant acquisition agreement termination fee</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>In-process research &amp; development (IPR&amp;D)</strong></td>
<td>-</td>
<td>0.07</td>
<td>-</td>
<td>0.28</td>
<td>0.15</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restructuring expenses</strong></td>
<td>-</td>
<td>-</td>
<td>0.18</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Natrecor intangible write down</strong></td>
<td>0.15</td>
<td>-</td>
<td>0.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>International tax restructuring</strong></td>
<td>(0.09)</td>
<td>-</td>
<td>(0.09)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Diluted Net earnings per share - as adjusted</strong></td>
<td>$ 0.88</td>
<td>0.81</td>
<td>8.6%</td>
<td>$ 4.15</td>
<td>3.76</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

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 other special items in order to evaluate ongoing business operations.
## Appendix B – Reconciliation of As Reported and Pro-Forma Net Trade Sales: Q4’07 vs. Q4’06

<table>
<thead>
<tr>
<th></th>
<th>FOURTH QUARTER</th>
<th></th>
<th>TWELVE MONTHS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported Growth</td>
<td>Pro-Forma Growth (^{(1)})</td>
<td>Reported Growth</td>
<td>Pro-Forma Growth (^{(1)})</td>
</tr>
<tr>
<td></td>
<td>Total%</td>
<td>Oper.%</td>
<td>Total%</td>
<td>Oper.%</td>
</tr>
<tr>
<td>Skin Care</td>
<td>15.8%</td>
<td>9.3%</td>
<td>9.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Baby &amp; Kids Care</td>
<td>16.5%</td>
<td>8.4%</td>
<td>14.7%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Oral Care</td>
<td>235.4</td>
<td>231.4</td>
<td>4.1%</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>OTC / Nutritionals</td>
<td>86.9%</td>
<td>83.3%</td>
<td>10.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Women’s Health</td>
<td>9.8%</td>
<td>2.1%</td>
<td>5.0%</td>
<td>(2.5)%</td>
</tr>
<tr>
<td>Consumer Segment Worldwide</td>
<td>48.5%</td>
<td>42.5%</td>
<td>9.9%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Worldwide</td>
<td>16.6%</td>
<td>11.9%</td>
<td>9.4%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 2006 baseline includes Pfizer Consumer Health (PCH) sales and excludes PCH acquisition related divestitures.
Johnson & Johnson