Johnson & Johnson
Safe Harbor Statement

This press release contains "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 Johnson & Johnson'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 of Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended January 3, 2010. 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 Johnson & Johnson. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.
Content Overview

- Operating Model
- Historical Performance
- Segment Overview
- First Quarter 2010 Results
- Summary
STRATEGIC PRINCIPLES
Operating Model

• 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

- 2009 Sales of $61.9 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical/surgical products, diagnostics and a variety of consumer products
Segment Operating Profit*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$17.4B</td>
<td>$17.3B</td>
</tr>
<tr>
<td>Segment Operating Profit</td>
<td>$2.7B</td>
<td>$2.9B</td>
</tr>
<tr>
<td>Pharm</td>
<td>$7.6B</td>
<td>$7.5B</td>
</tr>
<tr>
<td>MD&amp;D</td>
<td>$7.0B</td>
<td>$7.0B</td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% to Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>28.1%</td>
</tr>
<tr>
<td>2008</td>
<td>27.1%</td>
</tr>
</tbody>
</table>

*Non-GAAP measure; excludes IPR&D charges 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
Operating Model

- 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

- Anti-Anemia
- Antipsychotics (Injectables)
- Anti-TNF
- Quinolone Anti-Infective
- Coronary Stents
- Minimally Invasive Surgery
- Orthopaedics
- Sutures
- Psychostimulants

- Lo-Cal Sweeteners
- Blood Glucose Monitoring
- Blood Screening & Typing
- Electrophysiology diagnostics & catheters
- Disposable Contact Lenses
- OTC Pharmaceuticals
- Sanitary Protection
- Wound Care
- Baby & Kids Care
- Oral Rinses

*As of Dec 2009
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 platforms for growth
$U.S. Billions

1999–2009 Total Research Expense

$2.8

10.3% Percent to Sales

$7.0

11.3%

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)
- Focus on early stage product development
Mergers, Acquisitions & Significant Equity Investments – Recent Examples

Strategic moves to enhance growth and create long-term value

Typically modest in size

- **Finsbury Orthopaedics Ltd (12/09)** – privately held manufacturer and global distributor of orthopaedic implants

- **Gloster Europe (11/09)** – privately held developer of innovative disinfection processes and technologies to prevent healthcare-acquired infections

- **Crucell N.V. (9/09)** – 18% equity investment in Crucell and strategic collaboration to develop innovative products, including therapies for Influenza prevention/treatment and other diseases

- **Omrix Biopharmaceuticals (12/08)** – a fully-integrated biopharmaceutical company that develops and markets biosurgical and immunotherapy products.

- **HealthMedia, Inc (10/08)** - a privately held provider of scalable and tailored web-based behavior change interventions that emulate a health-coaching session and deliver measurable outcomes.

- **Surg RX, Inc (8/08)** - a privately held developer of the advanced bipolar tissue sealing system used in the ENSEAL® family of devices.

- **Beijing Dabao Cosmetics Co., Ltd (7/08)** – Johnson & Johnson (China) Investment Co. Ltd. acquired Beijing Dabao Cosmetics Company, Ltd, a personal care company with China’s #1 brand moisturizer.
Mergers, Acquisitions & Significant Equity Investments

Occasionally Substantial

- **Acclarent Inc (1/10)** – privately held medical technology company dedicated to designing, developing, and commercializing devices that address conditions affecting the ear, nose, and throat

- **Alzheimer Immunotherapy Program (9/09 - $1.0B)** – acquired substantially all of the assets and rights of Elan related to its Alzheimer's Immunotherapy Program (AIP Program) and an 18.4% equity investment in Elan

- **Cougar Biotechnology Inc (7/09 - $1.0B)** - a development stage biopharmaceutical company with a specific focus on oncology

- **Mentor Corporation (1/09 - $1.1B)** – a leading supplier of medical products for the global aesthetic market

- **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

- **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
Operating Model

- 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
Operating Model

• Broadly Based in Human Health Care
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Our Credo

The Four Tenets

- Customers
- Employees
- Community
- Stockholders
HISTORICAL PERFORMANCE
Worldwide Net Trade Sales
2009 Sales By Geographic Area

- Europe: $15.9B (26%)
- W. Hemisphere: $5.2B (8%)
- Asia-Pacific, Africa: $9.9B (16%)
- U.S.: $30.9B (50%)
2009 Sales by Segment
Total Sales $61.9 Billion

- MD&D $23.6B (38%)
- Consumer $15.8B (26%)
- Pharmaceuticals $22.5B (36%)
2009 - Cash Flow

Free Cash Flow* $14.2B
Net Cash/(Debt) Position $ 4.9B

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

26 Consecutive years of Adjusted Earnings increases\(^{(1)}\)

48 Consecutive years of Dividend increases\(^{(2)}\)

<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>+10.4%</td>
</tr>
<tr>
<td>50</td>
<td>+10.8</td>
<td>+11.3</td>
<td>+13.8</td>
</tr>
<tr>
<td>20</td>
<td>+9.6</td>
<td>+9.7</td>
<td>+13.2</td>
</tr>
<tr>
<td>10</td>
<td>+8.5</td>
<td>+7.9</td>
<td>+11.9</td>
</tr>
<tr>
<td>5</td>
<td>+5.5</td>
<td>+4.7</td>
<td>+7.5</td>
</tr>
<tr>
<td>1</td>
<td>-2.9</td>
<td>-.3</td>
<td>0.0</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non GAAP; excludes In-process R&D and other special items

\(^{(2)}\) Includes April 2010 dividend increase
### Delivering Strong Total Shareholder Return

**As of 12/31/2009**

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>11.3%</td>
<td>2.1%</td>
<td>2.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>26.5%</td>
<td>-5.6%</td>
<td>.4%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>S&amp;P Pharmaceutical</td>
<td>18.6%</td>
<td>.5%</td>
<td>2.6%</td>
<td>.6%</td>
</tr>
<tr>
<td>S&amp;P H/C Equipment</td>
<td>28.8%</td>
<td>-.7%</td>
<td>.4%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Dow Jones Index</td>
<td>22.7%</td>
<td>-3.1%</td>
<td>1.9%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Note: Data source - Bloomberg
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1999-2005 reported financial statements have been restated accordingly.
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SEGMENT OVERVIEW
Consumer Segment Overview

• Worldwide annual sales in 2009 of $15.8 billion
• Principal products in:
  – Over-the-Counter Pharmaceuticals and Nutritionals
  – Skin Care
  – Baby & Kids Care
  – Wound Care
  – Oral Care
  – Women’s Health
Consumer Segment Sales – Major Franchise & Operational Growth Rates

2009 Sales: $15.8 Billion  
2009 Ops Growth Rate: 2.0%
Medical Devices & Diagnostics Segment Overview

- Worldwide annual sales in 2009 of $23.6 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- Seven large franchises
- 80% of sales coming from #1 or #2 market position
MD&D Major Franchise Sales & Operational Growth Rates

2009 Sales: $23.6 Billion  2009 Ops Growth Rate: 4.2%

$ U.S. Billions

- Diabetes Care: $2.4 billion, +0%
- EES: $4.5 billion, +8%
- Vision Care: $2.5 billion, +11%
- OCD: $2.0 billion, +9%
- Cordis: $2.7 billion, -9%
- Ethicon: $5.4 billion, +8%
- DePuy: $2.0 billion, +9%

Johnson & Johnson
Pharmaceutical Segment Overview

- Worldwide annual sales in 2009 of $22.5 billion
- Over 100 drugs marketed in approximately 125 countries
- Seven products with revenues over $1 billion
- 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

2009 Sales: $22.5 Billion          2009 Ops Growth Rate: (6.1)%

$ U.S. Billions

Note: For presentation purposes, all products have been rounded to billions.
Recent Pharmaceutical Approvals

New Molecular Entities

• INVEGA SUSTENNA – extended-release injectable suspension for the acute and maintenance treatment of schizophrenia in adults (US 7/09)
• SIMPONI - treatment of adults with rheumatoid arthritis, psoriatic arthritis, and ankylosing spondylitis (US 4/09, EU 10/09)
• STELARA – treatment for moderate to severe psoriasis (US 9/09, EU 1/09)
• PRILIGY – treatment for premature ejaculation in adults (EU 2/09)
• NUCYNTA - Immediate Release - relief of moderate to severe acute pain in adults (US 11/08)
• INTELENCE- treatment of human immunodeficiency virus type 1(HIV-1) infection in antiretroviral treatment-experienced adult patients (US 1/08; EU 8/08)

Significant Line Extensions

• INVEGA – acute treatment of schizoaffective disorder either as monotherapy or adjunctive therapy to mood stabilizers and or/ antidepressants (7/09)
• RISPERDAL CONSTA - monotherapy and adjunctive therapy in the maintenance treatment of Bipolar I Disorder (US 5/09), deltoid injection site (US 10/08, EU 7/09)
• PREZISTA -HIV combination therapy in treatment-naïve adults and treatment-experienced adult patients (US 10/08, EU 1/09); full approval in combination with ritonavir and other antiretroviral medicinal products for the treatment of HIV-1 infection. (EU 12/08, US 10/08)
• VELCADE- Multiple Myeloma First Line Treatment (EU 9/08)
• CONCERTA- treatment of Attention Deficit Hyperactivity Disorder in adults (6/08)
1Q 2010 Results
1Q 2010 Highlights

Sales

- Worldwide  4.0%  (0.1)%  4.1%
- U.S.  (5.0)%
- International  14.4%  5.5%  8.9%

Adjusted Net Earnings*  3.1%

Adjusted EPS*  2.4%

*Non-GAAP measure; excludes IPR&D charges and other special items
<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>1.5%</td>
<td>(3.7)%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Med Device &amp; Diagnostics</td>
<td>12.5%</td>
<td>8.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>(2.5)%</td>
<td>(5.7)%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total Company</td>
<td>4.0%</td>
<td>(0.1)%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>
1Q 2010 Consumer Sales (-3.7%)

Growth Drivers:

• Skin Care (+5%)
  – NEUTROGENA, AVEENO, Johnson’s Adult and LE PETIT MARSEILLAIS skin care products

• Women’s Health (+4%)
  • International sales of sanitary protection products driven by Vania acquisition

• OTC/Nutritionals (-15%)
  – ZYRTEC allergy products; offset by selected OTC product recalls

All growth %’s noted are operational growth
1Q 2010 Medical Devices & Diagnostics Sales (+8.1%)

Growth Drivers:

• Ethicon (+16%)
  – Sutures, biosurgicals, and meshes; acquisition of Acclarent ear, nose and throat surgical products and Mentor breast aesthetic and reconstructive products

• Ethicon Endo Surgery (+10%)
  – Endoscopy and HARMONIC products and Advanced Sterilization Products’ infection prevention solutions

• Ortho Clinical Diagnostics (+9%)
  – VITROS 5600 and 3600 systems

All growth %’s noted are operational growth
1Q 2010 Medical Devices & Diagnostics Sales (+8.1%) (continued)

Growth Drivers:

• DePuy (+8%)
  – Joint reconstruction and Mitek sports medicine products

• Vision Care (+7%)
  – ACUVUE OASYS, TRUEYE, MOIST and DEFINE contact lenses

• Diabetes care (+6%)
  – ONE TOUCH ULTRA and ONE TOUCH VERIO strip and meter systems, ANIMAS insulin pumps

All growth %’s noted are operational growth
1Q 2010 Pharmaceutical Sales (-5.7%)
Key Growth Products

- PREZISTA™ for HIV + 47%
- VELCADE® for multiple myeloma + 26%
- INVEGA®, an antipsychotic medication + 15%
- REMICADE® for immune mediated inflammatory diseases + 15%
- RISPERDAL® CONSTA®, an antipsychotic medication + 10%

All growth %’s noted are operational growth
SUMMARY
Johnson & Johnson: The Most Broadly Based Health Care Company

- Exceptional track record of superior growth over the long term
- 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
Johnson & Johnson
Non-GAAP Reconciliation
2009 Net Earnings, EPS, and Free Cash Flow

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>Twelve Months YTD</th>
<th>% Incr. / (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings - as reported</td>
<td>$2,206</td>
<td>2,714</td>
<td>-18.7%</td>
<td>$12,266</td>
</tr>
<tr>
<td>In-process research &amp; development (IPR&amp;D)</td>
<td>-</td>
<td>141</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Gain on Fourth Quarter Litigation</td>
<td>(212)</td>
<td>(229)</td>
<td></td>
<td>(212)</td>
</tr>
<tr>
<td>Restructuring Charges</td>
<td>852</td>
<td>-</td>
<td></td>
<td>852</td>
</tr>
<tr>
<td>Net Earnings - as adjusted</td>
<td>$2,845</td>
<td>2,626</td>
<td>8.4%</td>
<td>12,906</td>
</tr>
<tr>
<td>Diluted Net earnings per share - as reported</td>
<td>$0.79</td>
<td>0.97</td>
<td>-18.6%</td>
<td>$4.40</td>
</tr>
<tr>
<td>In-process research &amp; development (IPR&amp;D)</td>
<td>-</td>
<td>0.05</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Gain on Fourth Quarter Litigation</td>
<td>(0.08)</td>
<td>(0.08)</td>
<td></td>
<td>(0.08)</td>
</tr>
<tr>
<td>Restructuring Charges</td>
<td>0.31</td>
<td>-</td>
<td></td>
<td>0.31</td>
</tr>
<tr>
<td>Diluted Net earnings per share - as adjusted</td>
<td>$1.02</td>
<td>0.94</td>
<td>8.5%</td>
<td>4.63</td>
</tr>
</tbody>
</table>

Net Cash Flows from operating activities  $16,571  $14,972
Additions to property, plant and equipment  (2,365)  (3,066)
Free Cash Flow  $14,206  $11,906  19.3%

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 in order to evaluate ongoing business operations.
## Non-GAAP Reconciliation
### 2009 Operating Profit

### Operating Profit by Segment of Business
Reconciliation: Reported vs. Excluding Special Items
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2009 Twelve Months</th>
<th></th>
<th>2008 Twelve Months</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>As Adjusted</td>
<td>As Reported</td>
<td>As Adjusted</td>
</tr>
<tr>
<td>Consumer</td>
<td>$ 2,475</td>
<td>369</td>
<td>$ 2,844</td>
<td>57</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>6,413</td>
<td>588</td>
<td>7,001</td>
<td>7,605</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics</td>
<td>7,694</td>
<td>(157)</td>
<td>7,536</td>
<td>7,223</td>
</tr>
<tr>
<td>Total segments</td>
<td>16,582</td>
<td>800</td>
<td>17,382</td>
<td>17,502</td>
</tr>
<tr>
<td>Expenses not allocated to segments</td>
<td>(827)</td>
<td>-</td>
<td>(827)</td>
<td>(573)</td>
</tr>
<tr>
<td>Worldwide total</td>
<td>$ 15,755</td>
<td>800</td>
<td>$ 16,555</td>
<td>800</td>
</tr>
</tbody>
</table>

### Operating Margin

<table>
<thead>
<tr>
<th></th>
<th>As Reported</th>
<th>Adj. Op Margin</th>
<th>As Reported</th>
<th>Adj. Op Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>15.7%</td>
<td>18.0%</td>
<td>18.7%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>28.5%</td>
<td>31.1%</td>
<td>31.0%</td>
<td>31.0%</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics</td>
<td>32.6%</td>
<td>32.0%</td>
<td>31.2%</td>
<td>30.1%</td>
</tr>
<tr>
<td>Total segments</td>
<td>26.8%</td>
<td>28.1%</td>
<td>27.4%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Worldwide total</td>
<td>25.4%</td>
<td>26.7%</td>
<td>26.5%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>
### Non-GAAP Reconciliation

**2010 Net Earnings and EPS**

<table>
<thead>
<tr>
<th>Johnson &amp; Johnson and Subsidiaries</th>
<th>First Quarter 2010</th>
<th>% Incr. / (Decr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reconciliation of Non-GAAP Measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(Dollars in Millions Except Per Share Data)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Earnings - as reported</td>
<td>$ 4,526</td>
<td>$ 3,507</td>
</tr>
<tr>
<td>Net Gain on First Quarter Litigation</td>
<td>(910)</td>
<td>-</td>
</tr>
<tr>
<td>Net Earnings - as adjusted</td>
<td>$ 3,616</td>
<td>$ 3,507</td>
</tr>
<tr>
<td>Diluted Net earnings per share - as reported</td>
<td>$ 1.62</td>
<td>$ 1.26</td>
</tr>
<tr>
<td>Net Gain on First Quarter Litigation</td>
<td>(0.33)</td>
<td>-</td>
</tr>
<tr>
<td>Diluted Net earnings per share - as adjusted</td>
<td>$ 1.29</td>
<td>$ 1.26</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 in order to evaluate ongoing business operations.