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
• Fourth Quarter 2010 Results
• Summary
STRATEGIC PRINCIPLES
Operating Model

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

- 2010 Sales of $61.6 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical/surgical products, diagnostics and a variety of consumer products
2010 Segment Operating Profit*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>Operating Margin % to Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>18.0%</td>
<td>16.1%</td>
<td></td>
</tr>
<tr>
<td>MD&amp;D</td>
<td>32.0%</td>
<td>31.3%</td>
<td></td>
</tr>
<tr>
<td>Pharma</td>
<td>31.1%</td>
<td>33.6%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.1%</td>
<td>28.5%</td>
<td></td>
</tr>
</tbody>
</table>

*Non-GAAP measure; excludes 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
- Focused on People and Values
## Leadership in Major Markets
Johnson & Johnson #1 or #2

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>MD&amp;D</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antineoplastic Antibiotics</td>
<td>Blood Glucose Monitoring</td>
<td>Baby &amp; Kids Care</td>
</tr>
<tr>
<td>Antipsychotics (Injectables)</td>
<td>Blood Screening &amp; Typing</td>
<td>Lo-Cal Sweeteners</td>
</tr>
<tr>
<td>Anti-TNFs</td>
<td>Breast Aesthetics</td>
<td>Oral Rinses</td>
</tr>
<tr>
<td>Erythropoietins</td>
<td>Disposable Contact Lenses</td>
<td>OTC Pharmaceuticals</td>
</tr>
<tr>
<td>Hormonal Contraceptives</td>
<td>Electrophysiology diagnostics &amp; catheters</td>
<td>Sanitary Protection</td>
</tr>
<tr>
<td>Oral</td>
<td>Endovascular</td>
<td>Wound Care</td>
</tr>
<tr>
<td>FluoroquinolonesAntibiotics</td>
<td>Insulin Delivery</td>
<td></td>
</tr>
<tr>
<td>Psychostimulants</td>
<td>Minimally Invasive Surgery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Orthopaedics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sutures</td>
<td></td>
</tr>
</tbody>
</table>

*As of Dec 2010*
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
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 2000-2005 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

- **Micrus Endovascular (9/10)** – global developer and manufacturer of minimally invasive devices for hemorrhagic and ischemic stroke

- **Respivert (5/10)** - privately held drug discovery company focused on developing small-molecule, inhaled therapies for the treatment of pulmonary diseases

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

- **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.

- **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 - $.8B)** – 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
- Focused on 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
- **Focused on People and Values**
Our Credo

The Four Tenets

• Customers
• Employees
• Community
• Stockholders
HISTORICAL PERFORMANCE
Worldwide Net Trade Sales
2010 Sales By Geographic Area

Asia-Pacific, Africa
$11.1B
18%

W. Hemisphere
$5.5B
9%

Europe
$15.5B
25%

U.S.
$29.5B
48%
2010 Sales by Segment
Total Sales $61.6 Billion

MD&D
40%
$24.6B

Consumer
24%
$14.6B

Pharmaceuticals
36%
$22.4B
2010 - Cash Flow

Free Cash Flow* $14.0B
Net Cash/(Debt) Position $10.9B

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.
27 Consecutive years of Adjusted Earnings increases\(^{(1)}\)
48 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>+10.1</td>
<td>+10.5%</td>
<td>+10.4%</td>
</tr>
<tr>
<td>50</td>
<td>+10.7</td>
<td>+11.2</td>
<td>+13.9</td>
</tr>
<tr>
<td>20</td>
<td>+8.8</td>
<td>+9.0</td>
<td>+12.9</td>
</tr>
<tr>
<td>10</td>
<td>+7.8</td>
<td>+6.8</td>
<td>+10.7</td>
</tr>
<tr>
<td>5</td>
<td>+4.0</td>
<td>+3.2</td>
<td>+5.4</td>
</tr>
<tr>
<td>1</td>
<td>-0.5</td>
<td>-1.3</td>
<td>+2.9</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non GAAP; excludes In-process R&D and other special items
# Delivering Strong Total Shareholder Return

**As of 12/31/2010**

<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>-0.6%</td>
<td>0.7%</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>S&amp;P 500</strong></td>
<td>15.1%</td>
<td>-2.9%</td>
<td>2.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>S&amp;P Pharmaceutical</strong></td>
<td>0.8%</td>
<td>-0.7%</td>
<td>3.5%</td>
<td>-2.4%</td>
</tr>
<tr>
<td><strong>S&amp;P H/C Equipment</strong></td>
<td>-2.7%</td>
<td>-3.2%</td>
<td>-0.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Dow Jones Index</strong></td>
<td>14.1%</td>
<td>-1.6%</td>
<td>4.3%</td>
<td>3.1%</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. 2000-2005 reported financial statements have been restated accordingly.
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 2000-2005 reported financial statements have been restated accordingly.
SEGMENT OVERVIEW
Consumer Segment Overview

- Worldwide annual sales in 2010 of $14.6 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

2010 Sales: $14.6 Billion  2010 Ops Growth Rate: -8.9%

$ U.S. Billions

- **McNeil OTC & Nutritionals**: $4.6 billion (-20%)
- **Skin Care**: $3.5 billion (-1%)
- **Baby Care**: $2.2 billion (2%)
- **Women's Health**: $1.8 billion (-4%)
- **Oral Care**: $1.5 billion (-5%)
- **All Other**: $1.0 billion (-12%)
Medical Devices & Diagnostics Segment Overview

- Worldwide annual sales in 2010 of $24.6 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

2010 Sales: $24.6 Billion
2010 Ops Growth Rate: 3.4%

$ U.S. Billions

- Diabetes Care: $2.5 billion (+2%)
- Vision Care: $2.7 billion (+4%)
- OCD: $2.0 billion (+4%)
- Cordis: $2.5 billion (-6%)
- EES: $4.8 billion (+5%)
- Ethicon: $4.5 billion (+8%)
- DePuy: $5.6 billion (+3%)
Pharmaceutical Segment Overview

- Worldwide annual sales in 2010 of $22.4 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

2010 Sales: $22.4 Billion          2010 Ops Growth Rate: (1.0)%

$ 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 (US 7/09; EU 12/10)
- 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); QD Dosing in treatment experienced (US 12/10)
- VELCADE- Multiple Myeloma First Line Treatment (EU 9/08)
- CONCERTA- treatment of Attention Deficit Hyperactivity Disorder in adults (6/08)
4Q 2010 Results
## 4Q 2010 Highlights

<table>
<thead>
<tr>
<th>Sales</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>(5.5)%</td>
<td>(5.1)%</td>
<td>(0.4)%</td>
</tr>
<tr>
<td>U.S.</td>
<td>(8.1)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>(3.1)%</td>
<td>(2.3)%</td>
<td>(0.8)%</td>
</tr>
</tbody>
</table>

Adjusted Net Earnings*  1.4%

Adjusted EPS*          1.0%

*Non-GAAP measure; excludes special items
## 4Q 2010 Sales Growth by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>(15.0)%</td>
<td>(14.5)%</td>
<td>(0.5)%</td>
</tr>
<tr>
<td>Med Device &amp; Diagnostics</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>(4.7)%</td>
<td>(3.9)%</td>
<td>(0.8)%</td>
</tr>
<tr>
<td>Total Company</td>
<td>(5.5)%</td>
<td>(5.1)%</td>
<td>(0.4)%</td>
</tr>
</tbody>
</table>
4Q 2010 Consumer Sales (-14.5%)

Key Drivers:

- **OTC/Nutritionals (-30%)**
  - Sales impacted by voluntary OTC product recalls
- **Women’s Health (-7%)**
  - Sales negatively impacted by increased competitive pressure and timing of launches
- **Skin Care (-6%)**
  - Sales negatively impacted by manufacturing enhancements to equipment resulting in temporary reductions of shipments in certain products

All growth %’s noted are operational growth
4Q 2010 Medical Devices & Diagnostics Sales (+0.1%)

Growth Drivers:

• Ortho-Clinical Diagnostics (+7%)
  – VITROS 5600 and 3600 systems

• Ethicon (+4%)
  – Sutures, biosurgicals, and Mentor products; acquisition of Acclarent ear, nose and throat surgical products

• Vision Care (+4%)
  – ACUVUE TRUEYE and OASIS

All growth %’s noted are operational growth.
4Q 2010 Pharmaceutical Sales -3.9%

Key Growth Products

- **PREZISTA™** for HIV
  - +35%
- **INVEGA®,** an antipsychotic medication
  - +10%
- **VELCADE®** for multiple myeloma
  - +4%

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
Expanding Market Leadership in Health Care:
Investing for Sustainable Growth

- Strong foundation of Our Credo, Operating Model
- Overall business performing well, led by MD&D & Pharmaceuticals
- Implemented changes to our Supply Chain
- Investing in Consumer business and brands
- Moving innovations to market
- Presence in new growth areas and attractive geographies
- Respected and talented leaders
Non-GAAP Reconciliation
2010 Net Earnings, EPS, and Free Cash Flow

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Measures

<table>
<thead>
<tr>
<th></th>
<th>Fourth Quarter</th>
<th>’10 vs. ’09</th>
<th>Twelve Months</th>
<th>’10 vs. ’09</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in Millions Except Per Share Data)</td>
<td>2010</td>
<td>2009</td>
<td>% Change</td>
<td>2010</td>
</tr>
<tr>
<td>Net Earnings - as reported</td>
<td>$1,942</td>
<td>$2,206</td>
<td>(12.0) %</td>
<td>$13,334</td>
</tr>
<tr>
<td>Net Litigation Settlements loss (gain)</td>
<td>279</td>
<td>(212)</td>
<td></td>
<td>(698)</td>
</tr>
<tr>
<td>Product Liability expense</td>
<td>404</td>
<td>-</td>
<td></td>
<td>404</td>
</tr>
<tr>
<td>DePuy ASR® Hip recall program</td>
<td>239</td>
<td>-</td>
<td></td>
<td>239</td>
</tr>
<tr>
<td>Restructuring expense</td>
<td>-</td>
<td>852</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Earnings - as adjusted</td>
<td>$2,864</td>
<td>$2,846</td>
<td>0.6 %</td>
<td>$13,279</td>
</tr>
<tr>
<td>Diluted Net Earnings Per Share - as reported</td>
<td>$0.70</td>
<td>$0.79</td>
<td>(11.4) %</td>
<td>$4.78</td>
</tr>
<tr>
<td>Net Litigation Settlements loss (gain)</td>
<td>0.10</td>
<td>(0.08)</td>
<td></td>
<td>(0.25)</td>
</tr>
<tr>
<td>Product Liability expense</td>
<td>0.14</td>
<td>-</td>
<td></td>
<td>0.14</td>
</tr>
<tr>
<td>DePuy ASR® Hip recall program</td>
<td>0.09</td>
<td>-</td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td>Restructuring expense</td>
<td>-</td>
<td>0.31</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Diluted Net Earnings per share - as adjusted</td>
<td>$1.03</td>
<td>$1.02</td>
<td>1.0 %</td>
<td>$4.76</td>
</tr>
</tbody>
</table>

(Dollars in Billions)
Net Cash Flows from operating activities | $16.4 | $16.6 |
Additions to property, plant and equipment | (2.4) | (2.4) |
Free Cash Flow | $14.0 | $14.2 | (1.4) |

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 special items in order to evaluate ongoing business operations.
## Non-GAAP Reconciliation

### 2010 Operating Profit

**Operating Profit by Segment of Business**

<table>
<thead>
<tr>
<th></th>
<th>2010 TWELVE MONTHS</th>
<th>2009 TWELVE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Adj. Op Prof</td>
</tr>
<tr>
<td>Consumer</td>
<td>$2,342</td>
<td>$2,342</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>7,086</td>
<td>7,533</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics</td>
<td>8,272</td>
<td>7,708</td>
</tr>
<tr>
<td>Total segments</td>
<td>17,700</td>
<td>17,683</td>
</tr>
<tr>
<td>Expenses not allocated to segments</td>
<td>(753)</td>
<td>(753)</td>
</tr>
<tr>
<td>Worldwide total</td>
<td>$16,947</td>
<td>$16,830</td>
</tr>
</tbody>
</table>

### Operating Margin

<table>
<thead>
<tr>
<th></th>
<th>2010 TWELVE MONTHS</th>
<th>2009 TWELVE MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Adj. Op Margin</td>
</tr>
<tr>
<td>Consumer</td>
<td>16.1%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>31.6%</td>
<td>33.6%</td>
</tr>
<tr>
<td>Med Devices &amp; Diagnostics</td>
<td>33.6%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Total segments</td>
<td>28.7%</td>
<td>28.5%</td>
</tr>
<tr>
<td>Worldwide total</td>
<td>27.5%</td>
<td>27.3%</td>
</tr>
</tbody>
</table>