



Johnson & Johnson

Medical Devices & Diagnostics
Business Review

“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 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 the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments.



Michel Paul

Company Group Chairman
Worldwide Franchise Chairman

Diabetes Care

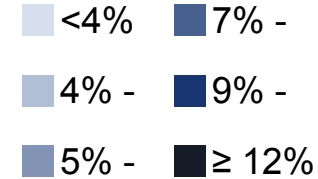
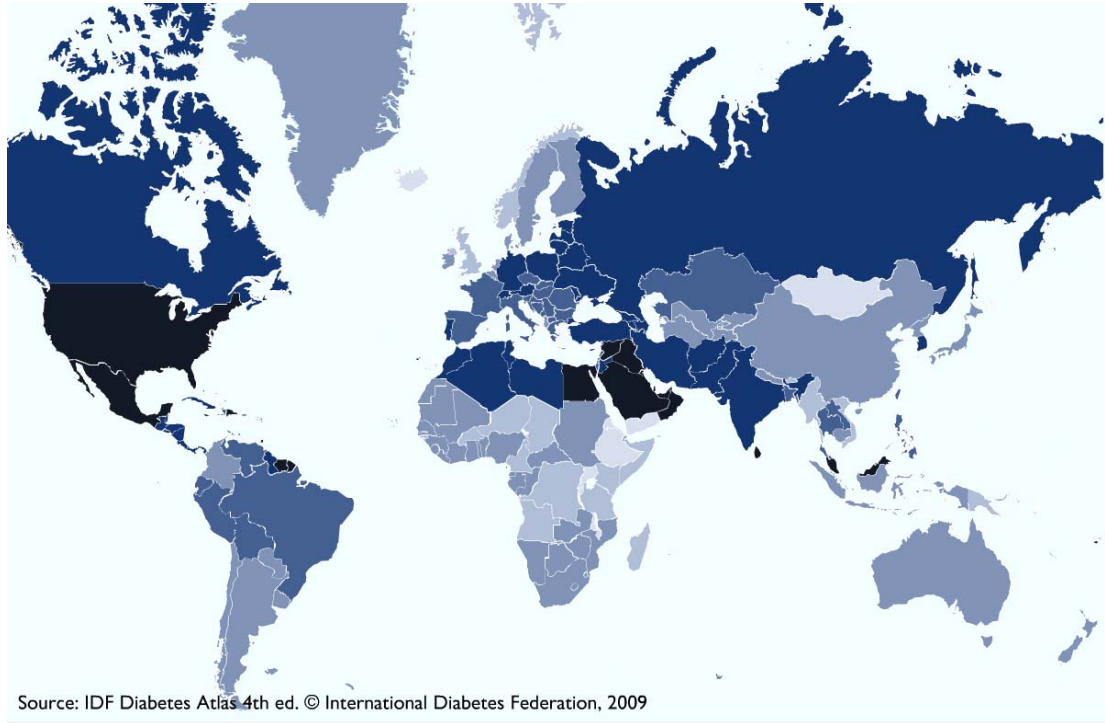
Diabetes Care

- Diabetes is a global epidemic
- Uncontrolled diabetes is growing in developed and emerging markets
- Glucose control remains key
- Johnson & Johnson is positioned to lead in glucose control



Diabetes Prevalence Is High and Growing

Proportion of People with Diabetes (20-79 yrs), 2010

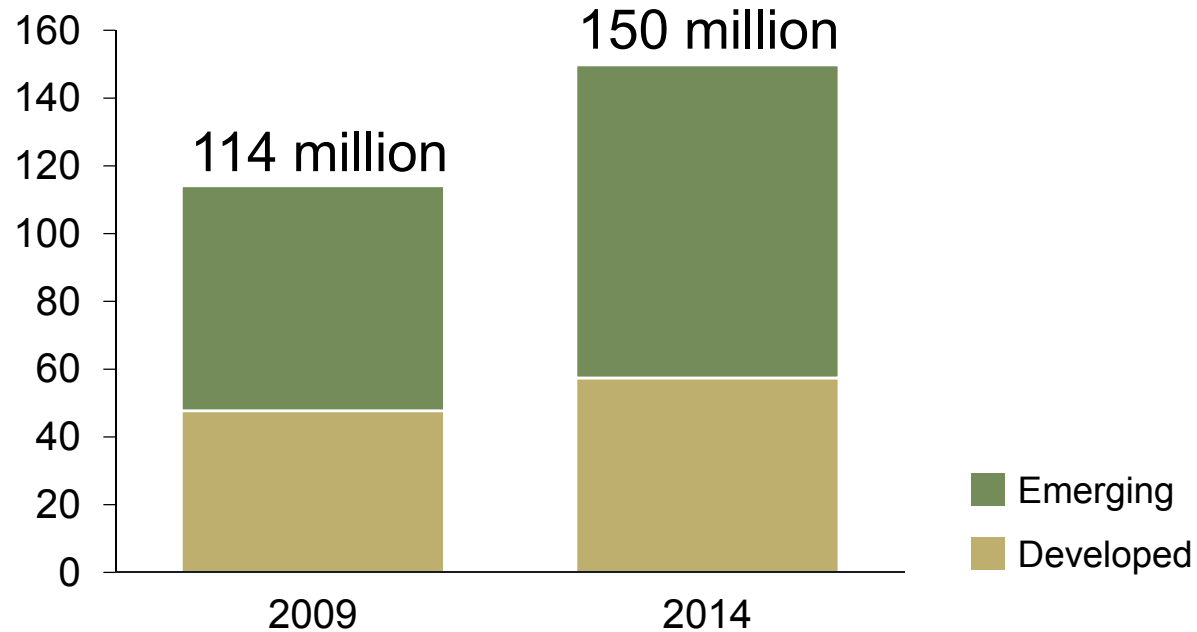


Diabetes Prevalence Is High and Growing

WW Diagnosed Diabetes Patients

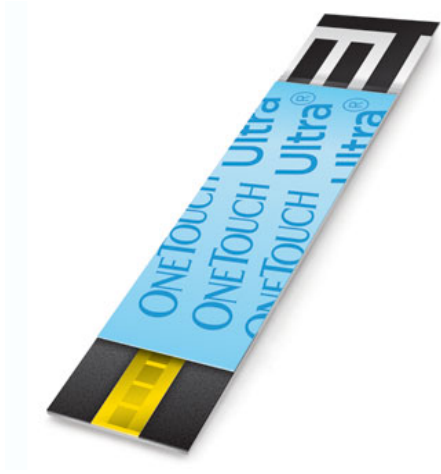
CAGR 2009-2014: 6%

People (millions)



Source: 2009 IDF Diabetes Atlas and Internal Estimates

Better Glycemic Control is the Goal



“Current-day management has failed to achieve and maintain the glycemic levels most likely to provide optimal healthcare status for people with diabetes.”

- ADA/EASD consensus statement on the medical management of hyperglycemia in Type 2 diabetes

Improved Glycemic Control Reduced Microvascular Complications

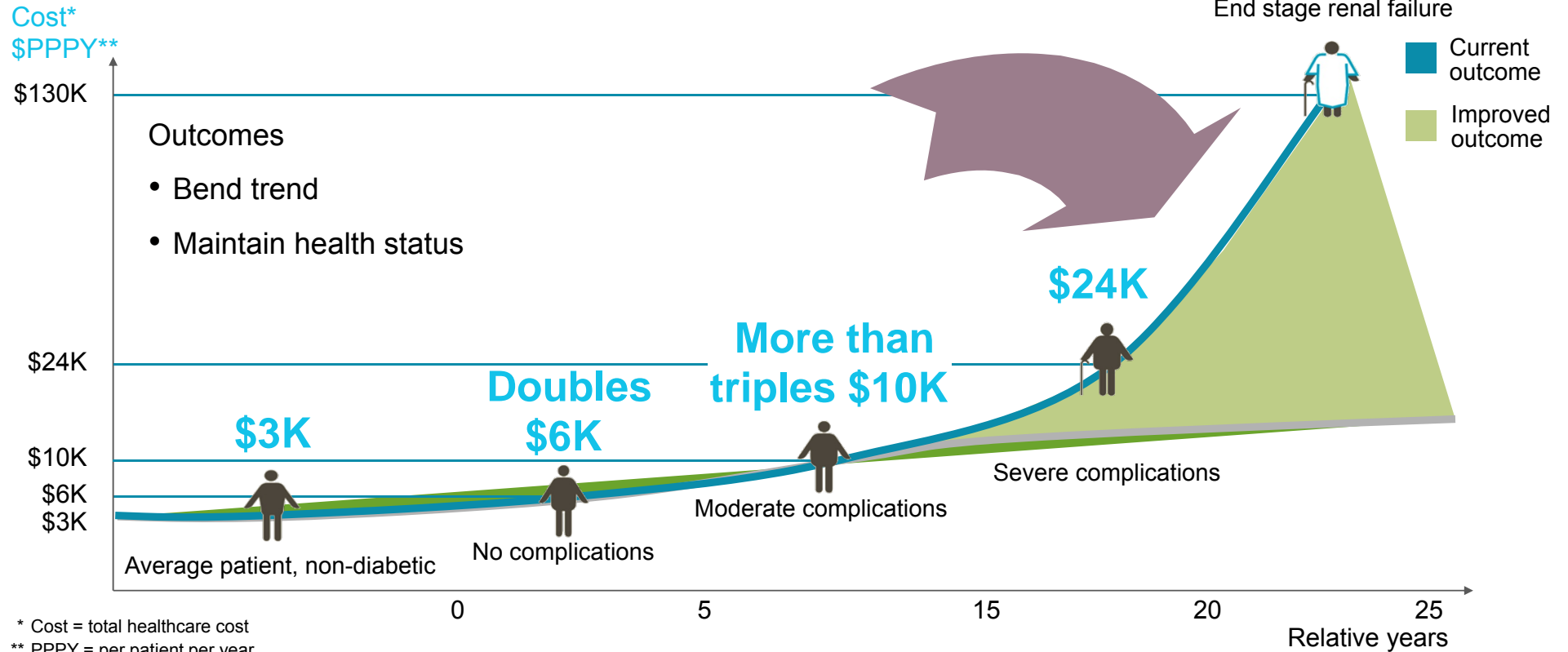
A1C	DCCT 9% vs. 7%	UKPDS 8% vs. 7%
Retinopathy	↓ 70%	↓ 21%
Nephropathy	↓ 54%	↓ 34%
Neuropathy	↓ 64%	

Good glucose control early in the disease has lasting effects ('metabolic memory')

Source: DCCT Research Group. *N Engl J Med* 1993; 329:977-986; UKPDS Research Group. *Lancet* 1998; 352: 837-853

With Each Complication Costs Are Compounded

We Must “Bend the Trend”



* Cost = total healthcare cost

** PPPY = per patient per year

Source: United Health Care - i3 Innovus; physician interviews

Johnson & Johnson Diabetes Care

VISION

To create a world without limits
for people with diabetes



Johnson & Johnson Diabetes Care

PRODUCTS	PARTNERSHIPS	PRESENCE
	 <p><i>dedicated to finding a cure</i></p>	Employees around the world
		6 continents
 <p>DIABETES INSTITUTE S.A.S.</p>		75 countries

Diabetes Care Franchise

SALES YE 2009	GROWTH 2009	CAGR 2004-2009	WW MARKET POSITION 2009*
\$2.4B	-1.3%	6.5%	#2 (SMBG & Insulin Delivery)

Growth Strategies

- Grow our core self-monitoring of blood glucose (SMBG) business faster than the market
- Continue to innovate in insulin delivery and continue to grow faster than the category
- Accelerate emerging market growth with appropriate products

* Source: Internal Estimates

Note: All growth figures operational

Self-monitoring of Blood Glucose (SMBG)

SALES GROWTH 2009	WW MARKET POSITION 2009*	WW MARKET 2009-2014 CAGR*	TOTAL WW MARKET REVENUE 2014*
-3.0%	#2	2.3%	\$10.0B

- Q1 2010 – Growth at 6% year on year
- LifeScan growth strategies
 - Maintain #1 U.S. position
 - Launch new strip platform offering patients greater value to help patients gain further accuracy and insight
 - Deliver products that drive testing compliance in accordance with medical recommendations
 - Continue to drive robust global pipeline
 - Leverage digital capability to deliver superior value to patients and healthcare providers

* Source: Internal Estimates

Note: All figures operational

Announcing New Platform: OneTouch® Verio™

- Building on success of OneTouch® Ultra™
- Delivers outstanding accuracy
- Initial test market reception is highly encouraging



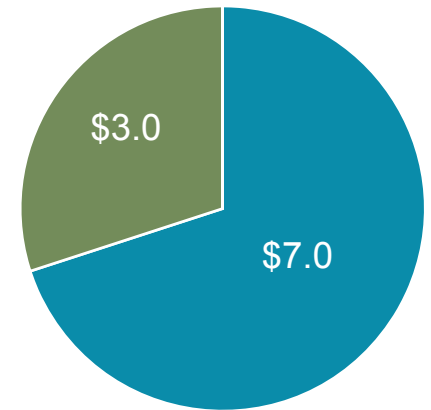
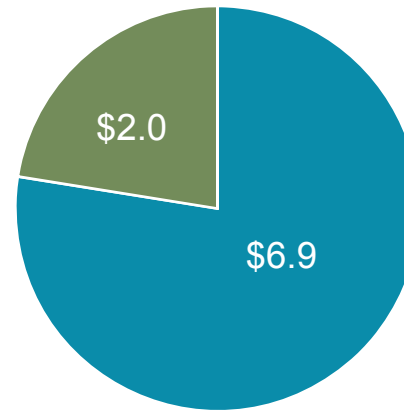
Grow Emerging Markets through Market Appropriate Products

Emerging Market Growth

- Prevalence
- Diagnosis
- Access
- Market Appropriate SMBG Products and Education

2009: \$8.9B WW Market*

2014: \$10.0B WW Market*



■ Developed
■ Emerging

* Source: Internal Estimates
Note: All figures operational

Grow Emerging Markets through Market Appropriate Products

- Building on success in Japan
- Grown from #7 to #3 position
- Introducing in China in 2010

OneTouch® UltraVue™



Grow Emerging Markets through Market Appropriate Products

- Simplifies
- No-coding
- Market appropriate

OneTouch® Simple Select™



Insulin Delivery

SALES GROWTH 2009	US MARKET POSITION 2009*	WW MARKET 2009-2014 CAGR*	TOTAL WW MARKET REVENUE 2014*
26.9%	#2	12.6%	\$2.7B

Animas® Growth Strategies

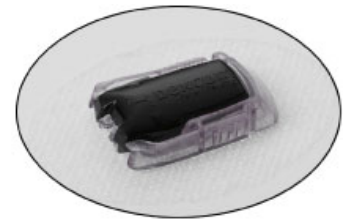
- OneTouch® Ping® product line enhancements in 2010
- Commercial and developmental partnership with DexCom™
- First-generation artificial pancreas development
- Significantly improve our consumer and HCP software



* Source: Internal Estimates
Note: All figures operational

Continuing to Innovate in Insulin Delivery

- Integration of continuous glucose monitor and pump
- Development and Commercial partnership with DexCom™ (exclusive outside U.S.)
- Plan to file globally in 2010





“Though not a fully automated artificial pancreas, such a system could provide better clinical outcomes for those with Type 1 diabetes – reducing if not eliminating the high or low blood sugar problems... that make living with diabetes so difficult.

- Aaron Kowalski, Ph.D., Assistant Vice President for Glucose Control at JDRF and Research Director of the JDRF Artificial Pancreas Project

Diabetes Care Summary

Johnson & Johnson will continue to lead the way in glucose control to help patients achieve better outcomes because we:

- Lead in our markets with a strong track record of and potential for growth
- Deliver meaningful innovation through our pipeline
- Tailor real solutions for specific markets





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