

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
- Second Quarter 2010 Results
- Summary

STRATEGIC PRINCIPLES

Operating Model

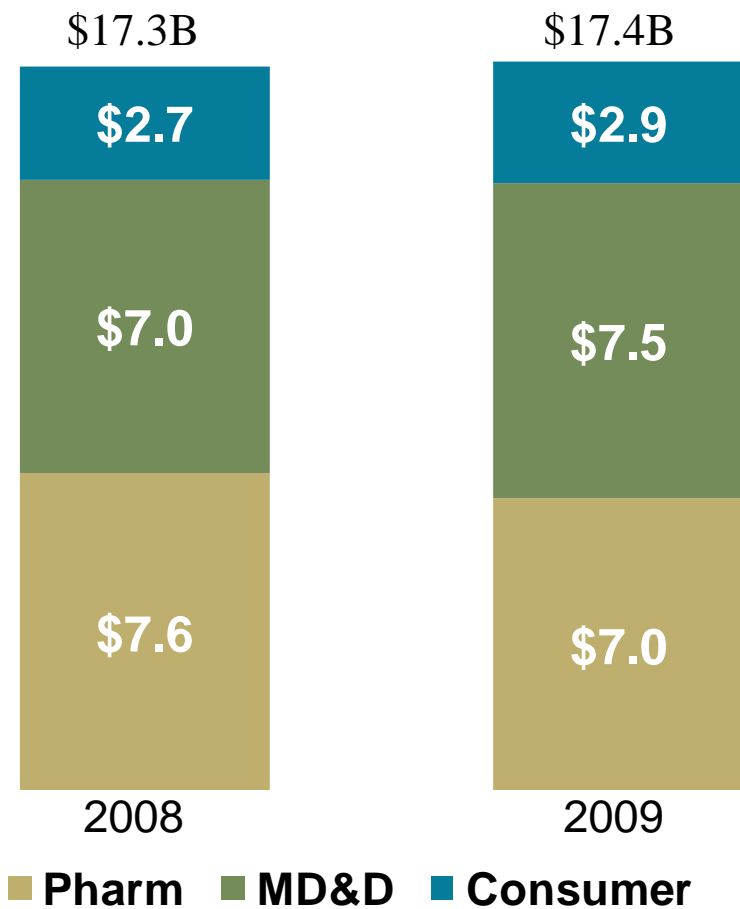
- **Broadly Based in Human Health Care**
- Managed for the Long Term
- Decentralized Management Approach
- People and Values

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

Positive Momentum Across all Segments

Segment Operating Profit*



Operating margin
% to sales

	2008	2009
Consumer	17.0%	18.0%
MD&D	30.1%	32.0%
Pharm	31.0%	31.1%
Total	27.1%	28.1%

*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

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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

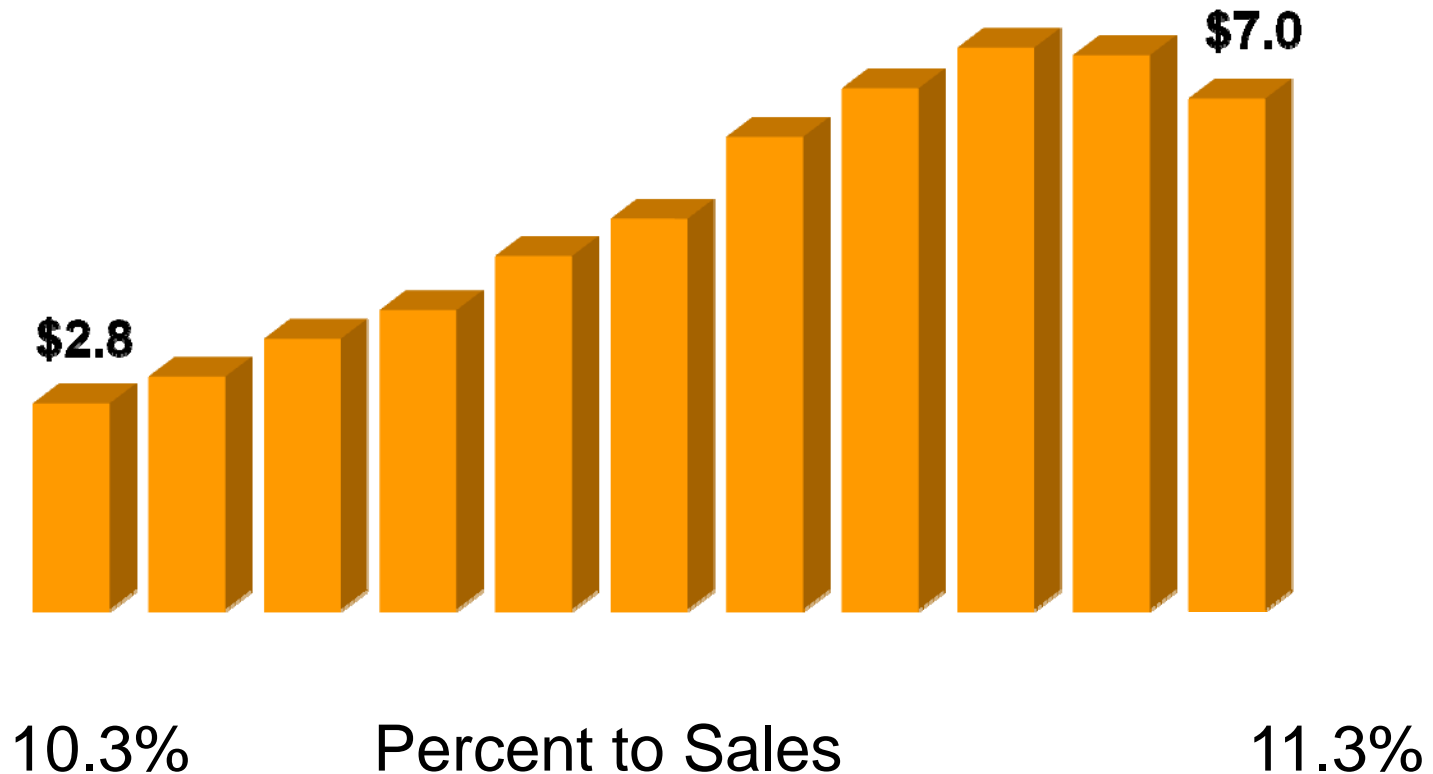
*As of Dec 2009

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

1999–2009 Total Research Expense

\$U.S. Billions



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

- **Respivert (1/10)** - 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.
- **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

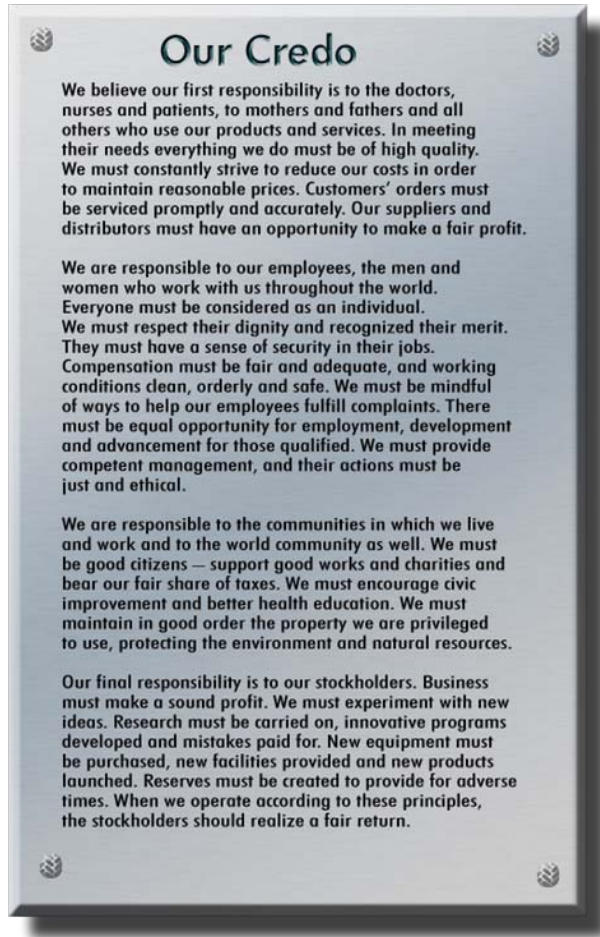
Decentralized Management Approach

- 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

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Our Credo



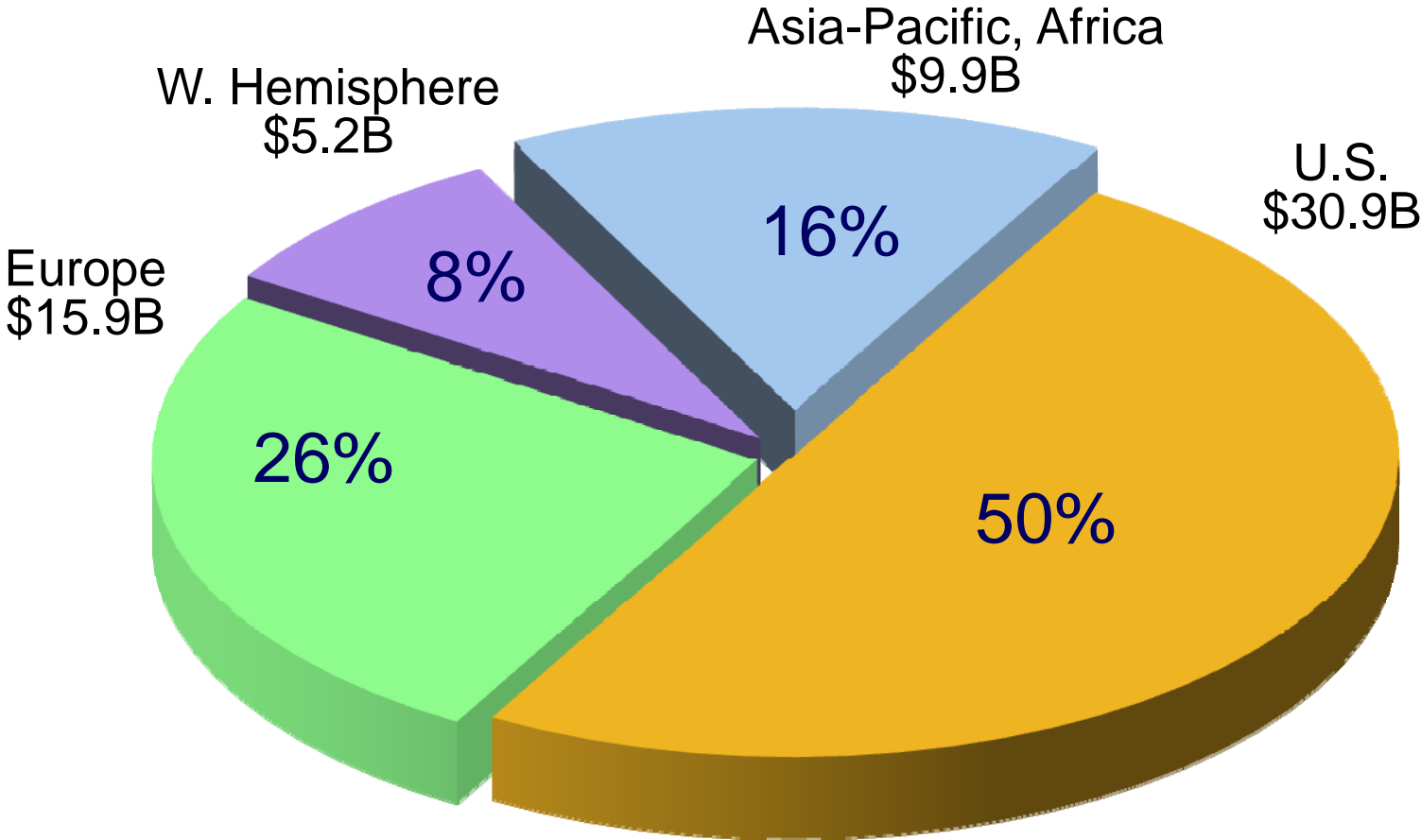
The Four Tenets

- Customers
- Employees
- Community
- Stockholders

HISTORICAL PERFORMANCE

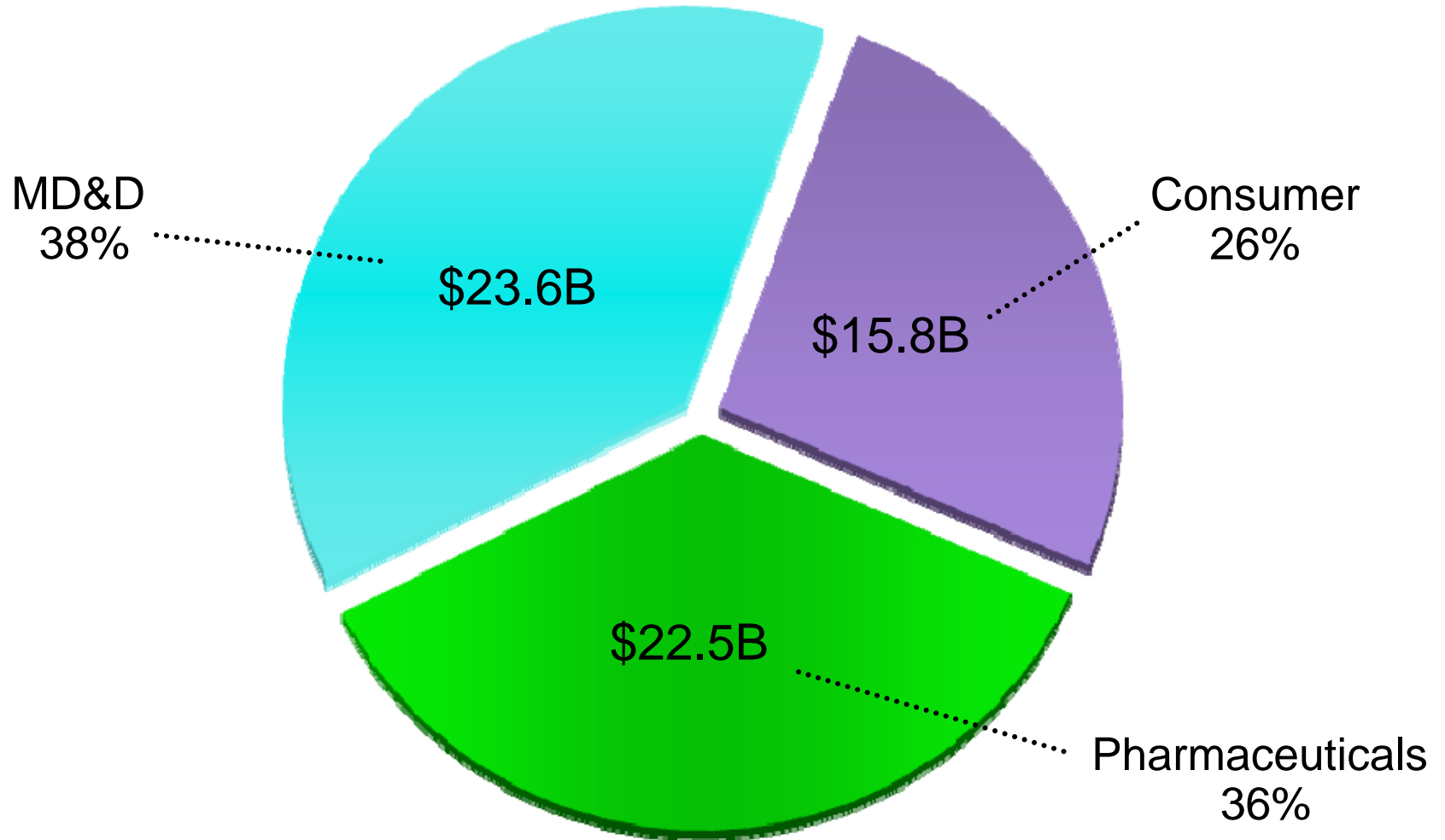
Worldwide Net Trade Sales

2009 Sales By Geographic Area



2009 Sales by Segment

Total Sales \$61.9 Billion



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.

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26 Consecutive years of Adjusted Earnings increases⁽¹⁾

48 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%	+10.4%
50	+10.8	+11.3	+13.8
20	+9.6	+9.7	+13.2
10	+8.5	+7.9	+11.9
5	+5.5	+4.7	+7.5
1	-2.9	-.3	0.0

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

(2) Includes April 2010 dividend increase

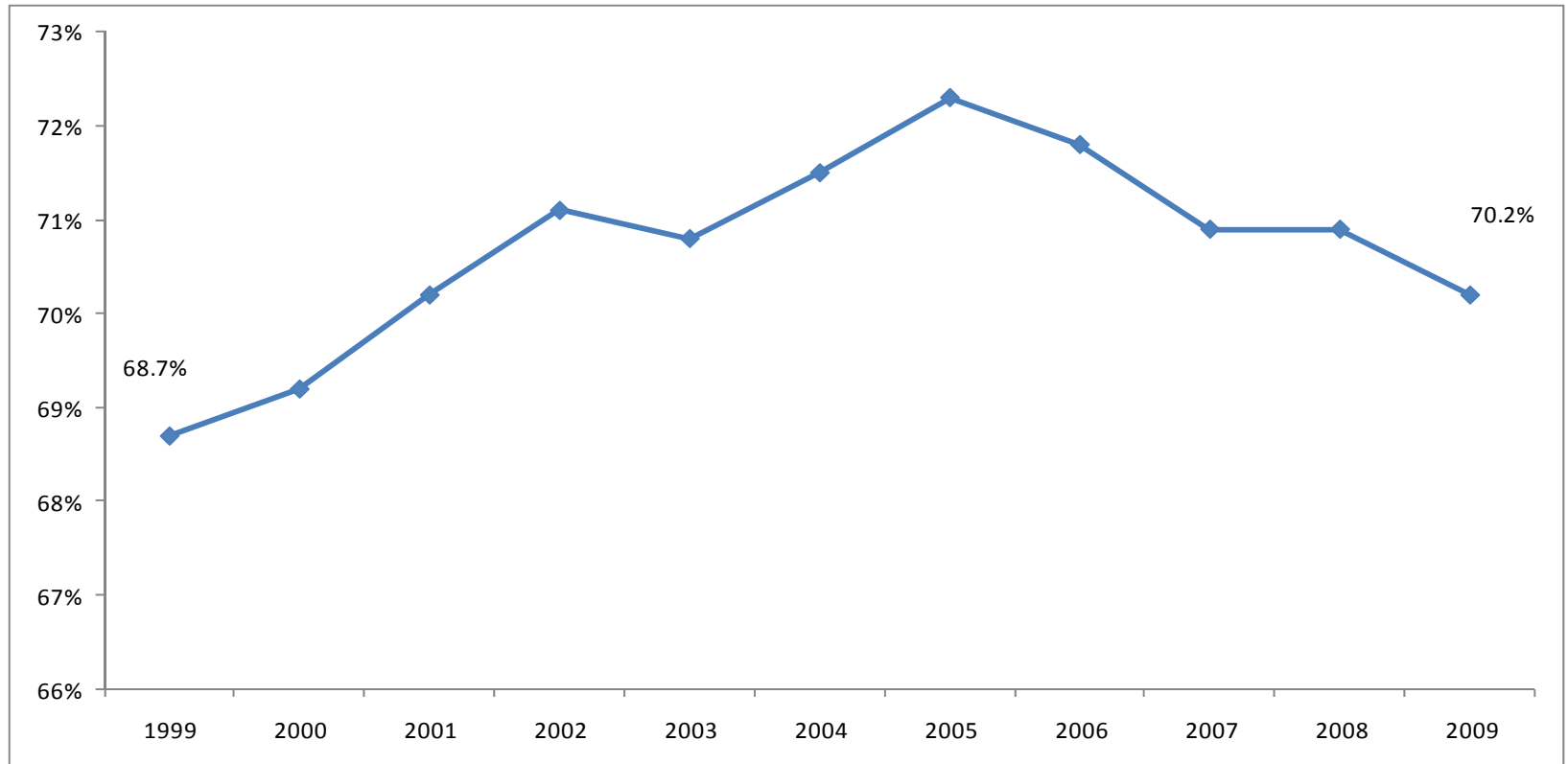
Delivering Strong Total Shareholder Return

As of 12/31/2009

	1 Year	3 Year	5 Year	10 Year
<i>Johnson & Johnson</i>	11.3%	2.1%	2.9%	5.4%
S&P 500	26.5%	-5.6%	.4%	-.9%
S&P Pharmaceutical	18.6%	.5%	2.6%	.6%
S&P H/C Equipment	28.8%	-.7%	.4%	6.3%
Dow Jones Index	22.7%	-3.1%	1.9%	1.3%

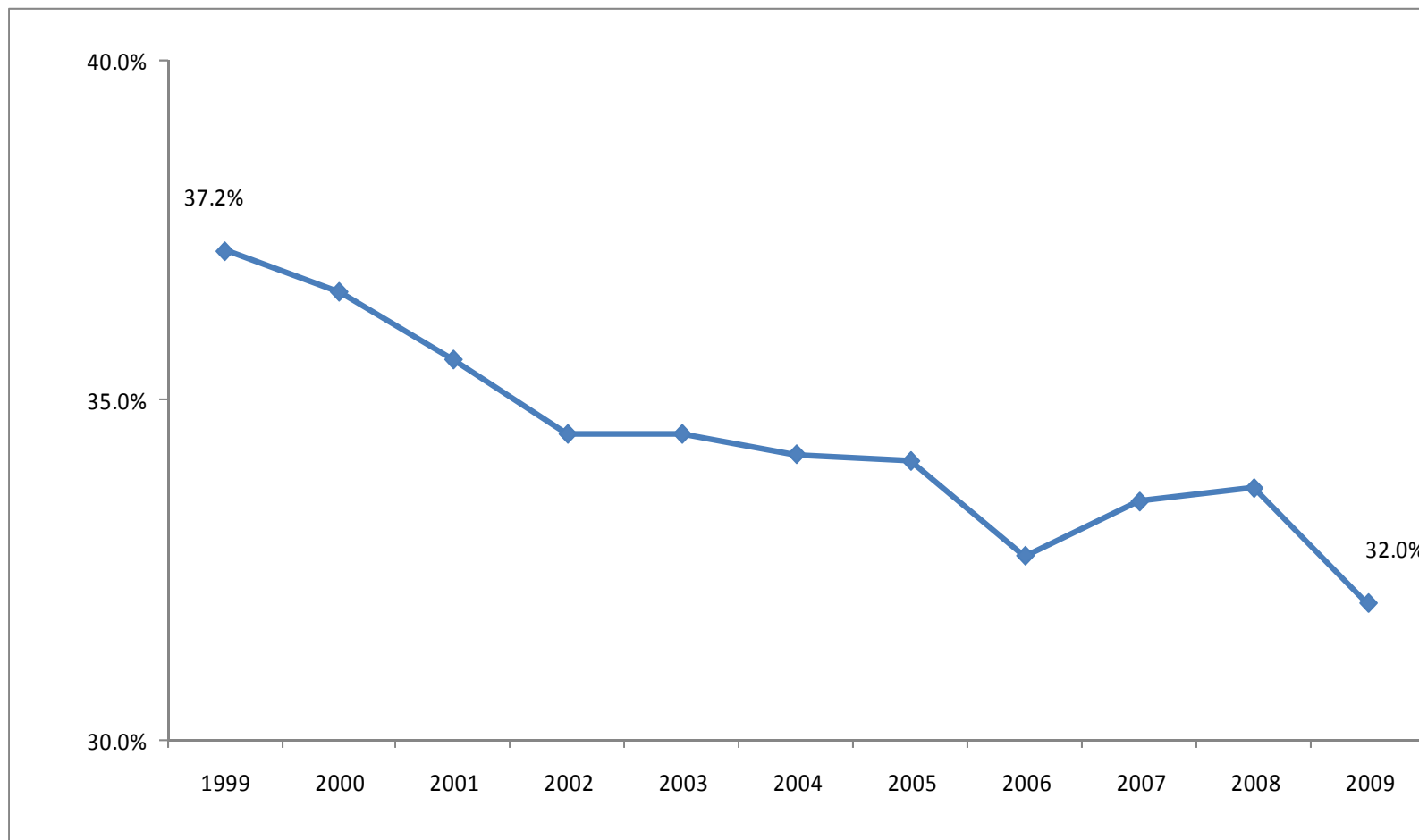
Note: Data source - Bloomberg

1999-2009 Gross Profit Margin % To Sales



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1999-2009 Selling, General & Administrative % To Sales



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SEGMENT OVERVIEW

Consumer Segment Overview

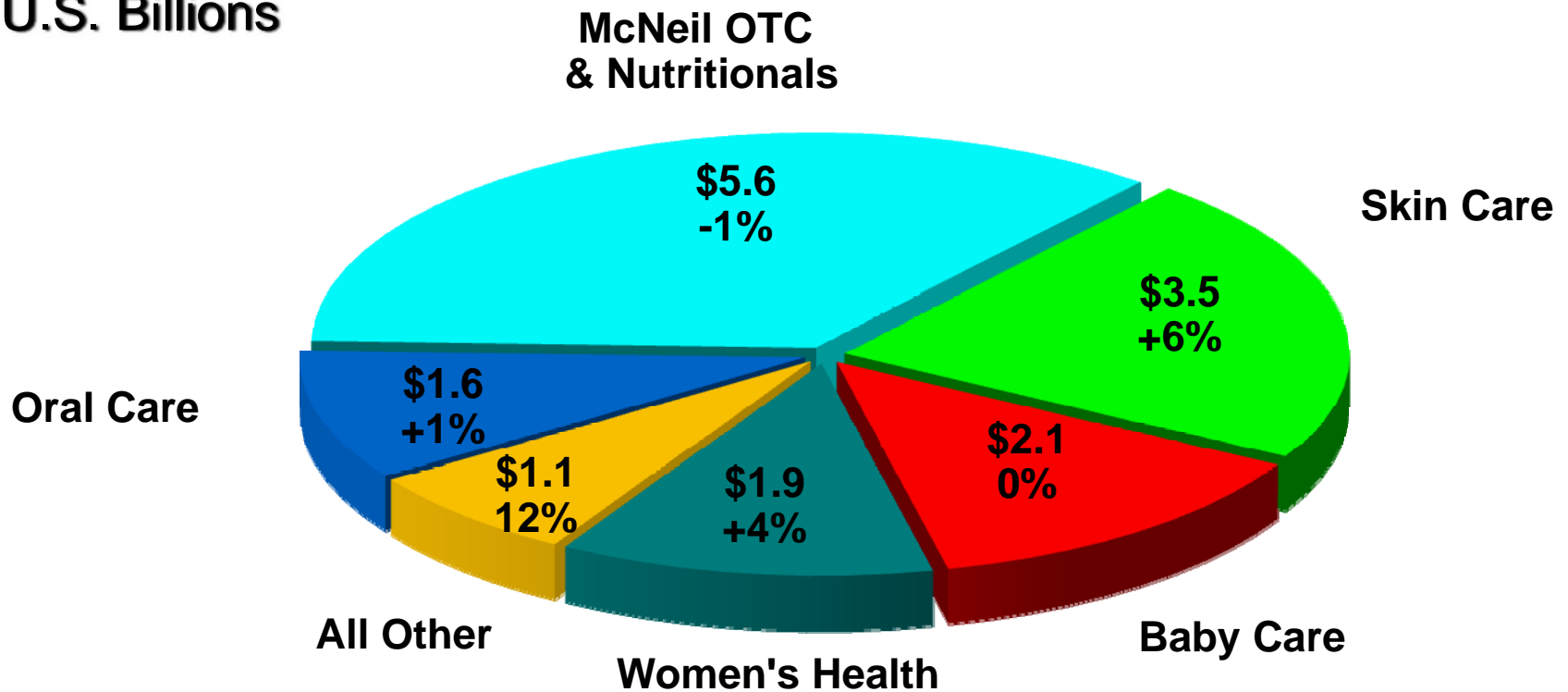
- Worldwide annual sales in 2009 of \$15.8 billion
- Principal products in:
 - Over-the-Counter Pharmaceuticals and Nutritionals
 - Skin Care
 - Baby & Kids Care
 - Wound Care
 - Oral Care
 - Women's Health

Consumer Segment Sales – Major Franchise & Operational Growth Rates

2009 Sales: \$15.8 Billion

2009 Ops Growth Rate: 2.0%

\$ U.S. Billions



Medical Devices & Diagnostics Segment Overview

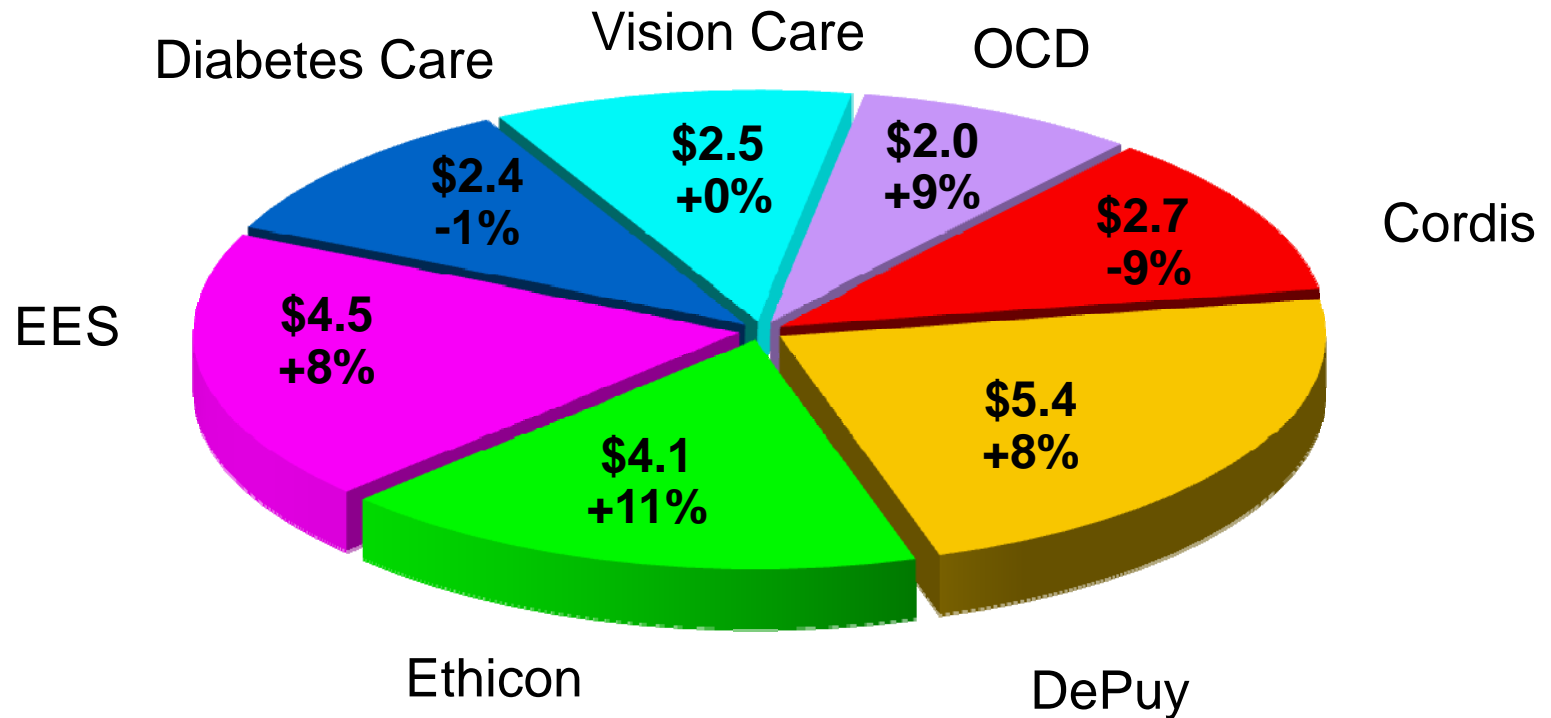
- Worldwide annual sales in 2009 of \$23.6 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- Seven large franchises
- 80% of sales coming from #1 or #2 market position

MD&D Major Franchise Sales & Operational Growth Rates

2009 Sales: \$23.6 Billion

2009 Ops Growth Rate: 4.2%

\$ U.S. Billions



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

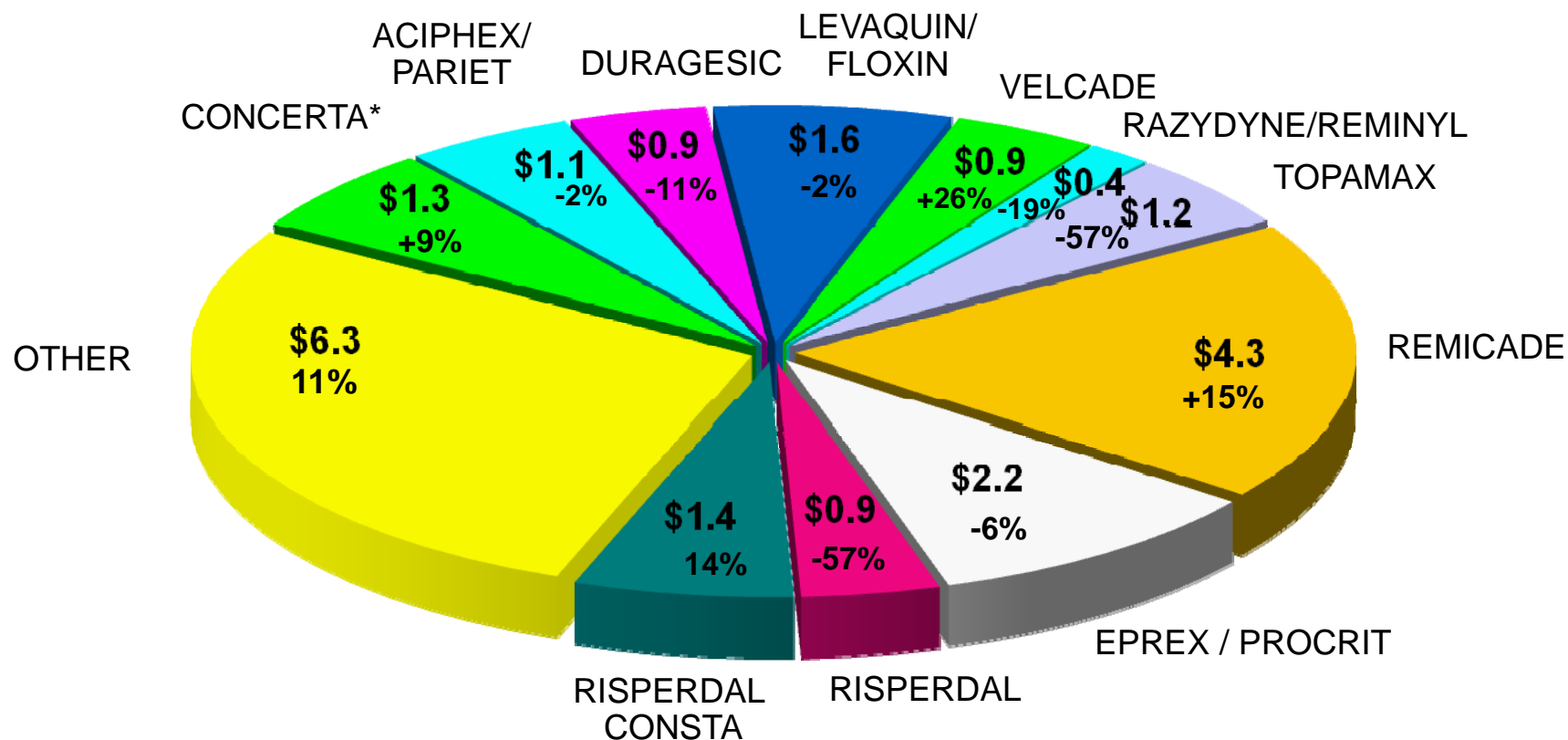
- Leading in Research capabilities
 - Biologics
 - Small molecules
 - Drug delivery, form & formulations
- World-class global operations
- Outcomes based development
- Innovative technologies

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)

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2Q 2010 Results

2Q 2010 Highlights

	<u>Growth % Change</u>		
	<u>Total</u>	<u>Operations</u>	<u>Currency</u>
Sales			
– Worldwide	0.6%	0.1%	0.5%
– U.S.	(2.8)%		
– International	4.1%	3.0%	1.1%
Adjusted Net Earnings*	5.4%		
Adjusted EPS*	5.2%		

*Non-GAAP measure; excludes IPR&D charges and other special items

2Q 2010 Sales Growth by Segment

	<u>Total</u>	<u>Operations</u>	<u>Currency</u>
Consumer	(5.4)%	(6.5)%	1.1%
Med Device & Diagnostics	4.1%	3.5%	0.6%
Pharmaceutical	<u>1.0%</u>	<u>1.0%</u>	<u>0.0%</u>
Total Company	0.6%	0.1%	0.5%

2Q 2010 Consumer Sales (-6.5%)

Key Drivers:

- Baby Care (+3%)
 - Powders and cleansers
- Skin Care (+1%)
 - NEUTROGENA, Johnson's Adult, and CYTOMIMIC technology products partially offset by the discontinuation of certain products
- OTC/Nutritionals (-13%)
 - Sales impacted by voluntary OTC product recalls

All growth %'s noted are operational growth

2Q 2010 Medical Devices & Diagnostics Sales (+3.5%)

Growth Drivers:

- Ethicon (+8%)
 - Sutures, biosurgicals, and Mentor products; acquisition of Acclarent ear, nose and throat surgical products
- Ethicon Endo Surgery (+7%)
 - Endoscopy and HARMONIC products and Advanced Sterilization Products' infection prevention solutions
- DePuy (+4%)
 - Joint reconstruction; hips and knees

All growth %'s noted are operational growth

2Q 2010 Medical Devices & Diagnostics Sales (+3.5%) (continued)

Growth Drivers:

- Vision Care (+3%)
 - ACUVUE OASYS, TRUEEYE, MOIST and DEFINE contact lenses
- Diabetes care (+2%)
 - ONE TOUCH ULTRA and ONE TOUCH VERIO strip and meter systems, ANIMAS insulin pumps

All growth %'s noted are operational growth

2Q 2010 Pharmaceutical Sales 1.0%

Key Growth Products

	% Change
• PREZISTA™ for HIV	+ 47%
• VELCADE® for multiple myeloma	+ 25%
• INVEGA® , an antipsychotic medication	+ 4%
• RISPERDAL® CONSTA® , an antipsychotic medication	+ 3%
• REMICADE® for immune mediated inflammatory diseases	+ 3%

All growth %'s noted are operational growth

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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

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Non-GAAP Reconciliation

2009 Net Earnings, EPS, and Free Cash Flow

Johnson & Johnson and Subsidiaries Reconciliation of Non-GAAP Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. / (Decr.)	Twelve Months YTD		% Incr. / (Decr.)
	2009	2008		2009	2008	
Net Earnings - as reported	\$ 2,206	2,714	-18.7%	\$ 12,266	12,949	-5.3%
In-process research & development (IPR&D)	-	141		-	181	
Net Gain on Fourth Quarter Litigation	(212)	(229)		(212)	(229)	
Restructuring Charges	852	-		852	-	
Net Earnings - as adjusted	\$ 2,846	2,626	8.4%	12,906	12,901	0.0%
Diluted Net earnings per share - as reported	\$ 0.79	0.97	-18.6%	\$ 4.40	4.57	-3.7%
In-process research & development (IPR&D)	-	0.05		-	0.06	
Net Gain on Fourth Quarter Litigation	(0.08)	(0.08)		(0.08)	(0.08)	
Restructuring Charges	0.31	-		0.31	-	
Diluted Net earnings per share - as adjusted	\$ 1.02	0.94	8.5%	4.63	4.55	1.8%
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

Johnson & Johnson
Operating Profit by Segment of Business
 Reconciliation- Reported vs. Excluding Special Items
 (\$ in millions)

	2009 Twelve Months			2008 Twelve Months		
	As		As	As		As
	Reported	Adjs.	Adjusted	Reported	Adjs.	Adjusted
Operating Profit						
Consumer	\$ 2,475	369	2,844	\$ 2,674	57	2,731
Pharmaceutical	6,413	588	7,001	7,605	-	7,605
Med Devices & Diagnostics	7,694	(157)	7,536	7,223	(255)	6,968
Total segments	16,582	800	17,382	17,502	(198)	17,304
Expenses not allocated to segments	(827)	-	(827)	(573)	-	(573)
Worldwide total	\$ 15,755	800	16,555	\$ 16,929	(198)	16,731

	2009 Twelve Months		2008 Twelve Months	
	As Reported	Adj. Op Margin	As Reported	Adj. Op Margin
Operating Margin				
Consumer	15.7%	18.0%	16.7%	17.0%
Pharmaceutical	28.5%	31.1%	31.0%	31.0%
Med Devices & Diagnostics	32.6%	32.0%	31.2%	30.1%
Total segments	26.8%	28.1%	27.4%	27.1%
Worldwide total	25.4%	26.7%	26.5%	26.2%

Non-GAAP Reconciliation

2010 Net Earnings and EPS

Johnson & Johnson and Subsidiaries Reconciliation of Non-GAAP Measures						
<i>(Dollars in Millions Except Per Share Data)</i>	Second Quarter		% Incr. / (Decr.)	Six Months YTD		% Incr. / (Decr.)
	2010	2009		2010	2009	
Net Earnings - as reported	\$ 3,449	3,208	7.5%	\$ 7,975	6,715	18.8%
Net Gain on Litigation	(67)	-		(977)	-	
Net Earnings - as adjusted	\$ 3,382	3,208	5.4%	6,998	6,715	4.2%
Diluted Net earnings per share - as reported	\$ 1.23	1.15	7.0%	\$ 2.85	2.41	18.3%
Net Gain on Litigation	(0.02)	-		(0.35)	-	
Diluted Net earnings per share - as adjusted	\$ 1.21	1.15	5.2%	2.50	2.41	3.7%

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.