

### Johnson & Johnson (JNJ)

<http://www.jnj.com>

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#### Business Summary

Johnson & Johnson (JNJ), one of the world's largest and most comprehensive health care companies, is engaged in the research and development, manufacture and sale of a range of products in the healthcare field. With more than 250 operating companies in 57 countries, JNJ operates in three segments: Consumer, Pharmaceutical, and Medical Devices and Diagnostics.

Headquartered in New Brunswick, NJ, the company employs approx. 118,700 people. Major competitors include Eli Lilly, Novartis, and Procter & Gamble.

In September 2009, JNJ, through its subsidiary Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Crucell N.V. entered into a strategic collaboration focusing on the discovery, development and commercialization of monoclonal antibodies and vaccines for the treatment and prevention of influenza and other infectious and non-infectious diseases. The focus of the collaboration will be on new discovery programs leading to the development and commercialization of a universal influenza vaccine as well as the development of monoclonal antibodies and/or vaccines directed against up to three other infectious and non-infectious disease targets.

#### Financial Overview as of 11/19/09

	<i>Fiscal Year Ends 12/31</i>
Market Cap	\$172 billion
Price/Earnings (This Fiscal Year)	13.6x
EPS (Last Fiscal Year)	\$4.55
EPS Estimate (This Fiscal Year)	\$4.58
Total Debt /Capital (Most Recent Quarter)	19%
Sales Growth (3 Yr)	5%
Earnings Growth (3 Yr)	7%
L-T Estimated Earnings Growth	7%

Subsidiaries Include: BioSense Webster, Inc., Diabetes Diagnostics, Inc., Animas Corporation, Ortho-McNeil Pharmaceuticals and Centocor, Inc. Detailed information is available upon request.

#### Relevant Issues

- Two *women* serve on the company's ten-member board of directors.
- JNJ's annual *Contributions Report*, available on the company's website, describes many of the company's philanthropic initiatives. JNJ supports programs all around the world and focuses on four key platforms of giving: access to health care, children's health, professional development and education and community responsibility.
- JNJ's *2008 Sustainability Report*, which is based on the *Global Reporting Initiatives*, is available on the company's website.
- *JNJ has a goal of achieving environmental performance transparency at 100% of its manufacturing and research and development facilities.* As of 2008, 66% of its facilities submitted information.
- *JNJ has a goal of reducing CO<sub>2</sub> emissions of 7% from 1990–2010.* According to the company's 2008 sustainability report the company has achieved a 12.7 % decrease from 1990–2007. JNJ is also trying to reduce its fleet total CO<sub>2</sub> emissions per mile driven by 30%.
- JNJ is one of twenty companies that agreed to purchase at least 10% of its electricity from renewable sources through the *U.S. Environmental Protection Agency's (EPA) Green Power Promotion* program.
- JNJ conducts *animal testing*, and *has been accredited* by the *American Association for the Accreditation of Laboratory Animal Care (AAALAC)* as applying high standards for the care and use of laboratory animals.
- JNJ develops and markets *contraceptive products* through its subsidiary, Ortho-McNeil Pharmaceutical.
- JNJ has a general policy covering the broad use of *human stem cells*. The policy does not permit the use of embryonic stem cells or fetal tissue cells. JNJ has also established a high level committee that includes external bioethicists to assess research requests involving the use of stem cells.