UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 30, 2012 **Commission file number 1-3215**

JOHNSON & JOHNSON

(Exact name of registrant as specified in its charter)

New Jersey	**22-1024240**
(State of incorporation)	(I.R.S. Employer Identification No.)
One Johnson & Johnson Plaza **New Brunswick, New Jersey**	**08933**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(732) 524-0400**

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $1.00	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the Common Stock held by non-affiliates computed by reference to the price at which the Common Stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $186 billion.

On February 19, 2013, there were 2,795,319,117 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I, II and III:	Portions of registrant's annual report to shareholders for fiscal year 2012 (the "Annual Report").
Parts I and III:	Portions of registrant's proxy statement for its 2013 annual meeting of shareholders filed within 120 days after the close of the registrant's fiscal year (the "Proxy Statement").

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Johnson & Johnson:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, statements of comprehensive income, statements of equity, and statements of cash flows present fairly, in all material respects, the financial position of Johnson & Johnson and its subsidiaries at December 30, 2012 and January 1, 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 30, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Report on Internal Control over Financial Reporting." Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in “Management's Report on Internal Control over Financial Reporting,” management has excluded Synthes, Inc. from its assessment of internal control over financial reporting as of December 30, 2012, because it was acquired by the Company in a purchase business combination during 2012. We have also excluded Synthes, Inc. from our audit of internal control over financial reporting. Synthes, Inc. is a wholly-owned subsidiary whose total assets and total revenues represent approximately 17% and 3%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 30, 2012.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

New York, New York
February 21, 2013

other comprehensive income. This equity account includes the results of translating all balance sheet assets and liabilities at current exchange rates, except for those located in highly inflationary economies. The translation of balance sheet accounts for highly inflationary economies are reflected in the operating results.

A rollforward of the changes during 2012 , 2011 and 2010 for foreign currency translation adjustments is included in Note 13.

Net currency transaction gains and losses included in Other (income) expense were losses of $58 million , $10 million and $130 million in 2012 , 2011 and 2010 , respectively.

15. Earnings Per Share

The following is a reconciliation of basic net earnings per share to diluted net earnings per share for the fiscal years ended December 30, 2012 , January 1, 2012 and January 2, 2011 :

(In Millions Except Per Share Amounts)	2012	2011	2010
Basic net earnings per share attributable to Johnson & Johnson	$ 3.94	3.54	4.85
Average shares outstanding — basic	2,753.3	2,736.0	2,751.4
Potential shares exercisable under stock option plans	164.6	158.3	156.1
Less: shares repurchased under treasury stock method	(128.2)	(122.6)	(122.3)
Convertible debt shares	3.6	3.6	3.6
Accelerated share repurchase program	19.3	—	—
Adjusted average shares outstanding — diluted	2,812.6	2,775.3	2,788.8
Diluted net earnings per share attributable to Johnson & Johnson	$ 3.86	3.49	4.78

The diluted net earnings per share calculation includes the dilutive effect of convertible debt that is offset by the related reduction in interest expense of $4 million after-tax for years 2012 , 2011 and 2010 .

Diluted net earnings per share excludes 0.2 million , 50.7 million and 66.3 million shares underlying stock options for 2012 , 2011 and 2010 , respectively, as the exercise price of these options was greater than their average market value, which would result in an anti-dilutive effect on diluted earnings per share.

The diluted earnings per share calculation for the fiscal year ended December 30, 2012 included the dilutive effect of 19.3 million shares related to the accelerated share repurchase program, associated with the acquisition of Synthes, Inc. See Note 20 to the Consolidated Financial Statements for additional details. A $1 increase/decrease in the volume weighted average share price would impact this estimate by approximately 2.6 million shares.

16. Rental Expense and Lease Commitments

Rentals of space, vehicles, manufacturing equipment and office and data processing equipment under operating leases were approximately $375 million , $313 million and $299 million in 2012 , 2011 and 2010 , respectively.

The approximate minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year at December 30, 2012 are:

(Dollars in Millions)

2013	2014	2015	2016	2017	After 2017	Total
$251	192	149	115	90	128	925

Commitments under capital leases are not significant.

17. Common Stock, Stock Option Plans and Stock Compensation Agreements

At December 30, 2012 , the Company had 4 stock-based compensation plans. The shares outstanding are for contracts under the Company's 2000 Stock Option Plan, the 2005 Long-Term Incentive Plan, the 2012 Long-Term Incentive Plan, and the Scios, Inc. Stock Option Plans. The 2005 Long-Term Incentive Plan expired April 26, 2012. All options and restricted shares granted subsequent to that date were under the 2012 Long-Term Incentive Plan.

The compensation cost that has been charged against income for these plans was $662 million , $621 million and $614 million for 2012 , 2011 and 2010 , respectively. The total income tax benefit recognized in the income statement for share-based compensation costs was $220 million , $207 million and $205 million for 2012 , 2011 and 2010 , respectively. The total unrecognized compensation cost was $565 million , $562 million and $613 million for 2012 , 2011 and 2010 , respectively. The weighted average period for this cost to be recognized was 1.02 years, 0.97 years and 1.05 years for 2012 , 2011 , and 2010 , respectively. Share-based compensation costs capitalized as part of inventory were insignificant in all periods.

Stock Options

Stock options expire 10 years from the date of grant and vest over service periods that range from 6 months to 4 years . All options are granted at the average of the high and low prices of the Company's Common Stock on the New York Stock Exchange on the date of grant. Under the 2012 Long-Term Incentive Plan, the Company may issue up to 200 million shares of common stock, plus any shares canceled, expired, forfeited, or not issued from the 2005 Long-Term Incentive Plan subsequent to April 26, 2012. Shares available for future grants under the 2012 Long-Term Incentive Plan were 201.8 million at the end of 2012 .

The Company settles employee stock option exercises with treasury shares. Previously, treasury shares were replenished throughout the year for the number of shares used to settle employee stock option exercises. However, pursuant to the accelerated stock repurchase agreements in connection with the acquisition of Synthes, Inc., the Company has not made any purchases of Common Stock on the open market during the fiscal third and fourth quarters of 2012.

The fair value of each option award was estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatility represents a blended rate of 4-year daily historical average volatility rate, and a 5-week average implied volatility rate based on at-the-money traded Johnson & Johnson options with a life of 2 years. Historical data is used to determine the expected life of the option. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant.

The average fair value of options granted was $6.39 , $7.47 and $8.03 , in 2012 , 2011 , and 2010 , respectively. The fair value was estimated based on the weighted average assumptions of:

	2012	2011	2010
Risk-free rate	1.06%	2.41%	2.78%
Expected volatility	18.38%	18.20%	17.40%
Expected life (in years)	6.0	6.0	6.0
Dividend yield	3.60%	3.60%	3.30%

A summary of option activity under the Plan as of December 30, 2012 , January 1, 2012 and January 2, 2011 and changes during the years ending on those dates is presented below:

(Shares in Thousands)	Outstanding Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value (Dollars in Millions)
Shares at January 3, 2010	212,719	$ 58.66	$ 1,310
Options granted	13,996	62.62	
Options exercised	(25,020)	51.84	
Options canceled/forfeited	(8,005)	62.36	
Shares at January 2, 2011	193,690	59.68	648
Options granted	9,530	62.21	
Options exercised	(20,160)	56.65	
Options canceled/forfeited	(3,601)	62.38	
Shares at January 1, 2012	179,459	60.10	1,004
Options granted	8,661	65.36	
Options exercised	(49,388)	56.73	
Options canceled/forfeited	(4,381)	62.97	
Shares at December 30, 2012	**134,351**	**$ 61.58**	**$ 1,061**

The total intrinsic value of options exercised was $547 million , $167 million and $278 million in 2012 , 2011 and 2010 , respectively.

The following table summarizes stock options outstanding and exercisable at December 30, 2012 :

(Shares in Thousands)	Outstanding			Exercisable	
Exercise Price Range	Options	Average Life (1)	Average Exercise Price	Options	Average Exercise Price
$49.66-$53.77	3,600	0.1	$52.19	3,599	$52.19
$53.93-$58.33	29,134	3.6	$56.13	28,076	$56.04
$58.34-$61.75	29,604	4.0	$60.01	29,556	$60.01
$61.86-65.37	28,817	7.8	$63.29	464	$63.88
$65.62-$68.37	43,196	2.9	$65.97	43,165	$65.97
	134,351	**4.3**	**$61.58**	**104,860**	**$61.15**

(1) *Average contractual life remaining in years.*

Stock options exercisable at January 1, 2012 and January 2, 2011 were 138,126 at an average price of $59.94 and an average life of 4.2 years and 141,275 at an average price of $59.25 and an average life of 4.7 years, respectively.

Restricted Share Units and Performance Share Units

The Company grants restricted share units with a vesting period of three years. The Company also grants performance share units, which are paid in shares of Johnson & Johnson Common Stock after the end of a three -year performance period. Whether any performance share units vest, and the amount that does vest, is tied to the achievement, over a three-year period, of three equally-weighted goals that directly align with or help drive long-term total shareholder return: sales, adjusted operational earnings per share, and relative total shareholder return. The number of shares actually earned at the end of the three-year period will vary, based only on actual performance, from 0% to 200% of the target number of performance share units granted .

The Company settles employee stock issuances with treasury shares. Previously, treasury shares were replenished throughout the year for the number of shares used to settle employee stock issuances. However, pursuant to the accelerated stock repurchase agreements in connection with the acquisition of Synthes, Inc., the Company has not made any purchases of Common Stock on the open market during the fiscal third and fourth quarters of 2012.

A summary of the restricted share units and performance share units activity under the Plans as of December 30, 2012 is presented below:

(Shares in Thousands)	Outstanding Restricted Share Units	Outstanding Performance Share Units
Shares at January 3, 2010	26,324	
Granted	12,003	
Issued	(6,297)	
Canceled/forfeited	(2,296)	
Shares at January 2, 2011	29,734	
Granted	11,478	
Issued	(8,300)	
Canceled/forfeited	(1,886)	
Shares at January 1, 2012	31,026	—
Granted	12,197	327
Issued	(9,278)	—
Canceled/forfeited	(2,111)	(42)
Shares at December 30, 2012	31,834	285

The average fair value of the restricted share units granted was $58.93 , $55.90 and $56.69 in 2012 , 2011 and 2010 , respectively, using the fair market value at the date of grant. The fair value of restricted share units was discounted for dividends, which are not paid on the restricted share units during the vesting period. The fair value of restricted share units settled was $483.2 million , $458.9 million and $375.0 million in 2012 , 2011 and 2010 , respectively.

The weighted average fair value of the performance share units was $55.01 in 2012, calculated using the weighted average fair market value for each of the three component goals at the date of grant.

The fair values for the sales and earnings per share goals of each performance share unit were estimated on the date of grant using the fair market value of the shares at the time of the award discounted for dividends, which are not paid on the performance share units during the vesting period. The fair value for the relative total shareholder return goal of each performance share unit was estimated on the date of grant using the Monte Carlo valuation model. No performance share units were issued in 2012.

Compensation Discussion and Analysis

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Executive Summary

KEY COMPENSATION HIGHLIGHTS

- Provided appropriate compensation for a new CEO
- Reduced planned annual performance bonuses for all named executive officers by 10%
- Eliminated above median targeting for our executive officers
- Eliminated all non-relocation related tax reimbursements for our executive officers
- Implemented a new long-term incentive program and granted performance share units with payouts contingent on the achievement of specific financial goals
- Revised stock ownership guidelines to increase the amount of company stock our CEO must own to six times base pay and to add share retention requirements
- Adopted principles for a compensation recoupment policy in the event of material violations of company policy

SHAREHOLDER OUTREACH AND COMPENSATION PROGRAM CHANGES

In 2012, we held an annual advisory vote to approve named executive officer compensation, commonly known as “Say on Pay”. Approximately 57% of the votes cast voted in favor of our executive compensation program as disclosed in our 2012 Proxy Statement. While representing majority support for the named executive officer compensation, these results were below what we deem satisfactory.

Following our 2012 Say on Pay result, our Compensation & Benefits Committee Chair and Presiding Director, along with senior members of management, met with a diverse mix of our institutional investors and with leading proxy advisory services to discuss our executive compensation program in an effort to better understand the underlying reasons for our Say on Pay results. The feedback from our outreach in 2012 showed that shareholders and other key stakeholders appreciated the changes to the long-term incentive program that we made. They also understood that it would take several years to see the impact of those changes reflected in our Summary Compensation Table since legacy cash-based awards will continue to vest for several years while awards are being made under the new program. We received some criticism on our past philosophy of targeting total direct compensation above median for our named executive officers. While most praised the direction in which our executive compensation program was heading, there was, nonetheless, a sense among many stakeholders that their 2012 Say on Pay vote expressed their judgment on a retrospective basis on the company’s 2011 named executive officer compensation as disclosed in the Summary Compensation Table, as opposed to expressing judgment on a prospective basis on changes we made to our compensation program design.

In response to key stakeholder feedback in 2012, we made two important changes to our executive compensation program:

- **We no longer target total direct compensation for our executive officers between the 50 th and 75 th percentile of our Executive Peer Group.** The Committee will continue to review market data to understand how our target pay levels compare to benchmark positions, but we will not target total direct compensation to a specific percentile of the Executive Peer Group. In deciding on compensation for individual named executive officers, the Committee will consider the individual’s performance and alignment with our Credo values, our internal bonus and long-term incentives as a percent of salary, the individual’s roles and responsibilities, and his or her experience in those roles.
- **We eliminated all tax reimbursements for our executive officers that are not provided pursuant to our standard relocation practices.**

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Our outreach efforts in 2012 described above followed our significant multi-pronged effort in 2011 to gather feedback from key stakeholders regarding our executive compensation programs. This included:

- Discussions with individual and institutional shareholders, including representatives of mutual funds, investment managers, non-U.S. investors, "socially responsible investment" funds, public pension funds and labor union pension funds;
- Review of written correspondence submitted by individual and institutional shareholders to the Board and management;
- Analysis of market practices at peer companies;
- Advice from the Committee's independent compensation consultant; and
- Discussions with proxy advisory services and corporate governance research firms.

In January 2012, based on stakeholder feedback in 2011, we redesigned our long-term incentive program to enhance our pay-for-performance alignment. We discontinued the use of legacy cash-based long-term incentives and introduced performance share units with payouts contingent on the achievement of sales, earnings per share, and total shareholder return goals.

Long-term incentives continue to make up the largest portion of the compensation of named executive officers. Our new long-term incentive program for our named executive officers includes a mix of: performance share units ("PSUs"); stock options; and restricted share units ("RSUs"). The number of shares actually earned at the end of the three-year period will vary from 0% to 200% of the target number of PSUs granted based on the company's performance against three equally-weighted goals that directly align with, or help drive, long-term total shareholder return: sales, earnings per share ("EPS"), and relative total shareholder return ("TSR").

We use the following performance measures to drive alignment of pay and long-term total shareholder return:

Sales: One-third (1/3) of the PSUs are tied to the achievement of three, 1-year sales goals. We are using three, 1-year goals because of the difficulty in setting meaningful long-term sales goals. We believe that it is important to include a sales goal to motivate delivering higher EPS through top-line growth.

Earnings Per Share: One-third (1/3) of the PSUs are tied to the achievement of 3-year adjusted operational EPS goals. We view adjusted operational EPS growth as a key long-term driver of TSR.

Total Shareholder Return: One-third (1/3) of the PSUs are tied to the achievement of 3-year TSR goals relative to our Competitor Composite Peer Group. If we outperform our Competitor Composite Peer Group and our TSR is negative, the PSUs tied to TSR goals would be capped at 100% of target.

Stock Price Appreciation: Our stock options only have value to recipients if the stock price appreciates.

Stock Price: The underlying value of each PSU and RSU rises and falls in value with the share price.

We believe that our new long-term incentive program implemented in 2012, the reexamination of our philosophy on pay positioning and the elimination of tax gross ups have addressed many of our key stakeholders' concerns. When casting your 2013 Say on Pay vote, we encourage you to consider the compensation of our new Chairman/CEO, the design of our new long-term incentive program with its pay-for-performance alignment and the direct engagement with our shareholders.

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2012 COMPANY PERFORMANCE

In 2012, when evaluating the company's performance against the goals set for determining compensation, the company's performance was mixed. We met or exceeded many of our goals for 2012, but did not meet, or only partially met, some of our other goals. Among our successes for the year were:

- **We exceeded our adjusted operational earnings per share growth objective.**
- **We met our free cash flow objective.**
- **We were a leader in the number of medicines approved,** which establishes a strong foundation for continued growth.
- **We acquired, and are successfully integrating, Synthes, Inc.,** creating the world's largest and most comprehensive orthopaedics business.
- **We met our overall talent objectives.**

Disappointments included:

- Our total sales on an operational basis grew 6.1%, but when excluding Synthes, growth was 3.0% which fell short of the goal we set for ourselves of 4.0% – 5.0% growth.
- We had expected to return Consumer products to shelves at a faster rate than we did.
- Our reputational standings, while improving in places, are not at the level to which we aspire.

Financial Objective	Goal	2012 Results
2012 Operational Sales Growth (1)	4.0% – 5.0%	**3.0%**
2012 Free Cash Flow (2)	$12.0 – 13.0B	**$12.5B**
2012 Total Adjusted Operational EPS Growth (3)	3.5% – 5.5%	**6.0%**

(1) Operational Sales Growth is the sales increase due to volume and price, excluding the effect of currency translation. As set forth on page 3 of our Annual Report on Form 10-K for the fiscal year ended December 30, 2012 ("2012 Form 10-K"), our 2012 Operational Sales Growth was 6.1% and the Operational Sales Growth attributable to the acquisition of Synthes, Inc., net of the related divestiture, was 3.1%. For compensation purposes, we excluded the net impact of the Operational Sales Growth due to the Synthes, Inc. acquisition (6.1% - 3.1% = 3.0%).

(2) As set forth on page 24 of our 2012 Form 10-K, net cash from operating activities was $15.4 billion and additions to property, plant and equipment were $2.9 billion. For compensation purposes, Free Cash Flow is the net cash from operating activities less additions to property, plant and equipment ($15.4 billion - $2.9 billion = $12.5 billion).

(3) Adjusted EPS excludes special items as set forth in Exhibit 99.2O to the company's Current Report on Form 8-K dated January 22, 2013. For compensation purposes, Adjusted Operational EPS Growth also excludes the effect of currency translation. Adjusted EPS and Adjusted Operational EPS are non-GAAP financial measures. The following is a reconciliation of Adjusted EPS and Adjusted Operational EPS to Diluted EPS (the most directly comparable GAAP measure):

	2012 Actual $ per share	% Change vs. Prior Year*
Diluted EPS	$ 3.86	
Special Items	1.24	
Adjusted EPS	5.10	2.0%
Currency Translation	0.22	
Adjusted Operational EPS	5.32	6.4%
Less Net Synthes Impact (see footnote (1) above)	0.02	0.4%
Total Adjusted Operational EPS	$ 5.30	6.0%

* Prior year Adjusted EPS = $5.00

Overall, the Committee believed that 2012 was a year (1) in which we made good progress in many areas, (2) where the foundation for long-term growth was firmly reinforced, and (3) where performance could have been better in certain areas. Please refer to the 2012 Company Performance section on page 36 for more details.

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CEO PAY

Alex Gorsky assumed the role of Chief Executive Officer on April 26, 2012 and the additional role of Chairman of the Board of Directors on December 28, 2012. Mr. Gorsky is the company's 7 th Chairman/CEO since Johnson & Johnson became a publicly-traded company in 1944. His transition was the result of a robust succession planning process carried out by our Board of Directors. With Mr. Gorsky becoming our Chairman/CEO, we have continued our practice of developing and promoting leaders from within our company.

Performance:

The Board based its assessment of Mr. Gorsky primarily on the evaluation of company performance as summarized under "2012 Company Performance" pages 33 and 36. In a year with challenging macro-economic pressures, Mr. Gorsky's transition to the role of Chairman/CEO went smoothly. He generally met expectations of the Board, however, as noted above, the company's performance was mixed in 2012 and it was the primary driver of Mr. Gorsky's assessment.

Compensation Decisions:

The Committee decided to pay Mr. Gorsky's 2012 salary and bonus on a *pro rata* basis because of the CEO transition in 2012. Through April 26, 2012, Mr. Gorsky's salary rate was commensurate with his role as Vice Chairman of the Executive Committee. Effective April 26, 2012, in connection with his being named CEO, Mr. Gorsky's salary rate was increased to $1,200,000.

The Committee also determined Mr. Gorsky's annual performance bonus on a *pro rata* basis. As shown in the table below, for the portion of the year before he became the CEO (*i.e.* , before April 26, 2012), it was based on his lower salary rate and target bonus as a percent of salary and, for the latter portion of the year when he served as CEO, it was based on his higher salary rate and target bonus as a percent of salary. As a result of this proration, his annual performance bonus is lower than it would have been had he been the CEO for the entire year.

To hold Mr. Gorsky accountable for the company's 2012 performance, the Board reduced his planned bonus for 2012 by 10%, resulting in an annual performance bonus at 90% of the targeted amount. In addition, the Board awarded Mr. Gorsky a long-term incentive grant at 100% of the targeted amount.

	Estimated Base Salary Earned [1]	Target Bonus	Planned Bonus		Bonus Reduction	Final Bonus
Position	($)	(%)	(% of Salary)	($)	(%)	($)
Vice Chairman, Executive Committee	$ 277,000	125%	125%	$ 346,200	-10%	$ 311,580
CEO	821,500	160	160	1,314,500	-10	1,183,050
Total						$ 1,494,630

(1) The estimated salary earned used to determine the bonus was based on the salary rate in effect for each portion of the year. It differs from the total salary paid amount shown in the Summary Compensation Table on page 52 due to pay periods straddling different fiscal years.

Based on his appointment to the additional role of Chairman of the Board on December 28, 2012 and the relative position of his salary to the market data, the Board increased Mr. Gorsky's base salary to $1,500,000. Please see "2013 Award Values for Individual Pay Components" and "2013 Salary Increases" on page 40 for details on the awards, total direct compensation, and base salary increase.

KEY FEATURES OF OUR 2013 EXECUTIVE COMPENSATION PROGRAM

The Committee believes that the executive compensation program includes key features that align the interests of the named executive officers and Johnson & Johnson's long-term strategic direction with shareholders and does not include features that could misalign their interests.

What We Do

- **Align CEO Pay with Company Performance:** Our CEO's actual pay is aligned with actual total shareholder returns.
- **Use Long-Term Incentives to Link the Majority of Named Executive Officer Pay to Company Performance:** Over two-thirds of pay for our named executive officers is long-term incentives linked to growing sales, EPS, TSR, and our stock price.
- **Balance Short-Term and Long-Term Incentives:** The incentive programs provide an appropriate balance of annual and long-term incentives and include multiple measures of performance.
- **Cap Incentive Awards:** Awards under both our annual and long-term incentive plans are capped at 200% of target.
- **Mitigate Excessive Risk-taking Behaviors by Named Executive Officers:** Our executive compensation program includes features that reduce the possibility of our named executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value.
- **Require Named Executive Officers to Maintain Stock Ownership:** Our CEO must own 6x salary and our other named executive officers must own 3x salary worth of our company stock within 5 years of first becoming executive officers.
- **Authorize the Board to Recoup Executive Compensation:** The Board has the authority to recoup compensation that resulted from a material misstatement of financial results. In addition, after constructive engagement with key institutional investors, the Committee adopted principles for a recoupment policy in the event of material violations of company policy.

What We Don't Do

- **No Above Median Targeting of Executive Compensation:** We no longer target total direct compensation of our executive officers between the 50 th and 75 th percentile of our Executive Peer Group.
- **No Dividend Equivalents on Unvested Long-Term Incentives:** Since 2010, we do not pay dividend equivalents on unvested awards and do not pay any dividend equivalents under our new long-term incentive program.
- **No Change-in-Control Benefits:** No named executive officer is covered by a change-in-control or "golden parachute" agreement and there are no change-in-control provisions in any of our compensation plans.
- **No Option Repricing without Shareholder Approval**
- **No Hedging of Company Stock:** Our named executive officers are prohibited from hedging their company stock.
- **No Tax Gross Ups:** We will no longer provide tax reimbursements unless they are provided pursuant to our standard relocation practices.

2013 Compensation Decisions for 2012 Performance

2012 COMPANY PERFORMANCE

In 2012, when evaluating the company's performance against the goals set for determining compensation, the company's performance was mixed. We met or exceeded many of our goals for 2012, but did not meet, or only partially met, some of our goals.

Among our successes for the year were:

- **We grew adjusted operational earnings per share (excluding special items) 6.0% on an operational basis, which exceeded our goal of 3.5% –5.5% growth.**
- **We generated free cash flow of $12.5 billion, which met our goal of $12.0 – $13.0 billion.**
- **We met our robust product pipeline objectives.**

  We are creating value through innovation. In 2012, we were a leader in the number of medicines approved, which establishes a strong foundation for continued growth. Global launches, and industry-leading numbers of regulatory submissions and approvals, have made our Janssen business one of the fastest growing pharmaceutical businesses and a launch leader in Europe, the U.S. and Japan. The EVARREST ™ Fibrin Patch, which resulted from collaboration of our scientists in our Medical Devices & Diagnostics and Pharmaceutical businesses, and was recently approved to stop serious bleeding, is an example of how we are leveraging the capabilities, collaborations and convergent opportunities of our company's diverse health care portfolio.
- **We acquired and are successfully integrating Synthes, Inc.,** creating the world's largest and most comprehensive orthopedics business, now known as the DePuy Synthes Companies of Johnson & Johnson.
- **We met our overall talent objectives.**

  We made good progress on strengthening our talent pipeline and retaining critical talent. Employee engagement scores improved, and our employee engagement levels were in the top 10 percent of companies with which we're typically compared.
- **We met our healthcare environment objectives.**

  We worked with governments and partners on priority issues such as healthcare and regulatory reform, access to healthcare, physician training, wellness and prevention, and public health education programs.
- **We met our social responsibility and good citizenship objectives.**

  We enhanced our company's role as a socially responsible global leader in improving healthcare, achieving recognition by the United Nations Foundation for our private sector contribution to global health.

Disappointments included:

- **Our total sales on an operational basis grew 6.1%, but when the effect of the Synthes merger is excluded, it grew 3.0%, which fell short of the goal we set for ourselves of 4.0% – 5.0% growth.**

  Our sales growth was principally a result of the Synthes acquisition and strong performance in our Pharmaceutical business, where we delivered strong growth from in-line and launch products and important regulatory approvals in both developed and emerging markets. The Consumer and Medical Devices & Diagnostics businesses had modest growth as they continued to experience challenges, including the global healthcare economy.
- **We had expected to return Consumer products to shelves at a faster rate than we did.**

  Across our businesses, we made strides generally in improving the consistency of product supply. While we made progress on our goal of restoring our Consumer business to growth, starting by restoring a reliable supply of a number of our McNeil over-the-counter products to the market, we had expected to return product to shelves at a faster rate.
- **Our reputational standings, while improving in places, are not at the level to which we aspire.**

  We worked to address several reputational challenges and continue to strive toward regaining the reputational standings that we expect of ourselves and our customers and shareholders expect of us.
- **We partially met our innovative products and global presence objectives.**

Please refer to the "2012 Company Performance" table on page 33 for additional details, including a reconciliation of certain non-GAAP financial measures.

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2012 BONUS REDUCTION FOR NAMED EXECUTIVE OFFICERS

To recognize the mix of short-term successes and disappointments, the Committee determined it was appropriate to reduce the planned annual performance bonuses for all named executive officers by 10%. The Committee exercised its discretion in this regard – taking into consideration areas where the company fell short of its goals and holding the named executive officers accountable for the overall results of the company. In exercising its discretion, the Committee reviewed the company's performance against the goals we had set at the beginning of the year and discussed the 2012 results in detail with management. In addition, the independent members of the Board were interviewed individually on a confidential basis for their assessment of the company's performance. These assessments were provided, on a not-for-individual-attribution basis, to the Committee to assist the Committee in exercising its judgment on the company's performance for 2012. The Board agreed with the Committee's exercise of discretion and the 10% reduction to the named executive officers' bonuses.

OTHER NAMED EXECUTIVE OFFICER PAY

Dominic J. Caruso: Vice President, Finance; Chief Financial Officer

Performance:

Mr. Caruso contributed to the company's performance as a member of the Executive Committee. (See "2012 Company Performance" on pages 33 and 36 for the Committee's evaluation of the company's performance for 2012). In addition to his contribution to our company's overall performance, Mr. Caruso drove strong financial forecasting, financial metrics and cash flow management, which enabled the organization to continue to deliver strong adjusted earnings growth while maintaining an AAA credit rating in the context of a challenging economic environment. He continued to build strong relationships and external partnerships with the financial community, enabled revenue enhancing improvements through supplier innovation, and generated significant savings through best in class procurement practices, while delivering strong leadership on engagement, talent development and diversity within the Finance function.

Compensation Decisions:

The Committee reduced all of the named executive officers' planned bonuses, including Mr. Caruso's, by 10% to hold them accountable for the company's 2012 performance. Based on the assessment of his performance for 2012, the Committee awarded Mr. Caruso a salary increase at 100% of the target amount (2.9% of salary), an annual performance bonus at 90% of target, and long-term incentives at 100% of target. The Committee also provided a 3.4% market adjustment to Mr. Caruso's salary based on the relative position of his salary to the market data. Please see "2013 Award Values for Individual Pay Components" and "2013 Salary Increases" on page 40 for details on the awards, total direct compensation, and the salary increase.

Paulus Stoffels: Chief Scientific Officer; Worldwide Chairman, Pharmaceuticals

Dr. Stoffels became our Chief Scientific Officer and a member of the Executive Committee on October 1, 2012.

Performance:

Dr. Stoffels contributed to the company's performance as a member of the Executive Committee. (See "2012 Company Performance" on pages 33 and 36 for the Committee's evaluation of the company's performance for 2012). In addition to his contribution to our company's overall performance, the Pharmaceutical Research & Development organization delivered several new and innovative medicines and line extensions fueling the growth of the Pharmaceutical business; progressed its new drug and vaccine pipeline significantly; acquired four new drugs through licensing & acquisition; and established over 50 collaboration agreements with biotech companies and academic research centers. Under Dr. Stoffels' leadership, the Pharmaceutical R&D organization redefined its long-term strategy focusing on differentiated medicines and solutions addressing important medical needs, and built a culture of scientific excellence and quality. He enabled growth through, among other actions, the creation of the Johnson & Johnson Innovation Centers to access the best science and technology for the company as the basis for new product development and value creation for the company.

Compensation Decisions:

The Committee reduced all of the named executive officers' planned bonuses, including Dr. Stoffels', by 10% to hold them accountable for the company's 2012 performance. Based on the assessment of his performance for 2012, the Committee awarded Dr. Stoffels a salary increase at 123% of the target amount (3.6% of salary), an annual performance bonus at 108% of target, and long-term incentives at 114% of target. Please see "2013 Award Values for Individual Pay Components" and "2013 Salary Increases" on page 40 for details on the awards, total direct compensation, and the salary increase.

Sandra E. Peterson: Group Worldwide Chair

Ms. Peterson joined our company on December 1, 2012 as Group Worldwide Chair and a member of the Executive Committee. Pursuant to her employment agreement, Ms. Peterson's base salary is $800,000. Ms. Peterson received a sign-on cash bonus and RSU award that were intended to make her whole for the amounts she forfeited from her prior employer due to joining the company. The sign-on cash bonus in the amount of $2,200,000 is payable in 2 installments. The first installment of $300,000 was paid shortly after her start date. A second installment of $1,900,000 will be paid after April 1, 2013 but on or before May 1, 2013. On December 17, 2012, Ms. Peterson received an RSU award of 65,066 shares with a fair value of approximately $4,300,000. One-third of the RSUs vests on each of the first, second and third anniversary of the grant date.

Performance:

Due to the short time Ms. Peterson served as Group Worldwide Chair, Ms. Peterson's 2012 performance was not assessed.

Compensation Decisions:

Ms. Peterson did not receive a salary increase or an annual performance bonus. The Committee awarded Ms. Peterson a long-term incentive grant at 26% of target (due to the short time Ms. Peterson served in 2012). Please see "2013 Award Values for Individual Pay Components" and "2013 Salary Increases" on page 40 for details.

Peter M. Fasolo: Vice President, Global Human Resources

Performance:

Dr. Fasolo contributed to the company's performance as a member of the Executive Committee. (See "2012 Company Performance" on pages 33 and 36 for the Committee's evaluation of the company's performance for 2012). In addition to his contribution to our company's overall performance, Dr. Fasolo played a key role in the transition of the CEO, as well as other aspects of the company's talent agenda, including a focus on emerging market talent strategies. Under his stewardship, our company continues to keep employee healthcare spending below industry trends and strengthen employee health with targeted interventions for high risk employees supported with wellness and prevention programs at all major locations. Dr. Fasolo successfully led the organization towards engagement scores with all benchmarks exceeding external norms. He also continued to strengthen the focus on diversity and inclusion across Johnson & Johnson, and increased efficiency through the enhancement of the payroll and HR administration processes across the company.

Compensation Decisions:

The Committee reduced all of the named executive officers' planned bonuses, including Dr. Fasolo's, by 10% to hold them accountable for the company's 2012 performance. Based on the assessment of his performance for 2012, the Committee awarded Dr. Fasolo a salary increase at 124% of the target amount (3.6% of salary), an annual performance bonus at 113% of target, and long-term incentives at 130% of target. The Committee also provided a 1% market adjustment to Dr. Fasolo's salary based on the relative position of his salary to the market data. Please see "2013 Award Values for Individual Pay Components" and "2013 Salary Increases" on page 40 for details on the awards, total direct compensation, and the salary increase.

William C. Weldon: Former CEO and Chairman of the Board of Directors

During 2012, Mr. Weldon served as Chairman/CEO through April 26 th and Chairman of the Board through December 28 th . Since then, Mr. Weldon has been serving as a special advisor to the Chairman/CEO. After a distinguished career with Johnson & Johnson spanning over 41 years, Mr. Weldon has announced he will retire on March 29, 2013.

Performance:

The Board based its assessment of Mr. Weldon's performance in the first four months of 2012 primarily on the evaluation of company performance as summarized under "2012 Company Performance" on pages 33 and 36. For the last eight months of 2012, the Board based its assessment of his performance as Chairman of the Board. The Board determined that Mr. Weldon strongly contributed to the successful CEO transition and performed his duties as Chairman in an exemplary manner.

Compensation Decisions:

The Committee decided to pay Mr. Weldon's 2012 salary and bonus on a *pro rata* basis because of the CEO transition in 2012. Through April 26, 2012, Mr. Weldon's salary rate was commensurate with his role as CEO and Chairman. Effective April 26, 2012, in connection with his stepping down as CEO and continuing to serve the company as Chairman of the Board, Mr. Weldon's salary rate was reduced by 49%.

The Committee also determined Mr. Weldon's annual performance bonus on a *pro rata* basis. As shown in the table below, for the portion of the year before April 26, 2012, it was based on his salary rate and target bonus as a percent of salary for his role as Chairman/CEO and, for the latter portion of the year when he served as Chairman of the Board, it was based on his lower salary rate and the Committee's discretion.

The Committee reduced all of the named executive officers' planned bonuses, including Mr. Weldon's, by 10% to hold them accountable for the company's 2012 performance. The annual bonus paid to Mr. Weldon for 2012 performance was 39% less than the prior year's bonus. Due to his planned retirement, the Board did not award him a salary increase or long-term incentives. Please see "2013 Award Values for Individual Pay Components" on page 40 for details on the awards and total direct compensation.

	Estimated Base Salary Earned [1]	Target Bonus	Planned Bonus ($)		Bonus Reduction	Final Bonus
Position	($)	(%)	(% of Salary)	($)	(%)	($)
Chairman/CEO	$ 622,200	160%	160%	$ 995,500	-10%	$ 895,950
Chairman	684,600	Discretionary	160	1,095,400	-10	985,860
Total						$ 1,881,810

(1) The estimated salary earned used to determine the bonus was based on the salary rate in effect for each portion of the year. It differs from the total salary paid amount shown in the Summary Compensation Table on page 52 due to pay periods straddling different fiscal years.

The company has not, and will not, enter into any retirement, "golden handcuffs" or "golden parachute" agreement with Mr. Weldon when he retires from the company on March 29, 2013. As has been customary for retiring CEOs and other executive officers of the company, Mr. Weldon will continue to have access to standard office resources, including basic office space, telephone, fax, e-mail and administrative support, at company headquarters after his retirement date. No other benefit or perquisite will be granted to Mr. Weldon upon his retirement.

2013 COMPENSATION VALUES FOR 2012 PERFORMANCE

How Compensation Decisions are Reported

Each year, based on the performance assessments of the named executive officers, the Committee determines the salary rate for the upcoming year, the annual performance bonus earned for the prior year's performance, and long-term incentive awards that are granted in the first quarter of the year for each named executive officer. Decisions regarding these elements are discussed above and the amounts for 2012 are summarized in the 2013

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Award Values for Individual Pay Components table and 2013 Salary Increases table below. The Committee believes that these tables best summarize the actions taken on the named executive officers' compensation for the 2012 performance year. By contrast, most of the amounts required by the rules of the SEC to be reported in the table captioned "Summary Compensation Table" on page 52 are the result of compensation decisions from prior years, earnings from prior long-term incentive awards, or participation in long-standing programs.

2013 Award Values for Individual Pay Components

The following table shows the annual performance bonus and long-term incentive grants approved in January 2013 for performance in 2012 for each named executive officer.

Name	Approval/ Award Date	Cash Compensation		Long-Term Incentive Compensation						Total Direct Compen- sation ($)
		Salary ($) (2)	Annual Performance Bonus ($) (3)	PSUs Granted (#) (4)	PSUs Granted ($)	Options Granted (#) (5)	Options Granted ($)	RSUs Granted (#) (6)	RSUs Granted ($)	
A. Gorsky	1/16/2013	$1,087,188	$ 1,494,630	67,933	$4,450,019	547,692	$2,669,999	27,173	$1,779,995	$11,481,831
D. Caruso	1/16/2013	796,385	900,000	29,005	1,900,002	233,846	1,139,999	11,602	760,001	5,496,387
P. Stoffels	1/16/2013	825,385	999,000	28,242	1,850,020	227,692	1,109,999	11,297	740,021	5,524,425
S. Peterson (1)	1/16/2013	46,154	0	7,633	500,007	61,538	299,998	3,053	199,990	1,046,149
P. Fasolo	1/16/2013	534,769	607,500	18,777	1,230,006	151,385	738,002	7,511	492,016	3,602,293
W. Weldon	1/16/2013	1,320,578	1,881,810	0	0	0	0	0	0	3,202,388

(1) Ms. Peterson joined our company on December 1, 2012.

(2) The amounts reported represent base salaries paid to each of the named executive officers for the 2012 fiscal year.

(3) The annual performance bonuses paid to named executive officers in 2013 were paid in cash.

(4) The estimated grant date fair value used to determine the number of PSUs granted was $65.506. The estimated grant date fair value per PSU was assumed to be equal to the estimated grant date fair value per RSU for the purpose of determining the number of PSUs.

(5) The grant date fair value used to determine the number of options granted was $4.875. The option exercise price was $72.54. The Black-Scholes option valuation model was used to calculate the grant date fair value with the following assumptions: volatility of 14.04% based on a blended rate of four-year daily historical average volatility rate and a five-week average implied volatility rate based on at-the-money traded Johnson & Johnson stock options with a life of two years; dividend yield of 3.40%; risk-free interest rate of 1.01% based on a U.S. Treasury rate of six years; and a six-year option life.

(6) The grant date fair value used to determine the number of RSUs granted was $65.506. The grant date fair value for the RSU awards as calculated under U.S. GAAP was based on the average of the high and low prices of our Common Stock on the NYSE on the grant date ($72.54) and discounted by an expected dividend yield of 3.40% due to the lack of dividends paid on the RSUs prior to vesting.

2013 Salary Increases

The following table shows the increase in the annual base salary rate approved on January 16, 2013 for each named executive officer. The annual base salary rates are all effective as of February 18, 2013. The 2012 salary increase (merit) budget in the U.S. was 2.9% and the range based on individual performance was 0% to 5.8%.

Name	2012 Annual Base Salary Rate ($)	Salary Increase (%)	2013 Annual Base Salary Rate ($)
A. Gorsky (1)	$ 1,200,000	25.0%	$ 1,500,000
D. Caruso (2)	800,000	6.3	850,000
P. Stoffels	925,000	3.6	958,000
S. Peterson (3)	800,000	0.0	800,000
P. Fasolo (4)	540,000	4.6	565,000
W. Weldon	1,000,000	0.0	1,000,000

(1) Mr. Gorsky's increase in salary reflects a combined promotional increase and market adjustment.

(2) Mr. Caruso's increase in salary reflects a combined merit increase (2.9%) and market adjustment (3.4%).

(3) Ms. Peterson joined our company on December 1, 2012.

(4) Dr. Fasolo's increase in salary reflects a combined merit increase (3.6%) and market adjustment (1.0%).

Executive Compensation Philosophy

GUIDING PRINCIPLES

We design our executive compensation programs to achieve our goals of attracting, developing and retaining global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. We use the following guiding principles to design our compensation programs:

- **Competitiveness:** We compare our practices against appropriate peer companies so we can continue to attract, retain and motivate high-performing executives in an environment where companies are increasingly competing for high-caliber talent.
- **Pay for Performance:** Base salary increases, annual bonuses and grants of long-term incentives are tied to performance, including the performance of the individual named executive officer and his or her specific business unit or function as well as the overall performance of our company.
- **Accountability for Short- and Long-Term Performance:** We structure performance-based compensation to reward an appropriate balance of short- and long-term financial and strategic business results, with an emphasis on managing the business for long-term results.
- **Alignment to Shareholders' Interests:** We structure performance-based compensation to align the interests of our named executive officers with the long-term interests of our shareholders.

IMPORTANCE OF CREDO VALUES IN ASSESSING PERFORMANCE

For 70 years, the Johnson & Johnson Credo has guided us in fulfilling our responsibilities to our customers, employees, communities, and shareholders. In assessing our named executive officers' contributions to Johnson & Johnson's performance, the Committee not only looks to results-oriented measures of performance, but also considers how those results were achieved – whether the decisions and actions leading to the results were consistent with the values embodied in Our Credo – and the long-term impact of a named executive officer's decisions. Credo-based behavior is not something that can be precisely measured; thus, there is no formula for how Credo-based behavior can, or will, impact an executive's compensation. The Committee and the Chairman/CEO use their judgment and experience to evaluate whether an executive's actions were aligned with Our Credo values.

Components of Executive Compensation

BASE SALARY

We provide competitive base salaries to our named executive officers in recognition of their job responsibilities. In addition to competitive data, we consider individual work experience, leadership, time in position, knowledge, and internal parity among those performing like jobs when setting salary levels. Annual salary increases are predominantly driven by individual performance in the prior performance year and market adjustments based on the relative position of the individual's salary to market data.

ANNUAL PERFORMANCE BONUS

We establish competitive annual performance bonus opportunities as a percent of salary for our named executive officers that:

- motivate attainment of short-term goals;
- link annual cash compensation to achievement of the annual priorities and key objectives of the business, which includes business unit/function and overall company performance; and
- reward individual performance and contribution.

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Our named executive officers participate in the Executive Incentive Plan ("EIP"). Under the EIP, payments of annual performance bonuses to named executive officers are prohibited unless Consolidated Earnings, as shown on the audited consolidated statement of income of our company, are positive. Individual bonuses cannot exceed 0.08% of Consolidated Net Earnings for the Chairman/CEO and any Vice Chairman and 0.04% of Consolidated Net Earnings for the other named executive officers. It is important to note that, while the EIP is designed so that the annual performance bonuses for our named executive officers are fully tax deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended, the bonus amounts actually paid to them are based on consideration of both company and individual performance as discussed on pages 33 to 34 and 36 to 39.

LONG-TERM INCENTIVES

We establish competitive long-term incentive opportunities as a percent of salary for our named executive officers that:

- motivate achievement of long-term operational goals and increased total shareholder return;
- align the interests of participants with shareholders;
- vary in the size of award, based primarily on individual performance; and
- vary in the ultimate actual value of the awards based on: (1) the degree to which long-term operational goals are attained and (2) the company's actual total shareholder return.

We provide long-term incentives to our named executive officers using three types of equity awards to provide an appropriate balance of incentives tied to internal measures of performance (sales and earnings per share) and external measures of success (share price appreciation and equity value). The forms of equity awards and their weightings for our named executive officers are as follows:

We granted our named executive officers the following long-term incentives for their 2012 performance:

- **Performance Share Units,** which are paid in shares of our Common Stock after the end of a three-year performance period. Performance share units receive no dividend equivalents and are earned based on performance against the following metrics:
  - Sales: 1-year Operational Sales for each year of the performance period
  - Earnings Per Share: 3-year Cumulative Adjusted Operational EPS
  - Relative Total Shareholder Return: 3-year Compound Annual Growth Rate versus the Competitive Composite Peer Group
- **Stock Options,** with an exercise price equal to the fair market value of our Common Stock on the grant date and which vest 100% on the third anniversary of the grant date and expire 10 years from the grant date.
- **Restricted Share Units,** which receive no dividend equivalents and are paid in shares of Common Stock on the third anniversary of the grant date.

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2012 Operational Sales Performance versus PSU Goals

In 2012, we completed the first year of the PSU performance period for our 2012-2014 awards. One-third (1/3) of our PSUs are based on performance against 1-year operational sales goals for each year of the performance period. One-ninth (1/9) of the 2012-2014 PSUs are based on performance versus the 2012 operational sales goals since sales has an overall weighting of one-third (1/3) and each 1-year operational sales goal represents one-third (1/3) of the performance period.

Based on 2012 performance, 86.0% of the one-ninth (1/9) of the 2012-2014 PSUs that are tied to the operational sales results were achieved as follows:

Fiscal Year 2012 Operational Sales Goals		
Level	**Operational Sales ($ Millions)**	**PSUs Earned [1] (% of target)**
Maximum	$ 71,336	200%
Target	67,939	100
Threshold	64,542	50
<Threshold	<64,542	0
2012 Result [2]	**$ 66,988**	**86.0%**

(1) If performance falls between threshold and target or between target and maximum, the vesting percentage is determined by the Committee based on straight-line interpolation; provided, however, that no payout will be made with respect to a performance objective if the threshold level of performance is not attained for the objective.

(2) Operational sales is a non-GAAP financial measure. The following is a reconciliation of operational sales to sales (the most directly comparable GAAP measure):

	($ millions)
2012 Sales	$ 67,224
Currency translation	1,783
Net Synthes Impact	(2,019)
Total 2012 Operational Sales	$ 66,988

EXECUTIVE PERQUISITES & OTHER BENEFITS

Our named executive officers received the same employee benefits provided to all other non-union U.S. employees, with the exception of the Executive Life Insurance Program, which is provided to approximately 400 employees. The Executive Life Insurance premiums paid for named executive officers are disclosed in the Summary Compensation Table under “All Other Compensation (Column I)” on page 52 of this Proxy Statement.

In addition to the benefits offered to all employees, our named executive officers were provided benefits intended for business purposes. In some cases, these benefits may be used for personal use, which would then be considered part of a named executive officer’s total compensation and would be treated as taxable income under the applicable tax laws. In 2012, this included: access to the company aircraft for personal travel, access to company cars and drivers for commutation and other personal transportation, and reimbursement of home security system monitoring fees.

Setting Compensation & Performance Targets

USE OF PEER GROUPS FOR PAY AND PERFORMANCE

The Committee uses two peer groups for executive compensation. The Executive Peer Group is used to assess the competitiveness of the compensation of our named executive officers, and the Competitor Composite Peer Group is used to evaluate the relative performance of our company. As described below, the two peer groups vary because executive compensation levels and practices are influenced by business complexity and company size, and most of our business competitors are much smaller than Johnson & Johnson as a whole, or even as compared to each of our three individual business segments.

EXECUTIVE PEER GROUP

The Committee considers relevant market pay practices when setting executive compensation to increase our ability to recruit and retain high performing talent. In assessing market competitiveness, the compensation of our named executive officers is reviewed against executive compensation at a designated set of companies (the “Executive Peer Group”). The Executive Peer Group, which is reviewed by the Committee on an annual basis, consists of companies that generally:

- are similar to Johnson & Johnson in terms of certain factors, including one or more of the following: size (i.e., revenue, net income, market capitalization), industry, gross margin, global presence and research and development investment;
- have named executive officer positions that are comparable to ours in terms of breadth, complexity and scope of responsibilities; and
- compete with us for executive talent.

The Executive Peer Group does not include companies headquartered outside the United States (because comparable compensation data for the named executive officers is not available) or companies in industries whose compensation programs are not comparable to our programs, such as the financial services or oil and gas industries.

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The following table lists the companies in the 2012 Executive Peer Group and their business characteristics, along with Johnson & Johnson's rankings among these companies, based on financial data reported by each company for the most recent four fiscal quarters. Market capitalization is calculated as of December 28, 2012.

Executive Peer Group

Company (Ticker Symbol)	Revenue ($in millions)	Net Income ($in millions)	Market Cap ($in billions)	Common Industry (1)	Gross Margin (>40%)	Global Presence (International > 33% of Sales)	Business Complexity (2)	Innovation Emphasis (R&D> or = 5% of Sales)
3M Company (MMM)	$ 29,904	$ 4,444	$ 64	✓	✓	✓	✓	✓
Abbott Laboratories (ABT)	39,874	5,963	54	✓	✓	✓	✓	✓
The Boeing Company (BA)	81,698	3,900	57			✓	✓	
Bristol-Myers Squibb Company (BMY)	17,621	1,960	54	✓	✓	✓	✓	✓
Cisco Systems, Inc. (CSCO)	47,252	9,317	104		✓	✓	✓	✓
The Coca-Cola Company (KO)	48,017	9,019	163	✓	✓	✓		
Eli Lilly and Company (LLY)	22,603	4,089	57	✓	✓	✓	✓	✓
General Electric Company (GE)	147,359	13,641	220	✓	✓	✓	✓	
Hewlett-Packard Company (HPQ)	118,680	(12,886)	28	✓		✓	✓	
Honeywell International Inc. (HON)	37,665	2,926	50			✓	✓	
Intel Corporation (INTC)	53,341	11,005	103		✓	✓	✓	✓
International Business Machines Corporation (IBM)	104,507	16,604	216		✓	✓	✓	✓
Merck & Co., Inc. (MRK)	47,267	6,661	124	✓	✓	✓	✓	✓
PepsiCo, Inc. (PEP)	65,492	6,178	106	✓	✓	✓		
Pfizer Inc. (PFE)	58,986	14,570	185	✓	✓	✓	✓	✓
The Procter & Gamble Company (PG)	83,320	12,913	185	✓	✓	✓	✓	
United Technologies Corporation (UTX)	57,708	5,130	75			✓	✓	
Johnson & Johnson (JNJ)	$ 67,224	$ 10,853	$ 194	✓	✓	✓	✓	✓
Johnson & Johnson's Ranking	6th	6th	3rd					
Johnson & Johnson's Percentile Rank	71st	71st	88th					

(1) Common Industry means that the company is in an industry similar to one of the company's business segments: pharmaceutical, medical devices and diagnostics, and consumer packaged goods.

(2) Business Complexity means the company is a complex organization with multiple product lines.

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COMPETITOR COMPOSITE PEER GROUP

The Committee compares overall company performance to the performance of its Competitor Composite Peer Group companies. The Competitor Composite Peer Group is a portfolio of companies that compete with one, or more, of our three business segments. The portfolio of companies is evaluated on an ongoing basis and is updated as necessary. These companies are selected based on the following criteria and financial metrics:

- Product Relevance (i.e., must be a direct competitor to one of our business segments)
- Financial Comparison:
  - Sales growth
  - Net income growth and Net income margin
  - Earnings per share growth
  - Total shareholder return
- Global Presence

For 2012, our Competitor Composite Peer Group consisted of the following companies broken down by business segment:

COMPETITOR COMPOSITE PEER GROUP

Pharmaceutical	Medical Devices and Diagnostics	Consumer
Abbott Laboratories [1]	Abbott Laboratories (Vascular & Diagnostics) [1]	Beiersdorf AG
Amgen Inc.	Allergan, Inc. (Obesity and Aesthetics)	Colgate-Palmolive Company
AstraZeneca PLC	Bayer AG (Diagnostics)	GlaxoSmithKline plc (Consumer Healthcare)
Bristol-Myers Squibb Company	Boston Scientific Corporation	Kimberly-Clark Corporation
Eli Lilly and Company	C. R. Bard, Inc.	L'Oréal
GlaxoSmithKline plc	Covidien plc	Novartis AG (Consumer Healthcare)
Merck & Co., Inc.	Edwards Lifesciences Corporation	The Procter & Gamble Company
Novartis AG	Medtronic, Inc.	Merck & Co., Inc. (Consumer Care)
Pfizer Inc.	The Cooper Companies, Inc. (CooperVision)	Pfizer Inc. (Consumer Healthcare)
Roche Holding AG	Roche Holding AG (Diagnostics)	
Sanofi SA	Smith & Nephew plc	
	St. Jude Medical, Inc.	
	Stryker Corporation	
	Zimmer Holdings, Inc.	

(1) For 2013, due to Abbott Laboratories' separation of its research-based pharmaceutical business, AbbVie Inc., Abbott Laboratories will be replaced in the pharmaceutical group of the competitor composite with AbbVie Inc. Abbott Laboratories (Vascular & Diagnostics) will remain in the Medical Devices and Diagnostics group.

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SETTING COMPENSATION TARGETS

Compensation Target Setting Process and Pay Position

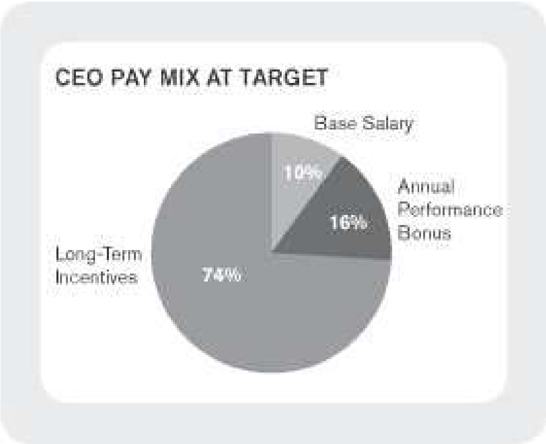
Before each fiscal year begins, compensation targets are set to ensure that we can compete for talent in the competitive marketplace and to maintain compensation equity and balance among positions with like responsibilities. An annual review of publicly available information and executive compensation surveys is conducted to determine current Executive Peer Group pay levels.

In 2012, the Committee decided to no longer target total compensation for the named executive officers between the 50 th and 75 th percentile of our Executive Peer Group. The Committee decided to continue to review market data to understand how our target pay levels compare to benchmark positions, but to no longer target total compensation to a specific percentile of the Executive Peer Group. In deciding on compensation for individual named executive officers, the Committee will consider the individual's performance and alignment with our Credo values, our internal bonus and long-term incentives as a percent of salary, the individual's roles and responsibilities, and his or her experience in role.

2012 Pay Mix at Target

The pay mix at target for our named executive officers is a result of the compensation targets which emphasize long-term compensation versus short-term compensation. Actual salary levels, annual performance bonus awards and long-term incentive awards will vary based on an individual's experience, responsibilities, performance, and business unit/function results.

The pay mix at target for Mr. Gorsky, our Chairman/CEO, and the other named executive officers for 2012 is displayed below.



Compensation Decision Process

TIMING

Compensation for the named executive officers is reviewed and approved by the Committee (and, for the Chairman/CEO, the independent members of the Board) during the first quarter of each year based on performance during the prior year. 2012 compensation includes base salary earned during the fiscal year, the annual performance bonus earned for 2012 performance and paid in January 2013, and the long-term incentive grants made in January 2013 based on 2012 individual performance.

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2012 COMPENSATION DECISIONS FOR 2011 PERFORMANCE

Some of the compensation figures included in the tables in the "Executive Compensation" section of this Proxy Statement were paid (or granted) to the named executive officers in 2012 for performance in 2011. The decisions regarding these awards and payments were discussed in detail in our 2012 Proxy Statement dated March 14, 2012. For a full understanding of these decisions, please refer to the section of our 2012 Proxy Statement entitled "Compensation Discussion and Analysis—2012 Compensation for 2011 Performance."

INDIVIDUAL PERFORMANCE ASSESSMENT

Each of the named executive officers is evaluated against a set of financial and strategic goals. The Committee approves the Chairman/CEO's annual financial and strategic goals, and the Chairman/CEO approves each of the other named executive officers' goals, during the first quarter of each year. At the end of the performance period, the named executive officers are assessed against these goals and how they accomplished them.

The individual performance evaluations are based on overall business performance as well as the performance of the business segment or function that they lead. In addition, we consider whether the executive achieves business results in a manner that is consistent with the values embodied in Our Credo. The independent members of the Board of Directors evaluate the performance of the Chairman/CEO. The Committee receives an assessment from the Chairman/CEO for each of the other named executive officers and reviews these assessments, relying on its own judgment and knowledge of our company to evaluate performance for each of the named executive officers.

The individual performance assessments are used by the Committee to determine compensation actions for each of the named executive officers. The Committee reviews individual performance and considers the recommendations provided by the Chairman/CEO to assist it in determining appropriate salary increases, bonuses, and long-term incentives for named executive officers other than the Chairman/CEO.

The Committee determines base salary increases, annual performance bonuses and long-term incentive awards based on total direct compensation targets, as well as on a component-by-component basis. The position of salary relative to market data is also taken into account. The performance of each named executive officer is evaluated, and the ultimate compensation decisions are determined, based on the judgment and experience of the independent members of the Board (in the case of the Chairman/CEO) and the Committee (in the case of the other named executive officers). While performance against goals is the most significant factor, the achievement of particular goals does not determine compensation award levels in a formulaic manner. An executive's previous long-term incentive awards and total equity ownership are not considered when making annual long-term incentive awards.

RANGE OF AWARDS

An individual employee has the opportunity to earn from 0% to 200% of the applicable target for: (1) salary increases; (2) annual performance bonuses; and (3) long-term incentives based on his or her individual performance. This broad range allows for meaningful differentiation based on performance.

Governance of Executive Compensation

The Committee is responsible for the executive compensation program design and decision-making process. The Committee solicits input from the independent members of the Board of Directors, the Chairman/CEO and other members of management, and its independent compensation consultant to assist it with its responsibilities. The following summarizes the roles of each of the key participants in the executive compensation decision-making process.

COMPENSATION & BENEFITS COMMITTEE

- Acts on behalf of the Board by setting the principles that guide the design of our compensation and benefits programs

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- Sets the executive compensation philosophy and composition of the Executive Peer Group
- Approves the setting of competitive compensation target levels
- Sets compensation programs and principles that are designed to link executive pay with company and individual performance
- Recommends to the Board the Chairman/CEO's compensation
- Reviews and approves compensation decisions recommended by the Chairman/CEO for each of the other named executive officers
- Reviews the eligibility criteria and award guidelines for the corporate-wide compensation and benefits programs in which the named executive officers participate

INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

- Participate in the performance assessment process for the Chairman/CEO
- Approve the Chairman/CEO's compensation

CHAIRMAN/CEO

- Reviews and presents to the Committee the performance assessments and compensation recommendations for each of the other named executive officers

INDEPENDENT COMPENSATION CONSULTANT

The Committee has retained an independent compensation consultant from Frederic W. Cook & Co., Inc. ("FWC") to advise it on executive compensation matters. The independent compensation consultant reports directly to the Committee and the Committee has sole authority to negotiate the terms of service, including all fees paid to FWC. FWC does not, and will not, perform any other service for the company. After considering all of the factors required by the NYSE rules, the Committee is satisfied with FWC's independence. In 2012, the independent compensation consultant:

- Attended all Committee meetings, at the request of the Committee
- Advised the Committee on market trends, regulatory issues and developments and how they may impact our executive compensation programs
- Reviewed the compensation strategy and executive compensation programs for alignment with our strategic business objectives
- Advised on the design of executive compensation programs to ensure the linkage between pay and performance
- Provided market data analyses to the Committee
- Advised the Committee on setting the Chairman/CEO's pay
- Reviewed the annual compensation of the other named executive officers as recommended by the Chairman/CEO

Additional Information Concerning Executive Compensation

USE OF TALLY SHEETS

The Committee reviews compensation tally sheets, prepared by management and reviewed by the Committee's independent compensation consultant, which present comprehensive data on the total compensation and benefits package for each of our named executive officers. These tally sheets include all obligations for compensation, as well as analyses for hypothetical terminations and retirements to consider the company's obligations under such circumstances. The Committee does not use the tally sheets to determine the various elements of compensation or the actual amounts of compensation to be approved, but instead uses the tally sheets to evaluate the company's obligations under the plans.

LIMITED EMPLOYMENT ARRANGEMENTS AND AGREEMENTS

Except for Ms. Peterson, none of the named executive officers are covered by any special arrangements or agreements regarding benefits or payments upon termination. Our named executive officers are covered by our broad-based, non-discriminatory separation program which provides benefits to certain full-time U.S. employees who are involuntarily terminated, based on level. This coverage provides for two weeks pay for each year of service, with a minimum of twelve weeks pay. Pursuant to Ms. Peterson's employment agreement, if within 36 months from her start date, Ms. Peterson is terminated for any reason other than cause or resigns for good reason as defined in her agreement, Ms. Peterson is entitled to receive a lump sum cash payment equal to 52 weeks of base salary. After 36 months of employment, Ms. Peterson will be covered under the same severance program as the other named executive officers.

Pursuant to his offer letter, Dr. Stoffels receives an annual stipend of $320,000 to assist him in the payment of foreign taxes. While serving as a member of the Executive Committee, Dr. Stoffels is considered a U.S. employee even though he is a non-resident of the United States. As a result, Dr. Stoffels is subject to both U.S. taxation and foreign taxation. Dr. Stoffels will not receive any other tax equalization benefit. The stipend is reviewed annually by the Committee and can be terminated at any time.

We do not have employment arrangements or agreements with any of our named executive officers, except for Ms. Peterson and Dr. Stoffels as described above.

NO CHANGE-IN-CONTROL ARRANGEMENTS AND AGREEMENTS

We do not have any change-in-control agreements or arrangements in place for any of our named executive officers. In addition, there are no change-in-control provisions in any of our compensation plans or instruments.

NO OPTION REPRICING

We have not re-priced or re-issued stock options when the stock price has declined to a level below the grant price. Furthermore, the 2012 Long-Term Incentive Plan and 2005 Long-Term Incentive Plan prohibit repricing options without shareholder approval.

NO LONG-TERM INCENTIVE BACKDATING

Long-term incentive awards are granted on a fixed schedule. Annual awards are granted in the first quarter on the date that the Committee meets to approve all components of year-end compensation.

NO HEDGING OF COMPANY STOCK

The named executive officers are prohibited from hedging their company stock.

STOCK OWNERSHIP GUIDELINES FOR NAMED EXECUTIVE OFFICERS

The company's stock ownership guidelines for named executive officers are intended to further align their interests with the interests of our shareholders. Under these guidelines, our named executive officers must comply with the following requirements:

Name	Stock Ownership Guideline as a Multiple of Base Salary	2012 Compliance with Stock Ownership Guidelines?
A. Gorsky (1)	6x	Yes
D. J. Caruso	3x	Yes
P. Fasolo	3x	Yes

Name	Stock Ownership Guideline as a Multiple of Base Salary	2012 Compliance with Stock Ownership Guidelines?
S. Peterson	3x	Yes
P. Stoffels	3x	Yes
W. Weldon [2]	5x	Yes

(1) The stock ownership guidelines were revised in 2013 to increase the amount of shares our CEO must hold to 6 times his base salary.

(2) Mr. Weldon was subject to stock ownership guidelines while serving as CEO. Mr. Weldon is no longer subject to stock ownership guidelines as he is no longer an executive officer of the company. He will retire from the company on March 29, 2013.

Stock ownership for the purpose of these guidelines does not include shares underlying vested or unvested stock options, unvested RSUs or unvested PSUs. Individuals subject to these guidelines are required to achieve the relevant ownership threshold within five years after first becoming subject to the guidelines. Mr. Gorsky, Dr. Fasolo, Ms. Peterson and Dr. Stoffels have not yet met their respective ownership threshold and thus cannot sell net shares on the open market until such ownership level has been met. The Nominating & Corporate Governance Committee of the Board monitors compliance with these guidelines on an annual basis. Company policy prohibits named executive officers from transacting in derivative instruments linked to the performance of the company's securities.

EXECUTIVE COMPENSATION RECOUPMENT POLICY

Under our compensation recoupment policy, in the event of a material restatement of the company's financial results, the Board is authorized to take such actions it deems necessary and appropriate, including the recoupment of all or part of any bonus or other compensation paid to an executive officer. The Board will consider whether any executive officer received compensation based on the original financial statements because it appeared he or she achieved financial performance targets that in fact were not achieved based on the restatement. The Board will also consider the accountability of any executive officer whose acts or omissions were responsible in whole or in part for the events that led to the restatement and whether such actions or omissions constituted misconduct.

In 2013, after proactive and constructive engagement by management with a group of key institutional investors and a review of the practices of peer companies in the pharmaceutical industry, the Committee endorsed a set of principal elements of a leading practices recoupment policy to apply in the event of misconduct resulting in a material violation of a company policy relating to manufacturing, sales or marketing or products that causes significant harm to the company. The Committee will adopt, and management will implement, a policy consistent with these principal elements.

TAX IMPACT ON COMPENSATION

The Committee believes that preserving tax deductibility is an important, but not the sole, objective when designing executive compensation programs. In certain circumstances, the company may authorize compensation arrangements that are not fully tax deductible, but which promote other important objectives, such as attracting and retaining global business leaders who can drive financial and strategic growth objectives that maximize long-term shareholder value.

The Committee has reviewed our compensation plans with regard to the deduction limitation under the Omnibus Budget Reconciliation Act of 1993 (the "Act") and the final regulations interpreting the Act that have been adopted by the U.S. Internal Revenue Service and the U.S. Department of the Treasury. Based on this review, the Committee believes that a significant portion of the compensation paid to our named executive officers qualifies as "performance-based compensation" for purposes of Section 162 (m) of the Internal Revenue Code of 1986, as amended, and is, therefore, fully deductible for federal income tax purposes. The portions of compensation paid in 2012 that are not tax deductible include: (1) vesting of restricted share units as they are not deemed to be performance-based awards, (2) salary amounts in excess of $1 million paid to Mr. Gorsky and Mr. Weldon, (3) dividend equivalents paid on previously awarded CLCs and CLPs that were granted after 1992, and (4) certain perquisites and other benefits paid to certain named executive officers (see Summary Compensation Table on page 52).

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Executive Compensation

Summary Compensation Table

The following table provides information concerning the compensation of our Chief Executive Officer, our former Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers for fiscal 2012 and, for those executive officers who were named in the 2012 and 2011 Proxy Statements, for fiscal 2011 and 2010. For a complete understanding of the table, please read the narrative disclosures that follow the table.

A	B	C	D	E	F	G	H	I	J
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**Total ($)**
Alex Gorsky [1]	2012	$1,087,188	$ 0	$2,790,229	$1,482,631	$ 3,407,287	$ 2,050,000	$ 159,774	$10,977,109
Chairman/CEO	2011	847,692	0	673,222	1,081,161	2,836,003	1,316,000	82,782	6,836,860
Dominic Caruso	2012	796,385	0	2,089,563	1,110,303	3,014,577	915,000	84,009	8,009,837
VP, Finance; CFO	2011	773,023	0	676,740	1,086,780	2,971,065	885,000	49,694	6,442,302
	2010	749,854	0	566,102	961,873	2,550,400	732,237	71,819	5,632,285
Paulus Stoffels [2] Chief Scientific Officer; Worldwide Chair, Pharmaceuticals	2012	825,385	0	1,926,252	1,023,570	2,305,251	1,095,000	161,466	7,336,924
Sandra Peterson [3] Group Worldwide Chair	2012	46,154	300,000	4,300,017	0	0	0	52,679	4,698,850
Peter Fasolo VP, Global Human Resources	2012	534,769	0	1,387,098	737,042	715,209	214,000	33,163	3,621,281
William Weldon [4]	2012	1,320,578	0	7,565,328	4,019,999	13,447,666	3,250,000	234,688	29,838,259
Former Chairman/CEO	2011	1,907,215	0	2,608,694	4,189,483	14,336,394	3,435,000	321,153	26,797,939
	2010	1,851,154	0	2,773,851	4,713,177	12,043,200	7,084,673	254,436	28,720,491

(1) Mr. Gorsky became our Chief Executive Officer on April 26, 2012 and our Chairman of the Board on December 28, 2012.

(2) Dr. Stoffels became our Chief Scientific Officer and a member of the Executive Committee on October 1, 2012.

(3) Ms. Peterson joined our company on December 1, 2012 as Group Worldwide Chair and a member of the Executive Committee.

(4) Mr. Weldon served as our Chief Executive Officer until April 26, 2012 and our Chairman of the Board until December 28, 2012.

Salary (Column C)

The amounts reported in column C represent base salaries paid to each of the named executive officers for the listed fiscal year.

Bonus (Column D)

The amount reported in column D represents a cash sign-on bonus. As discussed on page 38, the sign-on bonus is part of the sign-on compensation intended to make Ms. Peterson whole for the amounts she forfeited from her prior employer due to joining the company.

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Stock and Option Awards (Columns E and F)

The amounts reported in column E represent the aggregate grant date fair value of Performance Share Units ("PSU") and Restricted Share Unit ("RSU") awards. The amounts reported in column F represent the aggregate grant date fair value of stock option awards. The grant date fair values have been determined based on the assumptions detailed on pages 57 to 59 under the Grants of Plan-Based Awards table, in accordance with U.S. GAAP in the listed fiscal year. The number and value of the PSUs assuming achievement at (i) threshold performance, (ii) target performance and (iii) maximum performance at 200% is set forth below:

Performance Share Units						
	Units			Grant Date Fair Value		
Name	Threshold (#)	Target (#)	Maximum (#)	Threshold ($)	Target ($)	Maximum ($)
A. Gorsky	0	32,754	65,508	$ 0	$1,801,798	$ 3,603,595
D. Caruso	0	24,529	49,058	0	1,349,340	2,698,681
P. Stoffels	0	22,612	45,224	0	1,243,886	2,487,772
S. Peterson	0	0	0	0	0	0
P. Fasolo	0	16,283	32,566	0	895,728	1,791,456
W. Weldon	0	88,808	177,616	0	4,885,328	9,770,656

Non-Equity Incentive Plan Compensation (Column G)

The amounts reported in column G represent the aggregate dollar value for each of the named executive officers of the annual performance bonus for the listed fiscal year, Certificates of Long-Term Compensation ("CLCs") and Certificates of Long-Term Performance ("CLPs") that vested in the listed fiscal year, and dividend equivalents received during the fiscal year. The specific amounts included in column G are shown below.

Non-Equity Incentive Plan Compensation							
Name	Fiscal Year	Annual Performance Bonus ($)	Value of CLC Units that Vested in Fiscal Year ($)	Value of CLP Units that Vested in Fiscal Year ($)	Value of CLC Dividend Equivalents Earned During the Fiscal Year ($)	Value of CLP Dividend Equivalents Earned During the Fiscal Year ($)	Total ($)
A. Gorsky	2012	$ 1,494,630	$ 891,840	$ 695,502	$ 288,000	$ 37,315	$ 3,407,287
	2011	1,275,000	915,360	363,327	270,000	12,316	2,836,003
D. Caruso	2012	900,000	743,200	752,878	576,000	42,499	3,014,577
	2011	970,625	991,640	453,430	540,000	15,370	2,971,065
	2010	900,000	1,144,000	0	506,400	0	2,550,400
P. Stoffels	2012	999,000	445,920	452,076	384,000	24,255	2,305,251
S. Peterson	2012	0	0	0	0	0	0
P. Fasolo	2012	607,500	0	104,031	0	3,678	715,209
W. Weldon	2012	1,881,810	3,901,800	2,387,735	5,148,000	128,321	13,447,666
	2011	3,065,280	5,148,900	1,253,475	4,826,250	42,489	14,336,394
	2010	1,976,000	5,541,250	0	4,525,950	0	12,043,200

Annual performance bonuses for the listed fiscal year were approved by the Committee and paid to the named executive officers in the first fiscal quarter of the following year.

We no longer grant CLCs and CLPs to our named executive officers. In prior years, CLCs and CLPs were awarded under cash-based long-term incentive plans. Previously granted CLCs and CLPs will continue to vest and be paid out in accordance with their original terms.

The dollar value of the vested CLCs reported in this column was determined using the fiscal year-end 2011, 2010, and 2009 value of $37.16, $38.14 and $35.75 per CLC, respectively. The dollar value of the vested CLPs reported in this column was determined using the fiscal year-end 2011 and 2010 values of $4.22 and $4.26 per CLP respectively.

CLC dividend equivalents are paid to CLC Plan participants during the fiscal year on vested and unvested CLCs in the same amount and at the same time as dividends on our common stock. The amounts of dividend equivalents on unvested CLCs received in 2012 were for Mr. Gorsky: $87,750, Mr. Caruso: $50,400, Dr. Stoffels: $26,400, and Mr. Weldon: $216,000. No dividend equivalents are paid on CLPs that have not vested.

Change in Pension Value and Non-Qualified Deferred Compensation Earnings (Column H)

Change in Pension Value

The changes in pension value included in the figures reported in column H represent the increase in the present value of the accrued pension benefit for each named executive officer. This increase in present value is not a current cash payment. It represents the increase in the value of the named executive officers' pensions, which are only paid after retirement.

The accrued pension benefits for each of the named executive officers were calculated based on the final average pay and the years of service as of the listed fiscal year-end. The present value of the accrued pension benefits for each named executive officer increased over the previous year-end because:

- An additional year of completed service was included in the calculation of benefits;
- The average of the most recent five years of pay increased over the five-year average pay as of the previous fiscal year-end (for most of the named executive officers); and
- The normal retirement age, the assumed commencement of benefits, is one year closer for most of the named executive officers.

The present value can also increase or decrease in value due to changes in actuarial assumptions. All of the changes listed below produced increases in the present values.

- Between fiscal year-end 2009 and fiscal year-end 2010, the mortality table was changed to the 1994 Uninsured Pensioner Mortality Table (the "UP-1994 Table") projected to 2011 (from the UP-1994 Table projected to 2009) and the discount rate decreased from 6.50% to 5.98%.
- Between fiscal year-end 2010 and fiscal year-end 2011, the mortality table was changed to the RP-2000 Table projected to 2019 and the discount rate decreased from 5.98% to 5.22%.
- Between fiscal year-end 2011 and fiscal year-end 2012, the mortality table was changed to the RP-2000 Table projected to 2020 and the discount rate decreased from 5.22% to 4.47%.

No other actuarial assumptions changed between fiscal year-end 2009 and fiscal year-end 2012.

Change In Non-Qualified Deferred Compensation Earnings

We no longer grant CLCs and CLPs to our named executive officers. Previously granted CLCs and CLPs will continue to vest and be paid out in accordance with their original terms. The CLC and CLP Plans are cash-based long-term incentive plans. The value of unit awards under both of these plans is disclosed in several tables in this Proxy Statement:

- When units vest, their value is included in the Summary Compensation Table in the "Non-Equity Incentive Plan Compensation" column.
- The annual change in value of vested units between the time the units vest and are paid out is included in the Summary Compensation Table in the "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" column, but only to extent that the unit values grow at a rate that exceeds a reference rate of return.
- The total value of vested units that have not been paid out as of the fiscal year-end is included in the Non-Qualified Deferred Compensation table on page 63.

The change in the values of the CLCs and CLPs depend on our long-term operational performance. The amounts representing the above-reference-rate returns on all CLCs and CLPs vested as of the listed fiscal year-end are included in column H.

We use 120% of the December 2012 applicable federal long-term interest rate ("AFR") as the reference rate to compare potential returns of CLCs and CLPs. 120% of the AFR for December 2012 was 2.89%. The CLC unit value increased 1.75% in 2012, from $37.16 as of fiscal year-end 2011 to $37.81 as of fiscal year-end 2012. The CLP unit value increased 1.42% in 2012, from $4.22 as of fiscal year-end 2011 to $4.28 as of fiscal year-end 2012.

Since the changes in CLC and CLP unit values during 2012 were both below the reference rate, the above-reference rate calculations are negative. Since negative figures are not included according to the SEC's rules, the figures for 2012 are all zeroes ($0s).

The table below shows the specific amounts of change in pension value and above-reference-rate calculation for vested CLCs and CLPs for 2010, 2011, and 2012 included in column H using 120% of the AFR as the reference rate. There were no vested CLPs in 2010.

Name	Fiscal Year	Change in Pension Value ($)	Above Reference-Rate Calculation for Vested CLCs ($)	Above Reference-Rate Calculation for Vested CLPs ($)	Total ($)
A. Gorsky	2012	$2,050,000	$0	$ 0	$2,050,000
	2011	1,316,000	0	0	1,316,000
D. Caruso	2012	915,000	0	0	915,000
	2011	885,000	0	0	885,000
	2010	581,000	151,237	0	732,237
P. Stoffels	2012	1,095,000	0	0	1,095,000
S. Peterson	2012	0	0	0	0
P. Fasolo	2012	214,000	0	0	214,000
W. Weldon	2012	3,250,000	0	0	3,250,000
	2011	3,435,000	0	0	3,435,000
	2010	5,498,000	1,586,673	0	7,084,673

All Other Compensation (Column I)

The amounts reported in column I represent the aggregate dollar amount for each named executive officer for perquisites and other personal benefits, tax reimbursements, company contributions to our 401(k) Savings Plan, insurance premiums, stipends, and relocation. The following table shows the specific amounts included in column I.

Name	Fiscal Year [(1)]	Perquisite and Other Personal Benefits [(2)] ($)	Tax Reimbursements [(3)] ($)	Registrant Contributions to Defined Contribution Plans ($)	Insurance Premiums ($)	Stipend [(4)] ($)	Total ($)
A. Gorsky	2012	$ 98,062	$ 6,960	$ 48,923	$ 5,829	$ 0	$159,774
	2011	38,969	0	38,146	5,667	0	82,782
D. Caruso	2012	41,825	0	35,837	6,347	0	84,009
	2011	8,610	162	34,786	6,136	0	49,694
	2010	26,182	0	33,743	11,894	0	71,819
P. Stoffels	2012	27,202	252	37,142	7,049	89,821	161,466
S. Peterson	2012	44,190	8,489	0	0	0	52,679
P. Fasolo	2012	0	0	24,065	9,098	0	33,163
W. Weldon	2012	168,299	5,516	59,426	1,447	0	234,688
	2011	223,113	11,272	85,825	943	0	321,153
	2010	121,122	6,320	83,302	43,692	0	254,436

(1) Amounts for fiscal 2011 and 2010 for the named executive officers were reported in our 2012 and 2011 Proxy Statements.

(2) Under SEC Rules, companies are required to identify by type all perquisites and other personal benefits for a named executive officer if the total value for that individual equals or exceeds $10,000, and to report and quantify each perquisite or personal benefit that exceeds the greater of $25,000 or 10% of the total amount of perquisites and other personal benefits for that individual. The perquisites and other personal benefits for 2012 include:

- The incremental costs for the personal use of the corporate aircraft of $34,659, $41,825, $27,202 and $127,901 by Messrs. Gorsky, Caruso, Stoffels, and Weldon, respectively.
- The value of car and driver for commutation and other personal transportation of $51,706 and $39,688 for Messrs. Gorsky and Weldon , respectively.

- Home security monitoring fees for Messrs. Gorsky and Weldon.
- Relocation expenses for Ms. Peterson, including $40,095 of housing-related expenses.

Perquisites and other personal benefits are valued on the basis of the aggregate incremental cost to the company. We calculate the aggregate incremental cost to the company for personal use of company aircraft as the sum of the cost of trip-related crew hotels and meals, in-flight food and beverages, landing and ground handling fees, hangar or aircraft parking costs, fuel costs based on the average annual cost of fuel per mile flown, and other smaller variable costs. Fixed costs that would be incurred in any event to operate company aircraft (e.g., aircraft purchase costs, maintenance not related to personal trips, and flight crew salaries) are not included. We calculate the aggregate incremental cost to the company for company cars and drivers for commutation and other personal transportation as the sum of the cost of fuel, driver overtime fees, and other smaller variable costs. Fixed costs that would be incurred in any event to operate company cars (e.g., car purchase costs, maintenance not related to personal trips, and driver salaries) are not included. Executives are taxed on the imputed income attributable to their personal use of company aircraft and cars and do not receive tax assistance from us with respect to these amounts, except for Messrs. Gorsky and Weldon as explained in footnote (3) below.

(3) Represents tax reimbursements for use of company aircraft or company cars by family members when accompanying a named executive officer on business travel. In addition, for Messrs. Gorsky and Weldon, amount also represents tax reimbursements for use of company car for commutation purposes and for Ms. Peterson the amount represents tax reimbursement related to her relocation. In 2013, the Committee discontinued all non-relocation related tax reimbursement for executive officers.

(4) Represents a prorated stipend of $73,846 and a one-time payment in lieu of company matching contributions to the 401(k) Savings Plan of $15,975. Dr. Stoffels is provided with an annual cash stipend to assist him in the payment of foreign taxes. While serving as a member of the Executive Committee, Dr. Stoffels is considered a U.S. employee even though he is a non-resident of the United States. As a result, Dr. Stoffels is subject to both U.S. taxation and foreign taxation. Dr. Stoffels will not receive any other tax equalization assistance.

Total Compensation (Column J)

The amounts reported in column J are the sum of columns C through I for each of the named executive officers. All compensation amounts reported in column J include amounts paid and amounts deferred.

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Grants of Plan-Based Awards

The following table provides information concerning the annual performance bonus and long-term incentive awards made to each of the named executive officers in fiscal 2012. For a complete understanding of the table, please read the narrative disclosures that follow the table.

A	B	C	D	E	F	G	H	I	J	K	L	M	O
			Estimated Future Payouts Under Non-Equity Incentive Plan Awards (Annual Performance Bonus)			Estimated Future Payouts Under Equity Incentive Plan Awards (Performance Share Units)			All other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Closing Market Price on the Grant Date ($)	Grant Date Fair Value of Stock and Option Awards ($)
Name	Award	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)					
A. Gorsky	Bonus		$0	$1,660,700	$3,321,400								
	PSU	2/13/2012				0	32,754	65,508					$1,801,798
	RSU	1/17/2012							16,845				988,431
	Option	1/17/2012								231,951	$65.37	$65.12	1,482,631
D. Caruso	Bonus		0	1,000,000	2,000,000								
	PSU	2/13/2012				0	24,529	49,058					1,349,340
	RSU	1/17/2012							12,615				740,223
	Option	1/17/2012								173,702	65.37	65.12	1,110,303
P. Stoffels	Bonus		0	925,000	1,850,000								
	PSU	2/13/2012				0	22,612	45,224					1,243,886
	RSU	1/17/2012							11,629				682,366
	Option	1/17/2012								160,133	65.37	65.12	1,023,570
S. Peterso	RSU	12/17/2012							65,066				4,300,017
P. Fasolo	Bonus		0	540,000	1,080,000								
	PSU	2/13/2012				0	16,283	32,566					895,728
	RSU	1/17/2012							8,374				491,370
	Option	1/17/2012								115,307	65.37	65.12	737,042
W. Weldor	Bonus		0	2,090,900	4,181,800								
	PSU	2/13/2012				0	88,808	177,616					4,885,328
	RSU	1/17/2012							45,673				2,680,000
	Option	1/17/2012								628,911	65.37	65.12	4,019,999

Estimated Future Payouts Under Non-Equity Incentive Plan Awards (Columns D through F)

The amounts reported in columns D through F reflect threshold, target and maximum annual performance bonus award amounts for the 2012 performance year. Actual annual performance bonus payments, as reflected in column G of the Summary Compensation Table on page 52 of this Proxy Statement, were made in recognition of 2012 performance using the range represented in columns D through F as guidance.

Mr. Gorsky's estimated future payouts under the annual performance bonus plan are calculated on a pro rated basis. For the portion of the year before April 26, 2012 his annual performance bonus is based on his salary rate and target bonus as a percent of salary for his role prior to becoming the CEO and, for the latter portion of the year when he served as CEO, it was based on his higher salary rate and target bonus as a percent of salary as discussed in the Compensation Discussion and Analysis on page 34.

Mr. Weldon's estimated future payouts under the annual performance bonus plan are calculated on a pro rated basis. For the portion of the year before April 26, 2012 his annual performance bonus is based on his salary rate and target bonus as a percent of salary for his role as Chairman/CEO and, for the latter portion of the year when he served as Chairman of the Board, it was based on his lower salary rate and the Committee's discretion as discussed in the Compensation Discussion and Analysis on page 39.

Estimated Future Payouts Under Equity Incentive Plan Awards (Columns G through I)

The amounts reported in columns G through I reflect threshold, target and maximum performance share unit amounts that were considered granted for accounting purposes in 2012. The PSU amounts reported in columns G through I reflect the units based on the achievement of relative TSR, EPS and 2012 operational sales goals. The units based on the achievement of the 1-year operational sales goals for 2013 and 2014 are not included in the above table because they are not considered granted for accounting purposes until the sales goals are set for those fiscal years.

All Other Stock Awards (Column J)

With the exception of Ms. Peterson's RSU grant, the amounts reported in columns J relate to the RSU grants awarded to the named executive officers in January 2012 for the 2011 performance year, as described on page 53. Ms. Peterson received a sign-on RSU grant in December 2012 as part of the sign-on compensation intended to make her whole for the amounts she forfeited from her prior employer due to joining the company.

All Other Option Awards (Columns K through M)

Under the terms of the 2012 Long-Term Incentive Plan, the stock options were granted at an exercise price equal to the fair market value (calculated as the average of the high and low stock prices on the NYSE) of our common stock on the grant date. For the grants made in January 2012, the fair market value was $0.25 higher than the closing price on the grant date.

Grant Date Fair Value of Stock and Option Awards (Column O)

The amounts reported in column O represent the grant date fair value of PSUs, RSUs, and stock option awards calculated in accordance with U.S. GAAP for the listed fiscal year.

PSUs. The grant date fair value of each PSU is calculated as a weighted average of the fair values of each component of the award that was considered granted for accounting purposes in 2012. Only one-third (1/3) of the award based on the achievement of operational sales is considered granted in 2012 for accounting purposes because the 1-year operational sales goals for 2013 and 2014 were not set on the grant date. The grant date for accounting purposes is the date the goals were approved for each performance measure. The weighted fair value of the PSUs on the date of grant is as follows:

2012 PSU Fair Value Performance Measures	Weight	Fair Value
Sales	1/3	$ 58.148
EPS	1	58.148
TSR	1	50.827
	Weighted Average	$ 55.010

The grant date fair values for each performance measure are calculated as follows:

Sales & EPS: The grant date fair value for the units measured against the 1-year operational sales goal tied to the 2012 fiscal year and EPS are calculated on the grant date and discounted for dividends because dividends are not paid on PSUs during the vesting period. The grant date fair value was $58.148 per PSU based on the average of the high and low prices of our common stock on the NYSE on the grant date and discounted by an expected dividend yield of 3.60%.

TSR: The grant date fair value for the units measured against relative TSR are calculated on the grant date using a Monte Carlo valuation by an independent third party. The grant date fair value was $50.827 per PSU.

RSUs. The grant date fair value of the RSU awards is calculated on the grant date and discounted for dividends because dividends are not paid on RSUs during the vesting period. The grant date fair value per RSU based on the average of the high and low prices of our common stock on the NYSE on the grant date and discounted by an expected dividend yield of 3.60%.

2012 RSU Fair Values		
Grant Date	1/17/2012	12/17/2012
Common Stock Fair Market Value (1)	$65.37	$70.99
Dividend yield	3.60%	3.60%
RSU Fair Value	$58.678	$66.087

(1) Average of the high and low prices of the company's Common Stock on the NYSE on the grant date.

Options. The fair value of each stock option award is calculated on the grant date using the Black-Scholes option valuation model based on the assumptions in the table below. The calculated expected life of an option is determined using historical data. Volatility represents a blended rate of a four-year daily historical average volatility rate and a five-week average implied volatility rate based on at-the-money traded Johnson & Johnson stock options with a life of two years. The risk-free rate is based on a U.S. Treasury rate of six years in effect at the time of grant.

2012 Stock Options Fair Value	
Grant Date	1/17/2012
Common Stock Fair Market Value (1)	$65.37
Risk Free Rate	1.06%
Expected Volatility	18.39%
Expected Life	6 yrs
Dividend Yield	3.60%
Fair Value	$6.392

(1) Average of the high and low prices of the company's Common Stock on the NYSE on the grant date.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information concerning the unexercised stock options outstanding and unvested RSUs and PSUs for each of the named executive officers as of fiscal year-end 2012.

A	B	C	D	E	F	G	H	I	J	K
			Options				Stock Awards			
			Number of Securities Underlying Unexercised Options (#)							
Name	Grant Date	Vesting Date	Exercisable	Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)	Equity Incentive Plans: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
A. Gorsky	2/8/10	2/9/13		119,770	$ 62.62	2/7/20	9,981	$693,480		
	1/10/11	1/11/14		144,695	62.20	1/8/21	12,058	837,790		
	1/17/12	1/18/15		231,951	65.37	1/14/22	16,845	1,170,391		
	2/13/12(1)	1/17/15					4,024	279,588	28,074	$ 1,950,582
D. Caruso	2/9/04	2/10/07	30,000		53.93	2/7/14				
	2/14/05	2/15/08	30,000		66.18	2/13/15				
	2/13/06	2/14/09	20,569		58.34	2/12/16				
	2/12/07	2/13/10	41,146		65.62	2/10/17				
	2/11/08	2/12/11	82,591		61.75	2/10/18				
	2/9/09	2/10/12	110,578		58.33	2/8/19				
	2/8/10	2/9/13		119,770	62.62	2/7/20	9,981	693,480		
	1/10/11	1/11/14		145,447	62.20	1/8/21	12,121	842,167		
	1/17/12	1/18/15		173,702	65.37	1/14/22	12,615	876,490		
	2/13/12(1)	1/17/15					3,013	209,343	21,024	1,460,748
P. Stoffels	2/14/05	2/15/08	24,000		66.18	2/13/15				
	2/12/07	2/13/10	29,168		65.62	2/10/17				
	2/11/08	2/12/11	19,109		61.75	2/10/18				
	2/8/10	2/9/13		24,521	62.62	2/7/20	18,391	1,277,807		
	1/10/11	1/11/14		24,920	62.20	1/8/21	18,690	1,298,581		
	1/17/12	1/18/15		160,133	65.37	1/14/22	11,629	807,983		
	2/13/12(1)	1/17/15					2,778	193,015	19,382	1,346,661
S. Peterson	12/17/12	12/18/13					21,689	1,506,952		
	12/17/12	12/18/14					21,689	1,506,952		
	12/17/12	12/18/15					21,688	1,506,882		
P. Fasolo	11/1/10	11/2/13		13,800	63.71	10/30/20	8,620	598,918		
	1/10/11	1/11/14		31,061	62.20	1/8/21	2,588	179,814		
	1/17/12	1/18/15		115,307	65.37	1/14/22	8,374	581,826		
	2/13/12(1)	1/17/15					2,000	138,960	13,956	969,663
W. Weldon	2/14/05	2/15/08	408,490		66.18	2/13/15				
	2/13/06	2/14/09	452,520		58.34	2/12/16				
	2/12/07	2/13/10	457,178		65.62	2/10/17				
	2/11/08	2/12/11	519,838		61.75	2/10/18				
	2/9/09	2/10/12	627,464		58.33	2/8/19				
	2/8/10	2/9/13		586,873	62.62	2/7/20	48,906	3,397,989		
	1/10/11	1/11/14		560,691	62.20	1/8/21	46,724	3,246,384		
	1/17/12	1/18/15		628,911	65.37	1/14/22	45,673	3,173,360		
	2/13/12(1)	1/17/15					10,911	758,096	76,122	5,288,957

(1) The PSUs based on the achievement of 2012 operational sales performance achieved 86.0% of target, as discussed on page 43. The portion of the award that is based on the achievement of 2012 operational sales performance has been adjusted to reflect actual performance and listed in columns H and I.

Market Value of Shares or Units of Stock That Have Not Vested (Column I)

The market value of unvested RSUs included in column I was calculated using the closing price of our common stock on the NYSE on December 28, 2012, which was the last business day of fiscal 2012, of $69.48.

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Option Exercises and Stock Vested

The following table provides information concerning the exercises of stock options during fiscal 2012 on an aggregated basis and RSUs vested during 2012 for each of the named executive officers.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized Upon Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized Upon on Vesting ($)
A. Gorsky	0	$ 0	20,791	$ 1,353,286
D. Caruso	20,400	414,528	9,215	599,804
P. Stoffels	17,500	7,350	22,347	1,454,566
S. Peterson	0	0	0	0
P. Fasolo	0	0	0	0
W. Weldon	772,745	10,642,248	52,289	3,403,491

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Pension Benefits

The following table provides information as of fiscal year-end 2012 with respect to our pension plans for each of the named executive officers. For a complete understanding of the table, please read the narrative disclosures that follow the table.

Name	Plan Name	Number of Years Credited Service (#)	Normal Retirement Age [(1)]	Present Value of Accumulated Benefit ($)
A. Gorsky	Salaried Pension Plan Excess Pension Plan	20.41	62	$ 644,000 4,753,000
D. Caruso	Salaried Pension Plan Excess Pension Plan	13.00	62	449,000 3,134,000
P. Stoffels	Salaried Pension Plan Excess Pension Plan	19.33	62	553,000 2,949,000
S. Peterson	Salaried Pension Plan Excess Pension Plan	0	62	0 0
P. Fasolo	Salaried Pension Plan Excess Pension Plan	5.17	62	132,000 370,000
W. Weldon	Salaried Pension Plan Excess Pension Plan	41.33	64	1,924,000 49,687,000

(1) Normal retirement age is calculated as the greater of 62 or the employee's age as of fiscal year-end 2012.

Each of the named executive officers participates in the same defined benefit pension plans offered to other U.S. non-union employees. (Ms. Peterson has not yet met the one year of service eligibility requirement to participate in the plan.) Annuity benefits payable under the U.S. plans are calculated as:

(1) Final average earnings multiplied by 1.667%, multiplied by years of service prior to 2005, *plus*

(2) Final average earnings multiplied by 1.55%, multiplied by years of service after 2004, *minus*

(3) Age 65 Social Security benefits multiplied by 1.429%, multiplied by total years of service.

For this formula, "final average earnings" is defined as the average of the highest consecutive 60 months out of the last 120 months of pay, including base salary and bonus, and dividend equivalents paid or deferred on nonvested CLCs for years prior to 2009. The formula above produces the amount payable as a monthly annuity for the life of the named executive officer beginning as early as age 62. Benefits can begin as early as age 55, but are subject to a 4% per year reduction for the number of years before age 62 that benefits begin.

The Salaried Pension Plan applies this formula to pay up to the IRS's covered compensation limit ($250,000 in 2012). The Excess Pension Plan is a restorative supplemental retirement plan that uses the same formula (including the definition of final average earnings) as the Salaried Pension Plan without applying the IRS pay limits and is offset by amounts paid from the Salaried Pension Plan. Any U.S. non-union employee participates in the Excess Pension Plan if his or her covered compensation exceeds the IRS limit.

Because Dr. Stoffels has provided periods of service in both Belgium and the U.S., his total Salaried Plan amount includes benefits from both the U.S. and Belgian Plans. The U.S. portion is calculated using the U.S. formula above for all service and subtracting the amount earned in the Belgian Plan. This treatment of service rendered outside the U.S. applies to all participants in the Salaried Plan who earned company service outside the U.S. before joining the U.S. pension plan.

While a present value is shown in the table, benefits are not available as a lump sum and must be taken in the form of an annuity, except the Belgian portion of Dr. Stoffels' benefit which is payable as a lump sum at retirement. Present values were calculated using the same actuarial assumptions applied in the calculation of pension liabilities reported in our 2012 Annual Report (discount rate of 4.47%, and mortality according to the RP-2000 table projected to 2020).

No payments were made in 2012 under our pension plans to any of the named executive officers.

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Non-Qualified Deferred Compensation

The following table provides information with respect to our defined contribution and non-tax-qualified compensation deferral plans for each of the named executive officers for 2012. For a complete understanding of the table, please read the narrative disclosures that follow the table.

A	B	C	D	E
Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Balance at Last FYE ($)
A. Gorsky	$ 0	$ 1,625,015	$ 85,803	$ 4,500,871
D. Caruso	145,579	1,520,665	260,257	10,550,322
P. Stoffels	0	923,888	113,355	6,408,304
S. Peterson	0	0	0	0
P. Fasolo	0	116,846	3,571	132,180
W. Weldon	0	6,337,711	4,400,826	105,848,944

Executive Contributions in Last Fiscal Year (Column B)

The amounts reported in column B include amounts deferred in the last fiscal year under the Executive Income Deferral Plan, which allows eligible employees to defer up to 50% of base salary and 100% of annual performance bonus.

Registrant Contributions in Last Fiscal Year (Column C)

The amounts reported in column C include company contributions to each of the named executive officer's Excess Savings Plan and International Savings Plan accounts. These amounts also include the value of CLCs and CLPs that vested during the fiscal year, calculated using the fiscal year-end 2011 CLC unit value of $37.16 and fiscal year-end 2011 CLP unit value of $4.22. The value of CLCs and CLPs that vested during the fiscal year is also included in column G of the Summary Compensation Table on page 52 of this Proxy Statement. The specific amounts included in column C are shown below.

Name	Registrant Contribution to Excess Savings Plan ($)	Value of CLCs Vested in Last FY ($)	Value of CLPs Vested in Last FY ($)	Total ($)
A. Gorsky	$ 37,673	$ 891,840	$ 695,502	$ 1,625,015
D. Caruso	24,587	743,200	752,878	1,520,665
P. Stoffels	25,892	445,920	452,076	923,888
S. Peterson	0	0	0	0
P. Fasolo	12,815	0	104,031	116,846
W. Weldon	48,176	3,901,800	2,387,735	6,337,711

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Aggregate Earnings in Last Fiscal Year (Column D)

The amounts reported in column D include earnings on the Executive Income Deferral Plan, Excess Savings Plan, and International Savings Plan, in addition to the change in value on all vested CLCs and CLPs as of the fiscal year-end. The CLC unit value increased from $37.16 as of fiscal year-end 2011 to $37.81 as of fiscal year-end 2012. The CLP unit value increased from $4.22 as of fiscal year-end 2011 to $4.28 as of fiscal year-end 2012. The specific amounts included in column D are shown below.

Name	Earnings / (Losses) on Income Deferral Program and Excess and Int'l Savings Plans ($)	Change in Value on All Vested CLCs at Last FYE ($)	Change in Value on All Vested CLPs at Last FYE ($)	Total ($)
A. Gorsky	$ 14,247	$ 56,550	$ 15,006	$ 85,803
D. Caruso	100,816	142,350	17,091	260,257
P. Stoffels	6,751	96,850	9,754	113,355
S. Peterson	0	0	0	0
P. Fasolo	2,092	0	1,479	3,571
W. Weldon	3,013,473	1,335,750	51,603	4,400,826

Aggregate Balance at Last Fiscal Year-End (Column E)

The amounts reported in column E include the full balance of the Executive Income Deferral Plan, Excess Savings Plan, and International Savings Plan for each of the named executive officers. These amounts also include the full value of all vested CLCs ($37.81) and CLPs ($4.28) held by each named executive officer as of fiscal year-end 2012. The specific amounts included in column E are shown below.

Name	Full Balance of Income Deferral Plan and Excess and Int'l Savings Plans ($)	Full Value of All Vested CLCs at Last FYE ($)	Full Value of All Vested CLPs at Last FYE ($)	Total ($)
A. Gorsky	$ 140,977	$ 3,289,470	$ 1,070,424	$ 4,500,871
D. Caruso	1,050,791	8,280,390	1,219,141	10,550,322
P. Stoffels	78,840	5,633,690	695,774	6,408,304
S. Peterson	0	0	0	0
P. Fasolo	26,669	0	105,511	132,180
W. Weldon	24,468,350	77,699,550	3,681,044	105,848,944

Except for Ms. Peterson, each of the named executive officers participates in two or more of the following non-tax qualified deferred compensation programs: Excess Savings Plan (all named executive officers), Executive Income Deferral Plan (all named executive officers), CLC and CLP Plans (all named executive officers), and International Savings Plan (Mr. Weldon).

Johnson & Johnson's 401(k) Savings Plan provides a matching contribution of 4.5% of base salary for employees contributing at least 6% of base salary. Base salary covered under this plan is limited by the IRS (to $250,000 in 2012). The Excess Savings Plan credits an unfunded account for each individual with 4.5% of the amount of the base salary in excess of the IRS limit. The rate of earnings credited to these Excess Savings Plan accounts is equal to actual earnings in the Balanced Fund investment option within our 401(k) Savings Plan (14.10% in 2012). Distribution of Excess Savings Plan account balances will be made as a single lump sum six months after retirement or separation, unless the participant made an irrevocable deferral or installment election before December 15, 2008.

Mr. Weldon worked at Johnson & Johnson locations outside of the United States where no U.S. tax-qualified savings plan was available. As a result, accounts in the International Savings Plan were credited with 3% of base salary for those periods. The rate of earnings credited to the International Savings Plan accounts is equal to actual earnings in the Fixed Interest Fund investment option within our 401(k) Savings Plan (2.25% in 2012). Distribution of International Savings Plan accounts are made upon retirement or separation from the company.

Under the Executive Income Deferral Program, the named executive officers are eligible to defer up to 50% of base salary and 100% of performance bonus until they retire from the company. Distribution of amounts deferred before 2005 can begin up to 10 years after separation or retirement and be paid as a lump sum or in up to 15 annual installments. Payment of amounts deferred after 2004 begins on the later of (i) six months after retirement; or (ii) January of the year following retirement. Deferred amounts are credited with earnings equal to the actual return on the following investment options: Johnson & Johnson Common Stock, One-Year Treasury Bills, or the investment options within our 401(k) Savings Plan. The allocation among these options is elected by the executive officer. For 2012, the aggregate return on our Common Stock for these participants was 10.18%. None of the named executive officers had amounts allocated to the One Year Treasury Bill option in 2012.

No withdrawals or distributions were made to any of the named executive officers under any of our defined contribution or non-tax-qualified compensation deferral plans in 2012.

Potential Payments Upon Termination

Our named executive officers are covered by our broad-based, non-discriminatory separation program which provides benefits to certain full-time U.S. employees who are involuntarily terminated, based on level. This coverage provides for two weeks of base salary for each year of service, with a minimum of twelve weeks.

Pursuant to Ms. Peterson's employment agreement, if within 36 months from her start date, Ms. Peterson is terminated for any reason other than cause or resigns for good reason as defined in her agreement, Ms. Peterson is entitled to receive a lump sum cash payment equal to 52 weeks of base salary. After 36 months of employment, Ms. Peterson will be covered under the same severance program as the other named executive officers.

With the exception of Ms. Peterson, none of the named executive officers are covered by any special arrangements or agreements regarding benefits or payments upon termination.

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